



Dr. Beyers Naudé

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# **DRAFT ANNUAL BUDGET 2020/2021 – 2022/23**

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## **PART 1 – ANNUAL BUDGET**

### **11     MAYOR'S REPORT**

To be included in final budget.

## **2 COUNCIL RESOLUTIONS**

(a) The Mayor recommends that the Council resolves that:

- 1 The draft annual budget of the Dr Beyers Naude Municipality for the financial year 2021/20 and the indicative allocations for the projected outer years 2021/22 and 2022/23; and the multi-year and single year capital appropriations be approved for the purpose of complying with section 24 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003, as set-out in the following tables:
  - 1.1 Consolidated Budget Summary – Schedule A1
  - 1.2 Budgeted Financial Performance (revenue and expenditure by standard classification) – Schedule A2
  - 1.3 Budgeted Financial Performance (revenue and expenditure by municipal vote) – Schedule A3
  - 1.4 Budgeted Financial Performance (revenue by source and expenditure by type) – Schedule A4
  - 1.5 and Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source – Schedule A5
- 2 The draft budgeted financial position, budgeted cash flows, cash-backed reserves/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:
  - 2.1 Budgeted Financial Position – Schedule A6
  - 2.2 Budgeted Cash Flows – Schedule A7
  - 2.3 Cash backed reserves and accumulated surplus reconciliation – Schedule A8
  - 2.4 Asset management – Schedule A9
  - 2.5 Basic service delivery measurement – Schedule A10
- 3 The service tariffs and property rates be increased as per the tariffs schedule with effect from 1 July 2020
- 4 The indicative tariffs for 2021/22 and 2022/23 be increased as follows:

	2021/22	2022/23
Property rates	6%	6%
Water	6%	6%
Sanitation	6%	6%
Refuse	6%	6%
Electricity	6%	6%
- 5 That the detailed capital budget as per Annexure C be approved
- 6 That the tariffs, fees and charges as reflected on the tariff list, in terms of Section 30 (2) and 93 4) of the Local Government: Municipal Structures Act, Act No: 117 of 1998 (as amended), read with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, be approved with effect 1 July 2020
7. That the following draft reviewed budget related policies be approved:
  - (a) Credit control and debt collection
  - (b) Tariff policy
  - (c) Supply Chain Management Policy
  - (d) Asset management policy

- (e) Cash management, banking & investment policy
- (f) Budget policy
- (g) Virement policy
- (h) Funding and reserve policy
- (i) Borrowing policy
- (j) Indigent support policy
- (k) Rates Policy
- (l) Contract Management Policy
- (m) Unauthorised, Fruitless & Wasteful and Irregular Expenditure policy
- (n) Rewards, gifts and favours policy
- (o) Inventory management policy
- (p) Transport and fleet management policy

8. That the following draft by-laws be approved and be published for public comments

- (a) Tariff by-law
- (b) Credit control and debt collection by-law
- (c) Rates by-law

## **B EXECUTIVE SUMMARY**

The key service delivery priorities, as outlined in the IDP, informed the development of the Budget, including the need to maintain and improve the Municipality's financial sustainability. Furthermore, cost containment measures are being implemented to curb costs and to improve operational efficiency.

National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94, 98 and 99 were used to guide the compilation of the 2020/21 Medium Term Revenue and Expenditure Framework (MTREF).

The Municipality faced the following significant challenges during the compilation of the 2020/21 MTREF:

- Maintaining revenue collection rates at the targeted levels;
- Maintaining electricity and water losses at acceptable levels;
- Fully implementing cost containment measures;
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure; and
- Maintaining an acceptable cost coverage ratio;
- Drought conditions currently faced by the municipality and surrounding areas;
- The impact of Covid-19 regulations, circulars and guidelines issued by government.

The following budgeting principles and guidelines directly informed the compilation of the 2020/21 MTREF:

- The priorities and targets, relating to the key strategic focus areas, as outlined in the IDP.
- The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs.
- The level of property rates and tariff increases to ensure the delivery of municipal services on a financially sustainable basis.
- The need to enhance the municipality's revenue base.
- Implementation of the cost containment regulations.
- No loan funding is available to support the Capital Budget, in view of financial affordability considerations.

In view of the aforementioned, the following table represents an overview of the 2020/21 Medium-term Revenue and Expenditure Framework:

**Table 1 (Overview of the 2020/21 MTREF)**

	<b>Current Year</b>	<b>2020/21 Medium Term Revenue and Expenditure</b>		
	Adjusted Budget 2019/20] R'000	Budget Year 2020/21 R'000	Budget Year +1 2021/22 R'000	Budget Year +2 2022/23 R'000
Total Revenue	467 120	503 566	566 077	607 723
Total Expenditure	398 352	441 294	473 810	514 480
Surplus/(Deficit)	(68 768)	(62 272)	(92 267)	(93 243)
Capital Expenditure	78 387	54 839	83 416	95 713

Total operating revenue has increased by 7.8% or R36.44 million for the 2020/21 financial year, compared to the 2019/20 Adjustments Budget.

The increase is a result of tariff increases and continued implementation of cost reflective tariffs. The municipality completed investigations into cost of supply and a baseline tariff was established for each service in 2019. Thorough investigations were also concluded on electricity tariffs, the effect of the wheeling agreement with Eskom and management has completed physical verification of bulk consumer meters. The intention of the physical verification was to ensure that all possible tampering is identified for these users, correct meters are installed and are functional and to ensure that each user is linked to the correct tariff.

For the two outer years, operational revenue increases by 12.4% and 7.4% respectively.

Total operating expenditure for the 2020/21 financial year amounts to R441.3 million, resulting in a budgeted surplus of R62.3 million. Compared to the 2019/20 Adjustments Budget, operational expenditure increased by 10.8% in the 2020/21 Budget. The municipality is currently struggling financially and cost containment measures are implemented. Cost containment measures include a monthly curb on overtime, acting allowances and travel expenses. It also includes the stopping of non-essential procurement.

For the two outer years, operational expenditure increases by 7.4% and 8.6% respectively. The 2021/22 and 2022/23 budgets reflect operating surpluses of R92 million and R93 million respectively.

The major operating expenditure items for 2020/21 are employee related costs (38%), bulk electricity purchases (25%), depreciation (10%), Repairs and Maintenance (6%) and other expenditure (21%).

Funding for the 2020/21 Operating Budget is obtained from various sources, the major sources being service charges such as electricity, water, sanitation and refuse collection (50%), property rates (10%), grants and subsidies received from National and Provincial Governments (33%).

In order to fund the 2020/21 Operating Budget, the following increases in property rates and service charges will be effected with effect from 1 July 2020:

Property rates:	Increase with 8%
Water:	Increase with 8%
Refuse:	Increase with 8%
Sewerage:	Increase with 8%
Sanitation:	Increase with 8%
Electricity:	Electricity tariff will increase with 9%. Please note that the investigation with regards to cost of supply is still not complete and this percentage may vary towards the final adopted budget.

The municipality has conducted a cost of supply study on all tariffs. The study revealed that almost all the services are currently being rendered at below cost which puts enormous strain on the cash flow of the municipality. It is therefore imperative that these tariffs be changed to include the new baseline tariff. Revenue and tariffs will thus be increased with more than the proposed 6% of National Treasury.

The original capital budget of R54.8 million for 2020/21 is R23.5 million or 30% less than the 2019/20 Adjustments Budget. The Capital Budget over the MTREF will be mainly funded from government grants and subsidies, as limited internal funding is available. Capital expenditure for 2021/22 will amount to R83.4 million.

The budget provides for assistance to the poor and includes the following social package:

- Water – 6 kl free
- Electricity – 50 kwh free
- Refuse – 100% of monthly cost free
- Sanitation – 100% of monthly cost free
- Property Rates- 100% of assessed rates

All budget related policies have been reviewed and will be workshopped with Councillors and top management. The policies will also be subjected to public participation.



## 14 OPERATING REVENUE FRAMEWORK

The continued provision and expansion of municipal services, is largely dependent on the Municipality generating sufficient revenues. Efficient and effective revenue management is thus of vital importance in ensuring the ongoing financial sustainability of the Municipality. Furthermore, in accordance with the MFMA, expenditure has to be limited to the realistically anticipated revenues.

The Municipality's revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard;
- Tariff Policies;
- Property Rates Policy;
- Indigent Policy and provision of free basic services;
- The level of property rates and tariff increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to take into account the maintenance and replacement of infrastructure, including the expansion of services;
- Determining fully cost reflective tariffs for trading services;
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Efficient revenue management, targeting a 95% annual collection rate for property rates and service charges.

The following table is a summary of the 2020/21 MTREF (classified by main revenue source):

**Table 2 (Summary of main revenue sources)**

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Revenue By Source</b>											
Property rates	2	-	-	-	40 993	41 862	-	-	52 441	57 685	63 454
Service charges - electricity revenue	2	-	(312)	(5 196)	130 358	125 974	-	-	140 611	154 672	170 139
Service charges - water revenue	2	-	125	(10 638)	27 626	36 102	-	-	45 436	49 979	54 977
Service charges - sanitation revenue	2	-	114	-	16 390	31 341	-	-	33 853	37 239	40 963
Service charges - refuse revenue	2	-	71	-	22 907	28 655	-	-	34 093	37 503	41 253
Rental of facilities and equipment		-	897	855	929	929	-	-	1 014	1 116	1 227
Interest earned - external investments		-	1 924	634	3 268	3 268	-	-	3 660	4 026	4 429
Interest earned - outstanding debtors		-	9 528	3 388	7 217	7 645	-	-	4 803	5 284	5 812
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	80	21	11	31	-	-	34	37	41
Licences and permits		-	598	1 322	1 652	1 652	-	-	1 784	1 963	2 159
Agency services		-	1 155	1 042	3 668	3 668	-	-	3 929	4 322	4 754
Transfers and subsidies		-	86 577	89 963	102 332	108 594	-	-	118 034	126 539	132 952
Other revenue	2	-	-	-	2 042	2 144	-	-	16 377	18 015	19 817
Gains		-	(614)	583	0	10 000	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	100 142	81 973	359 394	401 866	-	-	456 071	498 379	541 977



In the 2019/20 financial year, rates and service charges amounted to R251.8 million. This increases to R305.9 million in 2020/21 and increases to R336.5 million and R370.2 million in the 2020/21 and 2020/21 financial years, respectively.

The above average increase is due to the following reasons:

- Implementation of a new valuation roll with increased market values
- Implementation of cost reflective tariffs after a cost of supply study was conducted
- Implementation of drought tariff
- Introduction of environmental levy

The major operating revenue sources for 2020/21 are electricity (28%), Operating grants (23%) and property rates (10%).

The following table provides a breakdown of the various operating grants and subsidies allocated to the Municipality over the medium term:

### 1.4.1 Property Rates

The following provisions in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).
- If the usage of a property changes during a financial year, the rebate applicable will be reduced *pro rata* for the balance of the financial year.
- Indigents receives 100% subsidy on the rates levied for the year.

The property rates tariff is standardised to ensure all owners in a category pays the same rate in all the towns in the municipality's jurisdiction. The prescribed ratio is applied.

The property rates increase is mainly influenced by the following:

- Employee related costs increased by 6.25%;
- Providing for debt impairment.
- Increasing the revenue to ensure non-profit divisions are properly subsidised,

The new valuation roll has been implemented from 1 July 2019.

### 1.4.2 Sale of Water and Impact of Tariff Increases

In accordance with National Treasury's MFMA Circulars, no. 51, 55, 58, 66, 70, 74, 85, 89, 91, 93, 94, 98 and 99:

Municipalities are encouraged to review the level and structure of their water tariffs to ensure:

- Fully cost reflective water tariffs – tariffs should include the costs associated with bulk water purchases, the maintenance and renewal of purification plants, water networks and water reticulation expansion;
- Water tariffs are structured to protect basic levels of service; and
- Water tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that water tariffs are fully cost reflective by 2014/15. In this regard a cost of supply study was conducted and the new baseline tariff will be introduced as the first step tariff. Dr Beyers Naude is a municipality which was formed through the amalgamation of 3 former municipalities. As a result of the amalgamation the municipality is also faced with trying to standardise tariffs within the different towns.

The prevailing drought makes it difficult for some municipalities to improve revenue generation from this service. It is now more important to improve demand management, infrastructure maintenance, loss management, meter reading and tariff setting in respect of water services

Ongoing accurate monitoring and reporting of municipal Non-Revenue Water (NRW) and water loss performance against set targets and baselines has become more critical. The municipality is currently monitoring water losses on a monthly basis, but are faced with a huge number of metres that are faulty. This contributes to the inaccurate billing and collection of water tariffs. Grant funding has been received to conduct a study on all faulty metres and areas of water losses. The project started during the 2017/18 financial year and will be completed by the end of 2019/20 financial year.

The tariff will be increased with more than the recommended 6% from 1 July 2020. The proposed tariff increase is mainly influenced by the following:

- Employee related costs increased by 6.25%;

- Repairs and maintenance of water infrastructure
- Providing for debt impairment.
- Introducing new cost reflective tariffs
- The prevailing drought

The water tariff structure is designed in such a manner that higher levels of water consumption are progressively charged at a higher rate. The drought tariff will also be implemented during the time of drought as currently experienced.

#### **1.4.3 Sale of Electricity and Impact of Tariff Increases**

On 9 March 2020, the National Energy Regulator of South Africa (Nersa) approved Eskom's 6.90% increase for municipalities which will be implemented on 1 July 2020. Considering the Eskom tariff increase, the Municipality's consumer tariffs will be increased by 9% on average to offset the additional electricity bulk purchase costs as from 1 July 2020.

The tariff increases are mainly influenced by the following:

- Employee related costs increased by 6.25%;
- The cost of bulk electricity purchases increased by 6.9%;
- Repairs and maintenance of electricity infrastructure
- Providing for debt impairment.
- Implementing cost reflective tariffs

The population of the municipality is relatively stagnant and minimal growth is expected over the MTREF. It is thus estimated that the revenue will only grow with percentage of price increases.

The proposed electricity tariff increases, still require approval by NERSA.

#### **1.4.4 Sanitation and Impact of Tariff Increases**

In accordance with National Treasury's MFMA Circulars, no. 51, 55, 58, 66, 70, 74, 85, 89, 91, 93, 94, 98 and 99: municipalities are encouraged to review the level and structure of their sanitation tariffs to ensure:

- Fully cost reflective sanitation tariffs – tariffs should include the costs associated with maintenance and renewal of treatment plants, sanitation networks and sanitation infrastructure expansion;
- Sanitation tariffs are structured to protect basic levels of service; and
- Sanitation tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that sanitation tariffs are fully cost reflective by 2014/15. In this regard the municipality conducted a cost of supply study to determine a new baseline tariff that was introduced in 2019/20. Dr Beyers Naude is a municipality which was formed through the amalgamation of 3 former municipalities. As a result of the amalgamation the municipality is also faced with trying to standardise tariffs within the different towns. The tariff policy of the municipality makes provision to phase in the standardised tariffs over a period of 3 years

As a result the tariff will increase more than the proposed 6% as from 1 July 2020. The tariff increase is mainly influenced by the following:

- Employee related costs increased by 6.25%;
- Repairs and maintenance of sanitation infrastructure

- Providing for debt impairment.
- Implementing cost reflective tariffs

#### **1.4.5 Refuse Collection and Impact of Tariff Increases**

National Treasury has urged municipalities to ensure that refuse tariffs are fully cost reflective by 2015. The tariffs should take into account the need to maintain a cash-backed reserve to cover the future costs of the rehabilitation of landfill sites.

The revenue generated from refuse collection is not sufficient to ensure proper service delivery. The municipality is facing challenges with regards to infrastructure, fleet and tools.

A tariff increase of more than the proposed 6% for refuse collection will thus be implemented as described above.

The proposed tariff increase is mainly influenced by the following:

- Employee related costs increased by 6.25%;
- Introduction of environmental levy
- Providing for debt impairment
- Provision for landfill sites
- Tariff not cost reflective

### **6 OPERATING EXPENDITURE FRAMEWORK**

The Municipality's expenditure framework for the 2020/21 budget and MTREF is informed by the following:

- The funding of the budget over the medium-term is informed by the requirements of Section 18 and 19 of the MFMA;
- A balanced budget approach by limiting operating expenditure to the operating revenue;

The following table is a high level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure):

**Table 4 (Summary of operating expenditure by standard classification item)**

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Expenditure By Type</b>											
Employee related costs	2	-	-	-	156 807	158 109	-	-	168 482	180 291	192 928
Remuneration of councillors		-	9 324	9 370	9 915	9 464	-	-	9 464	10 411	11 452
Debt impairment	3	-	(62 368)	8 038	3 894	10 146	-	-	10 146	11 161	12 277
Depreciation & asset impairment	2	-	-	-	65 849	46 094	-	-	46 094	50 703	55 774
Finance charges		-	(1 412)	23	3 488	4 214	-	-	4 214	4 635	5 099
Bulk purchases	2	-	-	-	90 605	100 948	-	-	109 125	114 799	125 017
Other materials	8	-	7 149	4 152	1 047	427	-	-	870	957	1 053
Contracted services		-	-	-	15 571	13 838	-	-	10 499	11 549	12 703
Transfers and subsidies		-	18	18	1 286	582	-	-	30	33	36
Other expenditure	4, 5	-	-	-	44 199	66 194	-	-	82 369	89 272	98 142
Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		-	(47 289)	21 601	392 660	410 016	-	-	441 294	473 811	514 480

The total operating expenditure increased by R42.9 million (11%) from R398.3 million in 2019/20 to R441.2 million in 2020/21. Below is a discussion of the main expenditure components.

### Employee related costs

The 2020/21 budget provides for a general increase of 6.25%. A 3 year salary and wage negotiation was concluded at the beginning of 2018/19. In terms of the agreement a salary increase based on the projected CPI percentage for 2020 plus 1.25% will be effective from 1 July 2020.

The total budget provision of R167.9 million represents an increase of 6.25% over the 2019/20 Adjustments budget and is based on actual expenditure in the 2019/20 financial year.

Employee related costs in the 2020/21 Budget, represent 38% of the total operating expenditure

### Remuneration of Councillors

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 preparing the budget.

### Debt Impairment

The provision for debt impairment was determined based on a targeted annual collection rate of 95%.

While this expenditure represents a non-cash flow item, it is taken into account in determining the total costs associated with the rendering of municipal services and the realistically anticipated revenues.

### **Depreciation and Asset Impairment**

It is anticipated that depreciation will remain the same as in 2019/20 at a total cost from R46 million.

### **Finance Charges**

Finance charges consist primarily of the repayment of interest on outstanding trade creditors. The municipality is currently facing severe cash flow problems and is unable to pay creditors within the 30 days as required by legislation.

### **Bulk Electricity Purchases**

The bulk purchases of electricity increased by R8.1 million (8%), from R100.9 million in 2019/20 to R109.1 million in 2020/21.

NERSA has approved a 6.9% increase in the Eskom bulk tariff for the 2020/21 financial year. The municipality is currently in negotiations with Eskom to review the tariffs used for bulk charges as it was discovered that the municipality could move to a more economical tariff.

### **Repairs and Maintenance**

Repairs and maintenance for 2020/21 amounts to R27.4 million and equates to 6% of the total operating expenditure. The municipality anticipates increasing this amount over the MTREF as an improvement in revenue is noted.

### **Contracted Services**

In the 2020/21 financial year, the budget provision amounts to R6.8 million and equates to 2% of the total operating expenditure.

### **Transfers and Subsidies**

In the 2020/21 financial year, the budget provision amounts to R30 thousand and includes transfers to the local SPCA.

### **Other Expenditure**

Other expenditure comprises of various line items relating to the daily operations of the municipality. The expenditure increased by R3.2 million or 7% for 2020/21 and equates to 11% of the total operating expenditure.

Other expenditure includes the following:

<b>Expenditure Type</b>	<b>Annual BUDGET 20/21</b>	<b>2021/2022</b>	<b>2022/2023</b>
28 - GENERAL EXPENSES - OTHER	48 681 199,35	52 214 894,29	57 379 793,72
40 - VEHICLE EXPENSES	11 173 255,39	12 290 580,93	13 519 639,02

#### **1.5.1 Priority relating to repairs and maintenance**

The repairs and maintenance expenditure in the 2020/21 financial year is R27.4 million, compared to 2019/20 (R6 million) an increase of R21.4 million as a result of the development of Repairs and maintenance plans.



In relation to the total operating expenditure, repairs and maintenance constitutes 6% for the 2020/21 financial year and 6% for the 2020/21 and 6% for the 2021/22 financial years, respectively.

### **1.5.2 Free Basic Services: Indigent Support**

The indigent support assists indigent households that have limited financial ability to pay for municipal services. In order to qualify for free services the households are required to register in terms of the Municipality's Indigent Policy, whilst the monthly household income may not exceed two state pensions. Detail relating to free services, cost of free basic services, as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

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

## 16 CAPITAL EXPENDITURE

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

**Table 6 (2019/20 Medium-term capital budget per vote)**

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - COUNCIL (10: IE)		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER (11: IE)		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES: ADMINSTRN (12: IE)		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES: COMM SERV (13: IE)		-	0	-	2 896	2 896	-	-	3 280	12 000	26 831
Vote 5 - CORPORATE SERVICES: PROTECTION (14: IE)		-	-	-	-	-	-	-	-	150	-
Vote 6 - FINANCIAL SERVICES (16: IE)		-	-	-	-	350	-	-	300	-	-
Vote 7 - TECHNICAL SERVICES: ENGINEERING (18: IE)		-	1 444	-	29 551	75 140	-	-	50 659	68 116	67 781
Vote 8 - TECHNICAL SERVICES: ELECTRICAL (19: IE)		-	0	-	-	-	-	-	600	3 150	5 100
Vote 9 - COUNCIL (30: CS)		-	-	-	-	-	-	-	-	-	-
Vote 10 - MUNICIPAL MANAGER (31: CS)		-	-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES: ADMINSTRN (32: CS)		-	-	-	-	-	-	-	-	-	-
Vote 12 - CORPORATE SERVICES: COMM SERV (33: CS)		-	-	-	-	-	-	-	-	-	-
Vote 13 - CORPORATE SERVICES: PROTECTION (34: CS)		-	-	-	-	-	-	-	-	-	-
Vote 14 - FINANCIAL SERVICES (36: CS)		-	-	-	-	-	-	-	-	-	-
Vote 15 - TECHNICAL SERVICES: ENGINEERING (37: CS)		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	1 444	-	32 447	78 387	-	-	54 839	83 416	99 713
<b>Total Capital Expenditure - Vote</b>		-	1 444	-	32 447	78 387	-	-	54 839	83 416	99 713

Of the total amount of R58.8 million for 2020/21, an amount of R54 million has been budgeted for the development of infrastructure, which represents 93% of the total capital budget. In 2021/22 this amount totals R78.7 million (94%)

## CAPITAL PROJECTS

LEDGER DESCRIPTION	READESCRIPT	BRANCH DESCRIPTI	2020/2021	2021/2022	2022/2023	WARD	IDP	Grant
Steytlerville: New Proposed Solid Waste Site	COMMUNITY SE	REFUSE REM WASTE M	280 000,00	-	12 499 500,00	12,13	131	MIG
UPG OF BULK WATER SUPPLY AB	ENGINEERING A	WATER SERVICE	1 300 000,00	-	-			MIG
Graaff Reinet Bulk Water Supply Scheme: Phase 2	ENGINEERING A	WATER SERVICE	7 000 000,00	12 000 000,00	11 528 000,00	2,3,4,5,6,14	116	DWS - WSIG
Graaf-Reinet Emergency Water Supply Scheme (WSS)	ENGINEERING A	WATER SERVICE	17 000 000,00	4 750 000,00	-	2,3,4,5,6,14	117	DWS-RBIG
Graaff Reinet Upgrading of Streets	ENGINEERING A	PUBL WORKS: STREETS	2 700 000,00	-	-			MIG
<b>New Projects</b>								
Upgrading of Collie Koeberg Sport Complex	COMMUNITY SE	PARKS AND RECREATIO	3 000 000,00	6 500 000,00	4 000 000,00	2,3,4,5,6,14	201	MIG
Upgrading of Graaff Reinet Sewer Pump Stations and Reticulation	ENGINEERING A	SEWERAGE SERVICE	8 140 109,00	8 619 230,00	12 800 000,00	2,3,4,5,6,14	122	MIG
New Bulk Water Reticulation Steel Pipeline to Willowmore	ENGINEERING A	WATER SERVICE	4 050 141,00	4 531 370,00	5 518 489,00	8,13,9	112	MIG
Ikwezi Bulk Water Supply	ENGINEERING A	WATER SERVICE	10 000 000,00	38 000 000,00	37 935 000,00	10,11	114	DWS-RBIG
Transformers	ENGINEERING A	ELECTRICITYDISTRIBUTI	600 000,00	150 000,00	300 000,00	All Wards	147	Internal
Standby Generators x 2	FINANCIAL SERV	DIRECTOR : FINANCIAL	200 000,00	-	-	Institutional	343	FMG
Server - Financial System	FINANCIAL SERV	DIRECTOR : FINANCIAL	100 000,00	-	-	Institutional	352	FMG
High pressure storm water jetting	ENGINEERING A	PUBLWORKS: STREETS	270 000,00	-	-	Institutional	344	Internal
Poker Vibrator x 3	ENGINEERING A	PUBLWORKS: STREETS	9 000,00	-	-	Institutional	344	Internal
Compacters x 2	ENGINEERING A	PUBLWORKS: STREETS	40 000,00	-	-	Institutional	344	Internal
Concrete Mixers x 3	ENGINEERING A	PUBLWORKS: STREETS	150 000,00	-	-	Institutional	344	Internal
<b>TOTAL</b>								
			54 839 250,00	83 415 600,00	99 712 714,00			

## **17      ANNUAL BUDGET TABLES**

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's 2020/21 Budget and MTREF to be considered for approval by Council.

Choose name from list - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	-	-	-	40 993	41 862	-	-	52 441	57 685	63 454
Serv ice charges	-	(2)	(15 834)	197 281	222 072	-	-	253 994	279 393	307 332
Investment revenue	-	1 924	634	3 268	3 268	-	-	3 660	4 026	4 429
Transfers recognised - operational	-	86 577	89 963	102 332	108 594	-	-	118 034	126 539	132 952
Other ow n revenue	-	11 643	7 211	15 520	26 070	-	-	27 942	30 736	33 810
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	100 142	81 973	359 394	401 866	-	-	456 071	498 379	541 977
Employ ee costs	-	-	-	156 807	158 109	-	-	168 482	180 291	192 928
Remuneration of councillors	-	9 324	9 370	9 915	9 464	-	-	9 464	10 411	11 452
Depreciation & asset impairment	-	-	-	65 849	46 094	-	-	46 094	50 703	55 774
Finance charges	-	(1 412)	23	3 488	4 214	-	-	4 214	4 635	5 099
Materials and bulk purchases	-	7 149	4 152	91 652	101 375	-	-	109 995	115 757	126 070
Transfers and grants	-	18	18	1 286	582	-	-	30	33	36
Other ex penditure	-	(62 368)	8 038	63 663	90 179	-	-	103 014	111 981	123 123
<b>Total Expenditure</b>	-	(47 289)	21 601	392 660	410 016	-	-	441 294	473 811	514 480
<b>Surplus/(Deficit)</b>	-	147 431	60 373	(33 266)	(8 151)	-	-	14 778	24 568	27 496
Transfers and subsidies - capital (monetary allocations) (National / Prov incial and District)	-	27 856	25 800	33 818	76 919	-	-	47 495	67 698	65 746
Transfers and subsidies - capital (monetary allocations) (National / Prov incial Departmental Agencies, Households, Non-profit Institutions, Priv ate Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	7 045	5 924	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	182 332	92 096	552	68 768	-	-	62 273	92 266	93 242
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	-	182 332	92 096	552	68 768	-	-	62 273	92 266	93 242
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	-	1 454	18 639	32 447	78 387	-	-	54 839	83 416	99 713
Transfers recognised - capital	-	1 452	(123)	32 447	78 037	-	-	53 470	78 601	99 413
Borrow ing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	1 369	-	-
<b>Total sources of capital funds</b>	-	1 452	(123)	32 447	78 037	-	-	54 839	78 601	99 413
<b>Financial position</b>										
Total current assets	-	220 470	140 026	105 912	(1 853)	-	-	538 032	575 695	615 993
Total non current assets	-	1 091 195	111 198	1 151 189	1 197 128	-	-	1 191 001	1 299 109	1 400 505
Total current liabilities	-	16 675	260 987	85 239	85 239	-	-	146 450	156 702	167 671
Total non current liabilities	-	12 551	60 901	97 410	97 410	-	-	45 003	48 153	51 523
Community w ealth/Equity	-	13 042	13 042	(418 520)	(350 305)	-	-	(445 315)	(450 853)	(487 895)
<b>Cash flows</b>										
Net cash from (used) operating	-	(304 426)	(361 165)	60 712	29 853	-	-	69 334	75 282	74 905
Net cash from (used) inv esting	-	-	-	32 447	(78 387)	-	-	-	-	-
Net cash from (used) financing	-	-	-	72 180	72 180	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	-	(198 714)	(361 172)	168 216	26 523	-	-	69 334	144 616	219 520
<b>Cash backing/surplus reconciliation</b>										
Cash and inv estments av ailable	-	118 697	22 830	5 206	(102 560)	-	-	463 288	495 718	530 419
Application of cash and inv estments	-	16 378	146 210	(36 309)	(27 813)	-	-	62 799	68 972	75 650
<b>Balance - surplus (shortfall)</b>	-	102 319	(123 379)	41 515	(74 747)	-	-	400 489	426 746	454 769
<b>Asset management</b>										
Asset register summary (WDV)	-	1 015 463	98 560	1 148 541	1 194 480	-	-	1 191 001	1 299 109	1 400 505
Depreciation	-	(3 182)	55 863	65 849	46 094	-	-	46 094	50 703	55 774
Renew al and Upgrading of Ex isting Assets	-	2 209	15 167	13 197	15 631	-	-	13 840	18 119	29 432
Repairs and Maintenance	-	15 279	6 779	9 347	5 992	-	-	27 494	30 243	33 268
<b>Free services</b>										
Cost of Free Basic Serv ices prov ided	-	2	15 834	20 696	8 998	-	-	-	-	-
Rev enue cost of free serv ices prov ided	-	-	-	2 481	2 481	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		–	151 519	129 162	64 209	81 433	–	87 131	95 486	104 476
Ex ecutiv e and council		–	6 112	(5 409)	7 017	7 017	–	7 471	7 960	8 418
Finance and administration		–	145 413	134 533	57 192	74 416	–	79 660	87 526	96 058
Internal audit		–	(6)	38	–	–	–	–	–	–
<i><b>Community and public safety</b></i>		–	4 919	8 757	18 826	18 708	–	19 857	21 372	22 892
Community and social serv ices		–	1 943	3 561	15 338	15 199	–	16 035	17 168	18 268
Sport and recreation		–	544	31	15	15	–	92	101	111
Public safety		–	927	2 651	2 010	2 030	–	2 266	2 492	2 741
Housing		–	259	4	12	12	–	13	15	16
Health		–	1 245	2 510	1 451	1 451	–	1 451	1 596	1 756
<i><b>Economic and environmental services</b></i>		–	29 385	12 528	18 631	18 627	–	27 824	28 706	30 445
Planning and dev elopment		–	26 815	4 870	3 002	2 998	–	1 578	431	474
Road transport		–	2 570	7 658	15 629	15 629	–	26 247	28 275	29 971
Env ironmental protection		–	–	–	–	–	–	–	–	–
<i><b>Trading services</b></i>		–	171 600	219 437	291 148	359 619	–	368 355	420 075	449 427
Energy sources		–	100 675	108 637	145 976	141 592	–	158 223	177 955	194 908
Water management		–	43 341	77 165	70 223	122 378	–	107 305	130 222	133 022
Waste w ater management		–	15 665	16 750	34 225	49 176	–	52 840	57 464	62 346
Waste management		–	11 918	16 885	40 724	46 473	–	49 987	54 433	59 151
<i><b>Other</b></i>	4	–	550	2 594	398	398	–	399	439	482
<b>Total Revenue - Functional</b>	2	–	357 972	372 478	393 212	478 784	–	503 566	566 077	607 723
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		–	112 220	220 658	98 663	124 718	–	114 278	123 895	134 346
Ex ecutiv e and council		–	21 760	21 363	27 041	28 083	–	28 765	31 239	33 931
Finance and administration		–	90 460	198 619	70 697	95 734	–	84 549	91 622	99 306
Internal audit		–	–	676	925	902	–	964	1 034	1 109
<i><b>Community and public safety</b></i>		–	30 269	25 657	35 070	32 459	–	35 290	37 930	40 773
Community and social serv ices		–	4 599	8 355	6 442	5 140	–	6 102	6 562	7 058
Sport and recreation		–	14 725	7 703	17 095	16 325	–	17 601	18 927	20 355
Public safety		–	4 576	6 782	7 270	6 871	–	7 159	7 682	8 242
Housing		–	–	–	10	10	–	–	–	–
Health		–	6 369	2 817	4 253	4 114	–	4 427	4 760	5 117
<i><b>Economic and environmental services</b></i>		–	13 627	24 468	45 655	38 998	–	53 210	56 339	60 998
Planning and dev elopment		–	3 240	11 248	16 654	15 531	–	17 920	17 978	19 292
Road transport		–	10 387	13 220	29 001	23 467	–	35 290	38 361	41 706
Env ironmental protection		–	–	–	–	–	–	–	–	–
<i><b>Trading services</b></i>		–	163 150	136 952	211 421	211 947	–	236 308	253 244	275 747
Energy sources		–	110 741	110 614	114 535	123 689	–	134 415	142 228	154 769
Water management		–	19 425	12 947	52 756	46 855	–	52 981	57 863	63 204
Waste w ater management		–	6 865	6 055	28 194	24 096	–	30 596	33 406	36 479
Waste management		–	26 119	7 337	15 936	17 307	–	18 315	19 748	21 296
<i><b>Other</b></i>	4	–	(12 829)	2 547	1 850	1 893	–	2 208	2 403	2 616
<b>Total Expenditure - Functional</b>	3	–	306 437	410 282	392 660	410 016	–	441 294	473 811	514 480
<b>Surplus/(Deficit) for the year</b>		–	51 536	(37 804)	552	68 768	–	62 273	92 266	93 242

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>		<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>						
<b>Revenue by Vote</b>	<b>1</b>									
Vote 1 - COUNCIL (10: IE)		-	(1 550)	(379)	51	51	-	51	56	62
Vote 2 - MUNICIPAL MANAGER (11: IE)		-	(947)	111	20	20	-	20	22	24
Vote 3 - CORPORATE SERVICES: ADMINISTRN (12)		-	232	(546)	23 100	22 961	-	24 302	26 003	27 648
Vote 4 - CORPORATE SERVICES: COMM SERV (13)		-	16 631	21 285	48 161	48 724	-	52 272	56 946	61 916
Vote 5 - CORPORATE SERVICES: PROTECTION (14)		-	3 367	5 125	7 335	7 355	-	7 751	8 526	9 379
Vote 6 - FINANCIAL SERVICES (16: IE)		-	137 191	107 093	38 335	67 257	-	78 729	86 502	94 932
Vote 7 - TECHNICAL SERVICES: ENGINEERING (18)		-	86 085	108 700	130 234	190 823	-	182 218	210 065	218 853
Vote 8 - TECHNICAL SERVICES: ELECTRICAL (19)		-	111 550	107 880	145 976	141 592	-	158 223	177 955	194 908
<b>Total Revenue by Vote</b>	<b>2</b>	<b>-</b>	<b>352 559</b>	<b>349 269</b>	<b>393 212</b>	<b>478 784</b>	<b>-</b>	<b>503 566</b>	<b>566 077</b>	<b>607 723</b>
<b>Expenditure by Vote to be appropriated</b>	<b>1</b>									
Vote 1 - COUNCIL (10: IE)		-	15 545	11 024	12 901	13 029	-	12 839	14 071	15 422
Vote 2 - MUNICIPAL MANAGER (11: IE)		-	11 327	15 040	16 387	17 439	-	18 470	19 834	21 300
Vote 3 - CORPORATE SERVICES: ADMINISTRN (12)		-	783	1 190	1 460	1 210	-	1 284	1 375	1 472
Vote 4 - CORPORATE SERVICES: COMM SERV (13)		-	64 624	58 047	5 477	4 092	-	4 214	4 605	5 033
Vote 5 - CORPORATE SERVICES: PROTECTION (14)		-	4	4	4	7	-	8	9	9
Vote 6 - FINANCIAL SERVICES (16: IE)		-	6 109	6 003	6 093	5 580	-	5 837	6 286	6 771
Vote 7 - TECHNICAL SERVICES: ENGINEERING (18)		-	24 446	25 417	44 092	35 478	-	49 044	52 050	56 620
Vote 8 - TECHNICAL SERVICES: ELECTRICAL (19)		-	669	580	678	610	-	807	869	935
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>-</b>	<b>123 544</b>	<b>117 325</b>	<b>87 146</b>	<b>77 446</b>	<b>-</b>	<b>92 503</b>	<b>99 098</b>	<b>107 563</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>-</b>	<b>229 015</b>	<b>231 944</b>	<b>306 067</b>	<b>401 338</b>	<b>-</b>	<b>411 063</b>	<b>466 979</b>	<b>500 160</b>

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>	<b>1</b>										
<b>Revenue By Source</b>											
Property rates	2	-	-	-	40 993	41 862	-	-	52 441	57 685	63 454
Serv ice charges - electricity rev enue	2	-	(312)	(5 196)	130 358	125 974	-	-	140 611	154 672	170 139
Serv ice charges - w ater rev enue	2	-	125	(10 638)	27 626	36 102	-	-	45 436	49 979	54 977
Serv ice charges - sanitation rev enue	2	-	114	-	16 390	31 341	-	-	33 853	37 239	40 963
Serv ice charges - refuse rev enue	2	-	71	-	22 907	28 655	-	-	34 093	37 503	41 253
Rental of facilities and equipment		-	897	855	929	929	-	-	1 014	1 116	1 227
Interest earned - ex ternal inv estments		-	1 924	634	3 268	3 268	-	-	3 660	4 026	4 429
Interest earned - outstanding debtors		-	9 528	3 388	7 217	7 645	-	-	4 803	5 284	5 812
Div idends receiv ed		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	80	21	11	31	-	-	34	37	41
Licences and permits		-	598	1 322	1 652	1 652	-	-	1 784	1 963	2 159
Agency serv ices		-	1 155	1 042	3 668	3 668	-	-	3 929	4 322	4 754
Transfers and subsidies		-	86 577	89 963	102 332	108 594	-	-	118 034	126 539	132 952
Other rev enue	2	-	-	-	2 042	2 144	-	-	16 377	18 015	19 817
<b>Gains</b>		-	(614)	583	0	10 000	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	100 142	81 973	359 394	401 866	-	-	456 071	498 379	541 977
<b>Expenditure By Type</b>											
Employ ee related costs	2	-	-	-	156 807	158 109	-	-	168 482	180 291	192 928
Remuneration of councillors		-	9 324	9 370	9 915	9 464	-	-	9 464	10 411	11 452
Debt impairment	3	-	(62 368)	8 038	3 894	10 146	-	-	10 146	11 161	12 277
Depreciation & asset impairment	2	-	-	-	65 849	46 094	-	-	46 094	50 703	55 774
Finance charges		-	(1 412)	23	3 488	4 214	-	-	4 214	4 635	5 099
Bulk purchases	2	-	-	-	90 605	100 948	-	-	109 125	114 799	125 017
Other materials	8	-	7 149	4 152	1 047	427	-	-	870	957	1 053
Contracted serv ices		-	-	-	15 571	13 838	-	-	10 499	11 549	12 703
Transfers and subsidies		-	18	18	1 286	582	-	-	30	33	36
Other ex penditure	4, 5	-	-	-	44 199	66 194	-	-	82 369	89 272	98 142
<b>Losses</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		-	(47 289)	21 601	392 660	410 016	-	-	441 294	473 811	514 480
<b>Surplus/(Deficit)</b>		-	147 431	60 373	(33 266)	(8 151)	-	-	14 778	24 568	27 496
Transfers and subsidies - capital (monetary allocations) (National / Prov incial and District)		-	27 856	25 800	33 818	76 919	-	-	47 495	67 698	65 746
Transfers and subsidies - capital (monetary allocations) (National / Prov incial Departmental Agencies, Households, Non-profit Institutions, Priv ate Enterprises, Public Corporatons, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	7 045	5 924	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	182 332	92 096	552	68 768	-	-	62 273	92 266	93 242
Tax ation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		-	182 332	92 096	552	68 768	-	-	62 273	92 266	93 242
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		-	182 332	92 096	552	68 768	-	-	62 273	92 266	93 242
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		-	182 332	92 096	552	68 768	-	-	62 273	92 266	93 242

**EC101 DR BEYERS NAUDE TABLE A5 – CAPITAL EXPENDITURE**

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - COUNCIL (10: IE)		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER (11: IE)		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES: ADMINISTRATION (12)		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES: COMM SERVICES (13)		-	-	-	-	-	-	-	-	-	-
Vote 5 - CORPORATE SERVICES: PROTECTION (14)		-	-	-	-	-	-	-	-	-	-
Vote 6 - FINANCIAL SERVICES (16: IE)		-	-	-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES: ENGINEERING (18)		-	-	-	-	-	-	-	-	-	-
Vote 8 - TECHNICAL SERVICES: ELECTRICAL (19)		-	-	-	-	-	-	-	-	-	-
Vote 9 - COUNCIL (30: CS)		-	-	-	-	-	-	-	-	-	-
Vote 10 - MUNICIPAL MANAGER (31: CS)		-	-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES: ADMINISTRATION (32)		-	-	-	-	-	-	-	-	-	-
Vote 12 - CORPORATE SERVICES: COMM SERVICES (33)		-	-	-	-	-	-	-	-	-	-
Vote 13 - CORPORATE SERVICES: PROTECTION (34)		-	-	-	-	-	-	-	-	-	-
Vote 14 - FINANCIAL SERVICES (36: CS)		-	-	-	-	-	-	-	-	-	-
Vote 15 - TECHNICAL SERVICES: ENGINEERING (37)		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - COUNCIL (10: IE)		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER (11: IE)		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES: ADMINISTRATION (12)		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES: COMM SERVICES (13)		-	0	-	2 896	2 896	-	-	3 280	12 000	26 831
Vote 5 - CORPORATE SERVICES: PROTECTION (14)		-	-	-	-	-	-	-	-	150	-
Vote 6 - FINANCIAL SERVICES (16: IE)		-	-	-	-	350	-	-	300	-	-
Vote 7 - TECHNICAL SERVICES: ENGINEERING (18)		-	1 444	-	29 551	75 140	-	-	50 659	68 116	67 781
Vote 8 - TECHNICAL SERVICES: ELECTRICAL (19)		-	0	-	-	-	-	-	600	3 150	5 100
Vote 9 - COUNCIL (30: CS)		-	-	-	-	-	-	-	-	-	-
Vote 10 - MUNICIPAL MANAGER (31: CS)		-	-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES: ADMINISTRATION (32)		-	-	-	-	-	-	-	-	-	-
Vote 12 - CORPORATE SERVICES: COMM SERVICES (33)		-	-	-	-	-	-	-	-	-	-
Vote 13 - CORPORATE SERVICES: PROTECTION (34)		-	-	-	-	-	-	-	-	-	-
Vote 14 - FINANCIAL SERVICES (36: CS)		-	-	-	-	-	-	-	-	-	-
Vote 15 - TECHNICAL SERVICES: ENGINEERING (37)		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	1 444	-	32 447	78 387	-	-	54 839	83 416	99 713
<b>Total Capital Expenditure - Vote</b>		-	1 444	-	32 447	78 387	-	-	54 839	83 416	99 713
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		-	2	18 762	-	350	-	-	300	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		-	2	18 762	-	350	-	-	300	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	0	-	-	-	-	-	3 000	12 150	6 500
Community and social services		-	-	-	-	-	-	-	-	1 200	2 500
Sport and recreation		-	0	-	-	-	-	-	3 000	10 950	4 000
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	4	-	10 300	10 300	-	-	3 169	165	-
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	4	-	10 300	10 300	-	-	3 169	165	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	1 449	(123)	22 147	67 736	-	-	48 370	71 101	93 213
Energy services		-	4	-	-	-	-	-	600	3 150	5 100
Water management		-	1 444	-	19 251	64 569	-	-	39 350	59 281	54 981
Waste water management		-	-	(123)	-	271	-	-	8 140	8 669	12 800
Waste management		-	0	(0)	2 896	2 896	-	-	280	-	20 331
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	-	1 454	18 639	32 447	78 387	-	-	54 839	83 416	99 713
<b>Funded by:</b>											
National Government		-	1 452	(123)	32 447	57 884	-	-	53 470	78 601	99 413
Provincial Government		-	-	-	-	20 152	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial)		-	-	-	-	-	-	-	-	-	-
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	-	1 452	(123)	32 447	78 037	-	-	53 470	78 601	99 413
<b>Borrowing</b>	<b>6</b>	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	-	-	-	-	-	-	1 369	-	-
<b>Total Capital Funding</b>	<b>7</b>	-	1 452	(123)	32 447	78 037	-	-	54 839	78 601	99 413



Choose name from list - Table A6 Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		-	191 542	(276)	1 558	(106 208)	-	-	462 288	494 648	529 274
Call inv estment deposits	1	-	(72 844)	23 106	1 000	1 000	-	-	1 000	1 070	1 145
Consumer debtors	1	-	101 715	101 681	89 854	89 854	-	-	61 244	65 532	70 119
Other debtors		-	58	13 973	7 200	7 200	-	-	7 200	7 704	8 243
Current portion of long-term receiv ables		-	-	(447)	-	-	-	-	-	-	-
Inv entory	2	-	-	1 989	6 300	6 300	-	-	6 300	6 741	7 213
<b>Total current assets</b>		-	<b>220 470</b>	<b>140 026</b>	<b>105 912</b>	<b>(1 853)</b>	-	-	<b>538 032</b>	<b>575 695</b>	<b>615 993</b>
<b>Non current assets</b>											
Long-term receiv ables		-	-	-	-	-	-	-	-	-	-
Inv estments		-	-	-	2 648	2 648	-	-	-	-	-
Inv estment property		-	-	-	67 783	67 783	-	-	-	-	-
Inv estment in Associate		-	-	-	-	-	-	-	-	-	-
Property , plant and equipment	3	-	1 091 195	111 265	1 067 052	1 112 991	-	-	1 191 001	1 299 109	1 400 505
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		-	-	(67)	253	253	-	-	-	-	-
Other non-current assets		-	-	-	13 453	13 453	-	-	-	-	-
<b>Total non current assets</b>		-	<b>1 091 195</b>	<b>111 198</b>	<b>1 151 189</b>	<b>1 197 128</b>	-	-	<b>1 191 001</b>	<b>1 299 109</b>	<b>1 400 505</b>
<b>TOTAL ASSETS</b>		-	<b>1 311 666</b>	<b>251 224</b>	<b>1 257 102</b>	<b>1 195 275</b>	-	-	<b>1 729 034</b>	<b>1 874 804</b>	<b>2 016 498</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank ov erdraft	1	-	-	-	-	-	-	-	-	-	-
Borrow ing	4	-	-	20 000	18 000	18 000	-	-	-	-	-
Consumer deposits		-	-	3 315	3 079	3 079	-	-	3 317	3 549	3 797
Trade and other pay ables	4	-	15 149	218 351	55 050	55 050	-	-	136 102	145 629	155 823
Prov isions		-	1 526	19 321	9 110	9 110	-	-	7 031	7 524	8 050
<b>Total current liabilities</b>		-	<b>16 675</b>	<b>260 987</b>	<b>85 239</b>	<b>85 239</b>	-	-	<b>146 450</b>	<b>156 702</b>	<b>167 671</b>
<b>Non current liabilities</b>											
Borrow ing		-	(195)	-	33 000	33 000	-	-	10 000	10 700	11 449
Prov isions		-	12 745	60 901	64 410	64 410	-	-	35 003	37 453	40 074
<b>Total non current liabilities</b>		-	<b>12 551</b>	<b>60 901</b>	<b>97 410</b>	<b>97 410</b>	-	-	<b>45 003</b>	<b>48 153</b>	<b>51 523</b>
<b>TOTAL LIABILITIES</b>		-	<b>29 225</b>	<b>321 889</b>	<b>182 649</b>	<b>182 649</b>	-	-	<b>191 453</b>	<b>204 854</b>	<b>219 194</b>
<b>NET ASSETS</b>	5	-	<b>1 282 440</b>	<b>(70 665)</b>	<b>1 074 452</b>	<b>1 012 626</b>	-	-	<b>1 537 581</b>	<b>1 669 950</b>	<b>1 797 304</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		-	-	-	(418 520)	(350 305)	-	-	(445 315)	(450 853)	(487 895)
Reserv es	4	-	13 042	13 042	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	-	<b>13 042</b>	<b>13 042</b>	<b>(418 520)</b>	<b>(350 305)</b>	-	-	<b>(445 315)</b>	<b>(450 853)</b>	<b>(487 895)</b>

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	(272)	38 943	38 943	-	-	49 819	53 306	57 038
Serv ice charges		-	(148)	(5 759)	190 109	190 109	-	-	241 294	258 184	276 257
Other rev enue		-	-	155	8 303	8 303	-	-	6 423	6 873	7 354
Transfers and Subsidies - Operational	1	-	-	(1 278)	102 332	102 332	-	-	101 316	108 408	115 997
Transfers and Subsidies - Capital	1	-	-	-	33 818	33 818	-	-	47 495	51 853	55 483
Interest		-	-	(1 122)	10 124	10 124	-	-	8 040	8 603	9 206
Div idends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employ ees		-	(305 672)	(352 848)	(318 143)	(348 980)	-	-	(380 810)	(407 279)	(441 295)
Finance charges		-	1 412	(23)	(3 488)	(4 214)	-	-	(4 214)	(4 635)	(5 099)
Transfers and Grants	1	-	(18)	(18)	(1 286)	(582)	-	-	(30)	(33)	(36)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	(304 426)	(361 165)	60 712	29 853	-	-	69 334	75 282	74 905
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receiv ables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current inv estments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		-	-	-	32 447	(78 387)	-	-	-	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	-	-	32 447	(78 387)	-	-	-	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrow ing long term/refinancing		-	-	-	72 180	72 180	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repay ment of borrow ing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	72 180	72 180	-	-	-	-	-
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		-	(304 426)	(361 165)	165 339	23 646	-	-	69 334	75 282	74 905
Cash/cash equiv alents at the y ear begin:	2	-	105 712	(7)	2 877	2 877	-	-	-	69 334	144 616
Cash/cash equiv alents at the y ear end:	2	-	(198 714)	(361 172)	168 216	26 523	-	-	69 334	144 616	219 520

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

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	-	(198 714)	(361 172)	168 216	26 523	-	-	69 334	144 616	219 520
Other current investments > 90 days		-	317 412	384 002	(165 658)	(131 731)	-	-	393 954	351 102	310 898
Non current assets - Investments	1	-	-	-	2 648	2 648	-	-	-	-	-
<b>Cash and investments available:</b>		-	118 697	22 830	5 206	(102 560)	-	-	463 288	495 718	530 419
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	16 714	43 224	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	(336)	102 986	(36 309)	(27 813)	-	-	62 799	68 972	75 650
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		-	16 378	146 210	(36 309)	(27 813)	-	-	62 799	68 972	75 650
<b>Surplus(shortfall)</b>		-	102 319	(123 379)	41 515	(74 747)	-	-	400 489	426 746	454 769

Choose name from list - Table A9 Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	-	(755)	3 472	19 251	62 755	-	40 999	65 296	70 281
Roads Infrastructure		-	(434)	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	4	-	-	-	-	600	150	300
Water Supply Infrastructure		-	-	-	19 251	56 578	-	39 350	59 281	54 981
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	280	-	12 500
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	(430)	-	19 251	56 578	-	40 230	59 431	67 781
Community Facilities		-	-	-	-	-	-	-	1 200	2 500
Sport and Recreation Facilities		-	(324)	-	-	-	-	-	-	-
<b>Community Assets</b>		-	(324)	-	-	-	-	-	1 200	2 500
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	3 473	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	3 473	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	250	-	100	-	-
Furniture and Office Equipment		-	-	-	-	100	-	-	-	-
Machinery and Equipment		-	-	(0)	-	5 827	-	669	4 665	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	(443)	15 167	2 896	2 896	-	-	-	7 832
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	(123)	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	15 290	2 896	2 896	-	-	-	7 832
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	15 167	2 896	2 896	-	-	-	7 832
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	(445)	-	-	-	-	-	-	-
<b>Community Assets</b>		-	(445)	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	2	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	-	2 652	-	10 300	12 735	-	13 840	18 119	21 600
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	438	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	3 000	4 800
Water Supply Infrastructure		-	1 444	-	10 300	12 464	-	2 700	-	-
Sanitation Infrastructure		-	-	-	-	271	-	8 140	8 619	12 800
Solid Waste Infrastructure		-	0	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	1 883	-	10 300	12 735	-	10 840	11 619	17 600
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	769	-	-	-	-	3 000	6 500	4 000
<b>Community Assets</b>		-	769	-	-	-	-	3 000	6 500	4 000
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

<b>Total Capital Expenditure</b>	4	—	1 454	18 639	32 447	78 387	—	54 839	83 416	99 713
Roads Infrastructure		—	(434)	—	—	—	—	—	—	—
Storm water Infrastructure		—	438	(123)	—	—	—	—	—	—
Electrical Infrastructure		—	4	—	—	—	600	3 150	5 100	—
Water Supply Infrastructure		—	1 444	—	29 551	69 042	42 050	59 281	54 981	—
Sanitation Infrastructure		—	—	—	—	271	8 140	8 619	12 800	—
Solid Waste Infrastructure		—	0	15 290	2 896	2 896	280	—	20 331	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
<b>Infrastructure</b>		—	1 452	15 167	32 447	72 209	51 070	71 051	93 213	—
Community Facilities		—	—	—	—	—	—	1 200	2 500	—
Sport and Recreation Facilities		—	0	—	—	—	3 000	6 500	4 000	—
<b>Community Assets</b>		—	0	—	—	—	3 000	7 700	6 500	—
<b>Heritage Assets</b>		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
<b>Investment properties</b>		—	—	—	—	—	—	—	—	—
Operational Buildings		—	—	3 473	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
<b>Other Assets</b>		—	—	3 473	—	—	—	—	—	—
<b>Biological or Cultivated Assets</b>		—	—	—	—	—	—	—	—	—
Services		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
<b>Intangible Assets</b>		—	—	—	—	—	—	—	—	—
Computer Equipment		—	2	—	—	250	100	—	—	—
Furniture and Office Equipment		—	—	—	—	100	—	—	—	—
Machinery and Equipment		—	—	(0)	—	5 827	669	4 665	—	—
<b>Transport Assets</b>		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		—	1 454	18 639	32 447	78 387	—	54 839	83 416	99 713
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	—	1 015 463	98 560	1 148 541	1 194 480	—	1 191 001	1 299 109	1 400 505
Roads Infrastructure		—	4	—	—	—	—	—	—	—
Storm water Infrastructure		—	—	(123)	—	—	—	—	—	—
Electrical Infrastructure		—	(252)	(48 887)	3 245	3 245	—	600	3 150	5 100
Water Supply Infrastructure		—	886 691	21 216	1 080 379	1 125 697	—	1 178 212	1 274 975	1 355 773
Sanitation Infrastructure		—	—	—	—	—	—	8 140	8 619	12 800
Solid Waste Infrastructure		—	6 016	7 481	6 141	6 141	—	280	—	20 331
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	56	—	—	—	—	—	—	—
<b>Infrastructure</b>		—	892 516	(20 314)	1 089 765	1 135 083	—	1 187 232	1 286 744	1 394 005
<b>Community Assets</b>		—	(15 838)	(427)	—	—	—	3 000	7 700	6 500
<b>Heritage Assets</b>		—	—	—	13 453	13 453	—	—	—	—
<b>Investment properties</b>		—	—	—	67 783	67 783	—	—	—	—
<b>Other Assets</b>		—	123 695	122 570	(32 447)	(32 447)	—	—	—	—
<b>Biological or Cultivated Assets</b>		—	—	—	—	—	—	—	—	—
<b>Intangible Assets</b>		—	—	(67)	253	253	—	—	—	—
Computer Equipment		—	3	—	—	250	—	100	—	—
Furniture and Office Equipment		—	—	—	—	100	—	—	—	—
Machinery and Equipment		—	(34 983)	(3 203)	3 245	3 516	—	669	4 665	—
<b>Transport Assets</b>		—	—	—	—	—	—	—	—	—
Land		—	50 069	—	6 489	6 489	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	—	1 015 463	98 560	1 148 541	1 194 480	—	1 191 001	1 299 109	1 400 505
<b>EXPENDITURE OTHER ITEMS</b>		—	12 098	62 642	75 195	52 086	—	73 588	80 947	89 041
<b>Depreciation</b>	7	—	(3 182)	55 863	65 849	46 094	—	46 094	50 703	55 774
<b>Repairs and Maintenance by Asset Class</b>	3	—	15 279	6 779	9 347	5 992	—	27 494	30 243	33 268
Roads Infrastructure		—	112	283	260	178	—	10 710	11 781	12 959
Storm water Infrastructure		—	277	77	245	2	—	345	380	417
Electrical Infrastructure		—	106	2 805	868	162	—	2 252	2 478	2 725
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	3 659	1 920	1 920	1 617	—	6 004	6 604	7 265
Solid Waste Infrastructure		—	(369)	(1 496)	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
<b>Infrastructure</b>		—	3 786	3 588	3 294	1 959	—	19 311	21 243	23 367
Community Facilities		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
<b>Community Assets</b>		—	—	—	—	—	—	—	—	—
<b>Heritage Assets</b>		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
<b>Investment properties</b>		—	—	—	—	—	—	—	—	—
Operational Buildings		—	502	404	768	222	—	222	244	268
Housing		—	—	—	—	—	—	—	—	—
<b>Other Assets</b>		—	502	404	768	222	—	222	244	268
<b>Biological or Cultivated Assets</b>		—	—	—	—	—	—	—	—	—
Services		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	101	50	94	—	—	—	—
<b>Intangible Assets</b>		—	—	101	50	94	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		—	23	13	43	12	—	—	—	—
Machinery and Equipment		—	10 940	2 627	5 192	3 706	—	7 961	8 757	9 633
<b>Transport Assets</b>		—	29	46	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		—	12 098	62 642	75 195	52 086	—	73 588	80 947	89 041

Choose name from list - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min.service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity /other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	(125)	10 638	5 968	5 968	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	(114)	-	6 514	-	-	-	-	-
Electricity /other energy (50kwh per indigent household per month)		-	312	5 196	3 030	3 030	-	-	-	-
Refuse (removed once a week for indigent households)		-	(71)	-	5 185	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		-	2	15 834	20 696	8 998	-	-	-	-
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	2 481	2 481	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity /other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of subsidised services provided</b>		-	-	-	2 481	2 481	-	-	-	-

## **PART 2 – SUPPORTING DOCUMENTATION**

### **2.1 OVERVIEW OF ANNUAL BUDGET PROCESS**

The Budget process started in September 2019 after the approval of a timetable to guide the preparation of the 2020/21 to 2022/23 Operating and Capital Budgets.

The timetable provides broad timeframes for the IDP and Budget preparation process. It allows for consultation with stakeholders, such as the elected public representatives, employees of the Municipality, Civil Society, State departments, business and labour, during April/May 2019. The main aim of the timetable was to ensure that an IDP and a balanced Budget are tabled in May 2019, however this was impossible to implement due to the National Lockdown. The IDP and Budget will be tabled by the Mayor for consideration and approval at a Council meeting scheduled for 29 May 2019. After this meeting, it will be submitted to National and Provincial Treasury.

The Service Delivery and Budget Implementation Plan is the mechanism that ensures that the IDP and the Budget is aligned.

The draft budget was considered by the Budget Steering Committee under the direction of the Mayor. The Budget Steering Committee consist of the Mayor, the Chairperson of the Budget and Treasury Standing Committee, the Municipal Manager and senior officials. The primary aims of the Committee are to ensure that:

- The budget compilation process complies with legislation;
- There is proper alignment between the service delivery priorities as set out in the Municipality's IDP and the Budget, taking into account the need to maintain the financial sustainability of the Municipality;
- The Municipality's revenue and tariff determination strategies generate sufficient cash resources to deliver services; and
- The various spending priorities of the different municipal directorates are properly evaluated and prioritised in the allocation of resources.

#### **2.1.1 IDP & Budget Timetable 2020/21 to 2021/22**

The preparation of the 2020/21 to 2021/22 IDP and Budget were guided by the following schedule of key deadlines as approved by Council on 22 August 2019.

<b>Activity</b>	<b>Date</b>
IDP/Budget Schedule approved by Council	22 August 2019
Tabling of draft IDP and Budget in Council	27 May 2020
Public Participation	01 June to 12 June 2020
Final adoption of IDP and Budget by Council	15 June 2020

## 2.2 **ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN**

The Integrated Development Plan (IDP) determines and prioritises the needs of the community.

The review of the IDP, in accordance with the Municipal Systems Act, was guided and informed by the following principles:

- Achievement of the five strategic priorities of the municipality.
- Focusing on service delivery backlogs and the maintenance of infrastructure.
- Addressing community priorities (needs) as identified in the IDP.

The review of the IDP focused on establishing measurable performance indicators and targets. These targets informed the preparation of the multi-year budget, as well as the Service Delivery and Budget Implementation Plan (SDBIP).

The 2020/21 to 2021/22 Operating and Capital Budgets were prepared in accordance with the IDP.

The key strategic focus areas of the IDP are as follows:

- Municipal transformation and development
- Service delivery and infrastructure development
- Local economic development
- Financial sustainability and viability
- Good governance and public participation

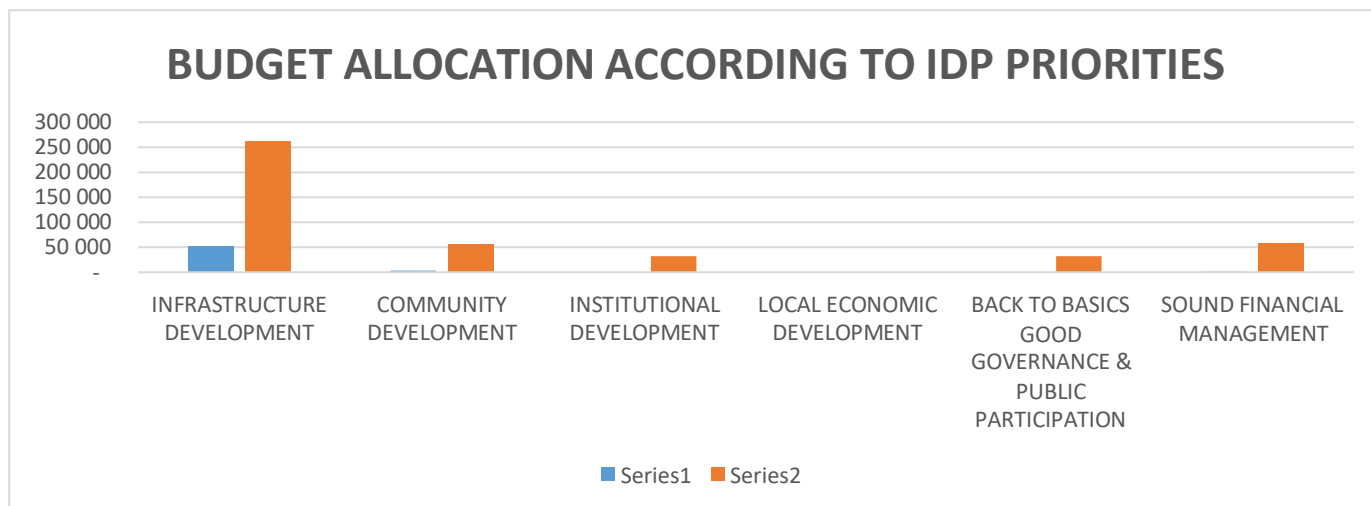
The budget consultation process will take the form of a series of meetings to be held throughout the municipal area with the elected public representatives, employees of the Municipality, Civil Society, business, labour, National and Provincial Governments on how the budget addresses the IDP priorities and objectives. The feedback flowing from these meetings will be referred to the relevant Directorates for their attention.

Below is a table, which illustrates the link between the Budget and the IDP.

### **BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES**

	INFRASTRUCTURE DEVELOPMENT	COMMUNITY DEVELOPMENT	INSTITUTIONAL DEVELOPMENT	LOCAL ECONOMIC DEVELOPMENT	BACK TO BASICS		TOTAL
	R'000	R'000	R'000	R'000	GOOD GOVERNANCE & PUBLIC PARTICIPATION R'000	SOUND FINANCIAL MANAGEMENT R'000	R'000
<b>CAPITAL EXPENDITURE</b>	51 259	3 280	0	0	0	300	54 839
<b>OPERATIONAL EXPENDITURE</b>	262 955	55 768	31 950	0	32 219	58 398	441 293





## 2.3 OVERVIEW OF BUDGET RELATED POLICIES

The MFMA and the Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, be updated on an annual basis.

All budget related policies have been reviewed and/or developed. Policies will be workshopped extensively with Council and Top Management and will further be workshopped with all relevant stakeholders.

The following policies are now in place:

- |  |   |          |
|--|---|----------|
| • Credit control and debt collection           | - | reviewed |
| • Tariff policy                                | - | reviewed |
| • Supply Chain policy                          | - | reviewed |
| • SCM Infrastructure Procurement               | - | reviewed |
| • Asset management policy                      | - | reviewed |
| • Subsistence and Travel policy                | - | reviewed |
| • Cash management, banking & investment policy | - | reviewed |
| • Budget policy                                | - | reviewed |
| • Virement policy                              | - | reviewed |
| • Funding and reserve policy                   | - | reviewed |
| • Borrowing policy                             | - | reviewed |
| • Rates policy                                 | - | reviewed |
| • Indigent support policy                      | - | reviewed |
| • Cost containment policy                      | - | reviewed |

The following by-laws were developed and will be promulgated once all legislative processes have been concluded:

- Tariff by-law
- Credit control and debt collection by-law
- Rates by-law

## 2.4 **OVERVIEW OF BUDGET ASSUMPTIONS**

The municipal fiscal environment is influenced by a variety of macro-economic control measures. National Treasury provides guidelines on the ceiling of year-on-year increases in the total Operating Budget, whilst the National Electricity Regulator of South Africa (NERSA) regulates bulk electricity tariff increases. The Municipality's employee related costs are also influenced by collective agreements concluded in the South African Local Government Bargaining Council. Various government departments also affect municipal service delivery through the level of grants and subsidies.

The following principles and guidelines directly informed the compilation of the Budget:

- The priorities and targets, relating to the key strategic focus areas, as outlined in the IDP.
- The need to enhance the municipality's revenue base.
- The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs, including the expansion of services.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- Raising of loan funding should be considered to address critical needs.
- No growth in revenue sources has been provided for in view of current consumption trends in municipal services.
- Restructuring of major trade creditors over long term periods to ensure financial sustainability and a funded budget
- Restructuring of tariffs to uniform tariffs and ensuring baseline tariff as per cost of supply study

The Municipality faced the following significant challenges in preparing the 2020/21 – 2022/23 Budget:

- Fully implementing cost containment measures;
- Maintaining revenue collection rates at the targeted levels;
- Maintaining electricity and water losses at acceptable levels;
- Dealing with an unfunded budget of the past and measures to address this in the future
- Different tariff structures in the different towns and converting this to uniform tariffs
- Creditors inherited from former municipalities which is still placing financial strain on the cash flow and hence the restructuring of creditors over long term period
- Introducing cost reflective tariffs
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure;
- Maintaining an acceptable cost coverage ratio;
- Covid-19

The multi-year budget is therefore underpinned by the following assumptions:

	2020/21	2020/21	2021/22
	%	%	%
<b>Income</b>			
Tariff Increases for water	8	6	6
Tariff Increases for sanitation	8	6	6
Tariff Increases for refuse	8	6	6
Property rates increase	8	6	6
Electricity tariff increase (on average)	9	15	15
Revenue collection rates	95	95	95
<b>Expenditure increases allowed</b>		6	6
Salary increase	6.25	6	Not available
Increase in bulk purchase of electricity costs	8	7	6

## 2.5 OVERVIEW OF BUDGET FUNDING

### 2.5.1 Medium-term outlook: operating revenue

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

**Table 7 (Breakdown of the operating revenue over the medium-term)**

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	-	-	-	40 993	41 862	-	-	52 441	57 685	63 454
Service charges	-	(2)	(15 834)	197 281	222 072	-	-	253 994	279 393	307 332
Investment revenue	-	1 924	634	3 268	3 268	-	-	3 660	4 026	4 429
Transfers recognised - operational	-	86 577	89 963	102 332	108 594	-	-	118 034	126 539	132 952
Other own revenue	-	11 643	7 211	15 520	26 070	-	-	27 942	30 736	33 810
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	100 142	81 973	359 394	401 866	-	-	456 071	498 379	541 977

### 2.5.2 Medium-term outlook: capital revenue

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

**Table 8 (Sources of capital revenue over the MTREF)**

Choose name from list - Table A1 Bu										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Capital expenditure &amp; funds sources</b>										
Capital expen	-	1 454	18 639	32 447	78 387	-	-	54 839	83 416	99 713
Transfers re	-	1 452	(123)	32 447	78 037	-	-	53 470	78 601	99 413
Borrow ing	-	-	-	-	-	-	-	-	-	-
Internally ge	-	-	-	-	-	-	-	1 369	-	-
<b>Total sources</b>	-	1 452	(123)	32 447	78 037	-	-	54 839	78 601	99 413

### 2.5.3 Medium-term outlook: Borrowing

The municipality should consider raising loans for capital items required from own funds as well as buying vehicles instead of leasing.

### 2.5.4 Medium-term outlook: Working towards a funded budget

The municipality managed to table a funded budget. The funded budget is based on the following:

- Restructuring of debt owed to major creditors over long term period
- Implementing cost reflective tariffs – phase 2 – Introduction of secondary tariffs

The municipality has addressed the following issues to ensure a positive move towards becoming financially sustainable:

- Replacing the faulty meters within all areas thus limiting losses and increasing revenue
- Standardising tariffs in all areas
- Calculating cost reflective tariffs and implementation thereof over 3 years
- Implementing a new valuation roll for Dr Beyers Naude with effect 1 July 2019
- Continuing to implement cost containment measures

## 2.6 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The municipality will be making the following allocations:

- SPCA - R20 000
- Pauper burials - R10 000

## 2.7 COUNCILLORS AND EMPLOYEE BENEFITS

## DISCLOSURE OF SALARIES, ALLOWANCES & BENEFITS

The following tables set out the allowances and employee benefits budgeted for the 2020/2120 budget year:

The municipality has twenty seven (27) councillors, consisting of one fulltime Mayor, four EXCO Members also chairpersons of sec. 79 committees and one MPAC chairperson of which the allowances are set out in table below.

Grade	Councillor(s)	Number	Salary p/p	Salary	Allowance	Total remuneration
3	Mayor (full-time)	1	860 859	860 859	44 400	905 259
	Speaker (Full-time)	1	688 688	688 688	44 400	733 088
	Exco Members (part time)	4	360 193	1 440 772	177 600	1 618 372
	S79 Committee Chairperson (part-time)	1	349 618	349 618	44 400	394 018
	Part-time Councillors	20	272 430	5 448 600	888 000	6 336 600
	<b>TOTAL</b>	<b>27</b>		<b>8 788 537</b>	<b>1 198 800</b>	<b>9 987 337</b>

Disclosure of Salaries, Allowances & Benefits	Salary	Allowances	Performance Bonuses	Total Package (Rand per annum)
<b>Senior Managers of the Municipality</b>				
Municipal Manager (MM)	1 436 545	40 800		1 477 345
Chief Finance Officer	1 174 258	40 800		1 215 058
Director Corporate Services	1 174 258	40 800		1 215 058
Director Community Services	1 174 258	40 800		1 215 058
Director Infrastructure	1 269 889	40 800		1 310 689

## **2.8 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS –DIRECTORATES**

In terms of section 53 (1)(c)(ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) constitutes a detailed plan for implementing the Municipality's delivery of services and its annual budget, which must include the following:

- (a) Monthly projections of
  - Revenue to be collected, by source; and
  - Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter.

In accordance with Section 53 of the MFMA, the Mayor is required to approve the SDBIP within 28 days after the approval of the budget. Furthermore, the Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators, as set out in the SDBIP, are made public within 14 days after the approval of the SDBIP.

The SDBIP gives effect to the IDP and Budget of the Municipality. It includes the service delivery targets and performance indicators for each quarter, which forms the basis for the performance agreements of the Directors. It therefore facilitates oversight over the financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the Directors, the Executive Mayor/Council to monitor the performance of the Municipal Manager, and the Community to monitor the performance of the Municipality.

The SDBIP relating to the 2020/21 financial year will be approved by the Mayor during June 2019, following the approval of the Budget.

## **2.9 LEGISLATION COMPLIANCE STATUS**

The following reflects the status of implementation of some of the key MFMA areas:

### IDP

A draft revised 2020/21 IDP has been developed, which will be considered at a Council meeting to be held on 27 May 2020. The IDP includes specific deliverables that forms the basis for the Budget and SDBIP.

### Budget

The draft annual budget document has been developed taking the MFMA and National Treasury (NT) requirements into account. Budgets are being tabled and approved within the required legislated timeframes.

### Annual Report

The Annual Report has been developed taking the MFMA and NT requirements into account. The 2018/19 Annual Report was tabled in January 2020.

### Oversight Report

The Municipal Public Accounts Committee has considered the 2018/19 Annual report. Its Oversight Report will be considered and approved at a Council meeting to be held on 27 May 2020.

### In-Year Reporting

The municipality submits the various reports required to the Mayor, Council, and NT on an ongoing basis, in accordance with the MFMA.

### Supply Chain Management Policy (SCM)

A Supply Chain Management Policy has been adopted and implemented in accordance with the MFMA and NT requirements.

All the required committee structures are in place. Whilst the municipality is working at making these new processes operate more efficiently and effectively, it is considered that the municipality is currently complying with the MFMA and NT guidelines.

### Budget and Treasury

A Budget and Treasury Office has been established in accordance with the MFMA and NT requirements, consisting of a CFO and municipal officials reporting to the CFO.

### Audit Committee

An Audit Committee has been established and meets on a quarterly basis.

### Internal Audit Function

The Municipality's Internal Audit Function is performed in-house and reports to the Municipal Manager and is operating in accordance with an audit plan.

In relation to the 2020/21 financial year and beyond, the municipality plans to focus on the following high priority areas:

- Working towards an unqualified audit status.

### Internship Programme

The internship contracts of the previous seven interns have come to an end. The municipality has appointed five new interns in June 2019. One subsequently resigned in December 2019. The municipality is in the process of advertising and appointment of a replacement.

### Municipal Standard Chart of Accounts (mSCOA)

The municipality has made significant progress on compliance. Data strings are uploaded monthly and a "green" status has been maintained for several months now. All legislative required information has been submitted. The municipality is continuously working on reaching full compliance. The budget schedules are generated from the financial system.

## 2.10 **MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

### **Quality Certificate**

I, EDWARD MARTIN RANKWANA, Municipal Manager of Dr Beyers Naude Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name : EDWARD MARTIN RANKWANA

MUNICIPAL MANAGER OF DR BEYERS NAUDE MUNICIPALITY (EC101)

Signature :



Date : 28 May 2020