



**ANNUAL BUDGET OF
DAWID KRUIPER MUNICIPALITY**

**2021/2022 TO 2023/2024
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

**Approved by Council on
31 May 2021**

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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.

Currently we operate under level 1 with certain restrictions that are being reviewed and revised from time to time.

Based on above Council will decide what is in the interest of the community the best way for participation process.

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 31 May 2021 the Council of Dawid Kruiper Municipality met in the Council Chambers of Dawid Kruiper Municipality and via virtual meeting to consider the annual budget of the municipality for the financial year 2021/2022. 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 2021/2022 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 36;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 38;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 40; 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 42.
- 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 44;
 - 1.2.2. Budgeted Cash Flows as contained in Table 24 on page 46;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 25 on page 48;
 - 1.2.4. Asset management as contained in Table 26 on page 50; and
 - 1.2.5. Basic service delivery measurement as contained in Table 27 on page 53.
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 2021:
 - 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 2021 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 14.3 million for the 2021/2022 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 107 and 108 were used to guide the compilation of the 2021/2022 MTREF.

The main challenges experienced during the compilation of the 2021/2022 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 2021/2022 MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2021/2022 MTREF:

- The 2020/2021 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 2021/2022 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 2021/2022 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2021/2022 MTREF

R thousands	2017/2018 Audited	2018/2019 Audited	2019/2020 Audited	Adjusted Budget 2020/2021	2019/2020 % Increase	Budget Year +1 2021/2022	2021/2022 % Increase	Budget Year +1 2022/2023	2022/2023 % Increase	Budget Year +2 2023/2024	2023/2024 % Increase
Total Operating Revenue	636 723	781 946	782 970	789 395	0.8%	889 744	12.7%	939 957	5.6%	996 121	6.0%
Total Operating Expenditure	707 737	722 473	762 430	794 790	4.2%	855 450	7.6%	890 704	4.1%	940 315	5.6%
Surplus/(Deficit)	(71 015)	59 474	20 540	(5 395)	-126.3%	34 294	-735.7%	49 253	43.6%	55 806	13.3%
Total Capital Expenditure	34 192	44 787	53 996	69 378	28.5%	88 723	27.9%	81 115	-8.6%	98 604	21.6%

Total operating revenue for 2021/2022 is R 889.744 million. For the two outer years, operational revenue will increase by 5.6% and 6.0% respectively; equating to a total revenue growth of R 106.377 million over the MTREF when compared to the 2021/2022 financial year.

Total operating expenditure for the 2021/2022 financial year has been appropriated at R 855.450 million and translates into a budgeted surplus of R 34.294 million. When compared to the respective outer years of the MTREF 2021/2022 Budget; operating expenditure grow by 4.1% and 5.6% for the two outer years. The operating surplus for the two outer years increases to R 49.253 million and R 55.806 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 2021/2022 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 2021/2022 is R 144.161 million. The capital programme then decreases to R 123.068 million in the 2022/2023 financial year and increases then to R 129.079 million in the 2023/2024 financial year. More than a quarter (28.5%) of the 2021/2022 capital budget will be funded from own funding (revenue) over MTREF with anticipated own funding of R 41.138 million in 2021/2022, R 26.952 in 2022/2023 and R 25.475 million in 2023/2024 of the MTREF. Own funding will contribute 28.5%, 21.9% and 19.7% of capital expenditure over the MTREF; Borrowing will contribute 9.9%, 12.2% and 3.9%, and, government grants and transfers will contribute 61.5%, 65.9% and 76.4% 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 2021/2022 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source									
Property rates	93 337	99 224	106 344	112 409	114 995	114 995	119 595	124 379	129 354
Service charges - electricity revenue	257 122	279 164	311 298	356 205	326 511	326 511	371 049	404 072	440 035
Service charges - water revenue	54 414	62 928	62 065	70 570	67 930	67 930	74 398	77 374	80 469
Service charges - sanitation revenue	33 603	36 714	39 495	42 091	41 648	41 648	43 314	45 047	48 467
Service charges - refuse revenue	26 605	32 841	35 553	37 300	37 026	37 026	38 507	40 048	41 650
Rental of facilities and equipment	8 719	7 884	7 073	6 230	4 388	4 388	5 693	4 877	5 121
Interest earned - external investments	4 523	4 656	2 904	3 255	1 925	1 925	1 925	1 983	2 063
Interest earned - outstanding debtors	3 454	3 663	3 807	3 595	6 062	6 062	6 062	6 244	6 493
Fines	7 278	8 088	4 954	6 417	6 428	6 428	6 442	6 637	6 902
Licences and permits	1 581	2 159	1 816	1 178	1 139	1 139	2 222	2 322	2 426
Agency services	2 529	2 074	1 927				2 230	2 341	2 458
Transfers recognised - operational	86 799	96 097	101 420	109 533	111 215	111 215	116 538	122 661	126 631
Other revenue	56 760	9 413	9 951	34 584	33 476	33 476	11 769	11 973	12 452
Gains		137 041	94 361	21 500	36 650	36 650	90 000	90 000	91 600
Total Revenue (excluding capital transfers and contributions)	636 723	781 946	782 970	804 866	789 395	789 395	889 744	939 957	996 121

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 2020/21		2021/22 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2021/22	%	Budget Year +1 2022/23	%	Budget Year +2 2023/24	%
Revenue By Source								
Property rates	114 995	14.6%	119 595	13.4%	124 379	13.2%	129 354	13.0%
Service charges - electricity revenue	326 511	41.4%	371 049	41.7%	404 072	43.0%	440 035	44.2%
Service charges - water revenue	67 930	8.6%	74 398	8.4%	77 374	8.2%	80 469	8.1%
Service charges - sanitation revenue	41 648	5.3%	43 314	4.9%	45 047	4.8%	48 467	4.9%
Service charges - refuse revenue	37 026	4.7%	38 507	4.3%	40 048	4.3%	41 650	4.2%
Rental of facilities and equipment	4 388	0.6%	5 693	0.6%	4 877	0.5%	5 121	0.5%
Interest earned - external investments	1 925	0.2%	1 925	0.2%	1 983	0.2%	2 063	0.2%
Interest earned - outstanding debtors	6 062	0.8%	6 062	0.7%	6 244	0.7%	6 493	0.7%
Fines	6 428	0.8%	6 442	0.7%	6 637	0.7%	6 902	0.7%
Licences and permits	1 139	0.1%	2 222	0.2%	2 322	0.2%	2 426	0.2%
Transfers recognised - operational	111 215	14.1%	116 538	13.1%	122 661	13.0%	126 631	12.7%
Other revenue	33 476	4.2%	11 769	1.3%	11 973	1.3%	12 452	1.3%
Gains	36 650	4.6%	90 000	10.1%	90 000	9.6%	91 600	9.2%
Total Revenue (excluding capital transfers and contributions)	789 395	100.0%	889 744	100.0%	939 957	100.0%	996 121	100.0%
Total Revenue from rates and service charges	588 111	74.5%	646 863	72.7%	690 919	73.5%	739 974	73.5%

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 2021/2022 financial year, revenue from rates and services charges totals R 646.863 million or 72.7%. This increases to R 690.919 million and R 739.974 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 73.5% over the MTREF with it being 72.7% in 2021/2022, 73.5% in 2022/2023 and 73.5% in 2023/2024. This shows that the municipality tariffs are reasonably in line with their goals. It should be noted that revenue from rates and services decreases due to the increase in bulk electricity purchases that increases more than the actual increase to the consumer. 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 371.049 million rand and increases to R 440.035 million by 2023/2024. Property rates is the second largest revenue, source totalling R 119.595 million rand and increases to R 129.354 million by 2023/2024, Transfer recognised – Operational that is in third, totalling R 116.538 million rand and increases to R 126.631 million by 2023/2024. Gains is the fourth largest revenue source. All departments relating to service delivery 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 13.1%, 13.0% and 12.7% 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
RECEIPTS:									
<u>Operating Transfers and Grants</u>									
National Government:	82,172	89,590	97,102	105,841	105,507	107,757	111,463	119,661	123,631
Local Government Equitable Share	70,769	77,934	84,895	91,546	93,267	93,267	95,002	101,005	101,649
Finance Management	3,985	4,043	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Municipal Systems Improvement	-	1,055	-	-	-	-	-	-	-
Energy Efficiency and Demand Management	407	498	-	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)	2,716	2,929	5,059	4,338	5,048	5,048	4,578	4,901	5,095
Integrated National Electrification Programme	1,159	2,883	2,243	1,533	1,017	1,017	1,692	1,043	1,174
EPWP	135	-	187	859	859	859	1,113	-	-
Municipal Demarcation Grant	2,674	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant	-	-	268	-	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	-	2,609	1,252	1,304	1,826
Water Service Infrastructure Grant	-	-	-	-	-	1,957	1,304	1,174	1,402
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	3,522	7,233	9,486
Provincial Government:	3,521	3,517	3,626	3,492	3,242	3,242	2,825	3,000	3,000
Sport and Recreation	2,871	2,861	2,759	2,842	2,842	2,842	2,825	3,000	3,000
DeDAT	-	6	222	-	-	-	-	-	-
Housing	650	650	645	650	400	400	-	-	-
District Municipalities:	-	-	-	-	-	-	-	-	-
Other Grant Providers:	10	-	34	-	-	-	-	-	-
Uppington Summer Festival	10	-	-	-	-	-	-	-	-
LG Seta	-	-	34	-	-	-	-	-	-
Total Operating Transfers and Grants	85,703	93,107	100,762	109,333	108,749	110,999	114,288	122,661	126,631

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 subsidised 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 6 780 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 2020. This valuation roll is valid for a period of 5 years.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2021/2022 financial year based on the ± 4.0 % increase from 1 July 2021 is contained in Table 5 below.

Table 5 Comparison of proposed rates to levied for the 2021/2022 financial year

Category	Proposed Tariff from 1 July 2020	Proposed Tariff from 1 July 2021
	Cent / R 1	Cent / R 1
Former //Khara Hais Municipality's Tariffs		
Residential Properties (Ratio 1.00: 1.00)	1.22056	1.26940
Residential Zone 3 Properties (Ratio 1.00: 1.25)	1.52576	1.56680
Public Benefit Organisations (Ratio 1.00: 0.25)	0.30514	0.31730
Undeveloped Properties (Ratio 1.00: 2.00)	2.44112	2.53880
Business Properties (Ratio 1.00: 1.50)	1.83084	1.90410
Industrial Properties (Ratio 1.00: 1.50)	1.83084	1.90410
State Other Properties (Ratio 1.00: 1.50)	1.83084	1.90410
State Residential Properties (Ratio 1.00: 1.00)	1.22056	1.26940
Public Infrastructure (Ratio 1.00: 0.25)	0.30514	0.31730
Institutional / Educational Properties (Ratio 1.00: 1.50)	1.83084	1.90410
Agricultural Properties (including small holdings) (Ratio 1.00: 0.25)	0.30514	0.31730
Agricultural Properties with Solar Energy (Portion of Plant) (Ratio 1.00: 1.50)	1.83084	1.90410
Resorts with access to refuse and sanitation services (Ratio 1.00: 1.25)	1.52576	1.58680
Former Mier Municipality's Tariffs		
Residential Properties (Ratio 1.00: 1.00)	1.06354	1.10610
Public Benefit Organisations (Ratio 1.00: 0.25)	0.26669	0.27740
Business Properties (Ratio 1.00: 1.50)	1.59535	1.65920
State Other Properties (Ratio 1.00: 1.50)	1.59535	1.65920
Institutional / Educational Properties (Ratio 1.00: 1.00)	1.06400	1.10660
Agricultural Properties (including small holdings) (Ratio 1.00: 0.25)	0.04595	0.04780

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 $\pm 4.0\%$ from 1 July 2021 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 2020 (exclusive of VAT)	Proposed Tariff from 1 July 2021 (exclusive of VAT)
	Rand per kl	Rand per kl
RESIDENTIAL		
Basic charge per month	-	-
1 to 6 kl per month	7.19	7.48
7 to 18 kl per month	10.38	10.80
19 to 50 kl per month	7.47	7.77
51 to 70 kl per month	8.30	8.63
71 to 90 kl per month	8.85	9.21
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	8.63	8.98
7 to 18 kl per month	12.46	12.96
19 to 50 kl per month	8.96	9.32
51 to 70 kl per month	9.96	10.36
71 to 90 kl per month	10.62	11.05
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	182.64	190.02	7.38	4.04%
30	257.34	267.72	10.38	4.03%
40	332.04	345.42	13.38	4.03%
50	406.74	423.12	16.38	4.03%
80	661.24	687.82	26.58	4.02%
90	749.74	779.92	30.18	4.03%
100	899.74	929.92	30.18	3.35%

The tariff structure is designed to charge higher levels of consumption a higher rate, starting at R 7.48 (VAT exclusive) for water consumption between 0-6kl, steadily increasing to a rate of R 16.00 (VAT exclusive) per kiloliter for consumption in excess of 151 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 17.8% in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2021.

Considering the Eskom bulk purchases increases, the consumer tariff had to be increased by an average of 14.59% to offset the additional bulk purchase cost from 1 July 2020. The increase of 14.59% is based on the guidelines received from National Treasury in terms of Circular 108. The percentage increase was reduced by Council to 5.59% for Indigents and 30Amp connections and 12.59% for all the remainder consumers. 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 5.59%.

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	Amount Payable Nersa Proposal (VAT Exclusive) R	Proposed Amount Payable (VAT Exclusive) R	Difference / Increase (VAT Exclusive) in Amount Payable R	Saving in lower increase	Percentage Change
100	255.00	292.20	287.10	32.10	5.10	12.59%
250	637.50	730.51	717.76	80.26	12.75	12.59%
500	1,275.00	1,461.02	1,435.52	160.52	25.50	12.59%
750	1,912.50	2,191.53	2,153.28	240.78	38.25	12.59%
1,000	2,550.00	2,922.05	2,871.05	321.05	51.00	12.59%
2,000	5,100.00	5,844.09	5,742.09	642.09	102.00	12.59%

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 2021/2022 medium-term capital programme, funding has been allocated to electricity infrastructure. This infrastructure is being funded by INEP allocations and own revenue. INEP funding of R 11.28 million will be used to connect 180 households in Dakota Road.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of ±4.2 for sanitation from 1 July 2021 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 43.314 million for the 2021/2022 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 2020	Proposed Tariff from 1 July 2021
	Rand per month	Rand per month
HOUSEHOLD PROPERTIES		
Improvements to 70 m ²	121.85	127.00
Improvements between 71 m ² and 100 m ²	157.50	164.00
Improvements between 101 m ² and 200 m ²	240.25	250.00
Improvements between 201 m ² and 400 m ²	287.50	299.00
Improvements between 401 m ² and 600 m ²	345.10	359.00
Improvements between 601 m ² and 800 m ²	414.50	431.00
Improvements larger than 800 m ²	497.25	517.00
HOTELS, BUSINESSES AND OFFICES		
For improvements up to 200 m ²	278.00	290.00
The next 300 m ² or portion thereof	278.00	290.00
For the next 400 m ² or portion thereof above 500 m ²	278.00	290.00
INDUSTRIAL PROPERTIES		
For improvements up to 200 m ²	278.00	290.00
The next 300 m ² or portion thereof	234.00	244.00
For the next 400 m ² or portion thereof above 500 m ² to 4 100 m ²	189.00	197.00
For the next 400 m ² or portion thereof above 4 100 m ²	93.50	98.00

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	121.85	127.00	5.15	4.23%
Improvements between 71 m ² and 100 m ²	157.50	164.00	6.50	4.13%
Improvements between 101 m ² and 200 m ²	240.25	250.00	9.75	4.06%
Improvements between 201 m ² and 400 m ²	287.50	299.00	11.50	4.00%
Improvements between 401 m ² and 600 m ²	345.10	359.00	13.90	4.03%
Improvements between 601 m ² and 800 m ²	414.50	431.00	16.50	3.98%

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 ±4.2% increase in the waste removal tariff is proposed from 1 July 2021.

The following table compares current and proposed amounts payable from 1 July 2021 or refuse removal services.

Table 11 Comparison between current waste removal fees and increases

Category	Proposed Tariff from 1 July 2020	Proposed Tariff from 1 July 2021
	Rand per month	Rand per month
HOUSEHOLD PROPERTIES		
Improvements less than 100 m ²	129.85	135.25
Improvements between 101 m ² and 200 m ²	189.90	197.50
Improvements larger than 200 m ²	241.80	251.50
BUSINESS PROPERTIES		
For improvements up to 1 500 m ² with minimum of 125m ²	1,906.49	2,000.00
Improvements between 1 501 m ² - 3 000 m ²	950.16	987.50
Per m ² above 3000 m ²	0.40	0.42

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 135.25 (VAT Exclusive) to R 251.50 (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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
							% incr.			
Monthly Account for										
Rates and services charges:										
Property rates	622.80	702.57	744.72	781.00	781.00	781.00	4.0%	812.24	852.85	895.49
Electricity: Basic levy	246.75	263.63	279.45	293.14	293.14	293.14	12.6%	330.05	356.45	388.53
Electricity: Consumption	1,395.90	1,491.40	1,580.88	1,658.34	1,658.34	1,658.34	12.6%	1,867.13	2,016.50	2,197.98
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	217.56	323.56	246.51	258.59	258.59	258.59	4.0%	268.93	282.38	296.50
Sanitation	244.00	244.92	259.60	272.32	272.32	272.32	4.0%	283.21	297.37	312.24
Refuse removal	206.00	206.00	218.35	229.05	229.05	229.05	4.0%	238.21	250.12	262.63
Other	-	-	-	-	-	-	-	-	-	-
sub-total	2,933.01	3,232.08	3,329.51	3,492.44	3,492.44	3,492.44	8.8%	3,799.77	4,055.67	4,353.37
VAT on Services	346.67	275.22	499.42	455.53	455.53	455.53	-	448.13	480.42	518.68
Total large household bill:	3,279.68	3,507.30	3,828.93	3,947.97	3,947.97	3,947.97	7.6%	4,247.90	4,536.10	4,872.06
% increase/-decrease	2.7%	6.9%	9.2%	3.1%	3.1%	3.1%		7.6%	6.8%	7.4%
Monthly Account for										
Rates and services charges:										
Property rates	469.28	497.44	527.29	553.12	553.12	553.12	4.0%	575.24	604.01	634.21
Electricity: Basic levy	246.75	263.63	279.45	293.14	293.14	293.14	12.6%	330.05	356.45	388.53
Electricity: Consumption	697.95	745.70	790.44	829.17	829.17	829.17	12.6%	933.56	1,008.25	1,098.99
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	186.41	198.81	210.74	221.06	221.06	221.06	4.0%	229.90	241.40	253.47
Sanitation	204.78	217.00	230.05	241.32	241.32	241.32	4.0%	250.97	263.52	276.70
Refuse removal	161.67	171.35	181.63	190.53	190.53	190.53	4.0%	198.15	208.06	218.46
Other	-	-	-	-	-	-	-	-	-	-
sub-total	1,966.84	2,093.93	2,219.60	2,328.34	2,328.34	2,328.34	8.1%	2,517.88	2,681.68	2,870.35
VAT on Services	209.66	239.47	253.85	266.28	266.28	266.28	-	291.40	311.65	335.42
Total small household bill:	2,176.50	2,333.40	2,473.45	2,594.62	2,594.62	2,594.62	8.3%	2,809.28	2,993.33	3,205.78
% increase/-decrease	3.8%	7.2%	6.0%	4.9%	4.9%	4.9%		8.3%	6.6%	7.1%
Monthly Account for										
Household - 'Indigent'										
Rates and services charges:										
Property rates	-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	419.46	448.14	475.03	498.31	498.31	498.31	5.6%	526.17	568.26	619.40
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	155.26	165.06	174.96	183.53	183.53	183.53	4.0%	190.87	192.71	202.34
Sanitation	-	-	-	-	-	-	-	-	-	-
Refuse removal	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
sub-total	574.72	613.20	649.99	681.84	681.84	681.84	5.2%	717.04	760.97	821.74
VAT on Services	86.21	91.98	97.50	102.28	102.28	102.28	-	107.56	114.14	123.26
Total small household bill:	660.93	705.18	747.49	784.12	784.12	784.12	5.2%	824.59	875.11	945.01
Min: Indigent Subsidy	(660.93)	(705.18)	(747.49)	(784.12)	(784.12)	(784.12)		(824.59)	(875.11)	(945.01)
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 2021/2022 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 2021/2022 budget and MTREF (classified per main type of operating expenditure).

Table 13 Summary of operating expenditure by standard classification item

Description / R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	%	Budget Year +1 2022/23	Budget Year +2 2023/24
Expenditure By Type										
Employee related costs	305 627	313 506	321 374	328 970	321 022	321 022	333 713	39.0%	341 146	357 553
Remuneration of councillors	10 833	11 190	11 592	12 545	12 545	12 545	13 172	1.5%	13 831	14 523
Debt impairment	18 256	10 380	13 454	19 500	19 500	19 500	19 500	2.3%	20 085	20 888
Depreciation & asset impairment	100 227	91 793	92 919	95 594	95 594	95 594	97 505	11.4%	100 431	104 448
Finance charges	12 019	12 308	11 701	11 551	11 470	11 470	11 470	1.3%	11 470	11 470
Bulk purchases - electricity	176 912	191 538	212 266	229 662	224 490	224 490	250 000	29.2%	272 250	296 480
Inventory consumed	25 583	24 328	24 651	31 132	28 653	28 653	32 702	3.8%	33 741	34 752
Contracted services	15 345	18 778	20 768	32 861	28 535	28 535	30 054	3.5%	30 196	30 652
Transfers and subsidies	929	1 135	667	1 208	868	868	885	0.1%	885	885
Other expenditure	35 047	46 123	43 107	56 838	52 112	52 112	63 424	7.4%	63 493	65 330
Losses	6 959	1 393	9 929	-	-	-	3 024	0.4%	3 175	3 334
Total Expenditure	707 737	722 473	762 430	819 861	794 790	794 790	855 450	100.0%	890 704	940 315

The budgeted allocation for employee related costs for the 2021/2022 financial year totals R 333.713 million, which equals 39.0% per cent of the total operating expenditure and 45.4% of operating expenditure excluding non-cash items. The salary collective agreement for 2021/2022 has not been met and therefore the municipality budgeted in terms of the guidelines provided for 4.50% and onwards exists and the municipality has budgeted for a cost-of-living increase of 4.50%.

An annual cost-of-living increase of 4.50% 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 15.0 million was budgeted for as part of other expenditure in terms of MSCOA. For the 2021/2022 financial year this amount equates to R 15.0 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 97.5 million for the 2021/2022 financial and equates to 11.4% 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 2021/2022 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 1.3% (R 11.5 million) of operating expenditure excluding annual redemption for 2021/2022 and stabilises to R 11.5 million by 2023/2024.

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 24.0 million for the 2021/2022 financial year and R 24.7 million and R 25.4 million for the two outer years of the MTREF. Other materials amount to R 32.7 million for the 2021/2022 financial year and R 33.7 million and R 34.8 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 2021/2022 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2021/2022 financial year, this

group of expenditure totals R 30.1 million and has increased compared to the 2020/2021 adjustments budget. For the two outer years expenditure has been limited to 0.5% and 1.5%. As part of the process of identifying further cost efficiencies, a business process re-engineering project will commence in the 2021/2022 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 2021/2022 financial year.

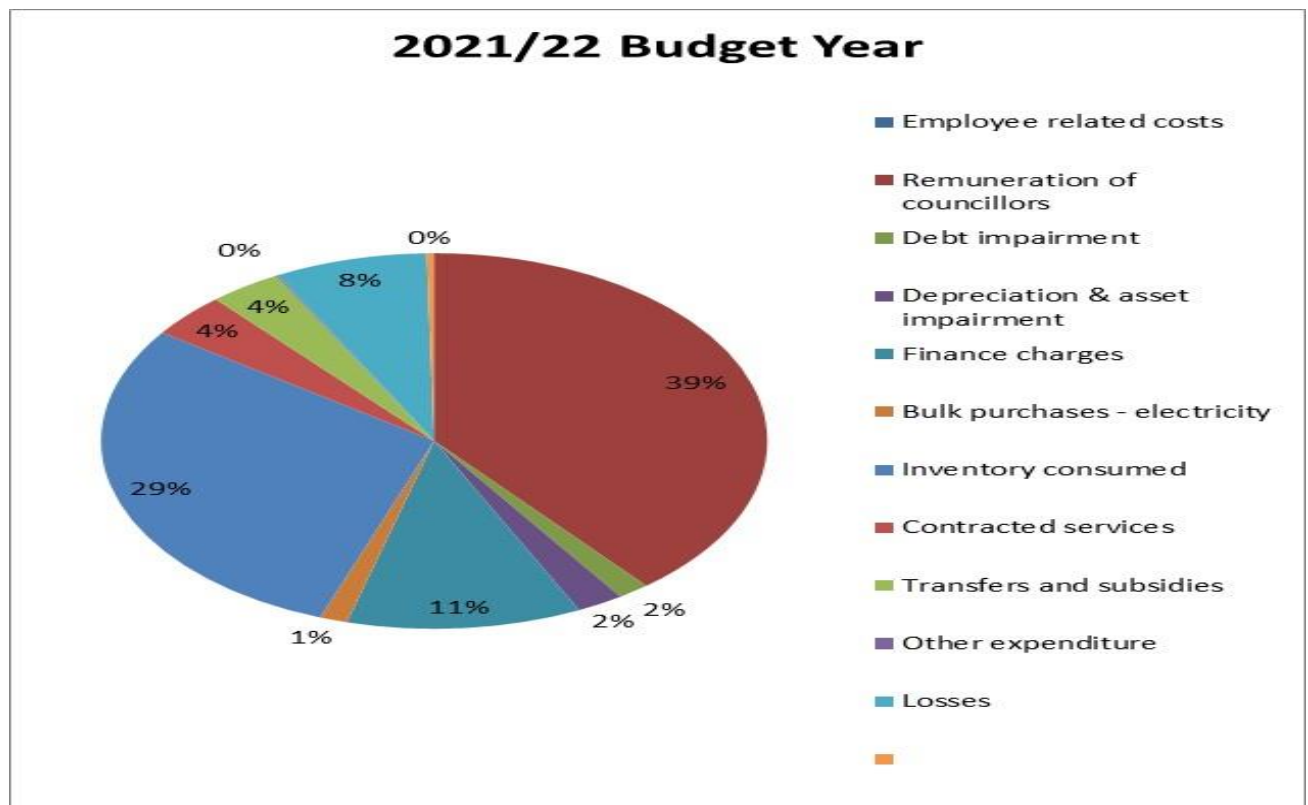


Figure 1 Main operational expenditure categories for the 2021/2022 financial year

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 2021/2022 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Repairs and Maintenance by Expenditure Item									
Employee related costs	-	-	-	-	-	-	-	-	-
Other materials	9 494	7 113	7 509	10 450	10 450	10 450	9 868	10 159	10 372
Contracted Services	4 473	9 186	8 639	12 750	12 750	12 750	14 128	14 533	15 011
Other Expenditure	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	13 967	16 299	16 148	23 200	23 200	23 200	23 996	24 692	25 383

During the compilation of the 2020/2021 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 2021/2022 financial year to R 24.0 million from R 14.0 million in 2017/2018. As part of the 2021/2022 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>									
Infrastructure	4 382	4 770	6 183	8 086	8 086	8 086	8 577	8 832	9 102
Roads Infrastructure	934	401	1 242	1 571	1 571	1 571	1 825	1 880	1 955
Roads	934	401	-	-	-	-	-	-	-
Road Structures	-	-	1 122	1 409	1 409	1 409	1 663	1 713	1 781
Electrical Infrastructure	1 719	1 324	2 089	2 265	2 265	2 265	1 752	1 805	1 877
MV Substations	-	-	-	-	-	-	-	-	-
LV Networks	1 719	1 324	2 089	2 265	2 265	2 265	1 752	1 805	1 877
Water Supply Infrastructure	1 344	1 745	1 716	2 590	2 590	2 590	3 270	3 366	3 417
Reservoirs	-	-	-	-	-	-	-	-	-
Water Treatment Works	-	1 745	831	1 500	1 500	1 500	2 160	2 225	2 314
Distribution	1 344	-	885	1 090	1 090	1 090	1 110	1 141	1 103
Sanitation Infrastructure	311	1 205	1 134	1 630	1 630	1 630	1 700	1 751	1 821
Reticalation	-	-	148	130	130	130	200	206	214
Waste Water Treatment Works	311	1 205	986	1 500	1 500	1 500	1 500	1 545	1 607
Toilet Facilities	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	30	-	-	-	-	-	-	-	-
Landfill Sites	30	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	44	94	1	30	30	30	30	31	32
Community Assets	464	680	810	1 631	1 631	1 631	1 877	1 918	1 994
Community Facilities	167	253	262	1 030	1 030	1 030	1 429	1 456	1 514
Sport and Recreation Facilities	297	427	548	601	601	601	448	461	480
Operational Buildings	791	596	921	2 513	2 513	2 513	1 873	1 923	1 792
Intangible Assets	472	475	277	-	-	-	-	-	-
Computer Equipment	387	-	119	120	120	120	79	81	85
Furniture and Office Equipment	-	-	206	225	225	225	202	208	211
Machinery and Equipment	-	800	191	793	793	793	389	400	416
Transport Assets	7 472	8 977	7 441	9 833	9 833	9 833	11 000	11 330	11 783
Total Repairs and Maintenance Expenditure	13 967	16 299	16 148	23 200	23 200	23 200	23 996	24 692	25 383

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 2021/2022 an amount of R 144.2 million has been appropriated for property, plant and equipment. In the outer years this amount totals R 123.1 million and R 129.1 million respectively for each of the financial years. Civil Engineering Services receives the highest allocation of R 74.7 million in 2021/2022 which equates to 51.8% of the capital budget.

Table 16 2021/2022 Medium-term capital budget per vote

Description / R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2021/22	%	Budget Year +1 2022/23	%	Budget Year +2 2023/24	%
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 - Budget & Treasury Office	-	0.0%	1 300	0.9%	1 300	1.1%	-	0.0%
Vote 4 - Community Services	43	0.0%	400	0.3%	5 350	4.3%	3 500	2.7%
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	17 461	16.3%	62 520	43.4%	53 877	43.8%	69 578	53.9%
Vote 8 - Planning and Development Services	15 207	14.2%	14 897	10.3%	23 282	18.9%	24 199	18.7%
Capital multi-year expenditure sub-total	32 712	30.5%	79 117	54.9%	83 809	68.1%	97 278	75.4%
Single-year expenditure to be appropriated								
Vote 1 - Municipal Manager	-	0.0%	132	0.1%	7	0.0%	-	0.0%
Vote 2 - Corporate Services	1 844	1.7%	2 206	1.5%	1 645	1.3%	700	2.2%
Vote 3 - Budget & Treasury Office	5 465	5.1%	9 216	6.4%	695	0.6%	764	2.4%
Vote 4 - Community Services	637	0.6%	1 788	1.2%	1 315	1.1%	500	1.6%
Vote 5 - Technical Director	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Vote 6 - Electro Mech Services	38 456	35.9%	34 830	24.2%	33 547	27.3%	27 762	87.3%
Vote 7 - Civil Engineering Services	28 144	26.2%	12 209	8.5%	2 000	1.6%	2 075	6.5%
Vote 8 - Planning and Development Services	-	0.0%	4 663	3.2%	50	0.0%	-	0.0%
Capital single-year expenditure sub-total	74 546	69.5%	65 044	45.1%	39 259	31.9%	31 801	24.6%
Total Capital Expenditure - Vote	107 258	100.0%	144 161	100.0%	123 068	100.0%	129 079	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 upgrade as well as operational repairs and maintenance by asset class.

Refer to pages 123 to 133 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 2021/2022 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 2021/2022 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Financial Performance									
Property rates	93 337	99 224	106 344	112 409	114 995	114 995	119 595	124 379	129 354
Service charges	371 744	411 647	448 411	506 166	473 116	473 116	527 268	566 540	610 620
Investment revenue	4 523	4 656	2 904	3 255	1 925	1 925	1 925	1 983	2 063
Transfers recognised - operational	86 799	96 097	101 420	109 533	111 215	111 215	116 538	122 661	126 631
Other own revenue	80 320	170 322	123 890	73 504	88 144	88 144	124 417	124 394	127 453
Total Revenue (excluding capital transfers and contributions)	636 723	781 946	782 970	804 866	789 395	789 395	889 744	939 957	996 121
Employee costs	305 627	313 506	321 374	328 970	321 022	321 022	333 713	341 146	357 553
Remuneration of councillors	10 833	11 190	11 592	12 545	12 545	12 545	13 172	13 831	14 523
Depreciation & asset impairment	100 227	91 793	92 919	95 594	95 594	95 594	97 505	100 431	104 448
Finance charges	12 019	12 308	11 701	11 551	11 470	11 470	11 470	11 470	11 470
Materials and bulk purchases	202 495	215 866	236 917	260 794	253 143	253 143	282 702	305 991	331 232
Transfers and grants	929	1 135	667	1 208	868	868	885	885	885
Other expenditure	75 607	76 674	87 258	109 200	100 148	100 148	116 002	116 950	120 204
Total Expenditure	707 737	722 473	762 430	819 861	794 790	794 790	855 450	890 704	940 315
Surplus/(Deficit)	(71 015)	59 474	20 540	(14 995)	(5 395)	(5 395)	34 294	49 253	55 806
Transfers recognised - capital	34 192	44 787	53 996	61 622	69 378	69 378	88 723	81 115	98 604
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(36 822)	104 260	–	46 627	63 984	63 984	123 017	130 368	154 410
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(36 822)	104 260	–	46 627	63 984	63 984	123 017	130 368	154 410
Capital expenditure & funds sources									
Capital expenditure	51 791	75 456	96 041	113 937	107 258	107 258	144 161	123 068	129 079
Transfers recognised - capital	37 160	46 837	53 996	61 665	69 378	69 378	88 723	81 115	98 604
Borrowing	194	131	9 272	5 000	5 000	5 000	14 300	15 000	5 000
Internally generated funds	14 437	28 488	32 773	47 271	32 879	32 879	41 138	26 952	25 475
Total sources of capital funds	51 791	75 456	96 041	113 937	107 258	107 258	144 161	123 068	129 079
Financial position									
Total current assets	157 174	144 386	148 732	86 897	153 659	153 659	143 488	171 415	201 482
Total non current assets	2 309 525	2 466 831	2 558 512	2 550 823	2 590 176	2 590 176	2 686 831	2 759 468	2 834 099
Total current liabilities	209 518	213 898	251 222	194 356	240 427	240 427	210 863	188 220	156 583
Total non current liabilities	288 197	301 823	285 989	263 130	273 214	273 214	266 246	259 084	241 010
Community wealth/Equity	1 968 984	2 095 496	2 170 033	2 180 234	2 230 194	2 230 194	2 353 211	2 483 579	2 637 989
Cash flows									
Net cash from (used) operating	85 819	33 704	110 161	92 222	57 392	57 392	111 784	108 579	126 435
Net cash from (used) investing	(56 048)	(71 372)	(95 619)	(92 437)	(70 608)	(70 608)	(104 161)	(83 068)	(87 479)
Net cash from (used) financing	3 057	(9 114)	(7 342)	(4 275)	(1 046)	(1 046)	2 159	2 500	(8 000)
Cash/cash equivalents at the year end	76 582	29 801	37 001	42 739	22 739	22 739	32 521	60 533	91 489
Cash backing/surplus reconciliation									
Cash and investments available	76 582	29 801	37 001	42 739	22 739	22 739	32 521	60 533	91 489
Application of cash and investments	41 257	14 110	9 585	37 899	(20 957)	(20 957)	18 468	(1 731)	(33 218)
Balance - surplus (shortfall)	35 325	15 691	27 416	4 841	43 697	43 697	14 053	62 264	124 707
Asset management									
Asset register summary (WDV)	2 309 516	2 466 831	2 558 512	2 550 823	2 590 176	2 590 176	2 686 831	2 759 468	2 834 099
Depreciation & asset impairment	100 227	91 793	92 919	95 594	95 594	95 594	97 505	100 431	104 448
Renewal of Existing Assets	1 740	11 697	39 451	58 155	43 991	43 991	68 593	58 152	71 512
Repairs and Maintenance	13 967	16 299	16 148	23 200	23 200	23 200	23 996	24 692	25 383
Free services									
Cost of Free Basic Services provided	24 191	28 942	32 147	30 172	35 083	35 083	32 653	34 326	36 098
Revenue cost of free services provided	10 260	11 224	11 736	7 816	7 176	7 176	13 487	14 026	14 587
Households below minimum service level									
Water:	–	1	1	0	0	0	0	0	0
Sanitation/sewerage:	2	2	4	2	2	2	2	2	2
Energy:	5	5	3	1	1	1	1	–	–
Refuse:	20	20	21	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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional									
Governance and administration	245 746	339 056	303 468	262 349	294 560	294 560	324 072	335 370	343 309
Executive and council	22 730	–	–	–	–	–	–	–	–
Finance and administration	223 016	339 056	303 468	262 349	294 560	294 560	324 072	335 370	343 309
Community and public safety	21 372	20 730	17 158	17 697	14 578	14 578	15 944	15 191	15 720
Community and social services	4 407	2 893	3 391	3 310	4 013	4 013	3 777	3 811	3 849
Sport and recreation	4 607	3 863	3 211	3 534	188	188	2 002	836	870
Public safety	11 708	13 324	9 907	10 204	9 970	9 970	10 164	10 544	11 001
Housing	650	650	650	650	406	406	–	–	–
Economic and environmental services	19 619	26 340	39 434	31 838	31 659	31 659	32 922	35 047	36 435
Planning and development	19 511	26 165	39 333	31 778	31 596	31 596	32 859	34 982	36 367
Road transport	108	175	100	60	63	63	63	65	67
Trading services	384 178	440 607	476 906	554 604	517 977	517 977	605 529	635 464	699 261
Energy sources	269 392	305 343	323 883	368 610	339 736	339 736	384 333	412 392	449 367
Water management	54 579	65 679	77 974	106 603	99 560	99 560	110 118	96 383	105 229
Waste water management	33 603	36 744	39 496	42 091	41 649	41 649	72 565	86 636	103 010
Waste management	26 605	32 841	35 553	37 300	37 031	37 031	38 513	40 053	41 655
Other	0	0	–	–	–	–	–	–	–
Total Revenue - Standard	670 915	826 733	836 966	866 488	858 774	858 774	978 467	1 021 072	1 094 725
Expenditure - Functional									
Governance and administration	195 898	192 387	221 080	247 137	228 782	228 782	244 307	251 684	261 983
Executive and council	53 827	47 010	44 432	41 662	29 014	29 014	30 990	30 665	32 089
Finance and administration	140 182	143 555	173 183	202 007	195 901	195 901	209 262	216 786	225 472
Internal audit	1 889	1 822	3 465	3 468	3 868	3 868	4 054	4 233	4 423
Community and public safety	75 433	87 087	98 432	101 117	104 589	104 589	109 618	105 793	109 598
Community and social services	9 566	11 270	11 784	14 914	14 569	14 569	15 655	15 617	16 259
Sport and recreation	32 201	34 123	39 515	39 638	42 623	42 623	43 487	37 700	38 743
Public safety	29 158	36 660	41 682	40 936	41 191	41 191	44 439	46 179	48 021
Housing	4 508	5 034	5 450	5 629	6 207	6 207	6 036	6 296	6 576
Economic and environmental services	64 054	59 461	61 655	56 929	55 663	55 663	57 534	59 539	61 074
Planning and development	12 001	11 692	11 232	13 005	12 049	12 049	12 666	13 223	12 963
Road transport	52 052	47 769	50 423	43 924	43 614	43 614	44 868	46 317	48 110
Trading services	370 084	381 256	378 766	411 439	402 866	402 866	440 980	470 545	504 377
Energy sources	220 647	235 269	250 866	265 710	259 711	259 711	292 960	316 938	343 182
Water management	66 116	69 588	61 185	61 650	62 219	62 219	64 815	67 247	70 050
Waste water management	40 747	40 971	34 309	37 015	34 937	34 937	35 932	37 355	40 071
Waste management	42 574	35 427	32 406	47 063	45 998	45 998	47 273	49 005	51 075
Other	2 269	2 281	2 496	3 240	2 890	2 890	3 011	3 143	3 283
Total Expenditure - Standard	707 737	722 473	762 430	819 861	794 790	794 790	855 450	890 704	940 315
Surplus/(Deficit) for the year	(36 822)	104 260	74 537	46 627	63 984	63 984	123 017	130 368	154 410

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 2021/2022 MTREF around 27.5% - 27.1% from 2021/2022 to 2023/2024 (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 55.7%, 47.4% and 49.8% 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote									
Vote 1 - Municipal Manager	22 730	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services	27 379	142 691	100 026	46 768	62 935	62 935	96 746	96 976	98 901
Vote 3 - Budget & Treasury Office	191 281	196 430	203 567	215 581	221 271	221 271	227 806	238 899	244 939
Vote 4 - Community Services	43 875	50 130	49 875	51 955	50 696	50 696	52 726	54 680	56 783
Vote 5 - Technical Director	–	–	–	–	–	–	–	–	–
Vote 6 - Electro Mech Services	269 392	305 347	323 883	368 610	350 459	350 459	384 333	412 392	449 367
Vote 7 - Civil Engineering Services	92 751	102 597	117 571	148 754	141 322	141 322	182 796	183 136	208 360
Vote 8 - Planning and Development Services	23 508	29 538	42 044	34 820	32 089	32 089	34 058	34 989	36 374
Total Revenue by Vote	670 915	826 733	836 966	866 488	858 774	858 774	978 467	1 021 072	1 094 725
Expenditure by Vote to be appropriated									
Vote 1 - Municipal Manager	51 172	46 284	42 479	36 928	24 748	24 748	26 287	25 747	26 948
Vote 2 - Corporate Services	29 885	26 729	45 080	47 866	46 133	46 133	48 215	50 126	52 292
Vote 3 - Budget & Treasury Office	69 497	62 875	79 100	90 621	93 080	93 080	99 042	102 167	105 888
Vote 4 - Community Services	125 439	127 754	140 103	161 247	161 138	161 138	169 732	175 805	183 225
Vote 5 - Technical Director	–	–	–	–	–	–	–	–	–
Vote 6 - Electro Mech Services	240 251	267 234	272 525	293 755	285 047	285 047	321 777	346 839	374 356
Vote 7 - Civil Engineering Services	164 892	164 459	155 413	156 703	153 074	153 074	158 563	164 432	172 346
Vote 8 - Planning and Development Services	26 600	27 138	27 729	32 742	31 571	31 571	31 833	25 589	25 260
Total Expenditure by Vote	707 737	722 473	762 430	819 861	794 790	794 790	855 450	890 704	940 315
Surplus/(Deficit) for the year	(36 822)	104 260	74 537	46 627	63 984	63 984	123 017	130 368	154 410

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

Description / R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Electricity									
Total Revenue (Excluding capital)	269 392	305 343	323 883	368 610	339 736	339 736	384 333	412 392	449 367
Operating Expenditure (excluding depreciation)	206 537	220 184	235 102	251 600	245 601	245 601	278 581	302 056	327 704
Surplus/(Deficit) for the year	62 855	85 159	88 780	117 009	94 135	94 135	105 752	110 336	121 663
Percentage Surplus	23.3%	27.9%	27.4%	31.7%	27.7%	27.7%	27.5%	26.8%	27.1%
Water									
Total Revenue (Excluding capital)	54 579	65 679	77 974	106 603	99 560	99 560	110 118	96 383	105 229
Operating Expenditure (excluding depreciation)	50 297	53 110	44 188	45 832	46 401	46 401	48 800	50 672	52 811
Surplus/(Deficit) for the year	4 281	12 569	33 786	60 771	53 159	53 159	61 318	45 712	52 418
Percentage Surplus	7.8%	19.1%	43.3%	57.0%	53.4%	53.4%	55.7%	47.4%	49.8%

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

1. Total revenue (excluding capital transfers) is R 889.7 million in 2021/2022 and escalates to R 996.1 million by 2023/2024. This represents a year-on-year increase of 5.6% for the 2022/2023 financial year and 5.8% for the 2023/2024 financial year.
2. Revenue to be generated from property rates is R 119.6 million in the 2021/2022 financial year and increases to R 129.4 million by 2023/2024 which represents 13.4% 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 $\pm 4.0\%$ 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 527.3 million for the 2021/2022 financial year and increasing to R 609.0 million by 2023/2024. For the 2021/2022 financial year services charges amount to 59.3% of the total revenue base and increases to 61.2% by 2023/2024. 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 116.5 million in the 2021/2022 financial year and increases to R 126.6 million for 2023/2024. 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source									
Property rates	93 337	99 224	106 344	112 409	114 995	114 995	119 595	124 379	129 354
Service charges - electricity revenue	257 122	279 164	311 298	356 205	326 511	326 511	371 049	404 072	440 035
Service charges - water revenue	54 414	62 928	62 065	70 570	67 930	67 930	74 398	77 374	80 469
Service charges - sanitation revenue	33 603	36 714	39 495	42 091	41 648	41 648	43 314	45 047	48 467
Service charges - refuse revenue	26 605	32 841	35 553	37 300	37 026	37 026	38 507	40 048	41 650
Rental of facilities and equipment	8 719	7 884	7 073	6 230	4 388	4 388	5 693	4 877	5 121
Interest earned - external investments	4 523	4 656	2 904	3 255	1 925	1 925	1 925	1 983	2 063
Interest earned - outstanding debtors	3 454	3 663	3 807	3 595	6 062	6 062	6 062	6 244	6 493
Fines, penalties and forfeits	7 278	8 088	4 954	6 417	6 428	6 428	6 442	6 637	6 902
Licences and permits	1 581	2 159	1 816	1 178	1 139	1 139	2 222	2 322	2 426
Agency services	2 529	2 074	1 927	-	-	-	2 230	2 341	2 458
Transfers and subsidies	86 799	96 097	101 420	109 533	111 215	111 215	116 538	122 661	126 631
Other revenue	56 760	9 413	9 951	34 584	33 476	33 476	11 769	11 973	12 452
Gains	-	137 041	94 361	21 500	36 650	36 650	90 000	90 000	91 600
Total Revenue (excluding capital transfers and contributions)	636 723	781 946	782 970	804 866	789 395	789 395	889 744	939 957	996 121
Expenditure By Type									
Employee related costs	305 627	313 506	321 374	328 970	321 022	321 022	333 713	341 146	357 553
Remuneration of councillors	10 833	11 190	11 592	12 545	12 545	12 545	13 172	13 831	14 523
Debt impairment	18 256	10 380	13 454	19 500	19 500	19 500	19 500	20 085	20 888
Depreciation & asset impairment	100 227	91 793	92 919	95 594	95 594	95 594	97 505	100 431	104 448
Finance charges	12 019	12 308	11 701	11 551	11 470	11 470	11 470	11 470	11 470
Bulk purchases - electricity	176 912	191 538	212 266	229 662	224 490	224 490	250 000	272 250	296 480
Inventory consumed	25 583	24 328	24 651	31 132	28 653	28 653	32 702	33 741	34 752
Contracted services	15 345	18 778	20 768	32 861	28 535	28 535	30 054	30 196	30 652
Transfers and subsidies	929	1 135	667	1 208	868	868	885	885	885
Other expenditure	35 047	46 123	43 107	56 838	52 112	52 112	63 424	63 493	65 330
Losses	6 959	1 393	9 929	-	-	-	3 024	3 175	3 334
Total Expenditure	707 737	722 473	762 430	819 861	794 790	794 790	855 450	890 704	940 315
Surplus/(Deficit)	(71 015)	59 474	20 540	(14 995)	(5 395)	(5 395)	34 294	49 253	55 806
Transfers recognised - capital	34 192	44 787	53 996	61 622	69 378	69 378	88 723	81 115	98 604
Surplus/(Deficit) after capital transfers & contributions	6 959	104 260	74 537	46 627	63 984	63 984	123 017	130 368	154 410
Taxation	(36 822)	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	-	104 260	74 537	46 627	63 984	63 984	123 017	130 368	154 410
Attributable to minorities	(36 822)	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(36 822)	104 260	74 537	46 627	63 984	63 984	123 017	130 368	154 410
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(36 822)	104 260	74 537	46 627	63 984	63 984	123 017	130 368	154 410

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 2021/2022 financial year R 79.1 million has been allocated of the total R 144.2 million capital budget, which totals 54.9%. This allocation decreases to R 83.8 million in 2022/2023 and then increases to R 97.3 million in 2023/2024.
3. Single-year capital expenditure has been appropriated at R 65.0 million for the 2021/2022 financial year and R 39.3 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 2021/2022, capital transfers totals R 88.7 million (61.5%) and decrease to R 81.1 million (65.9%) for 2022/2023 and then increases to R 98.6 million (76.4%) for 2023/2024.

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

Description / R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	-	-	-	1 375	-	-	1 300	1 300	-
Vote 4 - Community Services	-	-	-	1 593	43	43	400	5 350	3 500
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	-	-	-	-	-	-	-	-	-
Vote 7 - Civil Engineering Services	-	-	2 770	40 875	17 461	17 461	62 520	53 877	69 578
Vote 8 - Planning and Development Services	-	16 464	27 695	20 608	15 207	15 207	14 897	23 282	24 199
Capital multi-year expenditure sub-total	-	16 464	30 465	64 451	32 712	32 712	79 117	83 809	97 278
Single-year expenditure to be appropriated									
Vote 1 - Municipal Manager	295	172	6	-	-	-	132	7	-
Vote 2 - Corporate Services	1 722	1 236	266	1 073	1 844	1 844	2 206	1 645	700
Vote 3 - Budget & Treasury Office	9 851	866	908	11 548	5 465	5 465	9 216	695	764
Vote 4 - Community Services	262	1 052	1 310	2 605	637	637	1 788	1 315	500
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	16 867	50 723	22 280	30 335	38 456	38 456	34 830	33 547	27 762
Vote 7 - Civil Engineering Services	12 567	4 828	40 621	3 665	28 144	28 144	12 209	2 000	2 075
Vote 8 - Planning and Development Services	10 227	115	186	259	-	-	4 663	50	-
Capital single-year expenditure sub-total	51 791	58 992	65 577	49 486	74 546	74 546	65 044	39 259	31 801
Total Capital Expenditure - Vote	51 791	75 456	96 041	113 937	107 258	107 258	144 161	123 068	129 079
Capital Expenditure - Standard									
Governance and administration	14 256	11 401	5 446	28 988	21 950	21 950	22 546	14 631	15 262
Executive and council	335	172	1	-	-	-	109	7	-
Budget and treasury office	13 922	11 229	5 439	28 988	21 950	21 950	22 426	14 624	15 262
Corporate services	-	-	6	-	-	-	12	-	-
Community and public safety	220	1 156	1 469	2 652	622	622	1 368	2 050	-
Community and social services	151	301	516	1 528	579	579	500	1 250	-
Sport and recreation	27	765	938	1 073	43	43	750	800	-
Public safety	43	90	14	51	-	-	103	-	-
Economic and environmental services	11 673	16 682	38 762	24 283	18 463	18 463	26 252	27 482	27 999
Planning and development	10 207	12 864	27 729	20 611	15 207	15 207	22 352	23 282	24 199
Road transport	1 465	3 819	11 032	3 673	3 256	3 256	3 900	4 200	3 800
Trading services	25 642	46 216	50 365	57 987	66 222	66 222	93 913	78 855	85 817
Electricity	14 522	41 600	17 909	16 647	23 665	23 665	25 193	22 778	13 964
Water	10 785	3	11 780	4 794	11 271	11 271	19 346	1 550	1 625
Waste water management	335	528	20 646	36 496	31 287	31 287	49 294	51 027	66 728
Waste management	-	4 085	29	50	-	-	80	3 500	3 500
Other	-	-	-	27	-	-	83	50	-
Total Capital Expenditure - Standard	51 791	75 456	96 041	113 937	107 258	107 258	144 161	123 068	129 079
Funded by:									
National Government	36 869	43 723	49 014	61 434	68 196	68 196	88 548	81 115	98 604
Provincial Government	291	2 314	4 076	188	1 139	1 139	175	-	-
Other transfers and grants	-	800	907	43	43	43	-	-	-
Transfers recognised - capital	37 160	46 837	53 996	61 665	69 378	69 378	88 723	81 115	98 604
Borrowing	194	131	9 272	5 000	5 000	5 000	14 300	15 000	5 000
Internally generated funds	14 437	28 488	32 773	47 271	32 879	32 879	41 138	26 952	25 475
Total Capital Funding	51 791	75 456	96 041	113 937	107 258	107 258	144 161	123 068	129 079

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 140) 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
ASSETS									
Current assets									
Cash	76 582	50 310	37 001	42 739	22 739	22 739	32 521	60 533	91 489
Consumer debtors	73 692	83 574	102 981	38 324	122 311	122 311	102 358	102 273	101 384
Other debtors	1 219	151	142	-	-	-	-	-	-
Current portion of long-term receivables	5	2	-	-	-	-	-	-	-
Inventory	5 676	10 350	8 609	5 834	8 609	8 609	8 609	8 609	8 609
Total current assets	157 174	144 386	148 732	86 897	153 659	153 659	143 488	171 415	201 482
Non current assets									
Investment property	613 210	771 105	865 177	789 428	885 177	885 177	935 177	985 177	1 035 177
Property, plant and equipment	1 685 888	1 685 320	1 684 109	1 744 891	1 690 873	1 690 873	1 735 173	1 757 810	1 782 441
Intangible	5 909	5 897	4 716	11 994	9 616	9 616	11 971	11 971	11 971
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	2 309 525	2 466 831	2 558 512	2 550 823	2 590 176	2 590 176	2 686 831	2 759 468	2 834 099
TOTAL ASSETS	2 466 699	2 611 217	2 707 244	2 637 720	2 743 835	2 743 835	2 830 319	2 930 883	3 035 582
LIABILITIES									
Current liabilities	-								
Borrowing	9 876	10 981	12 141	11 500	12 141	12 141	12 500	13 000	13 500
Consumer deposits	11 474	12 285	15 879	12 650	15 879	15 879	15 879	15 879	15 879
Trade and other payables	138 027	112 833	154 834	117 956	147 907	147 907	117 983	94 841	62 704
Provisions	50 141	57 289	68 368	52 250	64 500	64 500	64 500	64 500	64 500
Total current liabilities	209 518	213 898	251 222	194 356	240 427	240 427	210 863	188 220	156 583
Non current liabilities									
Borrowing	105 315	94 285	82 189	88 766	77 914	77 914	79 714	81 714	73 214
Provisions	182 882	207 538	203 800	174 364	195 300	195 300	186 532	177 370	167 796
Total non current liabilities	288 197	301 823	285 989	263 130	273 214	273 214	266 246	259 084	241 010
TOTAL LIABILITIES	497 715	515 721	537 211	457 486	513 641	513 641	477 109	447 304	397 593
NET ASSETS	1 968 984	2 095 496	2 170 033	2 180 234	2 230 194	2 230 194	2 353 211	2 483 579	2 637 989
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	1 968 984	2 095 496	2 170 033	2 180 234	2 230 194	2 230 194	2 353 211	2 483 579	2 637 989
TOTAL COMMUNITY WEALTH/EQUITY	1 968 984	2 095 496	2 170 033	2 180 234	2 230 194	2 230 194	2 353 211	2 483 579	2 637 989

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 2021/2022 MTREF provide for a net increase in cash of R 9.8 million for the 2021/2022 financial year. The projected cash surplus for 2020/2021 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 2021/2022 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	93 337	99 224	106 344	109 348	102 480	102 480	119 821	114 379	119 354
Service charges	331 373	389 255	424 053	493 925	435 572	435 572	527 495	556 540	600 620
Other revenue	31 601	31 803	25 722	28 409	25 432	25 432	28 355	28 150	29 360
Transfers and Subsidies - Operational	86 799	96 097	101 420	109 533	111 215	111 215	116 538	122 661	126 631
Transfers and Subsidies - Capital	34 192	44 787	53 996	61 622	69 378	69 378	88 723	81 115	98 604
Interest	7 977	8 320	6 711	6 850	7 987	7 987	7 987	8 227	8 556
Payments									
Suppliers and employees	(486 512)	(622 338)	(595 716)	(704 707)	(682 334)	(682 334)	(764 780)	(790 138)	(844 335)
Finance charges	(12 019)	(12 308)	(11 701)	(11 551)	(11 470)	(11 470)	(11 470)	(11 470)	(11 470)
Transfers and Grants	(929)	(1 135)	(667)	(1 208)	(868)	(868)	(885)	(885)	(885)
NET CASH FROM/(USED) OPERATING ACTIVITIES	85 819	33 704	110 161	92 222	57 392	57 392	111 784	108 579	126 435
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	(4 255)	4 159	(8 493)	21 500	36 650	36 650	40 000	40 000	41 600
Decrease (increase) other non-current receivables	(1)	12	2	-	-	-	-	-	-
Payments									
Capital assets	(51 791)	(75 543)	(87 127)	(113 937)	(107 258)	(107 258)	(144 161)	(123 068)	(129 079)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(56 048)	(71 372)	(95 619)	(92 437)	(70 608)	(70 608)	(104 161)	(83 068)	(87 479)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Borrowing long term/refinancing	10 000	-	-	5 000	5 000	5 000	14 300	15 000	5 000
Increase (decrease) in consumer deposits	602	811	3 594	-	3 229	3 229	-	-	-
Payments									
Repayment of borrowing	(7 545)	(9 925)	(10 936)	(9 275)	(9 275)	(9 275)	(12 141)	(12 500)	(13 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	3 057	(9 114)	(7 342)	(4 275)	(1 046)	(1 046)	2 159	2 500	(8 000)
NET INCREASE/ (DECREASE) IN CASH HELD	32 828	(46 782)	7 200	(4 490)	(14 262)	(14 262)	9 782	28 012	30 956
Cash/cash equivalents at the year begin:	43 754	76 582	29 801	47 229	37 001	37 001	22 739	32 521	60 533
Cash/cash equivalents at the year end:	76 582	29 801	37 001	42 739	22 739	22 739	32 521	60 533	91 489

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

1. The cash backed reserves / accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. 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.
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 2021/2022 MTREF was funded, as recalculated by Provincial Treasury.
8. As part of the budgeting and planning guidelines that informed the compilation of the 2021/2022 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash and investments available									
Cash/cash equivalents at the year end	76 582	29 801	37 001	42 739	22 739	22 739	32 521	60 533	91 489
Non current assets - Investments	-	-	-	-	-	-	-	-	-
Cash and investments available:	76 582	29 801	37 001	42 739	22 739	22 739	32 521	60 533	91 489
Application of cash and investments									
Unspent conditional transfers	30 908	25 617	20 710	-	-	-	-	-	-
Statutory requirements	-	-	-	3 000	6 800	6 800	6 800	6 800	6 800
Other working capital requirements	10 349	(11 508)	(11 125)	32 899	(29 757)	(29 757)	9 668	(10 531)	(42 018)
Total Application of cash and investments:	41 257	14 110	9 585	37 899	(20 957)	(20 957)	18 468	(1 731)	(33 218)
Surplus(shortfall)	35 325	15 691	27 416	4 841	43 697	43 697	14 053	62 264	124 707

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CAPITAL EXPENDITURE									
Total New Assets	50 051	63 759	56 591	55 782	63 266	63 266	75 568	64 916	57 567
Roads Infrastructure	3 129	7 588	18 821	7 160	10 049	10 049	6 209	400	6 052
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	14 336	47 854	15 847	11 617	22 165	22 165	19 043	22 219	14 746
Water Supply Infrastructure	16 935	1 653	9 061	3 174	3 186	3 186	22 157	11 127	4 799
Sanitation Infrastructure	521	219	2 453	4 243	8 759	8 759	8 989	12 174	13 696
Solid Waste Infrastructure	-	-	-	-	-	-	-	3 500	3 500
Information and Communication Infrastructure	4 680	103	239	250	16	16	250	-	-
Infrastructure	39 602	57 418	46 421	26 445	44 175	44 175	56 646	49 420	42 793
Community Facilities	44	-	52	1 100	30	30	370	1 250	-
Sport and Recreation Facilities	617	829	7 302	9 854	1 725	1 725	600	400	-
Community Assets	661	829	7 354	10 954	1 755	1 755	970	1 650	-
Non-revenue Generating	1 519	187	-	-	-	-	-	-	-
Investment properties	1 519	187	-	-	-	-	-	-	-
Operational Buildings	439	908	362	2 300	1 581	1 581	2 972	1 850	745
Other Assets	439	908	362	2 300	1 581	1 581	2 972	1 850	745
Licences and Rights	2 522	312	17	5 000	4 900	4 900	2 355	-	-
Intangible Assets	2 522	312	17	5 000	4 900	4 900	2 355	-	-
Computer Equipment	2 184	160	179	1 884	5	5	1 525	154	169
Furniture and Office Equipment	321	177	79	630	239	239	279	571	6
Machinery and Equipment	501	215	93	912	197	197	2 466	1 018	461
Transport Assets	2 301	3 553	2 086	7 658	10 414	10 414	8 355	10 254	13 392
Total Renewal of Existing Assets	1 740	10 328	16 791	16 962	12 180	12 180	37 798	3 910	3 691
Roads Infrastructure	1 081	131	-	-	-	-	-	-	-
Electrical Infrastructure	-	798	431	4 000	1 500	1 500	5 000	1 725	1 753
Water Supply Infrastructure	448	1 358	13 236	1 320	5 445	5 445	3 426	1 000	1 050
Sanitation Infrastructure	-	2 050	-	320	210	210	23 798	150	150
Infrastructure	1 529	4 337	13 667	5 640	7 156	7 156	32 224	2 875	2 953
Community Facilities	-	-	-	-	-	-	150	350	-
Sport and Recreation Facilities	-	-	-	93	43	43	-	-	-
Community Assets	-	-	-	93	43	43	150	350	-
Operational Buildings	-	45	22	337	150	150	219	150	150
Other Assets	-	45	22	337	150	150	219	150	150
Licences and Rights	-	-	-	80	-	-	-	-	-
Intangible Assets	-	-	-	80	-	-	-	-	-
Computer Equipment	-	179	417	850	454	454	850	535	589
Furniture and Office Equipment	107	240	173	3 562	-	-	4 205	-	-
Machinery and Equipment	52	117	300	250	-	-	150	-	-
Transport Assets	52	5 411	2 213	6 150	4 378	4 378	-	-	-
Total Upgrading of Existing Assets	-	1 369	22 660	41 193	31 811	31 811	30 795	54 242	67 821
Roads Infrastructure	-	-	10 799	3 000	3 009	3 009	3 000	3 800	3 400
Electrical Infrastructure	-	1 203	1 395	-	-	-	1 100	1 350	1 600
Water Supply Infrastructure	-	-	70	150	2 515	2 515	650	-	-
Sanitation Infrastructure	-	-	9 960	35 875	25 790	25 790	25 346	43 051	57 230
Infrastructure	-	1 203	22 224	39 025	31 313	31 313	30 096	48 201	62 230
Community Facilities	-	-	127	-	-	-	211	5 591	5 591
Sport and Recreation Facilities	-	-	280	400	-	-	150	400	-
Community Assets	-	-	407	400	-	-	361	5 991	5 591
Operational Buildings	-	-	29	1 668	498	498	338	50	-
Other Assets	-	-	29	1 668	498	498	338	50	-
Licences and Rights	-	142	-	-	-	-	-	-	-
Intangible Assets	-	142	-	-	-	-	-	-	-
Furniture and Office Equipment	-	24	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	100	-	-	-	-	-

Description / R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CAPITAL EXPENDITURE									
Total Capital Expenditure	51 791	75 456	96 041	113 937	107 258	107 258	144 161	123 068	129 079
Roads Infrastructure	4 210	7 719	29 619	10 160	13 058	13 058	9 209	4 200	9 452
Electrical Infrastructure	14 336	49 855	17 674	15 617	23 665	23 665	25 143	25 294	18 099
Water Supply Infrastructure	17 383	3 011	22 366	4 644	11 146	11 146	26 232	12 127	5 849
Sanitation Infrastructure	521	2 270	12 414	40 438	34 759	34 759	58 133	55 375	71 076
Solid Waste Infrastructure	-	-	-	-	-	-	-	3 500	3 500
Information and Communication Infrastructure	4 680	103	239	250	16	16	250	-	-
Infrastructure	41 131	62 958	82 312	71 110	82 643	82 643	118 967	100 496	107 976
Community Facilities	44	-	179	1 100	30	30	731	7 191	5 591
Sport and Recreation Facilities	617	829	7 582	10 347	1 769	1 769	750	800	-
Community Assets	661	829	7 761	11 447	1 799	1 799	1 481	7 991	5 591
Non-revenue Generating	1 519	187	-	-	-	-	-	-	-
Investment properties	1 519	187	-	-	-	-	-	-	-
Operational Buildings	439	953	413	4 305	2 229	2 229	3 529	2 050	895
Other Assets	439	953	413	4 305	2 229	2 229	3 529	2 050	895
Licences and Rights	2 522	454	17	5 080	4 900	4 900	2 355	-	-
Intangible Assets	2 522	454	17	5 080	4 900	4 900	2 355	-	-
Computer Equipment	2 184	339	596	2 734	458	458	2 375	689	758
Furniture and Office Equipment	428	441	252	4 191	239	239	4 484	571	6
Machinery and Equipment	553	332	393	1 262	197	197	2 616	1 018	461
Transport Assets	2 354	8 963	4 298	13 808	14 791	14 791	8 355	10 254	13 392
TOTAL CAPITAL EXPENDITURE - Asset class	51 791	75 456	96 041	113 937	107 258	107 258	144 161	123 068	129 079
ASSET REGISTER SUMMARY - PPE (WDV)	2 309 516	2 466 831	2 558 512	2 550 823	2 590 176	2 590 176	2 686 831	2 759 468	2 834 099
Roads Infrastructure	486 755	479 126	282 859	318 045	272 348	272 348	257 547	237 018	220 751
Storm water Infrastructure	-	-	200 000	149 998	200 000	200 000	200 000	200 000	200 000
Electrical Infrastructure	304 014	328 689	329 411	357 087	338 697	338 697	349 173	359 360	361 748
Water Supply Infrastructure	401 223	386 402	379 641	373 398	374 772	374 772	384 669	379 970	368 321
Sanitation Infrastructure	113 737	110 007	127 115	184 835	156 758	156 758	209 673	259 673	325 160
Solid Waste Infrastructure	63 323	71 096	63 289	33 901	44 667	44 667	25 672	9 607	(7 241)
Rail Infrastructure	1 069	820	571	820	571	571	571	571	571
Information and Communication Infrastructure	2 867	2 780	2 667	3 526	2 684	2 684	2 934	2 934	2 934
Infrastructure	1 372 987	1 378 920	1 385 555	1 421 609	1 390 497	1 390 497	1 430 239	1 449 133	1 472 244
Community Assets	63 670	87 883	87 230	66 576	83 626	83 626	79 597	81 912	81 599
Heritage Assets	4 509	4 509	4 509	4 509	4 509	4 509	4 509	4 509	4 509
Investment properties	613 210	771 105	865 177	789 428	885 177	885 177	935 177	985 177	1 035 177
Other Assets	192 038	158 599	152 759	176 169	150 177	150 177	148 798	145 793	141 430
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	5 909	5 897	4 716	11 994	9 616	9 616	11 971	11 971	11 971
Computer Equipment	8 317	7 740	7 440	10 335	7 080	7 080	8 619	8 448	8 311
Furniture and Office Equipment	8 226	7 821	7 199	8 761	7 374	7 374	10 144	8 949	7 119
Machinery and Equipment	10 778	10 348	10 201	11 146	8 718	8 718	11 236	12 153	12 510
Transport Assets	29 873	34 009	33 725	50 294	43 402	43 402	46 541	51 422	59 226
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	2 309 516	2 466 831	2 558 512	2 550 823	2 590 176	2 590 176	2 686 831	2 759 468	2 834 099
EXPENDITURE OTHER ITEMS	114 194	108 092	109 067	118 793	118 793	118 793	121 501	125 122	129 831
Depreciation	100 227	91 793	92 919	95 594	95 594	95 594	97 505	100 431	104 448
Repairs and Maintenance by Asset Class	13 967	16 299	16 148	23 200	23 200	23 200	23 996	24 692	25 383
Roads Infrastructure	934	401	1 242	1 571	1 571	1 571	1 825	1 880	1 955
Electrical Infrastructure	1 719	1 324	2 089	2 265	2 265	2 265	1 752	1 805	1 877
Water Supply Infrastructure	1 344	1 745	1 716	2 590	2 590	2 590	3 270	3 366	3 417
Sanitation Infrastructure	311	1 205	1 134	1 630	1 630	1 630	1 700	1 751	1 821
Solid Waste Infrastructure	30	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	44	94	1	30	30	30	30	31	32
Infrastructure	4 382	4 770	6 183	8 086	8 086	8 086	8 577	8 832	9 102
Community Facilities	167	253	262	1 030	1 030	1 030	1 429	1 456	1 514
Sport and Recreation Facilities	297	427	548	601	601	601	448	461	480
Community Assets	464	680	810	1 631	1 631	1 631	1 877	1 918	1 994
Operational Buildings	791	596	921	2 513	2 513	2 513	1 873	1 923	1 792
Other Assets	791	596	921	2 513	2 513	2 513	1 873	1 923	1 792
Licences and Rights	472	475	277	-	-	-	-	-	-
Intangible Assets	472	475	277	-	-	-	-	-	-
Computer Equipment	387	-	119	120	120	120	79	81	85
Furniture and Office Equipment	-	-	206	225	225	225	202	208	211
Machinery and Equipment	-	800	191	793	793	793	389	400	416
Transport Assets	7 472	8 977	7 441	9 833	9 833	9 833	11 000	11 330	11 783
TOTAL EXPENDITURE OTHER ITEMS	114 194	108 092	109 067	118 793	118 793	118 793	121 501	125 122	129 831

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 remain to the projected 1 846 households in 2023/2024 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 2023/2024.
 - 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 2021/2022 financial year National Treasury will subsidise R 460 per household via the equitable share allocation and the remainder of the amount will be treated as revenue foregone.
4. It is anticipated that these Free Basic Services, including revenue foregone on service charges, will cost the municipality R 46.1 million in 2021/2022, and increase to R 50.7 million by 2023/2024.

Table 27 MBRR Table A10 – Basic Service Delivery Measurement

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Household service targets									
Water:									
Piped water inside dwelling	25 492	25 492	25 552	12 776	12 776	12 776	12 776	12 776	12 776
Piped water inside yard (but not in dwelling)	25 316	25 316	25 316	12 658	12 658	12 658	12 658	12 658	12 658
Using public tap (at least min.service level)	7 868	7 868	8 408	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	58 676	58 676	59 276	29 638	29 638	29 638	29 638	29 638	29 638
Below Minimum Service Level sub-total	–	568	568	284	284	284	284	284	284
Total number of households	58 676	59 244	59 844	29 922	29 922	29 922	29 922	29 922	29 922
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	38 720	38 720	39 260	19 630	19 630	19 630	19 630	19 630	19 630
Flush toilet (with septic tank)	1 526	1 526	3 532	766	766	766	766	766	766
Chemical toilet	48	48	48	24	24	24	24	24	24
Pit toilet (ventilated)	612	612	612	306	306	306	306	306	306
Other toilet provisions (> min.service level)	5 628	5 628	5 628	2 814	2 814	2 814	2 814	2 814	2 814
Minimum Service Level and Above sub-total	46 534	46 534	49 080	23 540	23 540	23 540	23 540	23 540	23 540
Bucket toilet	2 074	2 074	2 674	1 337	1 337	1 337	1 337	1 337	1 337
Other toilet provisions (< min.service level)	26	26	28	14	14	14	14	14	14
No toilet provisions	390	390	990	495	495	495	495	495	495
Below Minimum Service Level sub-total	2 490	2 490	3 692	1 846	1 846	1 846	1 846	1 846	1 846
Total number of households	49 024	49 024	52 772	25 386	25 386	25 386	25 386	25 386	25 386
Energy:									
Electricity (at least min.service level)	3 274	3 274	3 274	3 002	3 002	3 002	3 002	3 002	3 002
Electricity - prepaid (min.service level)	43 186	43 186	43 186	20 809	20 809	20 809	20 809	21 809	22 389
Minimum Service Level and Above sub-total	46 460	46 460	46 460	23 811	23 811	23 811	23 811	24 811	25 391
Electricity (< min.service level)	–	–	3 160	580	580	580	580	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	4 914	4 914	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	4 914	4 914	3 160	580	580	580	580	–	–
Total number of households	51 374	51 374	49 620	24 391	24 391	24 391	24 391	24 811	25 391
Refuse:									
Removed at least once a week	40 792	40 792	43 052	22 000	22 000	22 000	22 000	22 050	22 050
Minimum Service Level and Above sub-total	40 792	40 792	43 052	22 000	22 000	22 000	22 000	22 050	22 050
Removed less frequently than once a week	18 510	18 510	19 100	9 550	9 550	9 550	9 550	9 580	9 600
Using communal refuse dump	290	290	290	145	145	145	145	145	145
Using own refuse dump	1 530	1 530	1 190	595	595	595	595	595	595
Other rubbish disposal	8	8	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	20 338	20 338	20 580	10 290	10 290	10 290	10 290	10 320	10 340
Total number of households	61 130	61 130	63 632	32 290	32 290	32 290	32 290	32 370	32 390
Households receiving Free Basic Service									
Water (10 kilolitres per household per month)	7 511	8 115	8 234	8 718	8 718	8 718	8 718	8 718	8 718
Sanitation (free minimum level service)	7 511	8 115	8 234	8 718	8 718	8 718	8 718	8 718	8 718
Electricity/other energy (50kwh per household per month)	7 511	8 056	8 104	8 119	8 119	8 119	8 119	8 119	8 119
Refuse (removed at least once a week)	7 511	8 115	8 234	8 718	8 718	8 718	8 718	8 718	8 718
Cost of Free Basic Services provided (R'000)									
Water (10 kilolitres per household per month)	3 151	3 346	3 619	2 651	3 316	3 316	4 948	5 146	5 352
Sanitation (free sanitation service)	8 041	9 570	10 363	10 236	11 868	11 868	10 491	10 911	11 347
Electricity/other energy (50kwh per household per month)	5 160	5 414	6 631	5 112	6 525	6 525	7 477	8 142	8 867
Refuse (removed once a week)	7 839	10 612	11 534	12 173	13 375	13 375	9 737	10 126	10 532
Indigent Subsidy Totals	–	–	–	–	–	–	–	–	–
Total cost of FBS provided (minimum social package)	24 191	28 942	32 147	30 172	35 083	35 083	32 653	34 326	36 098
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	135	141	141	141	147	153	159
Electricity (kwh per household per month)	126	50	50	50	50	50	50	50	50
Refuse (R per household per month)	50	138	146	154	154	154	160	167	173
Revenue cost of free services provided (R'000)									
Property rates (R45 000 threshold rebate)	–	–	–	–	–	–	–	–	–
Property rates (other exemptions, reductions and rebates)	10 260	11 224	11 736	7 816	7 176	7 176	7 463	7 761	8 072
Sanitation	–	–	–	–	–	–	1 851	1 925	2 002
Refuse	–	–	–	–	–	–	4 173	4 340	4 514
Total revenue cost of free services provided (total social package)	10 260	11 224	11 736	7 816	7 176	7 176	13 487	14 026	14 587

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 2020** – 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 2021/2022 MTREF;
- **January 2021** – 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 2021** – 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 2021** – Multi-year budget proposals are submitted to the Executive Committee (2nd budget work session of all councillors and senior management) for endorsement;
- **26 February 2021** – Council considers the 2020/2021 Mid-year Review and Adjustments Budget;
- **31 March 2021** – Tabling in Council of the 2021/2022 IDP, 2021/2022 SDBIP and 2021/2022 MTREF for public consultation. The budget was referred back for adjustments;
- **12 April 2021** – Tabling in Council of the 2021/2022 IDP, 2021/2022 SDBIP and 2021/2022 MTREF for public consultation;
- **April and May 2021** – Public consultation
- **14 May 2021** – Closing date for written comments; and

- **31 May 2021** – Tabling of the 2021/2022 MTREF before Council for consideration and final approval.

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 2021/2022 MTREF, based on the approved 2020/2021 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2020/2021 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 107 & 108 has been taken into consideration in the planning and prioritisation process.

1.2.4 Community Consultation

The 2021/2022 MTREF as tabled before Council on 12 April 2021; 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. No amendments were received for 2021/2022 public participation process, but all COVID-19 Regulations for level 1 must be adhered to. Council will consider the best possible process.

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 2021/2022 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.
KPA 6: Good Governance			Align institutional arrangements to provide an effective and efficient support service to deliver on organizational objectives.

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 2021/2022 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 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
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	389 474	369 705	369 705	479 908	488 418	529 008
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)		866 488	858 774	858 774	978 467	1 021 072	1 094 725

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

Strategic Objective / R thousand	Goal	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
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	376 411	328 607	328 607	352 873	358 858	387 593
	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

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

Strategic Objective / R thousand	Goal	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Promote and improve public relations through	Promote good governance and active citizenry	2 562	2 110	2 110	4 161	2 900	3 016
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		819 861	794 790	794 790	855 450	890 704	940 315

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

Strategic Objective / R thousand	Goal	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Provide quality basic services to all communities within the municipality (i.e. electricity; water; sanitation; refuse	Service delivery and infrastructure development	51 791	75 456	96 041	113 937	107 258	107 258	144 161	123 068	129 079
Total Capital Expenditure		51 791	75 456	96 041	113 937	107 258	107 258	144 161	123 068	129 079

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:

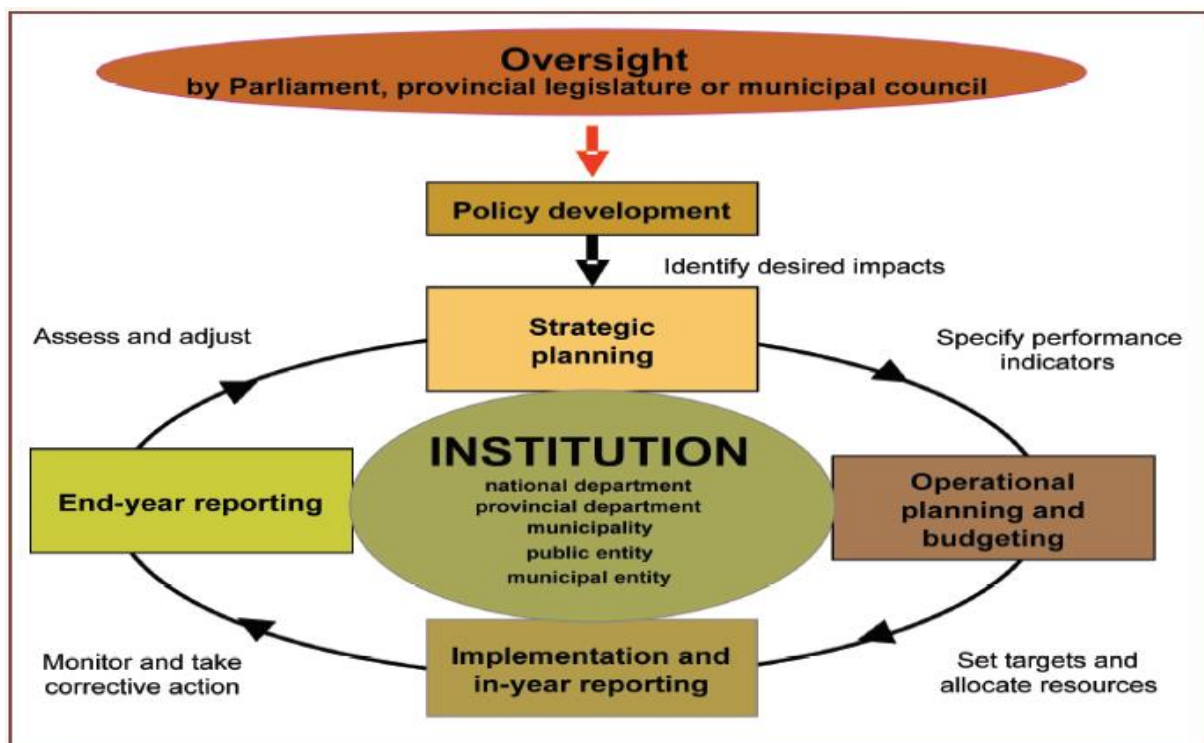
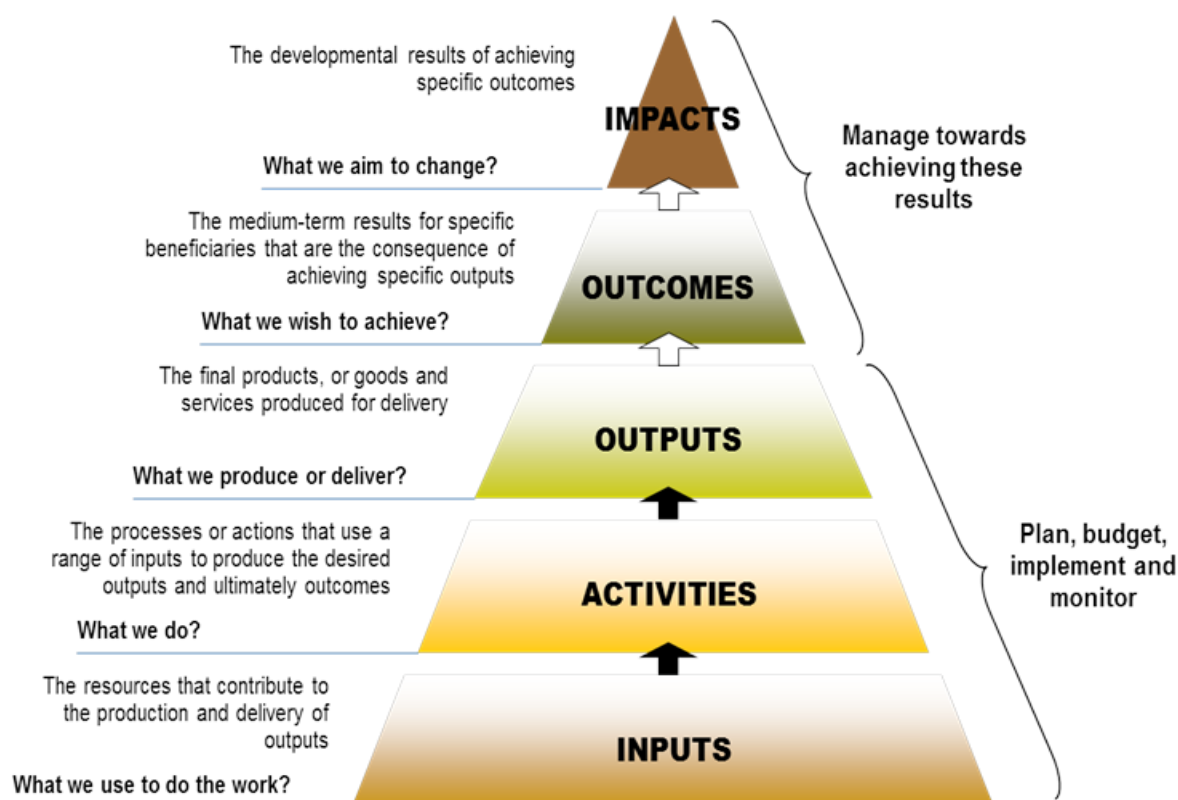


Figure 2 Planning, budgeting and reporting cycle

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
0011: Office of the Municipal Manager										
The percentage of the municipal capital budget	Percentage	54.6%	49.6%	74.2%	95%	95%	95%	95%	95%	95%
Spend 95% of the total operating budget by 30	Percentage	105.0%	94.4%	102.8%	95%	95%	95%	95%	95%	95%
0032: Internal Audit										
3 year Risk Based Audit Plan and annual	RBAP and annual	100.0%	100.0%	100.0%	1	1	1	1	1	1
0070: Performance Management										
Submit the Performance Report (Section 46) to	Performance Report	100.0%	100.0%	100.0%	1	1	1	1	1	1
0071: Risk Management										
Submit Risk Management Plan to Council by 31	Risk Management Plan	100.0%	100.0%	100.0%	1	1	1	1	1	1
0083: Municipal Manager										
Report quarterly to Council on the progress with	Number of quarterly	200.0%	300.0%	200.0%	4	4	4	4	4	4
1037: Council Ward Committee										
Execute special events per annum	Reports	400.0%	800.0%	700.0%	4	4	4	4	4	4
0081: Corporate Services										
0001: Administration										
Compile agendas for Council Meetings on a	Report	1100.0%	1100.0%	1100.0%	1100%	1100%	1100%	1100%	1100%	1100%
0004: Property Administration										
Updated and reconcile land disposal register	Report	100.0%	100.0%	100.0%	1	1	1	1	1	1
0008: Communications										
Die Werker - issues	Report	1200.0%	1200.0%	1200.0%	12	12	12	12	12	12
0009: Human Resource										
Limit the vacancy rate to less than 20%	Percentage	—	5.2%	6.9%	20%	20%	20%	20%	20%	20%
0038: Director Corporate Service										
Compile the Annual report and submit to Council	Report submitted	100.0%	100.0%	100.0%	1	1	1	1	1	1
0039: Legal Services										
Updating of Municipal Code on a quarterly basis	Number of Municipal	400.0%	500.0%	400.0%	4	4	4	4	4	4
0080: Budget & Treasury Office										
0007: Financial Services										
0033: Information Technology										
Update the backup register monthly	Number of backups	1200.0%	1000.0%	1200.0%	12	12	12	12	12	12
0080: Chief Financial Officer (Office of										
Financial viability measured in terms of the debt	Percentage	35.0%	15.6%	15.0%	0.45	0.45	0.45	0.45	0.45	0.45
0085: Budget and Treasury Office										
Compile and submit the annual financial	Annual financial	100.0%	100.0%	100.0%	1	1	1	1	1	1
0086: Supply Chain Management Unit										
Annual stock take by 30 June	Number of stock takes	100.0%	100.0%	100.0%	1	1	1	1	1	1
0088: Asset Management Unit										
Update the investment register on a quarterly	Number of updates	400.0%	500.0%	400.0%	4	4	4	4	4	4

Description	Unit of measurement	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
0082: Community Service										
0003: Libraries										
Submit the MRF and conditional grand funding	Number	100.0%	100.0%	100.0%	100%	100%	100%	100%	100%	100%
0020: Traffic Services										
Perform monthly inspections on traffic officers,	Number	1200.0%	1200.0%	1200.0%	12	12	12	12	12	12
0021: Fire Brigade Service										
Submit an annual activity report to the Fire	Activity report	100.0%	100.0%	100.0%	1	1	1	1	1	1
0024: Security Service										
Submit a monthly report on Security Services	Monthly report	1200.0%	900.0%	1000.0%	12	12	12	12	12	12
0027: Refuse Removal Services										
Percentage of households with access to refuse	% of households	100.0%	100.0%	99.6%	100%	100%	100%	100%	100%	100%
0050: Parks										
Turf Maintenance Parks : Execution of	Maintenance Plan	400.0%	400.0%	400.0%	4	4	4	4	4	4
0052: Swimming Pools										
Conduct weekly inspections of all swimming	Inspection records	24000.0%	24000.0%	24000.0%	240	240	240	240	240	240
0055: Sport Grounds										
Conduct weekly inspections of all Sport fields	Number of inspections	38400.0%	38400.0%	38400.0%	384	384	384	384	384	384
0057: Cemeteries										
Conduct weekly inspections of town cemeteries	Inspection reports	57600.0%	57600.0%	57600.0%	576	576	576	576	576	576
0084: Electro Mech Services										
0034: Fleet Management										
90% of vehicles and equipment serviced within	% of vehicles and	-	43.7%	16.7%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
0059: Electricity Administration										
New electricity Pre-paid meter connections	Percentage	100.0%	100.0%	100.0%	100%	100%	100%	100%	100%	100%
0063: Electricity Planning and Metering										
Prepaid meters for new customers	% of pre-paid meters	100.0%	100.0%	100.0%	100%	100%	100%	100%	100%	100%
0084: Director Electro Mechanical Services										
Limit unaccounted for electricity to less than 11% by 30 June ((Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) x 100)	Percentage	854.0%	9.9%	9.9%	11%	11%	11%	11%	11%	11%
Civil Engineering Service										
0026: Sanitation Services										
Rendering of sanitation services as per service	Percentage	100.0%	100.0%	56.5%	100%	100%	100%	100%	100%	100%
0028: Vacuum Tank Services										
Rendering of vacuum tank services on request	% of requests executed	100.0%	100.0%	100.0%	100%	100%	100%	100%	100%	100%
0040: Civil Engineering Services										
Limit the water distribution losses (loss of	Percentage	-	47.7%	48.0%	40%	40%	40%	40%	40%	40%
0041: Street and Storm Water Drainage										
Conduct maintenance (Roads) : 75% of planned	Percentage	100.0%	100.0%	100.0%	75%	75%	75%	75%	75%	75%
0048: Sewerage Distribution Networks										
100% of maintenance (main collectors) plan	% of plan executed	100.0%	100.0%	100.0%	100%	100%	100%	100%	100%	100%
0066: Water Production										
80% of quarterly effluent samples meet the	% of minimum effluent	85.1%	79.5%	68.0%	80%	80%	80%	80%	80%	80%
0067: Water Distribution										
Percentage of households with access to water	% of house holds with	94.0%	93.0%	92.7%	80%	80%	80%	80%	80%	80%
0072: Director Civil Engineering Services										
The number of full time equivalent jobs (FTEs)	Report	2467.0%	660.0%	17.8%	15	15	15	15	15	15
0075: Client Services										
Attend to 80% of all requests logged in the Client	% of requests attended to	100.0%	100.0%	100.0%	80%	80%	80%	80%	80%	80%
0077: Community Support & Overtime										
Percentage of households with access to	Percentage	-	82.0%	82.0%	95%	95%	95%	95%	95%	95%

Description	Unit of measurement	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Planning and Development Services										
0018: Housing & Development										
Develop an Integrated Human Settlement Plan	Integrated Human	100.0%	100.0%	100.0%	1	1	1	1	1	1
0019: IDP										
Submit the final IDP to Council by 31 May	Final IDP submitted	100.0%	100.0%	—	1	1	1	1	1	1
0030: Town Planning and Building										
Inspect 100% of illegal buildings and land use	% of illegal buildings and	100.0%	100.0%	100.0%	100%	100%	100%	100%	100%	100%
0031: Local Economic										
Develop an LED Strategy and submit to	LED Strategy submitted	100.0%	100.0%	—	1	1	1	1	1	1
0051: Eiland Resort										
Manage holiday resorts - Quarterly report on	Report	400.0%	400.0%	400.0%	4	4	4	4	4	4
0073: Director Planning & Development										
The number of full time equivalent jobs (FTEs)	Report	650.0%	1030.0%	14.1%	10	10	10	10	10	10
0074: Planning And Project Management										
Submit the PMU Business Plan and budget to	Director by 30 April PMU	100.0%	100.0%	100.0%	1	1	1	1	1	1
0078: Project Management Unit										
Submit a monthly report to MIG on grant	Number of reports	1200.0%	1200.0%	1200.0%	12	12	12	12	12	12

The following table sets out the municipalities main performance objectives and benchmarks for the 2021/2022 MTREF.

Table 33 MBRR Table SA8 – Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<u>Borrowing Management</u>										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.8%	3.1%	3.0%	2.5%	2.6%	2.6%	2.8%	2.7%	2.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.6%	3.2%	3.3%	3.0%	3.1%	3.1%	3.1%	2.9%	2.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	68.3%	0.0%	0.0%	9.6%	13.2%	13.2%	25.8%	35.8%	16.4%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	0.75	0.68	0.59	0.45	0.64	0.64	0.64	0.68	0.91
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.75	0.68	0.59	0.45	0.64	0.64	0.64	0.68	0.91
Liquidity Ratio	Monetary Assets/Current Liabilities	0.37	0.24	0.15	0.22	0.09	0.09	0.09	0.15	0.32
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	91.3%	95.6%	95.6%	97.5%	91.5%	91.5%	91.5%	100.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		91.3%	95.6%	95.6%	97.5%	91.5%	91.5%	91.5%	100.1%	97.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11.8%	10.7%	13.2%	4.8%	15.5%	15.5%	15.5%	11.5%	10.9%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors to Cash and Investments		95.4%	174.8%	235.2%	161.4%	343.0%	343.0%	343.0%	162.3%	81.0%
<u>Other Indicators</u>										
Employee costs	Employee costs/(Total Revenue - capital revenue)	48%	40%	41%	41%	41%	41%	41%	38%	36%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	50%	42%	0%	42%	42%	42%	0%	39%	38%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2%	2%	2%	3%	3%	3%	0%	3%	3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	18%	13%	13%	13%	14%	14%	14%	12%	12%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	30.1	38.9	42.3	40.3	40.3	40.3	33.7	37.3	37.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.1
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.7	0.6	0.7	0.8	0.4	0.4	0.4	0.6	1.0

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 2021/2022 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 2021/2022 – 2023/2024.
- *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

2021/2022 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 2023/2024. 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 0.7 in the 2021/2022 financial year and 0.9 for the 2022/2023 and 1.3 for 2023/2024. 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 460 via the equitable share allocation and the municipality contributes a further R 540, which is being treated as revenue foregone.

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 53.

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 2020/2021. The revised policy will be finally approved during May 2021.

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 2021/2022 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 93% on current billings. The first nine months of the 2020/2021 financial year yielded a collection rate of 95% due to government departments honouring their

commitments. The municipality expects government departments to honour their past and future commitments during 2021/2022 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 2020/2021. The policy will be tabled to Council during May 2021.

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 2021 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 May 2021.

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 June 2020, has been reviewed and changes to the policy will be approved on May 2021.

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 June 2020 has been reviewed. Changes to the policy will be approved during May 2021.

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 June 2020. No changes to the policy was made.

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 2021/2022 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 2020/2021 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 2022* 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 3.3% in 2021 to 1.9% 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 2021/2022 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 45.4% of total operating expenditure, excluding depreciation, in the 2021/2022 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 2021/2022	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 2021/2022 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 2021/2022 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 2021/2022 are 4.50%, in terms of assumptions and historical information. Over the MTREF the municipality has provided for a cost-of-living increase of 4.50% (2022/2023), and 4.50% (2023/2024).

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 2021/2022 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	2021/22 Medium Term Revenue & Expenditure Framework					
	Budget Year 2021/22	%	Budget Year +1 2022/23	%	Budget Year +2 2023/24	%
Property rates	119 595	13.4%	124 379	13.2%	129 354	13.0%
Service charges	527 268	59.3%	566 540	60.3%	610 620	61.3%
Interest earned - external investments	6 062	0.7%	6 244	0.7%	6 493	0.7%
Transfers recognised - operational	116 538	13.1%	122 661	13.0%	126 631	12.7%
Other own revenue	120 281	13.5%	120 133	12.8%	123 023	12.4%
Total Operational Revenue (excluding capital transfers and contributions)	889 744	100.0%	939 957	100.0%	996 121	100.0%
Total Operational Expenditure	855 450		890 704		940 315	
Surplus/(Deficit)	34 294		49 253		55 806	

The following graph is a breakdown of the operational revenue per main category for the 2021/2022 financial year.

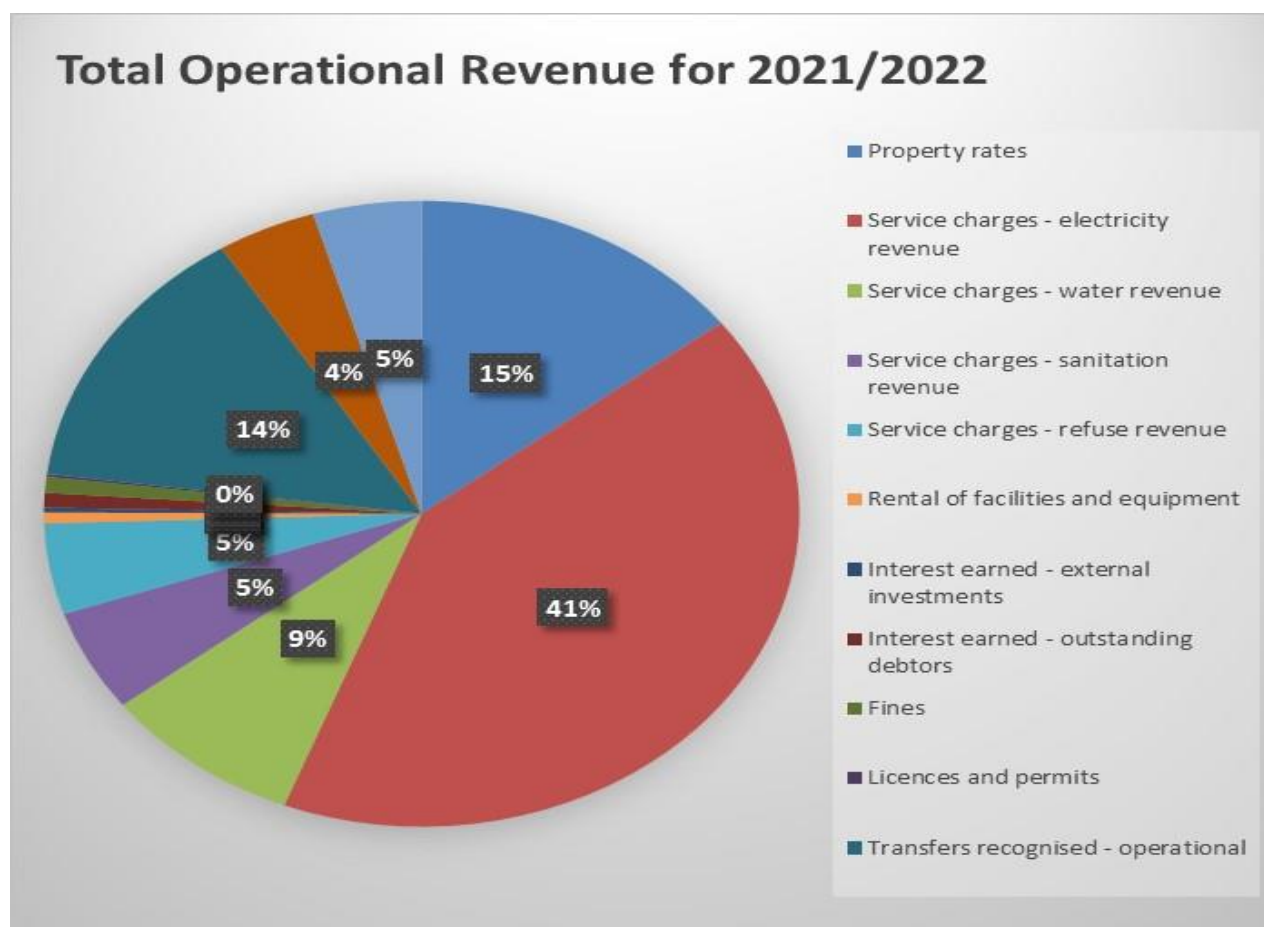


Figure 3 Breakdown of operating revenue over the 2021/2022 MTREF

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 181.3 million (2021/2022) and R 191.7 million and R 220.2 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 2021/2022 MTREF on the different revenue categories are:

Revenue to be generated from property rates is R 119.6 million in the 2021/2022 financial year and increases to R 129.4 million by 2023/2024 which represents 13.4% 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 527.3 million for the 2021/2022 financial year and increasing to R 609.0 million by 2023/2024. For the 2021/2022 financial year services charges amount to 59.3% of the total revenue base and increase to 61.2% by 2023/2024. 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 116.5 million in the 2021/2022 financial year, R 122.7 million for 2022/2023 and R 126.6 million by 2023/2024. Note that the year-on-year growth for the 2021/2022 financial year is 4.8% and 5.3% and 3.2 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	2021/22 Proposed Tariff Increase	2022/23 Proposed Tariff Increase	2023/24 Proposed Tariff Increase	2021/22 Total Budgeted Revenue
	%	%	%	R'000
Property Rates	±4.00%	±5.0%	±5.0%	119,595
Electricity	±12.59%	±9.0%	±8.0%	371,049
Water	±4.2%	±5.0%	±5.0%	74,398
Sanitation	±4.3%	±5.0%	±5.0%	43,314
Refuse Removal	±4.1%	±5.0%	±5.0%	38,507
Total				646,863

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

Table 37 MBRR SA15 – Detail Investment Information

Investment type / R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<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 2021/2022 to 2023/2024 medium-term capital programme:

Table 39 Sources of capital revenue over the MTREF

Description / R thousand	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2021/22	%	Budget Year +1 2022/23	%	Budget Year +2 2023/24	%
Funded by:								
National Government	68 196	63.6%	88 548	61.4%	81 115	65.9%	98 604	76.4%
Provincial Government	1 139	1.1%	175	0.1%	-	0.0%	-	0.0%
District Municipality	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other transfers and grants	43	0.0%	-	0.0%	-	0.0%	-	0.0%
Transfers recognised - capital	69 378	64.7%	88 723	61.5%	81 115	65.9%	98 604	76.4%
Borrowing	5 000	4.7%	14 300	9.9%	15 000	12.2%	5 000	3.9%
Internally generated funds	32 879	30.7%	41 138	28.5%	26 952	21.9%	25 475	19.7%
Total Capital Funding	107 258	100.0%	144 161	100.0%	123 068	100.0%	129 079	100.0%

Capital grants and receipts equates to 61.5% of the total funding source which represents R 88.7 million for the 2021/2022 financial year and decreases to R 81.1 million (65.9%) for 2022/2023 before increasing to R 98.6 million or 76.4% by 2023/2024.

Own funding still remains a significant funding source for the capital programme over the medium-term with an estimated R 41.1 million, R 27.0 million and R 25.5 million to be raised for each of the respective financial years.

Borrowing remains conservative at R 14.3 million for 2021/2022, R 15.0 million and R 5.0 million for each of the respective financial years.

Figure 4 is graphically represented as follows for the 2021/2022 financial year.

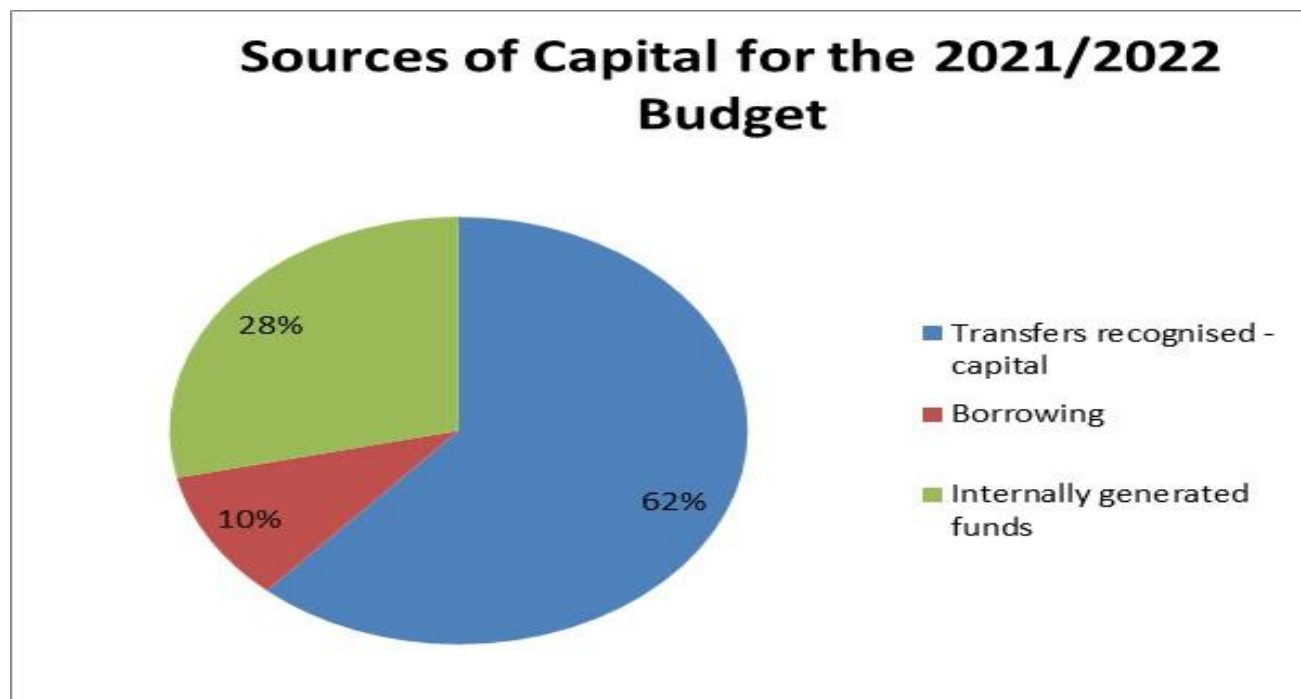


Figure 4 Sources of capital revenue for the 2021/2022 financial year

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

Table 40 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorized by type / R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<u>Parent municipality</u>									
Long-Term Loans (annuity/reducing balance)	105,315	94,285	82,189	88,766	77,914	77,914	79,714	81,714	73,214
Municipality sub-total	105,315	94,285	82,189	88,766	77,914	77,914	79,714	81,714	73,214
<u>Entities</u>									
Entities sub-total	-	-	-	-	-	-	-	-	-
Total Borrowing	105,315	94,285	82,189	88,766	77,914	77,914	79,714	81,714	73,214

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Transfers and Grants									
National Government:	46,975	40,062	48,239	61,434	52,706	67,706	73,548	81,115	98,604
Municipal Infrastructure Grant (MIG)	16,891	16,619	-	20,608	19,592	19,592	21,745	23,282	24,199
Equitable Share	-	-	-	-	10,723	10,723	-	-	-
EPWP	1,026	-	1,250	174	174	174	-	-	-
Financial Management Grant	60	72	-	-	-	-	-	-	-
Municipal Demarcation Grant	1,891	-	22,377	-	-	-	-	-	-
Integrated National Electrification Programme	15,841	11,117	14,957	10,217	6,783	6,783	11,283	6,957	7,826
Neighbourhood Development Partnership Grant	-	-	7,130	17,391	2,391	17,391	8,346	8,696	12,174
Water Service Infrastructure Grant	6,672	9,752	2,526	13,043	13,043	13,043	8,696	7,826	9,348
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	23,478	34,355	45,056
Energy Efficiency and Demand Management	4,593	2,502	-	-	-	-	-	-	-
Provincial Government:	159	1,894	1,654	188	188	188	175	-	-
Sport and Recreation	159	-	171	188	188	188	175	-	-
Housing	-	-	5	-	-	-	-	-	-
Department of Environmental Affairs	-	100	-	-	-	-	-	-	-
DeDAT	-	1,794	1,478	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	-	830	909	-	-	-	-	-	-
Dankocom	-	800	-	-	-	-	-	-	-
MISA	-	-	865	-	-	-	-	-	-
Orange River Cellars	-	-	29	-	-	-	-	-	-
Overro Trading 55 CC	-	-	14	-	-	-	-	-	-
C-PAC	-	30	-	-	-	-	-	-	-
Total Capital Transfers and Grants	47,134	42,786	50,802	61,622	52,894	67,894	73,723	81,115	98,604

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	93 337	99 224	106 344	109 348	102 480	102 480	119 821	114 379	119 354
Service charges	331 373	389 255	424 053	493 925	435 572	435 572	527 495	556 540	600 620
Other revenue	31 601	31 803	25 722	28 409	25 432	25 432	28 355	28 150	29 360
Transfers and Subsidies - Operational	86 799	96 097	101 420	109 533	111 215	111 215	116 538	122 661	126 631
Transfers and Subsidies - Capital	34 192	44 787	53 996	61 622	69 378	69 378	88 723	81 115	98 604
Interest	7 977	8 320	6 711	6 850	7 987	7 987	7 987	8 227	8 556
Payments									
Suppliers and employees	(486 512)	(622 338)	(595 716)	(704 707)	(682 334)	(682 334)	(764 780)	(790 138)	(844 335)
Finance charges	(12 019)	(12 308)	(11 701)	(11 551)	(11 470)	(11 470)	(11 470)	(11 470)	(11 470)
Transfers and Grants	(929)	(1 135)	(667)	(1 208)	(868)	(868)	(885)	(885)	(885)
NET CASH FROM/(USED) OPERATING ACTIVITIES	85 819	33 704	110 161	92 222	57 392	57 392	111 784	108 579	126 435
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	(4 255)	4 159	(8 493)	21 500	36 650	36 650	40 000	40 000	41 600
Decrease (increase) other non-current receivables	(1)	12	2	-	-	-	-	-	-
Payments									
Capital assets	(51 791)	(75 543)	(87 127)	(113 937)	(107 258)	(107 258)	(144 161)	(123 068)	(129 079)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(56 048)	(71 372)	(95 619)	(92 437)	(70 608)	(70 608)	(104 161)	(83 068)	(87 479)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Borrowing long term/refinancing	10 000	-	-	5 000	5 000	5 000	14 300	15 000	5 000
Increase (decrease) in consumer deposits	602	811	3 594	-	3 229	3 229	-	-	-
Payments									
Repayment of borrowing	(7 545)	(9 925)	(10 936)	(9 275)	(9 275)	(9 275)	(12 141)	(12 500)	(13 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	3 057	(9 114)	(7 342)	(4 275)	(1 046)	(1 046)	2 159	2 500	(8 000)
NET INCREASE/ (DECREASE) IN CASH HELD	32 828	(46 782)	7 200	(4 490)	(14 262)	(14 262)	9 782	28 012	30 956
Cash/cash equivalents at the year begin:	43 754	76 582	29 801	47 229	37 001	37 001	22 739	32 521	60 533
Cash/cash equivalents at the year end:	76 582	29 801	37 001	42 739	22 739	22 739	32 521	60 533	91 489

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash and investments available									
Cash/cash equivalents at the year end	76 582	29 801	37 001	42 739	22 739	22 739	32 521	60 533	91 489
Non current assets - Investments	-	-	-	-	-	-	-	-	-
Cash and investments available:	76 582	29 801	37 001	42 739	22 739	22 739	32 521	60 533	91 489
Application of cash and investments									
Unspent conditional transfers	30 908	25 617	20 710	-	-	-	-	-	-
Statutory requirements	-	-	-	3 000	6 800	6 800	6 800	6 800	6 800
Other working capital requirements	10 349	(11 508)	(11 125)	32 899	(29 757)	(29 757)	9 668	(10 531)	(42 018)
Total Application of cash and investments:	41 257	14 110	9 585	37 899	(20 957)	(20 957)	18 468	(1 731)	(33 218)
Surplus(shortfall)	35 325	15 691	27 416	4 841	43 697	43 697	14 053	62 264	124 707

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 2021/2022 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 and no allocation from 2021/2022 – 2023/2024.

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	76 582	29 801	37 001	42 739	22 739	22 739	32 521	60 533	91 489
Cash + investments at the yr end less applications - R'000	18(1)b	35 325	15 691	27 416	4 841	43 697	43 697	14 053	62 264	124 707
Cash year end/monthly employee/supplier payments	18(1)b	0.6	0.6	0.7	0.8	0.4	0.4	0.6	1.0	1.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(36 822)	104 260	74 537	46 627	63 984	63 984	123 017	130 368	154 410
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	3.8%	2.6%	5.5%	-10.9%	-6.0%	4.0%	0.8%	1.1%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	83.7%	95.6%	95.2%	94.2%	88.1%	88.1%	99.2%	96.4%	96.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	3.9%	2.0%	2.4%	3.2%	3.3%	3.3%	3.0%	2.9%	2.8%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.1%	90.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	68.3%	0.0%	0.0%	9.6%	13.2%	13.2%	25.8%	35.8%	16.4%
Grants % of Govt. legislated/gazetted allocations	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	11.8%	23.2%	-62.8%	219.1%	0.0%	-16.3%	-0.1%	-0.9%
Long term receivables % change - incr(decr)	18(1)a	N.A.	-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	0.8%	1.0%	1.0%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%
Asset renewal % of capital budget	20(1)(vi)	3.4%	13.7%	17.5%	14.9%	11.4%	11.4%	26.2%	3.2%	2.9%

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 2021/2022 MTREF shows R 32.5 million, R 60.5 million and R 91.5 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 48. 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 2021/2022 MTREF the municipalities improving cash position causes the ratio to move upwards to 0.6 and then stabilize on 1.4 by 2023/2024. 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 3.9% to 4.1%). 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 5.5%, with the increase in electricity at 12.59% 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 3.0% in 2021/2022 to 2.8% in 2023/2024. 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 15.0 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 91.

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 120.

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 118.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 45 MBRR SA19 - Expenditure on transfers and grant programmes

Description / R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	82,190	90,991	97,545	106,041	107,831	107,831	113,713	119,661	123,631
Local Government Equitable Share	70,769	77,934	84,895	91,546	93,267	93,267	95,002	101,005	101,649
Finance Management	3,985	4,043	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Municipal Systems Improvement	-	-	1,055	-	-	-	-	-	-
Energy Efficiency and Demand Management	407	498	-	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)	2,716	2,929	5,108	4,338	5,136	5,136	4,578	4,901	5,095
Municipal Demarcation Grant	2,691	2,456	3	-	-	-	-	-	-
Integrated National Electrification Programme	1,159	2,883	1,575	1,533	1,685	1,685	1,692	1,043	1,174
EPWP	135	-	52	859	1,018	1,018	1,113	-	-
Neighbourhood Development Partnership Grant	-	-	-	2,609	1,428	1,428	3,502	1,304	1,826
Municipal Disaster Relief Grant	-	-	268	200	-	-	-	-	-
Water Service Infrastructure Grant	328	248	1,590	1,957	2,296	2,296	1,304	1,174	1,402
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	3,522	7,233	9,486
Provincial Government:	4,560	5,106	3,841	3,492	3,384	3,384	2,825	3,000	3,000
Sport and Recreation	3,889	2,494	2,849	2,842	2,878	2,878	2,825	3,000	3,000
Housing	650	650	645	650	400	400	-	-	-
DeDAT	-	6	344	-	106	106	-	-	-
Department of Transport	-	325	-	-	-	-	-	-	-
COGHSTA	21	1,631	-	-	-	-	-	-	-
Department of Economic Affairs	-	-	3	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	49	-	34	-	-	-	-	-	-
Uppington Summer Festival	49	-	-	-	-	-	-	-	-
LG Seta	-	-	34	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	86,799	96,097	101,420	109,533	111,215	111,215	116,538	122,661	126,631
Capital expenditure of Transfers and Grants									
National Government:	33,893	41,681	49,012	61,434	68,196	68,196	88,548	81,115	98,604
Municipal Infrastructure Grant (MIG)	10,101	15,713	27,716	20,608	20,177	20,177	21,745	23,282	24,199
Equitable Share	-	-	-	-	10,723	10,723	-	-	-
EPWP	1,115	-	167	174	1,234	1,234	-	-	-
Integrated National Electrification Programme	7,739	19,219	10,505	10,217	11,235	11,235	11,283	6,957	7,826
Neighbourhood Development Partnership Grant	-	-	-	17,391	9,522	9,522	23,346	8,696	12,174
Water Service Infrastructure Grant	2,883	1,656	10,598	13,043	15,306	15,306	8,696	7,826	9,348
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	23,478	34,355	45,056
Energy Efficiency and Demand Management	2,722	3,318	-	-	-	-	-	-	-
Municipal Demarcation Grant	9,274	1,703	27	-	-	-	-	-	-
Financial Management Grant	60	72	-	-	-	-	-	-	-
Provincial Government:	299	2,275	4,076	188	1,139	1,139	175	-	-
Sport and Recreation	159	69	171	188	429	429	175	-	-
Housing	-	-	5	-	-	-	-	-	-
DEDAT	-	40	2,294	-	710	710	-	-	-
COGHSTA	140	-	-	-	-	-	-	-	-
Department of Economic Affairs	-	-	97	-	-	-	-	-	-
Department of Transport	-	2,166	1,509	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	830	909	-	43	43	-	-	-	-
Directo Signs	-	-	-	-	43	43	-	-	-
MISA	-	-	865	-	-	-	-	-	-
Orange River Cellars	-	-	29	-	-	-	-	-	-
Overroxx Trading 55 CC	-	-	14	-	-	-	-	-	-
Dankocom	-	800	-	-	-	-	-	-	-
C-PAC	-	30	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	34,192	44,787	53,996	61,622	69,378	69,378	88,723	81,115	98,604
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	120,991	140,884	155,417	171,155	180,593	180,593	205,261	203,776	225,235

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

Description / R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	1,401	2,767	200	2,324	2,324	2,250	0	0
Current year receipts	82,172	89,590	97,102	105,841	105,507	107,757	111,463	119,661	123,631
Conditions met - transferred to revenue	82,190	90,991	97,545	106,041	107,831	107,831	113,713	119,661	123,631
Conditions still to be met - transferred to liabilities	(18)	-	2,324	-	-	2,250	0	0	0
Provincial Government:									
Balance unspent at beginning of the year	-	1,589	358	-	143	143	-	-	-
Current year receipts	3,521	3,517	3,626	3,492	3,242	3,242	2,825	3,000	3,000
Conditions met - transferred to revenue	4,560	5,106	3,841	3,492	3,384	3,384	2,825	3,000	3,000
Conditions still to be met - transferred to liabilities	(1,039)	-	143	-	-	-	-	-	-
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	-	50	7	-	7	7	-	-	-
Current year receipts	10	-	34	-	-	-	-	-	-
Conditions met - transferred to revenue	49	-	34	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	(39)	50	7	-	7	7	-	-	-
Total operating transfers and grants revenue	86,799	96,097	101,420	109,533	111,215	111,215	116,538	122,661	126,631
Total operating transfers and grants - CTBM	(1,096)	50	2,473	-	7	2,257	0	0	0
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	23,457	18,016	-	15,490	15,490	15,000	0	0
Current year receipts	46,975	40,062	48,239	61,434	52,706	67,706	73,548	81,115	98,604
Conditions met - transferred to revenue	33,893	41,681	49,012	61,434	68,196	68,196	88,548	81,115	98,604
Conditions still to be met - transferred to liabilities	13,082	21,838	17,243	-	-	15,000	0	0	0
Provincial Government:									
Balance unspent at beginning of the year	-	4,111	3,377	-	950	950	-	-	-
Current year receipts	159	1,894	1,654	188	188	188	175	-	-
Conditions met - transferred to revenue	299	2,275	4,076	188	1,139	1,139	175	-	-
Conditions still to be met - transferred to liabilities	(140)	3,730	950	-	-	-	-	-	-
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	-	-	43	43	43	43	-	-	-
Current year receipts	-	830	909	-	-	-	-	-	-
Conditions met - transferred to revenue	-	830	909	-	43	43	-	-	-
Conditions still to be met - transferred to liabilities	-	-	43	43	-	-	-	-	-
Total capital transfers and grants revenue	34,192	44,787	53,996	61,622	69,378	69,378	88,723	81,115	98,604
Total capital transfers and grants - CTBM	12,942	25,567	18,237	43	-	15,000	0	0	0
TOTAL TRANSFERS AND GRANTS REVENUE	120,991	140,884	155,417	171,155	180,593	180,593	205,261	203,776	225,235
TOTAL TRANSFERS AND GRANTS - CTBM	11,846	25,617	20,710	43	7	17,257	0	0	0

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	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Councillors (Political Office Bearers plus Other)									
Salary	9 781	10 050	-	10 426	10 426	10 426	10 947	11 494	12 069
Pension Contributions	630	703	-	684	684	684	718	754	792
Medical Aid Contributions	68	70	-	62	62	62	65	68	71
Travel, Accommodation and Other Allowances	44	44	-	46	46	46	48	51	53
Cell phone allowance	310	324	-	1 328	1 328	1 328	1 394	1 464	1 537
Housing benefits and allowances	-	-	-	-	-	-	-	-	-
Other benefits or allowances	-	-	-	-	-	-	-	-	-
Sub Total - Councillors	10 833	11 190	-	12 545	12 545	12 545	13 172	13 831	14 523
% increase	-	3.3%	-100.0%				5.0%	5.0%	5.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	6 511	6 132	-	8 066	7 716	7 716	8 053	8 415	8 794
Pension and UIF Contributions	387	362	-	716	510	510	564	590	616
Medical Aid Contributions	75	100	-	147	162	162	172	180	188
Performance Bonus	1 067	804	-	1 054	975	975	1 232	1 287	1 345
Motor Vehicle Allowance	1 021	934	-	1 151	1 345	1 345	1 463	1 529	1 598
Other benefits and allowances	87	94	-	10	10	10	11	12	12
Sub Total - Senior Managers of Municipality	9 160	8 425	-	11 143	10 718	10 718	11 496	12 013	12 553
% increase	-	-8.0%	-100.0%				7.3%	4.5%	4.5%
Other Municipal Staff									
Basic Salaries and Wages	188 009	203 419	-	212 033	202 883	202 883	235 943	240 539	252 006
Pension and UIF Contributions	33 112	35 954	-	39 863	40 049	40 049	41 851	42 628	44 681
Medical Aid Contributions	13 509	14 296	-	16 052	15 788	15 788	16 499	16 953	17 791
Overtime	19 865	18 885	-	17 000	18 089	18 089	18 903	19 736	20 728
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3 140	3 236	-	4 816	4 804	4 804	5 020	5 246	5 482
Cellphone Allowance	-	-	-	99	108	108	113	118	124
Housing Allowances	1 986	1 812	-	1 981	1 940	1 940	2 027	2 028	2 130
Other benefits and allowances	7 734	9 342	-	11 383	12 033	12 033	10 629	11 047	11 631
Payments in lieu of leave	4 784	-	-	-	-	-	2 090	2 184	2 282
Long service awards	-	-	-	-	-	-	2 727	2 850	2 978
Post-retirement benefit obligations	24 328	20 514	-	14 600	14 610	14 610	(13 585)	(14 196)	(14 835)
Sub Total - Other Municipal Staff	296 467	307 456	-	317 826	310 304	310 304	322 218	329 134	345 000
% increase	-	3.7%	-100.0%				3.8%	2.1%	4.8%
Total Parent Municipality	316 461	327 072	-	341 515	333 567	333 567	346 886	354 977	372 076
TOTAL SALARY, ALLOWANCES & BENEFITS	316 461	327 072	-	341 515	333 567	333 567	346 886	354 977	372 076
% increase	-	3.4%	-100.0%				4.0%	2.3%	4.8%
TOTAL MANAGERS AND STAFF	305 627	315 882	-	328 970	321 022	321 022	333 713	341 146	357 553

**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	667,415	90,638	44,982	-	-	803,035
Executive Mayor	947,567	-	44,982	-	-	992,549
Executive Committee	2,443,698	155,139	318,079	-	-	2,916,916
Total for all other councillors	6,888,352	537,005	1,034,586	-	-	8,459,943
Total Councillors	10,947,032	782,782	1,442,629	-	-	13,172,443
Senior Managers of the Municipality						
Municipal Manager (MM)	1,430,604	-	265,923	203,583	-	1,900,110
Chief Finance Officer	1,125,903	226,136	221,735	188,853	-	1,762,627
Director: Corporate Services	1,111,301	242,854	219,618	188,853	-	1,762,626
Director: Development Services	1,350,795	-	222,978	188,853	-	1,762,626
Director: Electro Mechanical Services	1,136,114	62,187	188,528	166,419	-	1,553,248
Director: Civil Engineering Services	926,100	-	146,244	128,681	-	1,201,025
Director: Development And Planning Services	972,064	216,314	198,450	166,419	-	1,553,247
Total Senior Managers of the Municipality	8,052,881	747,491	1,463,476	1,231,661	-	11,495,509
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	18,999,913	1,530,273	2,906,105	1,231,661	-	24,667,952

Table 49 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	2019/20			Current Year 2020/21			Budget Year 2021/22		
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	-
Finance	-	-	-	-	-	-	-	-	-
Spatial/town planning	-	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Technicians	91	82	7	91	83	7	91	83	-
Finance	-	-	-	-	-	-	-	-	-
Spatial/town planning	-	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
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 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source															
Property rates	31 128	4 424	7 118	7 727	7 851	7 452	7 911	5 912	5 912	5 912	5 912	22 337	119 595	124 379	129 354
Service charges - electricity revenue	23 230	24 033	26 579	25 371	27 304	27 948	28 306	20 534	20 534	20 534	20 534	106 141	371 049	404 072	440 035
Service charges - water revenue	8 415	8 490	7 526	8 465	10 363	18 117	5 787	110	110	110	110	6 796	74 398	77 374	80 469
Service charges - sanitation revenue	3 588	3 550	3 541	3 503	3 529	3 506	3 409	2 432	2 432	2 432	2 432	8 961	43 314	45 047	48 467
Service charges - refuse revenue	3 092	3 164	3 157	3 148	3 134	3 102	3 038	2 170	2 170	2 170	2 170	7 991	38 507	40 048	41 650
Rental of facilities and equipment	194	117	532	389	406	225	687	263	263	263	263	2 092	5 693	4 877	5 121
Interest earned - external investments	167	213	(28)	261	(30)	172	(11)	169	169	169	169	507	1 925	1 983	2 063
Interest earned - outstanding debtors	539	483	596	617	667	649	711	517	508	520	509	(253)	6 062	6 244	6 493
Fines, penalties and forfeits	39	51	20	64	88	35	37	872	872	872	872	2 620	6 442	6 637	6 902
Licences and permits	137	184	207	178	190	126	256	121	121	121	121	459	2 222	2 322	2 426
Agency services	178	188	206	183	228	198	211	105	105	105	105	420	2 230	2 341	2 458
Transfers and subsidies	41 196	415	361	1 173	1 781	40 983	873	3 558	3 558	3 558	3 558	15 524	116 538	122 661	126 631
Other revenue	680	635	856	665	713	870	1 199	676	676	676	676	3 447	11 769	11 973	12 452
Gains	6	(5)	174	200	872	-	-	5 058	5 058	5 058	5 058	68 523	90 000	90 000	91 600
Total Revenue (excluding capital transfers and contributions)	112 589	45 941	50 844	51 945	57 096	103 384	52 415	42 495	42 486	42 498	42 487	245 564	889 744	939 957	996 121
Expenditure By Type															
Employee related costs	26 849	27 482	26 889	26 693	28 748	25 776	26 341	17 445	17 445	17 445	17 445	75 156	333 713	341 146	357 553
Remuneration of councillors	948	948	948	948	968	975	975	833	833	833	833	3 127	13 172	13 831	14 523
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	19 500	19 500	20 085	20 888
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-	-	-	97 505	97 505	100 431	104 448
Finance charges	1 088	736	640	649	710	2 955	506	598	598	598	598	1 794	11 470	11 470	11 470
Bulk purchases - electricity	-	24 712	23 944	14 759	16 449	16 473	16 953	15 029	15 029	15 029	15 029	76 596	250 000	272 250	296 480
Contracted services	105	787	710	1 909	2 363	2 299	1 068	2 763	2 763	2 763	2 763	9 761	30 054	30 196	30 652
Transfers and subsidies	8	56	51	20	203	28	57	64	64	64	64	208	885	885	885
Other expenditure	1 569	1 933	3 281	2 254	2 446	1 966	2 548	5 428	5 432	5 432	5 433	25 701	63 424	63 493	65 330
Losses	-	-	-	-	-	-	-	-	-	-	-	3 024	3 024	3 175	3 334
Total Expenditure	32 277	58 173	58 598	49 819	55 683	53 848	51 671	45 945	45 948	45 951	45 951	311 586	855 450	890 704	940 315
Surplus/(Deficit)	80 312	(12 232)	(7 754)	2 126	1 413	49 536	743	(3 450)	(3 462)	(3 453)	(3 464)	(66 021)	34 294	49 253	55 806
Transfers recognised - capital	-	-	193	6 065	5 798	1 451	1 486	5 892	5 892	5 892	5 892	50 160	88 723	81 115	98 604
Surplus/(Deficit) after capital transfers & contributions	80 312	(12 232)	(7 561)	8 191	7 211	50 987	2 229	2 443	2 430	2 440	2 428	(15 861)	123 017	130 368	154 410
Surplus/(Deficit)	80 312	(12 232)	(7 561)	8 191	7 211	50 987	2 229	2 443	2 430	2 440	2 428	(15 861)	123 017	130 368	154 410

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

Description / R thousand	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote															
Vote 1 - Municipal Manager	-	-	-	-	-	7	(10)	0	0	0	0	1	-	-	-
Vote 2 - Corporate Services	169	83	688	651	1 279	287	670	5 587	5 587	5 587	5 587	70 572	96 746	96 976	98 901
Vote 3 - Budget & Treasury Office	73 110	5 286	7 849	8 769	9 106	48 804	9 072	8 727	8 718	8 730	8 720	30 913	227 806	238 899	244 939
Vote 4 - Community Services	3 470	3 763	3 774	3 756	3 810	3 804	3 627	3 460	3 460	3 460	3 460	12 884	52 726	54 680	56 783
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	23 240	24 061	26 593	27 928	29 509	27 740	28 324	21 763	21 763	21 763	21 763	109 886	384 333	412 392	449 367
Vote 7 - Civil Engineering Services	12 019	12 046	11 089	14 346	14 079	23 610	10 038	6 146	6 146	6 146	6 146	60 984	182 796	183 136	208 360
Vote 8 - Planning and Development Services	580	701	1 044	2 561	5 110	584	2 179	2 703	2 703	2 703	2 703	10 485	34 058	34 989	36 374
Total Revenue by Vote	112 589	45 941	51 037	58 010	62 894	104 835	53 901	48 387	48 378	48 390	48 380	295 725	978 467	1 021 072	1 094 725
Expenditure by Vote to be appropriated															
Vote 1 - Municipal Manager	2 544	2 474	2 602	2 504	2 560	2 478	2 487	2 142	2 142	2 142	2 142	71	26 287	25 747	26 948
Vote 2 - Corporate Services	2 545	2 545	2 506	3 467	3 857	2 939	2 702	2 608	2 608	2 608	2 608	17 224	48 215	50 126	52 292
Vote 3 - Budget & Treasury Office	4 221	3 918	4 889	3 839	4 348	5 145	4 553	5 588	5 588	5 588	5 588	45 778	99 042	102 167	105 888
Vote 4 - Community Services	9 359	10 516	9 775	9 636	11 389	8 921	9 110	9 010	9 010	9 010	9 010	64 984	169 732	175 805	183 225
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	3 476	27 657	28 260	18 775	20 716	20 598	21 115	17 656	17 656	17 656	17 656	110 554	321 777	346 839	374 356
Vote 7 - Civil Engineering Services	8 052	9 007	8 488	9 463	10 542	11 706	9 530	6 875	6 879	6 881	6 882	64 259	158 563	164 432	172 346
Vote 8 - Planning and Development Services	2 079	2 056	2 078	2 134	2 272	2 061	2 175	2 066	2 066	2 066	2 066	8 715	31 833	25 589	25 260
Total Expenditure by Vote	32 277	58 173	58 598	49 819	55 683	53 848	51 671	45 945	45 948	45 951	45 951	311 586	855 450	890 704	940 315
Surplus/(Deficit) before assoc.	80 312	(12 232)	(7 561)	8 191	7 211	50 987	2 229	2 443	2 430	2 440	2 428	(15 861)	123 017	130 368	154 410
Surplus/(Deficit)	80 312	(12 232)	(7 561)	8 191	7 211	50 987	2 229	2 443	2 430	2 440	2 428	(15 861)	123 017	130 368	154 410

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

Description / R thousand	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Standard															
<i>Governance and administration</i>	73 279	5 328	8 485	9 372	10 346	49 059	9 600	14 312	14 303	14 315	14 304	101 369	324 072	335 370	343 309
<i>Finance and administration</i>	73 279	5 328	8 485	9 372	10 346	49 052	9 610	14 312	14 303	14 315	14 304	101 367	324 072	335 370	343 309
<i>Community and public safety</i>	386	653	676	660	717	755	1 260	1 227	1 227	1 227	1 227	5 926	15 944	15 191	15 720
<i>Community and social services</i>	32	236	242	239	242	395	338	266	266	266	266	990	3 777	3 811	3 849
<i>Sport and recreation</i>	2	1	2	20	6	12	536	(62)	(62)	(62)	(62)	1 672	2 002	836	870
<i>Public safety</i>	352	416	433	402	469	349	386	1 023	1 023	1 023	1 023	3 264	10 164	10 544	11 001
<i>Economic and environmental services</i>	588	693	1 044	2 566	5 110	571	1 654	2 776	2 776	2 776	2 776	9 592	32 922	35 047	36 435
<i>Planning and development</i>	572	693	1 043	2 560	5 110	570	1 643	2 772	2 772	2 772	2 772	9 579	32 859	34 982	36 367
<i>Road transport</i>	16	0	1	5	1	0	11	4	4	4	4	13	63	65	67
<i>Trading services</i>	38 337	39 266	40 833	45 412	46 721	54 450	41 386	30 072	30 072	30 072	30 072	178 838	605 529	635 464	699 261
<i>Energy sources</i>	23 240	24 061	26 593	27 928	29 509	27 740	28 324	21 763	21 763	21 763	21 763	109 885	384 333	412 392	449 367
<i>Water management</i>	8 415	8 490	7 542	9 732	10 363	20 102	6 615	3 686	3 686	3 686	3 686	24 115	110 118	96 383	105 229
<i>Waste water management</i>	3 588	3 550	3 541	4 603	3 709	3 506	3 409	2 453	2 453	2 453	2 453	36 846	72 565	86 636	103 010
<i>Waste management</i>	3 092	3 164	3 157	3 148	3 139	3 102	3 038	2 170	2 170	2 170	2 170	7 991	38 513	40 053	41 655
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	112 589	45 941	51 037	58 010	62 894	104 835	53 901	48 387	48 378	48 390	48 380	295 725	978 467	1 021 072	1 094 725
Expenditure - Standard															
<i>Governance and administration</i>	13 860	12 941	14 764	15 620	15 793	15 663	15 012	13 540	13 540	13 540	13 540	86 493	244 307	251 684	261 983
<i>Executive and council</i>	2 752	2 769	2 880	2 792	2 900	2 758	2 775	2 396	2 396	2 396	2 396	1 781	30 990	30 665	32 089
<i>Finance and administration</i>	10 819	9 883	11 580	12 534	12 575	12 620	11 948	10 917	10 917	10 917	10 917	83 637	209 262	216 786	225 472
<i>Internal audit</i>	289	289	304	293	318	286	289	227	227	227	227	1 076	4 054	4 233	4 423
<i>Community and public safety</i>	6 541	7 795	7 244	6 535	9 042	6 063	6 574	6 434	6 434	6 434	6 434	34 089	109 618	105 793	109 598
<i>Community and social services</i>	903	847	847	819	802	794	806	1 066	1 066	1 066	1 066	5 573	15 655	15 617	16 259
<i>Sport and recreation</i>	2 428	3 639	2 931	2 438	4 948	2 452	2 443	2 197	2 197	2 197	2 197	13 418	43 487	37 700	38 743
<i>Public safety</i>	2 807	2 900	3 048	2 863	2 874	2 403	2 913	2 744	2 744	2 744	2 744	13 652	44 439	46 179	48 021
<i>Housing</i>	402	409	417	415	419	413	412	426	426	426	426	1 445	6 036	6 296	6 576
<i>Economic and environmental services</i>	1 921	2 649	1 988	2 060	2 163	2 574	1 945	2 212	2 212	2 212	2 212	33 386	57 534	59 539	61 074
<i>Planning and development</i>	816	820	819	868	905	846	888	770	770	770	770	3 627	12 666	13 223	12 963
<i>Road transport</i>	1 106	1 829	1 169	1 192	1 259	1 728	1 058	1 442	1 442	1 442	1 442	29 759	44 868	46 317	48 110
<i>Trading services</i>	9 798	34 628	34 412	25 415	28 490	29 375	27 920	23 555	23 559	23 561	23 562	156 705	440 980	470 545	504 377
<i>Energy sources</i>	1 526	26 570	26 247	16 200	18 496	18 668	16 597	16 933	16 933	16 933	16 933	98 925	292 960	316 938	343 182
<i>Water management</i>	4 321	4 211	4 521	5 298	6 279	6 837	5 602	2 590	2 590	2 590	2 590	17 386	64 815	67 247	70 050
<i>Waste water management</i>	1 796	2 088	1 924	2 082	2 085	2 267	1 991	2 061	2 065	2 067	2 067	13 437	35 932	37 355	40 071
<i>Waste management</i>	2 155	1 759	1 719	1 835	1 629	1 603	1 730	1 972	1 972	1 972	1 972	26 957	47 273	49 005	51 075
<i>Other</i>	157	160	190	188	194	173	219	204	204	204	204	913	3 011	3 143	3 283
Total Expenditure - Standard	32 277	58 173	58 598	49 819	55 683	53 848	51 671	45 945	45 948	45 951	45 951	311 586	855 450	890 704	940 315
Surplus/(Deficit) before assoc.	80 312	(12 232)	(7 561)	8 191	7 211	50 987	2 229	2 443	2 430	2 440	2 428	(15 861)	123 017	130 368	154 410
Surplus/(Deficit)	80 312	(12 232)	(7 561)	8 191	7 211	50 987	2 229	2 443	2 430	2 440	2 428	(15 861)	123 017	130 368	154 410

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

Description / R thousand	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Multi-year expenditure to be appropriated															
Vote 1 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	-	-	35	65	-	-	-	-	-	400	400	400	1 300	1 300	-
Vote 4 - Community Services	-	-	-	200	200	-	-	-	-	-	-	-	400	5 350	3 500
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Civil Engineering Services	-	1 390	2 500	5 968	12 606	8 799	8 186	9 284	3 392	3 688	3 739	2 969	62 520	53 877	69 578
Services	-	-	-	967	-	-	-	-	8 989	725	604	3 612	14 897	23 282	24 199
Capital multi-year expenditure sub-total	-	1 390	2 535	7 200	12 806	8 799	8 186	9 284	12 380	4 813	4 743	6 981	79 117	83 809	97 278
Single-year expenditure to be appropriated															
Vote 1 - Municipal Manager	8	17	15	54	25	12	-	-	-	-	-	-	132	7	-
Vote 2 - Corporate Services	74	33	599	359	324	57	213	161	291	80	9	6	2 206	1 645	700
Vote 3 - Budget & Treasury Office	135	4 061	3 233	415	565	90	77	191	103	128	140	77	9 216	695	764
Vote 4 - Community Services	42	266	224	141	622	80	76	164	63	40	32	41	1 788	1 315	500
Vote 5 - Technical Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Electro Mech Services	454	1 142	1 492	3 668	1 578	909	2 838	2 886	4 624	4 559	6 955	3 726	34 830	33 547	27 762
Vote 7 - Civil Engineering Services	170	444	2 047	1 927	1 760	497	179	379	150	317	165	4 175	12 209	2 000	2 075
Vote 8 - Planning and Development Services	1	23	10	22	1	10	4 559	26	1	11	1	0	4 663	50	-
Capital single-year expenditure sub-total	884	5 985	7 620	6 586	4 874	1 654	7 942	3 806	5 231	5 135	7 302	8 025	65 044	39 259	31 801
Total Capital Expenditure	884	7 374	10 155	13 786	17 680	10 453	16 128	13 091	17 612	9 948	12 045	15 006	144 161	123 068	129 079

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

Description / R thousand	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Expenditure - Standard															
Governance and administration	266	4 904	4 676	3 832	1 484	164	2 190	1 452	1 869	678	549	483	22 546	14 631	15 262
Executive and council	8	17	15	54	14	-	-	-	-	-	-	-	109	7	-
Finance and administration	258	4 886	4 661	3 778	1 470	152	2 190	1 452	1 869	678	549	483	22 426	14 624	15 262
Internal audit	-	-	-	-	-	12	-	-	-	-	-	-	12	-	-
Community and public safety	22	51	150	218	559	61	59	127	87	15	14	9	1 368	2 050	-
Community and social services	22	32	120	18	174	11	9	17	62	15	14	9	500	1 250	-
Sport and recreation	-	-	-	200	350	50	50	75	25	-	-	-	750	800	-
Public safety	-	3	30	-	35	-	-	35	-	-	-	-	103	-	-
Economic and environmental services	20	238	124	2 090	1 533	514	4 576	137	9 015	850	622	6 533	26 252	27 482	27 999
Planning and development	-	7	-	967	-	-	4 559	-	8 989	725	604	6 501	22 352	23 282	24 199
Road transport	20	231	124	1 123	1 533	514	17	137	26	125	18	32	3 900	4 200	3 800
Trading services	575	2 182	5 195	7 625	14 104	9 704	9 303	11 350	6 641	8 394	10 859	7 981	93 913	78 855	85 817
Energy sources	405	349	649	730	1 159	909	938	1 786	3 099	4 489	6 955	3 726	25 193	22 778	13 964
Water management	138	418	2 024	1 899	1 581	614	280	464	944	2 873	3 875	4 236	19 346	1 550	1 625
Waste water management	32	1 415	2 522	4 996	11 285	8 181	8 085	9 100	2 598	1 032	29	19	49 294	51 027	66 728
Total Capital Expenditure - Standard	884	7 374	10 155	13 786	17 680	10 453	16 128	13 091	17 612	9 948	12 045	15 006	144 161	123 068	129 079

Table 55 MBRR SA30 - Budgeted monthly cash flow

Description / R thousand	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Receipts By Source															
Property rates	31 128	4 424	7 118	7 727	7 851	7 452	7 911	5 912	5 912	5 912	5 912	22 563	119 821	114 379	119 354
Service charges - electricity revenue	23 230	24 033	26 579	25 371	27 304	27 948	28 306	20 534	20 534	20 534	20 534	106 186	371 094	402 072	438 035
Service charges - water revenue	8 415	8 490	7 526	8 465	10 363	18 117	5 787	110	110	110	110	6 887	74 488	73 374	76 469
Service charges - sanitation revenue	3 588	3 550	3 541	3 503	3 529	3 506	3 409	2 432	2 432	2 432	2 432	9 006	43 360	43 047	46 467
Service charges - refuse revenue	3 092	3 164	3 157	3 148	3 134	3 102	3 038	2 170	2 170	2 170	2 170	8 037	38 553	38 048	39 650
Rental of facilities and equipment	194	117	532	389	406	225	687	263	263	263	263	2 092	5 693	4 877	5 121
Interest earned - external investments	167	213	(28)	261	(30)	172	(11)	169	169	169	169	507	1 925	1 983	2 063
Interest earned - outstanding debtors	539	483	596	617	667	649	711	517	508	520	509	(253)	6 062	6 244	6 493
Fines, penalties and forfeits	39	51	20	64	88	35	37	872	872	872	872	2 620	6 442	6 637	6 902
Licences and permits	137	184	207	178	190	126	256	121	121	121	121	459	2 222	2 322	2 426
Agency services	178	188	206	183	228	198	211	105	105	105	105	420	2 230	2 341	2 458
Transfers and Subsidies - Operational	41 196	415	361	1 173	1 781	40 983	873	3 558	3 558	3 558	3 558	15 524	116 538	122 661	126 631
Other revenue	680	635	856	665	713	870	1 199	676	676	676	676	3 447	11 769	11 973	12 452
Cash Receipts by Source	112 583	45 946	50 670	51 745	56 224	103 384	52 415	37 437	37 428	37 440	37 429	177 494	800 197	829 957	884 521
Other Cash Flows by Source	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - capital	-	-	193	6 065	5 798	1 451	1 486	5 892	5 892	5 892	5 892	50 160	88 723	81 115	98 604
Proceeds on disposal of PPE	(5)	174	200	872	-	-	5 058	5 058	5 058	5 058	68 523	(49 994)	40 000	40 000	41 600
Total Cash Receipts by Source	112 577	46 120	51 063	58 681	62 022	104 835	58 958	48 387	48 378	48 390	111 845	191 960	943 219	966 072	1 029 725
Cash Payments by Type															
Employee related costs	26 849	27 482	26 889	26 693	28 748	25 776	26 341	17 445	17 445	17 445	17 445	83 924	342 481	350 309	367 128
Remuneration of councillors	948	948	948	948	968	975	975	833	833	833	833	3 127	13 172	13 831	14 523
Finance charges	1 088	736	640	649	710	2 955	506	598	598	598	598	1 794	11 470	11 470	11 470
Bulk purchases - electricity	-	24 712	23 944	14 759	16 449	16 473	16 953	15 029	15 029	15 029	15 029	76 596	250 000	272 250	296 480
Acquisitions - water & other inventory	1 710	1 519	2 135	2 587	3 796	3 375	3 224	3 785	3 785	3 787	3 787	2 237	35 726	36 916	38 086
Contracted services	105	787	710	1 909	2 363	2 299	1 068	2 763	2 763	2 763	2 763	9 761	30 054	30 196	30 652
Transfers and grants - other	8	56	51	20	203	28	57	64	64	64	64	208	885	885	885
Other expenditure	1 569	1 933	3 281	2 254	2 446	1 966	2 548	5 428	5 432	5 432	5 433	55 625	93 347	86 636	97 467
Cash Payments by Type	32 277	58 173	58 598	49 819	55 683	53 848	51 671	45 945	45 948	45 951	45 951	233 271	777 135	802 493	856 690
Other Cash Flows/Payments by Type	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets	884	7 374	10 155	13 786	17 680	10 453	16 128	13 091	17 612	9 948	12 045	15 006	144 161	123 068	129 079
Repayment of borrowing	160	160	160	160	160	5 000	220	220	220	220	220	5 241	12 141	12 500	13 000
Total Cash Payments by Type	33 320	65 707	68 913	63 765	73 523	69 301	68 019	59 256	63 780	56 119	58 216	253 518	933 438	938 060	998 769
NET INCREASE/(DECREASE) IN CASH HELD	79 257	(19 587)	(17 850)	(5 083)	(11 501)	35 534	(9 061)	(10 868)	(15 401)	(7 729)	53 629	(61 558)	9 782	28 012	30 956
Cash/cash equivalents at the month/year begin:	22 739	101 997	82 409	64 560	59 476	47 976	83 509	74 448	63 580	48 179	40 450	94 079	22 739	32 521	60 533
Cash/cash equivalents at the month/year end:	101 997	82 409	64 560	59 476	47 976	83 509	74 448	63 580	48 179	40 450	94 079	32 521	32 521	60 533	91 489

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 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source			
Service charges - water revenue	74,398	77,374	80,469
Operational Grants and Capital Grants - Transferred to Revenue	35,711	19,000	24,750
Other Revenue	10	10	10
Total Revenue (excluding capital transfers and contributions)	110,118	96,383	105,229
Expenditure By Type			
Employee related costs	29,320	30,639	32,018
Depreciation & asset impairment	16,336	16,826	17,499
Finance charges	2,700	2,700	2,700
Inventory Consumed	4,566	4,703	4,891
Contracted services	3,630	3,739	3,888
Other expenditure	1,964	2,026	2,108
Total Expenditure	58,515	60,632	63,104
Surplus/(Deficit) for the year	51,603	35,751	42,125

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 2021/2022 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:

- Installation of Communal Standpipes with water meters: R 8.7
- Raw Water Pump – R 4.3 million; and
- Installation of Watermeters – 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 3.3 million, R 3.4 million and R 3.4 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 2021/2022 financial year is R 110.1 million and increases to R 105.2 million by 2023/2024 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	39 602	57 418	46 421	26 445	44 175	44 175	56 646	49 420	42 793
Roads Infrastructure	3 129	7 588	18 821	7 160	10 049	10 049	6 209	400	6 052
Roads	-	-	-	7 160	9 999	9 999	-	-	-
Road Structures	3 129	7 588	18 754	-	-	-	6 109	300	5 952
Road Furniture	-	-	66	-	50	50	100	100	100
Electrical Infrastructure	14 336	47 854	15 847	11 617	22 165	22 165	19 043	22 219	14 746
HV Substations	-	-	-	-	-	-	6 000	12 000	2 000
MV Networks	-	-	-	-	2 059	2 059	1 000	-	-
LV Networks	14 336	47 854	15 847	11 617	20 106	20 106	12 043	10 219	12 746
Water Supply Infrastructure	16 935	1 653	9 061	3 174	3 186	3 186	22 157	11 127	4 799
Boreholes	-	-	865	-	-	-	-	-	-
Reservoirs	-	-	-	200	-	-	200	-	-
Pump Stations	-	-	-	500	-	-	950	-	-
Water Treatment Works	-	-	-	-	-	-	5 163	-	-
Bulk Mains	-	-	-	-	-	-	-	5 652	4 424
Distribution	16 935	-	-	-	-	-	4 698	-	-
Distribution Points	-	1 653	8 195	2 474	3 186	3 186	11 146	5 475	375
Sanitation Infrastructure	521	219	2 453	4 243	8 759	8 759	8 989	12 174	13 696
Pump Station	-	-	58	-	5 237	5 237	-	7 826	-
Waste Water Treatment Works	521	219	2 395	4 243	3 522	3 522	8 989	4 348	4 348
Outfall Sewers	-	-	-	-	-	-	-	-	9 348
Solid Waste Infrastructure	-	-	-	-	-	-	-	3 500	3 500
Landfill Sites	-	-	-	-	-	-	-	3 500	3 500
Information and Communication Infrastructure	4 680	103	239	250	16	16	250	-	-
Data Centres	-	103	239	250	16	16	250	-	-
Distribution Layers	4 680	-	-	-	-	-	-	-	-
Community Assets	661	829	7 354	10 954	1 755	1 755	970	1 650	-
Community Facilities	44	-	52	1 100	30	30	370	1 250	-
Halls	44	-	-	-	-	-	220	-	-
Libraries	-	-	-	-	30	30	-	-	-
Cemeteries/Crematoria	-	-	52	1 100	-	-	150	1 250	-
Sport and Recreation Facilities	617	829	7 302	9 854	1 725	1 725	600	400	-
Outdoor Facilities	617	829	7 302	9 854	1 725	1 725	600	400	-
Investment properties	1 519	187	-	-	-	-	-	-	-
Non-revenue Generating	1 519	187	-	-	-	-	-	-	-
Unimproved Property	1 519	187	-	-	-	-	-	-	-
Other assets	439	908	362	2 300	1 581	1 581	2 972	1 850	745
Operational Buildings	439	908	362	2 300	1 581	1 581	2 972	1 850	745
Municipal Offices	439	-	362	425	1 581	1 581	1 472	550	745
Yards	-	-	-	500	-	-	200	-	-
Stores	-	908	-	1 375	-	-	1 300	1 300	-
Intangible Assets	2 522	312	17	5 000	4 900	4 900	2 355	-	-
Licences and Rights	2 522	312	17	5 000	4 900	4 900	2 355	-	-
Computer Software and Applications	2 522	312	17	5 000	4 900	4 900	2 355	-	-
Computer Equipment	2 184	160	179	1 884	5	5	1 525	154	169
Computer Equipment	2 184	160	179	1 884	5	5	1 525	154	169
Furniture and Office Equipment	321	177	79	630	239	239	279	571	6
Furniture and Office Equipment	321	177	79	630	239	239	279	571	6
Machinery and Equipment	501	215	93	912	197	197	2 466	1 018	461
Machinery and Equipment	501	215	93	912	197	197	2 466	1 018	461
Transport Assets	2 301	3 553	2 086	7 658	10 414	10 414	8 355	10 254	13 392
Transport Assets	2 301	3 553	2 086	7 658	10 414	10 414	8 355	10 254	13 392
Total Capital Expenditure on new assets	50 051	63 759	56 591	55 782	63 266	63 266	75 568	64 916	57 567

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

Description / R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>									
<u>Infrastructure</u>	1 529	4 337	13 667	5 640	7 156	7 156	32 224	2 875	2 953
Roads Infrastructure	1 081	131	-	-	-	-	-	-	-
Road Structures	1 081	131	-	-	-	-	-	-	-
Electrical Infrastructure	-	798	431	4 000	1 500	1 500	5 000	1 725	1 753
HV Substations	-	-	-	3 300	-	-	-	-	-
MV Substations	-	-	-	-	-	-	3 300	-	-
LV Networks	-	798	431	500	1 500	1 500	1 500	1 525	1 553
Capital Spares	-	-	-	200	-	-	200	200	200
Water Supply Infrastructure	448	1 358	13 236	1 320	5 445	5 445	3 426	1 000	1 050
Reservoirs	448	-	-	-	-	-	350	-	-
Pump Stations	-	-	204	600	4 728	4 728	900	650	650
Water Treatment Works	-	-	-	150	121	121	1 626	-	-
Distribution Points	-	1 358	13 032	570	597	597	550	350	400
Sanitation Infrastructure	-	2 050	-	320	210	210	23 798	150	150
Pump Station	-	-	-	320	210	210	320	150	150
Waste Water Treatment Works	-	2 050	-	-	-	-	23 478	-	-
<u>Community Assets</u>	-	-	-	93	43	43	150	350	-
Community Facilities	-	-	-	-	-	-	150	350	-
Halls	-	-	-	-	-	-	150	350	-
Sport and Recreation Facilities	-	-	-	93	43	43	-	-	-
Outdoor Facilities	-	-	-	93	43	43	-	-	-
<u>Other assets</u>	-	45	22	337	150	150	219	150	150
Operational Buildings	-	45	22	337	150	150	219	150	150
Municipal Offices	-	45	22	337	150	150	219	150	150
<u>Intangible Assets</u>	-	-	-	80	-	-	-	-	-
Licences and Rights	-	-	-	80	-	-	-	-	-
Computer Software and Applications	-	-	-	80	-	-	-	-	-
<u>Computer Equipment</u>	-	179	417	850	454	454	850	535	589
Computer Equipment	-	179	417	850	454	454	850	535	589
<u>Furniture and Office Equipment</u>	107	240	173	3 562	-	-	4 205	-	-
Furniture and Office Equipment	107	240	173	3 562	-	-	4 205	-	-
<u>Machinery and Equipment</u>	52	117	300	250	-	-	150	-	-
Machinery and Equipment	52	117	300	250	-	-	150	-	-
<u>Transport Assets</u>	52	5 411	2 213	6 150	4 378	4 378	-	-	-
Transport Assets	52	5 411	2 213	6 150	4 378	4 378	-	-	-
Total Capital Expenditure on renewal of existing assets	1 740	10 328	16 791	16 962	12 180	12 180	37 798	3 910	3 691

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

Description / R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<u>Capital expenditure on upgrading of existing assets</u>									
<u>by Asset Class/Sub-class</u>									
<u>Infrastructure</u>	-	1 203	22 224	39 025	31 313	31 313	30 096	48 201	62 230
Roads Infrastructure	-	-	10 799	3 000	3 009	3 009	3 000	3 800	3 400
Road Structures	-	-	10 799	3 000	3 009	3 009	3 000	3 000	3 000
Road Furniture	-	-	-	-	-	-	-	800	400
Electrical Infrastructure	-	1 203	1 395	-	-	-	1 100	1 350	1 600
MV Networks	-	-	65	-	-	-	-	-	-
LV Networks	-	1 203	1 330	-	-	-	1 100	1 350	1 600
Water Supply Infrastructure	-	-	70	150	2 515	2 515	650	-	-
Water Treatment Works	-	-	70	150	2 515	2 515	650	-	-
Sanitation Infrastructure	-	-	9 960	35 875	25 790	25 790	25 346	43 051	57 230
Reticulation	-	-	-	-	7 130	7 130	-	-	-
Waste Water Treatment Works	-	-	2 770	18 483	10 779	10 779	2 000	34 355	45 056
Outfall Sewers	-	-	7 191	17 391	7 880	7 880	23 346	8 696	12 174
<u>Community Assets</u>	-	-	407	400	-	-	361	5 991	5 591
Community Facilities	-	-	127	-	-	-	211	5 591	5 591
Cemeteries/Crematoria	-	-	127	-	-	-	211	5 591	5 591
Sport and Recreation Facilities	-	-	280	400	-	-	150	400	-
Outdoor Facilities	-	-	280	400	-	-	150	400	-
<u>Other assets</u>	-	-	29	1 668	498	498	338	50	-
Operational Buildings	-	-	29	1 668	498	498	338	50	-
Municipal Offices	-	-	29	1 568	348	348	188	50	-
Yards	-	-	-	100	150	150	150	-	-
<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	-	-	-	-	-
Machinery and Equipment	-	-	-	100	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	-	1 369	22 660	41 193	31 811	31 811	30 795	54 242	67 821

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

Description / R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>									
<u>Infrastructure</u>	4 382	4 770	6 183	8 086	8 086	8 086	8 577	8 832	9 102
Roads Infrastructure	934	401	1 242	1 571	1 571	1 571	1 825	1 880	1 955
Roads	934	401	–	–	–	–	–	–	–
Road Structures	–	–	1 122	1 409	1 409	1 409	1 663	1 713	1 781
Road Furniture	–	–	120	162	162	162	162	167	174
Electrical Infrastructure	1 719	1 324	2 089	2 265	2 265	2 265	1 752	1 805	1 877
LV Networks	1 719	1 324	2 089	2 265	2 265	2 265	1 752	1 805	1 877
Water Supply Infrastructure	1 344	1 745	1 716	2 590	2 590	2 590	3 270	3 366	3 417
Water Treatment Works	–	1 745	831	1 500	1 500	1 500	2 160	2 225	2 314
Distribution	1 344	–	885	1 090	1 090	1 090	1 110	1 141	1 103
Sanitation Infrastructure	311	1 205	1 134	1 630	1 630	1 630	1 700	1 751	1 821
Reticulation	–	–	148	130	130	130	200	206	214
Waste Water Treatment Works	311	1 205	986	1 500	1 500	1 500	1 500	1 545	1 607
Solid Waste Infrastructure	30	–	–	–	–	–	–	–	–
Landfill Sites	30	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	44	94	1	30	30	30	30	31	32
Data Centres	–	–	1	30	30	30	30	31	32
Distribution Layers	44	94	–	–	–	–	–	–	–
Community Assets	464	680	810	1 631	1 631	1 631	1 877	1 918	1 994
Community Facilities	167	253	262	1 030	1 030	1 030	1 429	1 456	1 514
Halls	2	17	–	350	350	350	798	822	854
Fire/Ambulance Stations	–	–	–	15	15	15	15	15	16
Libraries	57	2	19	400	400	400	370	381	396
Cemeteries/Crematoria	–	92	31	62	62	62	51	37	39
Public Open Space	108	143	212	203	203	203	195	201	209
Sport and Recreation Facilities	297	427	548	601	601	601	448	461	480
Indoor Facilities	–	205	–	–	–	–	–	–	–
Outdoor Facilities	297	222	548	601	601	601	448	461	480
Other assets	791	596	921	2 513	2 513	2 513	1 873	1 923	1 792
Operational Buildings	791	596	921	2 513	2 513	2 513	1 873	1 923	1 792
Municipal Offices	791	596	921	2 513	2 513	2 513	1 873	1 923	–
Intangible Assets	472	475	277	–	–	–	–	–	–
Licences and Rights	472	475	277	–	–	–	–	–	–
Computer Software and Applications	472	475	277	–	–	–	–	–	–
Computer Equipment	387	–	119	120	120	120	79	81	85
Computer Equipment	387	–	119	120	120	120	79	81	85
Furniture and Office Equipment	–	–	206	225	225	225	202	208	211
Furniture and Office Equipment	–	–	206	225	225	225	202	208	211
Machinery and Equipment	–	800	191	793	793	793	389	400	416
Machinery and Equipment	–	800	191	793	793	793	389	400	416
Transport Assets	7 472	8 977	7 441	9 833	9 833	9 833	11 000	11 330	11 783
Transport Assets	7 472	8 977	7 441	9 833	9 833	9 833	11 000	11 330	11 783
Total Repairs and Maintenance Expenditure	13 967	16 299	16 148	23 200	23 200	23 200	23 996	24 692	25 383

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

Description / R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Depreciation by Asset Class/Sub-class									
Infrastructure	84,182	75,185	75,714	77,702	77,702	77,702	79,224	81,601	84,865
Roads Infrastructure	23,779	23,832	24,927	23,569	23,569	23,569	24,009	24,730	25,719
Roads	23,779	23,832	24,927	23,569	23,569	23,569	24,009	24,730	25,719
Electrical Infrastructure	15,085	15,764	16,085	14,379	14,379	14,379	14,667	15,107	15,711
LV Networks	15,085	15,764	16,000	14,379	14,379	14,379	14,667	15,107	15,711
Capital Spares	-	-	85	-	-	-	-	-	-
Water Supply Infrastructure	16,478	16,997	16,721	16,015	16,015	16,015	16,336	16,826	17,499
Water Treatment Works	16,478	16,997	16,721	7,918	7,918	7,918	8,077	8,319	8,652
Distribution Points	-	-	-	8,097	8,097	8,097	8,259	8,507	8,847
Sanitation Infrastructure	5,698	5,718	5,724	5,116	5,116	5,116	5,218	5,374	5,589
Reticulation	5,698	5,718	5,724	57	57	57	58	60	62
Waste Water Treatment Works	-	-	-	5,058	5,058	5,058	5,160	5,314	5,527
Solid Waste Infrastructure	22,704	12,521	11,980	18,623	18,623	18,623	18,995	19,565	20,347
Landfill Sites	22,704	12,521	11,980	18,623	18,623	18,623	18,995	19,565	20,347
Rail Infrastructure	438	354	249	-	-	-	-	-	-
Rail Lines	438	354	249	-	-	-	-	-	-
Information and Communication	-	-	28	-	-	-	-	-	-
Distribution Layers	-	-	28	-	-	-	-	-	-
Community Assets	3,896	3,831	5,392	5,402	5,402	5,402	5,510	5,676	5,903
Community Facilities	1,085	401	2,718	1,920	1,920	1,920	1,958	2,017	2,098
Halls	-	-	1,713	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	153	153	153	156	160	167
Testing Stations	-	-	-	261	261	261	266	274	285
Museums	9	5	-	13	13	13	13	13	14
Libraries	156	92	26	260	260	260	265	273	284
Cemeteries/Crematoria	-	-	400	401	401	401	409	422	439
Public Open Space	919	305	579	832	832	832	849	874	909
Sport and Recreation Facilities	2,811	3,430	2,674	3,483	3,483	3,483	3,552	3,659	3,805
Outdoor Facilities	2,811	3,430	2,674	3,483	3,483	3,483	3,552	3,659	3,805
Other assets	6,175	6,102	4,573	4,812	4,812	4,812	4,908	5,055	5,257
Operational Buildings	6,175	6,102	4,573	4,812	4,812	4,812	4,908	5,055	5,257
Municipal Offices	6,175	6,102	4,573	4,812	4,812	4,812	4,908	5,055	5,257
Intangible Assets	359	427	358	-	-	-	-	-	-
Licences and Rights	359	427	358	-	-	-	-	-	-
Computer Software and Applications	359	427	358	-	-	-	-	-	-
Computer Equipment	604	793	1,218	819	819	819	835	860	895
Computer Equipment	604	793	1,218	819	819	819	835	860	895
Furniture and Office Equipment	1,294	684	966	1,680	1,680	1,680	1,714	1,765	1,836
Furniture and Office Equipment	1,294	684	966	1,680	1,680	1,680	1,714	1,765	1,836
Machinery and Equipment	1,339	833	168	65	65	65	98	100	104
Machinery and Equipment	1,339	833	168	65	65	65	98	100	104
Transport Assets	2,377	3,977	4,530	5,114	5,114	5,114	5,216	5,373	5,588
Transport Assets	2,377	3,977	4,530	5,114	5,114	5,114	5,216	5,373	5,588
Total Depreciation	100,227	91,832	92,919	95,594	95,594	95,594	97,505	100,431	104,448

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

Description / R thousand	2021/22 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Present value
<u>Capital expenditure</u>							
Vote 1 - Municipal Manager	132	7	–				
Vote 2 - Corporate Services	2 206	1 645	700				
Vote 3 - Financial Services	10 516	1 995	764				
Vote 4 - Community Services	2 188	6 665	4 000				
Vote 5 - Technical Director	–	–	–				
Vote 6 - Electro Mech Services	34 830	33 547	27 762				
Vote 7 - Civil Engineering Services	74 729	55 877	71 653				
Vote 8 - Planning and Development Services	19 561	23 332	24 199				
Total Capital Expenditure	144 161	123 068	129 079	–	–	–	–
<u>Future operational costs by vote</u>							
Total future operational costs	–	–	–	–	–	–	–
<u>Future revenue by source</u>							
Total future revenue	–	–	–	–	–	–	–
Net Financial Implications	144 161	123 068	129 079	–	–	–	–

Table 62 MBRR SA36 - Detailed capital budget per municipal vote

R thousand Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2020/21 Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework		
					Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
0001: ADMINISTRATION	HEAVY DUTY SHREDDER	Furniture and Equipment	Furniture and Equipment	-	50	-	-
0001: ADMINISTRATION	OFFICE FURNITURE (REGISTRATION & COMMITTEES)	Furniture and Equipment	Furniture and Equipment	19	-	-	-
0001: ADMINISTRATION	FILING CABINETS	Furniture and Equipment	Furniture and Equipment	-	-	200	-
0002: MUNICIPAL COUNCIL	OFFICE EQUIPMENT - WARD 4	Furniture and Equipment	Furniture and Equipment	-	10	-	-
0002: MUNICIPAL COUNCIL	OFFICE EQUIPMENT - WARD 13	Furniture and Equipment	Furniture and Equipment	-	10	-	-
0002: MUNICIPAL COUNCIL	AIRCONDITIONERS - WARD 4	Operational Buildings	Municipal Offices	-	27	-	-
0002: MUNICIPAL COUNCIL	AIRCONDITIONERS - WARD 13	Operational Buildings	Municipal Offices	-	27	-	-
0002: MUNICIPAL COUNCIL	CHAIR x 6	Furniture and Equipment	Furniture and Equipment	-	11	-	-
0002: MUNICIPAL COUNCIL	DESK	Furniture and Equipment	Furniture and Equipment	-	3	-	-
0004: ADMINISTRATION - PROPERTIES	40 x CHAIRS (COUNCIL CHAMBERS)	Furniture and Equipment	Furniture and Equipment	-	200	-	-
0004: ADMINISTRATION - PROPERTIES	AIRCONDITIONERS - OFFICES	Operational Buildings	Municipal Offices	150	282	200	200
0004: ADMINISTRATION - PROPERTIES	WATER COOLER - J SHIMANE	Operational Buildings	Municipal Offices	-	-	150	-
0004: ADMINISTRATION - PROPERTIES	WATER COOLER - PIET THOLE	Community Facilities	Halls	-	150	-	-
0004: ADMINISTRATION - PROPERTIES	BUILDING IMPROVEMENTS	Operational Buildings	Municipal Offices	13	760	500	500
0004: ADMINISTRATION - PROPERTIES	BUILDING IMPROVEMENTS - FRONT PORTAL	Operational Buildings	Municipal Offices	1 150	-	-	-
0004: ADMINISTRATION - PROPERTIES	EPWP - UPGRADE OF MUNICIPAL BUILDINGS	Operational Buildings	Municipal Offices	348	-	-	-
0004: ADMINISTRATION - PROPERTIES	CHAIR	Furniture and Equipment	Furniture and Equipment	-	3	-	-
0004: ADMINISTRATION - PROPERTIES	DESK	Operational Buildings	Municipal Offices	-	4	-	-
0004: ADMINISTRATION - PROPERTIES	BUILDING IMPROVEMENTS - KALKSLOOT	Community Facilities	Halls	-	200	-	-
0004: ADMINISTRATION - PROPERTIES	FENCING - KALKSLOOT COMMUNITY HALL	Community Facilities	Halls	-	-	200	-
0004: ADMINISTRATION - PROPERTIES	RAASWATER COMMUNITY HALL PAVING	Community Facilities	Halls	-	70	-	-
0004: ADMINISTRATION - PROPERTIES	KALKSLOOT COMMUNITY HALL PAVING	Community Facilities	Halls	-	150	-	-
0004: ADMINISTRATION - PROPERTIES	BUILDING IMPROVEMENTS - ARCHIVES	Operational Buildings	Municipal Offices	-	50	-	-
0004: ADMINISTRATION - PROPERTIES	100 TABELS	Furniture and Equipment	Furniture and Equipment	-	-	100	-
0004: ADMINISTRATION - PROPERTIES	1000 CHAIRS	Furniture and Equipment	Furniture and Equipment	-	-	250	-

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

R thousand Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2020/21 Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework		
					Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
0006: TOURISM	VISITOR CHAIRS	Furniture and Equipment	Furniture and Equipment	-	6	-	-
0006: TOURISM	COMPUTER DESK	Furniture and Equipment	Furniture and Equipment	-	2	-	-
0006: TOURISM	CABINET	Furniture and Equipment	Furniture and Equipment	-	5	-	-
0006: TOURISM	AIRCONDITIONER	Operational Buildings	Municipal Offices	-	20	-	-
0006: TOURISM	BUILDING IMPROVEMENTS	Operational Buildings	Municipal Offices	-	50	50	-
0007: FINANCIAL SERVICES	VISITOR CHAIRS: INDIGENT	Furniture and Equipment	Furniture and Equipment	5	-	-	-
0007: FINANCIAL SERVICES	BUILDING IMPROVEMENTS (CUBICLES)	Operational Buildings	Municipal Offices	89	-	-	-
0008: COMMUNICATION	DIGITAL CAMERA	Machinery & Equipment	Machinery & Equipment	-	15	-	-
0008: COMMUNICATION	VIDEO CAMERA	Machinery & Equipment	Machinery & Equipment	-	-	45	-
0008: COMMUNICATION	HIGH BACK CHAIR x 2	Furniture and Equipment	Furniture and Equipment	-	5	-	-
0008: COMMUNICATION	DESK	Furniture and Equipment	Furniture and Equipment	-	3	-	-
0009: HUMAN RESOURCES	PROJECTOR	Computer Equipment	Computer Equipment	5	-	-	-
0009: HUMAN RESOURCES	10 X TABLES	Furniture and Equipment	Furniture and Equipment	8	-	-	-
0009: HUMAN RESOURCES	CHAIRS X 22	Furniture and Equipment	Furniture and Equipment	-	13	-	-
0009: HUMAN RESOURCES	FOGGER x 3	Machinery & Equipment	Machinery & Equipment	-	50	-	-
0009: HUMAN RESOURCES	STREAMING EQUIPMENT WITH MICROPHONE	Machinery & Equipment	Machinery & Equipment	-	50	-	-
0009: HUMAN RESOURCES	DIGITAL CAMERA	Furniture and Equipment	Furniture and Equipment	-	2	-	-
0009: HUMAN RESOURCES	PORTABLE SCREEN	Furniture and Equipment	Furniture and Equipment	2	-	-	-
0011: MUNICIPAL MANAGER	SHREDDER	Furniture and Equipment	Furniture and Equipment	-	7	-	-
0020: TRAFFIC SERVICES	ROAD FURNITURE - SIGNAGE	Road Infrastructure	Road Furniture	50	100	100	100
0020: TRAFFIC SERVICES	BULK FILE CABINET	Furniture and Equipment	Furniture and Equipment	110	-	-	-
0020: TRAFFIC SERVICES	UPGRADE - TRAFFIC LIGHT INFRASTRUCTURE	Road Infrastructure	Road Furniture	-	-	800	400
0020: TRAFFIC SERVICES	BLUE LIGHTS X 10	Machinery & Equipment	Machinery & Equipment	-	200	-	-
0020: TRAFFIC SERVICES	COMPUTER SYSTEM - ROADWORTHY	Machinery & Equipment	Machinery & Equipment	-	200	-	-
0020: TRAFFIC SERVICES	CAMERA SYSTEM (TRAFFIC OFFICES)	Machinery & Equipment	Machinery & Equipment	22	-	-	-
0020: TRAFFIC SERVICES	AIRCONDITIONER (18000 BTU)	Operational Buildings	Municipal Offices	12	-	-	-
0020: TRAFFIC SERVICES	AIRCONDITIONER (12000 BTU)	Operational Buildings	Municipal Offices	14	-	-	-
0020: TRAFFIC SERVICES	CLEARVU FENCING - TESTING STATION (130M)	Operational Buildings	Yards	-	200	-	-

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

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2020/21 Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework		
						Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
	0021: FIRE SERVICES	DESK	Furniture and Equipment	Furniture and Equipment	-	3	-	-
	0021: FIRE SERVICES	SKUD UNIT	Machinery and Equipment	Machinery and Equipment	-	30	-	-
	0021: FIRE SERVICES	SELF CONTAINED BREATHING APPARATUS (SCBA)	Machinery and Equipment	Machinery and Equipment	-	35	-	-
	0021: FIRE SERVICES	AIRCONDITIONER (TRAINING)	Operational Buildings	Municipal Offices	-	35	-	-
	0023: DISASTER MANAGEMENT	CHAIR	Furniture and Equipment	Furniture and Equipment	-	3	-	-
	0023: DISASTER MANAGEMENT	VISITOR CHAIRS	Furniture and Equipment	Furniture and Equipment	-	4	-	-
	0023: DISASTER MANAGEMENT	AIRCONDITIONER	Operational Buildings	Municipal Offices	-	14	-	-
	0024: SECURITY SERVICES	CHAIR	Furniture and Equipment	Furniture and Equipment	-	2	-	-
	0024: SECURITY SERVICES	DESK	Furniture and Equipment	Furniture and Equipment	-	3	-	-
	0024: SECURITY SERVICES	CAMERA SYSTEM (HEAD OFFICE)	Machinery and Equipment	Machinery and Equipment	-	200	200	-
	0027: REFUSE REMOVAL SERVICES	OFFICE CONTAINER - DE DUINE	Operational Buildings	Municipal Offices	-	80	-	-
	0027: REFUSE REMOVAL SERVICES	FENCING - DE DUINE (2000 m)	Solid Waste Infrastructure	Landfill Sites	-	-	3 500	3 500
	0031: LOCAL ECONOMIC DEVELOPMENT	CHAIRS X 2	Furniture and Equipment	Furniture and Equipment	-	4	-	-
	0031: LOCAL ECONOMIC DEVELOPMENT	VISITOR CHAIRS x 2	Furniture and Equipment	Furniture and Equipment	-	3	-	-
	0032: INTERNAL AUDIT	HIGH VOLUME SCANNER	Furniture and Office Equipment	Furniture and Office Equipment	-	7	-	-
	0032: INTERNAL AUDIT	SHREDDER	Furniture and Office Equipment	Furniture and Office Equipment	-	6	-	-
	0032: INTERNAL AUDIT	TILES (OFFICE 62)	Operational Buildings	Municipal Offices	-	6	-	-
	0033: INFORMATION TECHNOLOGY	DESKTOP - NEW	Computer Equipment	Computer Equipment	-	36	17	18
	0033: INFORMATION TECHNOLOGY	LAPTOP - NEW	Computer Equipment	Computer Equipment	-	99	83	91
	0033: INFORMATION TECHNOLOGY	DISASTER RECOVERY CENTRE	Information and Communication	Data Centres	16	250	-	-
	0033: INFORMATION TECHNOLOGY	DESKTOP - RENEWALS	Computer Equipment	Computer Equipment	-	100	110	121
	0033: INFORMATION TECHNOLOGY	LAPTOP - RENEWALS	Computer Equipment	Computer Equipment	450	150	165	182
	0033: INFORMATION TECHNOLOGY	PRINTER - RENEWALS	Computer Equipment	Computer Equipment	4	100	110	121
	0033: INFORMATION TECHNOLOGY	PRINTERS - NEW	Computer Equipment	Computer Equipment	-	15	-	-
	0033: INFORMATION TECHNOLOGY	FAX MACHINE (REGISTRATION)	Computer Equipment	Computer Equipment	-	7	-	-
	0033: INFORMATION TECHNOLOGY	NETWORK SWITCHES	Computer Equipment	Computer Equipment	-	500	150	165
	0033: INFORMATION TECHNOLOGY	TELEPHONE SYSTEM	Furniture and Equipment	Furniture and Equipment	-	4 000	-	-
	0033: INFORMATION TECHNOLOGY	FINANCIAL SYSTEM	Licences and Rights	Computer Software and Applications	4 900	2 355	-	-
	0033: INFORMATION TECHNOLOGY	PROJECTOR	Furniture and Equipment	Furniture and Equipment	-	5	6	6
	0033: INFORMATION TECHNOLOGY	A3 PRINTER (COLOR) - BUILDING CONTROL	Computer Equipment	Computer 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 2020/21 Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework		
					Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
0033: INFORMATION TECHNOLOGY	ITC TOWER - CIVIC BUILDING	Computer Equipment	Computer Equipment	-	250	-	-
0033: INFORMATION TECHNOLOGY	SCANNER / PLOTTER	Computer Equipment	Computer Equipment	-	250	-	-
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	-	50	55	61
0036: DIRECTOR DEVELOPMENT SERVICES	CURTAINS WITH RAIL	Furniture and Equipment	Furniture and Equipment	-	-	15	-
0041: STREETS & STORMWATER DRAINAGE	SPEEDBUMPS	Road Infrastructure	Road Structure	39	200	300	300
0041: STREETS & STORMWATER DRAINAGE	REHABILITATION OF ROUND ABOUT	Road Infrastructure	Road Structure	-	1 500	-	-
0041: STREETS & STORMWATER DRAINAGE	REHABILITATION OF ROADS	Road Infrastructure	Road Structure	3 009	1 500	3 000	3 000
0042: WORKSHOP	115MM ANGLE GRINDER	Machinery and Equipment	Machinery and Equipment	-	-	2	-
0042: WORKSHOP	OFFICE CHAIRS	Furniture and Equipment	Furniture and Equipment	-	7	-	-
0042: WORKSHOP	DESK	Furniture and Equipment	Furniture and Equipment	-	3	-	-
0042: WORKSHOP	RICKSTACKER CHAIRS	Furniture and Equipment	Furniture and Equipment	-	3	-	-
0042: WORKSHOP	10 TON TROLLEY JACK	Machinery and Equipment	Machinery and Equipment	-	-	25	-
0042: WORKSHOP	12 TON "BOKKIES"	Machinery and Equipment	Machinery and Equipment	-	27	-	-
0042: WORKSHOP	1 TON KOFFINOIST	Machinery and Equipment	Machinery and Equipment	-	3	-	-
0042: WORKSHOP	2 POST LIFTS, 220 V	Machinery and Equipment	Machinery and Equipment	-	-	126	-
0042: WORKSHOP	20 TON TROLLEY JACK	Machinery and Equipment	Machinery and Equipment	-	70	-	-
0042: WORKSHOP	220V IMPACT TOOL	Machinery and Equipment	Machinery and Equipment	-	8	-	-
0042: WORKSHOP	AUSILARY STRETCH BELT SET	Machinery and Equipment	Machinery and Equipment	-	-	-	1
0042: WORKSHOP	BATTERY CHARGES BOSCH C7	Machinery and Equipment	Machinery and Equipment	-	-	15	-
0042: WORKSHOP	BATTERY TESTER, FOXWELL	Machinery and Equipment	Machinery and Equipment	-	-	-	6
0042: WORKSHOP	BENSCH GRINDER, 230mm	Machinery and Equipment	Machinery and Equipment	-	-	-	5
0042: WORKSHOP	CAMBELT TENSION GAUGE	Machinery and Equipment	Machinery and Equipment	-	-	-	1
0042: WORKSHOP	CAMERA - ACCIDENTS & LICENCE PHOTO's	Machinery and Equipment	Machinery and Equipment	-	3	-	-
0042: WORKSHOP	CAT OIL PRESSURE GAUGE SET	Machinery and Equipment	Machinery and Equipment	-	-	30	-
0042: WORKSHOP	CO TESTER, DIGITAL	Machinery and Equipment	Machinery and Equipment	-	-	21	-
0042: WORKSHOP	COFFINHOIST 1 TON	Machinery and Equipment	Machinery and Equipment	-	14	-	-
0042: WORKSHOP	COOLANT PRESSURE TESTER	Machinery and Equipment	Machinery and Equipment	-	-	3	-
0042: WORKSHOP	CREEPERS, 6 WHEEL	Machinery and Equipment	Machinery and Equipment	-	-	-	9

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

R thousand Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2020/21 Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework		
					Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
0042: WORKSHOP	CV BOOT STRAP TOOL	Machinery and Equipment	Machinery and Equipment	-	-	-	1
0042: WORKSHOP	DIANOSTIC MACHINE, CARS AND TRUCKS	Machinery and Equipment	Machinery and Equipment	-	-	-	65
0042: WORKSHOP	DIESEL COMMENRAIL BLACKFLOW TESTER	Machinery and Equipment	Machinery and Equipment	-	-	-	2
0042: WORKSHOP	DREMLE ANGLE GRINDER	Machinery and Equipment	Machinery and Equipment	-	2	-	-
0042: WORKSHOP	ENGINE STAND, 900KG	Machinery and Equipment	Machinery and Equipment	-	-	-	5
0042: WORKSHOP	ENGINE SUPPORT, 500KG	Machinery and Equipment	Machinery and Equipment	-	7	-	-
0042: WORKSHOP	SINGLE CHAINS, 8mm	Machinery and Equipment	Machinery and Equipment	-	-	9	-
0042: WORKSHOP	SINGLE CHAINS, 10mm	Machinery and Equipment	Machinery and Equipment	-	-	9	-
0042: WORKSHOP	GEAR OIL LUBRICATOR, HAND OPERTATE, 15L	Machinery and Equipment	Machinery and Equipment	-	-	2	-
0042: WORKSHOP	GHRIES PUMP PENUMATIC	Machinery and Equipment	Machinery and Equipment	-	-	-	11
0042: WORKSHOP	DRILL, 13mm	Machinery and Equipment	Machinery and Equipment	-	-	2	-
0042: WORKSHOP	HOIST ELECTRICAL, 1.5 TON	Machinery and Equipment	Machinery and Equipment	-	20	-	-
0042: WORKSHOP	HOLE SAW ASSORTMENT	Machinery and Equipment	Machinery and Equipment	-	-	4	-
0042: WORKSHOP	IMPACK AIR TOOL	Machinery and Equipment	Machinery and Equipment	-	11	-	-
0042: WORKSHOP	ELECTRICAL IMPACT TOOL	Machinery and Equipment	Machinery and Equipment	-	13	-	-
0042: WORKSHOP	INJECTOR SEAT CUTTER SET	Machinery and Equipment	Machinery and Equipment	-	-	-	1
0042: WORKSHOP	3 TON JACK	Machinery and Equipment	Machinery and Equipment	-	31	-	-
0042: WORKSHOP	OIL PUMP, PNEUMATIC, 14l/min	Machinery and Equipment	Machinery and Equipment	-	-	12	-
0042: WORKSHOP	OSYGEN SENSOR REMOVER KIT	Machinery and Equipment	Machinery and Equipment	-	-	-	1
0042: WORKSHOP	POWER PROBE SNAPON	Machinery and Equipment	Machinery and Equipment	-	10	-	-
0042: WORKSHOP	3 TON GEARBOX JACK	Machinery and Equipment	Machinery and Equipment	-	-	9	-
0042: WORKSHOP	"SUIGKAN" 6.5L	Machinery and Equipment	Machinery and Equipment	-	1	-	-
0042: WORKSHOP	TERMINAL RELEASE TOOL	Machinery and Equipment	Machinery and Equipment	-	-	-	1
0042: WORKSHOP	TESTER FOR COOLANT	Machinery and Equipment	Machinery and Equipment	-	3	-	-
0042: WORKSHOP	TRUCK WHEEL NUT REMOVER	Machinery and Equipment	Machinery and Equipment	-	-	-	3
0042: WORKSHOP	TYRE INFLATER / DEFLATER, 12 BAR	Machinery and Equipment	Machinery and Equipment	-	-	2	-
0042: WORKSHOP	WATER COOLERS	Operational Buildings	Municipal Offices	-	-	-	195
0042: WORKSHOP	WEBBING SLING, 12 TON	Machinery and Equipment	Machinery and Equipment	-	-	-	3
0042: WORKSHOP	WEBBING SLING, 2.5 TON	Machinery and Equipment	Machinery and Equipment	-	-	-	1
0042: WORKSHOP	WEBBING SLING, 2 TON	Machinery and Equipment	Machinery and Equipment	-	-	-	1

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

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2020/21 Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework		
						Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
	0042: WORKSHOP	WEBBING SLING, 4 TON	Machinery and Equipment	Machinery and Equipment	-	-	-	2
	0042: WORKSHOP	2 ADJUSTABLE CHAINS, 6mm	Machinery and Equipment	Machinery and Equipment	-	-	8	-
	0042: WORKSHOP	2 ADJUSTABLE CHAINS, 8mm	Machinery and Equipment	Machinery and Equipment	-	-	8	-
	0042: WORKSHOP	4 ADJUSTABLE CHAINS, 10mm	Machinery and Equipment	Machinery and Equipment	-	-	10	-
	0042: WORKSHOP	6 TON "BOKKIES"	Machinery and Equipment	Machinery and Equipment	-	34	-	-
	0042: WORKSHOP	AIR CLEANER SET, 3 PIECE	Machinery and Equipment	Machinery and Equipment	-	-	4	-
	0043: COMMONAGE	FENCING	Operational Buildings	Yards	150	150	-	-
	0045: SEWERAGE PURIFICATION PLANT	CLORINATOR	Sanitation Infrastructure	Pump Station	60	70	-	-
	0045: SEWERAGE PURIFICATION PLANT	REPLACEMENT OF WORN-OUT PUMPS, VALVES - HQ	Sanitation Infrastructure	Pump Station	150	250	150	150
	0045: SEWERAGE PURIFICATION PLANT	NEW PUMPSTATION (PABALELLO)	Sanitation Infrastructure	Pump Station	-	-	7 826	-
	0045: SEWERAGE PURIFICATION PLANT	OXIDATION POND - RIETFONTEIN	Sanitation Infrastructure	Waste Water Treatment Works	10 070	-	-	-
	0045: SEWERAGE PURIFICATION PLANT	DEDAT: UPGRADE - SEWERAGE TREATMENT PLANT AT RIETFONTEIN	Sanitation Infrastructure	Waste Water Treatment Works	710	-	-	-
	0045: SEWERAGE PURIFICATION PLANT	KAMEELMOND WWTW - RBIG (COUNTER)	Sanitation Infrastructure	Waste Water Treatment Works	-	2 000	-	-
	0045: SEWERAGE PURIFICATION PLANT	REHABILITATION OF KAMEELMOND WWTW	Sanitation Infrastructure	Waste Water Treatment Works	-	23 478	34 355	45 056
	0045: SEWERAGE PURIFICATION PLANT	ULTRA SONIC LEVEL SENSORS	Machinery and Equipment	Machinery and Equipment	-	150	-	-
	0045: SEWERAGE PURIFICATION PLANT	PRESOX (SWITCHGEAR X 3)	Machinery and Equipment	Machinery and Equipment	50	-	-	-
	0046: TRANSPORT	1 TON BAKKIES x 2	Transport Assets	Transport Assets	-	-	770	-
	0046: TRANSPORT	1 TON BAKKIES x 2	Transport Assets	Transport Assets	-	-	-	924
	0046: TRANSPORT	1 TON BAKKIES 4 x 4	Transport Assets	Transport Assets	-	-	500	600
	0046: TRANSPORT	1 TON BAKKIES WITH STEEL CANOPIES x 3 (2)	Transport Assets	Transport Assets	-	-	800	960
	0046: TRANSPORT	1 TON DOUBLE CAB 4 x 4 x 1 (2) (1)	Transport Assets	Transport Assets	-	460	1 478	552
	0046: TRANSPORT	500 KG BAKKIE x 2	Transport Assets	Transport Assets	-	-	456	444
	0046: TRANSPORT	BOMAG WITH TRAILER	Transport Assets	Transport Assets	-	-	390	468
	0046: TRANSPORT	KOMBI: 11-SITPLEK X 1	Transport Assets	Transport Assets	-	-	680	-
	0046: TRANSPORT	CHAIN SAWS x 5 (2)	Machinery and Equipment	Machinery and Equipment	-	60	49	50
	0046: TRANSPORT	CIRCULAR SAWS x 2	Machinery and Equipment	Machinery and Equipment	-	6	7	7
	0046: TRANSPORT	REFUSE TRUCK (TIPPAC)	Transport Assets	Transport Assets	1 432	-	-	-
	0046: TRANSPORT	ELEPHANT FEED COMPACTORS	Machinery and Equipment	Machinery and Equipment	-	25	25	-
	0046: TRANSPORT	FERTILIZER SPREADER x 2	Machinery and Equipment	Machinery and Equipment	-	40	-	-
	0046: TRANSPORT	GENERATOR MOBILE	Machinery and Equipment	Machinery and Equipment	-	15	-	-
	0046: TRANSPORT	JACKHAMMER	Machinery and Equipment	Machinery and Equipment	-	30	-	-
	0046: TRANSPORT	LEVEL SCREEDER	Machinery and Equipment	Machinery and Equipment	-	30	-	-
	0046: TRANSPORT	COMPACTOR TRUCK	Transport Assets	Transport Assets	-	1 900	-	2 280
	0046: TRANSPORT	CRANE TRUCK 8 TON	Transport Assets	Transport Assets	-	-	1 100	-

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

R thousand Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2020/21 Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework		
					Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
0046: TRANSPORT	CONCRETE MIXER	Machinery and Equipment	Machinery and Equipment	26	-	-	-
0046: TRANSPORT	CRANE TRUCK	Transport Assets	Transport Assets	926	-	-	-
0046: TRANSPORT	CREW CRAB (SANITATION)	Transport Assets	Transport Assets	575	-	-	-
0046: TRANSPORT	CREW CRAB (WATER DISTRIBUTION)	Transport Assets	Transport Assets	575	-	-	-
0046: TRANSPORT	NISSAN NP BAKKIE X 3 (4)	Transport Assets	Transport Assets	-	-	630	984
0046: TRANSPORT	PRUNER x 3	Machinery and Equipment	Machinery and Equipment	-	38	40	40
0046: TRANSPORT	FRONT END LOADER X 1	Transport Assets	Transport Assets	1 179	-	-	-
0046: TRANSPORT	SEDAN 1.4 x2	Transport Assets	Transport Assets	-	-	400	-
0046: TRANSPORT	SWEEPING BROOM ON WHEELS	Transport Assets	Transport Assets	-	-	350	-
0046: TRANSPORT	MOBILE COMPRESSOR	Machinery and Equipment	Machinery and Equipment	-	-	120	-
0046: TRANSPORT	TIPPER 6 M	Transport Assets	Transport Assets	-	1 200	-	-
0046: TRANSPORT	TIPPER 10 TON (REFUSE)	Transport Assets	Transport Assets	926	-	-	-
0046: TRANSPORT	TLB	Transport Assets	Transport Assets	1 179	-	-	-
0046: TRANSPORT	VACUUM TANKER 20000 LITER	Transport Assets	Transport Assets	2 019	-	-	-
0046: TRANSPORT	WATER TRUCK 6000 LITER	Transport Assets	Transport Assets	1 965	-	-	-
0046: TRANSPORT	SCOOTERS x 4	Transport Assets	Transport Assets	-	-	110	-
0046: TRANSPORT	SEDAN 1.6 x 4	Transport Assets	Transport Assets	-	-	1 080	-
0046: TRANSPORT	SEWERAGE TRUCK	Transport Assets	Transport Assets	-	1 500	-	1 800
0046: TRANSPORT	SUV	Transport Assets	Transport Assets	-	700	-	-
0046: TRANSPORT	10 TON TIPPER	Transport Assets	Transport Assets	-	-	-	1 200
0046: TRANSPORT	TIPPER 6M	Transport Assets	Transport Assets	-	1 100	-	-
0046: TRANSPORT	TRUST WATER PUMP	Machinery and Equipment	Machinery and Equipment	-	15	-	-
0046: TRANSPORT	WATER TRUCK 6000 LITER	Transport Assets	Transport Assets	-	1 200	-	1 440
0046: TRANSPORT	WATER TRUCK	Transport Assets	Transport Assets	-	-	1 200	1 440
0046: TRANSPORT	WERNER PUMP	Water Supply Infrastructure	Pump Station	-	750	-	-
0046: TRANSPORT	WHEAT EATER x 3 (2)	Machinery and Equipment	Machinery and Equipment	-	32	-	-
0046: TRANSPORT	ZERO TURN	Transport Assets	Transport Assets	-	270	285	300
0046: TRANSPORT	2 x REFUSE TRUCK	Transport Assets	Transport Assets	3 987	-	-	-
0048: SEWERAGE DISTRIBUTION	CRR - UPGRADING BULK OUTFALL SEWER	Sanitation Infrastructure	Distribution Points	5 488	-	-	-
0048: SEWERAGE DISTRIBUTION	NDPG: UPGRADING BULK OUTFALL SEWER	Sanitation Infrastructure	Outfall Sewers	9 522	23 346	8 696	12 174

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

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2020/21 Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework		
						Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
	0048: SEWERAGE DISTRIBUTION	L/VALE ROAD SEWERAGE P/STATION WITH PIPELINE	Sanitation Infrastructure	Pump Station	5 237	–	–	–
	0048: SEWERAGE DISTRIBUTION	LAMBRECHTSDRIFT SEWERAGE OUTFALL	Sanitation Infrastructure	Outfall Sewers	–	–	–	9 348
	0050: PARKS	UPGRADE OF MORNING GLORY PARK	Sport and Recreation Facilities	Outdoor Facilities	–	150	–	–
	0050: PARKS	UPGRADE - PARKS PLAYGROUND EQUIPMENT	Sport and Recreation Facilities	Outdoor Facilities	43	–	–	–
	0055: SPORT STADIUMS	FENCING - ROBERT GUNDA STADIUM	Sport and Recreation Facilities	Outdoor Facilities	–	200	–	–
	0055: SPORT STADIUMS	FENCING - KALKSLOOT STADIUM	Sport and Recreation Facilities	Outdoor Facilities	–	–	400	–
	0055: SPORT STADIUMS	FENCING - SC KEARNS STADIUM	Sport and Recreation Facilities	Outdoor Facilities	–	400	–	–
	0055: SPORT STADIUMS	UPGRADING PAVILLION FENCE - MD JACOBS STADIUM	Sport and Recreation Facilities	Outdoor Facilities	–	–	200	–
	0056: REITZ PARK	FENCING - REITZPARK	Sport and Recreation Facilities	Outdoor Facilities	–	–	200	–
	0057: CEMETRIES	EIA KEIDEBEES CEMETERY	Community Facilities	Cemeteries/Crematoria	–	150	–	–
	0057: CEMETRIES	FENCING - KAMEELBOOM CEMETERY	Community Facilities	Cemeteries/Crematoria	–	–	350	–
	0057: CEMETRIES	FENCING - KEIDEBEES CEMETERY	Community Facilities	Cemeteries/Crematoria	–	–	300	–
	0057: CEMETRIES	FENCING - SPOORWEG CEMETERY	Community Facilities	Cemeteries/Crematoria	–	–	300	–
	0057: CEMETRIES	FENCING - STASIE CEMETERY	Community Facilities	Cemeteries/Crematoria	–	–	300	–
	0059: ELECTRICITY - ADMINISTRATION	ELECTRIFICATION OF 100 HOUSES - JURGENSKAMP	Electrical Infrastructure	LV Networks	–	–	6 957	–
	0059: ELECTRICITY - ADMINISTRATION	ELECTRIFICATION OF 180 HOUSES - DAKOTA ROAD	Electrical Infrastructure	LV Networks	–	11 283	–	–
	0059: ELECTRICITY - ADMINISTRATION	ELECTRIFICATION OF HOUSES IN ROSEDALE (VERGELEN)	Electrical Infrastructure	LV Networks	–	–	–	7 826
	0059: ELECTRICITY - ADMINISTRATION	UPGRADE POWER SUPPLY - LOUISVALE ROAD	Electrical Infrastructure	MV Networks	2 059	–	–	–
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 135 HOUSES - DAKOTA ROAD (REDUCE TO 100)	Electrical Infrastructure	LV Networks	1 913	–	–	–
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 160 HOUSES - DAKOTA ROAD	Electrical Infrastructure	LV Networks	3 286	–	–	–
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 200 HOUSES - KALKSLOOT	Electrical Infrastructure	LV Networks	4 870	–	–	–
	0059: ELECTRICITY - ADMINISTRATION	ELECTRICIFICATION OF 840 HOUSES - LOUISVALE ROAD	Electrical Infrastructure	LV Networks	9 887	–	–	–
	0061: ELECTRICITY - MAINTENANCE	NEW STREETLIGHTS (VARIOUS AREAS)	Electrical Infrastructure	LV Networks	–	200	200	200
	0061: ELECTRICITY - MAINTENANCE	TOOLKIT	Machinery and Equipment	Machinery and Equipment	–	50	50	50
	0062: ELECTRICITY - DISTRIBUTION	REPLACEMENT OF KIOSKS AND TRANSFORMERS	Electrical Infrastructure	LV Networks	–	1 250	1 250	1 250
	0062: ELECTRICITY - DISTRIBUTION	ELECTRICAL SERVICES ERVEN	Electrical Infrastructure	LV Networks	–	100	100	100
	0062: ELECTRICITY - DISTRIBUTION	SECURITY DOORS	Electrical Infrastructure	LV Networks	–	100	–	–
	0062: ELECTRICITY - DISTRIBUTION	UPGRADE OF ELECTRICAL NETWORK	Electrical Infrastructure	LV Networks	–	100	100	100
	0062: ELECTRICITY - DISTRIBUTION	UPGRADE OF MINI-SUBSTATIONS AND POLE TRANSFORMERS	Electrical Infrastructure	LV Networks	–	1 000	1 250	1 500
	0062: ELECTRICITY - DISTRIBUTION	BATTERIES - SMALLER SUBSTATIONS	Electrical Infrastructure	Capital Spares	–	200	200	200
	0062: ELECTRICITY - DISTRIBUTION	ALPHA - UPGRADE TO PARALLEL	Electrical Infrastructure	MV Substations	–	6 000	12 000	2 000
	0062: ELECTRICITY - DISTRIBUTION	ALPHA - REFURBISHMENT	Electrical Infrastructure	MV Substations	–	3 300	–	–
	0062: ELECTRICITY - DISTRIBUTION	CHECK METER / POWER QUALITY	Electrical Infrastructure	MV Substations	–	1 000	–	–
	0062: ELECTRICITY - DISTRIBUTION	VERVANGING VAN KIOSK, TRANSFORMERS	Electrical Infrastructure	LV Networks	1 250	–	–	–

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

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2020/21 Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework		
						Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
	0063: ELECTRICITY - PLANNING & METERING	NEW ELECTRICITY METERS (PURCHASED BY CONSUMER)	Electrical Infrastructure	LV Networks	150	300	330	363
	0063: ELECTRICITY - PLANNING & METERING	REPLACE ELECTRICAL METERS (CONSUMERS)	Electrical Infrastructure	LV Networks	220	–	–	–
	0063: ELECTRICITY - PLANNING & METERING	REPLACE ELECTRICAL METERS (INDIGENT)	Electrical Infrastructure	LV Networks	30	–	–	–
	0063: ELECTRICITY - PLANNING & METERING	NEW ELECTRICAL METERS (CONSUMERS)	Electrical Infrastructure	LV Networks	–	30	33	36
	0063: ELECTRICITY - PLANNING & METERING	NEW ELECTRICAL METERS (INDIGENTS)	Electrical Infrastructure	LV Networks	–	30	33	36
	0063: ELECTRICITY - PLANNING & METERING	REPLACE FAULTY ELECTRICAL METERS - CONSUMERS	Electrical Infrastructure	LV Networks	–	250	275	303
	0066: WATER PRODUCTION	LABORATORY EQUIPMENT	Machinery and Equipment	Machinery and Equipment	125	1 000	200	200
	0066: WATER PRODUCTION	AHS CHLORINE GAS DOSING ROOM H&S:MASK SAFETY EQUIPMEN	Machinery and Equipment	Machinery and Equipment	–	100	–	–
	0066: WATER PRODUCTION	REPLACEMENT OF WORN-OUT PUMPS, VALVES, SWITCHGEAR AN	Water Supply Infrastructure	Pump Station	450	700	400	400
	0066: WATER PRODUCTION	REPLACEMENT OF WORN-OUT PUMPS, VALVES, SWITCHGEAR AN	Water Supply Infrastructure	Pump Station	–	200	250	250
	0066: WATER PRODUCTION	BOOSTER PUMP (LEERKRANS)	Water Supply Infrastructure	Pump Station	–	200	–	–
	0066: WATER PRODUCTION	REPLACEMENT OF WORN-OUT PUMPS, VALVES, SWITCHGEAR AN	Water Supply Infrastructure	Pump Station	4 228	–	–	–
	0066: WATER PRODUCTION	REFURBISHMENT - RAASWATER RESERVOIR	Water Supply Infrastructure	Reservoirs	–	350	–	–
	0066: WATER PRODUCTION	RESERVOIR X 4	Water Supply Infrastructure	Reservoirs	–	200	–	–
	0066: WATER PRODUCTION	BUILDING IMPROVEMENTS - AHS WTW	Water Supply Infrastructure	Water Treatment Works	–	50	–	–
	0066: WATER PRODUCTION	CHLORINATOR	Water Supply Infrastructure	Water Treatment Works	121	150	–	–
	0066: WATER PRODUCTION	INSTALLATION OF RAW WATER PUMP	Water Supply Infrastructure	Water Treatment Works	–	4 250	–	–
	0066: WATER PRODUCTION	KALAHARI PUMP STATION	Water Supply Infrastructure	Water Treatment Works	–	100	–	–
	0066: WATER PRODUCTION	REPLACEMENT RAW WATER PIPELINE LESIDING	Water Supply Infrastructure	Water Treatment Works	–	404	–	–
	0066: WATER PRODUCTION	AUGMENTATION OF NOENIEPUT WATER SUPPLY	Water Supply Infrastructure	Water Treatment Works	345	–	–	–
	0066: WATER PRODUCTION	EMERGENCY REPAIRS AT KEIDEBES RESERVOIR	Water Supply Infrastructure	Water Treatment Works	2 169	–	–	–
	0066: WATER PRODUCTION	LEERKRANS BOOSTER PUMP	Water Supply Infrastructure	Water Treatment Works	–	174	–	–
	0066: WATER PRODUCTION	REFURBISHMENT - RAASWATER RESERVOIR	Water Supply Infrastructure	Water Treatment Works	–	304	–	–
	0066: WATER PRODUCTION	AHS WTW FILTER ACTUATOR REPAIRS (10% PLANT WATER LOSS	Water Supply Infrastructure	Water Treatment Works	–	261	–	–
	0066: WATER PRODUCTION	PABALLELO PURIFIED WATER PUMP STATION (CONTROL PANEL -	Water Supply Infrastructure	Water Treatment Works	–	217	–	–
	0066: WATER PRODUCTION	VSD CONTROL PANEL REPLACEMENT RAW WATER PUMP 2 WATE	Water Supply Infrastructure	Water Treatment Works	–	304	–	–
	0066: WATER PRODUCTION	STEEL RAW WATER PIPELINE AHS WTW (REPLACEMENT)	Water Supply Infrastructure	Water Treatment Works	–	289	–	–
	0066: WATER PRODUCTION	RAW WATER RESERVOIR ERECTION (KAROS, LEERKRANZ, LAMB	Water Supply Infrastructure	Water Treatment Works	–	435	–	–
	0066: WATER PRODUCTION	TELEMETRY UPGRADES - FULL AUTOMATION -OVERTIME AND EM	Water Supply Infrastructure	Water Treatment Works	–	500	–	–
	0067: WATER DISTRIBUTION NETWORKS	SERVICE CONNECTION	Water Supply Infrastructure	Distribution Points	–	350	–	–
	0067: WATER DISTRIBUTION NETWORKS	NEW PRE-PAID METERS	Water Supply Infrastructure	Distribution Points	2 300	2 150	150	175
	0067: WATER DISTRIBUTION NETWORKS	COMMUNAL STANDPIPES - SMARTIES/RAASWATER	Water Supply Infrastructure	Distribution Points	712	–	–	–
	0067: WATER DISTRIBUTION NETWORKS	COMMUNAL STANDPIPES - VARIOUS AREAS	Water Supply Infrastructure	Distribution Points	174	8 696	–	–
	0067: WATER DISTRIBUTION NETWORKS	REPLACEMENT OF GATEVALVES	Water Supply Infrastructure	Pump Station	50	–	–	–
	0067: WATER DISTRIBUTION NETWORKS	NEW CONVENTIONAL WATERMETERS	Water Supply Infrastructure	Distribution Points	182	300	200	200

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

R thousand	Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2020/21 Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework		
						Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
	0067: WATER DISTRIBUTION NETWORKS	REPLACEMENT OF WORN-OUT CONVENTIONAL WATERMETERS	Water Supply Infrastructure	Distribution Points	250	300	200	200
	0067: WATER DISTRIBUTION NETWORKS	REPLACEMENT OF >50MM WATERMETERS	Water Supply Infrastructure	Distribution Points	150	250	150	200
	0070: PERFORMANCE MANAGEMENT	HEAVY DUTY SCANNER	Furniture and Equipment	Furniture and Equipment	–	7	–	–
	0071: RISK MANAGEMENT	TV	Furniture and Equipment	Furniture and Equipment	–	–	7	–
	0071: RISK MANAGEMENT	TV	Furniture and Equipment	Furniture and Equipment	–	7	–	–
	0071: RISK MANAGEMENT	FRIDGE	Furniture and Equipment	Furniture and Equipment	–	4	–	–
	0077: COMMUNITY AND OVERTIME	SUPPLY AND DELIVERY OF 5000L MOBILE WATER TANKS	Machinery and Equipment	Machinery and Equipment	15	–	–	–
	0078: PMU	KLEIN MIER: INTERNAL STREETS	Roads Infrastructure	Roads	684	–	–	–
	0078: PMU	SPORT GROUNDS - ROSEDALE	Sport and Recreation Facilities	Outdoor Facilities	1 725	–	–	–
	0078: PMU	PAVING OF STREET - ROSEDALE	Roads Infrastructure	Road Structures	3 583	780	–	–
	0078: PMU	UPGRADING STREETS IN LOUBOS	Roads Infrastructure	Road Structures	5 692	2 711	–	5 652
	0078: PMU	KAMEELMOND ACCESS ROAD	Roads Infrastructure	Road Structures	–	2 418	–	–
	0078: PMU	AUGMENTATION OF KALKSLOOT / LAMBRECHTSDRIFT / LEERKRA	Sanitation Infrastructure	Waste Water Treatment Works	–	–	–	4 348
	0078: PMU	AUGMENTATION OF LOUISVALE DORP / LESEDING / RAASWATER	Sanitation Infrastructure	Waste Water Treatment Works	–	–	4 348	–
	0078: PMU	MELKSTROOM: BULK SEWER PROVISION	Sanitation Infrastructure	Waste Water Treatment Works	3 522	8 989	–	–
	0078: PMU	KALKSLOOT, SES BRUGGE DISTRIBUTION POINTS	Water Supply Infrastructure	Distribution Points	–	–	5 125	–
	0078: PMU	PABALELLO PUMP STATION	Water Supply Infrastructure	Bulk Mains	–	–	5 652	4 424
	0078: PMU	DEVELOPMENT OF CEMETRIES	Community Facilities	Cemeteries/Crematoria	–	211	5 591	5 591
	0078: PMU	WELKOM WATER SUPPLY - MAINSTREAMING GROUNDWATER	Water Supply Infrastructure	Distribution	–	1 304	–	–
	0078: PMU	SWARTKOPDAM WATER SUPPLY - MAINSTREAMING GROUNDWATER	Water Supply Infrastructure	Distribution	–	870	–	–
	0078: PMU	KALKSLOOT WATER SUPPLY - MAINSTREAMING GROUNDWATER	Water Supply Infrastructure	Distribution	–	2 174	–	–
	0078: PMU	HIGH MAST LIGHTS	Electrical Infrastructure	LV Networks	–	–	2 566	4 185
	0085: BUDGET AND TREASURY OFFICE	HEAVY DUTY SCANNER	Computer Equipment	Computer Equipment	–	6	–	–
	0085: BUDGET AND TREASURY OFFICE	TILES - OFFICES 028 & 029	Operational Buildings	Municipal Offices	–	9	–	–
	0085: BUDGET AND TREASURY OFFICE	TILES - SALARY AND CREDITORS' OFFICES	Operational Buildings	Municipal Offices	–	9	–	–
	0086: SUPPLY CHAIN MANAGEMENT UNIT	STORE: ELECTRICAL EQUIPMENT	Operational Buildings	Stores	–	1 200	1 300	–
	0086: SUPPLY CHAIN MANAGEMENT UNIT	BUILDING IMPROVEMENTS - CUBIBLES	Operational Buildings	Municipal Offices	–	200	–	–
	0086: SUPPLY CHAIN MANAGEMENT UNIT	BUILDING IMPROVEMENTS - SCM	Operational Buildings	Stores	–	100	–	–
	0088: ASSET MANAGEMENT UNIT	HEAVY DUTY SCANNER	Computer Equipment	Computer Equipment	–	8	–	–
	0088: ASSET MANAGEMENT UNIT	TABLET - TGIS	Machinery and Equipment	Machinery and Equipment	–	16	–	–
	0089: DEBTORS, INCOME & BILLING	FILLING CABINETS	Furniture and Equipment	Furniture and Equipment	–	3	–	–
	0089: DEBTORS, INCOME & BILLING	OFFICE CHAIRS x 12	Furniture and Equipment	Furniture and Equipment	–	18	–	–
	1004: MASINCEDANE LIBRARY PROJECT	AIRCONDITIONERS - RIETFontein	Operational Buildings	Municipal Offices	50	–	–	–
	1004: MASINCEDANE LIBRARY PROJECT	BLINDS PABALLELO	Operational Buildings	Municipal Offices	15	–	–	–
	1004: MASINCEDANE LIBRARY PROJECT	AIRCONDITIONERS - UPINGTON	Operational Buildings	Municipal Offices	90	–	–	–

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

R thousand Function	Project Description	Asset Class	Asset Sub-Class	Current Year 2020/21 Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework		
					Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
1004: MASINCEDANE LIBRARY PROJECT	SHELVES (WELKOM & KLEIN MIER)	Furniture and Equipment	Furniture and Equipment	43	-	-	-
1004: MASINCEDANE LIBRARY PROJECT	COMPUTER TABLES - ROSEDALE	Furniture and Equipment	Furniture and Equipment	5	-	-	-
1004: MASINCEDANE LIBRARY PROJECT	BLINDS MAIN LIBRARY	Operational Buildings	Municipal Offices	30	-	-	-
1004: MASINCEDANE LIBRARY PROJECT	LIGHT DUTY SCANNER	Computer Equipment	Computer Equipment	-	4	-	-
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	3	-	-	-
1004: MASINCEDANE LIBRARY PROJECT	LOCKER X 4	Furniture and Equipment	Furniture and Equipment	-	20	-	-
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 9	Furniture and Equipment	Furniture and Equipment	-	45	-	-
1004: MASINCEDANE LIBRARY PROJECT	24 BTU AIRCORN	Operational Buildings	Municipal Offices	46	-	-	-
1004: MASINCEDANE LIBRARY PROJECT	AQUA COOLERS X 5	Operational Buildings	Municipal Offices	12	-	-	-
1004: MASINCEDANE LIBRARY PROJECT	BLINDS LIBRARIES MIER	Operational Buildings	Municipal Offices	-	40	-	-
1004: MASINCEDANE LIBRARY PROJECT	PAVING PABALLELO	Operational Buildings	Municipal Offices	90	-	-	-
1004: MASINCEDANE LIBRARY PROJECT	TOILET FOR DISABLED	Operational Buildings	Municipal Offices	-	70	-	-
1010: HOUSING ACCREDITATION	CAMERA	Furniture and Equipment	Furniture and Equipment	-	2	-	-
1010: HOUSING ACCREDITATION	CHAIRS x 4	Furniture and Equipment	Furniture and Equipment	-	4	-	-
1010: HOUSING ACCREDITATION	HIGH BACK CHAIR x 2	Furniture and Equipment	Furniture and Equipment	-	4	-	-
1010: HOUSING ACCREDITATION	HEAVY DUTY SCANNER	Computer Equipment	Computer Equipment	-	6	-	-
Parent Capital expenditure				107 258	144 161	123 068	129 079
Entity Capital expenditure				-	-	-	-
Total Capital expenditure				107 258	144 161	123 068	129 079
Entity Capital expenditure				-	-	-	-
Total Capital expenditure				107 258	144 161	123 068	129 079

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 2021. The SDBIP is directly aligned and informed by the 2021/2022 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	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
REVENUE ITEMS:										
Property rates										
Total Property Rates	103 597	110 447	118 080	120 224	122 171	122 171	122 171	127 057	132 140	137 425
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	10 260	11 224	11 736	7 816	7 176	7 176	7 176	7 463	7 761	8 072
Net Property Rates	93 337	99 224	106 344	112 409	114 995	114 995	114 995	119 595	124 379	129 354
Service charges - electricity revenue										
Total Service charges - electricity revenue	262 282	284 578	317 929	361 317	333 036	333 036	333 036	378 526	412 215	448 902
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)	5 160	5 414	6 631	5 112	6 525	6 525	6 525	7 477	8 142	8 867
Net Service charges - electricity revenue	257 122	279 164	311 298	356 205	326 511	326 511	326 511	371 049	404 072	440 035
Service charges - water revenue										
Total Service charges - water revenue	57 566	66 274	65 684	73 221	71 246	71 246	71 246	79 346	82 520	85 821
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)	3 151	3 346	3 619	2 651	3 316	3 316	3 316	4 948	5 146	5 352
Net Service charges - water revenue	54 414	62 928	62 065	70 570	67 930	67 930	67 930	74 398	77 374	80 469
Service charges - sanitation revenue										
Total Service charges - sanitation revenue	41 643	46 283	49 858	52 327	53 516	53 516	53 516	55 657	57 883	61 816
Less Revenue Foregone (in excess of free sanitation service to indigent households)	—	—	—	—	—	—	—	1 851	1 925	2 002
Less Cost of Free Basis Services (free sanitation service to indigent households)	8 041	9 570	10 363	10 236	11 868	11 868	11 868	10 491	10 911	11 347
Net Service charges - sanitation revenue	33 603	36 714	39 495	42 091	41 648	41 648	41 648	43 314	45 047	48 467
Service charges - refuse revenue										
Total refuse removal revenue	34 444	43 454	47 088	49 473	50 401	50 401	50 401	52 417	54 514	56 695
Total landfill revenue	—	—	—	—	—	—	—	—	—	—
Less Revenue Foregone (in excess of one removal a week to indigent households)	—	—	—	—	—	—	—	4 173	4 340	4 514
Less Cost of Free Basis Services (removed once a week to indigent households)	7 839	10 612	11 534	12 173	13 375	13 375	13 375	9 737	10 126	10 532
Net Service charges - refuse revenue	26 605	32 841	35 553	37 300	37 026	37 026	37 026	38 507	40 048	41 650
Other Revenue by source										
Actuarial Gain	22 681	—	—	—	—	—	—	—	—	—
Operational Revenue										
Administrative Handling Fees	267	54	78	576	1 941	1 941	1 941	2 108	2 111	2 196
Advertisements	123	—	0	—	2	2	2	2	2	2
Bad Debts Recovered	—	1	—	8	243	243	243	243	251	261
Breakages and Losses Recovered	86	1	13	1	—	—	—	—	—	—
Collection charges	—	—	—	—	8	8	8	8	8	8
Commission	688	748	858	890	890	890	890	890	917	953
Discounts and Early Payments	1 771	45	22	32	13	13	13	13	14	14
Incidental Cash Surpluses	29	3	20	1	3	3	3	3	3	3
Inspection Fees	33	50	165	52	25	25	25	27	28	29
Insurance Refund	445	160	35	200	—	—	—	200	206	214
Recovery of Infrastructure Maintenance	85	84	64	—	2	2	2	2	2	2
Registration Fees	22	2	—	—	—	—	—	—	—	—
Request for Information	73	25	17	21	33	33	33	33	34	35
Skills Development Levy Refund	195	498	488	355	355	355	355	355	366	381
Staff Recoveries	3	8	24	—	11	11	11	10	11	11
Sale of Goods and Rendering of Services										
Academic Services	—	1	—	—	2	2	2	2	2	2
Administrative Handling Fees	—	106	0	—	—	—	—	—	—	—
Application Fees for Land Usage	84	122	120	158	80	80	80	83	87	90
Building Plan Approval	862	842	627	750	750	750	750	780	811	844
Camping Fees	40	195	201	265	25	25	25	133	—	—
Cemetery and Burial	205	210	199	229	229	229	229	229	236	245
Clearance Certificates	52	96	83	93	193	193	193	193	199	207
Development Charges	1 602	—	—	—	—	—	—	—	—	—
Encroachment Fees	61	62	74	98	151	151	151	151	155	161
Entrance Fees	328	1 070	952	1 014	5	5	5	754	764	795
Escort Fees	—	5	3	—	—	—	—	—	—	—
Exempted Parking	4	4	2	3	—	—	—	—	—	—
Fair Value Adjustment	22 585	—	—	20 000	20 000	20 000	20 000	—	—	—
Fire Services	193	29	16	25	25	25	25	25	26	27
Immunisation Fees	—	—	—	—	—	—	—	—	—	—
Legal Fees Recovered	—	—	—	500	6	6	6	—	—	—
Library Fees	15	2	—	0	—	—	—	—	—	—
Motor Vehicle Licenses	—	—	—	3 111	3 111	3 111	3 111	—	—	—
Occupation Certificates	6	13	6	7	5	5	5	5	5	6
Parking Fees	29	42	0	1	—	—	—	—	—	—
Photocopies and Faxes	127	36	30	35	50	50	50	10	10	11
Pound Fees	—	—	—	—	10	10	10	—	—	—
Publications	0	0	—	—	—	—	—	—	—	—
Sale of Consumables	30	203	402	562	221	221	221	221	228	237
Sale of Goods	0	0	—	0	0	0	0	0	0	0
Stone and Gravel	40	91	36	60	60	60	60	60	62	64
Sub-division and Consolidation Fees	115	18	25	20	10	10	10	10	11	11
Town Planning and Servitudes	3 694	4 568	5 373	5 500	5 000	5 000	5 000	5 200	5 408	5 624
Traffic Control	184	16	14	18	18	18	18	18	18	19
Water Meter Protectors	2	—	—	—	—	—	—	—	—	—
Total 'Other' Revenue	56 760	9 413	9 951	34 584	33 476	33 476	33 476	11 769	11 973	12 452

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

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
EXPENDITURE ITEMS:										
<u>Employee related costs</u>										
Basic Salaries and Wages	192 412	207 221	215 861	220 100	210 614	210 614	210 614	243 995	248 955	260 800
Pension and UIF Contributions	33 499	36 315	38 187	40 578	40 559	40 559	40 559	42 415	43 217	45 297
Medical Aid Contributions	13 583	14 396	15 075	16 198	15 950	15 950	15 950	16 671	17 132	17 979
Overtime	19 865	18 885	21 127	17 000	18 089	18 089	18 089	18 903	19 736	20 728
Performance Bonus	1 067	804	758	1 054	975	975	975	1 232	1 287	1 345
Motor Vehicle Allowance	4 161	4 170	5 292	5 968	6 149	6 149	6 149	6 484	6 775	7 080
Cellphone Allowance	96	88	96	99	108	108	108	113	118	124
Housing Allowances	1 986	1 812	1 909	1 981	1 940	1 940	1 940	2 027	2 028	2 130
Other benefits and allowances	9 950	11 683	12 347	11 392	12 027	12 027	12 027	10 641	11 059	11 643
Payments in lieu of leave	4 797	—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	24 328	18 145	10 877	14 600	14 610	14 610	14 610	(8 768)	(9 162)	(9 574)
sub-total	305 744	313 518	321 528	328 970	321 022	321 022	321 022	333 713	341 146	357 553
Less: Employees costs capitalised to PPE	117	13	154	—	—	—	—	—	—	—
Total Employee related costs	305 627	313 506	321 374	328 970	321 022	321 022	321 022	333 713	341 146	357 553
<u>Depreciation & asset impairment</u>										
Depreciation of Property, Plant & Equipment	100 227	91 793	92 919	95 594	95 594	95 594	95 594	97 505	100 431	104 448
Total Depreciation & asset impairment	100 227	91 793	92 919	95 594	95 594	95 594	95 594	97 505	100 431	104 448
<u>Bulk purchases - electricity</u>										
Electricity bulk purchases	173 017	185 320	207 727	223 990	218 490	218 490	218 490	250 000	272 250	296 480
Water bulk purchases	3 895	6 218	4 539	5 672	6 000	6 000	6 000	—	—	—
Total bulk purchases	176 912	191 538	212 266	229 662	224 490	224 490	224 490	250 000	272 250	296 480
<u>Transfers and grants</u>										
Cash transfers and grants	929	1 135	667	1 208	868	868	868	885	885	885
Total transfers and grants	929	1 135	667	1 208	868	868	868	885	885	885
<u>Contracted services</u>										
Artists and Performers	60	129	—	—	—	—	—	—	—	—
Auctioneers	—	—	3	10	—	—	—	10	10	11
Business and Advisory	136	104	151	181	181	181	181	207	213	222
Business and Financial Management	2 083	2 125	3 069	2 651	2 400	2 400	2 400	2 105	2 045	1 983
Catering Services	230	244	206	231	55	55	55	75	77	80
Civil Engineering	235	79	—	2 498	571	571	571	520	536	558
Cleaning Services	—	—	—	300	—	—	—	—	—	—
Clearing and Grass Cutting Services	—	30	—	42	42	42	42	42	43	45
Contractors	—	—	—	—	—	—	—	2	2	2
Electrical Contractors	—	—	—	500	—	—	—	—	—	—
Electrical Engineering	—	—	127	—	—	—	—	—	—	—
Employee Wellness	—	76	127	150	50	50	50	50	52	54
Event Promoters	30	43	—	—	—	—	—	—	—	—
Fire Protection Services	3	—	—	40	30	30	30	30	31	32
First Aid Contractors	—	—	—	5	5	5	5	5	5	6
Inspection Fees	0	—	—	—	—	—	—	—	—	—
Laboratory Services	1 154	1 169	1 398	2 025	2 021	2 021	2 021	2 021	2 082	2 164
Land and Quantity Surveyors	169	1 452	2	450	650	650	650	650	670	214
Laundry Services	—	—	—	0	0	0	0	—	—	—
Legal Advice and Litigations	1 517	1 069	1 507	1 804	1 934	1 934	1 934	2 080	2 142	2 228
Litter Picking and Street Cleaning	294	538	541	821	720	720	720	720	742	771
Maintenance of Buildings and Facilities	414	328	712	2 014	2 296	2 296	2 296	1 533	1 576	1 535
Maintenance of Community Assets	94	155	266	812	1 286	1 286	1 286	1 286	1 309	1 362
Maintenance of Infrastructure Assets	1 075	2 494	2 954	4 039	4 000	4 000	4 000	4 863	5 009	5 209
Maintenance of Intangible Assets	472	475	277	—	—	—	—	—	—	—
Maintenance of Other Assets	2 418	5 733	4 429	5 884	5 621	5 621	5 621	6 446	6 639	6 905
Medical Examinations	221	82	212	346	400	400	400	400	412	428
Pest Control and Fumigation	—	7	5	15	13	13	13	23	24	25
Plants, Flower and Other Decorations	3	8	4	5	2	2	2	—	—	—
Qualification Verification	8	46	55	85	40	40	40	40	41	43
Refuse Removal Contractors	389	428	386	696	500	500	500	500	515	536
Research and Advisory	250	—	—	13	8	8	8	608	8	9
Security Services	586	753	2 678	5 233	4 194	4 194	4 194	4 530	4 666	4 853
Sewerage Services	—	219	—	468	444	444	444	300	309	321
Stage and Sound Crew	168	184	15	15	3	3	3	3	3	3
Town Planners	2 901	—	—	250	20	20	20	20	21	—
Tracing Agents and Debt Collectors	152	216	150	300	300	300	300	300	309	321
Transport Services	16	—	—	42	—	—	—	—	—	—
Valuer and Assessors	266	271	1 493	584	584	584	584	584	602	626
Water Takers	—	320	—	352	165	165	165	100	103	107
Total contracted services	15 345	18 778	20 768	32 861	28 535	28 535	28 535	30 054	30 196	30 652

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

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
EXPENDITURE ITEMS:										
Other Expenditure By Type										
Achievements and Awards	37	-	-	-	-	-	-	-	-	-
Advertising, Publicity and Marketing	362	404	299	604	434	434	434	601	618	632
Assets less than the Capitalisation Threshold	668	155	533	945	754	754	754	754	776	801
Bad Debts Written Off	1 405	11 045	7 719	8 500	11 300	11 300	11 300	15 000	15 000	15 000
Bank Charges, Facility and Card Fees	1 349	1 525	2 550	1 879	2 404	2 404	2 404	2 404	2 477	2 576
Bursaries (Employees)	-	40	-	100	-	-	-	-	-	-
Cleaning Services	1	1	1	1	1	1	1	1	1	1
Commission	4 231	5 035	4 415	5 461	4 158	4 158	4 158	4 701	5 078	5 495
Communication	4 614	4 291	3 809	4 673	3 997	3 997	3 997	4 291	4 415	4 436
Courier and Delivery Services	17	5	19	66	70	70	70	70	72	75
Drivers Licences and Permits	17	26	11	20	25	25	25	25	26	27
Entertainment	42	72	50	75	30	30	30	4	4	4
Entrance Fees	-	-	-	24	4	4	4	-	-	-
External Audit Fees	4 897	4 795	4 226	4 500	4 500	4 500	4 500	4 500	4 635	4 820
External Computer Service	3 678	3 210	3 070	3 925	3 432	3 432	3 432	5 223	5 380	5 595
Hire Charges	443	2 195	793	1 533	630	630	630	909	934	830
Insurance Underwriting	1 779	1 539	3 569	3 707	4 187	4 187	4 187	4 491	4 625	4 810
Levies Paid - Water Resource Management Charges	179	68	705	538	538	538	538	538	554	577
Licences	627	780	476	710	850	850	850	945	973	1 012
Management Fee	8	9	3	11	11	11	11	11	11	12
Municipal Services	1 454	1 505	2 175	2 165	2 165	2 165	2 165	2 476	2 694	2 932
Operational Lease	-	-	-	660	200	200	200	600	618	643
Performing Arts	-	-	-	38	10	10	10	-	-	-
Personnel Agency Fees [Personnel Recruitment Costs]	9	-	-	-	-	-	-	-	-	-
Printing, Publications and Books	566	263	270	391	305	305	305	373	384	399
Professional Bodies, Membership and Subscription	2 891	4 046	3 318	3 604	3 609	3 609	3 609	3 613	3 721	3 867
Remuneration to Ward Committees	484	509	1 183	1 920	1 600	1 600	1 600	1 672	-	-
Resettlement Cost	-	-	4	100	35	35	35	200	206	214
Road and Transport	0	-	-	-	-	-	-	-	-	-
Road Worthy Test	2	-	-	-	-	-	-	-	-	-
Seminars, Conferences, Workshops and Events	635	514	166	1 302	763	763	763	1 059	1 093	1 125
Signage	22	21	2	40	39	39	39	39	40	42
Skills Development Levy	-	-	-	2 601	2 061	2 061	2 061	2 222	2 276	2 385
Small Differences Tolerances	-	5	6	6	9	9	9	9	9	10
Supplier Development Programme	-	31	5	83	20	20	20	74	76	79
System Access and Information Fees	344	103	22	26	22	22	22	22	23	24
Toll Gate Fees	-	-	-	-	-	-	-	-	-	-
Transport Provided as Part of Departmental Activities	71	198	-	10	10	10	10	-	-	-
Travel Agency and Visa's	-	13	-	-	-	-	-	8	8	8
Travel and Subsistence	2 719	2 409	2 013	4 369	1 773	1 773	1 773	2 337	2 411	2 395
Uniform and Protective Clothing	1 013	1 005	1 295	1 858	1 779	1 779	1 779	1 940	1 998	2 040
Vehicle Tracking	484	305	401	378	378	378	378	378	389	405
Wet Fuel	-	3	0	15	9	9	9	8	8	8
Workmen's Compensation	-	-	-	-	-	-	-	1 929	1 959	2 051
Total 'Other' Expenditure	35 047	46 123	43 107	56 838	52 112	52 112	52 112	63 424	63 493	65 330
Repairs and Maintenance										
Inventory Consumed (Project Maintenance)	9 494	7 113	7 509	10 450	10 450	10 450	10 450	9 868	10 159	10 372
Contracted Services	4 473	9 186	8 639	12 750	12 750	12 750	12 750	14 128	14 533	15 011
Total Repairs and Maintenance Expenditure	13 967	16 299	16 148	23 200	23 200	23 200	23 200	23 996	24 692	25 383
Inventory Consumed										
Inventory Consumed - Water	-	-	-	-	-	-	-	3 276	3 440	3 612
Inventory Consumed - Other	25 583	24 328	24 651	31 132	28 653	28 653	28 653	29 426	30 301	31 140
Total Inventory Consumed & Other Material	25 583	24 328	24 651	31 132	28 653	28 653	28 653	32 702	33 741	34 752

**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	-	-	119 595	-	-	-	-	-	119 595
Service charges - water revenue	-	-	-	-	-	-	74 398	-	74 398
Service charges - sanitation revenue	-	-	-	-	-	-	43 314	-	43 314
Service charges - refuse revenue	-	-	-	38 507	-	-	-	-	38 507
Rental of facilities and equipment	-	4 380	-	70	-	-	-	1 243	5 693
Interest earned - external investments	-	-	1 925	-	-	-	-	-	1 925
Interest earned - outstanding debtors	-	-	6 062	-	-	-	-	-	6 062
Dividends received	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	0	1 962	-	-	-	260	2 222
Agency services	-	-	-	2 230	-	-	-	-	2 230
Other revenue	-	2 357	1 805	1 054	-	200	121	6 232	11 769
Transfers and subsidies	-	-	98 002	2 825	-	1 692	9 441	4 578	116 538
Gains	-	90 000	-	-	-	-	-	-	90 000
Total Revenue (excluding capital transfers and contributions)	-	96 746	227 806	52 551	-	373 050	127 276	12 313	889 744
Expenditure By Type									
Employee related costs	9 170	30 658	39 538	120 959	-	27 620	77 487	28 280	333 713
Remuneration of councillors	13 172	-	-	-	-	-	-	-	13 172
Debt impairment	-	-	19 500	-	-	-	-	-	19 500
Depreciation & asset impairment	123	5 607	1 318	24 094	-	19 960	45 603	801	97 505
Finance charges	-	-	770	-	-	4 300	6 400	-	11 470
Bulk purchases - electricity	-	-	-	-	-	250 000	-	-	250 000
Inventory consumed	104	992	886	4 203	-	16 018	10 009	490	32 702
Transfers and subsidies	405	25	-	75	-	380	-	-	885
Other expenditure	3 080	6 091	33 337	13 945	-	(3 654)	9 015	1 609	63 424
Losses	-	-	-	-	-	-	3 024	-	3 024
Total Expenditure	26 287	48 215	99 042	169 732	-	321 777	158 563	31 833	855 450
Surplus/(Deficit)	(26 287)	48 532	128 764	(117 181)	-	51 274	(31 287)	(19 520)	34 294
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	175	-	11 283	55 520	21 745	88 723
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(26 287)	48 532	128 764	(117 006)	-	62 556	24 233	2 225	123 017

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

Description / R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
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	134 500	154 762	187 623	127 912	226 453	226 453	226 453	226 000	246 000
Less: Provision for debt impairment	(60 808)	(71 188)	(84 642)	(89 588)	(104 142)	(104 142)	(104 142)	(123 642)	(143 727)
Total Consumer debtors	73 692	83 574	102 981	38 324	122 311	122 311	122 311	102 358	102 273
<u>Debt impairment provision</u>									
Balance at the beginning of the year	(42 553)	(60 808)	(71 188)	(70 088)	(84 642)	(84 642)	(84 642)	(104 142)	(123 642)
Contributions to the provision	(18 256)	(10 380)	(13 454)	(19 500)	(19 500)	(19 500)	(19 500)	(19 500)	(20 085)
Bad debts written off	-	-	-	-	-	-	-	-	-
Balance at end of year	(60 808)	(71 188)	(84 642)	(89 588)	(104 142)	(104 142)	(104 142)	(123 642)	(143 727)
<u>Inventory</u>									
<u>Water</u>									
Closing Balance Water	249	151	140	140	140	140	140	140	140
Closing balance - Materials and Supplies	5 427	10 199	8 469	5 693	8 469	8 469	8 469	8 469	8 469
Closing Balance - Inventory & Consumables	5 676	10 350	8 609	5 834	8 609	8 609	8 609	8 609	8 609
<u>Property, plant and equipment (PPE)</u>									
PPE at cost/valuation (excl. finance leases)	2 501 104	2 586 545	2 667 771	2 837 857	2 770 129	2 770 129	2 770 129	2 911 935	3 035 002
Less: Accumulated depreciation	815 215	901 225	983 662	1 092 966	1 079 256	1 079 256	1 079 256	1 176 761	1 277 192
Total Property, plant and equipment (PPE)	1 685 888	1 685 320	1 684 109	1 744 891	1 690 873	1 690 873	1 690 873	1 735 173	1 757 810
LIABILITIES									
<u>Current liabilities - Borrowing</u>									
Current portion of long-term liabilities	9 876	10 981	12 141	11 500	12 141	12 141	12 141	12 500	13 000
Total Current liabilities - Borrowing	9 876	10 981	12 141	11 500	12 141	12 141	12 141	12 500	13 000
<u>Trade and other payables</u>									
Trade and other creditors	73 030	52 096	87 026	69 000	77 997	77 997	77 997	52 773	49 050
Other creditors	34 089	32 448	39 560	45 956	63 110	63 110	63 110	58 410	38 991
Unspent conditional transfers	30 908	25 617	20 710	-	-	-	-	-	-
VAT	-	2 671	7 538	3 000	6 800	6 800	6 800	6 800	6 800
Total Trade and other payables	138 027	112 833	154 834	117 956	147 907	147 907	147 907	117 983	94 841
<u>Non current liabilities - Borrowing</u>									
Borrowing	105 315	94 285	82 189	88 766	77 914	77 914	77 914	79 714	81 714
Total Non current liabilities - Borrowing	105 315	94 285	82 189	88 766	77 914	77 914	77 914	79 714	81 714
<u>Provisions - non-current</u>									
Retirement benefits	100 778	108 942	105 891	92 260	97 391	97 391	97 391	88 623	79 461
Landfill Sites Rehabilitation	82 104	98 596	97 909	82 104	97 909	97 909	97 909	97 909	97 909
Total Provisions - non-current	182 882	207 538	203 800	174 364	195 300	195 300	195 300	186 532	177 370
CHANGES IN NET ASSETS									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit)	1 968 984	2 095 496	2 170 033	2 180 234	2 230 194	2 230 194	2 230 194	2 353 211	2 483 579
TOTAL COMMUNITY WEALTH/EQUITY	1 968 984	2 095 496	2 170 033	2 180 234	2 230 194	2 230 194	2 230 194	2 353 211	2 483 579

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

Description of economic indicator	Basis of calculation	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 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 not available	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available
Females aged 15 - 34	The 80-20 Report on Local Government	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available
Males aged 15 - 34	The 80-20 Report on Local Government	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available
Unemployment	The 80-20 Report on Local Government	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available
Monthly household income (no. of households)								
No income	The 80-20 Report on Local Government	Information not available	Information not available	Information not available	2,278	2,278	2,278	2,278
R1 - R1 600	The 80-20 Report on Local Government	Information not available	Information not available	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	Information not available	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	Information not available	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	Information not available	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	Information not available	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	Information not available	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	Information not available	Information not available	302	302	302	302
R102 401 - R204 800	The 80-20 Report on Local Government	Information not available	Information not available	Information not available	116	116	116	116
R204 801 - R409 600	The 80-20 Report on Local Government	Information not available	Information not available	Information not available	70	70	70	70
R409 601 - R819 200	The 80-20 Report on Local Government	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available
Poverty profiles (no. of households)								
< R2 060 per household per month	The 80-20 Report on Local Government	Information not available	Information not available	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	Information not available	Information not available	93	93	93	93
Number of poor people in municipal area	The 80-20 Report on Local Government	Information not available	Information not available	Information not available	-	-	-	-
Number of households in municipal area	The 80-20 Report on Local Government	Information not available	Information not available	Information not available	23	23	23	23
Number of poor households in municipal area	The 80-20 Report on Local Government	Information not available	Information not available	Information not available	9	9	9	9
Definition of poor household (R per month)	The 80-20 Report on Local Government	Information not available	Information not available	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 Name of organisation	Yrs/ Mths	Period of agreement	Service provided	Expiry date of service delivery agreement or contract
		Number		
AGANANG CONSULTING ENGINEERS	Mths	9/12/19-30/6/23	1) Sourcing and Securing Funds for Infrastructure Projects; '2) Program Management and Coordination of the Program; '3) Prioritise and Implement Projects within Precincts to unlock social and economic potential The Service Provider should perform project management and conduct the necessary diagnostics, and strategic planning for tariff modelling, measure financial performance of the Municipality, analyze the existing staff compliment, conduct public Consultations with the Dawid Kruiper's Stakeholders and prepare the required reports for this project until completion.	30/6/2023
BVi Engineers Northern Cape (Pty) Ltd	Mths	From the date of appointment until date of completion according to the program		After completion of project
OIPHORO CONSULTING (PTY) LTD	Mths	Shall commence on the Effective Date, and shall commence on the Effective Date, and shall continue until the final completion of the project.	Supply and delivery of mobile chemical toilets to Dawid Kruiper Municipality.	After completion of project
STABILIS DEVELOPMENTS (PTY) LTD	Mths	Agreement shall commence on the Effective Date, and shall continue until final delivery of the Services as per this Agreement.	Conduct the planning, design, tender phase, project management, including construction, monitoring for the paving of streets in Loubos. (a) protecting and safeguarding a property through Guard and Patrol; (b) providing a reactive or response service in connection with the safeguarding of property; (c) providing a service aimed at ensuring order and safety on the premises used for sporting, recreational entertainment or similar purposes; (d) managing, controlling or supervising the rendering of the services referred to in paragraphs (a) to (c);	30/6/2023
LANDILE SECURITY CC	Mths		This contract entails the supply and delivery of chlorine and hydrated lime for the potable water treatment works and the wastewater treatment works, including the municipal swimming pools to Dawid Kruiper Municipality.	
JEVDO ENTERPRISES CC	Mths	3 yrs		
MEGA WATER CHEM (PTY) LTD	Mths	Agreement shall commence on the Effective Date, and shall continue until final delivery of the Services as per this Agreement.	The supply, delivery, installation and commissioning of a Financial Management System, as per the tender specifications and ICT due diligence, General Valuation and the Supplementary Valuation of all properties within the Dawid Kruiper Municipal area and the subsequent delivery of a valuation roll, in compliance with the Municipal Property Rates Act, 2004(Act No.6 of 2004)	30/6/2025
MUN SOFT (PTY) LTD	Mths		Leasing of Plant, Equipment and Vehicles on an "as and when" required basis to the Municipality	30/6/2022
MAKGAKGA PROPERTY VALUATIONS (PTY) LTD	Mths	1/7/2020-30/6/2025		
OVERROX TRADING 55 CC	Mths	Agreement shall commence on the Effective Date, and shall continue until 30 June 2022.	Leasing of Plant, Equipment and Vehicles on an "as and when" required basis to the Municipality	30/6/2022
VUKUZENZELE BOUKONTRAKTEURS (PTY) LTD	Mths			30/6/2022

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)

31 May 2021