



**ANNUAL BUDGET OF
DAWID KRUIPER MUNICIPALITY**

**2020/2021 TO 2022/2023
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

**Approved by Council on
11 June 2020**

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Abbreviations and Acronyms

AMR	Automated Meter Reading	MEC	Member of the Executive Committee
ASGISA	Accelerated and Shared Growth Initiative	MFMA	Municipal Financial Management Act
BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CBD	Central Business District	MMC	Member of Mayoral Committee
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
CM	City Manager	MSA	Municipal Systems Act
CPI	Consumer Price Index	MSCOA	Municipal Standard Chart Of Accounts
CRRF	Capital Replacement Reserve Fund	MTEF	Medium-term Expenditure Framework
DBSA	Development Bank of South Africa	MTREF	Medium-Term Revenue and Expenditure Framework
DoRA	Division of Revenue Act	NERSA	National Electricity Regulator South Africa
DWA	Department of Water Affairs	NGO	Non-Governmental organisations
EE	Employment Equity	NKPIs	National Key Performance Indicators
EEDSM	Energy Efficiency Demand Side Management	OHS	Occupational Health and Safety
EM	Executive Mayor	OP	Operational Plan
FBS	Free basic services	PBO	Public Benefit Organisations
GAMAP	Generally Accepted Municipal Accounting Practice	PHC	Provincial Health Care
GDP	Gross domestic product	PMS	Performance Management System
GDS	Gauteng Growth and Development Strategy	PPE	Property Plant and Equipment
GFS	Government Financial Statistics	PPP	Public Private Partnership
GRAP	General Recognised Accounting Practice	PTIS	Public Transport Infrastructure System
HR	Human Resources	RG	Restructuring Grant
HSRC	Human Science Research Council	RSC	Regional Services Council
IDP	Integrated Development Strategy	SALGA	South African Local Government Association
IT	Information Technology	SAPS	South African Police Service
kℓ	kilolitre	SDBIP	Service Delivery Budget Implementation Plan
km	kilometre	SMME	Small Micro and Medium Enterprises
KPA	Key Performance Area		
KPI	Key Performance Indicator		
kWh	kilowatt per hour		
ℓ	litre		
LED	Local Economic Development		

Part 1 – Annual Budget

1.1 Mayor's Report

On 15 March 2020, the President of the Republic of South Africa declared a national state of disaster in terms of the Disaster Management Act to enable government and the country at large to manage the spreading of the COVID-19 virus. As part of the measures introduced to curb the spreading of the virus, the President prohibited gatherings of 100 or more people.

On 23 March 2020, the President declared a nationwide lockdown, whereby all citizens, except those that forms part of essential service, were ordered to stay home for a period of 21 days. Those working in essential services, as defined in the latter announcement, were exempted from the nationwide lockdown declaration. The nationwide lockdown commenced at midnight on Thursday 26 March 2020.

On 30 March 2020, in order to ensure effective and efficient service delivery and to minimise any potential delay in decision making, the Exemption Notice as per Government Gazette no. 43181 was issued by the Minister of Finance in terms of the Municipal Finance Management Act 56 of 2003 (MFMA) to facilitate and enable legislative processes during the period of the national state of disaster.

Municipalities and municipal entities were exempted from the timeline provisions in the MFMA until such time that the national state of disaster declaration is lifted by the President. The exemption is conditional that the MFMA timelines referred to in the latter sentence are complied with 30 days after the national state of disaster is lifted. It should facilitate the key process on the budget, timelines for adoption and reports, and related matters to be addressed in a manner taking cognisance of the challenges experienced as a result of the announcement of the disaster and lockdown. It also provides for a special adjustments budget to address expenditure relating to the pandemic.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should

be to enhance service delivery aimed at improving the quality of life for all people within the Dawid Kruiper Municipality. Budgeting is primarily about the choices that the municipality has to make between competing priorities, available financial resources and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

We, as leaders, have the power to take decisions and had to take hard decisions on how we will use available resources. We cannot please everyone and everyone will not necessarily agree with these decisions.

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

We as councillors and senior management together with the inputs and comments of the local community has developed an IDP and a credible and sustainable budget with realistically anticipated revenue sources to improve the quality of our people's life. Unfortunately our needs are far greater than our available resources and therefore not nearly enough of the developmental needs identified in our developed IDP could be met with the available financial resources. It is however a worldwide problem that identified needs by far exceeds available financial resources and therefore we had to prioritise our needs and implement those projects and programmes that have the biggest affect in improving our people's quality of life.

Based on the comments and inputs received on the IDP and budget and proposed tariffs, it is recommended that Council adopt the following budget resolutions.

1.2 Council Resolutions

On 11 June 2020 the Council of Dawid Kruiper Municipality met in the Council Chambers of Dawid Kruiper Municipality to consider the annual budget of the municipality for the financial year 2020/2021. The Council approved and adopted the following resolutions:

1. The Council of Dawid Kruiper Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2020/2021 and the multi-year and single-year operating and 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 18 on page 37;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 39;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 41; and
 - 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 22 on page 43.
 - 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 23 on page 45;
 - 1.2.2. Budgeted Cash Flows as contained in Table 24 on page 47;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 25 on page 49;
 - 1.2.4. Asset management as contained in Table 26 on page 51; and
 - 1.2.5. Basic service delivery measurement as contained in Table 27 on page 54.

2. The Council of Dawid Kruiper Municipality is planning to, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approve and adopt with effect from 1 July 2019:
 - 2.1. The tariffs for property rates – as set out in Annexure A (Tariff List);
 - 2.2. The tariffs for electricity – as set out in Annexure A (Tariff List);
 - 2.3. The tariffs for the supply of water – as set out in Annexure A (Tariff List);
 - 2.4. The tariffs for sanitation services – as set out in Annexure A (Tariff List); and
 - 2.5. The tariffs for solid waste services – as set out in Annexure A (Tariff List).
3. The Council of Dawid Kruiper Municipality is planning to, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approve and adopt with effect from 1 July 2020 the tariffs for all other services, as set out in Annexure A (Tariff List).
4. To give proper effect to the municipality's annual budget, the Council of Dawid Kruiper Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
 - 4.2. That the municipality plan to commit to a new loan to the amount of R 5 million for the 2020/2021 MTREF.
 - 4.3. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above funding programme.

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 programs so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. This has resulted in savings to the municipality. Key areas were savings for councillors on telephone and internet usage, printing, attending of workshops, overseas and national travel and accommodation and catering.

The municipality has embarked on implementing a range of revenue collection strategies to collect 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 Circulars Number 98 and 99 were used to guide the compilation of the 2020/2021 MTREF.

The main challenges experienced during the compilation of the 2020/2021 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- The Covid-19 Virus and the lockdown;
- Aging water, sewerage, roads and electricity infrastructure;
- The need to reprioritised projects and expenditure within the existing resource envelope given the cash flow realities;
- The increased cost of bulk water and electricity (due to tariff increases from DWA and 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;

- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies; and
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2020/2021 MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2020/2021 MTREF:

- The 2019/2020 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 2020/2021 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 wage negotiations as well as cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The municipality did budget for an allocation from Department of Housing which was not gazetted. As the municipality is not allowed to increase income via the Virement Policy and the adjustment budget is only approved after the festival took place; this should remain on the budget. The municipality is not allowed to increase income via virements.
- Expenditure budgeted must be in line with the Municipal Cost Containment Regulations per Government Gazette no. 42514, gazetted on the 7th of June 2019. Certain items were limited and for the following items and allocations to these items it

had to be supported by a list and / or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:

- Consultant Fees;
- Furniture and office equipment;
- Refreshments and entertainment;
- Ad-hoc travelling; and
- Subsistence, Travelling & Conference fees (national & international).

In view of the aforementioned, the following table is a consolidated overview of the proposed 2020/2021 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2020/2021 MTREF

R thousands	2016/2017 Audited	2017/2018 Audited	2018/2019 Audited	Adjusted Budget 2019/2020	2019/2020 % Increase	Budget Year +1 2020/2021	2020/2021 % Increase	Budget Year +1 2021/2022	2021/2022 % Increase	Budget Year +2 2022/2023	2022/2023 % Increase
Total Operating Revenue	544,864	636,723	781,926	755,969	-3.3%	804,866	6.5%	852,838	6.0%	904,142	6.0%
Total Operating Expenditure	576,016	707,737	725,452	763,357	5.2%	819,861	7.4%	844,237	3.0%	877,504	3.9%
Surplus/(Deficit)	(31,153)	(71,015)	56,474	(7,388)	-113.1%	(14,995)	103.0%	8,601	-157.4%	26,639	209.7%
Total Capital Expenditure	35,364	34,192	44,787	70,752	58.0%	61,622	-12.9%	48,411	-21.4%	63,716	31.6%

Total operating revenue for 2020/2021 is R 804.866 million. For the two outer years, operational revenue will increase by 6.0% respectively; equating to a total revenue growth of R 99.276 million over the MTREF when compared to the 2020/2021 financial year.

Total operating expenditure for the 2020/2021 financial year has been appropriated at R 819.861million and translates into a budgeted deficit of R 15.519 million. When compared to the respective outer years of the MTREF 2020/2021 Budget; operating expenditure grow by 3.0% and 3.9% for the two outer years. The operating surplus for the two outer years increases to R 8.601 million and R 26.639 million. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years. This depreciation is not allowed to be offset as per SA1 as the municipality is not on the revaluation model of GRAP 17. The municipality only adopted GRAR 17 with the higher DRC values, and therefore the municipality MUST budget for the

full budgeted amount for depreciation, otherwise it will result in unauthorised expenditure. This depreciation is not included in the budget for tariff calculation purposes. However, the municipality can expect to generate a non-cash operating deficit when the 2020/2021 annual financial statements are compiled compliant with the Accounting Standards since this off-setting depreciation is reflected in the Statement of Financial Performance and not directly to the Statement of Changes in Net Assets.

The capital budget for 2020/2021 is R 113.937 million. The capital programme then increases to R 135.223 million in the 2021/2022 financial year and decreases then to R 94.906 million in the 2022/2023 financial year. Almost half (41.5%) of the 2020/2021 capital budget will be funded from own funding (revenue) over MTREF with anticipated own funding of R 47.271 million in 2020/2021, R 86.811 in 2021/2022 and R 31.189 million in 2022/2023 of the MTREF. Own funding will contribute 41.5%, 64.2% and 32.9% of capital expenditure over the MTREF; and, government grants and transfers will contribute 54.1%, 35.8% and 67.1% of capital expenditure in each of the MTREF years.

1.4 Operating Revenue Framework

For Dawid Kruiper 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 93 per cent (93%) annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);

- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing / calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of "free" basic services; and
- Tariff policies of the municipality.

The following Table 2 is a summary of the 2020/2021 MTREF (classified by main revenue source). In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus / (deficit).

Table 2 Summary of revenue classified by main revenue source

Description / R thousand	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 Source									
Property rates	75,406	93,337	99,224	106,762	107,056	107,056	112,409	117,917	122,633
Service charges - electricity revenue	242,247	257,122	279,023	332,740	334,492	334,492	356,205	382,920	409,725
Service charges - water revenue	47,585	54,414	61,742	66,057	66,557	66,557	70,570	74,028	76,989
Service charges - sanitation revenue	27,264	33,603	36,719	39,500	40,146	40,146	42,091	44,153	45,919
Service charges - refuse revenue	20,263	26,605	32,843	34,863	35,523	35,523	37,300	39,127	40,692
Rental of facilities and equipment	8,171	8,719	7,704	6,842	6,054	6,054	6,230	6,535	6,796
Interest earned - external investments	2,844	4,523	4,656	4,465	3,255	3,255	3,255	3,414	3,551
Interest earned - outstanding debtors	2,985	3,454	3,663	3,687	3,595	3,595	3,595	3,771	3,922
Fines	4,465	7,278	8,075	5,988	6,180	6,180	6,417	6,690	6,958
Licences and permits	1,571	1,581	1,064	1,118	1,129	1,129	1,178	1,235	1,285
Agency services	4,208	2,529	3,169						
Transfers recognised - operational	71,495	86,799	96,097	101,533	103,486	103,486	109,533	115,051	125,355
Other revenue	34,602	56,760	147,947	31,617	33,496	33,496	34,584	35,443	36,861
Gains on disposal of PPE	1,758	-	-	15,000	15,000	15,000	21,500	22,554	23,456
Total Revenue (excluding capital transfers and contributions)	544,864	636,723	781,926	750,171	755,969	755,969	804,866	852,838	904,142

The following Table 3 shows the percentage growth in revenue by main revenue source for the two outer years of the MTREF.

Table 3 Percentage growth in revenue by main revenue source

Description / R thousand	Current Year 2018/19		2020/21 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%
Revenue By Source								
Property rates	107,056	14.2%	112,409	14.0%	117,917	13.8%	122,633	13.6%
Service charges - electricity revenue	334,492	44.2%	356,205	44.3%	382,920	44.9%	409,725	45.3%
Service charges - water revenue	66,557	8.8%	70,570	8.8%	74,028	8.7%	76,989	8.5%
Service charges - sanitation revenue	40,146	5.3%	42,091	5.2%	44,153	5.2%	45,919	5.1%
Service charges - refuse revenue	35,523	4.7%	37,300	4.6%	39,127	4.6%	40,692	4.5%
Rental of facilities and equipment	6,054	0.8%	6,230	0.8%	6,535	0.8%	6,796	0.8%
Interest earned - external investments	3,255	0.4%	3,255	0.4%	3,414	0.4%	3,551	0.4%
Interest earned - outstanding debtors	3,595	0.5%	3,595	0.4%	3,771	0.4%	3,922	0.4%
Fines	6,180	0.8%	6,417	0.8%	6,690	0.8%	6,958	0.8%
Licences and permits	1,129	0.1%	1,178	0.1%	1,235	0.1%	1,285	0.1%
Transfers recognised - operational	103,486	13.7%	109,533	13.6%	115,051	13.5%	125,355	13.9%
Other revenue	33,496	4.4%	34,584	4.3%	35,443	4.2%	36,861	4.1%
Gains on disposal of PPE	15,000	2.0%	21,500	2.7%	22,554	2.6%	23,456	2.6%
Total Revenue (excluding capital transfers and contributions)	755,969	100.0%	804,866	100.0%	852,838	100.0%	904,142	100.0%
Total Revenue from rates and service charges	583,774	77.2%	618,574	76.9%	658,146	77.2%	695,959	77.2%

Revenue generated from rates and services charges forms a significant percentage of the revenue basket of the municipality. Rates and service charge revenues comprise more than three quarters of the total revenue mix. In the 2020/2021 financial year, revenue from rates and services charges totals R 618.574 million or 76.9%. This increases to R 658.146 million and R 695.959 million in the respective outer financial years of the MTREF. A notable trend is the how the total percentage revenue generated from rates and services have stabilised at an average of around 77.2% over the MTREF with it being 76.9% in 2020/2021, 77.2% in 2021/2022 and 77.2% in 2022/2023. This shows that the municipality tariffs are reasonably in line with their goals. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 63 MBRR SA1.

Electricity sales is the largest revenue source totalling R 356.205 million rand and increases to R 409.725 million by 2022/2023. Property rates is the second largest revenue, source totalling R 102.409 million rand and increases to R 122.633 million by 2022/2023, Transfer recognised – Operational that is in third, totalling R 109.533 million rand and increases to R 125.355 million by 2022/2023. Water is the fourth largest revenue source, Departments

have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Note that the year-on-year growth for Operating Transfers and Grants are 13.6%, 13.5% and 13.9% for the MTREF years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description / R thousand	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:									
Operating Transfers and Grants									
National Government:	75,635	82,172	89,590	97,489	100,051	100,319	105,841	111,392	121,364
Local Government Equitable Share	57,989	70,769	77,934	84,895	84,895	84,895	91,546	99,200	106,766
Municipal Systems Improvement Grant	-	-	1,055	-	1,055	1,055	-	-	-
Finance Management	3,635	3,985	4,043	3,000	3,000	3,000	3,000	3,200	3,200
Energy Efficiency and Demand Management	886	407	498	522	-	-	-	-	-
Municipal Infrastructure Grant	4,250	2,716	2,929	5,520	5,671	5,671	4,338	4,663	4,901
Integrated National Electrification Programme	604	1,159	2,883	2,243	2,243	2,243	1,533	1,304	1,304
EPWP	213	135	-	187	187	187	859	415	432
Water Service Infrastructure Grant	-	328	248	1,122	1,929	1,929	1,957	1,304	1,304
Neighbourhood Development Partnership Grant	-	-	-	-	1,070	1,070	2,609	1,304	3,457
Municipal Demarcation Grant	8,057	2,674	-	-	-	-	-	-	-
COVID-19 Relief Fund	-	-	-	-	-	268	-	-	-
Provincial Government:	3,138	3,521	3,517	4,044	3,435	3,435	3,492	3,659	3,991
Sport and Recreation	3,138	2,871	2,861	3,172	2,348	2,348	2,842	3,009	3,341
DEDAT	-	-	6	222	437	437	-	-	-
Housing	-	650	650	650	650	650	650	650	650
COGHSTA	-	-	-	-	-	-	-	-	-
District Municipalities:	-	-	-	-	-	-	-	-	-
Other Grant Providers:	253	10	-	-	-	-	-	-	-
Directo Signs	50	-	-	-	-	-	-	-	-
Uppington Summer Festival	-	10	-	-	-	-	-	-	-
LGSeta	203	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	79,026	85,703	93,107	101,533	103,486	103,754	109,333	115,051	125,355

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

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 6.0% 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 percentage increases of Eskom and DWA bulk tariffs determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services; whereas the cost drivers of a municipality are informed by items such as the cost of remuneration of salaries and allowances, bulk purchases of electricity and water, petrol, diesel, chemicals, cement, etcetera. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates partially cover the cost of the provision of general services. However, some of these costs are subsidies through profits generated from trading services (electricity and water sales). Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio

for the non-residential categories, public service infrastructure (PSI) and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the 2009/2010 budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R 15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100% rebate may be granted to registered indigents in terms of the Customer Care, Credit Control, Debt Collection and Indigent Support Policy limited to R 1 000 per month on the total consumer's account;
- For pensioners, physically and mentally disabled persons, a rebate of 20% to 100% (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 of R 6720 per month. 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 categorised as residential.
- The Municipality may award a 100% grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organisations, institutions or organisations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply in the prescribed format and time for such a grant.
- Agricultural properties in terms of the Dawid Kruiper Municipality's Property Rates Policy may qualify for a further rebate of up to 20%. The owner of such a property must apply in the prescribed format for such a rebate before August.

The current valuation roll was implemented on the 1st of July 2014. This valuation roll is valid for a period of 4 years. The municipality has requested extension for a further 1 year. Approval was granted by the MEC for a further two years on the 6th of December 2017. The new valuation roll will be implemented on the 1st of July 2020.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2020/2021 financial year based on the $\pm 4.9\%$ increase from 1 July 2019 is contained in Table 5 below.

Table 5 Comparison of proposed rates to levied for the 2020/2021 financial year

Category		Proposed Tariff from 1 July 2019	Proposed Tariff from 1 July 2020
		Cent / R 1	Cent / R 1
Former //Khara Hais Municipality's Tariffs			
Residential Properties	(Ratio 1.00: 1.00)	1.29847	1.22056
Residential Zone 3 Properties	(Ratio 1.00: 1.25)	1.62315	1.52576
Public Benefit Organisations	(Ratio 1.00: 0.25)	0.32462	0.30514
Undeveloped Properties	(Ratio 1.00: 2.00)	2.59694	2.44112
Business Properties	(Ratio 1.00: 1.50)	1.94770	1.83084
Industrial Properties	(Ratio 1.00: 1.50)	1.94770	1.83084
State Other Properties	(Ratio 1.00: 1.50)	1.94770	1.83084
State Residential Properties	(Ratio 1.00: 1.00)	1.29847	1.22056
Public Infrastructure	(Ratio 1.00: 0.25)	0.32462	0.30514
Institutional / Educational Properties	(Ratio 1.00: 1.50)	1.94770	1.83084
Agricultural Properties (including small holdings)	(Ratio 1.00: 0.25)	0.32462	0.30514
Resorts with access to refuse and sanitation services	(Ratio 1.00: 1.25)	1.62315	1.52576
Former Mier Municipality's Tariffs			
Residential Properties	(Ratio 1.00: 1.00)	1.13142	1.06354
Public Benefit Organisations	(Ratio 1.00: 0.25)	0.28371	0.26669
Business Properties	(Ratio 1.00: 1.50)	1.69718	1.59535
State Other Properties	(Ratio 1.00: 1.50)	1.69718	1.59535
Institutional / Educational Properties	(Ratio 1.00: 1.00)	1.13192	1.06400
Agricultural Properties (including small holdings)	(Ratio 1.00: 0.25)	0.04888	0.04595

1.4.2 Sale of Water and Impact of Tariff Increases

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

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent households); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition, National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014. Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. The municipality pumps its raw water from the Orange River and pays DWA for it.

A tariff increase of $\pm 4.9\%$ from 1 July 2020 for water is proposed. This is based on input cost assumptions (bulk water purchases from DWA); the cost of other inputs like chemicals, vehicle costs and salaries; etc. Furthermore, more tariffs were introduced for water. This is being done to ensure that the community use water sparingly and treat water as a rare commodity. In addition, 6 kl water per month will again be granted through the equitable share grant to all registered indigent households.

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

Table 6 Proposed Water Tariffs

Category	Proposed Tariff from 1 July 2019 (exclusive of VAT)	Proposed Tariff from 1 July 2020 (exclusive of VAT)
	Rand per kl	Rand per kl
RESIDENTIAL		
Basic charge per month	-	-
1 to 6 kl per month	6.86	7.19
7 to 18 kl per month	9.90	10.38
19 to 50 kl per month	7.12	7.47
51 to 70 kl per month	7.91	8.30
71 to 90 kl per month	8.44	8.85
91 to 150 kl per month	15.00	15.00
more than 151 kl per month	16.00	16.00
NON-RESIDENTIAL		
Basic charge per month	-	-
1 to 6 kl per month	8.23	8.63
7 to 18 kl per month	11.88	12.46
19 to 50 kl per month	8.55	8.96
51 to 70 kl per month	9.50	9.96
71 to 90 kl per month	10.13	10.62
91 to 150 kl per month	18.00	18.00
more than 151 kl per month	19.20	19.20

The following Table 7 shows the impact of the proposed increases in water tariffs (for different usages) on the water charges for a single dwelling-house.

Table 7 Comparison between current water charges and increases (Domestic)

Monthly Consumption kl	Current Amount Payable (VAT Exclusive) R	Proposed Amount Payable (VAT Exclusive) R	Difference / Increase (VAT Exclusive) R	Percentage Change
20	174.14	182.68	8.55	4.91%
30	245.35	257.39	12.04	4.91%
40	316.56	332.09	15.52	4.90%
50	387.78	406.79	19.01	4.90%
80	630.43	661.33	30.90	4.90%
90	714.83	749.87	35.04	4.90%
100	864.83	899.87	35.04	4.05%

The tariff structure is designed to charge higher levels of consumption a higher rate, starting at R 6.86 (VAT exclusive) for water consumption between 0-6kℓ, steadily increasing to a rate of R 15.00 (VAT exclusive) per kiloliter for consumption in excess of 91 kℓ per month. Tariffs above 91 kℓ per month was not increased.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has not yet announced the revised bulk electricity pricing structure. An increase of 6.9% in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2020.

Considering the Eskom bulk purchases increases, the consumer tariff had to be increased by an average of 8.1% to offset the additional bulk purchase cost from 1 July 2020. The increase of 8.1% is based on the guidelines received from National Treasury in terms of Circular 98. The percentage will be amended when the final increase is known. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to increase growth in electricity consumption, which will have a positive impact on the municipality's revenue from electricity. Furthermore, note should be taken that should load-shedding be implemented again by Eskom, this will have a negative effect on the income from the sale of electricity.

Registered indigents will again be granted 50 kWh per month as a free basic service through the equitable share grant. Only registered indigent households receive free basic services (property rates, electricity, water, refuse removal and sanitation services). Registered indigent consumers' tariffs will increase with 6.22%.

The following Table 8 shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

Table 8 Comparison between current electricity charges and increases (Domestic)

Monthly Consumption 60 amp (1 phase) units	Current Amount Payable (VAT Exclusive) R	Proposed Amount Payable (VAT Exclusive) R	Difference / Increase (VAT Exclusive) R	Percentage Change
100	209.32	226.27	16.95	8.10%
250	523.29	565.67	42.39	8.10%
500	1,046.58	1,131.35	84.77	8.10%
750	1,569.86	1,697.02	127.16	8.10%
1,000	2,093.15	2,262.70	169.55	8.10%
2,000	4,186.30	4,525.39	339.09	8.10%

It should further be noted that NERSA has advised that a stepped tariff structure for the sale of electricity needs to be implemented from 1 July 2011. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The municipality is granted exemption for the implementation of step / block tariffs for now, although this might change in the future.

Owing to the high increases in Eskom's bulk tariffs over the last five years, it is clearly not possible to fund necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. As part of the 2020/2021 medium-term capital programme, funding has been allocated to electricity infrastructure. These infrastructure is being funded by INEP allocations and own revenue. INEP funding of R 8.16 million will be used to connect 200 households in Kalksloot and 135 households in Dakota Road.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of $\pm 4.9\%$ for sanitation from 1 July 2020 is proposed. This is based on the input cost assumptions related to sanitation services. It should be noted that electricity costs, chemical costs, and, salaries and allowances contributes approximately 45% of waste water treatment input costs.

The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the size of the improvements on the property with the argument that properties with bigger improvements on it will accommodate more people or business activities that will lead to the use more water to be discharged in the sewerage distribution networks – see calculations made in Table 9 below;
- Free sanitation services will be applicable to all registered indigents households; and
- The total revenue expected to be generated from rendering sanitation services amounts to R 42.091 million for the 2020/2021 financial year.

The following Table 9 compares the current and proposed tariffs for household, business and other consumers.

Table 9 Comparison between current sanitation charges and increases

Category	Proposed Tariff from 1 July 2019	Proposed Tariff from 1 July 2020
	Rand per month	Rand per month
HOUSEHOLD PROPERTIES		
Improvements to 70 m ²	116.00	121.85
Improvements between 71 m ² and 100 m ²	150.00	157.50
Improvements between 101 m ² and 200 m ²	229.00	240.25
Improvements between 201 m ² and 400 m ²	274.00	287.50
Improvements between 401 m ² and 600 m ²	329.00	345.10
Improvements between 601 m ² and 800 m ²	395.00	414.50
Improvements larger than 800 m ²	474.00	497.25
HOTELS, BUSINESSES AND OFFICES		
For improvements up to 200 m ²	265.00	278.00
The next 300 m ² or portion thereof	265.00	278.00
For the next 400 m ² or portion thereof above 500 m ²	265.00	278.00
INDUSTRIAL PROPERTIES		
For improvements up to 200 m ²	265.00	278.00
The next 300 m ² or portion thereof	223.00	234.00
For the next 400 m ² or portion thereof above 500 m ² to 4 100 m ²	180.00	189.00
For the next 400 m ² or portion thereof above 4 100 m ²	89.00	93.50

Above tariffs are applicable on the former //Khara Hais Municipality. The previous Mier Municipality's tariffs are available in the tariff list.

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

Table 10 Comparison between current sanitation charges and increases, houses

Category	Current Amount Payable (VAT Exclusive) R	Proposed Amount Payable (VAT Exclusive) R	Difference / Increase (VAT Exclusive) R	Percentage Change
Improvements to 70 m ²	116.00	121.85	5.85	5.04%
Improvements between 71 m ² and 100 m ²	150.00	157.50	7.50	5.00%
Improvements between 101 m ² and 200 m ²	229.00	240.25	11.25	4.91%
Improvements between 201 m ² and 400 m ²	274.00	287.50	13.50	4.93%
Improvements between 401 m ² and 600 m ²	329.00	345.10	16.10	4.89%
Improvements between 601 m ² and 800 m ²	395.00	414.50	19.50	4.94%

Above tariffs are applicable on the former //Khara Hais Municipality. The previous Mier Municipality's tariffs are available in the tariff list.

1.4.5 Waste Removal and Impact of Tariff Increases

Currently solid waste removal 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. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The 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, the vast area of the service area of the municipality that needs to be serviced and the emergence of new informal settlements.

A ±4.9% increase in the waste removal tariff is proposed from 1 July 2020.

The following table compares current and proposed amounts payable from 1 July 2020 for refuse removal services.

Table 11 Comparison between current waste removal fees and increases

Category	Proposed Tariff from 1 July 2019	Proposed Tariff from 1 July 2020
	Rand per month	Rand per month
HOUSEHOLD PROPERTIES		
Improvements less than 100 m ²	123.75	129.85
Improvements between 101 m ² and 200 m ²	181.00	189.90
Improvements larger than 200 m ²	230.50	241.80
BUSINESS PROPERTIES		
For improvements up to 1 500 m ² with minimum of 125m ²	1,818.63	1,906.49
Improvements between 1 501 m ² - 3 000 m ²	905.78	950.16
Per m ² above 3000 m ²	0.39	0.40

Above tariffs are applicable on the former //Khara Hais Municipality. The previous Mier Municipality's tariffs are available in the tariff list.

The monthly amount payable for one removal per week varies from R 129.85 (VAT Exclusive) to R 241.80 (VAT Exclusive) for a household. This tariff includes free black plastic bags. Indigent households will get this basic service free by means of an indigent subsidy through the equitable share allocation from National Government.

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a middle income household (property with a municipal valuation of R 700 000; 1 000 kWh electricity consumption and 30 kl of water consumption per month); affordable income household (property with a municipal valuation of R 500 000; 500 kWh electricity consumption and 25 kl of water consumption per month) and a low income household (property with a municipal valuation of R 300 000; 350 kWh electricity consumption and 20 kl of water consumption per month). Note that in all instances the overall impact of the tariff increases on household's bills has been kept to less than 5%, as per SA14. Indigent household's bills are fully subsidised where the indigent household have prepaid services. Where the indigent household have conventional services, the household will be responsible for the services received more than the subsidized amount of 6 kl water and 50kW electricity.

Table 12 MBRR Table SA14 – Household bills

Description / Rand / Cent	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 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
							% incr.			
Monthly Account for										
Rates and services charges:										
Property rates	622.32	622.80	702.57	744.72	744.72	744.72	4.9%	781.00	819.00	859.00
Electricity: Basic levy	242.20	246.75	263.63	279.45	279.45	279.45	4.9%	293.14	307.50	322.57
Electricity: Consumption	1,384.60	1,395.90	1,491.40	1,580.88	1,580.88	1,580.88	4.9%	1,658.34	1,739.60	1,824.84
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	204.30	217.56	323.56	246.51	246.51	246.51	4.9%	258.59	271.58	284.89
Sanitation	230.00	244.00	244.92	259.60	259.60	259.60	4.9%	272.32	285.66	299.66
Refuse removal	193.50	206.00	206.00	218.35	218.35	218.35	4.9%	229.05	240.27	252.04
Other	-	-	-	-	-	-	-	-	-	-
sub-total	2,876.92	2,933.01	3,232.08	3,329.51	3,329.51	3,329.51	4.9%	3,492.44	3,663.61	3,843.00
VAT on Services	315.64	346.67	275.22	499.42	499.42	499.42	-	455.53	477.86	501.26
Total large household bill:	3,192.56	3,279.68	3,507.30	3,828.93	3,828.93	3,828.93	3.1%	3,947.97	4,141.47	4,344.26
% increase/-decrease	-	2.7%	6.9%	9.2%	9.2%	9.2%		3.1%	4.9%	4.9%
Monthly Account for										
Rates and services charges:										
Property rates	440.62	469.28	497.44	527.29	527.29	527.29	4.9%	553.12	580.22	608.65
Electricity: Basic levy	242.20	246.75	263.63	279.45	279.45	279.45	4.9%	293.14	307.50	322.57
Electricity: Consumption	692.30	697.95	745.70	790.44	790.44	790.44	4.9%	829.17	869.79	912.41
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	175.05	186.41	198.81	210.74	210.74	210.74	4.9%	221.06	231.89	243.25
Sanitation	192.25	204.78	217.00	230.05	230.05	230.05	4.9%	241.32	253.14	265.54
Refuse removal	151.75	161.67	171.35	181.63	181.63	181.63	4.9%	190.53	199.86	209.65
Other	-	-	-	-	-	-	-	-	-	-
sub-total	1,894.17	1,966.84	2,093.93	2,219.60	2,219.60	2,219.60	4.9%	2,328.34	2,442.40	2,662.07
VAT on Services	203.50	209.66	239.47	253.85	253.85	253.85	-	266.28	279.33	308.01
Total small household bill:	2,097.67	2,176.50	2,333.40	2,473.45	2,473.45	2,473.45	4.9%	2,594.62	2,721.73	2,970.08
% increase/-decrease	-	3.8%	7.2%	6.0%	6.0%	6.0%		4.9%	4.9%	9.1%
Monthly Account for										
Household - 'Indigent'										
Rates and services charges:										
Property rates	-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	415.38	419.46	448.14	475.03	475.03	475.03	4.9%	498.31	522.73	548.34
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	111.42	155.26	165.06	174.96	174.96	174.96	4.9%	183.53	192.52	201.95
Sanitation	-	-	-	-	-	-	-	-	-	-
Refuse removal	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
sub-total	526.80	574.72	613.20	649.99	649.99	649.99	4.9%	681.84	715.25	750.29
VAT on Services	72.75	86.21	91.98	97.50	97.50	97.50	-	102.28	107.29	112.54
Total small household bill:	599.55	660.93	705.18	747.49	747.49	747.49	4.9%	784.12	822.54	862.83
Min: Indigent Subsidy	(599.55)	(660.93)	(705.18)	(747.49)	(747.49)	(747.49)		(784.12)	(822.54)	(862.83)
Total Payable	-	-	-	-	-	-		-	(0.01)	(0.01)
% increase/-decrease	-	-	-	-	-	-		-	-	-
% increase indigent	-	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%

1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2020/2021 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- 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 plans no budget***. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2020/2021 budget and MTREF (classified per main type of operating expenditure).

Table 13 Summary of operating expenditure by standard classification item

Description / R thousand	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
Expenditure By Type										
Employee related costs	238,228	305,627	315,882	312,376	305,295	305,295	328,970	40.1%	353,541	367,704
Remuneration of councillors	8,514	10,833	11,190	12,037	11,948	11,948	12,545	1.5%	12,984	13,504
Debt impairment	13,693	18,256	10,685	10,000	10,000	10,000	19,500	2.4%	10,350	10,764
Depreciation & asset impairment	79,069	100,227	91,832	95,594	95,594	95,594	95,594	11.7%	98,939	102,897
Finance charges	11,838	12,019	12,308	10,987	11,393	11,393	11,551	1.4%	11,955	12,433
Bulk purchases	159,260	176,912	191,532	188,746	215,480	215,480	229,662	28.0%	237,700	247,208
Other materials	17,169	25,583	24,402	30,196	31,023	31,023	31,132	3.8%	31,294	32,532
Contracted services	13,021	15,345	18,778	35,282	28,778	28,778	32,861	4.0%	29,777	30,459
Transfers and grants	521	929	1,135	1,534	1,092	1,092	1,208	0.1%	1,250	1,300
Other expenditure	34,703	35,047	45,930	56,466	52,756	52,756	56,838	6.9%	56,446	58,702
Loss on disposal of PPE	–	6,959	1,778	–	–	–	–	0.0%	–	–
Total Expenditure	576,016	707,737	725,452	753,217	763,357	763,357	819,861	100.0%	844,237	877,504

The budgeted allocation for employee related costs for the 2020/2021 financial year totals R 328.971 million, which equals 40.1% per cent of the total operating expenditure and 46.7% of operating expenditure excluding non-cash items. The salary collective agreement for 2020/2021 has been met and therefore the municipality budgeted in terms of the guidelines provided for 6.25% and onwards exists and the municipality has budgeted for a cost-of-living increase of 6.25%. Provision was made for critical vacant positions and increase in contributions towards medical aid above inflation rate.

An annual cost-of-living increase of 6.25% has been included in the two outer years of the MTREF. As part of the municipality's cost reprioritisation and cash management strategy vacancies have been significantly rationalised downwards. In addition expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions. All overtime is being approved by the Accounting Officer to ensure that the overtime is monitored at all times.

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

Provision of R 19.5 million was made for bad debt. Provision for write off bad debt of R 8.5 million was budgeted for as part of other expenditure in terms of MSCOA. For the 2020/2021 financial year this amount equates to R 8.8 million and R 9.1 million for the two outer years. While this expenditure for the provision of bad debt 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. The moratorium on the handover of residential consumers was lifted in 2016/2017 and therefore defaulting consumer debtors will be handed over for collection.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 95.6 million for the 2020/2021 financial and equates to 11.7% of the total operating expenditure. Note that

the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years. This additional off-setting depreciation is not included in the budget for tariff calculation purposes. However, the municipality can expect to generate a non-cash operating deficit when the 2020/2021 annual financial statements are compiled compliant with the Accounting Standards since this off-setting depreciation is reflected in the Statement of Financial Performance and not directly to the Statement of Changes in Net Assets.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1.4% (R 11.6 million) of operating expenditure excluding annual redemption for 2020/2021 and increases to R 12.4 million by 2022/2023. As previously noted, the municipality has reached its prudential limits for borrowing. Therefore, no external borrowing is being budgeted for from 2020/2021 – 2022/2023.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from DWA. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Repairs and maintenance to be procured for the maintenance of the municipality's assets are included under other materials and contracted services. Repairs and maintenance amounts to R 23.2 million for the 2020/2021 financial year and R 23.4 million and R 24.3 million for the two outer years of the MTREF. Other materials amount to R 31.1 million for the 2020/2021 financial year and R 31.3 million and R 32.5 million for the two outer years of the MTREF. With the adoption of GRAP 17 Dawid Kruiper Municipality adopted the revaluation method with the higher Depreciated Replacement Cost (DRC), this resulted in a net asset value of R 1.8 billion. Circular 55 requires that municipalities should ensure that repairs and maintenance is at least 8% of the total value of Property, Plant and Equipment, this is however impossible to budget for repairs and maintenance of R 145.6 million as this expenditure must be funded with tariff increases. Therefore, the implication of the revaluation method of GRAP 17 is taken into consideration when determining the budgeted amounts for repairs and maintenance.

Contracted services have been identified as a cost saving area for the municipality. As part of the compilation of the 2020/2021 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2020/2021 financial year, this group of expenditure totals R 32.9 million and has increased compared to the 2019/2020 adjustments budget. For the two outer years expenditure has been limited to -9.4% and 2.3%. As part of the process of identifying further cost efficiencies, a business process re-engineering project will commence in the 2020/2021 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented. Further details relating to contracted services can be seen in Table 63 MBRR SA1.

Other expenditure comprises of various line items relating to the daily operations of the municipality. As mentioned above it includes other materials for repair and maintenance of the municipality's assets. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Further details relating to other expenditure can be seen in Table 63 MBRR SA1.

The following chart gives a breakdown of the main expenditure categories for the 2020/2021 financial year.

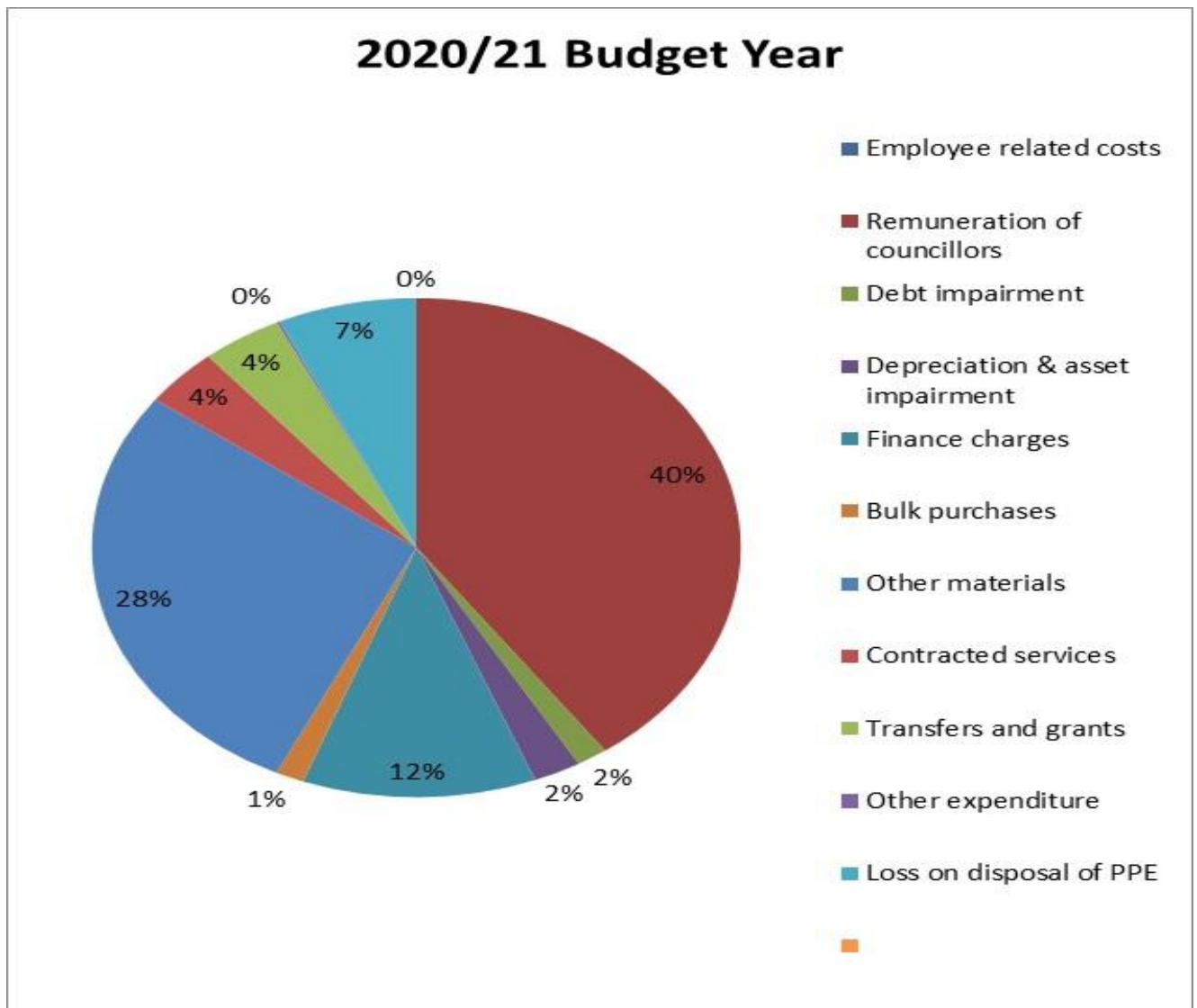


Figure 1 Main operational expenditure categories for the 2020/2021 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipality's current infrastructure, the 2020/2021 budget and MTREF provide for extensive growth in the area of asset maintenance (higher than the inflation rate), as informed by the asset renewal strategy and repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials, vehicle costs and contracted services.

Unfortunately, the financial system of the municipality is set up in such a way that these costs cannot be calculated and allocated very easily to the different asset classes. Therefore, the following table will only reflect other materials to be procured for repairs and maintenance purposes. Table 14 gives a better picture of the consolidated cost drivers of all the expenditures associated with repairs and maintenance.

Table 14 Operational repairs and maintenance

Description / R thousand	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
Repairs and Maintenance by Expenditure Item									
Employee related costs	-	-	-	-	-	-	-	-	-
Other materials	5,195	9,439	7,187	10,499	11,639	11,639	10,450	10,807	11,232
Contracted Services	5,906	4,528	9,186	17,154	11,810	11,810	12,750	12,605	13,093
Other Expenditure	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	11,101	9,439	7,187	27,653	23,449	23,449	23,200	23,412	24,324

During the compilation of the 2019/2020 Adjustment Budget operational repairs and maintenance was identified as a strategic imperative owing to the aging of the municipality's infrastructure. To this end, total repairs and maintenance was increased in the 2020/2021 financial year to R 23.2 million from R 11.1 million in 2016/2017. As part of the 2020/2021 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. Table 15 below provides a breakdown of the repairs and maintenance (only other materials costs) in relation to asset class.

Table 15 Repairs and maintenance per asset class

Description / R thousand	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
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>									
Infrastructure	4,253	4,382	4,842	13,411	9,689	9,689	8,086	7,997	8,317
Roads Infrastructure	71	934	401	2,202	1,735	1,735	1,571	1,254	1,305
Roads	71	934	401	2,002	1,575	1,575	-	-	-
Road Structures	-	-	-	-	-	-	1,409	1,087	1,130
Electrical Infrastructure	1,246	1,719	1,324	1,769	3,219	3,219	2,265	2,344	2,438
MV Substations	-	-	-	-	-	-	-	-	-
LV Networks	1,246	1,719	1,324	1,769	3,219	3,219	2,265	2,344	2,438
Water Supply Infrastructure	2,427	1,344	1,817	7,894	3,582	3,582	2,590	2,681	2,788
Reservoirs	-	-	-	5,000	-	-	-	-	-
Water Treatment Works	-	-	1,817	1,644	1,492	1,492	1,500	1,553	1,615
Distribution	2,427	1,344	-	1,250	2,090	2,090	1,090	1,128	1,173
Sanitation Infrastructure	498	311	1,205	1,458	1,065	1,065	1,630	1,687	1,755
Reticalation	-	-	-	208	200	200	130	135	140
Waste Water Treatment Works	498	311	1,205	1,250	865	865	1,500	1,553	1,615
Toilet Facilities	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	11	30	-	-	-	-	-	-	-
Landfill Sites	11	30	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	44	94	88	88	88	30	31	32
Community Assets	440	464	680	1,772	1,606	1,606	1,631	1,658	1,701
Community Facilities	-	167	253	1,158	1,024	1,024	1,030	1,027	1,050
Sport and Recreation Facilities	440	297	427	614	582	582	601	631	651
Operational Buildings	912	791	596	1,352	1,570	1,570	2,513	2,403	2,499
Intangible Assets	-	472	475	510	-	-	-	-	-
Computer Equipment	-	387	-	120	120	120	120	124	129
Furniture and Office Equipment	-	-	-	250	360	360	225	233	242
Machinery and Equipment	2,666	-	800	740	604	604	793	820	853
Transport Assets	2,830	7,472	8,979	9,500	9,500	9,500	9,833	10,177	10,584
Total Repairs and Maintenance Expenditure	11,101	13,967	16,373	27,653	23,449	23,449	23,200	23,412	24,324

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. It should be noted that the Indigent Subsidy Policy was reviewed and that changes were made. For more detail on the policy visit our website at www.dkm.gov.za . 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 27 MBRR A10 (Basic Service Delivery Measurement).

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

1.6 Capital expenditure

The following table provides a breakdown of budgeted single- and multi-year capital expenditure by vote. For 2020/2021 an amount of R 113.9 million has been appropriated for investment in property, plant and equipment. In the outer years this amount totals R 135.2 million and R 94.9 million respectively for each of the financial years. Civil Engineering Services receives the highest allocation of R 44.5 million in 2020/2021 which equates to 39.1% of the capital budget.

Table 16 2020/2021 Medium-term capital budget per vote

Description / R thousand	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 1 - Municipal Manager	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Vote 2 - Corporate Services	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Vote 3 - Financial Services	–	0.0%	1,375	1.2%	1,375	1.0%	–	0.0%
Vote 4 - Community Services	–	0.0%	1,593	1.4%	4,500	3.3%	4,370	4.6%
Vote 5 - Technical Director	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Vote 6 - Electro Mech Services	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Vote 7 - Civil Engineering Services	13,764	9.6%	40,875	35.9%	28,486	21.1%	37,989	40.0%
Vote 8 - Planning and Development Services	30,479	21.2%	20,608	18.1%	22,152	16.4%	20,787	21.9%
Capital multi-year expenditure sub-total	44,244	30.7%	64,451	56.6%	56,513	41.8%	63,146	66.5%
Single-year expenditure to be appropriated								
Vote 1 - Municipal Manager	110	0.1%	–	0.0%	–	0.0%	–	0.0%
Vote 2 - Corporate Services	1,188	0.8%	1,073	0.9%	360	0.3%	100	0.3%
Vote 3 - Financial Services	2,306	1.6%	11,548	10.1%	13,243	9.8%	6,121	19.3%
Vote 4 - Community Services	1,610	1.1%	2,605	2.3%	3,339	2.5%	2,068	6.5%
Vote 5 - Technical Director	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Vote 6 - Electro Mech Services	42,222	29.3%	30,335	26.6%	51,421	38.0%	19,391	61.1%
Vote 7 - Civil Engineering Services	51,911	36.1%	3,665	3.2%	9,347	6.9%	1,585	5.0%
Vote 8 - Planning and Development Services	402	0.3%	259	0.2%	1,000	0.7%	2,495	7.9%
Capital single-year expenditure sub-total	99,749	69.3%	49,486	43.4%	78,710	58.2%	31,760	33.5%
Total Capital Expenditure - Vote	143,993	100.0%	113,937	100.0%	135,223	100.0%	94,906	100.0%

Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management). In addition to the MBRR Table A9, MBRR Tables SA34a, b, c and e provides a detailed breakdown of the capital programme relating to new asset construction; capital asset renewal, capital assets upgrades as well as operational repairs and maintenance by asset class.

Refer to pages 124 to 134 contain a detail breakdown of the capital budget per project over the medium-term.

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61 MBRR SA35. This concomitant operational expenditure is expected to escalate as new capital projects are implemented. It needs to be noted that as

part of the 2020/2021 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 Annual Budget Tables – Parent Municipality

The following eighteen 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 2020/2021 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes*.

Explanatory notes to MBRR Table A1 – Budget Summary

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

years. The amount is incorporated in the net cash from investing on the Cash Flow Budget. 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 shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.
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 17 MBRR Table A1 – Budget Summary

Description / R thousand	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
Financial Performance									
Property rates	75,406	93,337	99,224	106,762	107,056	107,056	112,409	117,917	122,633
Service charges	337,359	371,744	410,327	473,160	476,718	476,718	506,166	540,229	573,326
Investment revenue	2,844	4,523	4,656	4,465	3,255	3,255	3,255	3,414	3,551
Transfers recognised - operational	71,495	86,799	96,097	101,533	103,486	103,486	109,533	115,051	125,355
Other own revenue	57,760	80,320	171,621	64,251	65,455	65,455	73,504	76,228	79,277
Total Revenue (excluding capital transfers and contributions)	544,864	636,723	781,926	750,171	755,969	755,969	804,866	852,838	904,142
Employee costs	238,228	305,627	315,882	312,376	305,295	305,295	328,970	353,541	367,704
Remuneration of councillors	8,514	10,833	11,190	12,037	11,948	11,948	12,545	12,984	13,504
Depreciation & asset impairment	79,069	100,227	91,832	95,594	95,594	95,594	95,594	98,939	102,897
Finance charges	11,838	12,019	12,308	10,987	11,393	11,393	11,551	11,955	12,433
Materials and bulk purchases	176,430	202,495	215,934	218,942	246,503	246,503	260,794	268,994	279,740
Transfers and grants	521	929	1,135	1,534	1,092	1,092	1,208	1,250	1,300
Other expenditure	61,417	75,607	77,170	101,747	91,534	91,534	109,200	96,573	99,925
Total Expenditure	576,016	707,737	725,452	753,217	763,357	763,357	819,861	844,237	877,504
Surplus/(Deficit)	(31,153)	(71,015)	56,474	(3,046)	(7,388)	(7,388)	(14,995)	8,601	26,639
Transfers recognised - capital	35,364	34,192	44,787	57,211	70,752	70,752	61,622	48,411	63,716
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	4,212	(36,822)	101,260	54,165	63,364	63,364	46,627	57,012	90,355
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	4,212	(36,822)	101,260	54,165	63,364	63,364	46,627	57,012	90,355
Capital expenditure & funds sources									
Capital expenditure	45,546	51,791	75,456	144,420	143,993	143,993	113,937	135,223	94,906
Transfers recognised - capital	35,221	37,160	46,837	57,211	70,752	70,752	61,665	48,411	63,716
Borrowing	-	194	131	-	9,275	9,275	5,000	-	-
Internally generated funds	10,325	14,437	28,488	87,210	63,966	63,966	47,271	86,811	31,189
Total sources of capital funds	45,546	51,791	75,456	144,420	143,993	143,993	113,937	135,223	94,906
Financial position									
Total current assets	127,678	157,174	143,873	85,974	95,587	95,587	86,897	94,258	135,349
Total non current assets	2,415,202	2,309,525	2,444,081	2,421,881	2,512,480	2,512,480	2,550,823	2,608,086	2,621,914
Total current liabilities	181,936	209,518	215,886	213,900	198,154	198,154	194,356	221,162	205,767
Total non current liabilities	366,199	288,197	301,823	283,175	276,305	276,305	263,130	243,936	223,894
Community wealth/Equity	1,994,746	1,968,984	2,070,244	2,010,779	2,133,608	2,133,608	2,180,234	2,237,247	2,327,602
Cash flows									
Net cash from (used) operating	80,550	85,819	33,617	140,362	146,781	146,781	92,222	126,620	118,920
Net cash from (used) investing	(37,250)	(56,048)	(71,285)	(129,420)	(128,991)	(128,991)	(92,437)	(112,669)	(71,450)
Net cash from (used) financing	(11,999)	3,057	(9,114)	(10,000)	(360)	(360)	(4,275)	(10,000)	(10,500)
Cash/cash equivalents at the year end	43,754	76,582	29,801	47,675	47,229	47,229	42,739	46,691	83,660
Cash backing/surplus reconciliation									
Cash and investments available	43,754	76,582	29,801	47,675	47,229	47,229	42,739	46,691	83,660
Application of cash and investments	7,477	41,257	14,110	45,716	36,698	36,698	37,899	36,524	29,623
Balance - surplus (shortfall)	36,277	35,325	15,691	1,959	10,531	10,531	4,840	10,167	54,037
Asset management									
Asset register summary (WDV)	2,415,202	2,309,516	2,444,081	2,421,881	2,512,480	2,512,480	2,550,823	2,608,086	2,621,914
Depreciation & asset impairment	79,069	100,227	91,832	95,594	95,594	95,594	95,594	98,939	102,897
Renewal of Existing Assets	19,525	1,740	11,697	61,975	65,734	65,734	58,155	48,308	44,399
Repairs and Maintenance	11,101	13,967	16,373	27,653	23,449	23,449	23,200	23,412	24,324
Free services									
Cost of Free Basic Services provided	19,561	24,191	30,121	30,193	28,666	28,666	30,172	31,783	33,219
Revenue cost of free services provided	8,224	10,260	11,240	7,372	7,443	7,443	7,816	8,199	8,526
Households below minimum service level									
Water:	-	-	0	0	0	0	0	0	0
Sanitation/sewerage:	1	1	1	2	2	2	2	2	2
Energy:	2	2	2	2	2	2	1	-	-
Refuse:	10	10	10	10	10	10	10	10	10

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, but not for Water, Waste Water Management and Waste Management functions. This deficit shown on the above mentioned functions is non-cash deficits as the depreciation cost are included in the deficit. This is a result of the implementation of GRAP 17 – as detailed discussed on page 21.
4. Other functions that show a deficit between revenue and expenditure are being financed through the trading services profit, from rates revenues and other revenue sources reflected in the table.

**Table 18 MBRR Table A2 – Budgeted Financial Performance
(Revenue and expenditure by standard classification)**

Standard Classification Description / R thousand	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									
<i>Governance and administration</i>	212,856	245,746	340,409	243,049	244,580	244,580	262,349	277,338	291,902
Executive and council	5,256	22,730	2,369	-	-	-	-	-	-
Finance and administration	207,600	223,016	338,040	243,049	244,580	244,580	262,349	277,338	291,902
<i>Community and public safety</i>	18,235	21,372	20,676	18,414	18,600	18,600	17,697	18,536	19,283
Community and social services	1,910	4,407	2,839	3,467	3,075	3,075	3,310	3,475	3,646
Sport and recreation	4,774	4,607	3,863	4,543	3,548	3,548	3,534	3,707	3,855
Public safety	10,779	11,708	13,324	9,755	11,326	11,326	10,204	10,704	11,132
Housing	772	650	650	650	650	650	650	650	650
<i>Economic and environmental services</i>	5,162	19,619	26,340	39,762	41,091	41,091	31,838	34,045	35,702
Planning and development	5,026	19,511	26,165	39,577	40,946	40,946	31,778	33,982	35,636
Road transport	136	108	175	185	145	145	60	63	65
<i>Trading services</i>	343,974	384,178	439,287	506,157	522,450	522,450	554,604	571,331	620,972
Energy sources	248,785	269,392	305,203	354,000	352,342	352,342	368,610	393,607	420,439
Water management	47,662	54,579	64,492	77,794	86,238	86,238	106,603	94,443	113,921
Waste water management	27,264	33,603	36,749	39,500	48,347	48,347	42,091	44,153	45,919
Waste management	20,263	26,605	32,843	34,863	35,523	35,523	37,300	39,127	40,692
<i>Other</i>	0	0	0	-	-	-	-	-	-
Total Revenue - Standard	580,228	670,915	826,712	807,382	826,721	826,721	866,488	901,250	967,859
Expenditure - Functional									
<i>Governance and administration</i>	150,108	195,898	195,477	207,787	216,088	216,088	247,137	246,291	256,007
Executive and council	31,470	53,827	49,379	33,090	27,066	27,066	41,662	48,207	50,136
Finance and administration	116,877	140,182	144,276	171,036	185,606	185,606	202,007	194,460	202,104
Internal audit	1,761	1,889	1,822	3,661	3,417	3,417	3,468	3,623	3,768
<i>Community and public safety</i>	60,769	75,433	87,090	99,083	97,492	97,492	101,117	106,471	110,715
Community and social services	7,321	9,566	11,270	16,079	14,785	14,785	14,914	15,584	16,236
Sport and recreation	27,858	32,201	34,123	38,940	38,585	38,585	39,638	41,623	43,271
Public safety	23,048	29,158	36,663	38,277	38,347	38,347	40,936	43,014	44,734
Housing	2,541	4,508	5,034	5,787	5,776	5,776	5,629	6,250	6,474
<i>Economic and environmental services</i>	31,866	64,054	59,462	61,897	54,534	54,534	56,929	59,171	61,174
Planning and development	7,410	12,001	11,692	15,285	11,285	11,285	13,005	13,531	13,709
Road transport	24,455	52,052	47,769	46,612	43,249	43,249	43,924	45,640	47,465
<i>Trading services</i>	331,586	370,084	381,142	381,448	392,570	392,570	411,439	428,941	446,109
Energy sources	196,610	220,647	235,100	228,393	251,959	251,959	265,710	275,607	286,642
Water management	56,659	66,116	69,643	66,959	62,027	62,027	61,650	65,135	67,740
Waste water management	38,865	40,747	40,971	37,055	34,472	34,472	37,015	39,424	41,001
Waste management	39,452	42,574	35,427	49,041	44,113	44,113	47,063	48,776	50,727
<i>Other</i>	1,688	2,269	2,281	3,002	2,672	2,672	3,240	3,363	3,497
Total Expenditure - Standard	576,016	707,737	725,452	753,217	763,357	763,357	819,861	844,237	877,504
Surplus/(Deficit) for the year	4,212	(36,822)	101,260	54,165	63,364	63,364	46,627	57,012	90,355

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

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

The following table is an analysis of the surplus or deficit for the electricity and water trading services.

1. The electricity trading surplus is sustained over the 2020/2021 MTREF around 31.8% - 35.5% from 2020/2021 to 2022/2023 (excluding depreciation). This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality and NERSA to buffer the impact of these increases on individual consumers. Internal usages are off set against revenue.
2. The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 57.2%, 48.6% and 55.7% for each of the respective financial years (excluding depreciation).
3. Note that the surpluses on these trading accounts are accounted for as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure, *and to cross-subsidise other municipal services.*

**Table 19 MBRR Table A3 – Budgeted Financial Performance
(Revenue and expenditure by municipal vote)**

Description / R thousand	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 - Municipal Manager	4,011	22,730	2,386	–	–	–	–	–	–
Vote 2 - Corporate Services	6,562	27,379	141,624	39,710	40,043	40,043	46,768	48,325	50,258
Vote 3 - Financial Services	201,268	191,281	196,410	203,339	204,537	204,537	215,581	229,013	241,643
Vote 4 - Community Services	33,995	43,875	50,132	49,219	51,029	51,029	51,955	54,504	56,716
Vote 5 - Technical Director	–	–	–	–	–	–	–	–	–
Vote 6 - Electro Mech Services	248,785	269,392	305,206	354,000	352,342	352,342	368,610	393,607	420,439
Vote 7 - Civil Engineering Services	75,087	92,751	101,416	117,479	134,730	134,730	148,754	138,659	159,906
Vote 8 - Planning and Development Services	10,519	23,508	29,538	43,635	44,040	44,040	34,820	37,141	38,896
Total Revenue by Vote	580,228	670,915	826,712	807,382	826,721	826,721	866,488	901,250	967,859
Expenditure by Vote to be appropriated									
Vote 1 - Municipal Manager	31,984	51,172	48,653	28,842	24,439	24,439	36,928	43,349	45,082
Vote 2 - Corporate Services	24,888	29,885	27,113	49,096	45,982	45,982	47,866	48,481	50,420
Vote 3 - Financial Services	57,951	69,497	63,155	83,347	82,355	82,355	90,621	80,808	83,913
Vote 4 - Community Services	107,939	125,439	127,757	154,543	151,169	151,169	161,247	167,608	174,321
Vote 5 - Technical Director	–	–	–	–	–	–	–	–	–
Vote 6 - Electro Mech Services	207,997	240,251	267,122	239,482	277,961	277,961	293,755	304,404	316,588
Vote 7 - Civil Engineering Services	125,242	164,892	164,515	163,048	152,032	152,032	156,703	164,921	171,518
Vote 8 - Planning and Development Services	20,016	26,600	27,138	34,859	29,420	29,420	32,742	34,665	35,662
Total Expenditure by Vote	576,016	707,737	725,452	753,217	763,357	763,357	819,861	844,237	877,504
Surplus/(Deficit) for the year	4,212	(36,822)	101,260	54,165	63,364	63,364	46,627	57,012	90,355

Table 20 Surplus/(Deficit) calculations for the trading services

Description / R thousand	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
Electricity									
Total Revenue (Excluding capital)	248,785	269,392	305,203	354,000	352,342	352,342	368,610	393,607	420,439
Operating Expenditure (excluding depreciation)	182,500	205,562	219,336	214,283	237,849	237,849	251,331	260,725	271,164
Surplus/(Deficit) for the year	66,285	63,830	85,867	139,716	114,493	114,493	117,279	132,882	149,275
Percentage Surplus	26.6%	23.7%	28.1%	39.5%	32.5%	32.5%	31.8%	33.8%	35.5%
Water									
Total Revenue (Excluding capital)	47,662	54,579	64,492	77,794	86,238	86,238	106,603	94,443	113,921
Operating Expenditure (excluding depreciation)	40,841	49,637	52,646	51,141	46,208	46,208	45,635	48,559	50,501
Surplus/(Deficit) for the year	6,821	4,941	11,846	26,653	40,030	40,030	60,968	45,884	63,420
Percentage Surplus	14.3%	9.1%	18.4%	34.3%	46.4%	46.4%	57.2%	48.6%	55.7%

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

1. Total revenue (excluding capital transfers) is R 804.9 million in 2020/2021 and escalates to R 904.1 million by 2022/2023. This represents a year-on-year increase of 6.0% for the 2021/2022 financial year and 6.0% for the 2022/2023 financial year.
2. Revenue to be generated from property rates is R 112.4 million in the 2020/2021 financial year and increases to R 122.6 million by 2022/2023 which represents 14.0% of the operating revenue base of the municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at $\pm 4.9\%$ for each of the respective financial years of the MTREF, taken into consideration the impact of the new valuation roll.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R 506.2 million for the 2020/2021 financial year and increasing to R 573.3 million by 2022/2023. For the 2020/2021 financial year services charges amount to 62.9% of the total revenue base and increases to 63.4% by 2022/2023. This increase can mainly be attributed to the increase in the bulk prices of electricity and water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. Operating grants and transfers totals R 109.5 million in the 2020/2021 financial year and increases to R 125.4 million for 2022/2023. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 21 MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure)

Description / R thousand	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 Source									
Property rates	75,406	93,337	99,224	106,762	107,056	107,056	112,409	117,917	122,633
Service charges - electricity revenue	242,247	257,122	279,023	332,740	334,492	334,492	356,205	382,920	409,725
Service charges - water revenue	47,585	54,414	61,742	66,057	66,557	66,557	70,570	74,028	76,989
Service charges - sanitation revenue	27,264	33,603	36,719	39,500	40,146	40,146	42,091	44,153	45,919
Service charges - refuse revenue	20,263	26,605	32,843	34,863	35,523	35,523	37,300	39,127	40,692
Rental of facilities and equipment	8,171	8,719	7,704	6,842	6,054	6,054	6,230	6,535	6,796
Interest earned - external investments	2,844	4,523	4,656	4,465	3,255	3,255	3,255	3,414	3,551
Interest earned - outstanding debtors	2,985	3,454	3,663	3,687	3,595	3,595	3,595	3,771	3,922
Fines	4,465	7,278	8,075	5,988	6,180	6,180	6,417	6,690	6,958
Licences and permits	1,571	1,581	1,064	1,118	1,129	1,129	1,178	1,235	1,285
Agency services	4,208	2,529	3,169	-	-	-	-	-	-
Transfers recognised - operational	71,495	86,799	96,097	101,533	103,486	103,486	109,533	115,051	125,355
Other revenue	34,602	56,760	147,947	31,617	33,496	33,496	34,584	35,443	36,861
Gains on disposal of PPE	1,758	-	-	15,000	15,000	15,000	21,500	22,554	23,456
Total Revenue (excluding capital transfers and contributions)	544,864	636,723	781,926	750,171	755,969	755,969	804,866	852,838	904,142
Expenditure By Type									
Employee related costs	238,228	305,627	315,882	312,376	305,295	305,295	328,970	353,541	367,704
Remuneration of councillors	8,514	10,833	11,190	12,037	11,948	11,948	12,545	12,984	13,504
Debt impairment	13,693	18,256	10,685	10,000	10,000	10,000	19,500	10,350	10,764
Depreciation & asset impairment	79,069	100,227	91,832	95,594	95,594	95,594	95,594	98,939	102,897
Finance charges	11,838	12,019	12,308	10,987	11,393	11,393	11,551	11,955	12,433
Bulk purchases	159,260	176,912	191,532	188,746	215,480	215,480	229,662	237,700	247,208
Other materials	17,169	25,583	24,402	30,196	31,023	31,023	31,132	31,294	32,532
Contracted services	13,021	15,345	18,778	35,282	28,778	28,778	32,861	29,777	30,459
Transfers and subsidies	521	929	1,135	1,534	1,092	1,092	1,208	1,250	1,300
Other expenditure	34,703	35,047	45,930	56,466	52,756	52,756	56,838	56,446	58,702
Losses	-	6,959	1,778	-	-	-	-	-	-
Total Expenditure	576,016	707,737	725,452	753,217	763,357	763,357	819,861	844,237	877,504
Surplus/(Deficit)	(31,153)	(71,015)	56,474	(3,046)	(7,388)	(7,388)	(14,995)	8,601	26,639
Transfers recognised - capital	35,364	34,192	44,787	57,211	70,752	70,752	61,622	48,411	63,716
Surplus/(Deficit) after capital transfers & contributions	-	(36,822)	101,260	54,165	63,364	63,364	46,627	57,012	90,355
Taxation	4,212	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	-	(36,822)	101,260	54,165	63,364	63,364	46,627	57,012	90,355
Attributable to minorities	4,212	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	4,212	(36,822)	101,260	54,165	63,364	63,364	46,627	57,012	90,355
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	4,212	(36,822)	101,260	54,165	63,364	63,364	46,627	57,012	90,355

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

1. Table A5 below is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for the 2020/2021 financial year R 64.5 million has been allocated of the total R 113.9 million capital budget, which totals 56.6%. This allocation decreases to R 56.6 million in 2021/2022 and then increases to R 63.2 million in 2022/2023.
3. Single-year capital expenditure has been appropriated at R 49.5 million for the 2020/2021 financial year and R 78.7 million and R 31.8 million respectively for the two outer years.
4. 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 specialised 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.
5. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses. For 2020/2021, capital transfers totals R 61.7 million (54.1%) and decrease to R 48.4 million (35.8%) for 2021/2022 and then increases to R 63.7 million (67.1%) for 2022/2023.

Table 22 MBRR Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding source

Description / R thousand	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
Capital expenditure - Vote									
<u>Multi-year expenditure to be appropriated</u>									
Vote 1 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services	-	-	-	1,500	-	-	1,375	1,375	-
Vote 4 - Community Services	-	-	-	-	-	-	1,593	4,500	4,370
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	1,889	-	-	-	-	-	-	-	-
Vote 7 - Civil Engineering Services	118	-	-	5,769	13,764	13,764	40,875	28,486	37,989
Vote 8 - Planning and Development Services	17,577	-	16,464	28,553	30,479	30,479	20,608	22,152	20,787
Capital multi-year expenditure sub-total	19,584	-	16,464	35,821	44,244	44,244	64,451	56,513	63,146
<u>Single-year expenditure to be appropriated</u>									
Vote 1 - Municipal Manager	79	295	172	25	110	110	-	-	-
Vote 2 - Corporate Services	46	1,722	1,236	1,475	1,188	1,188	1,073	360	100
Vote 3 - Financial Services	517	9,851	866	6,591	2,306	2,306	11,548	13,243	6,121
Vote 4 - Community Services	747	262	1,052	5,443	1,610	1,610	2,605	3,339	2,068
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	19,668	16,867	50,723	51,377	42,222	42,222	30,335	51,421	19,391
Vote 7 - Civil Engineering Services	4,719	12,567	4,828	43,233	51,911	51,911	3,665	9,347	1,585
Vote 8 - Planning and Development Services	186	10,227	115	456	402	402	259	1,000	2,495
Capital single-year expenditure sub-total	25,962	51,791	58,992	108,599	99,749	99,749	49,486	78,710	31,760
Total Capital Expenditure - Vote	45,546	51,791	75,456	144,420	143,993	143,993	113,937	135,223	94,906
Capital Expenditure - Standard									
<i>Governance and administration</i>	686	14,256	11,401	23,324	11,166	11,166	28,988	29,958	7,721
Executive and council	79	335	172	11	104	104	-	-	-
Budget and treasury office	56	370	158	23,307	11,057	11,057	28,988	29,958	7,721
Corporate services	551	13,551	11,071	7	6	6	-	-	-
<i>Community and public safety</i>	3,902	220	1,156	3,650	2,056	2,056	2,652	3,423	2,870
Community and social services	22	151	301	1,790	987	987	1,528	1,853	1,670
Sport and recreation	3,832	27	765	1,397	1,070	1,070	1,073	1,570	1,200
Public safety	49	43	90	463	-	-	51	-	-
<i>Economic and environmental services</i>	12,263	11,673	16,682	32,386	41,657	41,657	24,283	28,947	28,882
Planning and development	4	10,207	12,864	28,746	30,666	30,666	20,611	23,152	23,282
Road transport	12,259	1,465	3,819	3,640	10,991	10,991	3,673	5,795	5,600
<i>Trading services</i>	28,695	25,642	46,216	85,061	89,113	89,113	57,987	72,895	55,433
Electricity	19,930	14,522	41,600	38,611	34,362	34,362	16,647	37,941	19,391
Water	4,344	10,785	4,085	26,707	21,088	21,088	4,794	10,025	2,060
Waste water management	2,904	335	528	18,655	33,663	33,663	36,496	22,558	32,264
Waste management	1,517	-	3	1,088	-	-	50	2,371	1,718
<i>Other</i>	-	-	-	-	-	-	27	-	-
Total Capital Expenditure - Standard	45,546	51,791	75,456	144,420	143,993	143,993	113,937	135,223	94,906
Funded by:									
National Government	33,381	36,869	43,723	55,733	65,775	65,775	61,434	48,238	63,716
Provincial Government	1,840	291	2,314	1,478	4,976	4,976	188	173	-
Other transfers and grants	-	-	800	-	-	-	43	-	-
Transfers recognised - capital	35,221	37,160	46,837	57,211	70,752	70,752	61,665	48,411	63,716
Borrowing	-	194	131	-	9,275	9,275	5,000	-	-
Internally generated funds	10,325	14,437	28,488	87,210	63,966	63,966	47,271	86,811	31,189
Total Capital Funding	45,546	51,791	75,456	144,420	143,993	143,993	113,937	135,223	94,906

Explanatory notes to Table A6 – Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors, management and other users of budget documentation of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 65 is supported by an extensive table of notes (SA3 which can be found on page 141) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn

would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the Statement of Financial Position.

Table 23 MBRR Table A6 – Budgeted Financial Position

Description / R thousand	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
ASSETS									
Current assets									
Cash	43,754	76,582	50,310	47,675	47,229	47,229	42,739	46,691	83,660
Consumer debtors	74,171	73,692	83,055	32,465	42,524	42,524	38,324	41,734	45,855
Other debtors	93	1,219	151	-	-	-	-	-	-
Current portion of long-term receivables	13	5	2	-	-	-	-	-	-
Inventory	9,648	5,676	10,355	5,834	5,834	5,834	5,834	5,834	5,834
Total current assets	127,678	157,174	143,873	85,974	95,587	95,587	86,897	94,258	135,349
Non current assets									
Investment property	593,335	613,210	749,428	646,647	769,428	769,428	789,428	810,408	832,227
Property, plant and equipment	1,813,612	1,685,888	1,684,246	1,764,362	1,731,628	1,731,628	1,744,891	1,771,174	1,758,183
Intangible	3,746	5,909	5,897	6,362	6,914	6,914	11,994	21,994	26,994
Other non-current assets	4,509	4,509	4,509	4,509	4,509	4,509	4,509	4,509	4,509
Total non current assets	2,415,202	2,309,525	2,444,081	2,421,881	2,512,480	2,512,480	2,550,823	2,608,086	2,621,914
TOTAL ASSETS	2,542,880	2,466,699	2,587,954	2,507,855	2,608,067	2,608,067	2,637,720	2,702,345	2,757,263
LIABILITIES									
Current liabilities									
Borrowing	8,716	9,876	10,981	11,000	11,000	11,000	11,500	12,000	12,500
Consumer deposits	10,868	11,474	12,285	12,650	12,650	12,650	12,650	12,650	12,650
Trade and other payables	108,354	138,027	114,821	138,000	122,254	122,254	117,956	144,262	128,367
Provisions	53,998	50,141	57,289	52,250	52,250	52,250	52,250	52,250	52,250
Total current liabilities	181,936	209,518	215,886	213,900	198,154	198,154	194,356	221,162	205,767
Non current liabilities									
Borrowing	104,021	105,315	94,285	84,191	93,541	93,541	88,766	78,266	67,266
Provisions	262,178	182,882	207,538	198,984	182,764	182,764	174,364	165,670	156,628
Total non current liabilities	366,199	288,197	301,823	283,175	276,305	276,305	263,130	243,936	223,894
TOTAL LIABILITIES	548,135	497,715	517,710	497,075	474,459	474,459	457,486	465,098	429,661
NET ASSETS	1,994,746	1,968,984	2,070,244	2,010,779	2,133,608	2,133,608	2,180,234	2,237,247	2,327,602
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	1,994,746	1,968,984	2,070,244	2,010,779	2,133,608	2,133,608	2,180,234	2,237,247	2,327,602
TOTAL COMMUNITY WEALTH/EQUITY	1,994,746	1,968,984	2,070,244	2,010,779	2,133,608	2,133,608	2,180,234	2,237,247	2,327,602

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2020/2021 MTREF provide for a net decrease in cash of R 4.5 million for the 2020/2021 financial year. The projected cash surplus for 2019/2020 will result in an overall projected positive cash position at year end.
4. In addition, the municipality has undertaken an extensive debt collection drive resulting in cash receipts on arrear debtors.
5. The 2020/2021 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Table 24 MBRR Table A7 – Budgeted Cash Flow Statement

Description / R thousand	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
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	85,881	93,337	99,224	111,806	115,857	115,857	109,348	115,165	119,656
Service charges	337,359	331,373	387,893	488,293	503,121	503,121	493,925	529,221	561,418
Other revenue	26,477	31,601	31,803	25,564	26,860	26,860	28,409	28,923	30,080
Transfers and Subsidies - Operational	71,495	86,799	96,097	101,533	103,486	103,486	109,533	115,051	125,355
Transfers and Subsidies - Capital	35,364	34,192	44,787	57,211	70,752	70,752	61,622	48,411	63,716
Interest	5,829	7,977	8,320	8,152	6,850	6,850	6,850	7,186	7,473
Payments									
Suppliers and employees	(469,496)	(486,512)	(621,062)	(639,678)	(667,659)	(667,659)	(704,707)	(704,131)	(775,046)
Finance charges	(11,838)	(12,019)	(12,308)	(10,987)	(11,393)	(11,393)	(11,551)	(11,955)	(12,433)
Transfers and Grants	(521)	(929)	(1,135)	(1,534)	(1,092)	(1,092)	(1,208)	(1,250)	(1,300)
NET CASH FROM/(USED) OPERATING ACTIVITIES	80,550	85,819	33,617	140,362	146,781	146,781	92,222	126,620	118,920
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	8,351	(4,255)	4,159	15,000	15,000	15,000	21,500	22,554	23,456
Decrease (increase) other non-current receivables	10	(1)	12	-	2	2	-	-	-
Payments									
Capital assets	(45,612)	(51,791)	(75,456)	(144,420)	(143,993)	(143,993)	(113,937)	(135,223)	(94,906)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(37,250)	(56,048)	(71,285)	(129,420)	(128,991)	(128,991)	(92,437)	(112,669)	(71,450)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Borrowing long term/refinancing	-	10,000	-	-	9,275	9,275	5,000	-	-
Increase (decrease) in consumer deposits	(882)	602	811	-	365	365	-	-	-
Payments									
Repayment of borrowing	(11,118)	(7,545)	(9,925)	(10,000)	(10,000)	(10,000)	(9,275)	(10,000)	(10,500)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(11,999)	3,057	(9,114)	(10,000)	(360)	(360)	(4,275)	(10,000)	(10,500)
NET INCREASE/ (DECREASE) IN CASH HELD	31,301	32,828	(46,782)	941	17,429	17,429	(4,490)	3,951	36,970
Cash/cash equivalents at the year begin:	12,454	43,754	76,582	46,734	29,801	29,801	47,229	42,739	46,691
Cash/cash equivalents at the year end:	43,754	76,582	29,801	47,675	47,229	47,229	42,739	46,691	83,660

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

- The cash backed reserves / accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. The municipality has send the budget to Provincial Province recalculation in order to ensure that a funded budget is approved by Council.

2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. The main reason for these "unfunded" projections were a lack of cash due to government not honouring their service charges, outstanding debt, moratorium on handover of consumer debtors, unspent grants not being cash backed for previous financial years, the roll-over of capital projects that is ongoing for more than a year which is being funded from external loans and own funds, housing programme claims not paid out by provincial government and unfunded mandates for Primary Health Care Services, Environmental Services, Library Services, Disaster Management, etc. Based on Circular 74 (Unfunded Mandates) the municipality has identified certain functions, which is not the core function of the municipality and is jeopardizing our financial situation. An item was tabled to Council and discussions and decisions will determine these function(s) will dispose or rented out. The municipality will be unable to raise external loans until the shortfall on A8 is R 0. Therefore, Council has approved a Municipal Turn Around Strategy (MTAS) to ensure that our current financial situation approves during the MTREF.
6. Council approved the Funding and Reserves Policy that stipulates the treatment of budgeting for provisions, reserves and other related items. The policy will form part of the budget related policies.
7. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2020/2021 MTREF was funded, as recalculated by Provincial Treasury.

8. As part of the budgeting and planning guidelines that informed the compilation of the 2020/2021 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 25 MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

Description / R thousand	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
Cash and investments available									
Cash/cash equivalents at the year end	43,754	76,582	29,801	47,675	47,229	47,229	42,739	46,691	83,660
Other current investments > 90 days	-	-	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-	-
Cash and investments available:	43,754	76,582	29,801	47,675	47,229	47,229	42,739	46,691	83,660
Application of cash and investments									
Unspent conditional transfers	19,079	30,908	25,617	-	-	-	-	-	-
Statutory requirements	-	-	-	3,000	3,000	3,000	3,000	3,000	3,000
Other working capital requirements	(11,602)	10,349	(11,508)	42,716	31,698	31,698	32,899	31,524	24,623
Total Application of cash and investments:	7,477	41,257	14,110	45,716	36,698	36,698	37,899	36,524	29,623
Surplus(shortfall)	36,277	35,325	15,691	1,959	10,531	10,531	4,840	10,167	54,037

Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. This is however impossible to budget for repairs and maintenance of 8% as this would equate to R 145.6 million. This expenditure will have to be funded with tariff increases, resulting in tariffs increases above 25%. Therefore, the implication of the revaluation method of GRAP 17 is taken into consideration when determining the budgeted amounts for repairs and maintenance. The treatment of depreciation is also included in the Funding and Reserves Policy.
3. Depreciation and asset impairment costs (off-setting depreciation included) due to the implementation of the GRAP Accounting Standards on the carrying values of componentised assets makes it virtually unaffordable to maintain the municipality's assets at depreciated replacement cost.

Table 26 MBRR Table A9 – Asset Management

Description / R thousand	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
CAPITAL EXPENDITURE									
Total New Assets	26,021	50,051	63,759	82,446	78,259	78,259	55,782	86,914	50,506
Roads Infrastructure	348	3,129	7,588	13,639	23,677	23,677	7,160	3,902	6,146
Storm water Infrastructure	—	—	—	—	—	—	—	—	—
Electrical Infrastructure	15,966	14,336	47,854	35,643	31,467	31,467	11,617	42,258	23,804
Water Supply Infrastructure	3,619	16,935	1,653	5,837	1,927	1,927	3,174	2,935	435
Sanitation Infrastructure	2,341	521	219	3,067	9,242	9,242	4,243	—	—
Solid Waste Infrastructure	—	—	—	1,088	—	—	—	2,371	1,718
Rail Infrastructure	—	—	—	—	—	—	—	—	—
Coastal Infrastructure	—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure	—	4,680	103	400	340	340	250	—	—
Infrastructure	22,274	39,602	57,418	59,675	66,653	66,653	26,445	51,465	32,102
Community Facilities	—	44	—	780	113	113	1,100	3,904	2,904
Sport and Recreation Facilities	3,187	617	829	12,656	3,968	3,968	9,854	10,394	9,734
Community Assets	3,187	661	829	13,436	4,081	4,081	10,954	14,298	12,638
Heritage Assets	—	—	—	—	—	—	—	—	—
Revenue Generating	—	—	—	—	—	—	—	—	—
Non-revenue Generating	—	1,519	187	—	—	—	—	—	—
Investment properties	—	1,519	187	—	—	—	—	—	—
Operational Buildings	70	439	908	2,865	1,088	1,088	2,300	3,800	—
Housing	—	—	—	—	—	—	—	—	—
Other Assets	70	439	908	2,865	1,088	1,088	2,300	3,800	—
Biological or Cultivated Assets	—	—	—	—	—	—	—	—	—
Servitudes	—	—	—	—	—	—	—	—	—
Licences and Rights	—	2,522	312	17	1,017	1,017	5,000	10,000	5,000
Intangible Assets	—	2,522	312	17	1,017	1,017	5,000	10,000	5,000
Computer Equipment	238	2,184	160	1,205	232	232	1,884	373	416
Furniture and Office Equipment	133	321	177	966	832	832	630	73	—
Machinery and Equipment	118	501	215	862	276	276	912	125	350
Transport Assets	—	2,301	3,553	3,420	4,080	4,080	7,658	6,780	—
Land	—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—	—	—
Total Renewal of Existing Assets	19,525	1,740	10,328	30,869	16,166	16,166	16,962	16,496	3,040
Roads Infrastructure	11,910	1,081	131	—	—	—	—	—	—
Storm water Infrastructure	—	—	—	100	—	—	—	—	—
Electrical Infrastructure	3,964	—	798	700	600	600	4,000	6,000	—
Water Supply Infrastructure	547	448	1,358	14,927	10,698	10,698	1,320	2,450	1,910
Sanitation Infrastructure	551	—	2,050	320	174	174	320	322	325
Solid Waste Infrastructure	—	—	—	—	—	—	—	—	—
Rail Infrastructure	—	—	—	—	—	—	—	—	—
Coastal Infrastructure	—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure	—	—	—	—	71	71	—	—	—
Infrastructure	16,973	1,529	4,337	16,047	11,543	11,543	5,640	8,772	2,235
Community Facilities	—	—	—	230	—	—	—	—	—
Sport and Recreation Facilities	592	—	—	75	58	58	93	—	—
Community Assets	592	—	—	305	58	58	93	—	—
Heritage Assets	—	—	—	—	—	—	—	—	—
Revenue Generating	—	—	—	—	—	—	—	—	—
Non-revenue Generating	—	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Operational Buildings	—	—	45	300	43	43	337	160	100
Housing	—	—	—	—	—	—	—	—	—
Other Assets	—	—	45	300	43	43	337	160	100
Biological or Cultivated Assets	—	—	—	—	—	—	—	—	—
Servitudes	—	—	—	—	—	—	—	—	—
Licences and Rights	—	—	—	—	—	—	80	—	—
Intangible Assets	—	—	—	—	—	—	80	—	—
Computer Equipment	162	—	179	945	491	491	850	864	705
Furniture and Office Equipment	164	107	240	3,876	178	178	3,562	—	—
Machinery and Equipment	118	52	117	—	257	257	250	—	—
Transport Assets	1,515	52	5,411	9,146	3,596	3,596	6,150	6,700	—
Land	—	—	—	250	—	—	—	—	—
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—	—	—
Total Upgrading of Existing Assets	—	—	1,369	31,106	49,569	49,569	41,193	31,812	41,359
Roads Infrastructure	—	—	—	3,000	10,743	10,743	3,000	5,350	5,350
Storm water Infrastructure	—	—	—	—	—	—	—	—	—
Electrical Infrastructure	—	—	1,203	6,478	1,570	1,570	—	1,500	2,000
Water Supply Infrastructure	—	—	—	2,865	920	920	150	—	—
Sanitation Infrastructure	—	—	—	15,769	35,166	35,166	35,875	22,236	31,739
Solid Waste Infrastructure	—	—	—	—	—	—	—	—	—
Rail Infrastructure	—	—	—	—	—	—	—	—	—
Coastal Infrastructure	—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure	—	—	—	—	—	—	—	—	—
Infrastructure	—	—	1,203	28,112	48,399	48,399	39,025	29,086	39,089
Community Facilities	—	—	—	370	133	133	—	80	70
Sport and Recreation Facilities	—	—	—	300	444	444	400	1,070	700
Community Assets	—	—	—	670	577	577	400	1,150	770
Heritage Assets	—	—	—	—	—	—	—	—	—
Revenue Generating	—	—	—	—	—	—	—	—	—
Non-revenue Generating	—	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Operational Buildings	—	—	—	1,974	592	592	1,668	1,576	1,500
Housing	—	—	—	—	—	—	—	—	—
Other Assets	—	—	—	1,974	592	592	1,668	1,576	1,500
Biological or Cultivated Assets	—	—	—	—	—	—	—	—	—
Servitudes	—	—	—	—	—	—	—	—	—
Licences and Rights	—	—	142	—	—	—	—	—	—
Intangible Assets	—	—	142	—	—	—	—	—	—
Computer Equipment	—	—	—	—	—	—	—	—	—
Furniture and Office Equipment	—	—	24	—	—	—	—	—	—
Machinery and Equipment	—	—	—	100	—	—	100	—	—
Transport Assets	—	—	—	—	—	—	—	—	—
Land	—	—	—	250	—	—	—	—	—
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—	—	—

Description / R thousand	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
CAPITAL EXPENDITURE									
Total Capital Expenditure	45,546	51,791	75,456	144,420	143,993	143,993	113,937	135,223	94,906
Roads Infrastructure	12,258	4,210	7,719	16,639	34,420	34,420	10,160	9,252	11,496
Storm water Infrastructure	—	—	—	100	—	—	—	—	—
Electrical Infrastructure	19,930	14,336	49,855	42,821	33,637	33,637	15,617	49,758	25,804
Water Supply Infrastructure	4,166	17,383	3,011	23,629	13,545	13,545	4,644	5,385	2,345
Sanitation Infrastructure	2,893	521	2,270	19,156	44,582	44,582	40,438	22,558	32,064
Solid Waste Infrastructure	—	—	—	1,088	—	—	—	2,371	1,718
Information and Communication Infrastructure	—	4,680	103	400	411	411	250	—	—
Infrastructure	39,247	41,131	62,958	103,833	126,594	126,594	71,110	89,324	73,426
Community Facilities	—	44	—	1,380	246	246	1,100	3,984	2,974
Sport and Recreation Facilities	3,780	617	829	13,031	4,470	4,470	10,347	11,464	10,434
Community Assets	3,780	661	829	14,411	4,716	4,716	11,447	15,448	13,408
Non-revenue Generating	—	1,519	187	—	—	—	—	—	—
Investment properties	—	1,519	187	—	—	—	—	—	—
Operational Buildings	70	439	953	5,139	1,724	1,724	4,305	5,536	1,600
Housing	—	—	—	—	—	—	—	—	—
Other Assets	70	439	953	5,139	1,724	1,724	4,305	5,536	1,600
Licences and Rights	—	2,522	454	17	1,017	1,017	5,080	10,000	5,000
Intangible Assets	—	2,522	454	17	1,017	1,017	5,080	10,000	5,000
Computer Equipment	400	2,184	339	2,150	723	723	2,734	1,237	1,121
Furniture and Office Equipment	297	428	441	4,842	1,010	1,010	4,191	73	—
Machinery and Equipment	236	553	332	962	532	532	1,262	125	350
Transport Assets	1,515	2,354	8,963	12,566	7,676	7,676	13,808	13,480	—
Land	—	—	—	500	—	—	—	—	—
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class	45,546	51,791	75,456	144,420	143,993	143,993	113,937	135,223	94,906
ASSET REGISTER SUMMARY - PPE (WDV)	2,415,202	2,309,516	2,444,081	2,421,881	2,512,480	2,512,480	2,550,823	2,608,086	2,621,914
Roads Infrastructure	605,484	486,755	470,530	389,260	331,454	331,454	318,045	302,903	289,029
Storm water Infrastructure	—	—	—	98,184	149,998	149,998	149,998	149,998	149,998
Electrical Infrastructure	305,808	304,014	336,322	347,795	355,849	355,849	357,087	391,963	402,289
Water Supply Infrastructure	402,579	401,223	387,043	410,822	384,769	384,769	373,398	362,207	347,313
Sanitation Infrastructure	105,210	113,737	110,021	125,501	149,512	149,512	184,835	202,099	228,656
Solid Waste Infrastructure	84,914	63,323	71,096	26,114	52,523	52,523	33,901	16,997	(1,331)
Rail Infrastructure	1,235	1,069	820	874	820	820	820	820	820
Information and Communication Infrastructure	2,467	2,867	2,865	48,195	3,276	3,276	3,526	3,526	3,526
Infrastructure	1,507,698	1,372,987	1,378,696	1,446,746	1,428,201	1,428,201	1,421,609	1,430,512	1,420,300
Community Assets	66,610	63,670	60,556	68,719	60,531	60,531	66,576	76,433	84,026
Heritage Assets	4,509	4,509	4,509	4,509	4,509	4,509	4,509	4,509	4,509
Investment properties	593,335	613,210	749,428	646,647	769,428	769,428	789,428	810,408	832,227
Other Assets	197,321	192,038	185,159	190,714	182,699	182,699	176,169	177,855	174,276
Biological or Cultivated Assets	—	—	—	—	—	—	—	—	—
Intangible Assets	3,746	5,909	5,897	6,362	6,914	6,914	11,994	21,994	26,994
Computer Equipment	611	8,317	7,746	7,883	7,650	7,650	10,335	10,724	10,964
Furniture and Office Equipment	8,230	8,226	7,815	7,359	6,193	6,193	8,761	7,095	5,286
Machinery and Equipment	5,744	10,778	10,321	7,271	9,900	9,900	11,146	11,154	11,434
Transport Assets	27,398	29,873	33,953	35,671	36,453	36,453	50,294	57,401	51,897
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	2,415,202	2,309,516	2,444,081	2,421,881	2,512,480	2,512,480	2,550,823	2,608,086	2,621,914
EXPENDITURE OTHER ITEMS	90,170	114,194	108,205	123,247	119,042	119,042	118,793	122,351	127,222
Depreciation	79,069	100,227	91,832	95,594	95,594	95,594	95,594	98,939	102,897
Repairs and Maintenance by Asset Class	11,101	13,967	16,373	27,653	23,449	23,449	23,200	23,412	24,324
Roads Infrastructure	71	934	401	2,202	1,735	1,735	1,571	1,254	1,305
Electrical Infrastructure	1,246	1,719	1,324	1,769	3,219	3,219	2,265	2,344	2,438
Water Supply Infrastructure	2,427	1,344	1,817	7,894	3,582	3,582	2,590	2,681	2,788
Sanitation Infrastructure	498	311	1,205	1,458	1,065	1,065	1,630	1,687	1,755
Solid Waste Infrastructure	11	30	—	—	—	—	—	—	—
Information and Communication Infrastructure	—	44	94	88	88	88	30	31	32
Infrastructure	4,253	4,382	4,842	13,411	9,689	9,689	8,086	7,997	8,317
Community Facilities	—	167	253	1,158	1,024	1,024	1,030	1,027	1,050
Sport and Recreation Facilities	440	297	427	614	582	582	601	631	651
Community Assets	440	464	680	1,772	1,606	1,606	1,631	1,658	1,701
Operational Buildings	912	791	596	1,352	1,570	1,570	2,513	2,403	2,499
Other Assets	912	791	596	1,352	1,570	1,570	2,513	2,403	2,499
Licences and Rights	—	472	475	510	—	—	—	—	—
Intangible Assets	—	472	475	510	—	—	—	—	—
Computer Equipment	—	387	—	120	120	120	120	124	129
Furniture and Office Equipment	—	—	—	250	360	360	225	233	242
Machinery and Equipment	2,666	—	800	740	604	604	793	820	853
Transport Assets	2,830	7,472	8,979	9,500	9,500	9,500	9,833	10,177	10,584
TOTAL EXPENDITURE OTHER ITEMS	90,170	114,194	108,205	123,247	119,042	119,042	118,793	122,351	127,222

Explanatory notes to Table A10 – Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality continues to make good progress with the eradication of backlogs:
 - a. The minimum level of water services is available to all households – formal as well as informal areas.
 - b. Sanitation services backlogs increases to the projected 1 846 households in 2022/2023 who receive a service below the minimum service level. This is due to additional erven that is being surveyed.
 - c. Electricity services backlogs will be reduced to an estimated 0 households by 2022/2023.
 - d. The minimum level of refuse removal services is available to all households – formal as well as informal areas.
3. The Indigent and Subsidy amount will be limited to R 1 000 per household. For the 2020/2021 financial year National Treasury will subsidise R 435 per household via the equitable share allocation.
4. It is anticipated that these Free Basic Services will cost the municipality R 30.3 million in 2020/2021, stabilise at R 33.4 million by 2022/2023.

Table 27 MBRR Table A10 – Basic Service Delivery Measurement

Description	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
Household service targets									
Water:									
Piped water inside dwelling	12,746	12,746	12,746	12,776	12,776	12,776	12,776	12,776	12,776
Piped water inside yard (but not in dwelling)	12,658	12,658	12,658	12,658	12,658	12,658	12,658	12,658	12,658
Using public tap (at least min.service level)	3,934	3,934	3,934	4,204	4,204	4,204	4,204	4,204	4,204
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	29,338	29,338	29,338	29,638	29,638	29,638	29,638	29,638	29,638
Below Minimum Service Level sub-total	–	–	284	284	284	284	284	284	284
Total number of households	29,338	29,338	29,622	29,922	29,922	29,922	29,922	29,922	29,922
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	19,360	19,360	19,360	19,630	19,630	19,630	19,630	19,630	19,630
Flush toilet (with septic tank)	763	763	763	1,766	1,766	1,766	766	766	766
Chemical toilet	24	24	24	24	24	24	24	24	24
Pit toilet (ventilated)	306	306	306	306	306	306	306	306	306
Other toilet provisions (> min.service level)	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814
Minimum Service Level and Above sub-total	23,267	23,267	23,267	24,540	24,540	24,540	23,540	23,540	23,540
Bucket toilet	1,037	1,037	1,037	1,337	1,337	1,337	1,337	1,337	1,337
Other toilet provisions (< min.service level)	13	13	13	14	14	14	14	14	14
No toilet provisions	195	195	195	495	495	495	495	495	495
Below Minimum Service Level sub-total	1,245	1,245	1,245	1,846	1,846	1,846	1,846	1,846	1,846
Total number of households	24,512	24,512	24,512	26,386	26,386	26,386	25,386	25,386	25,386
Energy:									
Electricity (at least min.service level)	1,637	1,637	1,637	1,637	1,637	1,637	3,002	3,002	3,002
Electricity - prepaid (min.service level)	21,593	21,593	21,593	21,593	21,593	21,593	20,809	21,809	22,389
Minimum Service Level and Above sub-total	23,230	23,230	23,230	23,230	23,230	23,230	23,811	24,811	25,391
Electricity (< min.service level)	–	–	–	1,580	1,580	1,580	580	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	2,457	2,457	2,457	–	–	–	–	–	–
Below Minimum Service Level sub-total	2,457	2,457	2,457	1,580	1,580	1,580	580	–	–
Total number of households	25,687	25,687	25,687	24,810	24,810	24,810	24,391	24,811	25,391
Refuse:									
Removed at least once a week	20,396	20,396	20,396	21,526	21,526	21,526	22,000	22,050	22,050
Minimum Service Level and Above sub-total	20,396	20,396	20,396	21,526	21,526	21,526	22,000	22,050	22,050
Removed less frequently than once a week	9,255	9,255	9,255	9,550	9,550	9,550	9,550	9,580	9,600
Using communal refuse dump	145	145	145	145	145	145	145	145	145
Using own refuse dump	765	765	765	595	595	595	595	595	595
Other rubbish disposal	4	4	4	–	–	–	–	–	–
Below Minimum Service Level sub-total	10,169	10,169	10,169	10,290	10,290	10,290	10,290	10,320	10,340
Total number of households	30,565	30,565	30,565	31,816	31,816	31,816	32,290	32,370	32,390
Households receiving Free Basic Service									
Water (10 kilolitres per household per month)	2,673	2,476	3,431	3,431	2,736	2,736	8,280	8,280	8,280
Sanitation (free minimum level service)	6,562	7,285	6,994	6,994	6,694	6,694	8,280	8,280	8,280
Electricity/other energy (50kwh per household per month)	4,085	4,176	7,593	7,593	6,898	6,898	7,295	7,295	7,295
Refuse (removed at least once a week)	6,241	8,305	7,303	7,303	7,303	7,303	8,300	8,300	8,300
Cost of Free Basic Services provided (R'000)	–	–	–	–	–	–	–	–	–
Water (10 kilolitres per household per month)	2,673	3,151	4,525	3,025	2,525	2,525	2,651	2,781	2,892
Sanitation (free sanitation service)	6,562	8,041	9,570	9,998	9,748	9,748	10,236	10,737	11,167
Electricity/other energy (50kwh per household per month)	4,085	5,160	5,414	6,150	4,800	4,800	5,112	5,495	5,880
Refuse (removed once a week)	6,241	7,839	10,612	11,021	11,594	11,594	12,173	12,770	13,280
Indigent Subsidy Totals	–	–	–	–	–	–	–	–	–
Total cost of FBS provided (minimum social package)	19,561	24,191	30,121	30,193	28,666	28,666	30,172	31,783	33,219
Highest level of free service provided									
Property rates (R value threshold)	–	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)	15,000	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)	–	128	128	135	135	135	141	148	155
Electricity (kwh per household per month)	128	50	50	50	50	50	50	50	50
Refuse (R per household per month)	50	130	138	146	146	146	153	161	169
Revenue cost of free services provided (R'000)									
Property rates (other exemptions, reductions and rebates)	8,224	10,260	11,240	7,372	7,443	7,443	7,816	8,199	8,526
Total revenue cost of free services provided (total social package)	8,224	10,260	11,240	7,372	7,443	7,443	7,816	8,199	8,526

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the Executive Committee members, the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee are 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.

1.2.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August every year) 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 process plan with time schedule before the 31st of August 2019. Key dates applicable to the process were:

- **November 2019** – 1st Budget work session of all councillors and senior management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2020/2021 MTREF;
- **January 2020** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines and the compilation of the 1st MTREF;
- **January 2020** – Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **February 2020** – Multi-year budget proposals are submitted to the Executive Committee (2nd budget work session of all councillors and senior management) for endorsement;
- **29 February 2020** – Council considers the 2019/2020 Mid-year Review and Adjustments Budget;
- **26 March 2020** – Tabling in Council of the 2020/2021 IDP, 2020/2021 SDBIP and 2020/2021 MTREF for public consultation;
- **May 2020** – Public consultation
- **25 May 2020** – Closing date for written comments; and

- **29 May 2020** – Tabling of the 2020/2021 MTREF before Council for consideration and final approval. The budget was noted and requested to be tabled within 7 days.
- **5 June 2020** – Budget was tabled and noted.
- **11 June 2020** – Budget will be tabled again for approval.

The Minister of Finance granted a 30 day period extension for the submission and approval of the 2020/2021 budget per Government Gazette no 43181 published on the 30th of March 2020.

1.2.2 IDP and Service Delivery and Budget Implementation Plan

This is a newly developed IDP for Council after the municipal elections that were held in August 2016.

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 newly developed IDP includes 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 2020/2021 MTREF, based on the approved 2019/2020 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 2020/2021 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 2020/2021 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.

1.2.3 Financial Modeling and Key Planning Drivers

As part of the compilation of the 2020/2021 MTREF; extensive financial modelling was undertaken to ensure affordable tariffs and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2020/2021 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 2019/2020 adjustments budget and performance against the SDBIP;
- Cash Flow Management Strategy;
- Debtor payment levels;
- Loan and investment possibilities;
- The need for tariff increases vs. The ability of the community to pay for services; and
- Improved and sustainable service delivery.

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 98 & 99 has been taken into consideration in the planning and prioritisation process.

1.2.4 Community Consultation

The 2020/2021 MTREF as tabled before Council on 26 March 2020; and, 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.

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.

On the 7th of May 2020 National Treasury instructed municipalities to use alternative methods for public participation, as no public gatherings are allowed as part of Level 4 of the State of Disaster. All documents were uploaded on the municipality's website and distributed at certain pay points. A link with was send to consumers to access the information on the website.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised 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 newly developed IDP 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 of 2009;
- 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 2014 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 eleven strategic objectives for the 2020/2021 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 28 IDP Strategic Objectives

Key Performance Area (KPA)	Key Performance Indicator (KPI)	Strategic Objective
KPA 1: Land Management	1. Spatial Development, Town Planning and Land-use Management	Provide the framework and vision required for improving the quality of life of the people living in Dawid Kruiper
		Manage the development of sustainable land use, economic, spatial and environmental planning according to predetermined acceptable levels
KPA 2: Service Delivery and Infrastructure Delivery	2. Water Resources and Services;	Develop, manage and maintain essential bulk water infrastructure and facilities to accommodate the aspirations, needs and pressures of present and future industries, businesses and dependent communities
		Develop, manage and maintain necessary infrastructure and facilities required to improve the provision of water services
	3. Sewerage;	Develop, manage and maintain essential bulk sewerage infrastructure and facilities to accommodate the aspirations, needs and pressures of present and future industries, businesses and dependent communities
		Develop, manage and maintain necessary infrastructure and facilities required to improve the provision of sewerage services
		Eradicate housing backlogs in municipal area

	4.	Human Settlement and Housing;	Provide for sustainable human settlements (housing)
	5.	Energy and Electricity;	Provide, manage and maintain essential infrastructure required to improve electricity provision
	6.	Roads, Transport and Storm Water Drainage;	Develop, manage and maintain necessary Road, Transport and Storm water infrastructure and facilities required to improve transportation in, and aesthetic qualities of urban areas
	7.	Sanitation, Waste Management and Waste Removal	Regulate and manage waste disposal to prevent pollution of the natural environment and natural resources
KPA 3: Local Economic Development	8	Economic Growth and Job Creation	Promote the development of tourist infrastructure that will enhance tourism
			Create an environment that promotes the development of a diversified and sustainable economy
KPA 4: Financial Viability	9	Community Development and Facilities; and Administrative and Institutional Capacity	Provide equal access to sport, park, recreational facilities and other public amenities to all residents
KPA 5: Institutional Transformation			Manage and maintain municipal property, plant, equipment and vehicle fleet
			Pro-active prevention, mitigation, identification and management of environmental health, fire and disaster risks
			Provide safety to communities through law enforcement services and through legislative requirements
			Promote and improve public relations through stakeholder participation and good customer service.
			Align institutional arrangements to provide an effective and efficient support service to deliver on organizational objectives.
KPA 6: Good Governance			

and Customer Care		Enable and improve financial viability and management through well-structured budget processes, financial systems and MFMA compliance
KPA 7: Social Services		

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 (National KPA's):

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide public transport;
 - Provide city planning services; and
 - 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; and
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
3. 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.

4. 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.

5. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimising effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

6. Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website.

7. Ensure financial sustainability through:

- Reviewing the use of contracted services; and
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan.

8. 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 national 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 sectorial 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 newly developed IDP, including:

- Strengthening the analysis and strategic planning processes of the municipality;
- Initiating zonally 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 co-ordination 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 2020/2021 MTREF has therefore been directly informed by the IDP revision process and tables 29 – 31 provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 29 MBRR Table SA4 –
Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective / R thousand	Goal	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Align institutional arrangements to provide an effective and efficient support service to deliver on organisational objectives	Establish the necessary skills and institutional capacity	–	–	–	–	–	–
	Improve financial sustainability and provide sound administration	34,090	35,250	35,250	24,946	26,815	28,183
	Service delivery and infrastructure development	100,580	109,887	109,887	106,678	111,906	116,382
	Upgrade and new electricity distribution networks	331,210	332,560	332,560	354,176	380,740	407,391
	Reduction of electricity losses and management of own usage	1,589	2,032	2,032	2,134	2,291	2,448
Enable and improve financial viability and management through well-structured budget processes, financial systems, and MFMA compliance through legislative requirements	Improve financial sustainability and provide sound administration	330,368	337,652	337,652	367,930	368,596	402,142
Eradicate housing backlogs in municipal area	Township establishment and provision of serviced stands	650	650	650	650	650	650
Manage the development of sustainable land use, economic, spatial and environmental planning according to predetermined acceptable levels	Facilitating rural development	5,266	5,475	5,475	6,601	6,924	7,201
Promote the development of tourist infrastructure that will enhance tourism	Promote shared economic growth and development	3,629	2,666	2,666	2,623	2,752	2,862
Provide, manage and maintain essential infrastructure required to improve the provision of electrical services	Upgrade and new electricity distribution networks	–	550	550	550	577	600
Total Revenue (excluding capital transfers and contributions)		807,382	826,721	826,721	866,488	901,250	967,859

**Table 30 MBRR Table SA5 –
Reconciliation between the IDP strategic objectives and budgeted operating
expenditure**

Strategic Objective / R thousand	Goal	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Align institutional arrangements to provide an effective and efficient support service to deliver on organisational objectives	Establish the necessary skills and institutional capacity	31	–	–	–	–	–
	Improve financial sustainability and provide sound administration	15,035	28,097	28,097	29,220	30,588	31,811
	Promote shared economic growth and development	2,016	1,866	1,866	3,161	3,098	3,221
	Service delivery and infrastructure development	145,060	134,820	134,820	138,839	146,048	151,876
	Upgrade and new electricity distribution networks	204,300	228,717	228,717	243,334	252,077	262,160
	Reduction of electricity losses and management of own usage	7,458	7,053	7,053	7,210	7,532	7,833
Create an environment that promotes the development of a diversified and sustainable economy	Promote shared economic growth and development	4,708	3,391	3,391	14,098	24,248	25,218
Enable and improve financial viability and management through well- structured budget processes, financial systems, and MFMA compliance through legislative requirements	Improve financial sustainability and provide sound administration	309,767	297,174	297,174	317,284	312,392	324,782
	Promote shared economic growth and development	12,766	12,278	12,278	12,784	13,231	13,760
Eradicate housing backlogs in municipal area	Township establishment and provision of serviced stands	5,787	5,722	5,722	5,629	6,250	6,474
Manage the development of sustainable land use, economic, spatial and environmental planning according to predetermined acceptable levels	Facilitating rural development	7,271	6,401	6,401	7,416	7,751	8,061
Promote and improve public relations through	Promote good governance and active citizenry	2,562	2,110	2,110	4,161	2,900	3,016

**Table 30 MBRR Table SA5 –
Reconciliation between the IDP strategic objectives and budgeted operating
expenditure (continue)**

Strategic Objective / R thousand	Goal	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Promote the development of tourist infrastructure that will enhance tourism	Promote shared economic growth and development	14,303	13,154	13,154	13,608	14,353	14,563
Provide, manage and maintain essential infrastructure required to improve the provision of electrical services	Upgrade and new electricity distribution networks	18,645	17,867	17,867	18,391	18,815	19,575
Provide quality basic services to all communities within the municipality (i.e.	Service delivery and infrastructure development	3,508	4,706	4,706	4,727	4,955	5,153
Total Expenditure		753,217	763,357	763,357	819,861	844,237	877,504

**Table 31 MBRR Table SA6 –
Reconciliation between the IDP strategic objectives and budgeted capital
expenditure**

Strategic Objective / R thousand	Goal	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
Enable and improve financial viability and management through well-structured budget processes, financial systems, and MFMA compliance through legislative requirements	Improve financial sustainability and provide sound administration	-	-	-	-	-	-	-	-	-
Provide quality basic services to all communities within the municipality (i.e. electricity; water; sanitation; refuse	Service delivery and infrastructure development	45,546	51,791	75,456	144,420	143,993	143,993	113,937	135,223	94,906
Total Capital Expenditure		45,546	51,791	75,456	144,420	143,993	143,993	113,937	135,223	94,906

2.3 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, assess 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:

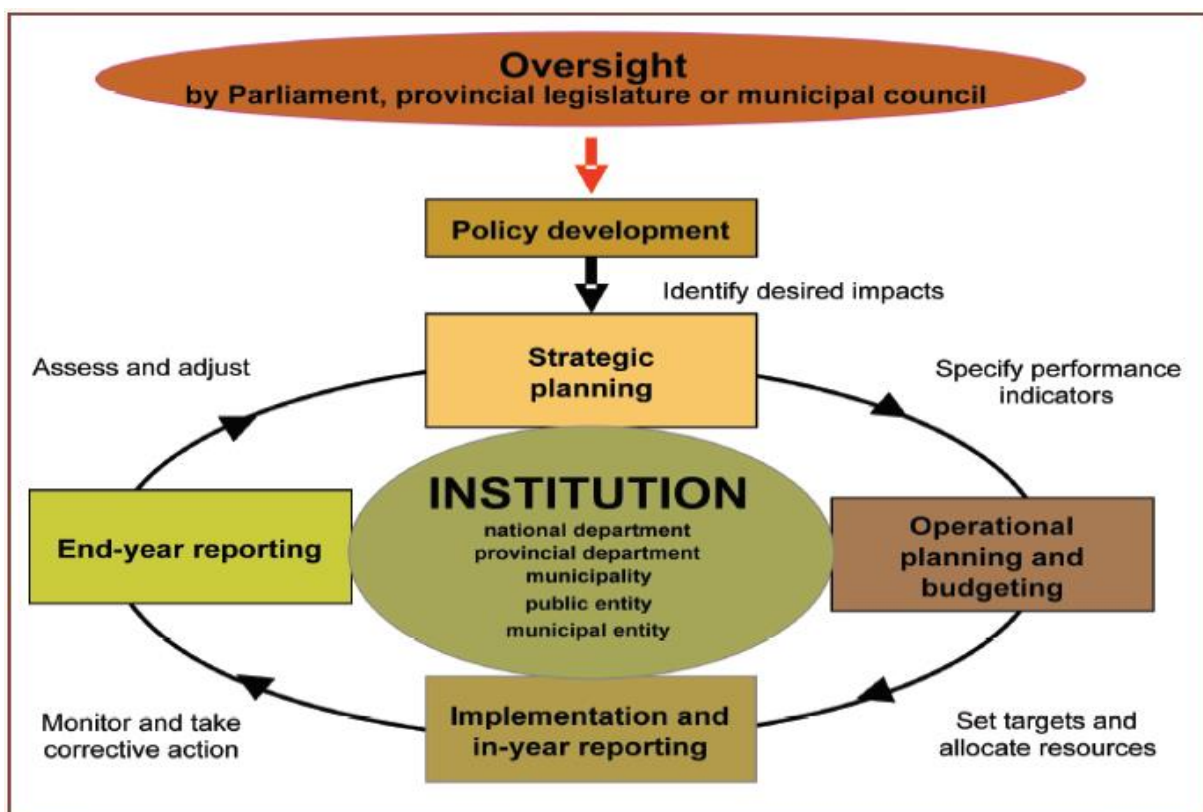
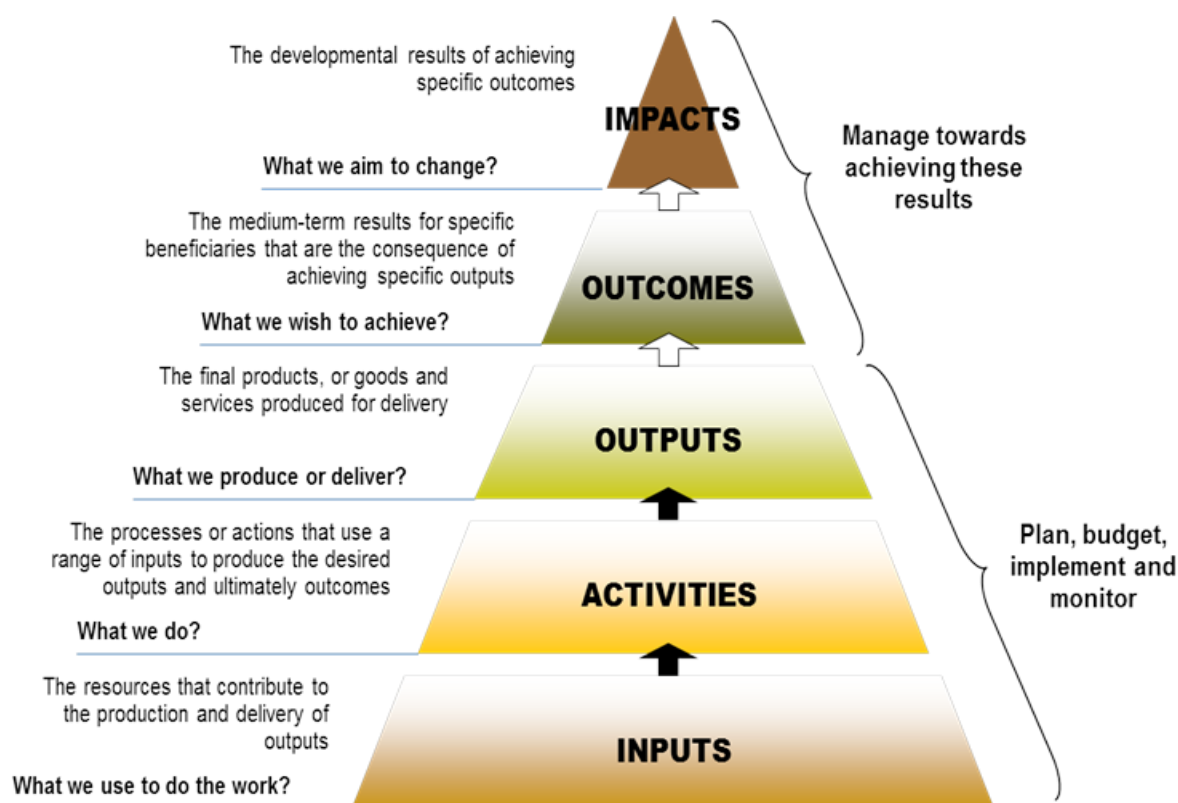


Figure 2 Planning, budgeting and reporting cycle

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:



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

Table 32 MBRR Table SA7 – Measurable performance objectives

Description	Unit of measurement	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
1: Municipal Manager										
0002: Municipal Council										
Execution of National calendar special events per quarter	Annual Report	N/A	N/A		Annual Report	Annual Report	Annual Report	Annual Report	Annual Report	Annual Report
0011: Office of the Municipal Manager										
Actual Operational expenditure /	Percentage	N/A	N/A	88.8%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0032: Internal Audit										
3 year Risk based audit rolling plan	Plan	N/A	N/A	Plan	Plan	Plan	Plan	Plan	Plan	Plan
0070: Performance Management										
SDBIP approved 28 days after budget approval	Approval	N/A	N/A	Approval	Approval	Approval	Approval	Approval	Approval	Approval
0071: Risk Management										
100% execution of risk assessment annual plan activities per quarter	Percentage	N/A	N/A	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
0083: Municipal Manager										
Project clean audit: to maintain a clean	Report	N/A	N/A	Report	Report	Report	Report	Report	Report	Report
1037: Cultural Festival										
Execution of special events per annum	Report	N/A	N/A	Report	Report	Report	Report	Report	Report	Report
1037: Council Ward Committee										
Ward based sector meeting per ward	Minutes	N/A	N/A	Minutes	Minutes	Minutes	Minutes	Minutes	Minutes	Minutes
2. Corporate Services										
0001: Administration										
80% of assigned council resolutions executed by end of each quarter	Percentage	N/A	N/A	83.8%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
0004: Property Administration										
Updated and reconcile land disposal register	Report	N/A	N/A	Report	Report	Report	Report	Report	Report	Report
0008: Communications										
Die Werker - issues	Report	N/A	N/A	Report	Report	Report	Report	Report	Report	Report
0009: Human Resource										
The percentage of a municipality's salary	Percentage	N/A	N/A	0.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
0038: Director Corporate Service										
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved	Percentage	N/A	N/A	79.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
0039: Legal Services										
Report on legal supporting services rendered to	Report	N/A	N/A	Report	Report	Report	Report	Report	Report	Report
0043: Commonage										
Updated Commonage Register	Register	N/A	N/A	Register	Register	Register	Register	Register	Register	Register
3. Budget & Treasury Office										
0007: Financial Services										
Actual operational expenditure as a % of	percentage	N/A	N/A	125.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0033: Information Technology										
Maintain information technology equipment,	Report	N/A	N/A	Report	Report	Report	Report	Report	Report	Report

Description	Unit of measurement	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
0080: Chief Financial Officer (Office of the CFO)										
Debtors administration - Debtors Test = (Gross	Narrative	N/A	N/A	50.21 Days	66Days	66Days	66Days	66Days	66Days	66Days
0085: Budget and Treasury Office										
Compilation & submission of Annual Financial	Proof of submission	N/A	N/A	Proof of	Proof of	Proof of	Proof of	Proof of	Proof of	Proof of
0086: Supply Chain Management Unit										
Reviewed and approved Supply Chain Management Policy by 31/05/2018	Updated Policy	N/A	N/A	Updated Policy	Updated Policy	Updated Policy	Updated Policy	Updated Policy	Updated Policy	Updated Policy
0088: Asset Management Unit										
Reviewed and approved Asset Management	Updated Policy	N/A	N/A	Updated	Updated	Updated	Updated	Updated	Updated	Updated
4. Community Service										
0003: Libraries										
Number and percentage of library material issued	Number	N/A	N/A	42531.00	38600.00	38600.00	38600.00	38600.00	38600.00	38600.00
0020: Traffic Services										
Number of fines issued.	Number	N/A	N/A	6483.00	6960.00	6960.00	6960.00	6960.00	6960.00	6960.00
0021: Fire Brigade Service										
Percentage of call-outs responded to within the required response times	Percentage	N/A	N/A	100.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
0024: Security Service										
Render a security service pertaining to	Report	N/A	N/A	Report	Report	Report	Report	Report	Report	Report
0027: Refuse Removal Services										
100% rendering of refuse removal services as per service delivery programme per quarter	Report	N/A	N/A	Report	Report	Report	Report	Report	Report	Report
0050: Parks										
Turf Maintenance Parks : Execution of maintenance as per maintenance plan	Plan	N/A	N/A	Plan	Plan	Plan	Plan	Plan	Plan	Plan
0052: Swimming Pools										
Swimming Pools : Execution of maintenance	Plan	N/A	N/A	Plan	Plan	Plan	Plan	Plan	Plan	Plan
0055: Sport Grounds										
Conduct Maintenance (Sports grounds) as per	Plan	N/A	N/A	Plan	Plan	Plan	Plan	Plan	Plan	Plan
0057: Cemeteries										
Keeping of cemetery registers as per legislation : Updated register per quarter	Register	N/A	N/A	Register	Register	Register	Register	Register	Register	Register
0084: Electro Mech Services										
0034: Fleet Management										
90% vehicles and equipment serviced within	Percentage	N/A	N/A	21.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%

Description	Unit of measurement	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
0059: Electricity Administration										
New electricity Pre-paid meter connections	Percentage	N/A	N/A	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
0063: Electricity Planning and Metering										
Prepayment meters for new customers	Percentage	N/A	N/A	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Civil Engineering Service										
0026: Sanitation Services										
Rendering of sanitation services as per service delivery programme	Percentage	N/A	N/A	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
0028: Vacuum Tank Services										
Rendering of vacuum tank services on request	Percentage	N/A	N/A	100.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0040: Civil Engineering Services										
80% of assigned council resolutions executed by end of each quarter	Percentage	N/A	N/A	83.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
0066: Water Production										
Ensure minimum drinking water quality standards compliant with SANS 241 : 95% of quarterly samples meeting minimum biological standards	Percentage	N/A	N/A	80.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%

The following table sets out the municipalities main performance objectives and benchmarks for the 2020/2021 MTREF.

Table 33 MBRR Table SA8 – Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	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
<u>Borrowing Management</u>										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.0%	2.8%	3.1%	2.8%	2.8%	2.8%	2.5%	2.6%	2.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.8%	3.6%	3.2%	3.2%	3.3%	3.3%	3.0%	3.0%	2.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	68.3%	0.0%	0.0%	12.7%	12.7%	9.6%	0.0%	0.0%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	0.70	0.75	0.67	0.40	0.48	0.48	0.48	0.45	0.43
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.70	0.75	0.67	0.40	0.48	0.48	0.48	0.45	0.43
Liquidity Ratio	Monetary Assets/Current Liabilities	0.24	0.37	0.23	0.22	0.24	0.24	0.24	0.22	0.21
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	102.5%	91.3%	95.6%	103.5%	106.0%	106.0%	106.0%	97.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		102.5%	91.3%	95.6%	103.5%	106.0%	106.0%	106.0%	97.5%	97.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.6%	11.8%	10.6%	4.3%	5.6%	5.6%	5.6%	4.8%	4.9%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	0.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Creditors to Cash and Investments		136.3%	95.4%	174.1%	157.3%	158.8%	158.8%	158.8%	161.4%	152.1%
<u>Other Indicators</u>										
Employee costs	Employee costs/(Total Revenue - capital revenue)	44%	48%	40%	42%	40%	40%	40%	41%	41%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0%	50%	42%	43%	42%	42%	0%	42%	43%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2%	2%	2%	4%	3%	3%	0%	3%	3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	17%	18%	13%	14%	14%	14%	14%	13%	13%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	30.5	30.1	37.8	38.5	38.5	38.5	40.5	40.5	41.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.2	1.7	0.6	1.0	0.9	0.9	0.9	0.8	0.8

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Dawid Kruiper Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2020/2021 MTREF:

- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily increased. This increase can be attributed to the raising of loans to fund portions of the capital programme. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the municipality has reached its prudential borrowing limits. As the municipality has reached its borrowing limits, no external loans will be raised from 2020/2021 – 2022/2023.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing.

The municipality's debt profile provides some interesting insights on the municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the

2020/2021 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

2.3.1.2 *Safety of Capital*

The reason for this was that all cash-backed reserves for funding capital expenditure were depleted. It stays at 0% until 2022/2023. The medium term strategy is to steadily increase the gearing ratio to a level that does not exceed 50% as a prudential limit, hence, the municipality will have to find ways and means to get rid of unfunded mandates and to service land for resale purposes to build up cash back reserves for capital expenditure again. Also should investment in basic services infrastructure in formal and informal areas for breaking new ground housing purposes with the municipality's own reserves be recouped from national and provincial housing funding programmes. The municipality cannot carry on borrowing funds from external sources.

2.3.1.3 *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, hence at no point in time should this ratio be less than 1:1. For the MTREF the current ratio is 0.4 in the 2020/2021 financial year and 0.4 for the 2021/2022 and 0.7 for 2022/2023. Going forward it will be necessary to improve these levels to the benchmark limit. This is mainly due to provisions for landfill sites, quarries and Employee Benefit Obligations.
- *The liquidity ratio* is a measure of the ability of the municipality to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. 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.

2.3.1.4 *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, and credit control and debt collection.

2.3.1.5 *Creditors Management*

The municipality has striven to ensure that creditors are settled within the legislated 30 days of receiving invoices. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure that most payments comply with 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.

2.3.1.6 *Other Indicators*

- Employee costs as a percentage of operating revenue increases and decreases depending on factors like the implementation of housing programmes over the past and future financial years. Another factor that affects this percentage the high increase in bulk purchases which directly increase revenue levels. National Treasury has indicated in MFMA Circular No 66 that there is no benchmark to be measured against due to all these factors influencing it.
- 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 municipality's strategy to ensure the management of its asset base.

2.3.2 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.

In terms of the municipality's indigent policy registered households are entitled to 6 kl "free" water, 50 kWh "free" electricity, "free" sanitation and "free" waste removal services once a week, as well as a 100% discount on their property rates. The overall indigent subsidy per household will be limited to R 1 000 (including VAT). National Treasury subsidise R 435 via the equitable share allocation and the municipality contributes a further R 565.

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 27 MBRR A10 (Basic Service Delivery Measurement) on page 54.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, and etcetera) are taken into account in the table noted above.

2.3.3 Providing clean water and managing waste water

The municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. The municipality buys its raw water from Department of Water Affairs (DWA) by extracting it directly from the Orange River to purify it before distributing it to the local community.

The DWA conducts an annual performance rating of potable and waste water treatment works; presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Our purified drinking water is of exceptional quality, free of e-coli.

The following is briefly the main challenges facing the municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme, especially for operational personnel; and
- The Division is working in consultation with the Department of Water Affairs to address catchment management.

2.4 Overview of budget related-policies

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

2.4.1 Review of credit control and debt collection procedures/policies

The Customer Care, Credit Control, Debt Collection and Indigent Support Policy was approved by Council and reviewed in 2019/2020. The revised policy will be finally approved during June 2020.

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.

The 2020/2021 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 95% on current billings. The first nine months of the 2019/2020 financial year yielded a collection rate of 97% due to government departments honouring their

commitments. The municipality expects government departments to honour their past and future commitments during 2020/2021 to avoid their services being discontinued. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels. In addition, the municipality's payment incentive scheme through its Writing-Off of Irrecoverable Debt Policy seems to be working and it is taking the customers out of their spiral debt. The increase in the provision for bad debt is due to the revised method used to calculate the provision in terms of GRAP 9.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme, where possible, was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the City continues to deliver on its core mandate and achieves its developmental goals, the mid-

year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy, to allow for legislation changes, was reviewed during 2018/2019. The policy will be tabled to Council during May 2020.

2.4.5 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 revised policy, in terms of MSCOA, will be tabled to Council during June 2020 for approval.

2.4.6 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy were amended by Council in May 2011. 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 introduce time frames to achieve certain benchmarks. The policy will be tabled to Council during June 2020.

2.4.7 Tariff Policies

The municipality's Tariff Policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The Tariff Policy, as approved by Council in May 2019, has been reviewed and changes to the policy will be approved on 11 June 2020.

2.4.8 Property Rates Policy

The municipality's Property Rates Policy provides a broad framework within which the Council can determine property rates levies. The Tariff Policy as approved by Council in May 2019 has been reviewed. Changes to the policy will be approved on the 30th of June 2020.

2.4.9 Funding and Reserves Policy

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements. The policy was approved by Council during May 2019. The policy will be reviewed and any changes will be approved on the 30th of June 2020.

2.4.10 Financial Modelling and Scenario Planning Policy

The Financial Modelling and Scenario Planning Policy (Financial Plan included as Annexure A to the IDP) has directly informed the compilation of the 2020/2021 MTREF with the emphasis on affordability and long-term sustainability. The policy dictates the approach to longer term financial modelling. The outcomes are then filtered into the budget process. The model and scenario planning outcomes are taken to Council every November as part of the IDP and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features of the policy is the emphasis on financial sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

- Approved 2019/2020 Adjustments Budget;
- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e. Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;

- Improved and sustainable service delivery; and
- Debtor payment levels.

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

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

2.5 Overview of budget assumptions

2.5.1 External factors

The *Budget Review 2018* notes received from Provincial Treasury states that the South African economy has demonstrated resilience despite unsettles international economic conditions. Global developments are likely to hold back higher growth over the short-term, resulting in gross domestic product (GDP) growth being expected to slow from 0.3% in 2019 to 1.6% in 2022. The impact of COVID-19 and the lockdown will have a long-term impact on our economy.

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

2.5.2 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 2020/2021 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 and water; and
- The increase in the cost of remuneration. Employee related costs comprise 48.3% of total operating expenditure, excluding depreciation, in the 2020/2021 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.

2.5.3 Credit rating outlook

Table 34 Credit rating outlook

Security class	Currency	Rating	Annual rating 2020/2021	Previous Rating
Short term	Rand	N/A	N/A	N/A
Long-term	Rand	N/A	N/A	N/A
Outlook	Rand	N/A	N/A	N/A

The municipality has not been rated by a rating agency.

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2020/2021 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2020/2021 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

2.5.5 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (95%) of annual billings. Cash flow is assumed to be 93% of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.6 Growth or decline in tax base of the municipality

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

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

2.5.7 Salary increases

The percentage increase for regarding salaries / wages for the 2020/2021 are 6.25%, in terms of the Collective Agreement. Over the MTREF the municipality has provided for a cost-of-living increase of 6.25% (2021/2022), and 6.25% (2022/2023).

2.5.8 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 IDP's, 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. Unfortunately, some of these services come at a cost for the municipality since not all activities is 100% funded through funds that follow functions (unfunded mandates).

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

It is estimated that a spending rate of at least 95% is achieved on operating expenditure and 95% on the capital programme for the 2020/2021 MTREF of which performance has been factored into the cash flow budget. The municipality expects to recover 95% of its budgeted revenue.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

Table 35 Breakdown of the operating revenue over the medium-term

Description	2020/21 Medium Term Revenue & Expenditure Framework					
	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%
Property rates	112,409	14.0%	117,917	13.8%	122,633	13.6%
Service charges	506,166	62.9%	540,229	63.3%	573,326	63.4%
Interest earned - external investments	3,595	0.4%	3,771	0.4%	3,922	0.4%
Transfers recognised - operational	109,533	13.6%	115,051	13.5%	125,355	13.9%
Other own revenue	73,164	9.1%	75,871	8.9%	78,906	8.7%
Total Operational Revenue (excluding capital transfers and contributions)	804,866	100.0%	852,838	100.0%	904,142	100.0%
Total Operational Expenditure	819,861		844,237		877,504	
Surplus/(Deficit)	(14,995)		8,601		26,639	

The following graph is a breakdown of the operational revenue per main category for the 2020/2021 financial year.

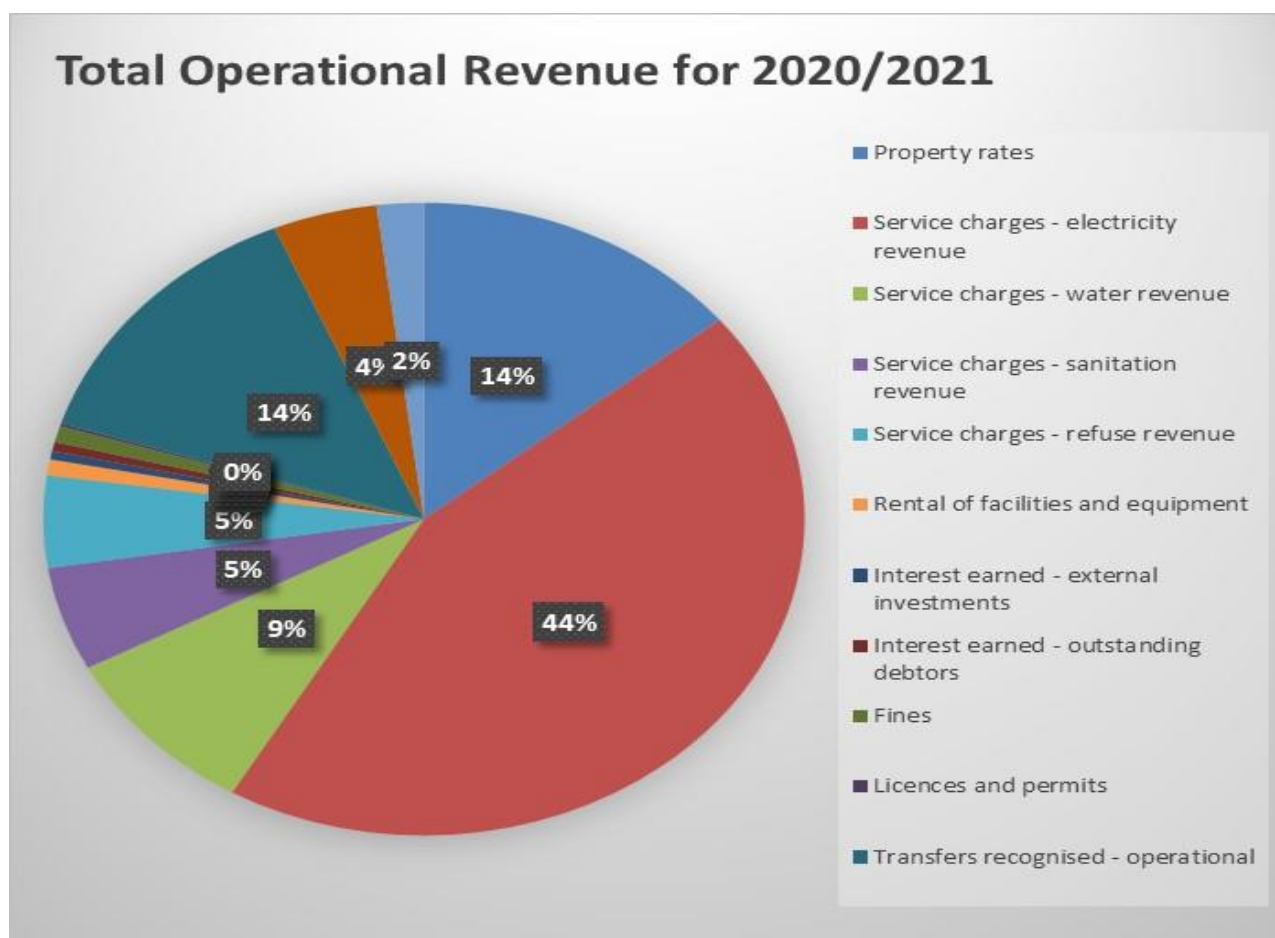


Figure 3 Breakdown of operating revenue over the 2020/2021 MTREF

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus (excluding non-cash items) of R 133.3 million (2020/2021) and R 136.6 million and R 173.2 million in the two outer years. This surplus is intended to fully fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

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

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 93% annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing / calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2020/2021 MTREF on the different revenue categories are:

Revenue to be generated from property rates is R 112.4 million in the 2020/2021 financial year and increases to R 122.6 million by 2022/2023 which represents 14.0% of the operating revenue base of the municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The municipality is in a process of further data verification and validation relating to the valuation roll. The new valuation roll will be implemented from 1 July 2020 and is valid for 5 years. The valuation is supplemented every year as supplementary valuations are performed. As the levying of property rates is considered strategic revenue source a further supplementary valuation process will be undertaken as necessary during the financial year. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R 506.2 million for the 2020/2021 financial year and increasing to R 573.3 million by 2022/2023. For the 2020/2021 financial year services charges amount to 62.9% of the total revenue base and increase to 63.4% by 2022/2023. This increase can mainly be attributed to the increase in the bulk prices of electricity and water.

Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. Operating grants and transfers totals R 109.5 million in the 2020/2021 financial year, R 115.1 million for 2021/2022 and R 125.4 million by 2022/2023. Note that the year-on-year growth for the 2020/2021 financial year is 5.8% and 5.0% and 9.0% for the outer years. The following table gives a breakdown of the proposed tariff increases over the MTREF:

Table 36 Proposed Tariff increases over the Medium-Term

Revenue Category	2020/21 Proposed Tariff Increase	2021/22 Proposed Tariff Increase	2022/23 Proposed Tariff Increase	2020/21 Total Budgeted Revenue
	%	%	%	R'000
Property Rates	±6.00%	±4.9%	±4.0%	112,409
Electricity	±6.22%	±4.9%	±4.0%	356,205
Water	±4.9%	±4.9%	±4.9%	70,570
Sanitation	±4.9%	±4.9%	±4.9%	42,091
Refuse Removal	±4.9%	±4.9%	±4.9%	37,300
Total				618,574

The tables below provide detail investment information and investment particulars by maturity.

Table 37 MBRR SA15 – Detail Investment Information

Investment type / R thousand	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
<u>Parent municipality</u>									
Deposits - Bank	-	-	-	-	-	-	-	-	-
Municipality sub-total	-	-	-	-	-	-	-	-	-
<u>Entities</u>									
Entities sub-total	-	-	-	-	-	-	-	-	-
Consolidated total:	-	-	-	-	-	-	-	-	-

Table 38 MBRR SA16 – Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Monetary value	Interest to be realised
	Yrs/Months				Rand thousand	
<u>Parent municipality</u>						
Not applicable - all investments qualify as cash and cash equivalents (Cash)	Months	Depositor Plus	No	Variable	-	-
Municipality sub-total					-	-
<u>Entities</u>						
Entities sub-total					-	-
TOTAL INVESTMENTS AND INTEREST					-	-

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2020/2021 to 2022/2023 medium-term capital programme:

Table 39 Sources of capital revenue over the MTREF

Description / R thousand	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%
Funded by:								
National Government	65,775	45.7%	61,434	53.9%	48,238	35.7%	63,716	67.1%
Provincial Government	4,976	3.5%	188	0.2%	173	0.1%	-	0.0%
District Municipality	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other transfers and grants	-	0.0%	43	0.0%	-	0.0%	-	0.0%
Transfers recognised - capital	70,752	49.1%	61,665	54.1%	48,411	35.8%	63,716	67.1%
Borrowing	9,275	6.4%	5,000	4.4%	-	0.0%	-	0.0%
Internally generated funds	63,966	44.4%	47,271	41.5%	86,811	64.2%	31,189	32.9%
Total Capital Funding	143,993	100.0%	113,937	100.0%	135,223	100.0%	94,906	100.0%

Capital grants and receipts equates to 54.1% of the total funding source which represents R 62.1 million for the 2020/2021 financial year and decreases to R 48.4 million (35.8%) for 2021/2022 before increasing to R 63.7 million or 67.1% by 2022/2023.

Own funding still remains a significant funding source for the capital programme over the medium-term with an estimated R 47.3 million, R 86.8 million and R 31.2 million to be raised for each of the respective financial years.

Borrowing remains conservative at R 5.0 million for 2020/2021 and nothing for the outer years.

Figure 4 is graphically represented as follows for the 2020/2021 financial year.

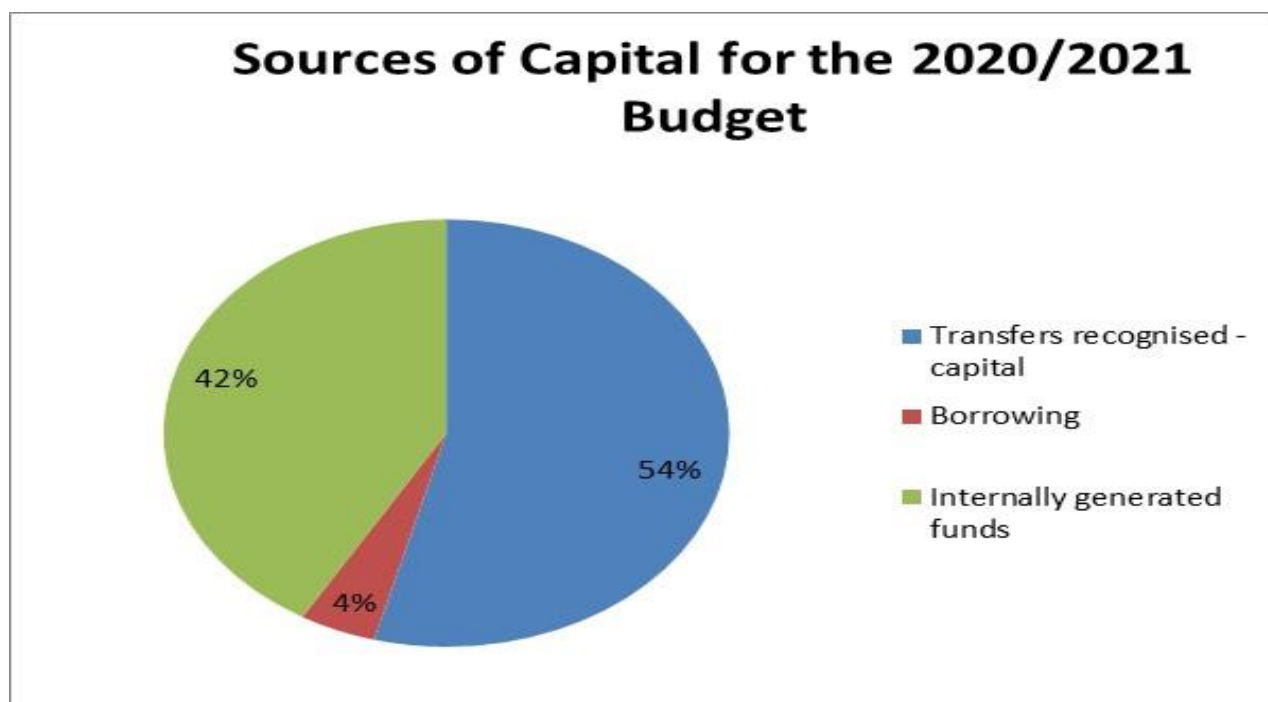


Figure 4 Sources of capital revenue for the 2020/2021 financial year

The following table is a detailed analysis of the municipality's borrowing liability.

Table 40 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type / R thousand	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
<u>Parent municipality</u>									
Long-Term Loans (annuity/reducing balance)	104,021	105,315	94,285	84,191	93,541	93,541	88,766	78,266	67,266
Municipality sub-total	104,021	105,315	94,285	84,191	93,541	93,541	88,766	78,266	67,266
<u>Entities</u>									
Entities sub-total	-	-	-	-	-	-	-	-	-
Total Borrowing	104,021	105,315	94,285	84,191	93,541	93,541	88,766	78,266	67,266

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.

Table 41 below provides more detail of the capital transfers and grant receipts.

Table 41 MBRR Table SA 18 - Capital transfers and grants receipts

Description / R thousand	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
Capital Transfers and Grants									
National Government:	35,223	46,975	40,062	55,733	65,775	65,775	61,434	48,238	63,716
Municipal Infrastructure Grant (MIG)	22,927	16,891	16,619	28,570	29,578	29,578	20,608	22,152	23,282
EPWP	1,787	1,026	-	1,250	1,250	1,250	174	-	-
Integrated National Electrification Programme	4,396	15,841	11,117	14,957	14,957	14,957	10,217	8,696	8,696
Energy Efficiency and Demand Management	6,114	4,593	2,502	3,478	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	7,130	7,130	17,391	8,696	23,043
Water Service Infrastructure Grant	-	6,672	9,752	7,478	12,861	12,861	13,043	8,696	8,696
Financial Management Grant	-	60	72	-	-	-	-	-	-
Provincial Government:	4,000	159	1,894	1,478	4,976	4,976	188	173	-
Department of Transport	4,000	-	-	-	1,509	1,509	-	-	-
Department of Environmental Affairs	-	-	100	-	-	-	-	-	-
DEDAT	-	-	1,794	1,478	3,017	3,017	-	-	-
Sport and Recreation	-	159	-	-	451	451	188	173	-
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	830	-	-	-	-	-	-
Dankocom	-	-	800	-	-	-	-	-	-
C-Pac	-	-	30	-	-	-	-	-	-
Total Capital Transfers and Grants	39,223	47,134	42,786	57,211	70,752	70,752	61,622	48,411	63,716

2.6.3 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 understand ability 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 provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 42 MBRR Table A7 - Budget cash flow statement

Description / R thousand	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
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	85,881	93,337	99,224	111,806	115,857	115,857	109,348	115,165	119,656
Service charges	337,359	331,373	387,893	488,293	503,121	503,121	493,925	529,221	561,418
Other revenue	26,477	31,601	31,803	25,564	26,860	26,860	28,409	28,923	30,080
Transfers and Subsidies - Operational	71,495	86,799	96,097	101,533	103,486	103,486	109,533	115,051	125,355
Transfers and Subsidies - Capital	35,364	34,192	44,787	57,211	70,752	70,752	61,622	48,411	63,716
Interest	5,829	7,977	8,320	8,152	6,850	6,850	6,850	7,186	7,473
Payments									
Suppliers and employees	(469,496)	(486,512)	(621,062)	(639,678)	(667,659)	(667,659)	(704,707)	(704,131)	(775,046)
Finance charges	(11,838)	(12,019)	(12,308)	(10,987)	(11,393)	(11,393)	(11,551)	(11,955)	(12,433)
Transfers and Grants	(521)	(929)	(1,135)	(1,534)	(1,092)	(1,092)	(1,208)	(1,250)	(1,300)
NET CASH FROM/(USED) OPERATING ACTIVITIES	80,550	85,819	33,617	140,362	146,781	146,781	92,222	126,620	118,920
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	8,351	(4,255)	4,159	15,000	15,000	15,000	21,500	22,554	23,456
Decrease (increase) other non-current receivables	10	(1)	12	-	2	2	-	-	-
Payments									
Capital assets	(45,612)	(51,791)	(75,456)	(144,420)	(143,993)	(143,993)	(113,937)	(135,223)	(94,906)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(37,250)	(56,048)	(71,285)	(129,420)	(128,991)	(128,991)	(92,437)	(112,669)	(71,450)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Borrowing long term/refinancing	-	10,000	-	-	9,275	9,275	5,000	-	-
Increase (decrease) in consumer deposits	(882)	602	811	-	365	365	-	-	-
Payments									
Repayment of borrowing	(11,118)	(7,545)	(9,925)	(10,000)	(10,000)	(10,000)	(9,275)	(10,000)	(10,500)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(11,999)	3,057	(9,114)	(10,000)	(360)	(360)	(4,275)	(10,000)	(10,500)
NET INCREASE/ (DECREASE) IN CASH HELD	31,301	32,828	(46,782)	941	17,429	17,429	(4,490)	3,951	36,970
Cash/cash equivalents at the year begin:	12,454	43,754	76,582	46,734	29,801	29,801	47,229	42,739	46,691
Cash/cash equivalents at the year end:	43,754	76,582	29,801	47,675	47,229	47,229	42,739	46,691	83,660

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular No 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 (cash-backed commitments > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 43 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description / R thousand	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
Cash and investments available									
Cash/cash equivalents at the year end	43,754	76,582	29,801	47,675	47,229	47,229	42,739	46,691	83,660
Other current investments > 90 days	-	-	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-	-
Cash and investments available:	43,754	76,582	29,801	47,675	47,229	47,229	42,739	46,691	83,660
Application of cash and investments									
Unspent conditional transfers	19,079	30,908	25,617	-	-	-	-	-	-
Statutory requirements	-	-	-	3,000	3,000	3,000	3,000	3,000	3,000
Other working capital requirements	(11,602)	10,349	(11,508)	42,716	31,698	31,698	32,899	31,524	24,623
Total Application of cash and investments:	7,477	41,257	14,110	45,716	36,698	36,698	37,899	36,524	29,623
Surplus(shortfall)	36,277	35,325	15,691	1,959	10,531	10,531	4,840	10,167	54,037

The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. For the 2020/2021 financial year the municipality will spend the entire allocation and thus no provision was made for unspent grants.
- There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, as was experienced by the municipality in the past resulting in cash flow challenges. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.
- Other provisions (i.e. employee benefits) have been provided for in the operating budget but have not been provided for in Table 43. This was done in terms of the Funding and Reserves Policy of the municipality.

- The municipality has no long term investments that consist primarily of the sinking funds for the repayment of future borrowings.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds as well as unspent conditional grants are not fully cash-backed. Government's outstanding debt, unfunded housing projects and unfunded mandates for the past three years are increasing on a year-to-year basis. The level of cash-backing is directly informed by the municipality's cash backing policy. Dawid Kruiper Municipality has requested in writing support from National Treasury regarding the unfunded mandates which can no longer be afforded and funded by our consumers. Mr. J Hattingh wrote a letter to Provincial Treasury requesting them to assist us in order to address these issues, but no assistance or correspondence was received. The municipal manager has requested that the clinic should be taken over by Provincial Treasury. This was done during October 2014. Dawid Kruiper Municipality is also performing the Fire Brigade Services and Disaster Management Services, but the grant is being paid to ZFM. The allocation received from Department Sports, Arts and Culture is insufficient to cover the expenditure of the libraries resulting in tariff increases above inflation to recover the costs. The same principle applies for Department of Housing. For the last 6 years the allocation has not increased from R 650 000 per year.

However, from a practical perspective it would not be possible to eradicate this deficit in one financial year hence the phased approach over the MTREF. Nevertheless, from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate. The Municipality had an interaction with Provincial Treasury to ensure that the budget tabled to Council is funded in terms of Section 18 of the MFMA.

2.6.5 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 44 MBRR SA10 – Funding compliance measurement

Description	MFMA section	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
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	43,754	76,582	29,801	47,675	47,229	47,229	42,739	46,691	83,660
Cash + investments at the yr end less applications - R'000	18(1)b	36,277	35,325	15,691	1,959	10,531	10,531	4,840	10,167	54,037
Cash year end/monthly employee/supplier payments	18(1)b	1.7	1.7	0.6	1.0	0.9	0.9	0.8	0.8	1.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4,212	(36,822)	101,260	54,165	63,364	63,364	46,627	57,012	90,355
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	6.7%	3.6%	7.8%	-5.3%	-6.0%	0.0%	0.4%	-0.3%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	95.9%	83.7%	76.2%	99.4%	101.8%	101.8%	94.2%	94.6%	94.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	3.3%	3.9%	2.1%	1.7%	1.7%	1.7%	3.2%	1.6%	1.5%
Capital payments % of capital expenditure	18(1)c;19	100.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	68.3%	0.0%	0.0%	12.7%	12.7%	9.6%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.1%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	0.9%	11.1%	-61.0%	31.0%	0.0%	-9.9%	8.9%	9.9%
Long term receivables % change - incr(decr)	18(1)a	N.A.	0.0%	-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	0.6%	0.8%	1.0%	1.6%	1.4%	1.4%	1.3%	1.3%	1.4%
Asset renewal % of capital budget	20(1)(vi)	42.9%	3.4%	13.7%	21.4%	11.2%	11.2%	14.9%	12.2%	3.2%

2.6.5.2 Cash/cash equivalent position

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

If the municipality's forecast cash position is positive, for any year of the medium term budget, The forecasted cash and cash equivalents for the 2020/2021 MTREF shows R 42.7 million, R 46.7 million and R 83.7 million for each respective financial year.

2.6.5.3 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves / surpluses are contained in Table 25, on page 49. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.4 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. As part of the 2020/2021 MTREF the municipalities improving cash position causes the ratio to move upwards to 0.8 and then stabilize on 1.4 by 2022/2023. As indicated above the municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months' coverage. This measure will have to be carefully monitored going forward.

2.6.5.5 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus / deficit are achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. Dawid Kruiper Municipality did not use the depreciation method, but the revaluation method with the higher Depreciated Replacement

Cost values. Therefore, the “offsetting” amount cannot be deducted in terms of GRAP 17 and a surplus will not be reflected in this statement. Dawid Kruiper Municipality has reported this issue several times with both the Auditor General and National Treasury. We are still awaiting response.

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

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

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

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 4.6% to 4.9%). The result is intended to be an approximation of the real increase in revenue. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is -6.0%, with the increase in electricity at 6.22% on average it is not expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.6.5.7 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are ‘collected’. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 95% for each of the respective financial years. Given that the

assumed collection rate was based on a 93% performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will have to be amended accordingly.

2.6.5.8 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 3.2% in 2020/2021 to 1.5% in 2022/2023. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice. R 8.5 million was budgeted for the write off of bad debt and an additional R 19.5 million for the provision of bad debt.

2.6.5.9 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 0% timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days and have not defaulted over the last five years.

2.6.5.10 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. Further details relating to the borrowing strategy of the municipality can be found on page 92.

2.6.5.11 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100% could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

2.6.5.12 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show an increase settling debtor's accounts not being settled within 30 days.

2.6.5.13 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and / or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 59 MBRR SA34c on page 121.

2.6.5.14 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal / rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 58 MBRR SA34b on page 119.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 45 MBRR SA19 - Expenditure on transfers and grant programmes

Description / R thousand	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
EXPENDITURE:									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	69,491	82,190	90,991	97,489	100,051	100,119	106,041	111,392	121,364
Local Government Equitable Share	57,989	70,769	77,934	84,895	84,895	84,895	91,546	99,200	106,766
Municipal Systems Improvement Grant	-	-	-	-	1,055	1,055	-	-	-
Finance Management	3,623	3,985	4,043	3,000	3,000	3,000	3,000	3,200	3,200
Energy Efficiency and Demand Management	886	407	498	522	-	-	-	-	-
Municipal Infrastructure Grant	4,250	2,716	2,929	5,520	5,671	5,671	4,338	4,663	4,901
Integrated National Electrification Programme	604	1,159	2,883	2,243	2,243	2,243	1,533	1,304	1,304
EPWP	213	135	-	187	187	187	859	415	432
Water Service Infrastructure Grant	-	328	248	1,122	1,929	1,929	1,957	1,304	1,304
Neighbourhood Development Partnership Grant	-	-	-	-	1,070	1,070	2,609	1,304	3,457
Municipal Demarcation Grant	1,925	2,691	2,456	-	-	-	-	-	-
COVID-19 Relief Fund	-	-	-	-	-	68	200	-	-
Provincial Government:	1,599	4,560	5,106	4,044	3,435	3,435	3,492	3,659	3,991
Sport and Recreation	1,460	3,889	2,494	3,172	2,348	2,348	2,842	3,009	3,341
Department of Transport	-	-	325	-	-	-	-	-	-
DEDAT	-	-	6	222	437	437	-	-	-
Housing	-	650	650	650	650	650	650	650	650
COGHSTA	139	21	1,631	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	405	49	-	-	-	-	-	-	-
Upington Summer Festival	-	49	-	-	-	-	-	-	-
LGSeta	203	-	-	-	-	-	-	-	-
Directo Signs	-	-	-	-	-	-	-	-	-
Homestay	122	-	-	-	-	-	-	-	-
Lotto	80	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	71,495	86,799	96,097	101,533	103,486	103,554	109,533	115,051	125,355
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	33,769	33,893	41,681	55,733	65,775	65,775	61,434	48,238	63,716
Municipal Infrastructure Grant (MIG)	21,487	10,101	15,713	28,570	29,578	29,578	20,608	22,152	23,282
EPWP	1,773	1,115	-	1,250	1,250	1,250	174	-	-
Integrated National Electrification Programme	4,396	7,739	19,219	14,957	14,957	14,957	10,217	8,696	8,696
Energy Efficiency and Demand Management	6,114	2,722	3,318	3,478	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	7,130	7,130	17,391	8,696	23,043
Water Service Infrastructure Grant	-	2,883	1,656	7,478	12,861	12,861	13,043	8,696	8,696
Municipal Demarcation Grant	-	9,274	1,703	-	-	-	-	-	-
Financial Management Grant	-	60	72	-	-	-	-	-	-
Provincial Government:	1,003	299	2,275	1,478	4,976	4,976	188	173	-
Department of Transport	-	-	2,166	-	1,509	1,509	-	-	-
DEDAT	-	-	40	1,478	3,017	3,017	-	-	-
Sport and Recreation	8	159	69	-	451	451	188	173	-
COGHSTA	994	140	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	592	-	830	-	-	-	43	-	-
Dankocom	-	-	800	-	-	-	-	-	-
Lotto	592	-	-	-	-	-	-	-	-
Directo Signs	-	-	-	-	-	-	43	-	-
C-Pac	-	-	30	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	35,364	34,192	44,787	57,211	70,752	70,752	61,665	48,411	63,716
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	106,859	120,991	140,884	158,744	174,238	174,306	171,198	163,462	189,072

Table 46 MBRR SA20 - Reconciliation between of transfers, grant receipts and unspent funds

Description / R thousand	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
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	5,872	-	1,401	-	-	-	200	-	-
Current year receipts	75,635	82,172	89,590	97,489	100,051	100,319	105,841	111,392	121,364
Conditions met - transferred to revenue	69,491	82,190	90,991	97,489	100,051	100,119	106,041	111,392	121,364
Conditions still to be met - transferred to liabilities	12,015	(18)	-	-	-	200	-	-	-
Provincial Government:									
Balance unspent at beginning of the year	(521)	-	1,589	-	-	-	-	-	-
Current year receipts	3,138	3,521	3,517	4,044	3,435	3,435	3,492	3,659	3,991
Conditions met - transferred to revenue	1,599	4,560	5,106	4,044	3,435	3,435	3,492	3,659	3,991
Conditions still to be met - transferred to liabilities	1,018	(1,039)	-	-	-	-	-	-	-
District Municipality:									
Balance unspent at beginning of the year				-	-	-	-	-	-
Current year receipts				-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-	-	-	-	-
Other grant providers:									
Balance unspent at beginning of the year	260	-	50	-	-	-	-	-	-
Current year receipts	253	10	-	-	-	-	-	-	-
Conditions met - transferred to revenue	405	49	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	108	(39)	50	-	-	-	-	-	-
Total operating transfers and grants revenue	71,495	86,799	96,097	101,533	103,486	103,354	109,533	115,051	125,355
Total operating transfers and grants - CTBM	13,142	(1,096)	50	-	-	200	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	(1,249)	-	23,457	-	-	-	-	-	-
Current year receipts	35,223	46,975	40,062	55,733	65,775	65,775	61,434	48,238	63,716
Conditions met - transferred to revenue	33,769	33,893	41,681	55,733	65,775	65,775	61,434	48,238	63,716
Conditions still to be met - transferred to liabilities	205	13,082	21,838	-	-	-	-	-	-
Provincial Government:									
Balance unspent at beginning of the year	2,799	-	4,111	-	-	-	-	-	-
Current year receipts	4,000	159	1,894	1,478	4,976	4,976	188	173	-
Conditions met - transferred to revenue	1,003	299	2,275	1,478	4,976	4,976	188	173	-
Conditions still to be met - transferred to liabilities	5,796	(140)	3,730	-	-	-	-	-	-
District Municipality:									
Balance unspent at beginning of the year				-	-	-	-	-	-
Current year receipts	-			-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-			-	-	-	-	-	-
Other grant providers:									
Balance unspent at beginning of the year	593	-	-	-	-	43	43	-	-
Current year receipts	-	-	830	-	-	-	-	-	-
Conditions met - transferred to revenue	592	-	830	-	-	-	43	-	-
Conditions still to be met - transferred to liabilities	0	-	-	-	-	43	-	-	-
Total capital transfers and grants revenue	35,364	34,192	44,787	57,211	70,752	70,752	61,665	48,411	63,716
Total capital transfers and grants - CTBM	6,002	12,942	25,567	-	-	43	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	106,859	120,991	140,884	158,744	174,238	174,306	171,198	163,462	189,072
TOTAL TRANSFERS AND GRANTS - CTBM	19,144	11,846	25,617	-	-	243	-	-	-

2.8 Councillors and employee benefits

Table 47 MBRR SA22 - Summary of councillors and staff benefits

Summary of Employee and Councillor remuneration	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	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
Councillors (Political Office Bearers plus Other)								
Salary	9,781	10,050	9,809	9,607	9,607	10,426	10,791	11,222
Pension Contributions	630	703	768	699	699	684	708	736
Medical Aid Contributions	68	70	66	778	778	62	64	66
Travel, Accommodation and Other Allowances	44	44	47	19	19	46	47	49
Cell phone allowance	310	324	1,347	2,402	2,402	1,328	1,375	1,430
Housing benefits and allowances	-	-	-	-	-	-	-	-
Other benefits or allowances	-	-	-	-	-	-	-	-
Sub Total - Councillors	10,833	11,190	12,037	13,505	13,505	12,545	12,984	13,504
% increase	0.0%	3.3%				-7.1%	3.5%	4.0%
Senior Managers of the Municipality								
Basic Salaries and Wages	6,511	6,132	7,879	7,079	7,079	8,066	8,349	8,683
Pension and UIF Contributions	387	362	726	556	556	716	741	770
Medical Aid Contributions	75	100	143	125	125	147	152	158
Performance Bonus	1,067	804	1,035	904	904	1,054	1,091	1,134
Motor Vehicle Allowance	1,021	934	1,182	1,117	1,117	1,151	1,192	1,239
Other benefits and allowances	87	94	10	10	10	-	-	-
Sub Total - Senior Managers of Municipality	9,160	8,425	10,975	9,791	9,791	11,143	11,533	11,995
% increase	0.0%	-8.0%				13.8%	3.5%	4.0%
Other Municipal Staff								
Basic Salaries and Wages	188,009	203,419	195,481	189,722	189,722	212,033	225,151	234,179
Pension and UIF Contributions	33,112	35,954	38,478	37,657	37,657	39,863	42,451	44,149
Medical Aid Contributions	13,509	14,296	15,004	15,123	15,123	16,052	16,613	17,278
Overtime	19,865	18,885	18,428	20,052	20,052	17,000	22,770	23,681
Performance Bonus	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3,140	3,236	5,718	4,340	4,340	4,816	4,985	5,184
Cellphone Allowance	-	-	93	92	92	99	102	106
Housing Allowances	1,986	1,812	1,949	1,912	1,912	1,981	2,051	2,133
Other benefits and allowances	7,734	9,342	11,698	11,888	11,888	11,383	12,772	13,283
Payments in lieu of leave	4,784	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	24,328	20,514	14,552	14,717	14,717	14,600	15,111	15,715
Sub Total - Other Municipal Staff	296,467	307,456	301,401	295,504	295,504	317,826	342,007	355,709
% increase	0.0%	3.7%				7.6%	7.6%	4.0%
Total Parent Municipality	316,461	327,072	324,413	317,242	318,799	341,515	366,525	381,208
TOTAL SALARY, ALLOWANCES & BENEFITS	316,461	327,072	324,413	318,799	318,799	341,515	366,525	381,208
% increase	0.0%	3.4%				7.1%	7.3%	4.0%
TOTAL MANAGERS AND STAFF	305,627	315,882	312,376	305,295	305,295	328,970	353,541	367,704

**Table 48 MBRR SA23 - Salaries, allowances and benefits
(Political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits / R per annum	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Councillors						
Speaker	635,633	86,322	42,840	-	-	764,795
Executive Mayor	902,445	-	42,840	-	-	945,285
Executive Committee	2,327,331	147,751	302,932	-	-	2,778,014
Total for all other councillors	6,560,335	511,434	985,320	-	-	8,057,089
Total Councillors	10,425,744	745,507	1,373,932	-	-	12,545,183
Senior Managers of the Municipality						
Municipal Manager (MM)	1,337,307	-	256,878	194,595	-	1,788,780
Chief Finance Officer	1,248,415	198,447	201,120	177,600	-	1,825,582
Director: Corporate Services	1,027,746	220,148	221,791	177,600	-	1,647,285
Director: Development Services	1,266,369	-	202,248	168,369	-	1,636,986
Director: Electro Mechanical Services	1,178,008	52,781	72,000	148,369	-	1,451,158
Director: Civil Engineering Services	1,226,488	-	76,680	30,911	-	1,334,079
Director: Development And Planning Services	781,901	390,950	130,317	156,380	-	1,459,548
Total Senior Managers of the Municipality	8,066,234	862,326	1,161,034	1,053,824	-	11,143,418
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	18,491,978	1,607,833	2,534,966	1,053,824	-	23,688,601

Table 49 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	2018/19			Current Year 2019/20			Budget Year 2020/21		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Council Members)	32	31	-	32	30	-	32	30	-
Board Members of municipal entities	-	-	-	-	-	-	-	-	-
Municipal employees	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	7	4	1	7	4	1	7	5	1
Other Managers	30	25	1	30	23	1	30	24	-
Professionals	45	34	1	45	31	1	45	31	-
<i>Finance</i>	-	-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>	-	-	-	-	-	-	-	-	-
<i>Information Technology</i>	-	-	-	-	-	-	-	-	-
<i>Roads</i>	-	-	-	-	-	-	-	-	-
<i>Electricity</i>	-	-	-	-	-	-	-	-	-
<i>Water</i>	-	-	-	-	-	-	-	-	-
<i>Sanitation</i>	-	-	-	-	-	-	-	-	-
<i>Refuse</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Technicians	91	82	7	91	83	7	91	83	-
<i>Finance</i>	-	-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>	-	-	-	-	-	-	-	-	-
<i>Information Technology</i>	-	-	-	-	-	-	-	-	-
<i>Roads</i>	-	-	-	-	-	-	-	-	-
<i>Electricity</i>	-	-	-	-	-	-	-	-	-
<i>Water</i>	-	-	-	-	-	-	-	-	-
<i>Sanitation</i>	-	-	-	-	-	-	-	-	-
<i>Refuse</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)	234	198	25	234	187	28	234	237	-
Service and sales workers	130	96	-	130	100	-	130	100	-
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades	-	-	-	-	-	-	-	-	-
Plant and Machine Operators	130	87	-	130	84	-	130	88	-
Elementary Occupations	432	402	45	432	400	40	432	415	-
TOTAL PERSONNEL NUMBERS	995	843	72	995	828	70	995	899	1

2.9 Monthly targets for revenue, expenditure and cash flow

Table 50 MBRR SA25 - Budgeted monthly revenue and expenditure

Description / R thousand	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	24,879	569	7,680	9,874	9,874	7,180	6,082	11,568	8,277	10,471	9,374	6,582	112,409	117,917	122,633
Service charges - electricity revenue	35,620	28,496	24,934	32,058	32,058	24,934	21,372	39,183	28,496	35,620	32,058	21,372	356,205	382,920	409,725
Service charges - water revenue	7,057	5,646	4,940	6,351	6,351	4,940	4,234	7,763	5,646	7,057	6,351	4,234	70,570	74,028	76,989
Service charges - sanitation revenue	4,209	3,367	2,946	3,788	3,788	2,946	2,525	4,630	3,367	4,209	3,788	2,525	42,091	44,153	45,919
Service charges - refuse revenue	3,730	2,984	2,611	3,357	3,357	2,611	2,238	4,103	2,984	3,730	3,357	2,238	37,300	39,127	40,692
Rental of facilities and equipment	623	498	436	561	561	436	374	685	498	623	561	374	6,230	6,535	6,796
Interest earned - external investments	326	260	228	293	293	228	195	358	260	326	293	195	3,255	3,414	3,551
Interest earned - outstanding debtors	360	288	252	324	324	252	216	395	288	360	324	216	3,595	3,771	3,922
Fines, penalties and forfeits	78	64	82	96	96	72	91	99	84	88	76	5,492	6,417	6,690	6,958
Licences and permits	118	94	82	106	106	82	71	130	94	118	106	71	1,178	1,235	1,285
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	32,168	1,407	1,157	1,487	1,625	31,760	1,067	1,957	31,938	1,779	1,601	1,588	109,533	115,051	125,355
Other revenue	1,458	1,167	1,021	1,313	1,313	1,021	875	1,604	1,167	1,458	1,313	20,875	34,584	35,443	36,861
Gains	-	-	-	-	-	-	-	2,365	1,720	2,150	1,935	13,330	21,500	22,554	23,456
Total Revenue (excluding capital transfers and contributions)	110,625	44,841	46,369	59,607	59,745	76,463	39,341	74,840	84,820	67,988	61,136	79,094	804,866	852,838	904,142
Expenditure By Type															
Employee related costs	32,196	25,759	22,539	28,979	45,309	22,539	19,319	35,419	26,813	32,199	28,979	8,919	328,970	353,541	367,704
Remuneration of councillors	1,255	1,004	878	1,129	1,129	878	753	1,380	1,004	1,255	1,129	753	12,545	12,984	13,504
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	19,500	19,500	10,350	10,764
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-	-	-	95,594	95,594	98,939	102,897
Finance charges	1,155	924	809	1,040	1,040	809	693	1,271	924	1,155	1,040	693	11,551	11,955	12,433
Bulk purchases	22,966	18,373	16,076	20,670	20,670	16,076	13,780	25,263	18,373	22,966	20,670	13,780	229,662	237,700	247,208
Contracted services	3,286	2,800	2,300	2,958	2,958	2,279	1,954	3,582	2,605	3,256	2,931	1,954	32,861	29,777	30,459
Transfers and subsidies	121	97	85	109	109	85	72	133	97	121	109	72	1,208	1,250	1,300
Other expenditure	5,684	4,775	3,979	5,115	5,115	3,951	3,386	6,208	4,515	5,644	5,079	3,386	56,838	56,446	58,702
Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	69,775	56,393	48,845	62,801	79,130	48,775	41,807	76,647	56,797	69,679	62,711	146,501	819,861	844,237	877,504
Surplus/(Deficit)	40,849	(11,553)	(2,476)	(3,194)	(19,385)	27,688	(2,467)	(1,807)	28,023	(1,691)	(1,575)	(67,407)	(14,995)	8,601	26,639
Transfers recognised - capital	5,140	4,112	3,598	4,626	5,546	4,314	3,697	6,778	4,930	6,162	5,546	7,171	61,622	48,411	63,716
Surplus/(Deficit) after capital transfers & contributions	45,990	(7,440)	1,122	1,433	(13,839)	32,001	1,231	4,971	32,952	4,471	3,971	(60,236)	46,627	57,012	90,355
Surplus/(Deficit)	45,990	(7,440)	1,122	1,433	(13,839)	32,001	1,231	4,971	32,952	4,471	3,971	(60,236)	46,627	57,012	90,355

Table 51 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description / R thousand	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 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services	534	512	374	480	480	355	304	2,922	2,125	2,657	2,391	33,634	46,768	48,325	50,258
Vote 3 - Financial Services	56,522	1,471	8,469	10,889	10,889	38,484	6,759	12,808	39,694	11,598	10,389	7,609	215,581	229,013	241,643
Vote 4 - Community Services	4,666	3,735	3,294	4,226	4,226	3,284	2,844	5,147	3,755	4,676	4,206	7,896	51,955	54,504	56,716
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	35,686	28,549	24,980	32,117	33,175	25,803	22,117	40,547	29,489	36,861	33,175	26,112	368,610	393,607	420,439
Vote 7 - Civil Engineering Services	14,875	11,900	10,413	13,388	13,388	10,413	8,925	16,363	11,900	14,875	13,388	8,925	148,754	138,659	159,906
Vote 8 - Planning and Development Services	3,482	2,786	2,437	3,134	3,134	2,437	2,089	3,830	2,786	3,482	3,134	2,089	34,820	37,141	38,896
Total Revenue by Vote	115,765	48,953	49,967	64,234	65,291	80,776	43,038	81,618	89,749	74,150	66,682	86,265	866,488	901,250	967,859
Expenditure by Vote to be appropriated															
Vote 1 - Municipal Manager	4,630	3,704	3,241	4,167	4,978	3,241	2,778	5,093	3,899	4,630	4,167	(7,601)	36,928	43,349	45,082
Vote 2 - Corporate Services	4,045	3,807	2,832	3,641	5,277	2,762	2,367	4,340	3,334	3,946	3,551	7,964	47,866	48,481	50,420
Vote 3 - Financial Services	6,761	5,409	4,733	6,086	8,119	4,733	4,057	7,438	5,587	6,762	6,086	24,849	90,621	80,808	83,913
Vote 4 - Community Services	13,171	10,538	9,220	11,855	17,593	9,220	7,903	14,489	10,706	13,172	11,855	31,525	161,247	167,608	174,321
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	27,290	21,832	19,103	24,561	25,700	19,103	16,374	30,019	21,980	27,290	24,561	35,943	293,755	304,404	316,588
Vote 7 - Civil Engineering Services	10,830	8,664	7,581	9,747	13,407	7,581	6,498	11,913	8,695	10,830	9,747	51,207	156,703	164,921	171,518
Vote 8 - Planning and Development Services	3,048	2,439	2,134	2,744	4,057	2,134	1,829	3,354	2,595	3,049	2,744	2,615	32,742	34,665	35,662
Total Expenditure by Vote	69,775	56,393	48,845	62,801	79,130	48,775	41,807	76,647	56,797	69,679	62,711	146,501	819,861	844,237	877,504
Surplus/(Deficit) before assoc.	45,990	(7,440)	1,122	1,433	(13,839)	32,001	1,231	4,971	32,952	4,471	3,971	(60,236)	46,627	57,012	90,355
Surplus/(Deficit)	45,990	(7,440)	1,122	1,433	(13,839)	32,001	1,231	4,971	32,952	4,471	3,971	(60,236)	46,627	57,012	90,355

Table 52 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description / R thousand	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 - Standard															
Governance and administration	57,055	1,983	8,842	11,369	11,369	38,839	7,063	15,731	41,820	14,255	12,780	41,243	262,349	277,338	291,902
Finance and administration	57,055	1,983	8,842	11,369	11,369	38,839	7,063	15,731	41,820	14,255	12,780	41,243	262,349	277,338	291,902
Community and public safety	1,240	994	896	1,142	1,142	886	788	1,379	1,014	1,251	1,122	5,840	17,697	18,536	19,283
Community and social services	331	265	232	298	298	232	199	364	265	331	298	199	3,310	3,475	3,646
Sport and recreation	353	283	247	318	318	247	212	389	283	353	318	212	3,534	3,707	3,855
Public safety	491	395	372	468	468	362	339	554	415	501	448	5,391	10,204	10,704	11,132
Housing	65	52	46	59	59	46	39	72	52	65	59	39	650	650	650
Economic and environmental services	3,184	2,547	2,229	2,865	2,865	2,229	1,910	3,502	2,547	3,184	2,865	1,910	31,838	34,045	35,702
Planning and development	3,178	2,542	2,224	2,860	2,860	2,224	1,907	3,496	2,542	3,178	2,860	1,907	31,778	33,982	35,636
Road transport	6	5	4	5	5	4	4	7	5	6	5	4	60	63	65
Trading services	54,285	43,428	38,000	48,857	49,914	38,822	33,276	61,006	44,368	55,460	49,914	37,271	554,604	571,331	620,972
Energy sources	35,686	28,549	24,980	32,117	33,175	25,803	22,117	40,547	29,489	36,861	33,175	26,112	368,610	393,607	420,439
Water management	10,660	8,528	7,462	9,594	9,594	7,462	6,396	11,726	8,528	10,660	9,594	6,396	106,603	94,443	113,921
Waste water management	4,209	3,367	2,946	3,788	3,788	2,946	2,525	4,630	3,367	4,209	3,788	2,525	42,091	44,153	45,919
Waste management	3,730	2,984	2,611	3,357	3,357	2,611	2,238	4,103	2,984	3,730	3,357	2,238	37,300	39,127	40,692
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	115,765	48,953	49,967	64,234	65,291	80,776	43,038	81,618	89,749	74,150	66,682	86,265	866,488	901,250	967,859
Expenditure - Standard															
Governance and administration	21,813	18,022	15,271	19,634	26,157	15,201	13,029	23,887	18,426	21,715	19,544	34,440	247,137	246,291	256,007
Executive and council	5,044	4,036	3,531	4,540	5,096	3,531	3,027	5,549	5,090	5,045	4,540	(7,368)	41,662	48,207	50,136
Finance and administration	16,443	13,725	11,511	14,800	20,586	11,441	9,807	17,979	13,075	16,344	14,710	41,587	202,007	194,460	202,104
Internal audit	326	261	228	294	475	228	196	359	261	326	294	221	3,468	3,623	3,768
Community and public safety	9,135	7,309	6,395	8,222	12,543	6,395	5,481	10,049	7,309	9,136	8,222	10,921	101,117	106,471	110,715
Community and social services	1,362	1,090	954	1,226	1,840	954	818	1,499	1,090	1,363	1,226	1,492	14,914	15,584	16,236
Sport and recreation	3,367	2,694	2,357	3,031	4,678	2,357	2,021	3,704	2,694	3,368	3,031	6,335	39,638	41,623	43,271
Public safety	3,876	3,101	2,714	3,489	5,247	2,714	2,326	4,264	3,101	3,876	3,489	2,739	40,936	43,014	44,734
Housing	529	423	370	476	777	370	317	582	423	529	476	354	5,629	6,250	6,474
Economic and environmental services	3,205	2,564	2,244	2,885	4,071	2,244	1,923	3,526	2,564	3,205	2,885	25,616	56,929	59,171	61,174
Planning and development	1,230	984	861	1,107	1,653	861	738	1,354	984	1,230	1,107	892	13,005	13,531	13,709
Road transport	1,974	1,580	1,382	1,777	2,417	1,382	1,185	2,172	1,580	1,975	1,777	24,723	43,924	45,640	47,465
Trading services	35,316	28,254	24,722	31,785	35,922	24,722	21,190	38,849	28,254	35,317	31,785	75,323	411,439	428,941	446,109
Energy sources	25,083	20,067	17,558	22,575	23,074	17,558	15,050	27,592	20,067	25,083	22,575	29,429	265,710	275,607	286,642
Water management	4,431	3,545	3,102	3,988	5,310	3,102	2,659	4,875	3,545	4,431	3,988	18,674	61,650	65,135	67,740
Waste water management	3,072	2,458	2,151	2,765	3,937	2,151	1,844	3,380	2,458	3,073	2,765	6,959	37,015	39,424	41,001
Waste management	2,730	2,184	1,911	2,457	3,601	1,911	1,638	3,003	2,184	2,730	2,457	20,260	47,063	48,776	50,727
Other	306	245	214	275	437	214	184	337	245	306	275	202	3,240	3,363	3,497
Total Expenditure - Standard	69,775	56,393	48,845	62,801	79,130	48,775	41,807	76,647	56,797	69,679	62,711	146,501	819,861	844,237	877,504
Surplus/(Deficit) before assoc.	45,990	(7,440)	1,122	1,433	(13,839)	32,001	1,231	4,971	32,952	4,471	3,971	(60,236)	46,627	57,012	90,355
Surplus/(Deficit)	45,990	(7,440)	1,122	1,433	(13,839)	32,001	1,231	4,971	32,952	4,471	3,971	(60,236)	46,627	57,012	90,355

Table 53 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description / R thousand	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
Multi-year expenditure to be appropriated															
Vote 1 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services	138	110	96	124	124	96	83	151	110	138	124	83	1,375	1,375	-
Vote 4 - Community Services	159	127	112	143	143	112	96	175	127	159	143	96	1,593	4,500	4,370
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Civil Engineering Services	3,587	2,870	2,511	3,229	3,229	2,861	2,452	4,496	3,270	4,087	3,679	4,602	40,875	28,486	37,989
Services	2,061	1,649	1,443	1,855	1,855	1,443	1,236	2,267	1,649	2,061	1,855	1,236	20,608	22,152	20,787
Capital multi-year expenditure sub-total	5,945	4,756	4,162	5,351	5,351	4,512	3,867	7,090	5,156	6,445	5,801	6,017	64,451	56,513	63,146
Single-year expenditure to be appropriated															
Vote 1 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services	107	86	75	97	97	75	64	118	86	107	97	64	1,073	360	100
Vote 3 - Financial Services	1,155	924	808	1,039	1,039	808	693	1,270	924	1,155	1,039	693	11,548	13,243	6,121
Vote 4 - Community Services	261	208	182	234	234	182	156	287	208	261	234	156	2,605	3,339	2,068
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	3,034	2,427	2,123	2,730	2,730	2,123	1,820	3,337	2,427	3,034	2,730	1,820	30,335	51,421	19,391
Vote 7 - Civil Engineering Services	367	293	257	330	330	257	220	403	293	367	330	220	3,665	9,347	1,585
Vote 8 - Planning and Development Services	26	21	18	23	23	18	16	28	21	26	23	16	259	1,000	2,495
Capital single-year expenditure sub-total	4,949	3,959	3,464	4,454	4,454	3,464	2,969	5,443	3,959	4,949	4,454	2,969	49,486	78,710	31,760
Total Capital Expenditure	10,894	8,715	7,626	9,804	9,804	7,976	6,836	12,533	9,115	11,394	10,254	8,986	113,937	135,223	94,906

Table 54 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description / R thousand	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
Capital Expenditure - Standard															
<i>Governance and administration</i>	2,899	2,319	2,029	2,609	2,609	2,029	1,739	3,189	2,319	2,899	2,609	1,739	28,988	29,958	7,721
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration	2,899	2,319	2,029	2,609	2,609	2,029	1,739	3,189	2,319	2,899	2,609	1,739	28,988	29,958	7,721
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	265	212	186	239	239	186	159	292	212	265	239	159	2,652	3,423	2,870
Community and social services	153	122	107	138	138	107	92	168	122	153	138	92	1,528	1,853	1,670
Sport and recreation	107	86	75	97	97	75	64	118	86	107	97	64	1,073	1,570	1,200
Public safety	5	4	4	5	5	4	3	6	4	5	5	3	51	-	-
Economic and environmental services	2,128	1,703	1,490	1,915	1,915	1,700	1,457	2,671	1,943	2,428	2,185	2,747	24,283	28,947	28,882
Planning and development	2,061	1,649	1,443	1,855	1,855	1,443	1,237	2,267	1,649	2,061	1,855	1,237	20,611	23,152	23,282
Road transport	67	54	47	61	61	257	220	404	294	367	331	1,510	3,673	5,795	5,600
Trading services	5,599	4,479	3,919	5,039	5,039	4,059	3,479	6,379	4,639	5,799	5,219	4,339	57,987	72,895	55,433
Energy sources	1,665	1,332	1,165	1,498	1,498	1,165	999	1,831	1,332	1,665	1,498	999	16,647	37,941	19,391
Water management	279	224	196	251	251	336	288	527	384	479	431	1,148	4,794	10,025	2,060
Waste water management	3,650	2,920	2,555	3,285	3,285	2,555	2,190	4,015	2,920	3,650	3,285	2,190	36,496	22,558	32,264
Total Capital Expenditure - Standard	10,894	8,715	7,626	9,804	9,804	7,976	6,836	12,533	9,115	11,394	10,254	8,986	113,937	135,223	94,906

Table 55 MBRR SA30 - Budgeted monthly cash flow

Description / R thousand	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
Cash Receipts By Source															
Property rates	18,759	569	4,928	6,897	9,874	7,180	6,082	11,568	8,277	10,471	9,374	15,371	109,348	115,165	119,656
Service charges - electricity revenue	32,560	25,436	22,182	29,082	32,058	24,934	21,372	39,183	28,496	35,620	32,058	30,161	353,145	380,168	406,748
Service charges - water revenue	3,997	2,586	2,188	3,374	6,351	4,940	4,234	7,763	5,646	7,057	6,351	13,023	67,510	71,276	74,012
Service charges - sanitation revenue	1,149	307	194	811	3,788	2,946	2,525	4,630	3,367	4,209	3,788	11,314	39,031	41,401	42,943
Service charges - refuse revenue	670	(76)	(141)	380	3,357	2,611	2,238	4,103	2,984	3,730	3,357	11,027	34,240	36,375	37,716
Rental of facilities and equipment	623	498	436	561	561	436	374	685	498	623	561	374	6,230	6,535	6,796
Interest earned - external investments	326	260	228	293	293	228	195	358	260	326	293	195	3,255	3,414	3,551
Interest earned - outstanding debtors	360	288	252	324	324	252	216	395	288	360	324	216	3,595	3,771	3,922
Fines, penalties and forfeits	78	64	82	96	96	72	91	99	84	88	76	5,492	6,417	6,690	6,958
Licences and permits	118	94	82	106	106	82	71	130	94	118	106	71	1,178	1,235	1,285
Transfers and Subsidies - Operational	32,168	1,407	1,157	1,487	1,625	31,760	1,067	1,957	31,938	1,779	1,601	1,588	109,533	115,051	125,355
Other revenue	1,458	1,167	1,021	1,313	1,313	1,021	875	1,604	1,167	1,458	1,313	875	14,584	14,463	15,041
Cash Receipts by Source	92,264	32,600	32,609	44,723	59,745	76,463	39,341	72,475	83,100	65,838	59,201	89,708	748,066	795,545	843,983
Other Cash Flows by Source															
Transfer receipts - capital	5,140	4,112	3,598	4,626	5,546	4,314	3,697	6,778	4,930	6,162	5,546	7,171	61,622	48,411	63,716
Proceeds on disposal of PPE	-	-	-	-	-	-	-	2,365	1,720	2,150	1,935	13,330	21,500	22,554	23,456
Total Cash Receipts by Source	97,405	36,713	36,207	54,349	65,291	80,776	43,038	81,618	89,749	74,150	66,682	110,209	836,188	866,510	931,155
Cash Payments by Type															
Employee related costs	32,196	25,759	22,539	28,979	45,309	22,539	19,319	35,419	26,813	32,199	28,979	17,319	337,370	362,235	376,746
Remuneration of councillors	1,255	1,004	878	1,129	1,129	878	753	1,380	1,004	1,255	1,129	753	12,545	12,984	13,504
Finance charges	1,155	924	809	1,040	1,040	809	693	1,271	924	1,155	1,040	693	11,551	11,955	12,433
Bulk purchases - Electricity	22,399	17,919	15,679	20,159	20,159	15,679	13,439	24,639	17,919	22,399	20,159	13,439	223,990	231,830	241,103
Bulk purchases - Water & Sewer	567	454	397	510	510	397	340	624	454	567	510	340	5,672	5,870	6,105
Other materials	3,113	2,662	2,179	2,802	2,802	2,158	1,850	3,392	2,467	3,083	2,775	1,850	31,132	31,294	32,532
Contracted services	3,286	2,800	2,300	2,958	2,958	2,279	1,954	3,582	2,605	3,256	2,931	1,954	32,861	29,777	30,459
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	121	97	85	109	109	85	72	133	97	121	109	72	1,208	1,250	1,300
Other expenditure	1,684	4,775	3,979	5,115	5,115	3,951	386	6,208	4,515	5,644	3,079	16,685	61,137	30,140	74,597
Cash Payments by Type	65,775	56,393	48,845	62,801	79,130	48,775	38,807	76,647	56,797	69,679	60,711	53,106	717,466	717,336	788,780
Other Cash Flows/Payments by Type															
Capital assets	10,894	8,715	7,626	9,804	9,804	7,976	6,836	12,533	9,115	11,394	10,254	8,986	113,937	135,223	94,906
Repayment of borrowing	700	700	700	700	700	1,100	700	700	700	700	700	1,175	9,275	10,000	10,500
Total Cash Payments by Type	77,369	65,808	57,171	73,305	89,635	57,851	46,344	89,880	66,612	81,772	71,665	63,267	840,678	862,559	894,185
NET INCREASE/(DECREASE) IN CASH HELD	20,036	(29,095)	(20,963)	(18,956)	(24,344)	22,926	(3,306)	(8,262)	23,137	(7,622)	(4,983)	46,942	(4,490)	3,951	36,970
Cash/cash equivalents at the month/year begin:	47,229	67,265	38,170	17,207	(1,750)	(26,093)	(3,168)	(6,473)	(14,735)	8,402	780	(4,203)	47,229	42,739	46,691
Cash/cash equivalents at the month/year end:	67,265	38,170	17,207	(1,750)	(26,093)	(3,168)	(6,473)	(14,735)	8,402	780	(4,203)	42,739	42,739	46,691	83,660

2.10 Annual budgets and SDBIPs – internal departments

2.10.1 Water Services Department – Vote 7

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

**Table 56 Water Services Department –
Operating revenue by source, expenditure by type and total capital expenditure**

Description / R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source			
Service charges - water revenue	70,570	74,028	76,989
Operational Grants - Transferred to Revenue	5,424	3,024	5,192
Other Revenue	–	–	–
Total Revenue (excluding capital transfers and contributions)	75,994	77,052	82,182
Expenditure By Type			
Employee related costs	26,675	28,935	30,093
Depreciation & asset impairment	16,015	16,576	17,239
Finance charges	3,047	3,154	3,280
Bulk purchases	5,672	5,870	6,105
Other Materials	4,739	4,904	5,101
Contracted services	3,202	3,314	3,447
Other expenditure	2,301	2,381	2,476
Total Expenditure	61,650	65,135	67,740
Surplus/(Deficit)	14,344	11,917	14,442
Capital Grants - Transferred to Revenue	30,609	17,391	31,739
Surplus/(Deficit) for the year	44,953	29,309	46,181

Table 57 Water Services Department – Performance objectives and indicators

Key Performance Element	Key Performance Indicator (KPI)	Annual Target	Quarter 1 - Target	Quarter 2 - Target	Quarter 3 - Target	Quarter 4 - Target
Strategic Objective: Basic Service Delivery						
Water Distribution	New meter connections - % of requests executed	100%	100%	100%	100%	100%
	Attend to leaks, bursts and queries - % of requests attended to	95%	95%	95%	95%	95%
	Prepaid Meters installed - % of requests executed	100%	100%	100%	100%	100%
	Meter replacements - % of faulty meters replaced	100%	100%	100%	100%	100%
Water Purification	Purify raw water compliant with blue drop status	95%	N/A	N/A	N/A	95%

Water services consist of 2 divisions within the sub-directorate; civil engineering services. As part of the performance objectives for the 2020/2021 financial year, the expansion of the functional water distribution unit will, in terms of the management of the pre-paid meters, require the subsequent filling of vacancies.

Significant capital projects to be undertaken over the medium term includes, amongst others:

- Pre-paid Water Meters – R 4.6 million; and
- Raw Water Pump – R 3.0 million

The total needs are far greater than the available financial resources.

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. To this end, the medium-term expenditure framework provides for operational repairs and maintenance of R 2.6 million, R 2.7 million and R 2.8 million in each of the respective financial years of the MTREF.

The departmental revenue base is primarily informed by the sale of water of which budget appropriation for the 2020/2021 financial year is R 76.0 million and increases to R 82.2 million by 2022/2023 and has been informed by a collection rate of 93.0% and distribution losses of over 40%. The reduction of distribution losses is considered a priority and hence the departmental objectives and targets provide for an efficiency gain per annum.

2.11 Contracts having future budgetary implications

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

2.12 Capital expenditure details

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

Table 58 MBRR SA34a - Capital expenditure on new assets by asset class

Description / R thousand	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
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	22,274	39,602	57,418	59,675	66,653	66,653	26,445	51,465	32,102
Roads Infrastructure	348	3,129	7,588	13,639	23,677	23,677	7,160	3,902	6,146
Roads	-	-	-	-	-	-	-	-	-
Road Structures	348	3,129	7,588	13,539	23,627	23,627	7,160	3,902	6,146
Road Furniture	-	-	-	100	50	50	-	-	-
Electrical Infrastructure	15,966	14,336	47,854	35,643	31,467	31,467	11,617	42,258	23,804
Power Plants	-	-	-	5,000	-	-	-	5,000	-
HV Substations	-	-	-	-	-	-	-	13,000	-
LV Networks	15,966	14,336	47,854	30,643	31,467	31,467	11,617	24,258	23,804
Water Supply Infrastructure	3,619	16,935	1,653	5,837	1,927	1,927	3,174	2,935	435
Reservoirs	-	-	-	250	525	525	200	-	-
Pump Stations	-	-	-	3,250	-	-	500	2,500	-
Water Treatment Works	-	-	-	250	-	-	-	-	-
Distribution	3,619	16,935	-	-	-	-	-	-	-
Distribution Points	-	-	1,653	2,087	1,402	1,402	2,474	435	435
Sanitation Infrastructure	2,341	521	219	3,067	9,242	9,242	4,243	-	-
Pump Station	-	-	-	-	5,795	5,795	-	-	-
Reticulation	-	-	-	200	-	-	-	-	-
Waste Water Treatment Works	2,341	521	219	2,867	3,446	3,446	4,243	-	-
Solid Waste Infrastructure	-	-	-	1,088	-	-	-	2,371	1,718
Landfill Sites	-	-	-	1,088	-	-	-	2,371	1,718
Information and Communication Infrastructure	-	4,680	103	400	340	340	250	-	-
Data Centres	-	-	103	400	340	340	250	-	-
Distribution Layers	-	4,680	-	-	-	-	-	-	-
Community Assets	3,187	661	829	13,436	4,081	4,081	10,954	14,298	12,638
Community Facilities	-	44	-	780	113	113	1,100	3,904	2,904
Halls	-	44	-	-	-	-	-	-	-
Libraries	-	-	-	-	30	30	-	-	-
Cemeteries/Crematoria	-	-	-	720	31	31	1,100	2,904	2,904
Stalls	-	-	-	-	-	-	-	1,000	-
Capital Spares	-	-	-	60	52	52	-	-	-
Sport and Recreation Facilities	3,187	617	829	12,656	3,968	3,968	9,854	10,394	9,734
Outdoor Facilities	3,187	617	829	12,621	3,942	3,942	9,854	10,394	9,734
Capital Spares	-	-	-	35	26	26	-	-	-
Investment properties	-	1,519	187	-	-	-	-	-	-
Non-revenue Generating	-	1,519	187	-	-	-	-	-	-
Unimproved Property	-	1,519	187	-	-	-	-	-	-
Other assets	70	439	908	2,865	1,088	1,088	2,300	3,800	-
Operational Buildings	70	439	908	2,865	1,088	1,088	2,300	3,800	-
Municipal Offices	70	439	-	100	508	508	425	230	-
Yards	-	-	-	810	580	580	500	2,195	-
Stores	-	-	908	1,605	-	-	1,375	1,375	-
Depots	-	-	-	350	-	-	-	-	-
Intangible Assets	-	2,522	312	17	1,017	1,017	5,000	10,000	5,000
Licences and Rights	-	2,522	312	17	1,017	1,017	5,000	10,000	5,000
Computer Software and Applications	-	2,522	312	17	1,017	1,017	5,000	10,000	5,000
Computer Equipment	238	2,184	160	1,205	232	232	1,884	373	416
Computer Equipment	238	2,184	160	1,205	232	232	1,884	373	416
Furniture and Office Equipment	133	321	177	966	832	832	630	73	-
Furniture and Office Equipment	133	321	177	966	832	832	630	73	-
Machinery and Equipment	118	501	215	862	276	276	912	125	350
Machinery and Equipment	118	501	215	862	276	276	912	125	350
Transport Assets	-	2,301	3,553	3,420	4,080	4,080	7,658	6,780	-
Transport Assets	-	2,301	3,553	3,420	4,080	4,080	7,658	6,780	-
Total Capital Expenditure on new assets	26,021	50,051	63,759	82,446	78,259	78,259	55,782	86,914	50,506

Table 58 MBRR SA34b - Capital expenditure on renewal assets by asset class

Description / R thousand	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
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>									
<u>Infrastructure</u>	16,973	1,529	4,337	16,047	11,543	11,543	5,640	8,772	2,235
Roads Infrastructure	11,910	1,081	131	-	-	-	-	-	-
Road Structures	11,910	1,081	131	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	100	-	-	-	-	-
Storm water Conveyance	-	-	-	100	-	-	-	-	-
Electrical Infrastructure	3,964	-	798	700	600	600	4,000	6,000	-
HV Substations	-	-	-	-	-	-	3,300	6,000	-
LV Networks	3,964	-	798	700	600	600	500	-	-
Capital Spares	-	-	-	-	-	-	200	-	-
Water Supply Infrastructure	547	448	1,358	14,927	10,698	10,698	1,320	2,450	1,910
Reservoirs	547	448	-	-	-	-	-	-	-
Pump Stations	-	-	-	250	501	501	600	600	660
Water Treatment Works	-	-	-	220	110	110	150	-	-
Distribution Points	-	-	1,358	14,457	10,087	10,087	570	1,850	1,250
Sanitation Infrastructure	551	-	2,050	320	174	174	320	322	325
Pump Station	-	-	-	320	174	174	320	322	325
Reticulation	551	-	-	-	-	-	-	-	-
Waste Water Treatment Works	-	-	2,050	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	71	71	-	-	-
Data Centres	-	-	-	-	71	71	-	-	-
Community Assets	592	-	-	305	58	58	93	-	-
Community Facilities	-	-	-	230	-	-	-	-	-
Halls	-	-	-	230	-	-	-	-	-
Sport and Recreation Facilities	592	-	-	75	58	58	93	-	-
Outdoor Facilities	592	-	-	75	58	58	93	-	-
Other assets	-	-	45	300	43	43	337	160	100
Operational Buildings	-	-	45	300	43	43	337	160	100
Municipal Offices	-	-	45	300	43	43	337	160	100
<u>Intangible Assets</u>	-	-	-	-	-	-	80	-	-
Licences and Rights	-	-	-	-	-	-	80	-	-
Computer Software and Applications	-	-	-	-	-	-	80	-	-
Computer Equipment	162	-	179	945	491	491	850	864	705
Computer Equipment	162	-	179	945	491	491	850	864	705
Furniture and Office Equipment	164	107	240	3,876	178	178	3,562	-	-
Furniture and Office Equipment	164	107	240	3,876	178	178	3,562	-	-
Machinery and Equipment	118	52	117	-	257	257	250	-	-
Machinery and Equipment	118	52	117	-	257	257	250	-	-
Transport Assets	1,515	52	5,411	9,146	3,596	3,596	6,150	6,700	-
Transport Assets	1,515	52	5,411	9,146	3,596	3,596	6,150	6,700	-
<u>Land</u>	-	-	-	250	-	-	-	-	-
Land	-	-	-	250	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	19,525	1,740	10,328	30,869	16,166	16,166	16,962	16,496	3,040

Table 58 MBRR SA34e - Capital expenditure on upgraded assets by asset class

Description / R thousand	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
Capital expenditure on upgrading of existing assets									
by Asset Class/Sub-class									
<u>Infrastructure</u>	-	-	1,203	28,112	48,399	48,399	39,025	29,086	39,089
Roads Infrastructure	-	-	-	3,000	10,743	10,743	3,000	5,350	5,350
Roads	-	-	-	3,000	10,743	10,743	-	-	-
Road Structures	-	-	-	-	-	-	3,000	5,000	5,000
Road Furniture	-	-	-	-	-	-	-	350	350
Electrical Infrastructure	-	-	1,203	6,478	1,570	1,570	-	1,500	2,000
HV Substations	-	-	-	-	-	-	-	-	-
MV Networks	-	-	-	-	70	70	-	-	-
LV Networks	-	-	1,203	6,478	1,500	1,500	-	1,500	2,000
Water Supply Infrastructure	-	-	-	2,865	920	920	150	-	-
Water Treatment Works	-	-	-	2,865	920	920	150	-	-
Sanitation Infrastructure	-	-	-	15,769	35,166	35,166	35,875	22,236	31,739
Pump Station	-	-	-	-	8,800	8,800	-	-	-
Reticulation	-	-	-	15,769	19,732	19,732	-	-	-
Waste Water Treatment Works	-	-	-	-	6,634	6,634	18,483	13,541	8,696
Outfall Sewers	-	-	-	-	-	-	17,391	8,696	23,043
<u>Community Assets</u>	-	-	-	670	577	577	400	1,150	770
Community Facilities	-	-	-	370	133	133	-	80	70
Cemeteries/Crematoria	-	-	-	370	133	133	-	80	70
Sport and Recreation Facilities	-	-	-	300	444	444	400	1,070	700
Outdoor Facilities	-	-	-	300	444	444	400	1,070	700
<u>Other assets</u>	-	-	-	1,974	592	592	1,668	1,576	1,500
Operational Buildings	-	-	-	1,974	592	592	1,668	1,576	1,500
Municipal Offices	-	-	-	1,724	392	392	1,568	1,576	1,500
Yards	-	-	-	250	200	200	100	-	-
<u>Intangible Assets</u>	-	-	142	-	-	-	-	-	-
Licences and Rights	-	-	142	-	-	-	-	-	-
Computer Software and Applications	-	-	142	-	-	-	-	-	-
<u>Furniture and Office Equipment</u>	-	-	24	-	-	-	-	-	-
Furniture and Office Equipment	-	-	24	-	-	-	-	-	-
<u>Machinery and Equipment</u>	-	-	-	100	-	-	100	-	-
Machinery and Equipment	-	-	-	100	-	-	100	-	-
<u>Land</u>	-	-	-	250	-	-	-	-	-
Land	-	-	-	250	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	-	-	1,369	31,106	49,569	49,569	41,193	31,812	41,359

Table 59 MBRR SA34c – Repairs and Maintenance on assets by asset class

Description / R thousand	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
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>									
Infrastructure	4,253	4,382	4,842	13,411	9,689	9,689	8,086	7,997	8,317
Roads Infrastructure	71	934	401	2,202	1,735	1,735	1,571	1,254	1,305
Roads	71	934	401	2,002	1,575	1,575	–	–	–
Road Structures	–	–	–	–	–	–	1,409	1,087	1,130
Road Furniture	–	–	–	200	160	160	162	168	174
Electrical Infrastructure	1,246	1,719	1,324	1,769	3,219	3,219	2,265	2,344	2,438
LV Networks	1,246	1,719	1,324	1,769	3,219	3,219	2,265	2,344	2,438
Water Supply Infrastructure	2,427	1,344	1,817	7,894	3,582	3,582	2,590	2,681	2,788
Reservoirs	–	–	–	5,000	–	–	–	–	–
Water Treatment Works	–	–	1,817	1,644	1,492	1,492	1,500	1,553	1,615
Distribution	2,427	1,344	–	1,250	2,090	2,090	1,090	1,128	1,173
Sanitation Infrastructure	498	311	1,205	1,458	1,065	1,065	1,630	1,687	1,755
Reticulation	–	–	–	208	200	200	130	135	140
Waste Water Treatment Works	498	311	1,205	1,250	865	865	1,500	1,553	1,615
Solid Waste Infrastructure	11	30	–	–	–	–	–	–	–
Landfill Sites	11	30	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	44	94	88	88	88	30	31	32
Data Centres	–	–	–	88	88	88	30	31	32
Distribution Layers	–	44	94	–	–	–	–	–	–
Community Assets	440	464	680	1,772	1,606	1,606	1,631	1,658	1,701
Community Facilities	–	167	253	1,158	1,024	1,024	1,030	1,027	1,050
Halls	–	2	17	600	350	350	350	362	377
Fire/Ambulance Stations	–	–	–	26	26	26	15	16	16
Libraries	–	57	2	290	400	400	400	400	400
Cemeteries/Crematoria	–	–	92	62	45	45	62	64	66
Public Open Space	–	108	143	180	203	203	203	185	191
Sport and Recreation Facilities	440	297	427	614	582	582	601	631	651
Indoor Facilities	–	–	205	–	–	–	–	–	–
Outdoor Facilities	440	297	222	614	582	582	601	631	651
Other assets	912	791	596	1,352	1,570	1,570	2,513	2,403	2,499
Operational Buildings	912	791	596	1,352	1,570	1,570	2,513	2,403	2,499
Municipal Offices	912	791	596	1,352	1,570	1,570	2,513	2,403	2,499
Intangible Assets	–	472	475	510	–	–	–	–	–
Licences and Rights	–	472	475	510	–	–	–	–	–
Computer Software and Applications	–	472	475	510	–	–	–	–	–
Computer Equipment	–	387	–	120	120	120	120	124	129
Computer Equipment	–	387	–	120	120	120	120	124	129
Furniture and Office Equipment	–	–	–	250	360	360	225	233	242
Furniture and Office Equipment	–	–	–	250	360	360	225	233	242
Machinery and Equipment	2,666	–	800	740	604	604	793	820	853
Machinery and Equipment	2,666	–	800	740	604	604	793	820	853
Transport Assets	2,830	7,472	8,979	9,500	9,500	9,500	9,833	10,177	10,584
Transport Assets	2,830	7,472	8,979	9,500	9,500	9,500	9,833	10,177	10,584
Total Repairs and Maintenance Expenditure	11,101	13,967	16,373	27,653	23,449	23,449	23,200	23,412	24,324

Table 60 MBRR SA34d - Supporting Table SA34d Depreciation by asset class

Description / R thousand	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
<u>Depreciation by Asset Class/Sub-class</u>									
<u>Infrastructure</u>	61,733	84,182	75,185	77,089	77,089	77,089	77,702	80,421	83,638
Roads Infrastructure	9,207	23,779	23,832	23,496	23,496	23,496	23,569	24,394	25,370
Roads	9,207	23,779	23,832	23,496	23,496	23,496	23,569	24,394	25,370
Storm water Infrastructure	-	-	-	2	2	2	-	-	-
Drainage Collection	-	-	-	2	2	2	-	-	-
Electrical Infrastructure	14,110	15,085	15,764	14,110	14,110	14,110	14,379	14,882	15,478
MV Networks	-	-	-	-	-	-	-	-	-
LV Networks	14,110	15,085	15,764	14,110	14,110	14,110	14,379	14,882	15,478
Water Supply Infrastructure	15,818	16,478	16,997	15,818	15,818	15,818	16,015	16,576	17,239
Water Treatment Works	15,818	16,478	16,997	15,818	15,818	15,818	7,918	8,195	8,523
Sanitation Infrastructure	21,295	5,698	5,718	5,090	5,090	5,090	5,116	5,295	5,506
Reticulation	21,295	5,698	5,718	5,090	5,090	5,090	57	59	61
Solid Waste Infrastructure	16	22,704	12,521	18,573	18,573	18,573	18,623	19,274	20,045
Landfill Sites	16	22,704	12,521	18,573	18,573	18,573	18,623	19,274	20,045
Rail Infrastructure	1,286	438	354	-	-	-	-	-	-
Rail Lines	1,286	438	354	-	-	-	-	-	-
<u>Community Assets</u>	3,425	3,896	3,831	4,740	4,740	4,740	5,402	5,592	5,815
Community Facilities	247	1,085	401	1,635	1,635	1,635	1,920	1,987	2,067
Halls	-	-	-	630	630	630	-	-	-
Museums	13	9	5	-	-	-	13	13	14
Libraries	234	156	92	26	26	26	260	269	280
Cemeteries/Crematoria	-	-	-	400	400	400	401	415	432
Public Open Space	-	919	305	579	579	579	832	861	896
Sport and Recreation Facilities	3,178	2,811	3,430	3,105	3,105	3,105	3,483	3,604	3,749
Outdoor Facilities	3,178	2,811	3,430	3,105	3,105	3,105	3,483	3,604	3,749
<u>Other assets</u>	5,495	6,175	6,102	4,183	4,183	4,183	4,812	4,980	5,179
Operational Buildings	5,495	6,175	6,102	4,183	4,183	4,183	4,812	4,980	5,179
Municipal Offices	5,495	6,175	6,102	4,183	4,183	4,183	4,812	4,980	5,179
<u>Intangible Assets</u>	529	359	427	-	-	-	-	-	-
Licences and Rights	529	359	427	-	-	-	-	-	-
Computer Software and Applications	529	359	427	-	-	-	-	-	-
<u>Computer Equipment</u>	818	604	793	819	819	819	819	848	881
Computer Equipment	818	604	793	819	819	819	819	848	881
<u>Furniture and Office Equipment</u>	1,120	1,294	684	2,632	2,632	2,632	1,680	1,739	1,809
Furniture and Office Equipment	1,120	1,294	684	2,632	2,632	2,632	1,680	1,739	1,809
<u>Machinery and Equipment</u>	1,144	1,339	833	954	954	954	65	67	70
Machinery and Equipment	1,144	1,339	833	954	954	954	65	67	70
<u>Transport Assets</u>	4,806	2,377	3,977	5,177	5,177	5,177	5,114	5,293	5,505
Transport Assets	4,806	2,377	3,977	5,177	5,177	5,177	5,114	5,293	5,505
Total Depreciation	79,069	100,227	91,832	95,594	95,594	95,594	95,594	98,939	102,897

Table 61 MBRR SA35 - Future financial implications of the capital budget

Description / R thousand	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
Capital expenditure							
Vote 1 - Municipal Manager	-	-	-				
Vote 2 - Corporate Services	-	-	-				
Vote 3 - Financial Services	1,073	360	100				
Vote 4 - Community Services	12,923	14,618	6,121				
Vote 5 - Technical Director	4,199	7,839	6,438				
Vote 6 - Electro Mech Services	-	-	-				
Vote 7 - Civil Engineering Services	30,335	51,421	19,391				
Vote 8 - Planning and Development Services	44,540	37,833	39,574				
Total Capital Expenditure	113,937	135,223	94,906	-	-	-	-
Future operational costs by vote							
Total future operational costs	-	-	-	-	-	-	-
Future revenue by source							
Total future revenue	-	-	-	-	-	-	-
Net Financial Implications	113,937	135,223	94,906	-	-	-	-

Table 62 MBRR SA36 - Detailed capital budget per municipal vote

R thousand Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2019/20 Full Year Forecast	2020/21 Medium Term Revenue & Expenditure Framework		
					Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
0001: ADMINISTRATION	FILING CABINETS	Furniture and Equipment	Furniture and Equipment	350	-	-	-
0001: ADMINISTRATION	HEAVY DUTY SHREDDER	Furniture and Equipment	Furniture and Equipment	-	50	-	-
0001: ADMINISTRATION	OFFICE FURNITURE (REGISTRATION & COMMITTEES)	Furniture and Equipment	Furniture and Equipment	-	50	-	-
0002: MUNICIPAL COUNCIL	OFFICE EQUIPMENT - WARD 4	Furniture and Equipment	Furniture and Equipment	52	-	-	-
0002: MUNICIPAL COUNCIL	OFFICE EQUIPMENT - WARD 13	Furniture and Equipment	Furniture and Equipment	52	-	-	-
0004: ADMINISTRATION - PROPERTIES	AIRCONDITIONERS - OFFICES	Operational Buildings	Municipal Offices	43	112	100	100
0004: ADMINISTRATION - PROPERTIES	BUILDING IMPROVEMENTS	Operational Buildings	Municipal Offices	474	50	-	-
0004: ADMINISTRATION - PROPERTIES	BUILDING IMPROVEMENTS - KALKSLOOT	Operational Buildings	Municipal Offices	-	150	-	-
0004: ADMINISTRATION - PROPERTIES	BUILDING IMPROVEMENTS - LOUBOS	Operational Buildings	Municipal Offices	-	-	200	-
0004: ADMINISTRATION - PROPERTIES	SOUND SYSTEM	Operational Buildings	Municipal Offices	-	20	-	-
0004: ADMINISTRATION - PROPERTIES	WATER COOLERS	Operational Buildings	Municipal Offices	-	60	60	-
0004: ADMINISTRATION - PROPERTIES	50 TABLES	Furniture and Equipment	Furniture and Equipment	-	50	-	-
0004: ADMINISTRATION - PROPERTIES	1000 STOELE	Furniture and Equipment	Furniture and Equipment	-	250	-	-
0004: ADMINISTRATION - PROPERTIES	MOBILE SCAFFOLDING	Machinery and Equipment	Machinery and Equipment	-	20	-	-
0006: TOURISM	VISITOR CHAIRS	Furniture and Equipment	Furniture and Equipment	-	5	-	-
0006: TOURISM	COMPUTER DESK	Furniture and Equipment	Furniture and Equipment	-	2	-	-
0006: TOURISM	CABINET	Furniture and Equipment	Furniture and Equipment	-	5	-	-
0006: TOURISM	MACHINERY AND EQUIPMENT	Roads Infrastructure	Road Furniture	-	-	-	-
0006: TOURISM	FURNITURE AND OFFICE EQUIPMENT	Operational Buildings	Municipal Offices	-	15	-	-
0007: FINANCIAL SERVICES	HEAVY DUTY SCANNER	Furniture and Equipment	Furniture and Equipment	6	-	-	-
0007: FINANCIAL SERVICES	BUILDING IMPROVEMENTS (CUBICLES)	Operational Buildings	Municipal Offices	100	-	-	-
0009: HUMAN RESOURCES	PROJECTOR	Computer Equipment	Computer Equipment	-	5	-	-
0009: HUMAN RESOURCES	10 X TABLES	Furniture and Equipment	Furniture and Equipment	-	10	-	-
0009: HUMAN RESOURCES	DIGITAL CAMERA	Furniture and Equipment	Furniture and Equipment	-	2	-	-
0009: HUMAN RESOURCES	PORTABLE SCREEN	Furniture and Equipment	Furniture and Equipment	-	4	-	-

Table 62 MBRR 36: Detailed capital budget per municipal vote (continued)

R thousand Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2019/20 Full Year Forecast	2020/21 Medium Term Revenue & Expenditure Framework		
					Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
0019: IDP	CHAIR: SENIOR IDP CLERK (MATHYS)	Furniture and Equipment	Furniture and Equipment	1	-	-	-
0019: IDP	CHAIR: SENIOR IDP OFFICER (MAKIBI)	Furniture and Equipment	Furniture and Equipment	1	-	-	-
0019: IDP	DESK: SENIOR IDP CLERK (MATHYS)	Furniture and Equipment	Furniture and Equipment	2	-	-	-
0020: TRAFFIC SERVICES	ROAD FURNITURE - SIGNAGE	Road Infrastructure	Road Furniture	50	-	-	-
0020: TRAFFIC SERVICES	ALCOHOL-SCANNER	Machinery & Equipment	Machinery & Equipment	15	-	-	-
0020: TRAFFIC SERVICES	DIGITAL CAMERA	Furniture and Equipment	Furniture and Equipment	2	-	-	-
0020: TRAFFIC SERVICES	BULK FILE CABINET	Furniture and Equipment	Furniture and Equipment	-	150	-	-
0020: TRAFFIC SERVICES	UPGRADE - TRAFFIC LIGHT INFRASTRUCTURE	Road Infrastructure	Road Furniture	-	-	350	350
0020: TRAFFIC SERVICES	BLUE LIGHTS X 10	Machinery & Equipment	Machinery & Equipment	-	200	-	-
0020: TRAFFIC SERVICES	CAMERA SYSTEM (TRAFFIC OFFICES)	Machinery & Equipment	Machinery & Equipment	-	30	-	-
0020: TRAFFIC SERVICES	VACUUM CLEANER	Machinery & Equipment	Machinery & Equipment	-	4	-	-
0020: TRAFFIC SERVICES	AIRCONDITIONER	Operational Buildings	Municipal Offices	-	24	-	-
0020: TRAFFIC SERVICES	AIRCONDITIONER	Operational Buildings	Municipal Offices	-	15	-	-
0020: TRAFFIC SERVICES	CLEARVU FENCING - TESTING STATION (130M)	Operational Buildings	Yards	-	-	195	-
0021: FIRE SERVICES	MICROWAVE	Furniture and Equipment	Furniture and Equipment	-	2	-	-
0021: FIRE SERVICES	SKUD UNIT	Machinery and Equipment	Machinery and Equipment	-	25	-	-
0021: FIRE SERVICES	AIRCONDITIONER - B VD WESTHUIZEN	Operational Buildings	Municipal Offices	-	12	-	-
0021: FIRE SERVICES	AIRCONDITIONER	Operational Buildings	Municipal Offices	-	12	-	-
0024: SECURITY SERVICES	FIRE ARMS (PISTOL X 6)	Machinery and Equipment	Machinery and Equipment	23	44	-	-
0024: SECURITY SERVICES	NEW FENCES (VARIOUS BUILDINGS)	Operational Buildings	Municipal Offices	-	1,500	1,500	1,500
0026: SANITATION SERVICES	MICROWAVE	Furniture and Equipment	Furniture and Equipment	-	1	-	-
0027: REFUSE REMOVAL SERVICES	EMAIL SERVER	Solid Waste Infrastructure	Landfill Sites	-	-	1,000	1,000
0027: REFUSE REMOVAL SERVICES	IMPACT STUDIE - SWARTKOP DAM	Solid Waste Infrastructure	Landfill Sites	-	-	500	-
0027: REFUSE REMOVAL SERVICES	IMPACT STUDIE - NOENIEPUT	Solid Waste Infrastructure	Landfill Sites	-	-	500	500
0027: REFUSE REMOVAL SERVICES	FENCING - WELKOM (CLEARVU 120M)	Solid Waste Infrastructure	Landfill Sites	-	-	180	-
0027: REFUSE REMOVAL SERVICES	FENCING - ASKHAM (CLEARVU 145M)	Solid Waste Infrastructure	Landfill Sites	-	-	-	218
0027: REFUSE REMOVAL SERVICES	FENCING LANDFILL SITE - GROOT MIER (CLEARVU - 127M)	Solid Waste Infrastructure	Landfill Sites	-	-	191	-
0027: REFUSE REMOVAL SERVICES	LAPTOP - SEN SOCIO ECONOMIC OFFICER (S MAY)	Operational Buildings	Municipal Offices	-	50	-	-

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2019/20 Full Year Forecast	2020/21 Medium Term Revenue & Expenditure Framework		
					Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
0028: VACUUM TANK SERVICES	CHAIR - ASS SUPERINTENDENT	Furniture and Equipment	Furniture and Equipment	1	–	–	–
0028: VACUUM TANK SERVICES	CHAIR - CLERK	Furniture and Equipment	Furniture and Equipment	1	–	–	–
0028: VACUUM TANK SERVICES	FRIDGE	Furniture and Equipment	Furniture and Equipment	3	–	–	–
0028: VACUUM TANK SERVICES	MICROWAVE	Furniture and Equipment	Furniture and Equipment	1	–	–	–
0030: TOWN PLANNING A& BUILDING CONTROL	FILING SYSTEM CABINET	Furniture and Equipment	Furniture and Equipment	150	–	–	–
0030: TOWN PLANNING A& BUILDING CONTROL	HIGH BACK CHAIR - TOWN PLANNER	Furniture and Equipment	Furniture and Equipment	2	–	–	–
0030: TOWN PLANNING A& BUILDING CONTROL	TV	Furniture and Equipment	Furniture and Equipment	4	–	–	–
0030: TOWN PLANNING A& BUILDING CONTROL	HAND-HELD METAL DETECTOR	Machinery and Equipment	Machinery and Equipment	–	3	–	–
0031: LOCAL ECONOMIC DEVELOPMENT	CHAIR - DEVELOPMENT OFFICER	Furniture and Equipment	Furniture and Equipment	1	–	–	–
0031: LOCAL ECONOMIC DEVELOPMENT	CHAIR - SNR SOCIO ECONOMIC DEV OFFICER	Furniture and Equipment	Furniture and Equipment	1	–	–	–
0031: LOCAL ECONOMIC DEVELOPMENT	CHAIR - TOURISM OFFICER	Furniture and Equipment	Furniture and Equipment	1	–	–	–
0031: LOCAL ECONOMIC DEVELOPMENT	CHAIR- MANAGER LED & TOURISM	Furniture and Equipment	Furniture and Equipment	1	–	–	–
0031: LOCAL ECONOMIC DEVELOPMENT	CHAIR- OFFICE ASSISTANT	Furniture and Equipment	Furniture and Equipment	1	–	–	–
0031: LOCAL ECONOMIC DEVELOPMENT	CHAIR - SNR SOCIO ECONOMIC DEV OFFICER	Furniture and Equipment	Furniture and Equipment	1	–	–	–
0031: LOCAL ECONOMIC DEVELOPMENT	INFORMAL TRADERS - STALL	Community Facilities	Stalls	–	–	1,000	–
0032: INTERNAL AUDIT	TV	Furniture and Office Equipment	Furniture and Office Equipment	6	–	–	–
0033: INFORMATION TECHNOLOGY	DESKTOP - NEW	Computer Equipment	Computer Equipment	31	85	125	135
0033: INFORMATION TECHNOLOGY	LAPTOP - NEW	Computer Equipment	Computer Equipment	52	40	78	91
0033: INFORMATION TECHNOLOGY	DISASTER RECOVERY CENTRE	Machinery and Equipment	Machinery and Equipment	340	250	–	–
0033: INFORMATION TECHNOLOGY	VENDOR EQUIPMENT	Machinery and Equipment	Machinery and Equipment	116	–	–	–
0033: INFORMATION TECHNOLOGY	IT TRAINING CENTRE	Furniture and Equipment	Furniture and Equipment	20	–	–	–
0033: INFORMATION TECHNOLOGY	DESKTOP - RENEWALS	Computer Equipment	Computer Equipment	248	100	175	190
0033: INFORMATION TECHNOLOGY	LAPTOP - RENEWALS	Computer Equipment	Computer Equipment	155	450	130	140
0033: INFORMATION TECHNOLOGY	PRINTER - RENEWALS	Computer Equipment	Computer Equipment	38	100	175	175
0033: INFORMATION TECHNOLOGY	PRINTERS - NEW	Computer Equipment	Computer Equipment	30	45	40	50
0033: INFORMATION TECHNOLOGY	NETWORK SWITCHES	Computer Equipment	Computer Equipment	50	200	200	200
0033: INFORMATION TECHNOLOGY	TELEPHONE SYSTEM	Machinery and Equipment	Machinery and Equipment	–	3,500	–	–
0033: INFORMATION TECHNOLOGY	UPS BATTERIES - SERVER	Machinery and Equipment	Machinery and Equipment	71	–	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2019/20 Full Year Forecast	2020/21 Medium Term Revenue & Expenditure Framework		
					Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
0033: INFORMATION TECHNOLOGY	WIRELESS ACCESS POINT	Computer Equipment	Computer Equipment	4	–	–	–
0033: INFORMATION TECHNOLOGY	FINANCIAL SYSTEM	Licences and Rights	Computer Software and Applications	1,000	5,000	10,000	5,000
0033: INFORMATION TECHNOLOGY	PROJECTOR	Furniture and Equipment	Furniture and Equipment	10	5	–	–
0033: INFORMATION TECHNOLOGY	EP4000 AMP	Machinery and Equipment	Machinery and Equipment	9	–	–	–
0033: INFORMATION TECHNOLOGY	A3 PRINTER (COLOR) - BUILDING CONTROL	Computer Equipment	Computer Equipment	–	30	–	–
0033: INFORMATION TECHNOLOGY	BIO-MATRIC SYSTEM X 16	Computer Equipment	Computer Equipment	–	–	184	–
0033: INFORMATION TECHNOLOGY	FAX MACHINE (REGISTRATION)	Computer Equipment	Computer Equipment	–	5	–	–
0033: INFORMATION TECHNOLOGY	SCANNER / PLOTTER	Computer Equipment	Computer Equipment	–	250	–	–
0033: INFORMATION TECHNOLOGY	SERVER - FINANCIAL SYSTEM	Computer Equipment	Computer Equipment	–	650	–	–
0033: INFORMATION TECHNOLOGY	SERVER - PRE-PAID BACKUP	Computer Equipment	Computer Equipment	–	600	–	–
0033: INFORMATION TECHNOLOGY	SKADA SERVER	Computer Equipment	Computer Equipment	–	150	–	–
0033: INFORMATION TECHNOLOGY	VENDOR EQUIPMENT	Computer Equipment	Computer Equipment	–	10	130	140
0041: STREETS & STORMWATER DRAINAGE	AIRCONDITIONER (12000 BTU)	Furniture and Equipment	Furniture and Equipment	10	–	–	–
0041: STREETS & STORMWATER DRAINAGE	SPEEDBUMPS AND ROUND-ABOUTS	Road Infrastructure	Road Structure	150	250	250	250
0041: STREETS & STORMWATER DRAINAGE	REHABILITATION OF ROADS	Road Infrastructure	Road Structure	10,743	3,000	5,000	5,000
0041: STREETS & STORMWATER DRAINAGE	LOCKERS	Furniture and Equipment	Furniture and Equipment	11	–	–	–
0041: STREETS & STORMWATER DRAINAGE	INSTALLATION OF HEIGHT CONTROL	Road Infrastructure	Road Structure	10	–	–	–
0042: WORKSHOP	115MM ANGLE GRINDER	Machinery and Equipment	Machinery and Equipment	2	–	–	–
0042: WORKSHOP	2 XGREASE GUN, 15L, PNEUMATIC, 3M HOSE	Machinery and Equipment	Machinery and Equipment	–	–	–	–
0042: WORKSHOP	230MM ANGLE GRINDER	Machinery and Equipment	Machinery and Equipment	3	–	–	–
0042: WORKSHOP	3 / 1 X 6 AMP BATTERY CHARGER	Machinery and Equipment	Machinery and Equipment	2	–	–	–
0042: WORKSHOP	3 / 1 X ENGINE SUPPORT 500KG	Machinery and Equipment	Machinery and Equipment	2	–	–	–
0042: WORKSHOP	3 / 1 X HOSE REEL OIL 15M HOSE	Machinery and Equipment	Machinery and Equipment	8	–	–	–
0042: WORKSHOP	AUXILLARY JACK, 2 TON , FOR PIT	Machinery and Equipment	Machinery and Equipment	7	–	–	–
0042: WORKSHOP	DRILL	Machinery and Equipment	Machinery and Equipment	5	–	–	–
0042: WORKSHOP	GEAR OIL LUBRICATOR, HAND OPERTATE, 15L	Machinery and Equipment	Machinery and Equipment	8	–	–	–
0042: WORKSHOP	OIL DRAIN FLOOR TROLLEY TYPE, 60L	Machinery and Equipment	Machinery and Equipment	3	–	–	–
0042: WORKSHOP	CATERPILLAR OIL PREASURE GAUGE SET	Machinery and Equipment	Machinery and Equipment	30	–	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2019/20 Full Year Forecast	2020/21 Medium Term Revenue & Expenditure Framework		
						Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	0042: WORKSHOP	3 X PNEUMATIC OIL PUMP	Machinery and Equipment	Machinery and Equipment	6	-	-	-
	0042: WORKSHOP	DIANOSTIC MACHINE	Machinery and Equipment	Machinery and Equipment	50	-	-	-
	0042: WORKSHOP	BOLTJOIN PULLERS	Machinery and Equipment	Machinery and Equipment	5	-	-	-
	0042: WORKSHOP	WATER COOLER	Machinery and Equipment	Machinery and Equipment	35	-	-	-
	0043: COMMONAGE	MOBIELE KRAAL	Machinery and Equipment	Machinery and Equipment	-	20	-	-
	0043: COMMONAGE	SKUT	Operational Buildings	Yards	120	-	-	-
	0043: COMMONAGE	TRAILER MET LAAIBANK (MEENT)	Transport Assets	Transport Assets	-	120	-	-
	0043: COMMONAGE	IMPROVEMENTS AT COMMONAGE	Operational Buildings	Yards	100	-	-	-
	0043: COMMONAGE	FENCING	Operational Buildings	Yards	100	100	-	-
	0045: SEWERAGE PURIFICATION PLANT	CLORINATOR	Sanitation Infrastructure	Pump Station	-	70	72	75
	0045: SEWERAGE PURIFICATION PLANT	REPLACEMENT OF WORN-OUT PUMPS, VALVES - HQ	Sanitation Infrastructure	Pump Station	174	250	250	250
	0045: SEWERAGE PURIFICATION PLANT	WSIG - OXIDATION POND	Sanitation Infrastructure	Waste Water Treatment Works	-	13,043	8,696	8,696
	0045: SEWERAGE PURIFICATION PLANT	PRESOX (SWITCHGEAR X 3)	Machinery and Equipment	Machinery and Equipment	-	200	-	200
	0046: TRANSPORT	FIRE TRUCK	Transport Assets	Transport Assets	1,616	-	-	-
	0046: TRANSPORT	BAKKIES 1.6/1.4 500KG (4)	Transport Assets	Transport Assets	625	-	-	-
	0046: TRANSPORT	BAKKIES X 4	Transport Assets	Transport Assets	1,225	300	-	-
	0046: TRANSPORT	BAKKIE 1000 KG LDV WITH TOOLBOX CANOPY X 2	Transport Assets	Transport Assets	671	-	-	-
	0046: TRANSPORT	CAR- 1.6 SEDAN X 2 / 1	Transport Assets	Transport Assets	260	-	-	-
	0046: TRANSPORT	PORTABLE BA REFULE COMPRESSOR	Machinery and Equipment	Machinery and Equipment	250	-	-	-
	0046: TRANSPORT	KETTINGSAAG	Transport Assets	Transport Assets	9	8	-	-
	0046: TRANSPORT	KOMBI: 14-SITPLEK X 1	Transport Assets	Transport Assets	483	-	480	-
	0046: TRANSPORT	SNOEISAAG (PRUNER)	Transport Assets	Transport Assets	9	-	-	-
	0046: TRANSPORT	TIPPER 6 CUB X 1	Transport Assets	Transport Assets	1,200	-	-	-
	0046: TRANSPORT	PETROL SAW	Machinery and Equipment	Machinery and Equipment	9	-	-	-
	0046: TRANSPORT	GENERATORS - PARKS & IT	Transport Assets	Transport Assets	27	-	-	-
	0046: TRANSPORT	BLOWER (PARKS)	Machinery and Equipment	Machinery and Equipment	4	-	-	-
	0046: TRANSPORT	TRUCK TRACTOR (4X4)	Transport Assets	Transport Assets	1,300	-	-	-
	0046: TRANSPORT	KUNSMISSTROOIER	Transport Assets	Transport Assets	9	-	-	-
	0046: TRANSPORT	CRANE TRUCK	Transport Assets	Transport Assets	-	1,050	-	-
	0046: TRANSPORT	CREW CRAB	Transport Assets	Transport Assets	-	650	-	-

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2019/20 Full Year Forecast	2020/21 Medium Term Revenue & Expenditure Framework		
						Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
0046: TRANSPORT		CREW CRAB	Transport Assets	Transport Assets	-	650	-	-
0046: TRANSPORT		DRAIN JETTING TRUCK	Transport Assets	Transport Assets	-	-	600	-
0046: TRANSPORT		EXCAVATOR 22 TON - 32 TON (TRACK TYPE)	Transport Assets	Transport Assets	-	-	4,000	-
0046: TRANSPORT		FRONT END LOADER X 1	Transport Assets	Transport Assets	-	1,700	-	-
0046: TRANSPORT		GRADER (STREET & STORMWATER)	Transport Assets	Transport Assets	-	-	5,000	-
0046: TRANSPORT		SEDAN 1.4	Transport Assets	Transport Assets	-	230	-	-
0046: TRANSPORT		SEDAN 1.6	Transport Assets	Transport Assets	-	250	-	-
0046: TRANSPORT		SWEEPING BROOM ON WHEELS	Transport Assets	Transport Assets	-	250	-	-
0046: TRANSPORT		TIPPER 10 TON	Transport Assets	Transport Assets	-	-	1,700	-
0046: TRANSPORT		TIPPER	Transport Assets	Transport Assets	-	1,100	-	-
0046: TRANSPORT		TLB	Transport Assets	Transport Assets	-	1,100	-	-
0046: TRANSPORT		VACUUM TANKER 12000 LITER	Transport Assets	Transport Assets	-	-	1,700	-
0046: TRANSPORT		VACUUM TANKER 20000 LITER	Transport Assets	Transport Assets	-	1,700	-	-
0046: TRANSPORT		WATER TRUCK 6000 LITER	Transport Assets	Transport Assets	-	1,200	-	-
0046: TRANSPORT		2 x REFUSE TRUCK	Transport Assets	Transport Assets	-	3,500	-	-
0048: SEWERAGE DISTRIBUTION		CONSTRUCTION OF NEW LOUISVALE ROAD SEWAGE PUMP STATION	Sanitation Infrastructure	Pump Station	5,795	-	-	-
0048: SEWERAGE DISTRIBUTION		CONSTRUCTION OF NEW LOUISVALE ROAD SEWAGE PUMP STATION	Sanitation Infrastructure	Pump Station	8,800	-	-	-
0048: SEWERAGE DISTRIBUTION		CRR - UPGRADING BULK OUTFALL SEWER	Sanitation Infrastructure	Distribution Points	12,602	-	-	-
0048: SEWERAGE DISTRIBUTION		KAMEELMOND WWTW - RBIG (COUNTER)	Sanitation Infrastructure	Reticulation	6,634	5,440	4,845	-
0048: SEWERAGE DISTRIBUTION		NDPG: UPGRADING BULK OUTFALL SEWER	Sanitation Infrastructure	Oufall Sewers	7,130	17,391	8,696	23,043
0048: SEWERAGE DISTRIBUTION		SEWER PIPELINE INSPECTION CAMERA EQUIP	Machinery and Equipment	Machinery and Equipment	-	100	-	-
0050: PARKS		PAVING OF STREET-ISLANDS	Roads Infrastructure	Road Structures	-	-	-	-
0050: PARKS		UPGRADE - PARKS FENCING	Sport and Recreation Facilities	Outdoor Facilities	250	-	-	-
0050: PARKS		UPGRADE OF PARKS	Sport and Recreation Facilities	Outdoor Facilities	-	-	200	150
0050: PARKS		UPGRADE - PARKS PLAYGROUND EQUIPMENT	Sport and Recreation Facilities	Outdoor Facilities	-	43	-	-
0051: ISLAND HOLIDAY RESORT		DREAM ZONE BASE SET X 15	Furniture and Equipment	Furniture and Equipment	37	30	-	-
0051: ISLAND HOLIDAY RESORT		AIRCONDITIONERS	Furniture and Equipment	Furniture and Equipment	88	120	-	-
0051: ISLAND HOLIDAY RESORT		CHAIR - ASSISTANT SUPERINTEND	Furniture and Equipment	Furniture and Equipment	1	-	-	-
0051: ISLAND HOLIDAY RESORT		CHAIR - CLERK X 5	Furniture and Equipment	Furniture and Equipment	5	-	-	-
0051: ISLAND HOLIDAY RESORT		MICROWAVE X 10	Furniture and Equipment	Furniture and Equipment	7	9	-	-
0051: ISLAND HOLIDAY RESORT		FRIDGE X 15	Furniture and Equipment	Furniture and Equipment	28	11	-	-
0051: ISLAND HOLIDAY RESORT		FILTERS	Sport and Recreation Facilities	Outdoor Facilities	50	50	-	-
0051: ISLAND HOLIDAY RESORT		TV'S	Furniture and Equipment	Furniture and Equipment	-	11	-	-

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2019/20 Full Year Forecast	2020/21 Medium Term Revenue & Expenditure Framework		
						Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	0052: SWIMMING POOLS	CHLORINATOR	Sport and Recreation Facilities	Outdoor Facilities	26	-	-	-
	0052: SWIMMING POOLS	SWIMMING POOL PUMP	Sport and Recreation Facilities	Outdoor Facilities	8	-	-	-
	0052: SWIMMING POOLS	UPGRADE OF SWIMMING POOLS	Sport and Recreation Facilities	Outdoor Facilities	-	-	70	50
	0055: SPORT STADIUMS	FENCING - ROBERT GUNDA STADIUM	Sport and Recreation Facilities	Outdoor Facilities	316	200	250	-
	0055: SPORT STADIUMS	SOCCER POSTS & NETS	Sport and Recreation Facilities	Outdoor Facilities	60	-	-	-
	0055: SPORT STADIUMS	FENCING - KALKSLOOT STADIUM	Sport and Recreation Facilities	Outdoor Facilities	-	-	250	250
	0055: SPORT STADIUMS	FENCING - SC KEARNS STADIUM	Sport and Recreation Facilities	Outdoor Facilities	-	400	250	250
	0055: SPORT STADIUMS	UPGRADE OF SPORT GROUNDS	Sport and Recreation Facilities	Outdoor Facilities	-	-	350	300
	0056: REITZ PARK	FENCING - ROBERT GUNDA STADIUM	Sport and Recreation Facilities	Outdoor Facilities	194	200	200	200
	0057: CEMETRIES	CEMETERIES - ASKHAM	Community Facilities	Cemeteries/Crematoria	16	-	-	-
	0057: CEMETRIES	CEMETERIES - KLEIN MIER	Community Facilities	Cemeteries/Crematoria	8	-	-	-
	0057: CEMETRIES	CEMETERIES - LESEDING	Community Facilities	Cemeteries/Crematoria	7	-	-	-
	0057: CEMETRIES	CEMETERIES - KAROS	Community Facilities	Cemeteries/Crematoria	133	-	-	-
	0057: CEMETRIES	MOBILE TOILETS	Community Facilities	Capital Spares	52	-	-	-
	0057: CEMETRIES	EIA KEIDEBEES CEMETRY	Community Facilities	Cemeteries/Crematoria	-	150	-	-
	0057: CEMETRIES	FENCING - KAMEELBOOM CEMETERY	Community Facilities	Cemeteries/Crematoria	-	-	350	350
	0057: CEMETRIES	FENCING - KEIDEBEES CEMETERY	Community Facilities	Cemeteries/Crematoria	-	-	300	300
	0057: CEMETRIES	FENCING - SPOORWEG CEMETERY	Community Facilities	Cemeteries/Crematoria	-	300	300	300
	0057: CEMETRIES	FENCING - STASIE CEMETERY	Community Facilities	Cemeteries/Crematoria	-	300	300	300
	0057: CEMETRIES	GRAVES	Community Facilities	Cemeteries/Crematoria	-	350	350	350
	0057: CEMETRIES	UPGRADES CEMETRIES	Community Facilities	Cemeteries/Crematoria	-	-	80	70
	0059: ELECTRICITY - ADMINISTRATION	ELECTRIFICATION OF HOUSES IN ROSEDALE (VERGENOEG)	Electrical Infrastructure	LV Networks	23	-	-	-
	0059: ELECTRICITY - ADMINISTRATION	ELECTRIFICATION OF 1000 HOUSES - PABALLELO & DAKOTA	Electrical Infrastructure	LV Networks	4,915	-	-	-
	0059: ELECTRICITY - ADMINISTRATION	UPGRADE POWER SUPPLY - LOUISVALE ROAD	Electrical Infrastructure	LV Networks	337	2,061	-	-
	0059: ELECTRICITY - ADMINISTRATION	LOGGER	Machinery and Equipment	Machinery and Equipment	-	150	-	-
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 100 HOUSES - JURGENSKAMP	Electrical Infrastructure	LV Networks	-	-	10,383	10,383
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 135 HOUSES - DAKOTA ROAD	Electrical Infrastructure	LV Networks	-	3,287	-	-
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 160 HOUSES - DAKOTA ROAD	Electrical Infrastructure	LV Networks	3,286	-	-	-
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 180 HOUSES - DAKOTA ROAD	Electrical Infrastructure	LV Networks	-	-	7,008	7,008
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 200 HOUSES - KALKSLOOT	Electrical Infrastructure	LV Networks	-	4,870	-	-

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2019/20 Full Year Forecast	2020/21 Medium Term Revenue & Expenditure Framework		
						Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 840 HOUSES - LOUISVALE ROAD	Electrical Infrastructure	LV Networks	22,450	-	-	-
	0059: ELECTRICITY - ADMINISTRATION	AUTO-CAD	Licences and Rights	Computer Software and Applications	-	80	-	-
	0059: ELECTRICITY - ADMINISTRATION	EQUIPMENT FOR MONITORING OF SUPPLY QUALITY	Electrical Infrastructure	LV Networks	-	900	-	-
	0061: ELECTRICITY - MAINTENANCE	NEW STREETLIGHTS (VARIOUS AREAS)	Electrical Infrastructure	LV Networks	75	200	-	-
	0061: ELECTRICITY - MAINTENANCE	TOOLKIT	Machinery and Equipment	Machinery and Equipment	-	50	50	-
	0062: ELECTRICITY - DISTRIBUTION	NEW PRE-PAID METERS	Electrical Infrastructure	LV Networks	30	-	-	-
	0062: ELECTRICITY - DISTRIBUTION	PRE-PAID METERS (INDIGENT)	Electrical Infrastructure	LV Networks	50	-	-	-
	0062: ELECTRICITY - DISTRIBUTION	CHAIR X 4	Furniture and Equipment	Furniture and Equipment	5	-	-	-
	0062: ELECTRICITY - DISTRIBUTION	CLEARVU FENCING - ALPHA SUBSTATION	Operational Buildings	Municipal Offices	460	500	-	-
	0062: ELECTRICITY - DISTRIBUTION	VERVANGING VAN KIOSK, TRANSFORMERS	Electrical Infrastructure	LV Networks	400	-	-	-
	0062: ELECTRICITY - DISTRIBUTION	CABLE FAULT LOCATING EQUIPMENT	Machinery and Equipment	Machinery and Equipment	257	250	-	-
	0062: ELECTRICITY - DISTRIBUTION	BATTERIES - DELTA, ALPHA & VARIOUS	Machinery and Equipment	Machinery and Equipment	200	200	-	-
	0062: ELECTRICITY - DISTRIBUTION	FRIDGE	Furniture and Equipment	Furniture and Equipment	4	-	-	-
	0062: ELECTRICITY - DISTRIBUTION	UPGRADE ON MINI-SUBSTATIONS X 5	Electrical Infrastructure	MV Substations	1,500	-	-	-
	0062: ELECTRICITY - DISTRIBUTION	ALPHA - UPGRADE TO PARALLEL	Electrical Infrastructure	MV Substations	-	3,300	6,000	-
	0062: ELECTRICITY - DISTRIBUTION	DELTA - OLYFENHOUT TAKE-OVER	Electrical Infrastructure	MV Substations	-	-	13,000	-
	0062: ELECTRICITY - DISTRIBUTION	UPGRADE ON ELECTRICAL NETWORK	Electrical Infrastructure	LV Networks	70	-	750	1,000
	0062: ELECTRICITY - DISTRIBUTION	UPGRADE ON MINI-SUBSTATIONS AND POLE TRANSFORMATORS	Electrical Infrastructure	LV Networks	-	-	750	1,000
	0062: ELECTRICITY - DISTRIBUTION	VERVANGING VAN KIOSK, TRANSFORMERS	Electrical Infrastructure	LV Networks	-	500	-	-
	0063: ELECTRICITY - PLANNING & METERING	NEW ELECTRICITY METERS (PURCHASED BY CONSUMER)	Electrical Infrastructure	LV Networks	300	300	-	-
	0066: WATER PRODUCTION	INDUSTRIAL GENERATORS X2 (1MVA FOR ABSTRACTION AHS, A	Electrical Infrastructure	Power Plants	-	-	5,000	-
	0066: WATER PRODUCTION	LABORATORY EQUIPMENT	Machinery and Equipment	Machinery and Equipment	60	150	75	150
	0066: WATER PRODUCTION	FENCE	Operational Buildings	Depots	-	-	-	-
	0066: WATER PRODUCTION	RAW WATER PUMP	Water Supply Infrastructure	Pump Station	-	500	2,500	-
	0066: WATER PRODUCTION	REPLACEMENT OF WORN-OUT PUMPS, VALVES, SWITCHGEAR AN	Water Supply Infrastructure	Pump Station	401	400	400	440
	0066: WATER PRODUCTION	REPLACEMENT OF WORN-OUT PUMPS, VALVES, SWITCHGEAR AN	Water Supply Infrastructure	Pump Station	100	200	200	220
	0066: WATER PRODUCTION	KEIDEBEES RESERVOIR BYPASS	Water Supply Infrastructure	Reservoirs	400	-	-	-
	0066: WATER PRODUCTION	RESERVOIR X 4	Water Supply Infrastructure	Reservoirs	125	200	-	-
	0066: WATER PRODUCTION	BLOWER (BACKWASH)	Water Supply Infrastructure	Water Treatment Works	110	-	-	-
	0066: WATER PRODUCTION	BUILDING IMPROVEMENTS - AHS WTW	Water Supply Infrastructure	Water Treatment Works	-	50	-	-
	0066: WATER PRODUCTION	CHLORINATOR	Water Supply Infrastructure	Water Treatment Works	-	150	-	-
	0066: WATER PRODUCTION	KALAHARI POMPSTASIE	Water Supply Infrastructure	Water Treatment Works	-	100	-	-

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2019/20 Full Year Forecast	2020/21 Medium Term Revenue & Expenditure Framework		
						Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	0066: WATER PRODUCTION	UPGRADE PURIFICATION PLANTS - KAROS	Water Supply Infrastructure	Water Treatment Works	-	-	-	-
	0066: WATER PRODUCTION	UPGRADE PURIFICATION PLANTS - LAMBRECHTSDRIFT	Water Supply Infrastructure	Water Treatment Works	-	-	-	-
	0066: WATER PRODUCTION	UPGRADE PURIFICATION PLANTS - LESEDING	Water Supply Infrastructure	Water Treatment Works	-	-	-	-
	0066: WATER PRODUCTION	UPGRADE PURIFICATION PLANTS & RESERVOIR - LOUISVALE DOR	Water Supply Infrastructure	Water Treatment Works	-	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	DEdAT: UPGRADE - SEWERAGE TREATMENT PLANT (RIETFONTE)	Water Supply Infrastructure	Water Treatment Works	920	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	STANDPIPES AND VALVES AT VERGENOE (ROSEDALE)	Water Supply Infrastructure	Distribution Points	100	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	NEW PRE-PAID METERS	Water Supply Infrastructure	Distribution Points	75	2,100	-	-
	0067: WATER DISTRIBUTION NETWORKS	RENEWAL OF PRE-PAID METERS	Water Supply Infrastructure	Distribution Points	-	-	1,250	1,250
	0067: WATER DISTRIBUTION NETWORKS	NEW VALVES AND FIRE HYDRANTS	Water Supply Infrastructure	Distribution Points	75	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	NEW WATER PIPELINE HAKSKEEN PAN	Water Supply Infrastructure	Distribution	2,097	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	OFFICE EQUIPMENT - DIRECTORATE	Furniture and Equipment	Furniture and Equipment	5	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	COMMUNIAL STANDPIPES - SMARTIES/RAASWATER	Water Supply Infrastructure	Distribution Points	902	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	COMMUNIAL STANDPIPES - VARIOUS AREAS	Water Supply Infrastructure	Distribution Points	-	174	-	-
	0067: WATER DISTRIBUTION NETWORKS	COMMUNIAL STANDPIPES - DAKOTA ROAD	Water Supply Infrastructure	Distribution Points	50	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	COMMUNIAL STANDPIPES - JURGENKAMP	Water Supply Infrastructure	Distribution Points	50	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	STANDPIPES AND VALVES AT DAKOTA	Water Supply Infrastructure	Distribution Points	-	100	-	-
	0067: WATER DISTRIBUTION NETWORKS	STANDPIPES AND VALVES AT PABALLELO	Water Supply Infrastructure	Distribution Points	-	100	-	-
	0067: WATER DISTRIBUTION NETWORKS	STANDPIPES AND VALVES AT VERGENOE (ROSEDALE 1&2)	Water Supply Infrastructure	Distribution Points	-	50	-	-
	0067: WATER DISTRIBUTION NETWORKS	COMMUNIAL STANDPIPES - LAMBRECHTSDRIFT	Water Supply Infrastructure	Distribution Points	50	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	COMMUNIAL STANDPIPES - LEERKRANS	Water Supply Infrastructure	Distribution Points	50	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	COMMUNIAL STANDPIPES - NTSIKELELO	Water Supply Infrastructure	Distribution Points	50	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	COMMUNIAL STANDPIPES - LESEDING	Water Supply Infrastructure	Distribution Points	50	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	AUGMENTATION OF NOENIEPUT WATER SUPPLY	Water Supply Infrastructure	Distribution Points	7,700	-	-	-
	0067: WATER DISTRIBUTION NETWORKS	REPLACEMENT OF >50MM WATERMETERS	Water Supply Infrastructure	Distribution Points	220	500	600	-
	0071: RISK MANAGEMENT	FRIDGE	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0073: DIRECTOR PLANNING AND DEVELOPMENT	TV	Furniture and Equipment	Furniture and Equipment	-	-	-	-
	0077: COMMUNITY AND OVERTIME	SUPPLY AND DELIVERY OF 5000L MOBILE WATER TANKS	Machinery and Equipment	Machinery and Equipment	20	20	-	-
	0078: PMU	KLEIN MIER: INTERNAL STREETS	Roads Infrastructure	Roads	5,310	-	-	-
	0078: PMU	SPORT GROUNDS - ROSEDALE	Sport and Recreation Facilities	Outdoor Facilities	3,566	4,261	-	-
	0078: PMU	PAVING OF STREET - LOUISVALE ROAD	Roads Infrastructure	Road Structures	1,731	-	-	435

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2019/20 Full Year Forecast	2020/21 Medium Term Revenue & Expenditure Framework		
					Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
0078: PMU	PAVING OF STREET - ROSEDALE	Roads Infrastructure	Road Structures	12,553	3,867	–	–
0078: PMU	UPGRADING STREETS IN LOUBOS	Roads Infrastructure	Road Structures	4,247	3,043	–	–
0078: PMU	KAMEELMOND ACCESS ROAD	Roads Infrastructure	Road Structures	–	–	3,652	2,966
0078: PMU	PAVING OF STREET - SMARTIES VALLEY	Roads Infrastructure	Road Structures	–	–	–	2,495
0078: PMU	1116: LOUBOS: CONSTRUCTION OF NEW OXIDATION PONDS	Sanitation Infrastructure	Waste Water Treatment Works	2,528	4,243	–	–
0078: PMU	1369: MELKSTROOM: BULK SEWER PROVISION	Sanitation Infrastructure	Waste Water Treatment Works	544	–	–	–
0078: PMU	VARIOUS SPORT GROUNDS	Sport and Recreation Facilities	Outdoor Facilities	–	5,193	9,894	9,234
0078: PMU	UPGRADE - CEMETRIES	Community Facilities	Cemeteries/Crematoria	–	–	1,304	1,304
0078: PMU	INTANGIBLE ASSETS	Licences and Rights	Computer Software and Applications	17	–	–	–
0078: PMU	ROAD STRUCTURE	Sport and Recreation Facilities	Outdoor Facilities	–	–	–	–
0078: PMU	PRE-PAID WATER METERS	Water Supply Infrastructure	Distribution Points	–	–	435	435
0078: PMU	HIGH MAST LIGHTS (RIETFontein)	Electrical Infrastructure	LV Networks	–	–	6,867	6,413
0085: BUDGET AND TREASURY OFFICE	TILES - CREDITORS OFFICES	Operational Buildings	Municipal Offices	–	5	–	–
0085: BUDGET AND TREASURY OFFICE	HEAVY DUTY SCANNER	Computer Equipment	Computer Equipment	–	6	–	–
0085: BUDGET AND TREASURY OFFICE	TILES - OFFICE 027	Operational Buildings	Municipal Offices	–	–	6	–
0085: BUDGET AND TREASURY OFFICE	TILES - OFFICES 028 & 029	Operational Buildings	Municipal Offices	–	9	–	–
0085: BUDGET AND TREASURY OFFICE	TILES - SALARY OFFICE	Operational Buildings	Municipal Offices	–	5	–	–
0085: BUDGET AND TREASURY OFFICE	CHAIRS	Furniture and Equipment	Furniture and Equipment	–	–	–	–
0086: SUPPLY CHAIN MANAGEMENT UNIT	STORE: ELECTRICAL EQUIPMENT	Operational Buildings	Stores	–	1,375	1,375	–
0086: SUPPLY CHAIN MANAGEMENT UNIT	PAVING	Operational Buildings	Yards	–	–	2,000	–
0086: SUPPLY CHAIN MANAGEMENT UNIT	CHAIR - BUYERS	Furniture and Equipment	Furniture and Equipment	7	–	–	–
0088: ASSET MANAGEMENT UNIT	HEAVY DUTY SCANNER	Computer Equipment	Computer Equipment	–	8	–	–
0088: ASSET MANAGEMENT UNIT	AIR CONDITIONER X 3	Furniture and Equipment	Furniture and Equipment	–	30	–	–
0088: ASSET MANAGEMENT UNIT	TABLET - TGIS	Machinery and Equipment	Machinery and Equipment	20	16	–	–
1004: MASINCEDANE LIBRARY PROJECT	5865: FORUM - AIR CONDITIONERS	Operational Buildings	Municipal Offices	35	–	–	–
1004: MASINCEDANE LIBRARY PROJECT	5875: RIETFontein - AIRCON	Operational Buildings	Municipal Offices	50	–	–	–
1004: MASINCEDANE LIBRARY PROJECT	BLINDS PABALLELO	Operational Buildings	Municipal Offices	16	–	–	–
1004: MASINCEDANE LIBRARY PROJECT	VACUUM CLEANERS (FORUM & MAIN)	Furniture and Equipment	Furniture and Equipment	5	–	–	–
1004: MASINCEDANE LIBRARY PROJECT	SHELVES (WELKOM & KLEIN MIER)	Furniture and Equipment	Furniture and Equipment	15	–	–	–
1004: MASINCEDANE LIBRARY PROJECT	MICROWAVE - ROSEDALE	Furniture and Equipment	Furniture and Equipment	2	–	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2019/20 Full Year Forecast	2020/21 Medium Term Revenue & Expenditure Framework		
						Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	1004: MASINCEDANE LIBRARY PROJECT	COMPUTER TABLES - ROSEDALE	Furniture and Equipment	Furniture and Equipment	33	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	6113: 4 AIRCONS BY HOOFBIB IN UPINGTON	Operational Buildings	Municipal Offices	97	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	BLINDS MAIN LIBRARY	Operational Buildings	Municipal Offices	30	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	SECURITY SYSTEMS (PABALLELO, MAIN, ROSEDALE & FORUM)	Operational Buildings	Municipal Offices	47	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	DESKS - ROSEDALE	Community Facilities	Libraries	7	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	CONTAINER - KAROS	Operational Buildings	Municipal Offices	31	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	AQUA COOLERS - PABALLELO & MAIN	Furniture and Equipment	Furniture and Equipment	3	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	IRRIGATION SYSTEM	Furniture and Equipment	Furniture and Equipment	80	-	-	-
	1004: MASINCEDANE LIBRARY PROJECT	OFFICE SPACE (ROSEDALE)	Furniture and Equipment	Furniture and Equipment	-	25	-	-
	1004: MASINCEDANE LIBRARY PROJECT	CHAIRS X 10	Furniture and Equipment	Furniture and Equipment	-	1	-	-
	1004: MASINCEDANE LIBRARY PROJECT	COUNTER CHAIR X 2 (FORUM)	Furniture and Equipment	Furniture and Equipment	-	2	-	-
	1004: MASINCEDANE LIBRARY PROJECT	DVD PLAYERS X 10	Furniture and Equipment	Furniture and Equipment	-	-	7	-
	1004: MASINCEDANE LIBRARY PROJECT	LOCKER X 4	Furniture and Equipment	Furniture and Equipment	-	-	16	-
	1004: MASINCEDANE LIBRARY PROJECT	MAGAZINE SHELVE (FORUM)	Furniture and Equipment	Furniture and Equipment	-	4	-	-
	1004: MASINCEDANE LIBRARY PROJECT	MICROWAVE (FORUM)	Furniture and Equipment	Furniture and Equipment	-	2	-	-
	1004: MASINCEDANE LIBRARY PROJECT	STEEL TABLES X 5	Furniture and Equipment	Furniture and Equipment	-	4	-	-
	1004: MASINCEDANE LIBRARY PROJECT	TABLES X 4	Furniture and Equipment	Furniture and Equipment	-	9	-	-
	1004: MASINCEDANE LIBRARY PROJECT	TV X 10	Furniture and Equipment	Furniture and Equipment	-	-	50	-
	1004: MASINCEDANE LIBRARY PROJECT	24 BTU AIRCORN	Operational Buildings	Municipal Offices	-	40	-	-
	1004: MASINCEDANE LIBRARY PROJECT	AQUA COOLERS X 5	Operational Buildings	Municipal Offices	-	12	-	-
	1004: MASINCEDANE LIBRARY PROJECT	BLINDS LIBRARIES MIER	Operational Buildings	Municipal Offices	-	-	30	-
	1004: MASINCEDANE LIBRARY PROJECT	PAVING PABALLELO	Operational Buildings	Municipal Offices	-	90	-	-
	1004: MASINCEDANE LIBRARY PROJECT	TOILET FOR DISABLED	Operational Buildings	Municipal Offices	-	-	70	-
	Parent Capital expenditure				143,993	113,937	135,223	94,906
	Entity Capital expenditure				-	-	-	-
	Total Capital expenditure				143,993	113,937	135,223	94,906

2.13 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 Mayor (within 10 working days) has progressively improved.
2. 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. Since the introduction of the Internship programme the municipality has successfully employed and trained four other interns through this programme and all of them were appointed in the municipality.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA and is currently being disclosed as part of Finance under A2A in terms of mSCOA version 6.4.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The SDBIP document is at a final stage and will be tabled to Council on the 30th of June 2020. The SDBIP is directly aligned and informed by the 2020/2021 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

The MFMA training module in electronic format is presented at the municipality's internal centres and training is on-going.

8. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009 was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.14 Other supporting documents

Table 63 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	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									
REVENUE ITEMS:									
Property rates									
Total Property Rates	83,630	103,597	110,464	114,134	114,499	114,499	120,224	126,115	131,160
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	8,224	10,260	11,240	7,372	7,443	7,443	7,816	8,199	8,526
Net Property Rates	75,406	93,337	99,224	106,762	107,056	107,056	112,409	117,917	122,633
Service charges - electricity revenue									
Total Service charges - electricity revenue	246,332	262,282	284,437	338,889	339,292	339,292	361,317	388,416	415,605
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)	4,085	5,160	5,414	6,150	4,800	4,800	5,112	5,495	5,880
Net Service charges - electricity revenue	242,247	257,122	279,023	332,740	334,492	334,492	356,205	382,920	409,725
Service charges - water revenue									
Total Service charges - water revenue	50,258	57,566	66,266	69,082	69,082	69,082	73,221	76,809	79,881
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)	2,673	3,151	4,525	3,025	2,525	2,525	2,651	2,781	2,892
Net Service charges - water revenue	47,585	54,414	61,742	66,057	66,557	66,557	70,570	74,028	76,989
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	33,826	41,643	46,289	49,499	49,894	49,894	52,327	54,891	57,086
less Revenue Foregone (in excess of free sanitation service to indigent households)									
less Cost of Free Basis Services (free sanitation service to indigent households)	6,562	8,041	9,570	9,998	9,748	9,748	10,236	10,737	11,167
Net Service charges - sanitation revenue	27,264	33,603	36,719	39,500	40,146	40,146	42,091	44,153	45,919
Service charges - refuse revenue									
Total refuse removal revenue	26,504	34,444	43,456	45,883	47,117	47,117	49,473	51,897	53,973
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)	6,241	7,839	10,612	11,021	11,594	11,594	12,173	12,770	13,280
Net Service charges - refuse revenue	20,263	26,605	32,843	34,863	35,523	35,523	37,300	39,127	40,692
Other Revenue by source									
Actuarial Gain	4,011	22,681	2,369	-	-	-	-	-	-
Administrative Handling Fees	616	267	160	409	413	413	576	564	587
Advertisements	519	123	-	-	0	0	-	-	-
Academic Services	-	-	1	-	-	-	-	-	-
Application Fees for Land Usage	-	84	122	158	158	158	158	166	173
Bad Debts Recovered	51	-	1	16	8	8	8	-	-
Breakages and Losses Recovered	0	86	1	1	14	14	1	1	1
Building Plan Approval	698	862	842	850	750	750	750	787	818
Camping Fees	209	40	195	265	265	265	265	278	289
Cemetery and Burial	142	205	210	243	220	220	229	240	250
Clearance Certificates	-	52	96	93	93	93	93	-	-
Commission	484	688	758	-	825	825	890	934	971
Development Charges	824	1,602	-	-	-	-	-	-	-
Discount Early Payments	25	1,771	45	-	32	32	32	-	-
Encroachment Fees	129	61	62	62	73	73	98	-	-
Entrance Fees	254	328	1,070	1,148	1,005	1,005	1,014	1,064	1,106
Escort Fees	-	-	5	6	-	-	-	-	-
Exempted Parking	4	4	4	3	3	3	3	3	3
Fair Value Gains on Investment Property	22,529	22,585	136,155	20,000	20,000	20,000	20,000	20,980	21,819
Fire Services	-	193	29	53	35	35	25	26	27
Incidental Cash Surpluses	21	29	3	2	0	0	1	0	0
Inspection Fees	-	33	50	66	50	50	52	55	57
Insurance Refund	140	445	160	200	200	200	200	210	218
Legal Fees Recovered	-	-	-	500	500	500	500	-	-
Library Fees	9	15	2	2	0	0	0	0	0
Materials and Equipment	-	-	-	-	-	-	-	-	-
Motor Vehicle Licences	-	-	-	2,849	2,991	2,991	3,111	3,263	3,394
Occupation Certificates	-	6	13	7	9	9	7	7	8
Other Revenue	-	-	-	-	-	-	-	-	-
Parking Fees	4	29	42	53	1	1	1	1	1
Photocopies and Faxes	216	127	36	32	40	40	35	37	38
Publications	0	0	0	1	-	-	-	-	-
Recovery of Infrastructure Maintenance	-	85	84	90	85	85	-	-	-
Registration Fees	17	22	2	21	-	-	-	-	-
Removal of Restrictions	-	-	-	-	-	-	-	-	-
Request for Information	91	73	25	21	20	20	21	7	7
Sale of Consumables	-	30	203	9	559	559	562	577	600
Sale of Goods	-	0	0	0	0	0	0	-	-
Skills Development Levy Refund	203	195	498	334	668	668	355	373	388
Staff Recoveries	7	3	8	5	1	1	-	-	-
Stone and Gravel	48	40	91	95	60	60	60	63	65
Sub-Division and Consolidation Fees	118	115	18	400	200	200	20	21	22
Traffic Control	359	184	16	17	17	17	18	18	19
Town Planning and Servitudes	2,864	3,694	4,568	3,608	4,200	4,200	5,500	5,770	6,000
Total 'Other' Revenue	34,602	56,760	147,947	31,617	33,496	33,496	34,584	35,443	36,861

**Table 63 MBRR Table SA1 - Supporting detail to budgeted financial performance
(continue)**

Description	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									
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	152,460	192,412	207,228	203,359	196,801	196,801	220,100	233,500	242,861
Pension and UIF Contributions	26,849	33,499	36,315	39,204	38,213	38,213	40,578	43,192	44,920
Medical Aid Contributions	12,088	13,583	14,396	15,146	15,247	15,247	16,198	16,765	17,436
Overtime	15,813	19,865	18,885	18,428	20,052	20,052	17,000	22,770	23,681
Performance Bonus	984	1,067	804	1,035	904	904	1,054	1,091	1,134
Motor Vehicle Allowance	3,600	4,161	4,170	6,900	5,458	5,458	5,968	6,177	6,424
Cellphone Allowance	—	96	88	93	92	92	99	102	106
Housing Allowances	1,566	1,986	1,812	1,949	1,912	1,912	1,981	2,051	2,133
Other benefits and allowances	8,689	9,950	11,683	11,708	11,898	11,898	11,392	12,782	13,294
Payments in lieu of leave	1,115	4,797	—	—	—	—	—	—	—
Long service awards	—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	15,150	24,328	20,514	14,552	14,717	14,717	14,600	15,111	15,715
sub-total	238,312	305,744	315,894	312,376	305,295	305,295	328,970	353,541	367,704
Less: Employees costs capitalised to PPE	84	117	13	—	—	—	—	—	—
Total Employee related costs	238,228	305,627	315,882	312,376	305,295	305,295	328,970	353,541	367,704
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	78,844	100,018	91,826	95,594	95,594	95,594	95,594	98,939	102,897
Capital asset impairment	225	209	6	—	—	—	—	—	—
Total Depreciation & asset impairment	79,069	100,227	91,832	95,594	95,594	95,594	95,594	98,939	102,897
Bulk purchases									
Electricity Bulk Purchases	153,934	173,017	185,320	184,566	210,000	210,000	223,990	231,830	241,103
Water Bulk Purchases	5,326	3,895	6,212	4,180	5,480	5,480	5,672	5,870	6,105
Total bulk purchases	159,260	176,912	191,532	188,746	215,480	215,480	229,662	237,700	247,208
Transfers and grants									
Non-cash transfers and grants	521	929	1,135	1,534	1,092	1,092	1,208	1,250	1,300
Total transfers and grants	521	929	1,135	1,534	1,092	1,092	1,208	1,250	1,300
Contracted services									
Outsourced Services	—	—	—	—	—	—	—	—	—
Consultants and Professional Services									
Business and Advisory	158	136	104	135	169	169	181	187	194
Business and Financial Management	4,044	2,083	2,125	4,681	3,678	3,678	2,651	2,731	2,348
Civil Engineering	—	235	79	2,728	1,638	1,638	2,498	2,585	2,689
Cleaning Services	—	—	—	—	—	—	300	—	—
Electrical Engineering	—	—	—	—	—	—	500	—	—
Land and Quantity Surveys	146	169	1,452	—	250	250	450	466	484
Legal Advice and Litigations	691	1,517	1,069	1,706	1,656	1,656	1,804	1,867	1,942
Medical Examinations	112	221	82	260	260	260	346	358	372
Occupational Health and Safety	18	—	—	—	—	—	—	—	—
Project Management	122	—	—	—	—	—	—	—	—
Qualification Verification	6	8	46	62	82	82	85	88	92
Research and Advisory	—	250	—	176	—	—	13	—	—
Structural Engineering	—	—	—	—	50	50	—	—	—
Town Planners	—	2,901	—	—	—	—	250	259	269
Valuer and Assessors	212	266	271	2,968	1,741	1,741	584	605	629
Water Laboratory Services	731	1,154	1,169	1,407	2,002	2,002	2,025	2,096	2,180
Contractors									
Artists and Performers	6	60	129	134	—	—	—	—	—
Auctioneers	—	—	—	35	5	5	10	10	11
Catering	48	230	244	299	278	278	231	239	249
Cleaning and Grass Cutting	—	—	30	42	30	30	42	43	44
Other Contractors	—	3	8	—	—	—	—	—	—
Employee Wellness Contractors	—	—	76	208	150	150	150	155	161
Event Promoters	—	30	43	45	—	—	—	—	—
Fire Protection Services	—	3	—	52	30	30	40	41	43
First Aid Contractors	—	—	—	5	5	5	5	5	6
Inspection Fees	—	0	—	—	—	—	—	—	—
Laundry Services	—	—	—	—	0	0	0	0	0
Litter Picking and Street Cleaning	—	294	538	520	600	600	821	643	668
Maintenance - Buildings	623	414	328	778	1,061	1,061	2,014	1,887	1,962
Maintenance - Community Assets	—	94	155	925	798	798	812	820	836
Maintenance - Infrastructure	2,495	1,075	2,494	9,470	4,208	4,208	4,039	3,809	3,961
Maintenance - Intangible Assets	—	472	475	510	81	81	—	—	—
Maintenance - Other Assets	2,666	2,418	5,733	5,471	5,662	5,662	5,884	6,090	6,333
Pest Control and Fumigation	6	—	7	16	10	10	15	16	16
Plants, Flowers and Other Decorations	—	—	—	8	5	5	5	5	5
Refuse Removal Contractors	391	389	428	650	650	650	696	720	749
Security Services	464	586	753	791	2,687	2,687	5,233	3,144	3,270
Sewerage Services	—	—	219	468	468	468	468	484	504
Stage and Sound	—	168	184	187	20	20	15	16	16
Tracking Agents and Debt Collectors	84	152	216	504	504	504	300	—	—
Transport Services	—	16	—	42	—	—	42	43	45
Water Takers	—	—	320	—	—	—	352	364	379
Total contracted services	13,021	15,345	18,778	35,282	28,778	28,778	32,861	29,777	30,459

**Table 63 MBRR Table SA1 - Supporting detail to budgeted financial performance
(continue)**

Description	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									
EXPENDITURE ITEMS:									
Other Expenditure By Type									
Audit fees	6,838	4,897	4,795	5,020	4,220	4,220	4,500	4,658	4,844
Advertising	453	362	404	674	530	530	604	594	618
Assets less than Capitalisation Threshold	284	668	155	804	836	836	945	878	912
Bad Debts Written Off	4,716	1,405	11,045	8,140	8,140	8,140	8,500	8,798	9,149
Bank Charges	1,604	1,349	1,503	1,696	1,749	1,749	1,879	1,945	2,022
Bursaries	53	-	40	52	26	26	100	104	108
Cleaning Services	21	1	1	1	1	1	1	1	1
Commission	3,474	4,231	4,852	5,105	5,105	5,105	5,461	5,652	5,878
Communication	4,164	4,614	4,291	5,800	4,406	4,406	4,673	3,498	3,638
Copy Right Fees	5	-	-	-	-	-	-	-	-
Courier and Delivery Services	16	17	5	31	66	66	66	68	71
Drivers Licences and Permits	-	17	26	20	20	20	20	21	22
Entertainment	148	42	72	125	75	75	75	78	81
Entrance Fees	67	-	-	47	-	-	24	24	25
Eskom Connection Fees	116	-	-	-	-	-	-	-	-
External Computer Services	2,799	3,678	3,210	4,658	4,165	4,165	3,925	4,062	4,225
Furniture and Office Equipment - Operational Leases	-	-	-	576	150	150	660	683	710
Hire Charges	157	443	2,195	2,574	1,436	1,436	1,533	1,328	1,381
Indigent Relief	(9)	-	-	-	-	-	-	-	-
Insurance	1,139	1,779	1,539	1,621	3,530	3,530	3,707	3,836	3,990
Levies Paid - Water Resource Management Charges	-	179	68	520	520	520	538	557	579
Licences	-	627	780	686	686	686	710	735	765
Loss on Inventory	347	-	-	-	-	-	-	-	-
Machinery and Equipment	53	-	-	-	-	-	-	-	-
Management Fee	-	8	9	10	10	10	11	11	12
Municipal Activities - Transport Provided	-	-	-	15	10	10	10	10	11
Municipal Consumption	264	1,454	1,505	3,353	2,010	2,010	2,165	2,241	2,330
Performing Arts	-	-	-	36	36	36	38	39	41
Personnel Agency Fees	6	9	-	-	-	-	-	-	-
Printing, Publications and Books	1,637	566	274	386	369	369	391	405	421
Professional Bodies	2,523	2,891	4,046	3,153	4,382	4,382	3,604	3,731	3,880
Resettlement Costs	65	-	-	42	22	22	100	104	108
Road and Transport	-	0	-	-	-	-	-	-	-
Road Worthy Test	-	2	-	-	-	-	-	-	-
Seminars, Conferences, Workshops and Events	326	635	514	773	639	639	1,302	1,348	1,401
Signage	27	22	21	42	40	40	40	42	44
Skills Development Levy	-	-	-	2,501	2,491	2,491	2,601	2,692	2,799
Small Differences Tolerances	4	-	5	6	6	6	6	-	-
Supplier Development Programme	-	-	31	68	65	65	83	86	89
System Access and Information Fees	-	344	103	213	26	26	26	4	4
Transport Provided as Part of Departmental Activities	-	71	198	-	-	-	-	-	-
Travel Agency and Visa's	-	-	13	5	-	-	-	-	-
Travel and Subsistence	2,298	2,719	2,409	4,580	3,864	3,864	4,369	4,215	4,384
Uniform and Protective Clothing	704	1,013	1,005	1,793	1,443	1,443	1,858	1,607	1,669
Vehicle Tracking	111	484	305	380	360	360	378	391	407
Ward Councillors	233	484	509	960	1,300	1,300	1,920	1,987	2,067
Wet Fuel	-	-	3	-	21	21	15	16	17
Total 'Other' Expenditure	34,703	35,047	45,930	56,466	52,756	52,756	56,838	56,446	58,702

**Table 64 MBRR Table SA2 – Matrix financial performance budget
(Revenue source / expenditure type and department)**

Description / R thousand	Vote 1 - Municipal Manager	Vote 2 - Corporate Services	Vote 3 - Budget & Treasury Office	Vote 4 - Community Services	Vote 5 - Technical Director	Vote 6 - Electro Mechanical Services	Vote 7 - Civil Engineering Services	Vote 8 - Planning and Development Services	Total
Revenue By Source									
Property rates	-	-	112,409	-	-	-	-	-	112,409
Service charges - water revenue	-	-	-	-	-	-	70,570	-	70,570
Service charges - sanitation revenue	-	-	-	-	-	-	42,091	-	42,091
Service charges - refuse revenue	-	-	-	37,300	-	-	-	-	37,300
Interest earned - external investments	-	-	3,255	-	-	-	-	-	3,255
Interest earned - outstanding debtors	-	-	3,595	-	-	-	-	-	3,595
Dividends received	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	1,011	-	-	-	166	1,178
Agency services	-	-	-	-	-	-	-	-	-
Other revenue	-	21,393	1,387	4,464	-	550	60	6,730	34,584
Transfers and subsidies	-	200	94,546	2,842	-	1,533	5,424	4,988	109,533
Gains on disposal of PPE	-	21,500	-	-	-	-	-	-	21,500
Total Revenue (excluding capital transfers and contributions)	-	46,768	215,581	51,767	-	358,392	118,145	14,212	804,866
Expenditure By Type									
Employee related costs	19,306	29,830	37,350	113,819	-	26,552	74,249	27,864	328,970
Remuneration of councillors	12,545	-	-	-	-	-	-	-	12,545
Debt impairment	-	-	19,500	-	-	-	-	-	19,500
Depreciation & asset impairment	121	5,497	1,292	23,622	-	19,569	44,709	785	95,594
Finance charges	-	-	430	-	-	4,470	6,651	-	11,551
Bulk purchases	-	-	-	-	-	223,990	5,672	-	229,662
Other materials	98	1,213	999	4,838	-	16,544	6,696	745	31,132
Transfers and subsidies	626	-	-	72	-	410	100	-	1,208
Other expenditure	3,982	6,497	27,222	12,125	-	(4,696)	9,445	2,263	56,838
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	36,928	47,866	90,621	161,247	-	293,755	156,703	32,742	819,861
Surplus/(Deficit)	(36,928)	(1,098)	124,961	(109,480)	-	64,637	(38,557)	(18,530)	(14,995)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	188	-	10,217	30,609	20,608	61,622
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(36,928)	(1,098)	124,961	(109,292)	-	74,855	(7,949)	2,077	46,627

Table 65 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description / R thousand	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
ASSETS									
<u>Call investment deposits</u>									
Call deposits < 90 days	-	-	-	-	-	-	-	-	-
Other current investments > 90 days	-	-	-	-	-	-	-	-	-
Total Call investment deposits	-	-	-	-	-	-	-	-	-
<u>Consumer debtors</u>									
Consumer debtors	116,724	134,500	154,548	102,553	112,612	112,612	127,912	141,672	156,556
Less: Provision for debt impairment	(42,553)	(60,808)	(71,493)	(70,088)	(70,088)	(70,088)	(89,588)	(99,938)	(110,702)
Total Consumer debtors	74,171	73,692	83,055	32,465	42,524	42,524	38,324	41,734	45,855
<u>Debt impairment provision</u>									
Balance at the beginning of the year	28,860	42,553	60,808	60,088	60,088	60,088	70,088	89,588	99,938
Contributions to the provision	13,693	18,256	10,685	10,000	10,000	10,000	19,500	10,350	10,764
Bad debts written off	-	-	-	-	-	-	-	-	-
Balance at end of year	42,553	60,808	71,493	70,088	70,088	70,088	89,588	99,938	110,702
<u>Property, plant and equipment (PPE)</u>									
PPE at cost/valuation (excl. finance leases)	2,552,197	2,501,104	2,586,025	2,795,146	2,729,001	2,729,001	2,837,857	2,963,080	3,052,986
Less: Accumulated depreciation	738,585	815,215	901,779	1,030,784	997,373	997,373	1,092,966	1,191,906	1,294,803
Total Property, plant and equipment (PPE)	1,813,612	1,685,888	1,684,246	1,764,362	1,731,628	1,731,628	1,744,891	1,771,174	1,758,183
LIABILITIES									
<u>Current liabilities - Borrowing</u>									
Current portion of long-term liabilities	8,716	9,876	10,981	11,000	11,000	11,000	11,500	12,000	12,500
Total Current liabilities - Borrowing	8,716	9,876	10,981	11,000	11,000	11,000	11,500	12,000	12,500
<u>Trade and other payables</u>									
Trade and other creditors	59,644	73,030	51,879	75,000	75,000	75,000	69,000	71,000	68,000
Other creditors	-	34,089	34,832	60,000	44,254	44,254	45,956	70,262	57,367
Unspent conditional transfers	26,051	30,908	25,617	-	-	-	-	-	-
VAT	19,079	-	2,492	3,000	3,000	3,000	3,000	3,000	3,000
Total Trade and other payables	3,580	138,027	114,821	138,000	122,254	122,254	117,956	144,262	128,367
<u>Non current liabilities - Borrowing</u>									
Borrowing	-	105,315	94,285	84,191	93,541	93,541	88,766	78,266	67,266
Total Non current liabilities - Borrowing	-	105,315	94,285	84,191	93,541	93,541	88,766	78,266	67,266
<u>Provisions - non-current</u>									
Post Employment Medical Aid Benefits	-	100,778	108,942	116,880	100,660	100,660	92,260	83,566	74,524
Long Service Awards	104,253	-	-	-	-	-	-	-	-
Landfill Sites Rehabilitation	-	82,104	98,596	82,104	82,104	82,104	82,104	82,104	82,104
Total Provisions - non-current	-	182,882	207,538	198,984	182,764	182,764	174,364	165,670	156,628
CHANGES IN NET ASSETS									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit) - opening balance	1,990,534	1,994,746	1,968,984	1,956,615	2,070,244	2,070,244	2,133,608	2,180,234	2,237,247
Surplus/(Deficit)	4,212	(36,822)	101,260	54,165	63,364	63,364	46,627	57,012	90,355
Accumulated Surplus/(Deficit)	1,994,746	1,968,984	2,070,244	2,010,779	2,133,608	2,133,608	2,180,234	2,237,247	2,327,602
TOTAL COMMUNITY WEALTH/EQUITY	1,994,746	1,968,984	2,070,244	2,010,779	2,133,608	2,133,608	2,180,234	2,237,247	2,327,602

Table 66 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics								
Population	The 80-20 Report on Local Government	100	100	93	93	93	93	93
Females aged 5 - 14	The 80-20 Report on Local Government							
Males aged 5 - 14	The 80-20 Report on Local Government	Information	Information	Information	Information	Information	Information	Information
Females aged 15 - 34	The 80-20 Report on Local Government	not available	not available	not available	not available	not available	not available	not available
Males aged 15 - 34	The 80-20 Report on Local Government							
Unemployment	The 80-20 Report on Local Government							
Monthly household income (no. of households)								
No income	The 80-20 Report on Local Government	Information not available			2,278	2,278	2,278	2,278
R1 - R1 600	The 80-20 Report on Local Government	Information not available			5,439	5,439	5,439	5,439
R1 601 - R3 200	The 80-20 Report on Local Government	Information not available			4,579	4,579	4,579	4,579
R3 201 - R6 400	The 80-20 Report on Local Government	Information not available			3,766	3,766	3,766	3,766
R6 401 - R12 800	The 80-20 Report on Local Government	Information not available			3,347	3,347	3,347	3,347
R12 801 - R25 600	The 80-20 Report on Local Government	Information not available			2,278	2,278	2,278	2,278
R25 601 - R51 200	The 80-20 Report on Local Government	Information not available			1,093	1,093	1,093	1,093
R52 201 - R102 400	The 80-20 Report on Local Government	Information not available			302	302	302	302
R102 401 - R204 800	The 80-20 Report on Local Government	Information not available			116	116	116	116
R204 801 - R409 600	The 80-20 Report on Local Government	Information not available						
R409 601 - R819 200	The 80-20 Report on Local Government	Information not available			70	70	70	70
> R819 200	The 80-20 Report on Local Government	Information not available						
Poverty profiles (no. of households)								
< R2 060 per household per month	The 80-20 Report on Local Government	Information not available			8,554	8,554	8,554	8,554
Insert description								
Household/demographics (000)								
Number of people in municipal area	The 80-20 Report on Local Government	Information not available			93	93	93	93
Number of poor people in municipal area	The 80-20 Report on Local Government	Information not available			-	-	-	-
Number of households in municipal area	The 80-20 Report on Local Government	Information not available			23	23	23	23
Number of poor households in municipal area	The 80-20 Report on Local Government	Information not available			9	9	9	9
Definition of poor household (R per month)	The 80-20 Report on Local Government	Information not available			< than R 2060 per month	< than R 2060 per month	< than R 2060 per month	< than R 2060 per month

Table 67 MBRR SA32 – List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement
Name of organisation		Number			R thousand
BIQ	Yrs	Ongoing	Information System - Financial System	December 2020	540
IMIS	Yrs	Ongoing	Information System - Financial System	Ongoing	400
Alltech Netstar Fleet Solutions	Mths	Ongoing	Satellite Tracking System for Vehicles	Ongoing - 30 Days	
Team Mate	Yrs	Ongoing	Information System - Financial System	Notice Period	348
			Rental of Offices for Councillors and Ward	Ongoing	18
Help U Agencies	Yrs	4	Committee Members	Ongoing	30
			Rental of Offices for Councillors and Ward		
RWT Trading	Yrs	2	Committee Members	Ongoing	30
IGNITE	Yrs	Ongoing	SDBIP System	Ongoing	262

2.15 Municipal manager's quality certificate

I _____, Municipal Manager of Dawid Kruiper 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.

ELIAS NTOBA

Municipal Manager of Dawid Kruiper Municipality (NC087)

11 June 2020