

ANNUAL BUDGET OF

ELUNDINI LOCAL MUNICIPALITY



2020/2021 TO 2021/2023
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

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

ℓ	litre	OHS	Occupational Health and Safety
LED	Local Economic Development	OP	Operational Plan
MEC	Member of the Executive Committee	PBO	Public Benefit Organisations
MFMA	Municipal Financial Management Act Programme	PHC	Provincial Health Care
MIG	Municipal Infrastructure Grant	PMS	Performance Management System
MMC	Member of Mayoral Committee	PPE	Property Plant and Equipment
MPRA	Municipal Properties Rates Act	PPP	Public Private Partnership
MSA	Municipal Systems Act	PTIS	Public Transport Infrastructure System
MTEF	Medium-term Expenditure Framework	RG	Restructuring Grant
MTREF	Medium-term Revenue and Expenditure Framework	RSC	Regional Services Council
NERSA	National Electricity Regulator South Africa	SALGA	South African Local Government Association
NGO	Non-Governmental organisations	SAPS	South African Police Service
NKPIs	National Key Performance Indicators	SDBIP	Service Delivery Budget Implementation Plan
		SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

In his Budget Speech to Parliament on 20 February 2019, the Minister of Finance said: The budget is built on these seven fundamental pillars of our approach.

- Strengthening the macroeconomic framework to deliver certainty, transparency and lower borrowing costs.
- Focusing spending on education, health and social development
- Modernising “network industries” and restructuring our state-owned enterprises.
- Opening markets to trade with the rest of the continent
- Implementing a re-imagined industrial strategy
- Lowering the cost of doing business
- Focusing on job-creating sectors, such as agriculture and tourism

Importantly within our limited resources as Elundini municipality we must strive to achieve excellence in changing people's lives.

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

The Municipality reaffirms its commitment to the achievement of the goals enshrined within the Integrated Development Plan, namely:

- Accelerate service delivery and infrastructure development
- Promote economic growth, environmental sustainability and creation of decent jobs
- To improve the effectiveness of governance administrative and financial systems

In the year ahead, the Municipality will further strengthen its capacity to implement the adopted Budget, so as to positively impact on the lives of residents.

The Council of Elundini is fully aware of service delivery backlog that has confronted our people over the years. The slow rate of economic growth, coupled with other competing demands has put additional strain to the national fiscus. Rural municipalities that rely on government grants are likely to suffer the most due to reductions in allocations from the national fiscus.

This budget has prioritized service delivery and is thus, responsive to the needs of our communities. Our communities has entrusted us with improving their lives over the next 5 year and our intention is to deliver to the best of our abilities. The following key priorities are highlighted:

- Our internal roads are an integral part of our economic development initiatives. R57.1 million has been appropriated towards roads infrastructure for the budget year. This allocation is R127.7 million over the MTREF;

- R36.7 million has been allocated through division of revenue for infrastructure projects;
- R14.5 million has also been appropriated towards electrification of some of our communities
- It also includes allocation from the Department of Energy in order to provide access to electricity in the rural villages
- R15.8 million has been allocated towards Free Basic Services in respect of property rates, electricity and refuse removal. Our municipal area is confronted with high levels of unemployment.

We continue to engage our stakeholders such as Human settlement, Health, Public Works and Education with the view to accelerated service delivery.

One of the biggest reform introduced by the National Treasury is the Municipal Standard Chart of Accounts (m-SCOA). This reform has changed the way we plan as municipalities. It is hoped that this reform will deliver on its intended objectives of stream-lining financial management and enhance planning and accountability.

I would also like to thank the community for their involvement during this budget process. My executive committee was also my pillar of strength throughout this process. Last, but not least, my gratitude goes to the Municipal Manager and his team for the undying support gave to us, the political leadership.

COUNCILLOR N.LENGS

MARCH 2020

1.2 Council Resolution

On 31th March 2020 the Mayor of Elundini Municipality will table the draft budget for 2020/2021, 2021/2022 and 2022/2023 financial years. The following resolutions will be taken:

1. The Council of Elundini Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) tables:
 - 1.1. The annual budget of the municipality for the financial year 2019/20 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table A6
 - 1.2.2. Budgeted Cash Flows as contained in Table A7
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8
 - 1.2.4. Asset management as contained in Table A9
 - 1.2.5. Basic service delivery measurement as contained in Table A10
2. The Council of Elundini Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2020:
 - 2.1. the tariffs for property rates, electricity and solid waste – as set out on the tariff list attached.
 - 2.2. The budget related policies being Property rates policy, Virement policy, Cash & Investment policy, Budget monitoring policy and Tariff policy
3. The Council of Elundini Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2020 the tariffs for other services, as set out in the tariff list attached.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that 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. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

The Municipality has embarked on implementing revenue enhancement strategy 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. 99 was used to guide the compilation of the 2021/23 MTREF.

The main challenges experienced during the compilation of the 2021/23 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Inadequate resources to reduce roads and electricity infrastructure backlogs;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk 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 point where services will no-longer be affordable;
- Salary budget increases for municipal staff due to a critical need to fill critical vacancies;

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

- The 2019/20 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 2020/21 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk 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;

- There's also a budget allocation set for the following items:
 - Special Projects;
 - Consultant Fees;
 - Furniture and office equipment;
 - Special Events;
 - Refreshments and entertainment;
 - Subsistence, Travelling & Conference fees (national & international).

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

Table A1 Consolidated Overview of the 2019/20 MTREF

R thousand	Adjustments Budget 2019/2020	Budget Year 2020/2021	Budget Year 2021/2022	Budget Year 2022/2023
Total Operating Revenue	377.3	R332	R337.3	R350.2
Total Operating Expenditure	311.7	R370.1	R377.0	R391.8
(Surplus)/Deficit	65.7	R(38.1)	R(39.7)	R (41.5)
Total Capital Expenditure	88.0	R 81.5	R59.9	R 63.0

Total operating revenue has decreased by 12 per cent or R45 million for this financial year when compared to the previous financial year on budgeted revenue. For the two outer years, operational revenue increased by 1.5% and 3.7%.

Total operating expenditure grown by 15% or R59m for this financial year when compared to previous financial year budgeted expenditure. For two outer years, operating expenditure increased by 2% and 4%. Operating expenditure has been appropriated at R370.7 million, R377m and R391.8m for the two outer years and translates into a budgeted deficit of (R38.1) million, R(39.7)m and R(41.5)m for the two outer years and this deficit relates to non-cash expenditure items being Depreciation costs. The municipality does not have enough resources to cater for non- cash expenditure items for this MTREF. The municipality should develop a revenue enhancement strategy to address the deficit within the MTREF.

The capital program is positioned to R81.5 million, R59.9 and R63 million in the outer years. A substantial portion of the capital budget will be funded by government grants from National and Provincial Government over the MTREF. The balance will be funded from internally generated funds.

1.4 Operating Revenue Framework

In order for Elundini 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.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent 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);
- 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 municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2021/2023 MTREF (classified by main revenue source):

Table A4 Summary of revenue classified by main revenue source

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	17 218	17 501	23 203	29 932	29 932	29 932	-	31 309	32 749	34 256
Service charges - electricity revenue	2	19 233	24 734	29 137	34 391	34 391	34 391	-	35 973	37 628	39 359
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	4 759	685	4 145	7 461	3 041	3 041	-	3 223	3 372	3 527
Rental of facilities and equipment		1 575	1 463	8 235	9 459	9 459	9 459	-	9 894	10 349	10 825
Interest earned - external investments		4 539	4 778	5 515	2 568	4 500	4 500	-	4 707	4 924	5 150
Interest earned - outstanding debtors		1 804	1 899	1 970	1 369	5 618	5 618	-	5 933	6 206	6 491
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		472	368	1 166	259	259	259	-	271	284	297
Licences and permits		2 371	2 014	2 796	2 217	2 217	2 217	-	2 318	2 425	2 537
Agency services		-	-	-	520	520	520	-	544	569	595
Transfers and subsidies		152 226	168 566	173 496	159 791	180 791	180 791	-	192 734	196 456	202 761
Other revenue	2	1 308	8 946	1 287	30 000	41 285	41 285	-	44 634	41 857	43 933
Gains		-	-	-	448	448	-	-	468	490	513
Total Revenue (excluding capital transfers and contributions)		205 505	230 953	250 951	278 415	312 462	312 014	-	332 010	337 308	350 243
Expenditure By Type											
Employee related costs	2	70 300	79 764	98 972	100 012	104 900	104 900	-	113 948	119 189	124 672
Remuneration of councillors		10 229	12 028	12 028	12 736	12 736	12 736	-	13 851	14 488	15 154
Debt impairment	3	9 185	1 686	10 085	1 773	1 773	1 773	-	2 061	2 156	2 255
Depreciation & asset impairment	2	26 956	32 793	30 157	34 498	34 498	34 498	-	36 085	37 745	39 481
Finance charges	2	1 205	1 370	1 489	56	56	56	-	209	218	228
Bulk purchases	2	21 295	20 023	20 821	30 757	30 757	30 757	-	32 171	33 651	35 199
Other materials	8	9 619	13 480	-	1 705	1 902	1 902	-	1 759	1 840	1 925
Contracted services		2 727	2 380	69 241	47 295	70 801	70 801	-	101 542	96 106	97 946
Transfers and subsidies		-	-	2 428	-	-	-	-	-	-	-
Other expenditure	4, 5	72 770	79 714	42 763	54 731	54 327	54 327	-	68 531	71 684	74 981
Losses		-	-	1 259	-	-	-	-	-	-	-
Total Expenditure		224 288	243 237	289 243	283 563	311 750	311 750	-	370 156	377 077	391 841
Surplus/(Deficit)											
		(18 783)	(12 284)	(38 292)	(5 148)	712	264	-	(38 146)	(39 769)	(41 598)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		41 386	70 276	59 981	78 306	64 906	64 906	-	51 288	39 769	42 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
Surplus/(Deficit) after capital transfers & contributions		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907

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.

Our total revenue mix comprises of revenue generated from rates and services charges which are Electricity and solid waste and other revenue derived from rentals, plant income investment income and others.

1.4.1 Property rates

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

Revenue generated from Property Rates totals to R31.3 million for the budget year and has increased to R32.7 million and R34.2 million for the two outer years.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 35 per cent rebate will be granted on all residential properties (including state owned residential properties);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

1.4.2 Revenue from Services

Electricity

Electricity and Solid waste services are the main revenue sources for the municipality. Revenue generated from **Electricity** totals to R35.9 million for the budget year and increases to R37.6 million and R39.3 million for the two outer years. NERSA has not announced the revised bulk electricity pricing structure yet. Therefore 6 percent which is a maximum increase allowed by Treasury on circular 99 has been used on the tariff structure and will be will be effective from 1 July 2020.

Considering the Eskom increases, the consumer tariff had to be increased by 6% to offset the additional bulk purchase cost from 1 July 2020. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge. In addition those residential customers that are not registered as indigent, but that consume less than 50 kWh per 30-day period will receive 50 kWh free of charge.

Currently Electricity is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of Electricity function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. Currently the smart meters are being installed in order to minimize the electricity losses.

Solid Waste

Revenue generated from **Solid waste** totals to R3.2 million for the budget year and increases to R3.3 million and R3.5 million for the two outer years. An increase of 6% has been applied as this service is operating at a deficit. It must also be noted that an amount of free basic refuse has been reduced from the total revenue expected from refuse removal.

These services are operating at a deficit, the revenue derived from these services is unable to cover expenditure in relation to these services. It is important that the municipality should consider come up with a cost recovery strategy to ensure that they are cost reflective. It is widely accepted that the rendering of this service should at least break even, which is currently not the case.

The Municipality will have to implement a revenue enhancement strategy to ensure that this service can be rendered in a more sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration as well as to some extent lack of billing of commercial businesses in terms of the recognized Polluter Pays Principle as outline in the National Waste Management Strategy of 2008. Considering the deficit, it is recommended that a comprehensive investigation into the possibility of reviewing our approach to billing in terms of the existing tariff structure as approved by Council.

1.4.3 Other Revenue

Other sources of revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, vat income, investment income and interest from debtors. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

1.4.5 Operating Grants

Operating grants and transfers totals R192.7 million in the budget year and steadily increases to R196.4 million and R202.7 for the two outer years. The following table gives a breakdown of the revenue and operating grants and subsidies allocated to the municipality over the medium term:

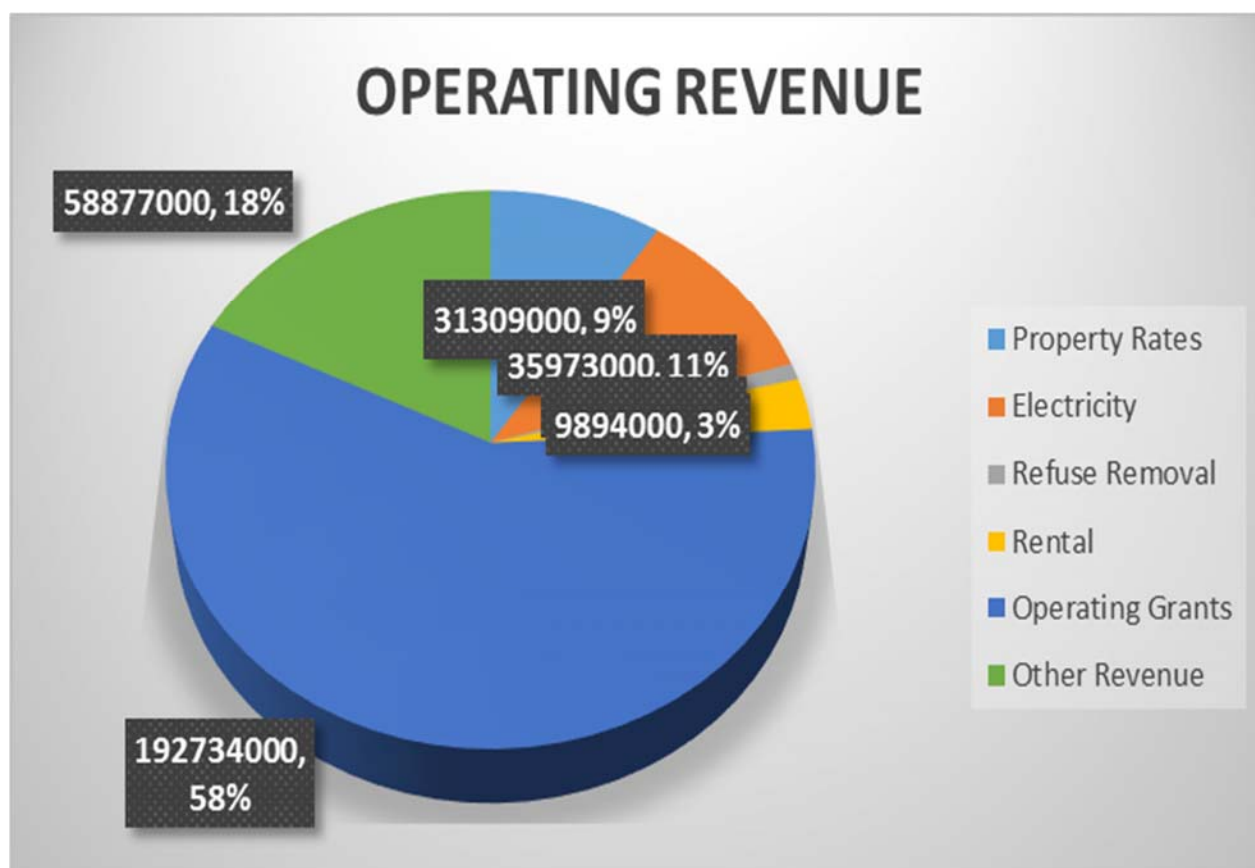


Table SA18 Operating Transfers and Grant Receipts

Choose name from list - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		148 058	168 465	-	159 041	180 041	-	191 984	195 706	202 011
Local Government Equitable Share		127 070	134 116		152 511	152 511		161 277	170 913	178 602
EPWP Incentive		1 863	2 649		2 883	2 883		3 333	-	-
Integrated National Electrification Programme		17 500	30 000		-	21 000		18 739	21 000	19 500
Energy Efficiency and Demand Management		-	-		-	-		5 000	-	-
Finance Management		1 625	1 700		1 700	1 700		1 700	1 700	1 700
		-	-		-	-		-	-	-
Municipal Infrastructure Grant					1 947	1 947		1 935	2 093	2 209
Provincial Government:		750	750	-	750	750	-	750	750	750
Sport and Recreation		750	750		750	750		750	750	750
Sport and Recreation										
Sport and Recreation										
Financial Management Grant										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Operating Transfers and Grants	5	148 808	169 215	-	159 791	180 791	-	192 734	196 456	202 761
Capital Transfers and Grants										
National Government:		42 250	69 622	-	58 001	37 001	-	36 768	39 769	42 505
Municipal Infrastructure Grant (MIG)		42 250	39 587		37 001	37 001		36 768	39 769	42 505
		-	30 035							
INEP					21 000	-				
Provincial Government:		-	-	-	20 305	27 905	-	14 520	-	-
Premious office					20 305	27 905		14 520	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Capital Transfers and Grants	5	42 250	69 622	-	78 306	64 906	-	51 288	39 769	42 505
TOTAL RECEIPTS OF TRANSFERS & GRANTS		191 058	238 837	-	238 097	245 697	-	244 022	236 225	245 266

1.4.6 Tariff-Setting

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The table below indicates the tariffs increases as per circular No. 99 and Nersa guidelines in tariff determination.

Catergory	2019/2020 Budget Year	2020/2021 Budget Year	2021/2022 Budget Year	2022/2023 Budget Year
Property Rates	5.2%	4.6%	4.6%	4.6%
Electricity	6%	6%	6%	6%
Solid waste	6%	6%	6%	6%

The following table compares **Solid Waste's** current and proposed amounts payable from 1 July 2020 with previous year's tariffs:

Refuse Removal - Per Month	2019/2020	2020/2021
Households	R125.52	R133.05
Business	R249.16	R264.10
Townships	R51.72	R 54.82
Loads per removal Business & Refuse garden	R379.36	R402.12
Building Rubble per Load	R702.50	R 744.65
Use of refuse site where the public off load refuse - Price is per cubic meter(Prepaid Coupon)	R34.13	R 36.17
Illegal Dumping- Fine	R4552.32	R 4825.45

Electricity's current and proposed amounts that will be payable from 1 July 2020 are detailed on the tariff list which will be approved as the budget related document.

1.4.7 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

1.5 Operating Expenditure Framework

The municipality's expenditure framework for the MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

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

Table A4 Summary of operating expenditure by standard classification item

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	17 218	17 501	23 203	29 932	29 932	29 932	-	31 309	32 749	34 256
Service charges - electricity revenue	2	19 233	24 734	29 137	34 391	34 391	34 391	-	35 973	37 628	39 359
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	4 759	685	4 145	7 461	3 041	3 041	-	3 223	3 372	3 527
Rental of facilities and equipment		1 575	1 463	8 235	9 459	9 459	9 459	-	9 894	10 349	10 825
Interest earned - external investments		4 539	4 778	5 515	2 568	4 500	4 500	-	4 707	4 924	5 150
Interest earned - outstanding debtors		1 804	1 899	1 970	1 369	5 618	5 618	-	5 933	6 206	6 491
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		472	368	1 166	259	259	259	-	271	284	297
Licences and permits		2 371	2 014	2 796	2 217	2 217	2 217	-	2 318	2 425	2 537
Agency services		-	-	-	520	520	520	-	544	569	595
Transfers and subsidies		152 226	168 566	173 496	159 791	180 791	180 791	-	192 734	196 456	202 761
Other revenue	2	1 308	8 946	1 287	30 000	41 285	41 285	-	44 634	41 857	43 933
Gains		-	-	-	448	448	-	-	468	490	513
Total Revenue (excluding capital transfers and contributions)		205 505	230 953	250 951	278 415	312 462	312 014	-	332 010	337 308	350 243
Expenditure By Type											
Employee related costs	2	70 300	79 764	98 972	100 012	104 900	104 900	-	113 948	119 189	124 672
Remuneration of councillors		10 229	12 028	12 028	12 736	12 736	12 736	-	13 851	14 488	15 154
Debt impairment	3	9 185	1 686	10 085	1 773	1 773	1 773	-	2 061	2 156	2 255
Depreciation & asset impairment	2	26 956	32 793	30 157	34 498	34 498	34 498	-	36 085	37 745	39 481
Finance charges		1 205	1 370	1 489	56	56	56	-	209	218	228
Bulk purchases	2	21 295	20 023	20 821	30 757	30 757	30 757	-	32 171	33 651	35 199
Other materials	8	9 619	13 480	-	1 705	1 902	1 902	-	1 759	1 840	1 925
Contracted services		2 727	2 380	69 241	47 295	70 801	70 801	-	101 542	96 106	97 946
Transfers and subsidies		-	-	2 428	-	-	-	-	-	-	-
Other expenditure	4, 5	72 770	79 714	42 763	54 731	54 327	54 327	-	68 531	71 684	74 981
Losses		-	-	1 259	-	-	-	-	-	-	-
Total Expenditure		224 288	243 237	289 243	283 563	311 750	311 750	-	370 156	377 077	391 841
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(18 783)	(12 284)	(38 292)	(5 148)	712	264	-	(38 146)	(39 769)	(41 598)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	41 386	70 276	59 981	78 306	64 906	64 906	-	51 288	39 769	42 505
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907

1.5.1 Employee Related Costs

The budgeted allocation for employee related costs for the budget year totals R113.4 million, which equals 31 per cent of the total operating expenditure. A three year collective SALGBC agreement, is still valid and it stipulates that with effect from 01 July 2020, an increase based on the projected CPI percentage for 2020 (4.6%), plus one comma five percent (1.5%). Employee related costs will increase by 8.75% including 2.5% notch increase.

As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized upwards. As part of the planning assumptions and interventions no new vacancies have been provided in this budget except positions that were identified and

funded in the previous financial year and were not filled for various reasons. The municipality has budgeted for a deficit therefore it is impossible to increase expenditure,

1.5.2 Remuneration of Councilors

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. Budget appropriation in this regard totals to R13.8 million and equates to 4 percent of the total operating expenditure.

1.5.3 Debt impairment Provision

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the municipality. For the budget year this amount equates to R2.0 million and equates to 0.5% of the total operating expenditure and escalates to R2.1million and R2.2 million for the two outer years. 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.

1.5.4 Depreciation Provision

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation in this regard refers to the systematic write off of assets over their useful lives. Budget appropriations in this regard total R36 million for the budget year financial and equates to 9.5 % of the total operating expenditure.

1.5.5 Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Budget appropriations in this regard total to R32.1 million for the budget year and equates to 8.5 percent of the total operating budget. The expenditure includes distribution losses.

1.5.6 Other Material

Since the implementation of mSCOA repairs and maintenance are no longer budgeted as the line item on the budget but as the project. Therefore we do not have an amount for Repairs and maintenance on A-schedule.

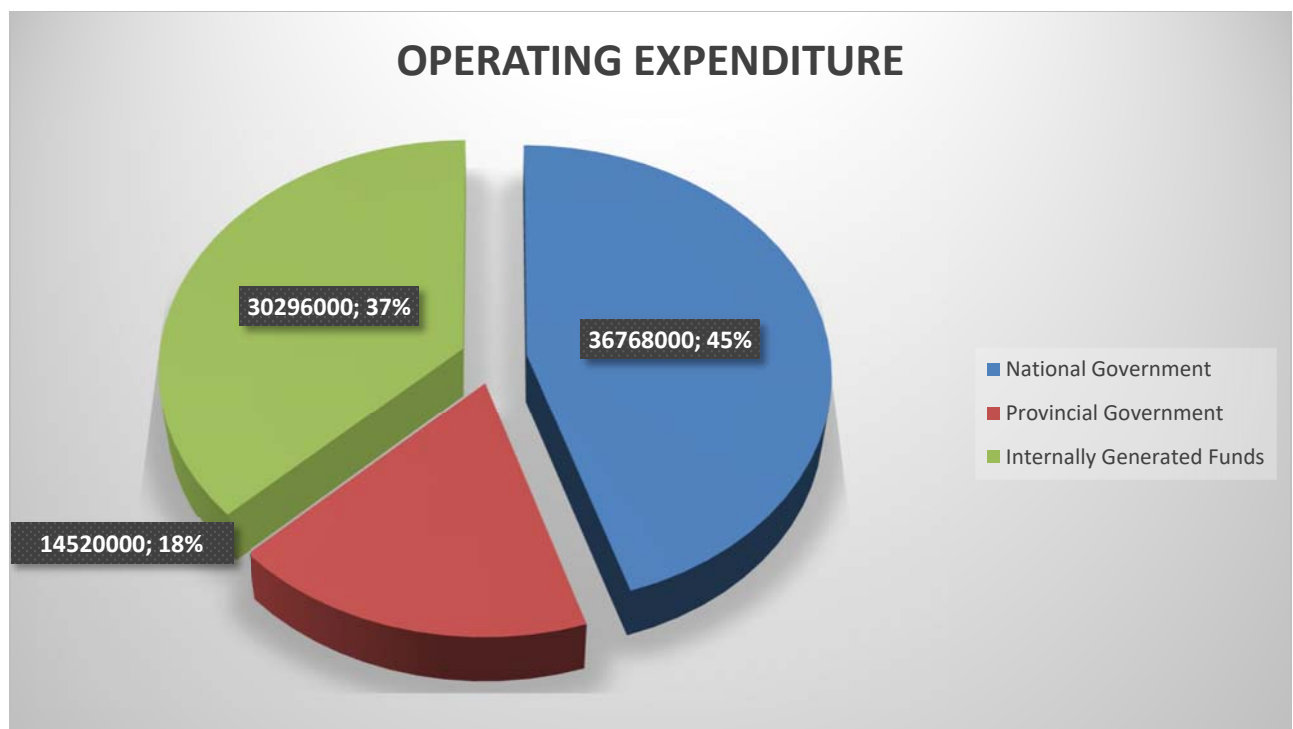
1.5.7 Contracted Services

Contracted expenditure totals to R101.5 million and equates to 27% of the total operating budget.

1.5.8 Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budget appropriations in this regard totals to R68.5 million and equates to 18 percent.

The following graph gives a breakdown of the main expenditure categories for the 2020/21 financial year.



Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 10 000 or more indigent households during this budget year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table SA21.

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. In this budget year the municipality made a provision of R15.88 million for free basic services.

1.5.11 Expenditure by major type

1. Bulk purchases have increased over the MTREF period escalating to R101million, R32.1 million and R33.6 million and R35.1 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
2. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

1.6 Capital expenditure

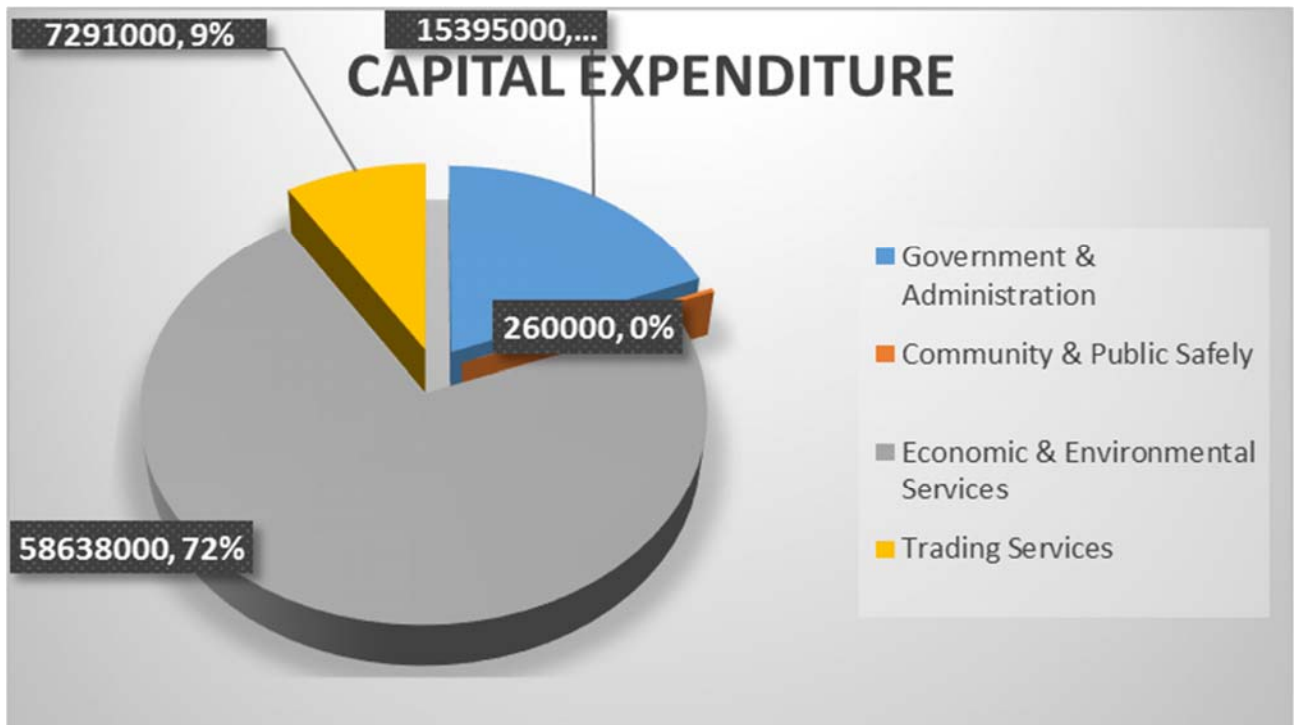
The following table provides a breakdown of budgeted capital expenditure by vote:

Table 2 2020/21 Medium-term capital budget per vote

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate dmin		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Strategic Planning Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Planning & 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 & Council		1 626	-	590	1 950	3 050	-	-	1 500	1 569	1 641
Vote 2 - Budget and Treasury		10 521	19 259	12 498	2 627	2 627	-	-	7 745	8 101	8 474
Vote 3 - Corporate dmin		1 352	-	239	2 350	2 350	-	-	6 150	6 433	6 729
Vote 4 - Community Services		1 474	-	1 874	2 334	3 045	-	-	3 340	3 494	3 654
Vote 5 - Strategic Planning Development		262	-	581	1 185	1 685	-	-	1 500	1 569	1 641
Vote 6 - Infrastructure Planning & Development		40 831	51 173	46 373	92 176	75 286	-	-	61 349	38 734	40 881
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		56 065	70 432	62 154	102 622	88 044	-	-	81 584	59 900	63 021
Total Capital Expenditure - Vote		56 065	70 432	62 154	102 622	88 044	-	-	81 584	59 900	63 021
Capital Expenditure - Functional											
Governance and administration		13 499	19 259	13 327	6 927	8 027	8 027	1 671	15 395	16 103	16 844
Executive and council		1 626	-	590	1 950	3 050	3 050	1 170	1 500	1 569	1 641
Finance and administration		10 521	19 259	12 737	4 977	4 977	4 977	501	13 895	14 534	15 203
Internal audit		1 352	-	-	-	-	-	-	-	-	-
Community and public safety		586	-	1 088	962	1 673	1 673	84	260	272	284
Community and social services		116	-	142	162	873	873	84	100	105	109
Sport and recreation		115	-	598	-	-	-	-	150	157	164
Public safety		355	-	348	800	800	800	10	10	10	11
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		37 631	51 173	46 954	64 202	72 812	72 812	43 462	58 638	35 898	37 915
Planning and development		262	-	581	1 185	1 685	1 685	557	1 500	1 569	1 641
Road transport		37 370	51 173	46 373	63 017	71 127	71 127	42 905	57 138	34 329	36 274
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		4 349	-	785	30 531	5 530	5 530	12 939	7 291	7 626	7 977
Energy sources		3 461	-	-	29 159	4 158	4 158	11 737	4 211	4 405	4 607
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		887	-	785	1 372	1 372	1 372	1 202	3 080	3 222	3 370
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	56 065	70 432	62 154	102 622	88 043	88 043	58 156	81 584	59 900	63 021
Funded by:											
National Government		31 964	51 173	46 307	58 001	37 001	37 001	35 286	36 768	39 769	42 505
Provincial Government		-	-	-	20 305	27 905	27 905	13 105	14 520	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	31 964	51 173	46 307	78 306	64 906	64 906	48 391	51 288	39 769	42 505
Borrowing	6										
Internally generated funds		24 101	19 259	15 847	24 316	23 138	23 138	9 765	30 296	20 131	20 516
Total Capital Funding	7	56 065	70 432	62 154	102 622	88 043	88 043	58 156	81 584	59 900	63 021

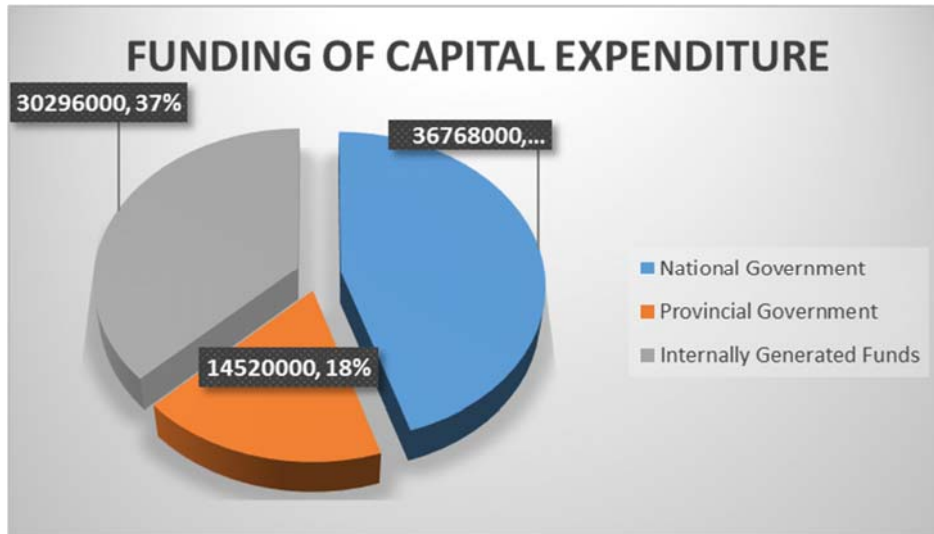
For this budget year an amount of R81.5 million has been appropriated for the development of infrastructure which represents 18 per cent of the total expenditure budget. The amount totals to R59.9 million and R63 million for the outer years.

The following graph gives a breakdown of the Capital expenditure by vote for the 2020/21 financial year.



1.6.1 FUNDING OF THE CAPITAL BUDGET

1. The capital programme is funded from National grants and internally generated funds from previous year surpluses. Capital transfers totals to R30.2 million and escalates to R20.1 million and R20.5million for the two outer years.
2. The graph below illustrate the funding sources for Capital Expenditure



1.7 Annual Budget Tables - Elundini Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 budget and MTREF as approved by the Council.

Each table is accompanied by *explanatory notes* on the facing page.

Explanatory notes to Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation indicates that the municipality is paying much attention in managing of its finances mainly building of internal reserves that can be cash-backed to fund the budget.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

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

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional	1									
<i>Governance and administration</i>		156 450	169 884	170 175	209 191	223 347	-	232 490	240 459	251 883
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		156 450	169 884	170 175	209 191	223 347	-	232 490	240 459	251 883
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 888	3 417	6 592	6 437	7 148	-	7 760	8 083	8 420
Community and social services		175	1 133	2 614	3 665	4 377	-	4 861	5 050	5 248
Sport and recreation		11	-	-	21	21	-	22	23	24
Public safety		2 702	2 284	3 978	2 750	2 750	-	2 877	3 009	3 148
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		45 498	72 691	68 299	74 826	82 926	-	70 034	59 447	62 568
Planning and development		80	84	62	2 084	2 584	-	2 601	2 790	2 937
Road transport		45 419	72 607	68 238	72 741	80 341	-	67 433	56 657	59 630
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		42 045	55 237	65 867	66 267	63 947	-	73 013	69 053	69 764
Energy sources		36 769	54 552	59 744	58 807	60 907	-	65 549	64 734	65 245
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 276	685	6 123	7 461	3 041	-	7 463	4 320	4 518
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	246 882	301 228	310 932	356 721	377 368	-	383 298	377 041	392 634
Expenditure - Functional										
<i>Governance and administration</i>		113 196	136 483	127 892	172 839	142 025	-	164 983	172 572	180 353
Executive and council		29 857	30 031	45 757	50 850	51 262	-	56 481	59 079	61 797
Finance and administration		83 339	106 452	82 135	121 989	90 762	-	108 502	113 493	118 556
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		17 293	18 258	21 910	24 613	25 363	-	26 404	27 584	28 819
Community and social services		2 528	4 031	6 192	6 821	6 943	-	7 073	7 364	7 668
Sport and recreation		6 470	7 672	8 267	8 377	8 780	-	8 983	9 396	9 829
Public safety		7 525	6 554	7 451	9 414	9 639	-	10 348	10 824	11 322
Housing		769	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		42 583	21 006	57 657	57 029	58 569	-	71 879	75 185	78 644
Planning and development		8 594	7 540	7 133	14 898	16 189	-	19 573	20 474	21 415
Road transport		33 989	13 466	50 523	42 131	42 381	-	52 306	54 712	57 228
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		51 216	67 490	81 784	61 144	85 794	-	106 890	101 700	103 912
Energy sources		33 347	56 554	61 542	44 117	67 267	-	83 093	76 808	77 875
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		17 869	10 936	20 242	17 027	18 527	-	23 797	24 892	26 037
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	224 288	243 237	289 243	315 624	311 750	-	370 156	377 042	391 728
Surplus/(Deficit) for the year		22 593	57 991	21 689	41 096	65 618	-	13 142	(0)	907

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for Electricity and Waste management functions. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue and Equitable share.

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

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote										
Vote 1 - Executive & Council	1	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		156 460	169 884	170 048	209 191	223 347	-	232 490	240 459	251 883
Vote 3 - Corporate Admin		-	-	127	-	-	-	-	-	-
Vote 4 - Community Services		8 164	4 101	12 714	13 898	10 189	-	15 224	12 402	12 938
Vote 5 - Strategic Planning Development		80	84	62	2 084	2 584	-	2 601	2 790	2 937
Vote 6 - Infrastructure Planning & Development		82 188	127 159	127 981	131 548	141 248	-	132 983	121 391	124 876
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	246 891	301 229	310 932	356 721	377 368	-	383 298	377 041	392 634
Expenditure by Vote to be appropriated										
Expenditure by Vote	1	29 857	30 031	45 757	50 850	51 262	-	56 481	59 079	61 797
Vote 2 - Budget and Treasury		63 601	86 154	59 635	52 721	53 121	-	66 811	69 884	72 941
Vote 3 - Corporate Admin		19 739	20 298	22 500	69 268	37 642	-	41 691	43 609	45 615
Vote 4 - Community Services		35 162	29 193	42 152	41 639	43 889	-	50 201	52 476	54 856
Vote 5 - Strategic Planning Development		8 594	7 540	7 133	10 707	16 189	-	19 573	20 474	21 415
Vote 6 - Infrastructure Planning & Development		67 336	70 021	112 065	90 439	109 648	-	135 398	131 520	135 103
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	224 288	243 237	289 243	315 624	311 751	-	370 156	377 042	391 727
Surplus/(Deficit) for the year	2	22 603	57 992	21 689	41 096	65 617	-	13 142	(0)	907

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

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

Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Properly rates	2	17 218	17 501	23 203	29 932	29 932	29 932	-	31 309	32 749	34 256
Service charges - electricity revenue	2	19 233	24 734	29 137	34 391	34 391	34 391	-	35 973	37 628	39 359
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	4 759	685	4 145	7 461	3 041	3 041	-	3 223	3 372	3 527
Rental of facilities and equipment		1 575	1 463	8 235	9 459	9 459	9 459	-	9 894	10 349	10 825
Interest earned - external investments		4 539	4 778	5 515	2 568	4 500	4 500	-	4 707	4 924	5 150
Interest earned - outstanding debtors		1 804	1 899	1 970	1 369	5 618	5 618	-	5 933	6 206	6 491
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		472	368	1 166	259	259	259	-	271	284	297
Licences and permits		2 371	2 014	2 796	2 217	2 217	2 217	-	2 318	2 425	2 537
Agency services		-	-	-	520	520	520	-	544	569	595
Transfers and subsidies		152 226	168 566	173 496	159 791	180 791	180 791	-	192 734	196 456	202 761
Other revenue	2	1 308	8 946	1 287	30 000	41 285	41 285	-	44 634	41 857	43 933
Gains		-	-	-	448	448	-	-	468	490	513
Total Revenue (excluding capital transfers and contributions)		205 505	230 953	250 951	278 415	312 462	312 014	-	332 010	337 308	350 243
Expenditure By Type											
Employee related costs	2	70 300	79 764	98 972	100 012	104 900	104 900	-	113 948	119 189	124 672
Remuneration of councillors		10 229	12 028	12 028	12 736	12 736	12 736	-	13 851	14 488	15 154
Debt impairment	3	9 185	1 686	10 085	1 773	1 773	1 773	-	2 061	2 156	2 255
Depreciation & asset impairment	2	26 956	32 793	30 157	34 498	34 498	34 498	-	36 085	37 745	39 481
Finance charges		1 205	1 370	1 489	56	56	56	-	209	218	228
Bulk purchases	2	21 295	20 023	20 821	30 757	30 757	30 757	-	32 171	33 651	35 199
Other materials	8	9 619	13 480	-	1 705	1 902	1 902	-	1 759	1 840	1 925
Contracted services		2 727	2 380	69 241	47 295	70 801	70 801	-	101 542	96 106	97 946
Transfers and subsidies		-	-	2 428	-	-	-	-	-	-	-
Other expenditure	4, 5	72 770	79 714	42 763	54 731	54 327	54 327	-	68 531	71 684	74 981
Losses		-	-	1 259	-	-	-	-	-	-	-
Total Expenditure		224 288	243 237	289 243	283 563	311 750	311 750	-	370 156	377 077	391 841
Surplus/(Deficit)		(18 783)	(12 284)	(38 292)	(5 148)	712	264	-	(38 146)	(39 769)	(41 598)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		41 386	70 276	59 981	78 306	64 906	64 906	-	51 288	39 769	42 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
Atributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907

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

3. Total revenue is 332 million in the budget year and escalates to R337 million and R350 for the outer years.
4. Revenue to be generated from property rates is R31.3 million in the budget year and increases to R32.7 million and R32.4 million in the outer years. The property Rates represents 5.7 per cent of the operating revenue base of the municipality and clearly shows that the municipality is grant depended it cannot sustain itself should the grants be taken away.
5. Services charges relating to electricity, and refuse removal constitutes the biggest component of the revenue basket of the municipality totaling R39.1 million in the budget year and increasing to R41 million and R42.8 million for the outer years. For the budget year services charges amount to 8 per cent of the total revenue base and grows by 9 per cent per annum over the medium-term.
6. Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are decreasing over the MTREF.

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

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate admin		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Strategic Planning Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Planning & 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 & Council		1 626	-	590	1 950	3 050	-	-	1 500	1 569	1 641
Vote 2 - Budget and Treasury		10 521	19 259	12 498	2 627	2 627	-	-	7 745	8 101	8 474
Vote 3 - Corporate admin		1 352	-	239	2 350	2 350	-	-	6 150	6 433	6 729
Vote 4 - Community Services		1 474	-	1 874	2 334	3 045	-	-	3 340	3 494	3 654
Vote 5 - Strategic Planning Development		262	-	581	1 185	1 685	-	-	1 500	1 569	1 641
Vote 6 - Infrastructure Planning & Development		40 831	51 173	46 373	92 176	75 286	-	-	61 349	38 734	40 881
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		56 065	70 432	62 154	102 622	88 044	-	-	81 584	59 900	63 021
Total Capital Expenditure - Vote		56 065	70 432	62 154	102 622	88 044	-	-	81 584	59 900	63 021
Capital Expenditure - Functional											
Governance and administration		13 499	19 259	13 327	6 927	8 027	-	-	15 395	16 103	16 844
Executive and council		1 626	-	590	1 950	3 050	-	-	1 500	1 569	1 641
Finance and administration		10 521	19 259	12 737	4 977	4 977	-	-	13 895	14 534	15 203
Internal audit		1 352	-	-	-	-	-	-	-	-	-
Community and public safety		586	-	1 088	962	1 673	-	-	260	272	284
Community and social services		116	-	142	162	873	-	-	100	105	109
Sport and recreation		115	-	598	-	-	-	-	150	157	164
Public safety		355	-	348	800	800	-	-	10	10	11
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		37 631	51 173	46 954	64 202	72 812	-	-	58 638	35 898	37 915
Planning and development		262	-	581	1 185	1 685	-	-	1 500	1 569	1 641
Road transport		37 370	51 173	46 373	63 017	71 127	-	-	57 138	34 329	36 274
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		4 349	-	785	30 531	5 530	-	-	7 291	7 626	7 977
Energy sources		3 461	-	-	29 159	4 158	-	-	4 211	4 405	4 607
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		887	-	785	1 372	1 372	-	-	3 080	3 222	3 370
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	56 065	70 432	62 154	102 622	88 043	-	-	81 584	59 900	63 021
Funded by:											
National Government		31 964	51 173	46 307	58 001	37 001	-	-	36 768	39 769	42 505
Provincial Government		-	-	-	20 305	27 905	-	-	14 520	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	31 964	51 173	46 307	78 306	64 906	-	-	51 288	39 769	42 505
Borrowing	6										
Internally generated funds		24 101	19 259	15 847	24 316	23 138	-	-	30 296	20 131	20 516
Total Capital Funding	7	56 065	70 432	62 154	102 622	88 043	-	-	81 584	59 900	63 021

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

3. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
4. Single-year capital expenditure has been appropriated at R81.5 million for the budget year and R59.9 million and R63 million for the two outer years.
5. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

Table A6 - Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS											
Current assets											
Cash		6 104	5 383	2 259	1 334	1 334	1 334		1 334	1 406	1 482
Call investment deposits	1	-	-	-	106 576	106 576	106 576	-	106 576	112 331	118 396
Consumer debtors	1	-	-	-	47 617	47 617	47 617	-	47 617	50 188	52 898
Other debtors		3 544	2 782	5 323	11 734	11 734	11 734		11 734	12 367	13 035
Current portion of long-term receivables		7 209	12 079	24 789					-		
Inventory	2				265	265	265		265	12 367	13 035
Total current assets		16 857	20 244	32 371	167 525	167 525	167 525	-	167 525	188 660	198 848
Non current assets											
Long-term receivables											
Investments											
Investment property		36 237	36 160	36 083	36 199	36 199	36 199		36 199	38 154	40 214
Investment in Associate											
Property, plant and equipment	3	-	-	-	378 257	378 257	378 257	-	378 257	398 682	420 211
Biological											
Intangible		227	0	0							
Other non-current assets											
Total non current assets		36 237	36 160	36 310	414 456	414 456	414 456	-	414 456	436 836	460 425
TOTAL ASSETS		53 095	56 404	68 681	581 981	581 981	581 981	-	581 981	625 496	659 273
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	367	367	367	-	367	387	408
Consumer deposits		388	402	399	643	643	643		643	38 154	40 214
Trade and other payables	4	-	-	-	38 144	38 144	38 144	-	38 144	40 204	42 375
Provisions		10 400	6 867	7 768	6 857	6 857	6 857		6 857	38 154	40 214
Total current liabilities		10 788	7 268	8 167	46 011	46 011	46 011	-	46 011	116 899	123 211
Non current liabilities											
Borrowing		-	-	-	335	335	335	-	335	353	372
Provisions		-	-	-	15 679	15 679	15 679	-	15 679	16 526	17 418
Total non current liabilities		-	-	-	16 014	16 014	16 014	-	16 014	16 879	17 790
TOTAL LIABILITIES		10 788	7 268	8 167	62 024	62 024	62 024	-	62 024	133 777	141 001
NET ASSETS	5	42 307	49 136	60 513	519 957	519 957	519 957	-	519 957	491 719	518 272
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		42 307	49 136	60 513	519 957	519 957	519 957		519 957	491 719	518 272
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	42 307	49 136	60 513	519 957	519 957	519 957	-	519 957	491 719	518 272

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table A6s supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions noncurrent;
 - Changes in net assets; and
 - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		13 078	13 338	43 140	16 606	16 606	16 606		22 199	29 248	30 827
Service charges		18 123	15 400		23 127	23 127	23 127		27 420	35 314	37 221
Other revenue		5 275	4 695		33 766	33 766	33 766		34 975	36 864	38 854
Government - operating	1	158 687	151 357	168 566	173 745	174 245	174 245		188 791	192 659	203 058
Government - capital	1	31 904	41 386	70 276	67 795	67 795	67 795		-	-	-
Interest		5 053	6 342	8 139	3 680	3 680	3 680		3 936	4 149	4 373
Dividends									-	-	-
Payments											
Suppliers and employees		(173 258)	(186 455)	(209 328)	(239 637)	(283 535)	(283 535)		(251 432)	(315 644)	(332 689)
Finance charges		(19)	(87)	(1 702)	(53)	(53)	(53)		(56)	(59)	(62)
Transfers and Grants	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		58 844	45 976	79 091	79 029	35 631	35 631	-	25 834	(17 470)	(18 418)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		372	440	1 034					37 001	38 947	41 748
Decrease (Increase) in non-current debtors									-	-	-
Decrease (Increase) other non-current receivables									-	-	-
Decrease (Increase) in non-current investments									-	-	-
Payments											
Capital assets		(41 221)	(56 065)	(63 001)	(88 151)	(88 151)	(88 151)		(64 736)	(68 232)	(71 917)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(40 849)	(55 625)	(61 967)	(88 151)	(88 151)	(88 151)	-	(27 736)	(29 285)	(30 169)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(110)	(148)						-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(110)	(148)	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	33 806	51 716	41 932	115 779	115 779	115 779		92 543	90 642	43 887
Cash/cash equivalents at the year end:	2	51 690	41 918	59 055	106 657	63 259	63 259		90 642	43 887	(4 699)

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	51 690	41 918	59 055	106 657	63 259	63 259	-	90 642	43 887	(4 699)
Other current investments > 90 days		(45 585)	(36 535)	(56 796)	1 253	44 651	44 651	-	17 268	69 850	124 578
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		6 104	5 383	2 259	107 910	107 910	107 910	-	107 910	113 737	119 879
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(22 453)	(14 947)	(39 980)	(5 259)	(2 824)	(2 824)	-	(947)	(4 894)	(5 381)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(22 453)	(14 947)	(39 980)	(5 259)	(2 824)	(2 824)	-	(947)	(4 894)	(5 381)
Surplus(shortfall)		28 557	20 330	42 239	113 169	110 734	110 734	-	108 857	118 631	125 260

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	56 065	70 432	-	94 641	88 043	-	73 236	76 605	80 128
Roads Infrastructure		17 796	51 173	-	51 324	67 181	-	48 740	50 982	53 327
Storm water Infrastructure		14 168	-	-	-	4 159	-	4 211	4 405	4 607
Electrical Infrastructure		3 394	-	-	29 159	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		35 358	51 173	-	80 483	71 340	-	52 951	55 386	57 934
Community Facilities		-	-	-	1 500	4 591	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	1 500	4 591	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		20 707	19 259	-	2 483	2 033	-	6 400	6 694	7 002
Housing		-	-	-	-	-	-	-	-	-
Other Assets		20 707	19 259	-	2 483	2 033	-	6 400	6 694	7 002
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	1 800	-	-	1 430	1 496	1 545
Intangible Assets		-	-	-	1 800	-	-	1 430	1 496	1 545
Computer Equipment		-	-	-	1 914	1 219	-	-	-	-
Furniture and Office Equipment		-	-	-	484	2 706	-	-	-	-
Machinery and Equipment		-	-	-	2 277	2 605	-	9 445	9 880	10 334
Transport Assets		-	-	-	3 700	3 550	-	3 010	3 148	3 293
Land		-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	-	-	-	7 981	-	-	8 348	8 732	9 134
Roads Infrastructure		-	-	-	7 981	-	-	8 348	8 732	9 134
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	7 981	-	-	8 348	8 732	9 134
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		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	56 065	70 432	-	102 622	88 043	-	81 584	85 337	89 262
Roads Infrastructure		17 796	51 173	-	59 305	67 181	-	57 088	59 714	62 461
Storm water Infrastructure		14 168	-	-	-	4 159	-	4 211	4 405	4 607
Electrical Infrastructure		3 394	-	-	29 159	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		35 358	51 173	-	88 464	71 340	-	61 299	64 119	67 068
Community Facilities		-	-	-	1 500	4 591	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	1 500	4 591	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		20 707	19 259	-	2 483	2 033	-	6 400	6 694	7 002
Housing		-	-	-	-	-	-	-	-	-
Other Assets		20 707	19 259	-	2 483	2 033	-	6 400	6 694	7 002
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	1 800	-	-	1 430	1 496	1 545
Intangible Assets		-	-	-	1 800	-	-	1 430	1 496	1 545
Computer Equipment		-	-	-	1 914	1 219	-	-	-	-
Furniture and Office Equipment		-	-	-	484	2 706	-	-	-	-
Machinery and Equipment		-	-	-	2 277	2 605	-	9 445	9 880	10 334
Transport Assets		-	-	-	3 700	3 550	-	3 010	3 148	3 293
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		56 065	70 432	-	102 622	88 043	-	81 584	85 337	89 262
ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	362 515	362 515	-	487 250	509 663	533 108
Roads Infrastructure		-	-	-	255 717	255 717	-	147 162	153 931	161 012
Storm water Infrastructure		-	-	-	43 940	43 940	-	-	-	-
Electrical Infrastructure		-	-	-	5					

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
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)		-	-	-	3 092	3 092	3 092	3 235	3 383	3 539
Refuse (removed once a week for indigent households)		-	-	-	2 471	2 471	2 471	2 585	2 704	2 828
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		-	-	-	5 564	5 564	5 564	5 820	6 087	6 367
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										
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	2 229	2 229	2 229	10 000	10 460	10 941
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other	6									
Total revenue cost of subsidised services provided		-	-	-	2 229	2 229	2 229	10 000	10 460	10 941

Choose name from list - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
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)		-	-	-	3 092	3 092	3 092	3 235	3 383	3 539
Refuse (removed once a week for indigent households)		-	-	-	2 471	2 471	2 471	2 585	2 704	2 828
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		-	-	-	5 564	5 564	5 564	5 820	6 087	6 367
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		-	-	-	2 229	2 229	2 229	10 000	10 460	10 941
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	-	-	-	2 229	2 229	2 229	10 000	10 460	10 941

Part 2 – Supporting Documentation

3.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Head for Finance.

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

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

3.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in September 2018) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 30 September 2019. Key dates applicable to the process were:

- **September 2019** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2011/12 MTREF;
- **July/Aug 2019** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **August 2019** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;

- **January 2020** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **February 2020** - Council considers the 2019/20 Mid-year Review and Adjustments Budget;
-
- **March 2020** - Recommendations of the Executive Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2020/21 MTREF is revised accordingly;
- **29 March 2020** - Tabling in Council of the draft 2019/20 IDP and 2021/2022 MTREF for public consultation;
- **May 2018** – Public consultation;
- **April 2018** - Closing date for written comments;
- **June 2018** – finalization of the 2020/24 IDP and 2019/20 to 2021/2022 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **June 2018** - Approval of the 2020/2021-2022/2023 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

3.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the fifth review of the IDP as adopted by Council in June 2020. It started in September 2019 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2021/23 MTREF in September.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2020/21 MTREF, based on the approved 2018/19 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2020/23 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2019/20 Departmental Service Delivery and Budget

Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

3.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2021/23 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2021/23 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2019/20 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 99 has been taken into consideration in the planning and prioritisation process.

3.1.4 Community Consultation

The final 2021/23 MTREF as tabled before Council on 31 March 2020 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries. In addition a further development of this year's consultation process included the launch of E-based consultation. E-mail notifications were sent to all organisations on the municipality's database, including ratepayer associations, community-based organisations and organised business. The opportunity to give electronic feedback was also communicated on the Municipality's website, and the Municipality's call centre was engaged in collecting inputs via e-mail, fax and SMS.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 23 to 29 May 2020, and included nine public briefing sessions. The applicable dates and venues were published in all the local newspapers and on average attendance of 5000 was recorded per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2021/23 MTREF. Feedback and responses to the submissions received are available on request.

3.2 Overview of alignment of annual budget with IDP

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

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

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

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

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning ;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);

- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2021 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2020/2021 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 3 IDP Strategic Objectives

2019/20 Financial Year		2020/21 MTREF	
1.	Accelerate service delivery and infrastructure development	1.	Accelerate service delivery and infrastructure development
2.	Promote economic growth, environment sustainability and creation of decent jobs	2.	Promote economic growth, environmental sustainability and creation of decent jobs
3.	To improve the effectiveness of governance administrative and financial systems	3.	To improve the effectiveness of governance administrative and financial systems

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide waste removal;
 - Provide roads and storm water;
 - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;

- Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective city cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
- Optimizing effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2021/23 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Accelerate service delivery and infrastructure development			156 450	169 884		145 446			148 206	133 793	137 814
Support the development of SMME's to participate in a diversified and growing economy	Promote sustainable economic growth and creation of decent jobs			80	84		2 084			2 601	2 790	2 937
Strengthen integrated planning, monitoring and evaluation of municipal bylaws	Improve the effectiveness of governance, administrative and financial systems			47 844	79 394		209 191			232 490	240 459	251 883
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	204 374	249 362	-	356 721	-	-	383 298	377 041	392 634

Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Accelerate service delivery and infrastructure development			(41 956)	(65 130)		127 887			185 600	183 996	189 959
Support the development of SMME's to participate in a diversified and growing economy	Promote sustainable economic growth and creation of decent jobs			8 594	7 540		14 898			19 573	20 474	21 415
Strengthen integrated planning, monitoring and evaluation of municipal bylaws	Improve the effectiveness of governance, administrative and financial systems			63 601	86 154		140 778			164 983	172 572	180 353
Allocations to other priorities												
Total Expenditure			1	30 239	28 564	-	283 563	-	-	370 156	377 042	391 727

Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital e

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Accelerate service delivery and infrastructure development	A		10 783	33 626		94 510			64 689	42 227	44 536
		B										
		C										
		D										
		E										
Support the development of SMME's to participate in a diversified and growing economy	Promote sustainable economic growth and creation of decent jobs	F		34 761	17 547		1 185			1 500	1 569	1 641
		G										
		H										
		I										
Strengthen intergrated planning, monitoring and evaluation of municipal bylaws	Improve the effectiveness of governance, administrative and financial systems	J		10 521	19 259		6 927			15 395	16 103	16 844
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	56 065	70 432	-	102 622	-	-	81 584	59 900	63 021

3.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a

performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

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

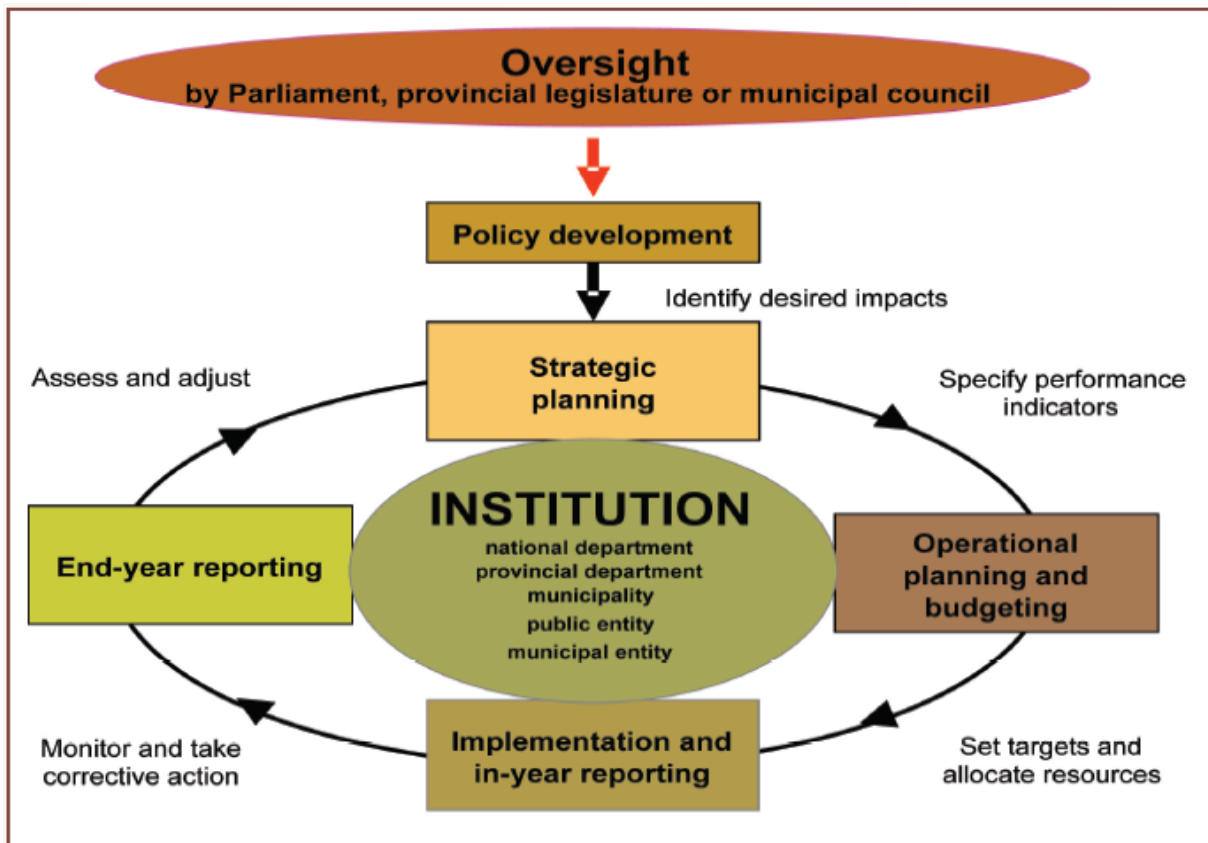


Figure 1 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);

- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

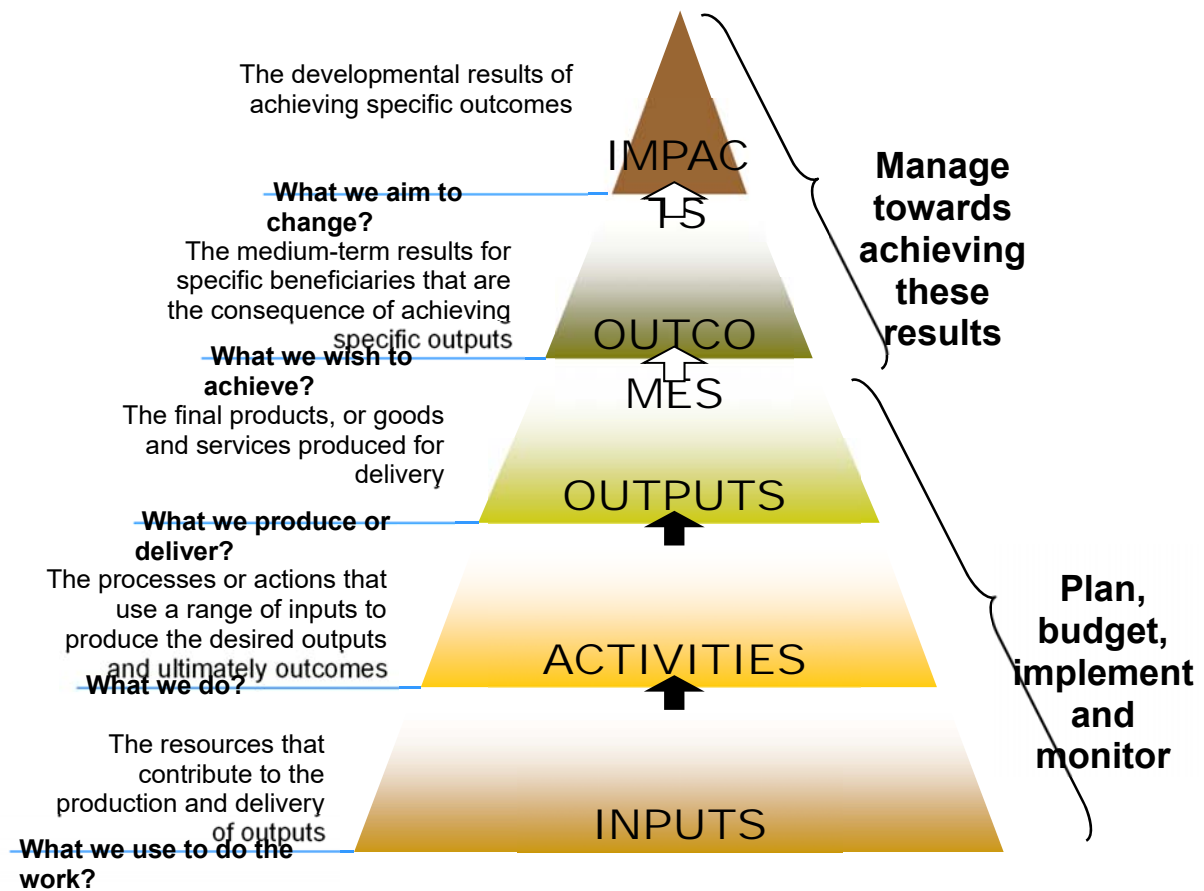


Figure 2 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table SA7 - Measurable performance objectives

The following table sets out the municipalities the municipality's performance objectives for the MTREF.
Table SA7**Performance indicators and benchmarks**

3.3.1.1 *Liquidity*

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1.5:1 as per national treasury norm. For the MTREF the current ratio is 2:1 and remains 2:1 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1.5:1 as per national treasury norm. 1. Anything below 1.5 indicates a shortage in cash to meet creditor obligations. This needs to be considered a pertinent risk for the Municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

3.3.1.2 *Revenue Management*

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.
- Debtors turnover rate is 30 days. The billing is done on monthly bases.

3.3.1.3 *Creditors Management*

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.
-

3.3.1.4 *Other Indicators*

- The electricity distribution losses have been managed downwards from 23 per cent in the 2016/17 financial year, the plan is to reduce them to 10 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the City's strategy to ensure the management of its asset base.

3.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality, only registered indigents qualify for the free basic services.

For the 2019/21 financial year 10000 registered indigents have been provided for in the budget with this figured increasing to R10 000 by 2020/21. In terms of the Municipality's indigent policy registered households are entitled, 50 KWH of electricity and free waste removal, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table SA21.

3.4 Overview of budget related-policies

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

3.4.1 Review of Indigent Policy

The emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

3.4.2 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in September 2017. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

3.4.3 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was approved by Council in August 2009 and was amended on February 2019 in respect of both Operating and Capital Budget Fund Transfers.

3.4.4 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy was amended by Council in February 2019. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

3.4.5 Petty Cash Policy

The old Petty Cash Management Policy did not cater for all municipal departments, which results into the petty cash being replenished every week. In the new policy all departments have been catered for which is believed will improve day to day transacting on the petty cash.

3.4.6 Tariff Policy

The municipality's tariff policies provide a broad framework within which the 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.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Credit control Policy;
- Supply chain management Policy
- Budget Policy
- Virement Policy
- Investment Policy
- Indigent Policy
- Tariff Policy

These policies are reviewed annually.

3.5 Overview of budget assumptions

3.5.1 External factors

It must be noted that Elundini municipality is predominantly rural, therefore there are limited job opportunities within the municipal area. Be that as it may the municipality has managed to give jobs to many households through Expanded Public Works Programme. The municipality has set aside from its own reserves an amount of R2 million for the expansion of the EPWP programme in order to give more jobs to the community.

Financial resources are limited due to the non-payment of debtors, most households are indigent they cannot afford to pay municipal accounts. The municipality is forced to implement Indigent policy and write off debts for the qualifying debtors.

3.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2019/20 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity
- The increase in the cost of remuneration. Employee related costs comprise 27.7 per cent of total operating expenditure in the 2018/19 MTREF.

3.5.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate of 4.6%. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (80 per cent) of annual billings. Cash flow is assumed to be 80 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

3.5.4 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2020 and shall remain in force until 30 June 2021. The salary increase that has been applied is 6.25 percent for the 2019/2020 budget year.

3.5.5 Impact of national, provincial and local policies

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

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

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

3.5.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the MTREF of which performance has been factored into the cash flow budget.

2.5.7 Consolidated Investment Register for each and every grant received

ELUNDINI INVESTMENT REPORT							
01 FEBRUARY 2019 TO 28 FEBRUARY 2020							
NAME OF INVESTMENT	PURPOSE	ACCOUNT NO	BALANCE AS AT 01/03/2019	INTEREST RECIVED	WITHDRAWALS	DEPOSIT	TOAL AS AT 31/03/2020
ELUNDINI EXPAND PUBLIC WORKS	EX PUBLIC WORKS PROGRA	388497173-001	R 2 056 963.62	R 8 115.33	R 0.00	864 000.00	R 2 929 078.95
ELUNDINI VOTER STATION	INFRASTRUCTURE GRANT	388497165-001	R 1 502.53	R 2.21	0	0	R 1 504.74
EQUITABLE SHARE FNB	SUBSIDY FOR POOR	62189194170	R 21 888 912.55	89199.01	9645170.85	0	R 12 332 940.71
FINANCE MANAGEMENT GRANT	CONDITIONAL GRANT	388493410-002	R 1 744 870.00	R 6 169.19	R 0.00	R 0	R 1 751 039.19
MAYOR'S SOCIAL INVESTMENT		62378875226	R 527 897.18	R 2 017.58	0	0	R 529 914.76
MACLEAR GREENFIELDS	CONDITIONAL GRANT	388493003-001	R 1 348.52	R 1.98	0	0	R 1 350.50
MIG	CONDITIONAL GRANT	62189180111	R 5 436 185.67	R 18 485.28	3223018.46	R 0	R 2 231 652.49
NER	ELECTRICITY UPGRADING	388490810-001	R 1 968 205.35	R 15 156.02	R 349 814.04	R 8 000 000	R 9 633 547.33
WORKING CAPITAL RESERVE	RESEVERS	62284785121	R 44 086 097.28	269891.47	0	5900000	R 50 255 988.75
JOE GOABI	WATER AND SANITAION	62557779322	R 5 509 905.30	R 25 171.96	0	0	R 5 535 077.26
ENERGY EFFICIANCY	CONDITIONAL GRANT	62785909650	R 222 962.17	R 1 018.60	0	0	R 223 980.77
TOTAL			R 83 444 850.17	R 435 228.63	R 13 218 003.35	R 14 764 000.00	R 85 426 075.45

2.5.8 Grants receipts and Expenditure

3.6 Overview of budget funding

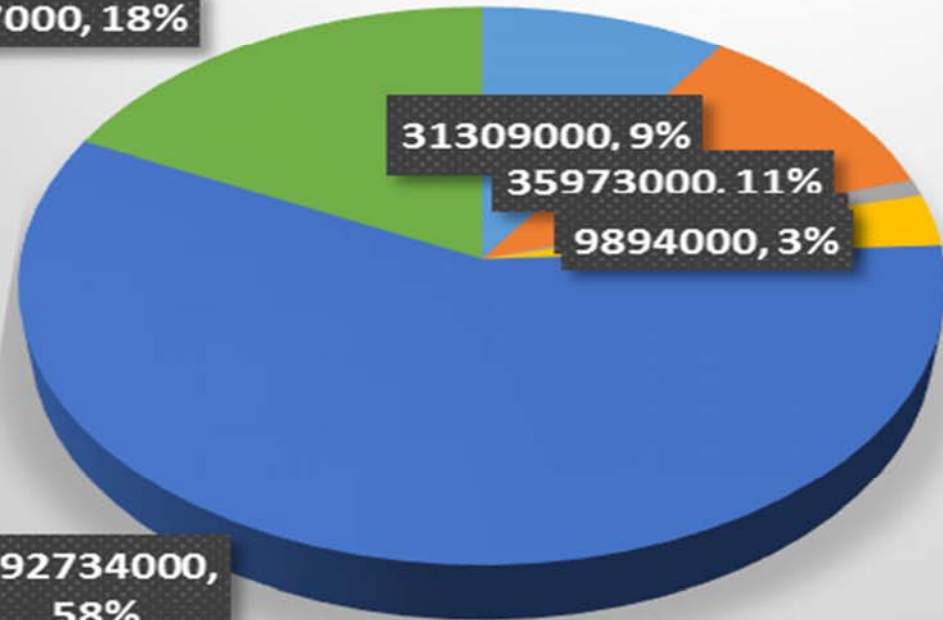
3.6.1 Medium-term outlook: operating revenue

The following graph is a breakdown of the operational revenue per main category for the 2020/21 financial year.



OPERATING REVENUE

58877000, 18%



31309000, 9%

35973000, 11%

9894000, 3%

192734000,
58%

- Property Rates
- Electricity
- Refuse Removal
- Rental
- Operating Grants
- Other Revenue

Household billing Table SA14



Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent											
Monthly Account for Household - 'Middle Income Range'											
Rates and services charges:											
Property rates		4 407.98	4 690.09		473.21				512.58	536.16	560.83
Electricity: Basic levy		1 459.60	1 503.36		141.08				160.42	167.80	175.52
Electricity: Consumption		18 013.73	18 431.35		1 778.20				1 753.47	1 834.13	1 918.50
Water: Basic levy										-	-
Water: Consumption										-	-
Sanitation										-	-
Refuse removal		1 269.61	1 350.86		124.94				132.44	138.53	144.90
Other										-	-
sub-total		25 150.91	25 975.65	-	2 517.43	-	-	1.6%	2 558.91	2 676.62	2 799.75
VAT on Services		3 111.44	3 192.84		306.63				306.95	321.07	335.84
Total large household bill:		28 262.35	29 168.49	-	2 824.06	-	-	1.5%	2 865.87	2 997.70	3 135.59
% increase/-decrease			3.2%	(100.0%)	-	(100.0%)	-		-	4.6%	4.6%
Monthly Account for Household - 'Affordable Range'											
Rates and services charges:											
Property rates		3 120.98	3 320.72		335.05				366.13	382.98	400.59
Electricity: Basic levy		1 459.60	1 503.36		141.08				160.42	167.80	175.52
Electricity: Consumption		9 070.37	9 319.85		913.76				672.19	703.11	735.45
Water: Basic levy										-	-
Water: Consumption										-	-
Sanitation										-	-
Refuse removal		1 269.61	1 350.86		124.94				132.44	138.53	144.90
Other										-	-
sub-total		14 920.55	15 494.79	-	1 514.83	-	-	(12.1%)	1 331.18	1 392.41	1 456.47
VAT on Services		1 769.94	1 826.11		176.97				144.75	151.41	158.38
Total small household bill:		16 690.48	17 320.90	-	1 691.79	-	-	(12.8%)	1 475.93	1 543.83	1 614.84
% increase/-decrease			3.8%	(100.0%)	-	(100.0%)	-		-	4.6%	4.6%
Monthly Account for Household - 'Indigent' Household receiving free basic services											
Rates and services charges:											
Property rates		1 833.98	1 951.35		196.88			11.6%	219.69	229.79	240.36
Electricity: Basic levy		969.28	998.40		93.69			13.7%	106.54	111.44	116.57
Electricity: Consumption		4 410.30	4 492.98		422.71			(2.9%)	410.24	429.11	448.85
Water: Basic levy										-	-
Water: Consumption										-	-
Sanitation										-	-
Refuse removal		1 269.61	1 350.86		124.94			6.0%	132.44	138.53	144.90
Other										-	-
sub-total		8 483.16	8 793.59	-	838.22	-	-	3.7%	868.90	908.87	950.68
VAT on Services		997.38	1 026.34		96.20			#NAME?	97.38	101.86	106.55
Total small household bill:		9 480.53	9 819.93	-	934.42	-	-	3.4%	966.29	1 010.73	1 057.23
% increase/-decrease			3.6%	(100.0%)	-	(100.0%)	-		-	4.6%	4.6%

SA15 – Detail Investment Information

Investment type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank					112 563			85 426	89 356	93 466
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	112 563	-	-	85 426	89 356	93 466
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	112 563	-	-	85 426	89 356	93 466

Table SA16 – Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
Parent municipality														
FNB										77 672	406	(12 868)	5 900	71 110
STD										5 773	29	(350)	8 864	14 317
														-
														-
														-
														-
Municipality sub-total										83 445		(13 218)	14 764	85 426
Entities														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									83 445		(13 218)	14 764	85 426

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted deficit of R38.1 million, R39.7 million and R41.5 million in each of the financial years. This deficit has to be cleared by building capital replacement fund account in order to be able to replace assets that are fully depreciated.

3.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2020/21 medium-term capital programme:

Table A5 Sources of capital revenue over the MTREF

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Funded by:											
National Government		31 964	51 173	46 307	58 001	37 001			36 768	39 769	42 505
Provincial Government					20 305	27 905			14 520	-	-
District Municipality											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)											
Transfers recognised - capital	4	31 964	51 173	46 307	78 306	64 906	-	-	51 288	39 769	42 505
Borrowing	6										
Internally generated funds		24 101	19 259	15 847	24 316	23 138			30 296	20 131	20 516
Total Capital Funding	7	56 065	70 432	62 154	102 622	88 043	-	-	81 584	59 900	63 021

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R30.2 million in 2020/21, R20.1 million and R20.5 million for the two outer years.

3.6.3 Cash Flow Management

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

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

3.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

Table A8 - Cash backed reserves/accumulated surplus reconciliation

3.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table

essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table SA10 – Funding compliance measurement



Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	41 918	59 055	565 464	114 642	74 863	-	-	-	-	-
Cash + investments at the yr end less applications - R'000	18(1)b	2	7 291	6 245	59 051	147 926	12 006	-	-	-	-	-
Cash year end/monthly employee/supplier payments	18(1)b	3	3.4	4.6	29.2	6.4	3.7	-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(1.9%)	25.6%	21.1%	(12.2%)	(6.0%)	(106.0%)	(1.3%)	(1.4%)	(1.4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	68.6%	74.9%	114.3%	95.2%	86.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	22.3%	3.9%	17.9%	2.5%	2.6%	2.6%	0.0%	2.9%	2.9%	2.9%
Capital payments % of capital expenditure	18(1)c:19	8	100.0%	89.4%	0.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	102.6%	1.5%	174.2%	338.0%	(100.0%)	0.0%	(100.0%)	0.0%	0.0%
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%	2.6%	2.2%	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%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Supporting indicators													
% incr total service charges (incl prop rates)	18(1)a			4.1%	31.6%	27.1%	(6.2%)	0.0%	(100.0%)	4.7%	4.6%	4.6%	
% incr Property Tax	18(1)a			1.6%	32.6%	29.0%	0.0%	0.0%	(100.0%)	4.6%	4.6%	4.6%	
% incr Service charges - electricity revenue	18(1)a			28.6%	17.8%	18.0%	0.0%	0.0%	(100.0%)	4.6%	4.6%	4.6%	
% incr Service charges - water revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - sanitation revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - refuse revenue	18(1)a			(85.6%)	505.6%	80.0%	(59.2%)	0.0%	(100.0%)	6.0%	4.6%	4.6%	
% incr in	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total billable revenue	18(1)a			41 210	42 920	56 486	71 784	67 364	67 364	-	70 506	73 749	77 141
Service charges				41 210	42 920	56 486	71 784	67 364	67 364	-	70 506	73 749	77 141
Property rates				17 218	17 501	23 203	29 932	29 932	29 932	-	31 309	32 749	34 256
Service charges - electricity revenue				19 233	24 734	29 137	34 391	34 391	34 391	-	35 973	37 628	39 359
Service charges - water revenue				-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue				-	-	-	-	-	-	-	-	-	-
Service charges - refuse removal				4 759	685	4 145	7 461	3 041	3 041	-	3 223	3 372	3 527
Service charges - other				-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment				1 575	1 463	8 235	9 459	9 459	9 459	-	9 894	10 349	10 825
Capital expenditure excluding capital grant funding				24 101	19 259	15 847	24 316	23 138	-	-	30 296	20 131	20 516
Cash receipts from ratepayers	18(1)a			33 433	43 140	82 246	110 028	110 028	-	-	-	-	-
Ratepayer & Other revenue	18(1)a			48 740	57 609	71 940	115 608	126 723	126 723	-	134 100	135 438	141 820
Change in consumer debtors (current and non-current)				17 960	15 251	465	53 277	336 711	(30 577)	(30 577)	(83 854)	-	-
Operating and Capital Grant Revenue	18(1)a			193 613	238 842	233 476	238 097	245 697	245 697	-	244 022	236 225	245 266

Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	41 918	59 055	565 464	114 642	74 863	-	-	-	-	-
Cash + investments at the yr end less applications - R'000	18(1)b	2	7 291	6 245	59 051	147 926	12 006	-	-	-	-	-
Cash year end/monthly employee/supplier payments	18(1)b	3	3.4	4.6	29.2	6.4	3.7	-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(1.9%)	25.6%	21.1%	(12.2%)	(6.0%)	(106.0%)	(1.3%)	(1.4%)	(1.4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	68.6%	74.9%	114.3%	95.2%	86.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	22.3%	3.9%	17.9%	2.5%	2.6%	2.6%	0.0%	2.9%	2.9%	2.9%
Capital payments % of capital expenditure	18(1)c:19	8	100.0%	89.4%	0.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	102.6%	1.5%	174.2%	338.0%	(100.0%)	0.0%	(100.0%)	0.0%	0.0%
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%	2.6%	2.2%	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%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
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6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
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13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Supporting indicators													
% incr total service charges (incl prop rates)	18(1)a			4.1%	31.6%	27.1%	(6.2%)	0.0%	(100.0%)	4.7%	4.6%	4.6%	
% incr Property Tax	18(1)a			1.6%	32.6%	29.0%	0.0%	0.0%	(100.0%)	4.6%	4.6%	4.6%	
% incr Service charges - electricity revenue	18(1)a			28.6%	17.8%	18.0%	0.0%	0.0%	(100.0%)	4.6%	4.6%	4.6%	
% incr Service charges - water revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - sanitation revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - refuse revenue	18(1)a			(85.6%)	505.6%	80.0%	(59.2%)	0.0%	(100.0%)	6.0%	4.6%	4.6%	
% incr in	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total billable revenue	18(1)a			41 210	42 920	56 486	71 784	67 364	67 364	-	70 506	73 749	77 141
Service charges				41 210	42 920	56 486	71 784	67 364	67 364	-	70 506	73 749	77 141
Property rates				17 218	17 501	23 203	29 932	29 932	29 932	-	31 309	32 749	34 256
Service charges - electricity revenue				19 233	24 734	29 137	34 391	34 391	34 391	-	35 973	37 628	39 359
Service charges - water revenue				-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue				-	-	-	-	-	-	-	-	-	-
Service charges - refuse removal				4 759	685	4 145	7 461	3 041	3 041	-	3 223	3 372	3 527
Service charges - other				-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment				1 575	1 463	8 235	9 459	9 459	9 459	-	9 894	10 349	10 825
Capital expenditure excluding capital grant funding				24 101	19 259	15 847	24 316	23 138	-	-	30 296	20 131	20 516
Cash receipts from ratepayers	18(1)a			33 433	43 140	82 246	110 028	110 028	-	-	-	-	-
Ratepayer & Other revenue	18(1)a			48 740	57 609	71 940	115 608	126 723	126 723	-	134 100	135 438	141 820
Change in consumer debtors (current and non-current)				17 960	15 251	465	53 277	336 711	(30 577)	(30 577)	(83 854)	-	-
Operating and Capital Grant Revenue	18(1)a			193 613	238 842	233 476	238 097	245 697	245 697	-	244 022	236 225	245 266

3.7 Expenditure on grants and reconciliations of unspent funds

3.8 Councilors and employee benefits

Table SA22 - Summary of councilors and staff benefits



Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages					9 001	9 001		9 766	10 215	10 685
Pension and UIF Contributions									-	-
Medical Aid Contributions									-	-
Motor Vehicle Allowance					2 687	2 687		2 916	3 050	3 190
Cellphone Allowance					1 048	1 048		1 137	1 190	1 244
Housing Allowances					-	-		-	-	-
Other benefits and allowances									-	-
Sub Total - Councillors		-	-	-	12 736	12 736	-	13 819	14 455	15 119
% increase	4		-	-	-	-	(100.0%)	-	4.6%	4.6%
Senior Managers of the Municipality										
Basic Salaries and Wages					4 569	4 569		3 557	3 721	3 892
Pension and UIF Contributions					431	431		164	171	179
Medical Aid Contributions					157	157		55	57	60
Overtime									-	-
Performance Bonus								283	296	310
Motor Vehicle Allowance	3				1 657	1 657		-	-	-
Cellphone Allowance	3							-	-	-
Housing Allowances	3				60	60		-	-	-
Other benefits and allowances	3				358	358		3 758	3 931	4 111
Payments in lieu of leave									-	-
Long service awards									-	-
Post-retirement benefit obligations	6								-	-
Sub Total - Senior Managers of Municipality		-	-	-	7 232	7 232	-	7 817	8 176	8 552
% increase	4		-	-	-	-	(100.0%)	-	4.6%	4.6%
Other Municipal Staff										
Basic Salaries and Wages					71 112	71 112		61 376	64 200	67 153
Pension and UIF Contributions					12 202	12 202		12 250	12 813	13 403
Medical Aid Contributions					3 607	3 607		5 639	5 899	6 170
Overtime						4 888		-	-	-
Performance Bonus					1 752	1 752		4 983	5 212	5 452
Motor Vehicle Allowance	3				3 398	3 398		21 848	22 853	23 904
Cellphone Allowance	3					-		-	-	-
Housing Allowances	3				504	504		-	-	-
Other benefits and allowances	3				204	204		34	36	37
Payments in lieu of leave									-	-
Long service awards									-	-
Post-retirement benefit obligations	6								-	-
Sub Total - Other Municipal Staff		-	-	-	92 780	97 668	-	106 130	111 012	116 119
% increase	4		-	-	-	5.3%	(100.0%)	-	4.6%	4.6%
Total Parent Municipality		-	-	-	112 749	117 637	-	127 766	133 643	139 791
			-	-	-	4.3%	(100.0%)	-	4.6%	4.6%
Board Members of Entities										

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

(Note that National Treasury has deliberately left the above table blank so as not to appear to be setting benchmarks for acceptable remuneration levels for the relevant positions. Municipalities MUST, however, provide the required information as applicable to their municipalities)

Table SA24 –Summary of personnel numbers



Choose name from list - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Revenue By Source																	
Property rates		5 574	2 461	2 463	2 430	2 457	2 462	2 462	2 511	2 051	1 321	2 461	2 657	31 309	32 749	34 256	
Service charges - electricity revenue		2 026	2 956	2 686	2 655	59	2 570	2 694	3 500	4 001	4 064	4 231	4 531	35 973	37 628	39 359	
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue		464	60	60	57	68	60	60	430	499	437	489	541	3 223	3 372	3 527	
Rental of facilities and equipment		609	149	516	147	402	1 810	150	1 220	1 051	1 222	1 348	1 269	9 894	10 349	10 825	
Interest earned - external investments		257	110	424	380	400	782	12	450	468	400	458	567	4 707	4 924	5 150	
Interest earned - outstanding debtors		-	404	404	404	344	405	917	611	601	598	689	556	5 933	6 206	6 491	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		17	7	7	17	20	22	11	35	37	30	34	36	271	284	297	
Licences and permits		302	153	239	166	118	188	149	199	200	201	189	215	2 318	2 425	2 537	
Agency services		115	-	-	-	-	-	-	-	-	-	-	429	544	569	595	
Transfers and subsidies		56 000	-	494	1 707	750	59 000	1 178	908	69 801	998	1 012	887	192 734	196 456	202 761	
Other revenue		14	860	-	-	1 311	1 147	1 013	8 058	7 210	8 451	7 901	8 670	44 634	41 857	43 933	
Gains		-	-	-	-	-	-	-	-	-	-	468	0	468	490	513	
Total Revenue (excluding capital transfers and contributions)		65 379	7 159	7 293	7 962	5 929	68 444	8 644	17 922	85 919	17 722	19 280	20 358	332 010	337 308	350 243	
Expenditure By Type																	
Employee related costs		40	-	(44)	7 785	-	43 660	10 417	9 801	10 641	8 841	12 514	10 292	113 948	119 189	124 672	
Remuneration of councillors		93	-	2 028	-	-	5 077	1 108	1 008	998	1 010	1 021	1 508	13 851	14 488	15 154	
Debt impairment		-	-	-	-	-	(863)	-	-	-	-	-	2 924	2 061	2 156	2 255	
Depreciation & asset impairment		-	-	-	-	-	2 988	-	-	-	-	-	33 096	36 085	37 745	39 481	
Finance charges		-	31	33	35	36	-	-	-	-	-	-	73	209	218	228	
Bulk purchases		5 648	-	2 538	1 587	1 542	1 457	1 406	3 201	3 325	3 598	3 854	4 015	32 171	33 651	35 199	
Other materials		34	4	3	55	4	5	68	301	315	288	308	374	1 759	1 840	1 925	
Contracted services		2 733	2 968	3 871	4 185	2 639	5 429	2 791	15 385	14 998	15 001	14 998	16 544	101 542	96 106	97 946	
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure		5 690	2 752	3 443	5 273	3 201	6 205	4 767	7 804	7 440	7 241	7 542	7 173	68 531	71 684	74 981	
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		14 238	5 754	11 872	18 921	7 422	63 958	20 557	37 500	37 717	35 979	40 237	76 001	370 156	377 077	391 841	
Surplus/(Deficit)		51 141	1 405	(4 580)	(10 959)	(1 493)	4 486	(11 913)	(19 578)	48 202	(18 257)	(20 957)	(55 643)	(38 146)	(39 769)	(41 598)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		5 408	6 293	1 314	17 437	166	-	20 803	(133)	-	-	-	(0)	51 288	39 769	42 505	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		63 546	-	-	-	-	-	-	(63 546)	-	-	-	-	-	-	-	
Transfers and subsidies - capital (in-kind - all)		11	-	-	-	-	-	-	(11)	-	-	-	(0)	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		120 106	7 698	(3 266)	6 478	(1 327)	4 486	8 890	(83 268)	48 202	(18 257)	(20 957)	(55 644)	13 142	0	907	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	120 106	7 698	(3 266)	6 478	(1 327)	4 486	8 890	(83 268)	48 202	(18 257)	(20 957)	(55 644)	13 142	0	907	

Choose name from list - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Revenue by Vote																	
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		69 409	3 850	3 213	3 142	3 147	52 717	3 413	18 270	17 668	18 451	19 251	19 960	232 490	240 459	251 883	
Vote 3 - Corporate dmin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 4 - Community Services		1 337	1 211	1 705	2 359	2 298	1 355	2 388	514	415	500	499	643	15 224	12 402	12 938	
Vote 5 - Strategic Planning Development		-	-	17	6	20	-	4	510	410	398	541	695	2 601	2 790	2 937	
Vote 6 - Infrastructure Planning & Development		8 015	9 392	3 671	21 259	3 256	4 375	23 642	10 800	11 874	10 644	11 901	14 153	132 983	121 391	124 876	
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		78 760	14 452	8 606	26 766	8 722	58 447	29 447	30 094	30 367	29 993	32 192	35 450	383 298	377 041	392 634	
Expenditure by Vote to be appropriated																	
Vote 1 - Executive & Council		-	471	5 173	591	398	14 457	423	6 993	5 887	6 888	8 470	6 731	56 481	59 079	61 797	
Vote 2 - Budget and Treasury		-	3 168	2 759	2 637	2 686	14 399	3 208	7 590	7 401	6 889	8 951	7 123	66 811	69 884	72 941	
Vote 3 - Corporate dmin		-	528	2 947	2 718	869	4 917	1 088	5 724	5 241	4 999	5 421	7 238	41 691	43 609	45 615	
Vote 4 - Community Services		-	219	(4 717)	8 645	929	15 182	1 125	5 001	5 821	6 001	7 861	4 135	50 201	52 476	54 856	
Vote 5 - Strategic Planning Development		-	162	968	389	119	4 086	192	2 731	2 254	3 005	2 854	2 813	19 573	20 474	21 415	
Vote 6 - Infrastructure Planning & Development		-	1 199	4 742	3 941	2 421	10 918	2 995	21 836	22 400	19 857	21 899	23 191	135 398	131 520	135 103	
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		-	5 747	11 872	18 921	7 422	63 958	9 032	49 875	49 004	47 639	55 456	51 231	370 156	377 042	391 727	
Surplus/(Deficit) before assoc.		78 760	8 706	(3 266)	7 845	1 301	(5 511)	20 415	(19 781)	(18 637)	(17 646)	(23 264)	(15 781)	13 142	(0)	907	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	78 760	8 706	(3 266)	7 845	1 301	(5 511)	20 415	(19 781)	(18 637)	(17 646)	(23 264)	(15 781)	13 142	(0)	907	

Choose name from list - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Revenue - Functional																	
<i>Governance and administration</i>		69 409	3 850	3 213	3 142	3 147	52 717	3 413	18 720	18 800	17 986	19 251	18 843	232 490	240 459	251 883	
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance and administration		69 409	3 850	3 213	3 142	3 147	52 717	3 413	18 720	18 800	17 986	19 251	18 843	232 490	240 459	251 883	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		902	747	1 241	1 898	1 839	891	1 924	(3 619)	463	440	485	550	7 760	8 083	8 420	
Community and social services		31	9	4	688	758	6	1 049	400	463	440	485	528	4 861	5 050	5 248	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	22	22	23	24	
Public safety		871	739	1 237	1 209	1 081	885	875	(4 019)	-	-	-	(0)	2 877	3 009	3 148	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		5 988	6 293	881	11 668	438	1 661	16 539	5 312	4 651	4 589	5 004	7 010	70 034	59 447	62 568	
Planning and development		-	-	17	6	20	-	4	510	499	589	489	467	2 601	2 790	2 937	
Road transport		5 988	6 293	864	11 662	418	1 661	16 535	4 802	4 152	4 000	4 515	6 543	67 433	56 657	59 630	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		2 490	3 562	3 271	10 059	3 298	3 179	7 572	8 172	7 529	7 774	8 850	7 257	73 013	69 053	69 764	
Energy sources		2 026	3 098	2 807	9 598	2 838	2 714	7 107	7 272	6 685	6 975	7 865	6 563	65 549	64 734	65 245	
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		464	464	464	461	459	464	465	900	844	799	985	694	7 463	4 320	4 518	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue - Functional		78 789	14 452	8 606	26 766	8 722	58 447	29 447	28 585	31 443	30 789	33 590	33 660	383 298	377 041	392 634	
Expenditure - Functional																	
<i>Governance and administration</i>		7 151	4 167	10 880	5 945	3 953	33 773	4 719	18 879	18 651	19 345	17 451	20 069	164 983	172 572	180 353	
Executive and council		562	471	5 173	591	398	14 457	423	6 881	7 851	6 489	5 864	7 322	56 481	59 079	61 797	
Finance and administration		6 589	3 696	5 706	5 354	3 555	19 316	4 297	11 998	10 800	12 856	11 587	12 747	108 502	113 493	118 556	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		30	145	2 142	277	139	9 860	146	2 732	2 580	2 584	2 751	3 018	26 404	27 584	28 819	
Community and social services		10	36	943	34	23	2 490	10	705	700	699	589	835	7 073	7 364	7 668	
Sport and recreation		20	62	654	168	9	3 263	47	952	892	875	987	1 054	8 983	9 396	9 829	
Public safety		-	47	545	76	106	4 108	89	1 075	988	1 010	1 175	1 129	10 348	10 824	11 322	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		481	579	2 224	1 416	365	9 114	1 041	11 327	10 245	10 588	13 412	11 086	71 879	75 185	78 644	
Planning and development		255	162	968	389	119	4 086	192	2 680	2 351	2 041	3 561	2 769	19 573	20 474	21 415	
Road transport		226	417	1 257	1 027	246	5 028	848	8 647	7 894	8 547	9 851	8 317	52 306	54 712	57 228	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		801	863	(3 374)	11 282	2 965	11 211	3 125	16 001	14 901	12 541	13 584	22 989	106 890	101 700	103 912	
Energy sources		692	779	3 485	2 914	2 175	5 889	2 147	13 000	12 010	9 980	10 210	19 811	83 093	76 808	77 875	
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		109	84	(6 859)	8 368	790	5 321	979	3 001	2 891	2 561	3 374	3 178	23 797	24 892	26 037	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure - Functional		8 463	5 754	11 872	18 921	7 422	63 958	9 032	48 939	46 377	45 058	47 198	57 162	370 156	377 042	391 728	
Surplus/(Deficit) before assoc.		70 326	8 698	(3 266)	7 845	1 301	(5 511)	20 415	(20 354)	(14 934)	(14 269)	(13 608)	(23 502)	13 142	(0)	907	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	70 326	8 698	(3 266)	7 845	1 301	(5 511)	20 415	(20 354)	(14 934)	(14 269)	(13 608)	(23 502)	13 142	(0)	907	

Choose name from list - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Multi-year expenditure to be appropriated	1																
Vote 1 - Executive & Council														-	-	-	-
Vote 2 - Budget and Treasury														-	-	-	-
Vote 3 - Corporate dmin														-	-	-	-
Vote 4 - Community Services														-	-	-	-
Vote 5 - Strategic Planning Development														-	-	-	-
Vote 6 - Infrastructure Planning & 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	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																	
Vote 1 - Executive & Council		-			131	52	(57)	13	1 360	-	-	-	0	1 500	1 569	1 641	
Vote 2 - Budget and Treasury		1 027		308	111	(1)	22	45	1 000	1 254	1 246	1 401	1 332	7 745	8 101	8 474	
Vote 3 - Corporate dmin		4 520		-	-	-	-	-	326	350	300	389	265	6 150	6 433	6 729	
Vote 4 - Community Services		-	106	82	13	64	-	-	615	555	689	555	661	3 340	3 494	3 654	
Vote 5 - Strategic Planning Development		-	-	12	-	-	461	-	205	199	200	238	185	1 500	1 569	1 641	
Vote 6 - Infrastructure Planning & Development		-	12 308	5 360	11 407	8 167	1 563	2 810	4 000	3 946	2 894	3 894	4 999	61 349	38 734	40 881	
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	2	5 548	12 414	5 762	11 662	8 282	1 989	2 868	7 506	6 304	5 329	6 477	7 442	81 584	59 900	63 021	
Total Capital Expenditure	2	5 548	12 414	5 762	11 662	8 282	1 989	2 868	7 506	6 304	5 329	6 477	7 442	81 584	59 900	63 021	

3.9 Annual budgets and SDBIPs – internal departments

3.10 Contracts having future budgetary implications

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

3.11 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table SA35 Future financial implications of the capital budget

Choose name from list - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive & Council		1 500	1 569	1 641	1 717	1 796	1 878	1 965
Vote 2 - Budget and Treasury		7 745	8 101	8 474	8 864	9 272	9 698	10 144
Vote 3 - Corporate dmin		6 150	6 433	6 729	7 038	7 362	7 701	8 055
Vote 4 - Community Services		3 340	3 494	3 654	3 822	3 998	4 182	4 375
Vote 5 - Strategic Planning Development		1 500	1 569	1 641	1 717	1 796	1 878	1 965
Vote 6 - Infrastructure Planning & Development		61 349	38 734	40 881	42 762	44 729	46 786	48 939
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]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		81 584	59 900	63 021	65 920	68 952	72 124	75 442
Future operational costs by vote	2							
Vote 1 - Executive & Council								
Vote 2 - Budget and Treasury								
Vote 3 - Corporate dmin								
Vote 4 - Community Services								
Vote 5 - Strategic Planning Development								
Vote 6 - Infrastructure Planning & 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]								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		81 584	59 900	63 021	65 920	68 952	72 124	75 442

Table SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project R thousand	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 5	Total Project Estimate	Prior year outcomes			2018/19 Medium Term Revenue & Expenditure Framework			Project Information	
										Audited Outcome 2016/17	Current Year 2017/18	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																	
IP&D																	
Upgrading of Sonwabile to Old Location		Roads & Stormwater			No	Roads Infrastructure	Roads					4 055 743	4 275	4 510		New	
Construction of Ilisolomzi Community Hall		Community Hall			No	Community Facilities	Halls					2 000 000	2 108	2 224		New	
Upgrading of Sihole Streets & Stormwater		Streets			No	Roads Infrastructure	Roads					5 000 000	5 270	5 560		New	
Emjikelweni Access Road		Roads			No	Roads Infrastructure	Roads					990 374	1 044	1 101		New	
Hopedale Sportsfield		Sportfield			No	Sport and Recreation Facilities	Outdoor Facilities					1 000 000	1 054	1 112		New	
Mount Fletcher Sportsfield		Sportfield			No	Sport and Recreation Facilities	Outdoor Facilities					1 196 570	1 261	1 331		New	
Mohobatsane Access Road		Roads			No	Roads Infrastructure	Roads					1 000 000	1 054	1 112		New	
Upgrading of Vincent Streets & Stormwater		Streets			No	Roads Infrastructure	Roads					3 928 964	4 141	4 369		New	
Lower Tsitsana Community Centre		Community centre			No	Community Facilities	Centres					4 500 000	4 743	5 004		New	
Construction of Ugie Sports Field		Sportfield			No	Sport and Recreation Facilities	Outdoor Facilities					7 201 354	7 590	8 008		New	
Construction of Liphofung Access Road		Roads			No	Roads Infrastructure	Roads					2 423 646	2 555	2 695		New	
Construction of Ntabayikhonjwa Access Road		Roads			No	Roads Infrastructure	Roads					3 000 000	3 162	3 336		New	
Ncele bridge												5 800 000	-	-			
Hopedale Sportsfield												2 500 000	-	-			
Hillgate road		Roads			No	Roads Infrastructure	Roads	30041'22" S 28029'47" E				29 588	20 305	14 521			
Municipal road		Roads			No	Roads Infrastructure	Roads	30041'42" S 28030'30" E									
Road 1		Roads			No	Roads Infrastructure	Roads	30041'33" S 28030'23" E									
Road 2		Roads			No	Roads Infrastructure	Roads	30041'30" S 28030'18" E									
Road 3		Roads			No	Roads Infrastructure	Roads	30041'42" S 28030'30" E									
Mount Fletcher Taxi rank		Taxi rank			No	Community Facilities	Taxi Ranks/Bus Terminals	30041'33" S 28030'27" E									
Elundini testing station		Testing station			No	Community Facilities	Testing Stations	30041'28" S 28'29'47" E									
Treatment Plant		Treatment plant			No		Taxi Ranks/Bus Terminals	30041'07" S 28031'23" E									
Thembeni housing		Thembeni housing			No			30041'36" S 28031'13" E									
ELECTRICITY																	
Network upgrading		Network upgrading			No	Electrical Infrastructure						1 140	1 201	1 201			
Installation of high musts		Installation of high musts			No	Electrical Infrastructure						2 055	2 166	2 166			
BTO																	
Municipal buildings		Municipal buildings			No	Operational Buildings						2 360	2 487	2 487			
Motor Vehicle		Motor Vehicle			No	Transport Assets						300	316	316			
STRATEGIC																	
Tourism		Tourism			No	Community Facilities						1 000	1 054	1 054			
COPORATE SERVICES																	
edms		edms			No	Operational Buildings						600	632	632			
Access control		Access control			No	Operational Buildings						900	949	949			
Capital spares		Capital spares			No							490	516	516			
COMMUNITY SERVICES																	
Street sweeper		Street sweeper			No	Community Facilities						750	791	834			
Motor Vehicle		Motor Vehicle			No	Transport Assets						800	843	890			
Computer equipment & office equipment		Computer equipment & office equipment			No							2 318	519	2 116		3	
Parent Capital expenditure	1											86 897	70 036	68 043			

Table SA37: Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Parent municipality:												
<i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
R thousand								Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality:												
<i>List all capital projects grouped by</i>				<i>Examples</i>	<i>Examples</i>							
		Upgrade of Sonwabile Roads and				31°04'18" S		R 6 037 076.51		R 9 633 607.64		
		Upgrade of Vincent streets and storm water				31°04'58" S		R 1 971 064.13		R 6 928 964.00		R 7 123 028.93
		Upgrade of Sihole streets and storm water				31°04'25" S		R 2 639 739.52		R 4 800 000.00		R 3 892 017.69
		Liphofung access road				30°41'59" S		R 10 125 000.00		R 4 616 909.50		R 5 508 090.50
		Construction of Ntabayikhonjwa				30°31'52" S		R 4 500 000.00		R 3 164 968.86		R 1 335 031.14

Table SA38: Detailed capital budget per municipal vote (continued)

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location
										R thousand	4	6	5		
Parent municipality:															
<i>List all operational projects grouped by Municipal Vote</i>															
Community services		EPWP programme			No	Electrical Infrastructure	MV Networks	0		1 777	-	-	-	0	
BTO		Internship programme			No	Electrical Infrastructure	MV Networks	0		1 700	1 700	-	-		
Community services		Libraries			No	Electrical Infrastructure	MV Networks	0		750	750	800	800		
Solid waste		Greenest town			No	Electrical Infrastructure	MV Networks	0		500	500	-	-		
Infrastructure development		INEP projects			No	Electrical Infrastructure	MV Networks								
Infrastructure development		1176 connectiosns and associated MV & LV infrastructure.			No	Electrical Infrastructure	MV Networks	3004735°S 2803238°E			3 696	3 896	4 110		
Infrastructure development		210 connectiosns and associated MV & LV infrastructure.			No	Electrical Infrastructure	MV Networks	3004739°S 25803243°E			4 410	4 648	4 904		
Infrastructure development		160 connectiosns and associated MV & LV infrastructure.			No	Electrical Infrastructure	MV Networks	3004613°S 2803108°E			3 360	3 541	3 736		
Infrastructure development		111 connectiosns and associated MV & LV infrastructure.			No	Electrical Infrastructure	MV Networks	3003334°S 2802058°E			2 331	2 457	2 592		
Infrastructure development		35 connectiosns and associated MV & LV infrastructure.			No	Electrical Infrastructure	MV Networks	3004500°S 2802636°E			735	775	817		
Infrastructure development		167 connectiosns and associated MV & LV infrastructure.			No	Electrical Infrastructure	MV Networks	3002559°S 2802530°E			3 507	3 696	3 900		
Infrastructure development		7km of FOX link line to be constructed			No	Electrical Infrastructure	MV Networks	0		1 750	1 845	1 946			
Infrastructure development		11km of FOX link line to be constructed			No	Electrical Infrastructure	MV Networks	0		2 750	2 899	3 058			
Infrastructure development		Survey and Designing			No	Electrical Infrastructure	MV Networks	0		1 500	1 581	1 668			
Infrastructure development		Surcharge for spill meters and pad locks			No	Electrical Infrastructure	MV Networks	0		1 597	1 683	1 776			
Infrastructure development		Energy efficiency			No	Electrical Infrastructure	MV Networks			-	-	5 270	5 560		
Infrastructure development		Lighting retrofit of Municipal Building in Maclear			No	Electrical Infrastructure	MV Networks	3100405°S 2802052°E			1 750 000				
Infrastructure development		Maclear Community Hall			No	Electrical Infrastructure	MV Networks	3100403°S 2802047°E			539 000				
Infrastructure development		Maclear Library			No	Electrical Infrastructure	MV Networks	3004116°S 2802953°E			523 750				
Infrastructure development		Mount Fletcher Library			No	Electrical Infrastructure	MV Networks	3004133°S 2803015°E			R 791 000				
Infrastructure development		Mount Fletcher Municipal Building			No	Electrical Infrastructure	MV Networks	3004133°S 2803015°E			389 000				
Infrastructure development		Mount Fletcher Community Hall			No	Electrical Infrastructure	MV Networks			557 250					
Infrastructure development		Capacity Building & Training			No	Electrical Infrastructure	MV Networks	0		50 000					
Infrastructure development		Energy Efficiency Awareness			No	Electrical Infrastructure	MV Networks	0		50 000					
Infrastructure development		Energy Efficiency Planning			No	Electrical Infrastructure	MV Networks	0		350 000					
Parent operational expenditure	1										32 795	33 090	34 866		

3.12 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's website.

2. Quarterly Reports

Reporting to National Treasury in electronic format was fully complied with on quarterly basis. Section 52(d) reporting to the Executive Mayor (within 30 working days) has progressively improved and includes quarterly published financial performance on the municipality's website.

3. Mid Year Reporting

Reporting to National Treasury in electronic format was fully complied with on half yearly basis. Section 72 reporting to the Executive Mayor on the 25th of January each year has progressively improved and includes mid-year published financial performance on the municipality's website.

4. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns one has been appointed permanently from Jan 2018. The remaining three, their contracts are still valid, and extension for one year has been granted by National Treasury. Since the introduction of the Internship programme the Municipality has successfully employed and trained 14 interns through this programme and a majority of them were appointed either in the Municipality or other Institutions.

3.12.1.1 Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

Budget Steering committee has been established and it's fully functional, its purpose is to look at budget and IDP, and indigent and free basic services matters.

mSCOA steering committee and implementation committee has been established and it is fully functional.

3.12.1.2 Audit Committee

An Audit Committee has been established and is fully functional.

3.12.1.3 Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalized after approval of the 2019/20 MTREF in June 2019 directly aligned and informed by the 2018/19 MTREF.

2.12.1.3 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's internal centre and training is ongoing.

8. Policies

Budget related policies are reviewed on yearly basis.

3.13 Other supporting documents

Table SA1 - Supporting detail to budgeted financial performance

EC141 Etundini - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

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											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	13 681	14 583	17 218	21 924	21 924	21 924	20 545	30 373	32 014	33 774
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)					3 120	3 120	3 120	-	2 119	2 233	2 356
Net Property Rates		13 681	14 583	17 218	18 804	18 804	18 804	20 545	28 255	29 780	31 418
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	16 807	16 395	19 233	27 071	26 928	26 928	14 475	28 923	30 484	32 161
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)					2 751	2 751	2 751		2 940	3 098	3 269
Net Service charges - electricity revenue		16 807	16 395	19 233	24 320	24 177	24 177	14 475	25 983	27 386	28 892
Service charges - water revenue											
Total Service charges - water revenue	6										
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)											
Net Service charges - water revenue											
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)											
Net Service charges - sanitation revenue											
Service charges - refuse revenue											
Total refuse removal revenue	6	2 173	4 413	4 759	4 975	4 975	4 975	3 906	5 275	5 560	5 866
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)					2 231	2 231	2 231		2 349	2 476	2 612
Net Service charges - refuse revenue		2 173	4 413	4 759	2 744	2 744	2 744	3 906	2 926	3 084	3 253
Other Revenue by source											
Fuel Levy		5 865	1 289	1 308	123 982	119 113	119 113	4 083	29 978	14 248	12 968
Other Revenue											
Total 'Other' Revenue	3	5 865	1 289	1 308	123 982	119 113	119 113	4 083	29 978	14 248	12 968
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	61 676	70 803	70 480	91 241	91 241	91 241	67 026	98 540	103 861	109 574
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance											
Cellphone Allowance											
Housing Allowances											
Other benefits and allowances											
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations											
sub-total	4	61 676	70 803	70 480	91 241	91 241	91 241	67 026	98 540	103 861	109 574
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	61 676	70 803	70 480	91 241	91 241	91 241	67 026	98 540	103 861	109 574
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital											
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		30 834	26 843	26 956	48 663	48 663	48 663		48 898	51 538	54 373
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE											
Total Depreciation & asset impairment	10	30 834	26 843	26 956	48 663	48 663	48 663		48 898	51 538	54 373
Bulk purchases											
Electricity Bulk Purchases		15 059	19 065	21 295	24 785	24 785	24 785	19 448	26 599	28 035	29 577
Water Bulk Purchases											
Total bulk purchases	1	15 059	19 065	21 295	24 785	24 785	24 785	19 448	26 599	28 035	29 577
Transfers and grants											
Cash transfers and grants			23 392	20 206							
Non-cash transfers and grants											
Total transfers and grants	1		23 392	20 206							
Contracted services											
List services provided by contract					13 836	90 558	90 558	46 920	82 705	87 171	91 966
sub-total	1				13 836	90 558	90 558	46 920	82 705	87 171	91 966
Allocations to organs of state:											
Electricity											

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

Description	Ref	Vote 1 - Executive & Council	Vote 2 - Budget & Treasury	Vote 3 - Corporate services	Vote 4 - Community Services	Vote 5 - Strategic Planning & Development	Vote 6 - Infrastructure	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
R thousand	1																
Revenue By Source																	
Property rates		-	20 758	-	-	-	-										20 758
Service charges - electricity revenue		-	-	-	-	-	25 983										25 983
Service charges - water revenue		-	-	-	-	-	-										-
Service charges - sanitation revenue		-	-	-	-	-	-										-
Service charges - refuse revenue		-	-	-	2 926	-	-										2 926
Service charges - other		-	-	-	-	-	-										-
Rental of facilities and equipment		-	1 558	-	-	-	7 490										9 048
Interest earned - external investments		-	2 441	-	-	-	-										2 441
Interest earned - outstanding debtors		-	1 301	-	-	-	-										1 301
Dividends received		-	-	-	-	-	-										-
Fines, penalties and forfeits		-	115	-	117	-	153										385
Licences and permits		-	56	-	2 486	-	-										2 542
Agency services		-	-	-	-	-	-										-
Other revenue		-	23 808	-	2 426	130	41 333										67 697
Transfers and subsidies		-	140 082	-	3 527	-	-										143 609
Gains on disposal of PPE		-	426	-	-	-	-										426
Total Revenue (excluding capital transfers and contributions)		-	190 546	-	11 482	130	74 959	-	-	-	-	-	-	-	-	-	277 117
Expenditure By Type																	
Employee related costs		14 861	14 093	18 801	28 386	6 119	16 279										98 540
Remuneration of councillors		12 398	-	-	-	-	-										12 398
Debt impairment		-	6 844	-	447	-	2 186										9 477
Depreciation & asset impairment		-	10 420	-	-	-	40 822										51 242
Finance charges		-	56	-	-	-	26 098										26 154
Bulk purchases		-	-	-	-	-	-										-
Other materials		-	-	-	-	-	-										-
Contracted services		10 981	14 848	9 517	8 033	5 013	34 812										83 204
Transfers and subsidies		-	-	-	-	-	-										-
Other expenditure		8 000	10 000	9 652	7 520	-	17 638										52 810
Loss on disposal of PPE		-	-	-	-	-	-										-
Total Expenditure		46 241	56 262	37 970	44 386	11 132	137 834	-	-	-	-	-	-	-	-	-	333 825
Surplus/(Deficit)		(46 241)	134 284	(37 970)	(32 904)	(11 002)	(62 876)	-	-	-	-	-	-	-	-	-	(56 709)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)																	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)																	-
Transfers and subsidies - capital (in-kind - all)																	-
Surplus/(Deficit) after capital transfers & contributions		(46 241)	134 284	(37 970)	(32 904)	(11 002)	(62 876)	-	-	-	-	-	-	-	-	-	(56 709)

Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Call investment deposits											
Call deposits		33 052	45 612	36 549	90 043	84 651	84 651	108 557	106 576	112 331	118 509
Other current investments											
Total Call investment deposits	2	33 052	45 612	36 549	90 043	84 651	84 651	108 557	106 576	112 331	118 509
Consumer debtors											
Consumer debtors		2 777	3 544	2 782	6 252	6 252	6 252	7 444	47 617	50 188	52 949
Less: Provision for debt impairment											
Total Consumer debtors	2	2 777	3 544	2 782	6 252	6 252	6 252	7 444	47 617	50 188	52 949
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		324 063	339 180	367 982	338 961	338 961	338 961	397 643	378 257	398 682	420 610
Leases recognised as PPE	3										
Less: Accumulated depreciation											
Total Property, plant and equipment (PPE)	2	324 063	339 180	367 982	338 961	338 961	338 961	397 643	378 257	398 682	420 610
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		69	308	182	-	-	-	-	367	387	408
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		69	308	182	-	-	-	-	367	387	408
Trade and other payables											
Trade and other creditors		30 620	25 081	28 708	24 672	24 672	24 672	34 718	37 587	39 617	41 796
Unspent conditional transfers					22 609	22 609	22 609				
VAT											
Total Trade and other payables	2	30 620	25 081	28 708	47 281	47 281	47 281	34 718	37 587	39 617	41 796
Non current liabilities - Borrowing											
Borrowing	4	-	702	335	956	956	956	-	335	353	372
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		-	702	335	956	956	956	-	335	353	372
Provisions - non-current											
Retirement benefits											
List other major provision items											
Refuse landfill site rehabilitation											
Other		12 994	15 176	15 679	11 156	11 156	11 156	-	15 679	16 526	17 435
Total Provisions - non-current		12 994	15 176	15 679	11 156	11 156	11 156	-	15 679	16 526	17 435
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance											
GRAP adjustments											
Restated balance		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		28 354	31 150	22 602	88 178	89 062	89 092	(10 824)	11 086	(2 392)	(9 517)
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	28 354	31 150	22 602	88 178	89 062	89 092	(10 824)	11 086	(2 392)	(9 517)
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	28 354	31 150	22 602	88 178	89 062	89 092	(10 824)	11 086	(2 392)	(9 517)
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services											

DRAFT BUDGET 2020/2021			
CAPITAL PROJECTS			
SegmentDesc	2021 Draft	2022 Draft	2023 Draft
MIG Projects	36 767 850.00	39 768 900.00	41 963 300.00
CONTAINER CITY	1 400 000.00	1 464 400.00	1 531 762.40
NETWORK UPGRADE-1101/4601/0000	1 191 209.90	1 246 005.56	1 303 321.82
INSTALL OF HIGH MASTS	1 937 230.00	2 026 342.58	2 119 554.34
STREET LIGHTS	1 082 500.00	1 132 295.00	1 184 380.57
Furniture & Office equipment	50 000.00	52 300.00	54 705.80
Furniture & Office equipment	100 000.00	104 600.00	109 411.60
Furniture & Office equipment	100 000.00	104 600.00	109 411.60
Municipal Lights	350 000.00	366 100.00	382 940.60
FURNITURE & OFFICE EQUIPMENT	245 094.54	256 368.88	268 161.85
Vehicles	2 500 000.00	2 615 000.00	2 735 290.00
FURNITURE & OFFICE EQUIPMENT-0401/4601/0000	100 000.00		
FURNITURE & OFFICE EQUIPMENT-0001/4601/0000 led screen	1 500 000.00	1 569 000.00	1 641 174.00
Disaster Recovery site and Wifi	4 500 000.00	4 707 000.00	4 923 522.00
GRASS CUTTERS	150 000.00		
Municipal buildings	5 000 000.00	-	-
TROLLEY BINS-0420/4624/0000	80 000.00	83 680.00	87 529.28
Access Control-0301/4601/0000	1 200 000.00	1 255 200.00	1 312 939.20
PITSENG BRIDGE	5 800 000.00		
Premiours Office	14 520 000.00	-	-
Furniture & Office equipment	10 000.00	10 460.00	10 941.16
MOTOR VEHICLES-0420/4603/0000	3 000 000.00	3 138 000.00	3 282 348.00
Total	81 583 884.44	59 900 252.02	63 020 694.22

3.14 Municipal manager's quality certificate

I Khayaletu Gashi, municipal manager of Elundini 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 K Gashi

Municipal Manager of Elundini Municipality (EC141)

Signature _____

Date _____