



MAKHUDUTHAMAGA
LOCAL MUNICIPALITY

FINAL DRAFT ANNUAL BUDGET
OF
Makhuduthamaga Local Municipality

2020/21

To

2022/23

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Abbreviations and Acronyms

BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
MM	Municipal Manager	MSA	Municipal Systems Act
CPI	Consumer Price Index	MTEF	Medium-term Expenditure Framework
CRRF	Capital Replacement Reserve Fund	MTREF	Medium-term Revenue and Expenditure Framework
DoRA	Division of Revenue Act	NGO	Non-Governmental organisations
EE	Employment Equity	NKPIs	National Key Performance Indicators
FBS	Free basic services	OHS	Occupational Health and Safety
GAMAP	Generally Accepted Municipal Accounting Practice	OP	Operational Plan
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
IDP	Integrated Development Strategy	PPP	Public Private Partnership
IT	Information Technology	RG	Restructuring Grant
km	kilometre	SALGA	South African Local Government Association
DFS	Government Financial Statistics	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator	DOE	Department of Energy
LED	Local Economic Development	CBR	Cash Backed Reserves
MEC	Member of the Executive Committee		
MFMA	Municipal Financial Management Act		
IGF	Internally Generated Funds		
FY	Full Year		

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2 PART 1 – 2020/21 Annual Budget & MTREF

2.1 Mayor's report

Honourable speaker, Executive committee members, the Chief whip of council, honourable Councillors, our beloved Traditional leaders (Magoshi), the Chairperson of MPAC, the Chair of chairs, the Municipal manager and her administration team.

Honourable speaker, it is an honour for me, today to be given this opportunity to table the final draft IDP/Budget of the municipality for the 2020/21 MTREF to the council of the municipality after taking into consideration the budget & IDP inputs from all the relevant stakeholders of the municipality during this difficult period faced by our country. There were two separate budget engagement sessions with the members of the community through the use of our local radio station where the 2020/21 MTREF budget/IDP was presented in detail to the community members, the first engagement was on the 27th of May 2020 where the honourable mayor did present the 2020/21 MTREF budget/IDP to all residents of our municipality for engagements, the second engagement was on the 28th of May 2020 where the focus was mainly on the budget/IDP responds from the community members. All responses from the community members were documented and incorporated in the finalization of the 2020/21 MTREF final draft annual budget as presented here today.

Honourable speaker, there was also an engagement with our provincial treasury and Cogesta departments on the 2nd of June 2020 in terms of section 23 of the MFMA, inputs from both departments were noted & incorporated in the municipality's 2020/21 MTREF budget/IDP as presented.

The budget is prepared for the 2020/21 financial year and two outer years to comply with the MFMA, MFMA regulations and Circular 98 & 99 as issued by the national treasury.

Honourable speaker, the Municipal Finance Management Act 56 of 2003 requires the council of municipality in terms of section 24(1) to approve an annual budget for the municipality at least 30 days before the start of the

new financial year. In order for the municipality to comply with section 24(1) mentioned above, the mayor of the municipality must first table the draft annual budget at a council meeting at least 90 days before the start of the new financial year and immediately publish the draft budget for public consultations with all the relevant stakeholders of the municipality, a process which was successfully carried out through the office of the honourable speaker of council.

Guided by the provisions of the MFMA as indicated above and other relevant sections of the Act, and the Municipal Systems Act No.32 of 2000, the management of the municipality working together with all relevant stakeholders have implemented the IDP/Budget time schedule of key deadlines (process plan) as approved by council in July 2019 and performed the annual review of the municipality's Integrated Development Plan as first approved in May 2016 and it is the reviewed IDP that informed the annual budget to be tabled in this council today.

Honourable speaker, we also have followed all the necessary processes to ensure that our Integrated Development Plan is not just a compliance document but a plan that carries solution for the needs of our communities having taken into consideration all the budget inputs collected during the budget/IDP consultations held with all the relevant stakeholders.

To ensure effective and efficient implementation of the municipality's IDP and Budget for the 2020/2021 MTREF, the Service Delivery and Budget Implementation Plan has been prepared together with the procurement plan for the 2020/2021 budget year.

Honourable Speaker, on behalf of the executive committee of the municipality, I hereby present a projected total revenue budget to the amount of **R 444 million** for 2020/21 budget year, **R 469 million** and **R 488 million** for the 2021/22 and 2022/23 financial years respectively. The total revenue budget for 2020/21 consists of **R 349.9 million** from national transfers and grants and **R 94.1 million** from own sources of revenue. The following table summarises the sources of our projected revenue for the 2020/2021 budget year:

National Transfers and grants

Source of revenue	2020/2021 Annual Budget
Equitable share	R 285.3 million
Finance Management Grant	R 1.7 million
Municipal Infrastructure Grant	R 61.7 million
Expanded Public Works Programme	R 1.2 million
Total national transfers and grants	R 349.9 million

Own revenue sources

Source of revenue	2020/2021 Annual Budget
Property rates	R 43.4 million
Interests on outstanding debtors and investments	R 42.7 million
Agency services (Licenses and permits)	R 6.6 million
Other revenue	R 1.4 million
Total national transfers and grants	R 94.1 million

The total National transfers and grants for 2021/2022 and 2022/2023 amount to **R 375.4 million** and **R 393 million** respectively. The total amount from own revenue sources is **R 94.5 million** and **R 95.5 million** for the two outer years respectively.

Honourable speaker

The revenue growth for 2020/21 financial year and the two outer years of the MTREF remain a serious point of concern as the municipality did not manage to collect sufficiently on own sources of revenue in the 2019/20 budget year, a situation which is more likely to occur given the revenue collection challenges which are expected to get worse due to the Covid-19 pandemic in the next two outer years (2021/22 & 2022/23). This is a serious concern, considering the service delivery backlogs we are faced with, and therefore measures have to be put in place to ensure that the revenue generation and collection capacity of the municipality is strengthened and sustained even when we are faced with the difficulties presented by the pandemic. We have therefore reviewed our revenue enhancement strategies, in which process we identified new sources of revenue.

The credit control policy was also reviewed to ensure that procedures in place are effective to address the current challenges on poor collection and this policy shall be implemented without any fear or favour to ensure that, the services rendered and the property rates as imposed by the Municipal Property Rates Act are collected from those who are eligible to pay.

Honourable speaker

The total revenue, presented above is used to fund the total annual budgeted expenditure to the amount of **R 444 million** for the 2020/2021 financial year. The total annual budgeted expenditure for the two outer years amounts to **R 469 million** and **R 488 million** for 2021/22 and 2022/23 respectively. Out of the total **R 444 million** budgeted expenditure for 2020/2021, we are funding capital projects with an amount of **R 126 million** and the operational expenditure is covered by the remaining **R 318 million**.

The total expenditure budget for 2020/21 is allocated per municipal vote as follows:

Vote - Department	2020/2021 Annual Budget
Executive Support	R 44.5 million

Municipal Manager's Office	R 12.5 million.
Community services	R 39.7 million
Budget and Treasury Office	R 145.9 million
Corporate Services	R 30.6 million
Economic Development and Planning	R 9.3 million
Infrastructure Development	R 161.5 million
Total	R 444 million

Honourable speaker

The operational expenditure of **R 318 million** for 2020/21 is allocated as follows per expenditure standard classification:

Vote - Department	2020/2021 Annual Budget
Employee related costs	R 84 million
Remuneration of councillors	R 23.5 million.
Debt impairment	R 39.1 million
Depreciation & assets impairments	R 30.9 million
Contracted services	R 67.1 million
Other expenditure	R 73.3 million
Total	R 318 million

Honourable speaker

The municipality has allocated a total amount of **R 126 million** for capital expenditure budget to be implemented in

2020/21 budget year. The capital expenditure for the two outer years of the MTREF amounts to **R 137.9 million** and **R 127.6 million** for 2021/2022 and 2022/2023 respectively. We tried our best to cover as many of our wards as possible with the limited financial resources available to our municipality, to ensure that service delivery is spread equally to all wards of the municipality. We have budgeted **R 1.5 million** for the paving of the new municipal building, **R 1.2 million** for the purchase of Office Furniture & Equipment, **R 500 thousand** for the purchase Traffic Machinery & Equipment, **R 2 million** for the acquisition of the mSCOA compliant payroll system, **R 3.2 million** for the purchase of the IT Equipment & Software.

Honourable speaker

We have allocated a total of **R 118 million** for roads, bridges and storm water construction in 2020/21 budget year and we also allocated **R 136.2 million** and **R 119.3 million** for 2021/22 and 2022/23 respectively.

In the 2020/21 budget year we are going to implement the following capital projects which will be funded by a combination of the Municipal Infrastructure Grant and Equitable Share allocation;

No.	Name of project	Funding	Ward No.	2020/2021 Annual Budget
1.	Ga-Mampane access road 5km 2020/21	MIG	Ward 31	R 7.4 million
2.	Marishane Phaahla Internal Streets 4.2km 2020/21	MIG	Ward 26	R 21.2 million
3.	Stocking Internal Streets 5.3km 2020/21	MIG	Ward 14	R 27.4 million
4.	Matulaneng access bridge 2020/21	MIG	Ward 23	R 3.1 million
	Total MIG projects			R 59.1 million
5.	Glen Cowie/Old Post Office access road 7km 2020/21	ES	Ward 8	R 1 million
6.	Mohlala_Ngwanatswane access bridge 2020/21	ES	Ward 21	R 11.8 million
7.	Mokwete/Molepane access road 10km 2020/21	ES	Ward 11	R 20 million
8.	Lobethal/Tisane access road 3.3km 2020/21	ES	Ward 24	R 4.9 million

9.	Mashabela Machacha access road 10km 2020/21	ES	Ward 25	R 14 million
10.	Maila Mapitsane/Magolego 3.6km Tribal Office 2020/21	ES	Ward 15	R 5.2 million.
11.	Upgrading of Marishane Sports Ground	ES	Ward 26	R 1.5 million.
	Total ES projects			R 58.4 million

Honourable speaker, we also present before this council the following infrastructure projects which are meant for implementation in the 2021/22 & 2022/23 outer years:

2021/22 Outer Year:

No.	Name of project	Funding	Ward No.	2021/22 Annual Budget
1.	Riverside Plant to Photo access road 2021/22	MIG	Ward 8 & 7	R 4.2 million
2.	Phaahla/Mamatjekele to Masehlaneng access road	MIG	Ward 24	R 9 million
3.	Glen Cowie/Old Post Office access road 7km	ES	Ward 8	R 12 million
4.	Construction of Kome Internal Streets 2.5km	MIG	Ward 31	R 20 million
5.	Construction of Cabrieve Internal Road 2.6km	MIG	Ward 8	R 20.8 million
6.	Construction of Mokwete/Molepane access road 10km	ES	Ward 11	R 16 million
7.	Ga-Kgagara to Moretsele access road 1.6km	MIG	Ward 12	R 10.3 million
8.	Lobethal/Tisane access road 3.3km	ES	Ward 20 & 24	R 15 million
9.	Mashabela Machacha access road 10km	ES	Ward 25	R 16 million
10.	Maila Mapitsane/Magolego 3.6km	ES	Ward 15	R 13 million.
	Total Annual Budget			R 136 million

2022/23 Outer Year

No.	Name of project	Funding	Ward No.	2021/22 Annual Budget
1.	Construction of Thusong Centre	ES	Ward 28	R 6 million
2.	Riverside Plant to Photo access road	MIG	Ward 8 & 7	R 6 million
3.	Construction of access road to Kome	MIG	Ward 31	R 5 million
4.	Ga-Mampane Tribal Office to Sehuswane access road	MIG	Ward 31	R 6 million
5.	Marulaneng to Manganeng access road	MIG	Ward 23 & 17	R 7 million
6.	Glen Cowie/Old Post Office access road 7km	ES	Ward 8	R 25 million
7.	Nchabeleng to Thabampshe access bridge	ES	Ward 28	R 6.2 million
8.	Construction of Grade A DLTC Ga-Masemola	ES	Ward 28	R 29.5 million
9.	Mokwete/Molepane access road 10km	ES	Ward 11	R 13.2 million
10.	Ga-Kgagara to Moretsele access road 1.6km	MIG	Ward 12	R 2.3 million.
11.	Mashabela Machacha access road 10km	ES	Ward 25	R 13.2 million.
	Total Annual Budget			R 119 million

Honourable speaker

Due to funding constraints, we are forced to implement the longer roads in phases and provide for their funding in multi years. Four of the above mentioned projects will be continued in 2021/22 and 2022/23 where applicable to be completed.

Honourable speaker

I hereby table to this honourable council the following documents for approval and implementation as mandated by section 24(1) of MFMA read with section 74 and 75a of MSA and Municipal Property Rates Act of 2004:

1. 2020/21 – 2024/25 Final Draft IDP
2. The 2020/21 MTREF Final Draft Annual Budget.
3. The revised 2020/21 MTREF budget related policies
4. The MFMA circular 98 & 99 of the Municipal Finance Management Act as issued by the National Treasury.

I thank you honourable speaker

2.2 Executive Summary.

Legislative background

In terms of the Municipal Finance Management Act No. 56 of 2003 section 16 (1), the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. It is also a requirement in terms of section 24(1) that at least 30 days before the start of the financial year, the Mayor of the municipality must table in a council meeting the annual budget before the start of the new financial year.

Budget principles and assumptions

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 financial management strategies and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, considering the cost containment measures as approved by the cabinet, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. The municipality did consider MFMA budget circular 98 & 99 in the preparation of this budget and the MFMA Budget circulars issued in the previous years, were also considered in preparation of the draft annual budget for the 2020/21 MTREF.

The municipality has reviewed its revenue enhancement strategies to ensure that they are crafted to address the current revenue collection challenges considering the current circumstances and limitations within which the municipality operates. The current sources of revenue were reviewed to identify obstacles for revenue collection and strategies were put in place to improve and sustain collection of revenue from these sources. New available sources of revenue were also identified, and a plan of action was developed for implementation in the next financial years to start collecting revenue from such potential revenue sources.

The municipality has undertaken a number of stakeholder engagements where stakeholders engaged on the importance of their responsibility to pay rates and to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. The engagements also did assist the municipality to gathering information on the challenges faced by the customers to pay their accounts on time and such information will be used by the management of the municipality to encourage and improve debt collection.

National Treasury's MFMA Circular No. 98 & 99 and the previous budget circulars were used to guide the compilation of the 2020/21 and the MTREF Annual Budget.

- The main challenges experienced during the compilation of the 2020/21 MTREF can be summarised as follows:
 - The need to reprioritise infrastructure projects and necessary operational expenditure within the existing limited resources considering the cash flow realities and cash position of the municipality;
 - The municipality's inability to generate enough own revenue to assist in addressing the infrastructure and other service delivery challenges in our communities.
 - The land ownership issues which affect revenue base growth in our municipality and proper town planning in the Jane Furse area, which is the most prominent economic growth point for the municipality.

- Limited resources available to fund the capital projects which have been postponed for implementation for the past 4 or more years.
 - The increasing debt impairment resulting from the none payment of property rates by Limpopo Provincial departments for their properties that are under their control and use irrespective of the legal ownership status.
 - The increasing employee related costs that are not complemented by increase in revenue generation and collection and in turn poses a threat to the sustainability of the municipality's budget in the near future.
 - Limited resources to fund the repairs and maintenance of the roads and bridges, high masts infrastructure.
 - Roads connecting our villages to the main Provincial and National roads demarcated as D-roads and owned by RAL.
- The following budgeting principles and guidelines directly informed the compilation of the 2020/21 MTREF budget:
- The annual budget for 2020/21 and the MTREF was prepared on a zero base principle, meaning that each item or programme was budgeted considering the specification of the planned projects/programmes and not the historical expenditure.
 - The 2019/20 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustment Budget were considered as the upper limits for the new baselines for the 2020/21 annual budget where resources allow and necessary;
 - Only programmes and capital projects contained in the municipality's Integrated Development Plan will be budgeted for during the 2020/21 MTREF to ensure that the budget remain an implementation tool for the municipality's IDP.
 - For the 2020/21 financial year and throughout the MTREF, tariffs for property rates will be remain at 0.015 cents in a rand to make property rates affordable to our communities and to encourage debtors to pay their accounts.
 - 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;
 - All conditions attached to the conditional grants will be complied with and all grants will be received by the municipality as gazetted.
 - Only gazetted amounts for national grants are included in the annual budget for 2021/2022 MTREF.

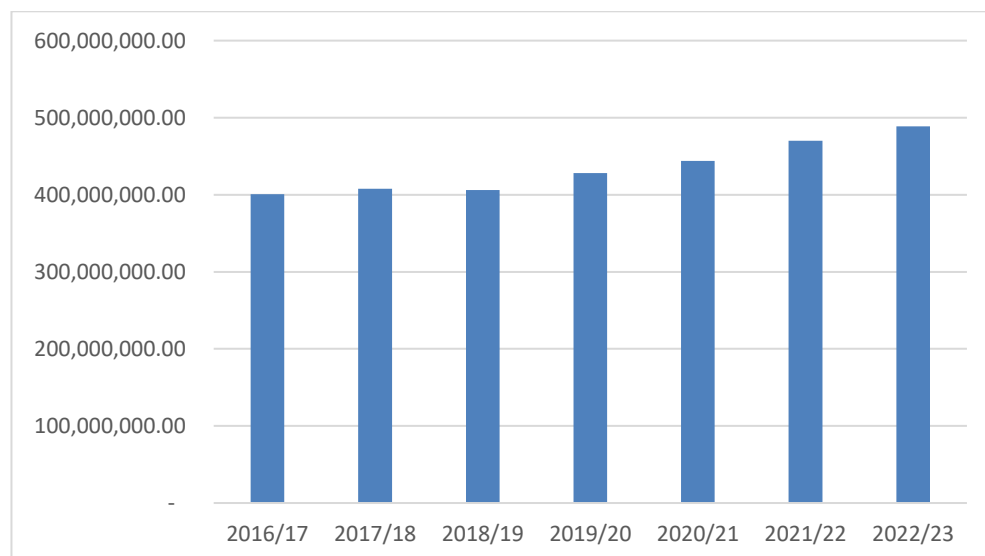
In view of the aforementioned, the following table is a consolidated overview of the 2020/21 Medium-term Revenue and Expenditure Framework as compared to the past budget year:

Table 1 Consolidated Overview of the 2020/21 MTREF

Description	Adjusted Annual Budget 2019/20	Draft Annual Budget 2020/21	Draft Annual Budget 2021/22	Draft Annual Budget 2022/23
Total Revenue	428,378,031.07	444,097,762.07	469,990,823.19	488,844,646.99
Total Operating Expenditure	348,565,337.17	317,979,634.97	331,996,401.00	361,176,947.36
Operating Surplus/Deficit for the year	79,812,693.90	126,118,127.09	137,994,422.19	127,667,699.64
Total Funding for Capital Expenditure	79,812,693.90	126,118,127.09	137,994,422.19	127,667,699.64
Capital Expenditure	79,812,693.90	126,118,127.09	137,994,422.19	127,667,699.64
Total Surplus/Deficit	-	-	-	-

The municipality has budgeted a total Revenue of **R 444 million** for 2020/21 financial year, **R 469.9 million** and **R 488.8 million** for 2021/22 and 2022/23 respectively. Total revenue has increased by **R 16 million** for the 2020/21 financial year when compared to the 2019/20 adjusted revenue budget. For the two outer years, total revenue will increase by 6 per cent and 4 per cent respectively, equating to a total revenue growth of **R 60 million** over the MTREF when compared to the 2019/20 financial year. The total revenue for 2020/21 includes the grants allocations from the National Treasury to the amount of **R 349.9 million** and own revenue sources to the amount of **R 94.1 million**. For the two outer years of the MTREF 2021/22 and 2022/23 total grants allocations included in total revenue amounts to **R 375 million** and **R 393 million** respectively while own revenue increases to **R 94 million** and **R 95 million** respectively.

The following bar chart indicates, the revenue growth level of the municipality for the 2020/21 MTREF including the comparison to the past three years:



Total operating expenditure for the 2020/21 financial year has been appropriated at **R 318 million** and translates into an operating budgeted surplus of **R 126 million** as indicated in table A4.

This surplus is used to fund capital expenditure for 2020/21 as indicated in table 1 above. The operating surplus for 2019/20 increases by **R 46 million** as compared the 2019/20 operational surplus. The operating surplus for the two outer years increases to **R 138 million** for 2021/22 and decreases to **R 128 million** in 2022/23 financial year. These surpluses will be used to fund capital projects for two outer years. The increase in the operating surpluses for the 2020/2021 MTREF results mainly from the increases in grants from the National government as gazetted.

The total capital budget for 2020/21 financial year amounts to **R 126 million** and has increased by 58 per cent as compared to the 2019/20 adjusted capital budget of **R 79.8 million**. For 2021/22 and 2022/23 budget years, the capital expenditure is budgeted at **R 138 million** and **R 128 million** respectively. This reflects a further increase as the municipality continues to ensure that there is sufficient investments in the infrastructure capital assets. The municipality's revenue enhancements strategies programme is aiming at amongst other things to address this reduction in capital expenditure in the future budget years. However the inability of the Limpopo provincial government to pay property rates for its properties within the municipal jurisdiction remain a threat to the municipality's financial health and abilities to address the infrastructure backlogs timeously.

Operating Revenue Framework

The need to generate sustainable revenue is essential to meet funding requirements for Makhuduthamaga local municipality to continue improving the quality of services provided to its communities and to address the service delivery backlogs. 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 high level of unemployment, inadequate town planning, lack of land ownership which results in unplanned developments and many other socio-economic challenges in our municipality which directly affects negatively the municipality's revenue generation and collection.

Property rates remain the major contributor to the municipal own revenue at **46%** of the total own revenue and currently collection rate is at a concerning **41%** of billed revenue per annum. The municipality currently bill property rates on business properties and government properties only, due to the council resolution that was taken to exclude households pending certain processes to be completed. The interests charged on property rates overdue accounts contributes **41.5%** to the total own revenue and this amount is provided for under debt impairment due to the current level of collection and the communication received from the Provincial Department of Public Works indicating that they will not be paying for rates in the near future.

The municipal property rates tariffs remain unchanged at 0.015 cents in a rand due to the level of collection on this source of revenue. The community cooperation in terms of payments for property rates has increased significantly from 2018/19 financial year resulting from the settlement agreements that the municipal council signed with the business customers. The collection on this source of revenue improved from **5%** in the previous years to **82%** in the current year 2019/20. The collection rate on the provincial government for property rates remain at **26.5%** of the billed revenue as at 29 February 2020 which remain a concern and Council will continue with programmes and steps that will ensure the Provincial Treasury, The National Treasury and the Office of the Premier in Limpopo intervene to persuade the provincial department of Public Works to pay for properties that belong to Limpopo provincial government irrespective of the registration process which is outside the municipality's control.

The municipal council will continue to work together with the local business to ensure that, those currently paying continue to do the right thing and to get those still refusing to pay to join us in our mandate to do more with the little resources available.

The next major contributor to the own revenue is the agency services fee received from the Department of Transport for Licenses and permits service the municipality is performing on behalf of the department. This source contribute **7%** to the total own revenue and the collection rate currently and in the previous financial year has been above **95%** of the budgeted annual revenue for the source. The other sources of revenue contribute the remaining **5.4%** combined of the total own revenue.

In an attempt to ensure a strong revenue base, the municipality has also reviewed its revenue enhancement strategy to improve revenue collection in the 2020/21 financial year and the two outer years.

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

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- 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; (e.g. Waste collection project, business licensing)
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.
- The township establishment in Jane Furse as the primary note for development.

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

Table 2 Summary of revenue classified by main revenue source;

LIM473 Makhuduthamaga - 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
Revenue By Source											
Property rates	2	37,890	37,708	38,129	43,049	41,414	41,414	41,414	43,378	43,476	43,587
Service charges - refuse revenue	2	-	-	-	-	-	-	-	151	181	240
Rental of facilities and equipment		134	150	148	142	124	124	124	132	138	141
Interest earned - external investments		9,891	7,828	3,578	5,693	2,770	2,770	2,770	3,592	3,726	3,814
Interest earned - outstanding debtors		30,084	35,900	41,910	37,715	43,847	43,847	43,847	39,102	39,174	39,569
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		874	236	656	626	694	694	694	730	800	850
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		5,152	4,943	5,812	6,553	5,966	5,966	5,966	6,625	6,657	6,815
Transfers and subsidies		235,171	247,523	258,179	270,771	271,069	271,069	271,069	288,251	308,384	322,462
Other revenue	2	2,221	1,072	772	535	372	372	372	427	430	452
Donations received - Landfill Site				1,193							
Total Revenue (excluding capital transfers and contributions)		321,416	335,361	350,378	365,083	366,256	366,256	366,256	382,388	402,966	417,930
Provincial and District		83,901	74,655	73,000	62,122	62,122	62,122	62,122	61,710	67,025	70,915
Total Revenue (Including capital transfers and contributions)		405,317	410,016	423,378	427,205	428,378	428,378	428,378	444,098	469,991	488,845

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.

The total revenue for the municipality excluding capital transfers amount to **R 382 million** for 2020/21, **R 402 million** for 2021/22 and **R 417 million** for 2022/23. The total amount for operational grants to be received for 2020/21 is **R 288 million**. For the two outer years the total operational grants to be received amounts to **R 308 million** and **R 322 million** for 2021/22 and 2022/23 financial years respectively.

Revenue from government grants forms a significant percentage of the total operating revenue for the municipality for all of the 2020/21 MTREF. This clearly indicate that our municipality is dependent on government grants which contribute 75 per cent of the total operating revenue in 2020/21 budget year and 77 percent in 2021/22 and 77 percent in 2022/23.

Revenue generated from property rates amount to **R 43 million** and the projected interest on property rates overdue accounts amounts to **R 39 million**. The projected interests were calculated considering the current long outstanding accounts in the municipality's debtor's book. The total projected revenue from property rates when including the interests on overdue accounts amounts to **R 82 million** which is 88 per cent of the total own revenue budget for the 2020/21 financial year.

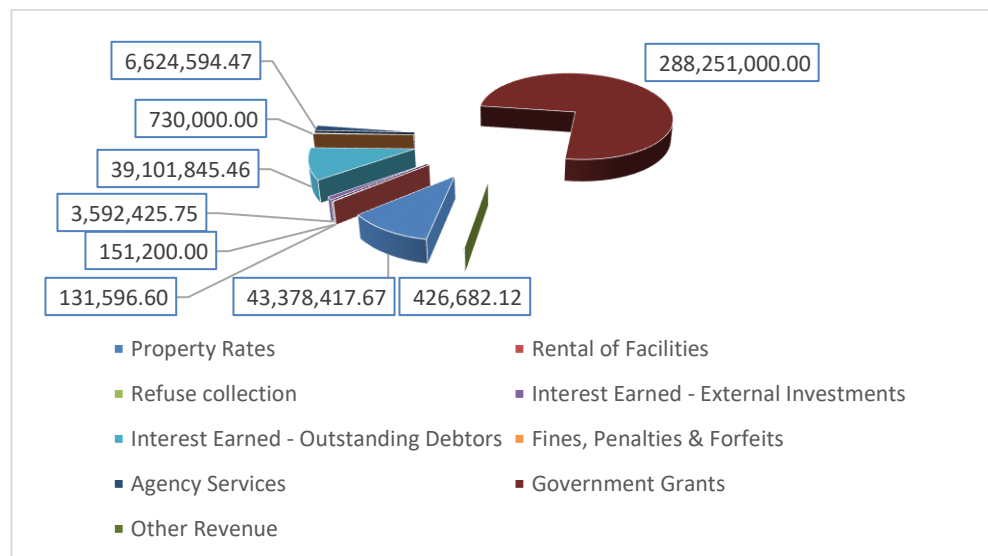
The revenue from Property rates is budgeted at **R 43.3 million** for 2020/21 financial year and grow to **R 43.5 million** by 2022/23 the 2020/21 financial year.

Revenue from Agency services for Licenses and permits service rendered on behalf of the Department of Transport amount to **R 6.6 million** for 2020/21 budget year, **R 6.7 million** and **R 6.8 million** for 2021/22 and 2022/23 financial years respectively. The municipality is currently awaiting approval from the national department of transport to have the eNatis system operating from the municipal head office to accelerate the collection of revenue through the traffic licenses.

Other revenue consists of various items such as income received for selling tender documents, charges for suppliers database registration and other allocations from LG SITA for skills development. Refer to table SA1 under 2.14 (Other supporting documents) for more details.

The following graph indicates the total operational revenue per source and the percentage of each source to the total operational revenue of **R 382 million** for the 2020/21 financial year:

Revenue per source graph



Source of Revenue	Amount	Percentage
Property Rates	43,378,417.67	11%
Refuse collection	151,200.00	0%
Rental of Facilities	131,596.60	0%
Interest Earned - External Investments	3,592,425.75	1%
Interest Earned - Outstanding Debtors	39,101,845.46	10%
Fines, Penalties & Forfeits	730,000.00	0%
Agency Services	6,624,594.47	2%
Government Grants	288,251,000.00	75%
Other Revenue	426,682.12	0%
	382,387,762.07	100%

Operating Expenditure Framework

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

- The municipality's Spatial Development Framework.
- The infrastructure projects plan in the IDP to address the backlog 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 backlog eradication plan;
- Operational gains/ surpluses will be directed to funding the capital budget.
- Funding was allocated to only projects which have projects implementation plans to guard against under spending.
- The Demand management plan and procurement plan of the municipality.

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

Table 5 Summary of operating expenditure by standard classification item

LIM473 Makhuduthamaga - 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
Expenditure By Type											
Employee related costs	2	54,432	62,121	74,161	90,079	76,511	76,511	76,511	84,009	89,889	96,181
Remuneration of councillors		19,996	22,112	22,700	24,329	23,874	23,874	23,874	23,532	24,944	26,441
Debt impairment	3	77,297	67,658	63,534	35,906	43,839	43,839	43,839	39,102	39,174	39,569
Depreciation & asset impairment	2	24,134	26,108	27,278	27,280	27,720	27,720	27,720	30,920	34,320	37,645
Finance charges											
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8				53	53	53	53	5	5	5
Contracted services		56,365	81,439	126,096	101,529	123,320	123,320	123,320	84,148	83,842	97,625
Transfers and subsidies		4,310	4,685	4,803	7,750	6,550	6,550	6,550	4,800	5,000	5,300
Other expenditure	4, 5	73,871	97,075	76,600	50,101	46,699	46,699	46,699	51,465	54,824	58,412
Losses (Capital Expenditure Written Off - D Roads)		80,918	115,652	63,045							
Total Expenditure		391,323	476,850	458,217	337,027	348,565	348,565	348,565	317,980	331,996	361,177

Employee Related Costs

The budget allocation for employee related costs of the 2020/21 financial year is **R 84 million**, which equals to 26 per cent of the total operating expenditure. An increase of **6.25%** was provided for on employee related costs as guided by the budget circular number 98 & 99 as well as the collective agreement applicable till end of June 2021 and the increase in the number of the vacant positions as reflected in the municipality's organisational structure.

The total budget employee related costs has increased from **R 76.5 million** in 2019/20 adjusted budget to **R 84 million** in 2020/21 which reflects a **9.8%** increase as guided by the salary/wage collective agreement & both circulars 98 & 99 of the MFMA together with the increase in the number of the vacant positions as reflected in the municipality's organisational structure.

As part of the municipality's cost reprioritization and cash management strategy to make enough funds available to fund capital projects, non-critical vacancies on the municipal structure were not funded. In addition, expenditure for overtime was only budgeted for the municipal drivers, political offices personnel and traffic officers for emergencies and strict measures has been put in place to ensure that it is not abused considering the cost containment measures as per MFMA circular number 82.

The following vacant positions are budgeted to be filled in the 2020/21 financial year.

Position Name	Department	Position level
Senior Internal Auditor	MM's Office	Middle management
Internal Auditor x 2	MM's Office	Lower level management
Admin Assistant X 1	Mayor's Office	Lower level management
Admin Assistant X 1	Speaker's Office	Lower level management

Personal Assistant X 1	MM's Office	Lower level management
Traffic Wardens X 8	Community Services	Lower level management
Superintendent X 2	Community Services	Lower level management
GIS Officer X 2	LED & Planning	Lower level management

Remuneration of Councillors

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 total budget for councillor allowances is **R 23.5 million** for 2020/21, **R 24.9 million** and **R 26.4 million** for 2021/22 and 2022/23 respectively. An increase was projected at 5 per cent for the 2020/21 and 6% for 2021/22 while for 2022/23 6% has been projected.

Debt Impairment

The provision of debt impairment for 2019/20 was determined based on the Debt Write-off Policy of the municipality. For the 2020/21 financial year this amount equates to **R 39.1 million**, remains at **R 39.1 million** in 2021/22 and increases to **R 39.6 million** in 2022/23 respectively. Expenditure on debt impairment is expected to decrease quite significantly during the 2020/21 financial year, the municipality has appointed a debt collector to assist in the collection of the long outstanding property rate debts. This expenditure is projected for property rates debtors and is considered to be a non-cash flow item. This item is not cash funded as there is no service rendered that is associated with the billed debt and therefore no costs associated with rendering the services were determined, to require cash funding. Revenue generated from Property rates is used to fund this expenditure item to avoid cash flow problems that may arise when customers does not pay. For example, the expenditure for Debt recovery is funded through property rates as a percentage of the amount collected, which means, when there is no collection no expenditure will be incurred.

Depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy and GRAP 17. The projections were made taking into consideration the municipality's assets value as recorded in the 2018/19 AFS and new acquisitions for the current year 2019/20 and 2020/21 budget year and the MTREF. Budget appropriations in this regard are **R 30.9 million** for the 2020/21 financial year and equates to 8 per cent of the total operating expenditure. It increases to **R 34.3 million** and **37.6 million** for 2021/22 and 2022/23 budget years respectively. This expenditure is funded through the revenue from property rates over the 2020/21 MTREF to minimise cash flow challenges, should the collection not reach the targeted amount for the 2020/21 and over the MTREF.

Contracted Services

Contracted services comprises of security services, cleaning services, repairs and maintenance for infrastructure assets and operating leases for office equipment and machinery and maintenance of the landfill side. The budget on contracted service is **R 84.1 million** for the 2020/21 financial year, it decreases to **R 83.8 million** and increases to **R 97.6 million** in the 2021/22 and 2022/23 outer years.

Below is a list of the municipality's contracted services over the 2020/21 MTREF

Service Description	2020/21	2021/22	2022/23
Security Services	R 18.7 million	R 19.7 million	R 20.7 million
Cleaning Services	R 4.6 million	R 4.8 million	R 5.1 million
Repairs & Maintenance: Infrastructure Assets	R 27.4 million	R 25.5 million	R 26.3 million
Repairs & Maintenance: IT Infrastructure	R 3.8 million	R 3 million	R 4.3 million

Repairs & Maintenance: PPE	R 3.6 million	R 5.4 million	R 4.9 million
Maintenance: Landfill Site	R 12.3 million	R 16.2 million	R 26.4 million
Publications	R 2 million	R 2.9 million	R 3 million
Internal Audit Programmes	R 1 million	R 1 million	R 1 million
VAT recovery services	R 3.8 million	R 4 million	R 4.4 million
mSCOA technical support services	R 1.2 million	R 1.3 million	R 1.5 million
GIS implemetation	R 2 million	-	-
Development of road master plan	R 1.7 million	-	-
Development of Precinct	R 1 million	-	-
Spatial Planning Services	R 1 million	-	-
Total	R 84.1 million	R 83.8 million	R 97.6 million

Repairs and maintenance has been budgeted at 15% of the total operational budget and 13% of the Asset value taking in to consideration guidelines contained in MFMA circular 71.

Other Expenditure

The municipality has also budgeted an amount of **R 51.4 million** on other general expenditure items for the 2020/21 financial year. The budget for the 2021/22 & 2022/23 is **R 54.8 million** & **R 58.4 million** respectively for the general expenditure. Below is a list of all other operational expenditure throughout the MTREF (SA 38 Operational Expenditure);

Final Draft Annual Expenditure Budget 2020/21 MTREF						
Status	Name	Item	AFS category	Final Draft Annual Budget 2020/21	Final Draft Annual Budget 2021/22	Final Draft Annual Budget 2022/23
Executive Support						
4	O0001/IE01581/F0041/X044/R0278/001/0000	Air Transport	4710 - Operational Cost [Expenditure]	56,000.00	58,800.00	61,740.00
4	O0001/IE00143/F0041/X044/R0278/001/0000	Car Rental	4710 - Operational Cost [Expenditure]	45,000.00	47,250.00	49,612.50
4	O0001/IE00062/F0041/X044/R0278/001/0000	Food and Beverage (Serve)	4710 - Operational Cost [Expenditure]	170,000.00	178,500.00	187,425.00
4	O0001/IE00060/F0041/X044/R0278/001/0000	Accommodation	4710 - Operational Cost [Expenditure]	195,000.00	725,250.00	1,277,662.50
4	O1223-1/IE00059/F0041/X044/R0279/001/4520	National	4710 - Operational Cost [Expenditure]	400,000.00	400,000.00	450,000.00
4	O0001/IE00586/F0041/X044/R0279/001/4520	Remuneration to Ward Com	4710 - Operational Cost [Expenditure]	4,890,000.00	5,240,000.00	5,400,000.00
4	O0001/IE00592/F0041/X044/R0279/001/4520	Seating Allowance for Tr	4710 - Operational Cost [Expenditure]	510,000.00	550,000.00	600,000.00
4	O0001/IE00583/F0045/X044/R0279/001/4530	Printing, Publications a	4710 - Operational Cost [Expenditure]	2,200,000.00	2,859,259.05	3,000,000.00
4	O1240-2/IE00667/F0041/X044/R0279/001/4530	Stage and Sound Crew	4710 - Operational Cost [Expenditure]	400,000.00	420,000.00	441,000.00
4	O1240-2/IE00703/F0041/X044/R0279/001/4530	Transport Services	4710 - Operational Cost [Expenditure]	200,000.00	210,000.00	220,500.00
4	O1240-2/IE00677/F0041/X044/R0279/001/4530	Council Logisitics	4710 - Operational Cost [Expenditure]	300,000.00	315,000.00	330,750.00
4	O1220-1/IE00573/F0041/X044/R0279/001/4530	Public participations	4710 - Operational Cost [Expenditure]	360,000.00	1,002,500.00	1,052,625.00
4	O1240-2/IE00772/F0041/X044/R0279/001/4530	Radio and TV Transmissio	4710 - Operational Cost [Expenditure]	300,000.00	679,999.95	669,000.78
4	O1240-2/IE00754/F0041/X044/R0279/001/4530	Special programmes	4710 - Operational Cost [Expenditure]	2,000,000.00	2,100,000.00	2,205,000.00
4	O1240-2/IE00571/F0041/X044/R0279/001/4530	Sitting allowance (Ex-officio)	4710 - Operational Cost [Expenditure]	510,000.00	550,000.00	600,000.00
4	O1220-1/IE00571/F0041/X044/R0279/001/4530	Ward Committee incentives	4710 - Operational Cost [Expenditure]	4,890,000.00	5,240,000.00	5,400,000.00
				17,426,000.00	20,576,559.00	21,945,315.00
Municipal Manager's Office						
4	O0001/IE00583/F0041/X045/R0278/001/4200	Risk Management Programmes	4710 - Operational Cost [Expenditure]	200,000.00	250,000.00	200,000.00
4	O0001/IE00144/F0041/X081/R0278/001/4200	Perf Audit Committee Support	4710 - Operational Cost [Expenditure]	500,000.00	600,000.00	680,000.00
				700,000.00	850,000.00	880,000.00
Budget and Treasury						
4	O0001/IE00579/F0041/X049/R0278/001/5200	Audit fees	4710 - Operational Cost [Expenditure]	3,800,000.00	3,990,000.00	4,189,500.00
4	O0001/IE01521/F0041/X049/R0278/001/5200	Bank charges	4710 - Operational Cost [Expenditure]	305,000.00	320,250.00	336,262.50
4	O0001/IE00045/F0041/X049/R0278/001/5200	Insurance premiums	4710 - Operational Cost [Expenditure]	800,000.00	840,000.00	882,000.00
4	O0001/IE00595/F0041/X049/R0278/001/5200	MPRA expenses	4710 - Operational Cost [Expenditure]	800,000.00	1,000,000.00	1,000,000.00
4	O0001/IE06067/F0041/X049/R0278/001/5200	Electricity	4710 - Operational Cost [Expenditure]	2,500,000.00	2,800,000.00	2,950,000.00
4	O0001/IE06071/F0041/X049/R0278/001/5200	Fuel & Oil	4710 - Operational Cost [Expenditure]	3,300,500.00	3,540,000.00	3,700,000.00
4	O0001/IE00059/F1177/X049/R0278/001/5200	Fleet management fees	4710 - Operational Cost [Expenditure]	240,000.00	265,000.00	270,000.00
				11,745,500.00	12,755,250.00	13,327,762.00

	Community Services					
4	O0001/IE00604/F0041/X006/R0279/001/5066	Uniform and Protective C	4710 - Operational Cost [Expenditure]	500,000.00	250,000.00	650,000.00
4	O0001/IE00060/F0041/X006/R0278/001/5066	Accommodation	4710 - Operational Cost [Expenditure]	400,000.00	418,400.00	437,646.40
4	O0001/IE00062/F0041/X006/R0278/001/5066	Food and Beverage (Serve	4710 - Operational Cost [Expenditure]	140,000.00	146,440.00	153,176.24
4	O0001/IE01583/F0041/X006/R0278/001/5066	Road Transport	4710 - Operational Cost [Expenditure]	30,000.00	31,380.00	32,823.48
4	O0001/IE00143/F0041/X006/R0278/001/5066	Car Rental	4710 - Operational Cost [Expenditure]	40,000.00	41,840.00	43,764.64
4	O0001/IE00144/F0041/X006/R0278/001/5066	Own Transport	4710 - Operational Cost [Expenditure]	170,000.00	177,820.00	185,999.72
				1,280,000.00	1,065,880.00	1,503,410.48
	Corporate Services					
4	O1235-1/IE00751/F0041/X046/R0278/001/5520	Corporate and Municipal	4710 - Operational Cost [Expenditure]	200,000.00	210,000.00	225,000.00
4	O0001/IE00783/F0041/X046/R0278/001/5520	Senior Management	4710 - Operational Cost [Expenditure]	50,000.00	50,000.00	50,000.00
4	O0001/IE00579/F0041/X046/R0278/001/5520	Municipal Services	4710 - Operational Cost [Expenditure]	1,400,000.00	1,450,000.00	1,500,000.00
4	O0001/IE00595/F0041/X046/R0278/001/5520	Skills Development Fund	4710 - Operational Cost [Expenditure]	33,455.03	35,796.88	38,302.66
4	O0001/IE06142/F0041/X046/R0278/001/5520	Bargaining Council	4710 - Operational Cost [Expenditure]	957.35	1,024.36	1,096.07
4	O1227-1/IE03752/F0041/X046/R0278/001/5520	Bursaries (Non-Employee)	4710 - Operational Cost [Expenditure]	4,000,000.00	4,600,000.00	5,100,000.00
4	O0001/IE01583/F0041/X046/R0278/001/5520	Bursaries (Employee)	4710 - Operational Cost [Expenditure]	500,000.00	700,000.00	700,000.00
4	O0001/IE01581/F0041/X046/R0278/001/5520	Air Transport	4710 - Operational Cost [Expenditure]	15,000.00	15,690.00	16,411.74
4	O0001/IE00062/F0041/X046/R0278/001/5520	Food and Beverage (Serve	4710 - Operational Cost [Expenditure]	60,000.00	62,760.00	65,646.96
4	O0001/IE00143/F0041/X046/R0278/001/5520	Car Rental	4710 - Operational Cost [Expenditure]	18,000.00	18,828.00	19,694.09
4	O0001/IE00144/F0041/X046/R0278/001/5520	Own Transport	4710 - Operational Cost [Expenditure]	65,000.00	67,990.00	71,117.54
4	O0001/IE00060/F0041/X046/R0278/001/5520	Accommodation	4710 - Operational Cost [Expenditure]	150,000.00	156,900.00	164,117.40
4	O1297-1/IE00059/F0041/X046/R0278/001/5520	National	4710 - Operational Cost [Expenditure]	400,000.00	389,113.00	600,000.00
4	O0001/IE00757/F0041/X051/R0278/001/5520	Staff Recruitment	4710 - Operational Cost [Expenditure]	200,000.00	270,000.00	300,000.00
4	O0001/IE00584/F0041/X051/R0278/001/5520	Professional Bodies, Mem	4710 - Operational Cost [Expenditure]	1,000,000.00	1,250,000.00	1,300,000.00
4	O0001/IE00143/F0041/X053/R0278/001/5520	Car Rental	4710 - Operational Cost [Expenditure]	35,000.00	36,610.00	38,294.06
4	O0001/IE01581/F0041/X053/R0278/001/5520	Air Transport	4710 - Operational Cost [Expenditure]	30,000.00	31,380.00	32,823.48
4	O0001/IE00008/F0041/X064/R0278/001/5520	Legal Advice and Litigat	4710 - Operational Cost [Expenditure]	1,166,148.90	440,339.30	136,000.00
4	O0001/IE00753/F0041/X054/R0278/001/5520	Customer/Client Informat	4710 - Operational Cost [Expenditure]	514,451.32	724,809.95	475,452.59
4	O0001/IE00758/F0041/X058/R0278/001/5520	Tenders	4710 - Operational Cost [Expenditure]	500,000.00	540,000.00	600,000.00
				10,338,012.00	11,051,241.00	11,433,956.00
	Economic Development and Planning					
4	O0001/IE06980/F0041/X098/R0278/001/6200	Process of acquiring land	4710 - Operational Cost [Expenditure]	300,000.00	-	-
4	O0001/IE01583/F0041/X098/R0278/001/6200	Road Transport	4710 - Operational Cost [Expenditure]	60,000.00	62,760.00	65,646.96
4	O0001/IE01581/F0041/X098/R0278/001/6200	Air Transport	4710 - Operational Cost [Expenditure]	50,000.00	52,300.00	54,705.80
4	O0001/IE00062/F0041/X098/R0278/001/6200	Food and Beverage (Serve	4710 - Operational Cost [Expenditure]	90,000.00	94,140.00	98,470.44
4	O0001/IE00143/F0041/X098/R0278/001/6200	Car Rental	4710 - Operational Cost [Expenditure]	100,000.00	104,600.00	109,411.60
4	O0001/IE00144/F0041/X098/R0278/001/6200	Own Transport	4710 - Operational Cost [Expenditure]	100,000.00	104,600.00	109,411.60
				700,000.00	418,400.00	437,646.00
	Local Economic Development					
4	O1302-1/IE00677/F0041/X096/R0279/001/6250	Catering Services	4710 - Operational Cost [Expenditure]	70,000.00	80,000.00	90,000.00
4	O1302-1/IE00754/F0041/X096/R0279/001/6250	Gifts and Promotional It	4710 - Operational Cost [Expenditure]	40,000.00	-	-
4	O1302-1/IE00571/F0041/X096/R0279/001/6250	Hire Charges	4710 - Operational Cost [Expenditure]	100,000.00	-	-
4	O1249-1/IE03755-1/F2496/X096/R0279/001/6250	SMME Support	4710 - Operational Cost [Expenditure]	700,000.00	500,000.00	1,000,000.00
4	O1354-1/IE00571/F0041/X096/R0279/001/6250	Hire Charges	4710 - Operational Cost [Expenditure]	150,000.00	-	-
				1,060,000.00	580,000.00	1,090,000.00
	Technical Services					
4	O0001/IE01581/F0041/X099/R0278/001/7350	Air Transport	4710 - Operational Cost [Expenditure]	50,000.00	53,000.00	56,180.00
4	O0001/IE01583/F0041/X099/R0278/001/7350	Road Transport	4710 - Operational Cost [Expenditure]	20,000.00	21,200.00	22,472.00
4	O0001/IE00144/F1182/X099/R0278/001/7350	Own Transport	4710 - Operational Cost [Expenditure]	200,000.00	212,000.00	224,720.00
4	O0001/IE00143/F0041/X099/R0278/001/7350	Car Rental	4710 - Operational Cost [Expenditure]	80,000.00	84,800.00	89,888.00
4	O0001/IE00060/F0041/X099/R0278/001/7350	Accommodation	4710 - Operational Cost [Expenditure]	300,000.00	318,000.00	337,080.00
4	O0001/IE00063/F0041/X099/R0278/001/7350	Incidental Cost	4710 - Operational Cost [Expenditure]	-	-	-
4	O0001/IE00062/F0041/X099/R0278/001/7350	Food and Beverage (Serve	4710 - Operational Cost [Expenditure]	120,000.00	127,200.00	134,832.00
				770,000.00	816,200.00	865,172.00
	Roads and Bridges (Operational Expenditure)					
4	O1521-1/IE00651/F0041/X116/R0279/001/7500	Supplier Development Programes (EPWP)	4710 - Operational Cost [Expenditure]	2,500,000.00	2,500,000.00	2,500,000.00
				2,500,000.00	2,500,000.00	2,500,000.00
	Waste Management					
4	O0001/IE00583/F0041/X132/R0278/001/7750	Environmental Awareness Campeigns	4710 - Operational Cost [Expenditure]	300,000.00	315,000.00	330,750.00
				300,000.00	315,000.00	330,750.00
	Sports Parks and Recreation					
4	O0155-1/IE00649/F0041/X125/R0279/001/8550	Fencing of cemeteries	4710 - Operational Cost [Expenditure]	1,000,000.00	400,000.00	400,000.00
4	O1333-1/IE00751/F0041/X125/R0279/001/8550	Corporate and Municipal	4710 - Operational Cost [Expenditure]	550,000.00	350,000.00	500,000.00
				1,550,000.00	750,000.00	900,000.00
	Disaster Management					
4	O1235-2/IE00754/F0041/X019/R0279/001/8250	Gifts and Promotional It	4710 - Operational Cost [Expenditure]	100,000.00	100,000.00	100,000.00
4	O1265-1/IE01312/F0041/X019/R0279/001/8250	Clothing Provided	4710 - Operational Cost [Expenditure]	400,000.00	420,000.00	441,000.00
4	O1265-1/IE01321/F0041/X019/R0279/001/8250	Social Relief	4710 - Operational Cost [Expenditure]	2,600,000.00	2,630,000.00	2,661,500.00
				3,100,000.00	3,150,000.00	3,202,500.00
			Total Annual General Expenses Budget	51,469,512.00	54,828,530.00	58,416,511.48

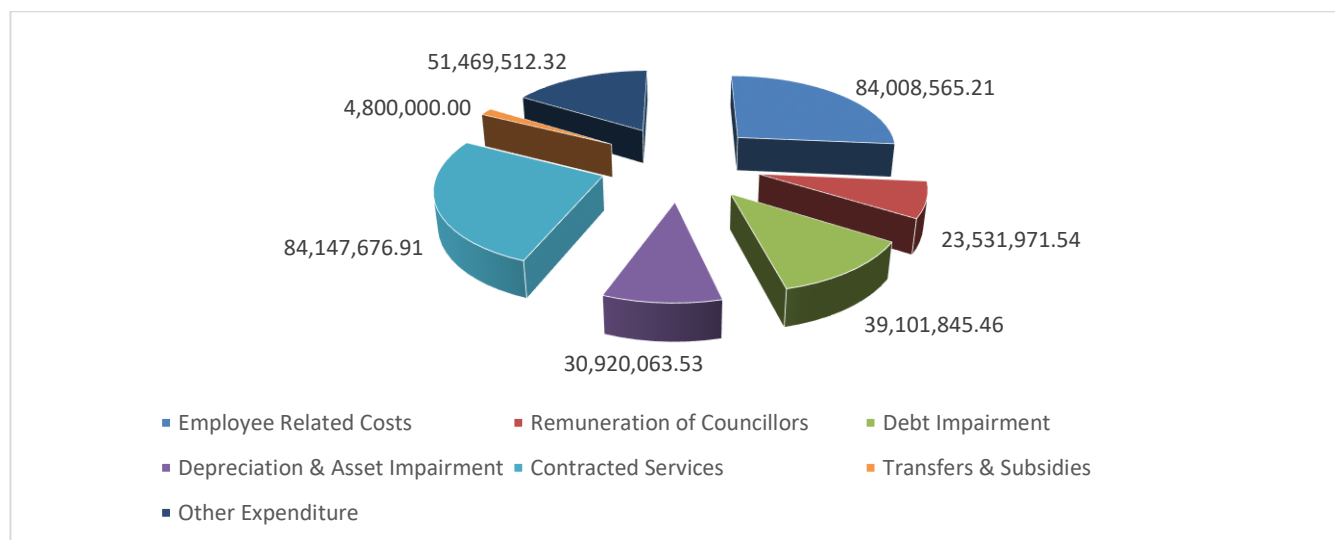
Transfers and Subsidies

The expenditure on transfers and subsidies amounts to **R 4.8 million** for the 2020/21 financial year. **R 5 million** and **R 5.3 million** are the annual budgeted expenditures for the 2021/22 & 2022/23 outer years respectively. The municipality has budgeted in total **R 15.1 million** in transfers and subsidies over the 2020/21 MTREF. The expenditure on transfers and subsidies comprises only the Free Basic Electricity services to the registered indigent residents of the municipality.

Furthermore, in compliance to the cost containment measures as approved by the cabinet, the municipality has reduced spending on excessive advertising, travelling, caterings, promotional materials and mandates that belong to other spheres of government for 2020/21 MTREF. For further details on other expenditure refer to table SA1.

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

Table 6 Main Operational Expenditure categories for 2020/21 financial year



Description	Amount	Percentage
Employee Related Costs	84,008,565.21	26%
Remuneration of Councillors	23,531,971.54	7%
Debt Impairment	39,101,845.46	12%
Depreciation & Asset Impairment	30,920,063.53	10%
Contracted Services	84,147,676.91	26%
Transfers & Subsidies	4,800,000.00	2%
Other Expenditure	51,469,512.32	16%
	317,979,634.97	100%

Priority given to repairs and maintenance

Considering National Treasury MFMA circular number 98, 99 and the previous budget circulars the municipality has put repairs and maintenance as one of the priorities to preserve and maintain the municipality's current

infrastructure, to ensure that the existing assets are in good working conditions and to lengthen the assets life span. 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 and contracted services. In the municipality's case, all repairs and maintenance services for the infrastructure assets will be done through contracted services as indicated in table SA1 of the A schedule. The repairs and maintenance budget for 2020/21 amount to **R 48.6 million**, **R 50.2 million** and **R 61.9 million** for 2021/22 and 2022/23 respectively.

Repairs and maintenance expenditure budget amounts to 16.5 per cent of the municipality's budgeted operational expenditure for 2020/21. For the two outer years, repairs and maintenance is budgeted at 15.5 per cent and 17.6 per cent of the budgeted operational expenditure respectively.

Free Basic Services: Electricity tokens

The municipality provides free basic electricity tokens to poor households within the municipal jurisdictions to assist them as they cannot afford the electricity costs. Our municipality does not have a licence to provide electricity and therefore buys the tokens from Eskom for the affected households who registered with the municipality. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. Details relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table MBRR Table A10 (Basic Service Delivery Measurement)

Capital expenditure

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

Table 3 2019/20 Medium-term capital budget per vote

LIM473 Makhuduthamaga - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
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
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive Support		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		40,189	17,099	27,695	84,513	74,213	74,213	74,213	117,628	136,294	119,347
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	40,189	17,099	27,695	84,513	74,213	74,213	74,213	117,628	136,294	119,347
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Support		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		3,327	5,721	1,218	3,200	3,200	3,200	3,200	3,290	1,700	2,000
Vote 7 - Budget and Treasury		17,090	4,593	4,647	2,300	2,400	2,400	2,400	5,200	-	6,320
Capital single-year expenditure sub-total		20,417	10,314	5,865	5,500	5,600	5,600	5,600	8,490	1,700	8,320
Total Capital Expenditure - Vote		60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668
Capital Expenditure - Functional											
Governance and administration		20,417	10,314	5,865	5,500	5,600	5,600	5,600	8,490	1,700	8,320
Finance and administration		20,417	10,314	5,865	5,500	5,600	5,600	5,600	8,490	1,700	8,320
Community and public safety		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		40,189	17,099	27,695	84,513	74,213	74,213	74,213	117,628	136,294	119,347
Road transport		40,189	17,099	27,695	84,513	74,213	74,213	74,213	117,628	136,294	119,347
Trading services		-	-	-	-	-	-	-	-	-	-
Other											
Total Capital Expenditure - Functional	3	60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668
Funded by:											
National Government		60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668
Total Capital Funding	7	60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668

New and Existing Capital Assets

For 2020/21 an amount of **R 126 million** has been appropriated for the new capital expenditure which will be funded by MIG to the amount of **R 61.7 million** and equitable share to the amount of **R 64.3 million**. For 2021/22 and 2022/23 the budget has been appropriated at **R 137 million** and **R 127 million** respectively.

Infrastructure and Development vote is appropriated the highest allocation of **R 117.6 million** which amounts to 93 per cent of the total capital budget for 2020/21 to build roads and bridges, Corporate Services is allocated 3 per cent (**R 3.2 million**) of the total capital budget. The remaining 4 per cent (**R 5.2 million**) is allocated to Budget & Treasury Office.

Below are the capital projects which form part of the total budgeted capital expenditure for the 2020/21 financial year:

Ga-Mampane access road 2020/21 5km (MIG) – **R 7.5 million**

Glen Cowie/Old Post Office access road 7km 2020/21 (ES) – **R 1 million.**

Stocking Internal Streets 5.3km 2020/21 (ES) – **R 27.4 million.**

Upgrading of Marishane Sports Ground 2020/21 (ES) - **R 1.6 million.**

Marishane Phaahla Internal Streets 4.2km 2020/21 (MIG) - **R 21.2 million.**

Mokwete/Molepane access road 10km 2020/21 (ES) – **R 20 million.**

Lobethal/Tisane access road 3.3km 2020/21 (ES) – **R 4.8 million.**

Mashabela Machacha access road 10km 2020/21 (ES) – **R 14 million.**

Matulaneng access bridge 2020/21 (MIG) – **R 3.1 million.**

Mohlala_Ngwanatswane access bridge 2020/21 (MIG) – **R 11.8 million.**

Maila Mapitsane/Magolego 3.6km Tribal Office 2020/21 (ES) – **R 5.2 million.**

Paving of the new municipal building 2020/21 (ES) – **R 1.5 million**

Purchase of Furniture & Office Equipment 2020/21 (ES) – **R 3.7 million.**

Purchase of IT Infrastructure Assets 2020/21 (ES) – **R 3.2 million.**

Below are also the capital projects which form part of the total annual budgeted capital expenditures for the 2021/22 & 2022/23 outer years:

2021/22 Outer Year;

Riverside Plant to Photo access road 2021/22 (MIG) – **R 4.2 million**

Phaahla/Mamatjekele to Masehlaneng access road 2021/22 (ES) – **R 9 million.**

Glen Cowie/Old Post Office access road 7km 2021/22 (ES) – **R 12 million.**

Construction of Kome Internal Streets 2.5km 2021/22 (ES) – **R 20 million.**

Cabrieve Internal Road 2.6km 2021/22 (ES) – **R 20.8 million.**

Mokwete/Molepane access road 10km 2021/22 (ES) – **R 16 million.**

Ga-Kgagara to Moretsele access road 1.6km 2021/22 (ES) – **R 10.3 million.**

Lobethal/Tisane access road 3.3km 2021/22 (ES) – **R 15 million.**

Mashabela Machacha access road 10km 2021/22 (ES) – **R 16 million.**

Maila Mapitsane/Magolego 3.6km Tribal Office 2020/21 (ES) – **R 13 million.**

Purchase of IT Infrastructure Assets 2020/21 (ES) – **R 1.7 million.**

2022/23 Outer Year;

Construction of Thusong Centre 2022/23 (ES) – **R 6 million.**

Riverside Plant to Photo access road 2022/23 (MIG) – **R 6 million.**

Construction of access road to Kome 2022/23(MIG) – **R 5 million.**

Ga-Mampane Tribal Office to Sehuswane access road 2022/23 (MIG) – **R 6 million.**

Marulaneng to Manganeng access road 2022/23 (MIG) – **R 7 million.**

Glen Cowie/Old Post Office access road 7km 2022/23 (ES) – **R 25 million.**

Nchabeleng to Thabampshe access bridge 2022/23 (MIG) – **R 6.2 million.**

Construction of Grade A DLTC Ga-Masemola 2022/23 (ES) – **R 29.5 million.**

Mokwete/Molepane access road 10km 2022/23 (ES) – **R 13.2 million.**

Ga-Kgagara to Moretsele access road 1.6km 2022/23 (ES) – **R 2.3 million.**

Mashabela Machacha access road 10km 2021/22 (ES) – **R 13.2 million.**

Purchase of Furniture & Office Equipment 2020/21 (ES) – **R 6.3 million.**

Purchase of IT Infrastructure Assets 2020/21 (ES) – **R 2 million.**

2.3 DRAFT ANNUAL BUDGET TABLES (A1 to A10)

The following are the ten main A schedule tables for the annual budget of Makhuduthamaga municipality for the 2020/21 MTREF

2.3.1 Table 7 MBRR A1 – Annual Budget Summary

LIM473 Makhuduthamaga - Table A1 Budget Summary										
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
Financial Performance										
Property rates	37,890	37,708	38,129	43,049	41,414	41,414	41,414	43,378	43,476	43,587
Service charges	–	–	–	–	–	–	–	151	181	240
Investment revenue	9,891	7,828	3,578	5,693	2,770	2,770	2,770	3,592	3,726	3,814
Transfers recognised - operational	235,171	247,523	258,179	270,771	271,069	271,069	271,069	288,251	308,384	322,462
Other own revenue	38,464	42,301	50,492	45,570	51,003	51,003	51,003	47,015	47,199	47,826
Total Revenue (excluding capital transfers and contributions)	321,416	335,361	350,378	365,083	366,256	366,256	366,256	382,388	402,966	417,930
Employee costs	54,432	62,121	74,161	90,079	76,511	76,511	76,511	84,009	89,889	96,181
Remuneration of councillors	19,996	22,112	22,700	24,329	23,874	23,874	23,874	23,532	24,944	26,441
Depreciation & asset impairment	24,134	26,108	27,278	27,280	27,720	27,720	27,720	30,920	34,320	37,645
Materials and bulk purchases	–	–	–	53	53	53	53	5	5	5
Transfers and grants	4,310	4,685	4,803	7,750	6,550	6,550	6,550	4,800	5,000	5,300
Other expenditure	288,451	361,824	329,274	187,537	213,858	213,858	213,858	174,714	177,839	195,605
Total Expenditure	391,323	476,850	458,217	337,027	348,565	348,565	348,565	317,980	331,996	361,177
Surplus/(Deficit)	(69,908)	(141,489)	(107,839)	28,055	17,691	17,691	17,691	64,408	70,969	56,753
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	83,901	74,655	73,000	62,122	62,122	62,122	62,122	61,710	67,025	70,915
Surplus/(Deficit) after capital transfers & contributions	13,994	(66,834)	(34,839)	90,177	79,813	79,813	79,813	126,118	137,994	127,668
Surplus/(Deficit) for the year	13,994	(66,834)	(34,839)	90,177	79,813	79,813	79,813	126,118	137,994	127,668
Capital expenditure & funds sources										
Capital expenditure	60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668
Transfers recognised - capital	60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668
Total sources of capital funds	60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668
Financial position										
Total current assets	416,451	410,734	432,509	75,087	75,818	75,818	75,818	69,105	116,048	173,076
Total non current assets	295,701	295,612	318,011	278,511	341,183	341,183	341,183	365,010	391,660	402,830
Total current liabilities	54,684	47,847	75,999	10,648	42,332	42,332	42,332	45,500	60,050	63,000
Total non current liabilities	301,762	368,400	419,262	4,856	21,097	21,097	21,097	26,250	28,550	31,045
Community wealth/Equity	355,706	290,098	255,259	338,094	353,571	353,571	353,571	362,364	419,108	481,860
Cash flows										
Net cash from (used) operating	45,376	(40,885)	25,125	104,841	78,383	78,383	78,383	154,744	180,421	179,758
Net cash from (used) investing	(57,583)	(24,042)	(35,350)	(91,799)	(75,560)	(75,560)	(75,560)	(126,118)	(137,994)	(127,668)
Cash/cash equivalents at the year end	84,204	19,278	9,052	22,094	11,875	11,875	11,875	37,679	80,105	132,196
Cash backing/surplus reconciliation										
Cash and investments available	84,204	19,278	9,052	22,094	11,875	11,875	11,875	37,679	80,105	132,196
Application of cash and investments	(6,958)	(18,165)	(19,685)	(2,251)	8,802	8,802	8,802	28,852	36,731	34,008
Balance - surplus (shortfall)	91,162	37,443	28,737	24,345	3,073	3,073	3,073	8,827	43,374	98,188
Asset management										
Asset register summary (WDV)	295,701	295,612	318,011	278,511	342,498	342,498	342,498	365,010	391,660	402,830
Depreciation	24,134	26,108	27,278	27,280	27,720	27,720	27,720	30,920	34,320	37,645
Renewal and Upgrading of Existing Assets	–	–	–	–	3,000	3,000	3,000	–	–	–
Repairs and Maintenance	42,200	42,381	77,322	60,391	73,585	73,585	73,585	48,613	50,201	61,989
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	605	605	605	605	605	605	605	605	605	605
Households below minimum service level										

2.3.2 Table MBRR A2 – Budgeted Financial Performance (Functional Classification)

LIM473 Makhuduthamaga - 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		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional										
Governance and administration		405,317	410,016	423,378	427,205	428,378	428,378	444,098	469,991	488,845
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		405,317	410,016	423,378	427,205	428,378	428,378	444,098	469,991	488,845
Internal audit		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	405,317	410,016	423,378	427,205	428,378	428,378	444,098	469,991	488,845
Expenditure - Functional										
Governance and administration		296,661	243,470	272,925	222,891	221,113	221,113	225,019	241,303	256,321
Executive and council		61,501	68,618	69,072	67,413	64,926	64,926	55,223	63,281	67,060
Finance and administration		235,160	169,730	199,313	151,760	152,670	152,670	168,117	176,232	187,379
Internal audit		-	5,122	4,539	3,718	3,518	3,518	1,679	1,790	1,882
Community and public safety		18,417	25,666	24,434	29,812	29,279	29,279	28,260	28,892	30,326
Community and social services		5,237	7,012	7,280	8,930	12,382	12,382	9,733	9,282	10,107
Sport and recreation		963	2,143	2,016	1,500	1,100	1,100	550	350	500
Public safety		12,217	11,278	12,638	13,904	12,918	12,918	15,477	16,560	17,718
Housing		-	5,232	2,500	5,478	2,878	2,878	2,500	2,700	2,000
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		57,387	185,410	139,493	74,413	88,627	88,627	55,936	53,307	65,696
Planning and development		13,652	18,328	12,841	14,315	11,224	11,224	11,806	8,227	9,308
Road transport		43,735	143,192	102,471	31,448	49,055	49,055	31,510	28,609	29,669
Environmental protection		-	23,889	24,182	28,650	28,348	28,348	12,620	16,471	26,720
Trading services		18,859	22,304	21,364	9,912	9,546	9,546	8,764	8,494	8,834
Energy sources		7,804	21,484	20,236	7,201	7,201	7,201	7,412	7,048	7,286
Waste management		11,054	820	1,129	2,711	2,345	2,345	1,352	1,446	1,548
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	391,323	476,850	458,217	337,027	348,565	348,565	317,980	331,996	361,177
Surplus/(Deficit) for the year		13,994	(66,834)	(34,839)	90,177	79,813	79,813	126,118	137,994	127,668

2.3.3 Table MBRR A3 – Budgeted Financial Performance (Municipal Vote)

LIM473 Makhuduthamaga - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Revenue by Vote	1									
Vote 1 - Executive Support		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		405,317	410,016	423,378	427,205	428,378	428,378	444,098	469,991	488,845
Total Revenue by Vote	2	405,317	410,016	423,378	427,205	428,378	428,378	444,098	469,991	488,845
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Support		53,621	59,493	63,331	56,946	55,629	55,629	44,453	51,757	54,729
Vote 2 - Office of the Municipal Manager		7,880	9,125	13,567	14,467	12,764	12,764	12,470	13,374	14,211
Vote 3 - Economic Development and Planning		13,652	11,986	13,129	12,047	9,046	9,046	9,313	5,562	6,461
Vote 4 - Infrastructure Development		51,539	169,232	66,214	46,395	61,313	61,313	43,915	41,021	41,802
Vote 5 - Community Services		29,471	44,797	48,088	55,694	57,094	57,094	39,732	44,110	56,593
Vote 6 - Corporate Services		23,692	33,237	27,989	29,378	26,690	26,690	27,322	27,736	30,690
Vote 7 - Budget and Treasury		211,468	148,980	225,899	122,100	126,031	126,031	140,774	148,437	156,692
Total Expenditure by Vote	2	391,323	476,850	458,217	337,027	348,565	348,565	317,980	331,996	361,177
Surplus/(Deficit) for the year	2	13,994	(66,834)	(34,839)	90,177	79,813	79,813	126,118	137,994	127,668

2.3.4 Table MBRR A4 – Budgeted Financial Performance (Operational Revenue and Expenditure)

LIM473 Makhuduthamaga - 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
Revenue By Source											
Property rates	2	37,890	37,708	38,129	43,049	41,414	41,414	41,414	43,378	43,476	43,587
Service charges - refuse revenue	2	–	–	–	–	–	–	–	151	181	240
Rental of facilities and equipment		134	150	148	142	124	124	124	132	138	141
Interest earned - external investments		9,891	7,828	3,578	5,693	2,770	2,770	2,770	3,592	3,726	3,814
Interest earned - outstanding debtors		30,084	35,900	41,910	37,715	43,847	43,847	43,847	39,102	39,174	39,569
Fines, penalties and forfeits		874	236	656	626	694	694	694	730	800	850
Agency services		5,152	4,943	5,812	6,553	5,966	5,966	5,966	6,625	6,657	6,815
Transfers and subsidies		235,171	247,523	258,179	270,771	271,069	271,069	271,069	288,251	308,384	322,462
Other revenue	2	2,221	1,072	772	535	372	372	372	427	430	452
Total Revenue (excluding capital transfers and contributions)		321,416	335,361	350,378	365,083	366,256	366,256	366,256	382,388	402,966	417,930
Expenditure By Type											
Employee related costs	2	54,432	62,121	74,161	90,079	76,511	76,511	76,511	84,009	89,889	96,181
Remuneration of councillors		19,996	22,112	22,700	24,329	23,874	23,874	23,874	23,532	24,944	26,441
Debt impairment	3	77,297	67,658	63,534	35,906	43,839	43,839	43,839	39,102	39,174	39,569
Depreciation & asset impairment	2	24,134	26,108	27,278	27,280	27,720	27,720	27,720	30,920	34,320	37,645
Other materials	8				53	53	53	53	5	5	5
Contracted services		56,365	81,439	126,096	101,529	123,320	123,320	123,320	84,148	83,842	97,625
Transfers and subsidies		4,310	4,685	4,803	7,750	6,550	6,550	6,550	4,800	5,000	5,300
Other expenditure	4, 5	73,871	97,075	76,600	50,101	46,699	46,699	46,699	51,465	54,824	58,412
Total Expenditure		391,323	476,850	458,217	337,027	348,565	348,565	348,565	317,980	331,996	361,177
Surplus/(Deficit)		(69,908)	(141,489)	(107,839)	28,055	17,691	17,691	17,691	64,408	70,969	56,753
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		83,901	74,655	73,000	62,122	62,122	62,122	62,122	61,710	67,025	70,915
Surplus/(Deficit) after capital transfers & contributions		13,994	(66,834)	(34,839)	90,177	79,813	79,813	79,813	126,118	137,994	127,668
Taxation											
Surplus/(Deficit) after taxation		13,994	(66,834)	(34,839)	90,177	79,813	79,813	79,813	126,118	137,994	127,668
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		13,994	(66,834)	(34,839)	90,177	79,813	79,813	79,813	126,118	137,994	127,668
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		13,994	(66,834)	(34,839)	90,177	79,813	79,813	79,813	126,118	137,994	127,668

2.3.5 Table 11 MBRR A5 – Budgeted Capital Expenditure (By Vote & Standard Classification)

LIM473 Makhuduthamaga - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

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
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive Support		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		40,189	17,099	27,695	84,513	74,213	74,213	74,213	117,628	136,294	119,347
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	40,189	17,099	27,695	84,513	74,213	74,213	74,213	117,628	136,294	119,347
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Support		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		3,327	5,721	1,218	3,200	3,200	3,200	3,200	3,290	1,700	2,000
Vote 7 - Budget and Treasury		17,090	4,593	4,647	2,300	2,400	2,400	2,400	5,200	-	6,320
Capital single-year expenditure sub-total		20,417	10,314	5,865	5,500	5,600	5,600	5,600	8,490	1,700	8,320
Total Capital Expenditure - Vote		60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668
Capital Expenditure - Functional											
Governance and administration		20,417	10,314	5,865	5,500	5,600	5,600	5,600	8,490	1,700	8,320
Finance and administration		20,417	10,314	5,865	5,500	5,600	5,600	5,600	8,490	1,700	8,320
Community and public safety		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		40,189	17,099	27,695	84,513	74,213	74,213	74,213	117,628	136,294	119,347
Road transport		40,189	17,099	27,695	84,513	74,213	74,213	74,213	117,628	136,294	119,347
Trading services		-	-	-	-	-	-	-	-	-	-
Other											
Total Capital Expenditure - Functional	3	60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668
Funded by:											
National Government		60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668
Total Capital Funding	7	60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668

2.3.6 Table MBRR A6 – Budgeted Financial Position

LIM473 Makhuduthamaga - Table A6 Budgeted Financial Position											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		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
ASSETS											
Current assets											
Cash		84,204	19,278	9,052	22,094	11,875	11,875	11,875	37,679	80,105	132,196
Call investment deposits	1										
Consumer debtors	1	299,708	365,287	404,263	28,032	35,482	35,482	35,482	5,870	6,120	7,330
Other debtors		32,000	25,654	18,436	24,361	27,861	27,861	27,861	24,356	29,023	32,500
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	539	515	758	600	600	600	600	1,200	800	1,050
Total current assets		416,451	410,734	432,509	75,087	75,818	75,818	75,818	69,105	116,048	173,076
Non current assets											
Long-term receivables											
Investments											
Investment property		210	210	210	210	210	210	210	210	210	210
Investment in Associate											
Property, plant and equipment	3	292,338	293,189	315,104	277,526	340,198	340,198	340,198	362,500	389,700	401,500
Biological											
Intangible		3,154	2,213	2,697	776	776	776	776	2,300	1,750	1,120
Other non-current assets											
Total non current assets		295,701	295,612	318,011	278,511	341,183	341,183	341,183	365,010	391,660	402,830
TOTAL ASSETS		712,153	706,345	750,520	353,598	417,001	417,001	417,001	434,114	507,708	575,905
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits											
Trade and other payables	4	54,591	47,767	75,861	10,648	42,332	42,332	42,332	45,349	59,885	62,828
Provisions		93	81	138					151	165	172
Total current liabilities		54,684	47,847	75,999	10,648	42,332	42,332	42,332	45,500	60,050	63,000
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		301,762	368,400	419,262	4,856	21,097	21,097	21,097	26,250	28,550	31,045
Total non current liabilities		301,762	368,400	419,262	4,856	21,097	21,097	21,097	26,250	28,550	31,045
TOTAL LIABILITIES		356,446	416,248	495,261	15,504	63,430	63,430	63,430	71,750	88,600	94,045
NET ASSETS	5	355,706	290,098	255,259	338,094	353,571	353,571	353,571	362,364	419,108	481,860
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		355,706	290,098	255,259	338,094	353,571	353,571	353,571	362,364	419,108	481,860
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	355,706	290,098	255,259	338,094	353,571	353,571	353,571	362,364	419,108	481,860

2.3.7 Table MBRR A7 – Budgeted Cash Flows

LIM473 Makhuduthamaga - Table A7 Budgeted Cash Flows											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		8,390	7,265	13,017	14,567	13,980	13,980	13,980	13,736	16,283	20,740
Service charges		–	–	–	–	–	–	–	39	42	47
Other revenue		5,778	6,228	6,745	7,250	34,940	34,940	34,940	35,642	43,533	45,532
Transfers and Subsidies - Operational	1	215,973	243,135	263,498	270,771	269,560	269,560	269,560	288,251	308,384	322,462
Transfers and Subsidies - Capital	1	94,210	74,655	66,000	62,122	62,122	62,122	62,122	61,710	67,025	70,918
Interest		8,989	8,749	3,576	5,693	2,270	2,270	2,270	3,324	3,656	4,022
Payments											
Suppliers and employees		(287,963)	(380,917)	(327,711)	(255,561)	(304,488)	(304,488)	(304,488)	(243,158)	(253,503)	(278,663)
NET CASH FROM/(USED) OPERATING ACTIVITIES		45,376	(40,885)	25,125	104,841	78,383	78,383	78,383	154,744	180,421	179,758
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			20	153					–	–	–
Payments											
Capital assets		(57,583)	(24,061)	(35,503)	(91,799)	(75,560)	(75,560)	(75,560)	(126,118)	(137,994)	(127,668)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(57,583)	(24,042)	(35,350)	(91,799)	(75,560)	(75,560)	(75,560)	(126,118)	(137,994)	(127,668)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing									–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		(12,207)	(64,927)	(10,226)	13,042	2,823	2,823	2,823	28,626	42,427	52,090
Cash/cash equivalents at the year begin:	2	96,412	84,204	19,278	9,052	9,052	9,052	9,052	9,052	37,679	80,105
Cash/cash equivalents at the year end:	2	84,204	19,278	9,052	22,094	11,875	11,875	11,875	37,679	80,105	132,196

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2020/21 MTREF provide for a net increase in cash of **R 28.6 million** for the 2020/21 financial year, net increase of **R 42.4 million** in 2021/22 and net decrease of **R 52 million** in 20212/23.
4. Cash Flow from Operating activities;
The municipality has projected to receive **R 13.7 million** from Property rates and **R 35.6 million** from other revenue which consists mainly of VAT recovery for capital expenditure and other contracted services for operational purposes. Transfers from National government are projected to be received 100%. Trade and other payables as indicated in table A6 has been subtracted from the total expenditure included in the cash flow and non-cash flow items such as depreciation and debt impairment has been disregarded in the calculations.
5. Property Rates
 - The **R 13.7 million** from the property rates revenue collection for the 2020/21 financial year is the annual projection after taking into consideration the **R 13 million** collected by the municipality covering the period 1st July 2019 – 31 May 2020. This collection includes payments received from both government departments & the business community.
 -
6. Other Revenue
 - Other revenue sources include, rental of facilities and agency services income.
 - The municipality is anticipating 100% collection on these items of revenue after taking.
 - Other revenue also includes **R 29 million** of VAT recoveries budgeted for the 2020/21 financial year after taking into consideration the **R 29.8 million** already collected by the municipality covering the period 1st July 2019 – 31 May 2020.
 - Included in other revenue is also amount of **R 6 million** revenue from Agency services (traffic licences and permits) for the 2020/21 financial year.
7. Government Grants & Transfers Cash Flow Assumptions
 - All government grants are projected to be received at 100% and all conditional grants are projected to be spent at 100% during the 2020/21 budget year.
8. Interest on investments Cash Flow Assumptions
 - The interest on investments is projected to be received at 100%. All budgeted investments will be carried out as and when there is surplus cash available in the municipality's primary bank accounts and such available cash surpluses are not currently committed. The interest projection was made considering the fact that, irrespective of a separate investment account being opened, the positive balance in the municipality's primary account earn +/- 7.5% interests p.a.

2.3.8 Table MBRR A8 – Cash backed reserves/Accumulated surplus reconciliation

LIM473 Makhuduthamaga - 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		
R thousand		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
Cash and investments available											
Cash/cash equivalents at the year end	1	84,204	19,278	9,052	22,094	11,875	11,875	11,875	37,679	80,105	132,196
Other current investments > 90 days		(0)	–	(0)	0	(0)	(0)	(0)	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		84,204	19,278	9,052	22,094	11,875	11,875	11,875	37,679	80,105	132,196
Application of cash and investments											
Unspent conditional transfers		6,111	1,723	42	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	(13,069)	(19,889)	(19,727)	(2,251)	8,802	8,802	8,802	28,852	36,731	34,008
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(6,958)	(18,165)	(19,685)	(2,251)	8,802	8,802	8,802	28,852	36,731	34,008
Surplus(shortfall)		91,162	37,443	28,737	24,345	3,073	3,073	3,073	8,827	43,374	98,188
Other working capital requirements											
Debtors		61,549	65,932	95,546	12,899	33,530	33,530	33,530	16,497	23,154	28,820
Creditors due		48,480	46,043	75,819	10,648	42,332	42,332	42,332	45,349	59,885	62,828
Total		13,069	19,889	19,727	2,251	(8,802)	(8,802)	(8,802)	(28,852)	(36,731)	(34,008)
Debtors collection assumptions											
Balance outstanding - debtors		331,708	390,941	422,699	52,393	63,343	63,343	63,343	30,226	35,143	39,830
Estimate of debtors collection rate		18.6%	16.9%	22.6%	24.6%	52.9%	52.9%	52.9%	54.6%	65.9%	72.4%

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.
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. From the table it can be seen that for the period 2020/21 to 2022/23 the municipality's budget is properly funded and reflect surplus.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2020/21 MTREF was fully funded.

7. The municipality does not have non-current investments and no projection has been made for unspent conditional grants as we plan to utilise 100% of the allocation by year end.
8. The municipality is planning to spend 100% of its conditional grants.
9. VAT input will always be more than VAT output which is reflecting in the cash flow from operating activities and therefore no amount will reflect under statutory requirements.
10. The municipality's third party payments such as SARS under the statutory requirements are accounted for under the employee related costs on B7 as part of the payments to suppliers and employees over the 2020/21 MTREF. The VAT portion is also accounted for as part of the payments to suppliers and employees and also under the capital assets payments on the B7.
11. The main purpose of the 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. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

2.3.9 Table MBRR table A9 – Asset Management

LIM473 Makhuduthamaga - Table A9 Asset Management										
Description	Ref	2016/17 Audited Outcome	2017/18 Audited Outcome	2018/19 Audited Outcome	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE										
Total New Assets	1	60,606	27,413	33,560	90,013	76,813	76,813	126,118	137,994	127,668
Roads Infrastructure		40,953	17,099	27,695	84,513	71,213	71,213	117,628	136,294	119,347
Infrastructure		40,953	17,099	27,695	84,513	71,213	71,213	117,628	136,294	119,347
Community Facilities		3,655	–	–	1,300	800	800	–	–	–
Community Assets		3,655	–	–	1,300	800	800	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	2,000	–	1,500
Intangible Assets		–	–	–	–	–	–	2,000	–	1,500
Computer Equipment		3,327	5,721	1,218	3,200	3,600	3,600	3,290	1,700	2,000
Furniture and Office Equipment		–	770	417	1,000	100	100	1,200	–	2,800
Machinery and Equipment		811	281	934	–	100	100	500	–	2,020
Transport Assets		4,329	3,541	3,295	–	1,000	1,000	–	–	–
Total Renewal of Existing Assets	2	–	–	–	–	3,000	3,000	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	3,000	3,000	–	–	–
Other Assets		–	–	–	–	3,000	3,000	–	–	–
Total Upgrading of Existing Assets	6	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	60,606	27,413	33,560	90,013	79,813	79,813	126,118	137,994	127,668
Roads Infrastructure		40,953	17,099	27,695	84,513	71,213	71,213	117,628	136,294	119,347
Infrastructure		40,953	17,099	27,695	84,513	71,213	71,213	117,628	136,294	119,347
Community Facilities		3,655	–	–	1,300	800	800	–	–	–
Community Assets		3,655	–	–	1,300	800	800	–	–	–
Operational Buildings		7,531	–	–	–	3,000	3,000	1,500	–	–
Other Assets		7,531	–	–	–	3,000	3,000	1,500	–	–
Licences and Rights		–	–	–	–	–	–	2,000	–	1,500
Intangible Assets		–	–	–	–	–	–	2,000	–	1,500
Computer Equipment		3,327	5,721	1,218	3,200	3,600	3,600	3,290	1,700	2,000
Furniture and Office Equipment		–	770	417	1,000	100	100	1,200	–	2,800
Machinery and Equipment		811	281	934	–	100	100	500	–	2,020
Transport Assets		4,329	3,541	3,295	–	1,000	1,000	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		60,606	27,413	33,560	90,013	79,813	79,813	126,118	137,994	127,668
ASSET REGISTER SUMMARY - PPE (WDV)	5	295,701	295,612	318,011	278,511	342,498	342,498	365,010	391,660	402,830
Roads Infrastructure		243,679	207,688	257,457	224,700	288,687	288,687	296,685	300,354	301,389
Infrastructure		243,679	207,688	257,457	224,700	288,687	288,687	296,685	300,354	301,389
Investment properties		210	210	210	210	210	210	210	210	210
Other Assets		48,659	85,501	57,647	52,826	52,826	52,826	65,815	89,346	100,111
Intangible Assets		3,154	2,213	2,697	776	776	776	2,300	1,750	1,120
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	295,701	295,612	318,011	278,511	342,498	342,498	365,010	391,660	402,830
EXPENDITURE OTHER ITEMS		66,334	68,489	104,599	87,671	101,305	101,305	79,533	84,521	99,634
Depreciation	7	24,134	26,108	27,278	27,280	27,720	27,720	30,920	34,320	37,645
Repairs and Maintenance by Asset Class	3	42,200	42,381	77,322	60,391	73,585	73,585	48,613	50,201	61,989
Roads Infrastructure		36,100	22,000	38,000	21,739	31,339	31,339	25,333	24,035	24,950
Electrical Infrastructure		3,700	3,000	3,000	2,174	2,174	2,174	2,100	1,500	1,400
Solid Waste Infrastructure		–	–	26,261	28,400	28,298	28,298	12,320	16,156	26,389
Infrastructure		39,800	25,000	67,261	52,313	61,811	61,811	39,753	41,691	52,739
Sport and Recreation Facilities		–	2,100	–	–	–	–	–	–	–
Community Assets		–	2,100	–	–	–	–	–	–	–
Operational Buildings		–	6,500	1,800	2,478	2,878	2,878	2,560	2,810	2,950
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	6,500	1,800	2,478	2,878	2,878	2,560	2,810	2,950
Computer Equipment		1,300	6,000	6,739	3,600	7,295	7,295	3,800	3,000	4,300
Transport Assets		1,100	2,781	1,522	2,000	1,600	1,600	2,500	2,700	2,000
TOTAL EXPENDITURE OTHER ITEMS		66,334	68,489	104,599	87,671	101,305	101,305	79,533	84,521	99,634
Renewal and upgrading of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	3.8%	3.8%	0.0%	0.0%	0.0%
Renewal and upgrading of Existing Assets as % of deprecn		0.0%	0.0%	0.0%	0.0%	10.8%	10.8%	0.0%	0.0%	0.0%
R&M as a % of PPE		14.4%	14.5%	24.5%	21.8%	21.6%	21.6%	13.4%	12.9%	15.4%
Renewal and upgrading and R&M as a % of PPE		14.0%	14.0%	24.0%	22.0%	22.0%	22.0%	13.0%	13.0%	15.0%

2.3.10 Table 16 MBRR table A10 – Basic Service delivery measurement

LIM473 Makhuduthamaga - 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
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)		4,309,604	4,685,022	4,200,000	4,500,000	4,500,000	4,500,000	4,800,000	5,000,000	5,300,000
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		605	605	605	605	605	605	605	605	605
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		–	–	–	–	–	–	–	–	–
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent household)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent household)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		605	605	605	605	605	605	605	605	605

Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The municipality continues to make good progress with the eradication of backlogs on services that are within the functions of the municipality in terms of the South African Constitution and Municipal Systems Act. The municipality performs only the function of providing indigents registered in the municipality's indigent register with electricity tokens (Free Basic Electricity) and the other basic services as listed in table A10 are performed by the Greater Sekhukhune District Municipality. It must be noted also that as the municipality does not sell electricity, but purchase the electricity from Eskom, therefore the revenue costs for providing free basic electricity is Zero.
- The following are the services that are provided by the district municipality and hence, no information has been completed on the table A10 of the municipality's Annual budget for 2020/21 MTREF:
 - Water services
 - Sanitation services
 - Electricity services
 - Refuse services
- The budget provides for 605 hundred households to be registered as indigent in 2020/21, and therefore entitled to receiving Free Basic Services. It is anticipated that these Free Basic Services will cost the municipality **R 4.8 million** in 2020/21, increasing to **R 5 million** in 2021/22 and **R 5.3 million** in 2022/23. This is covered by the municipality's equitable share allocation from national government.

3 PART 2 – SUPPORTING DOCUMENTS

3.1 Overview of municipal 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 of the municipality consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio chairperson for Finance.

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.

The budget steering committee had regular meetings to deal with the IDP/Budget processes as contained in the municipality's approved time schedule that sets out the process to review the IDP and prepare the annual budget.

3.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2019) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule in July 2019. Key dates applicable to the process were adhered to and progress was reported to council quarterly

3.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the first review of the IDP as adopted by Council in July 2019.

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 first revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;

- Public participation process;
- Compilation of the SDBIP

The SDBIP for 2020/21 has been completed and will be submitted to the relevant stakeholders within 28 days from the date of adopting the budget by council.

3.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/21 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2020/21 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 2016/17 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery
- The municipality's Spatial Development Plan

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94, 98 & 99 has been taken into consideration in the planning and prioritisation process.

3.1.4 Community Consultation

The below consultation schedule for draft 2020/21 MTREF which was tabled before Council on 30th of July 2019 and was also published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and the municipality's community libraries and at tribal offices.

Month	Action	Target Date
Preparatory Phase		
July 2019	Review of the previous year's IDP/Budget process. Exco provides political guidance over the budget process & priorities that must inform the budget process. IDP/Budget steering committee meeting Table the 2020/21 IDP/Process plan before council. 4 th quarter performance lekgotla. Performance agreements for the Municipal Manager & all senior managers signed & submitted to MEC of Coghsta.	31 July 2019
August 2019	Ward to Ward based data collection. Submit the 2018/19 annual financial statements & annual financial performance to AG.	31 August 2019

	Operational Risk Assessment for 2020/21.	
Month	Action	Target Date
Analysis Phase		
September 2019	Council determines the strategic objectives for service delivery through IDP review processes & the development of the next three budget years (including review of sectional departmental plan). Consult provincial & national sector departments on specific sector programmes for purposes of alignment. Finalize ward based data compilation. Update council structures on updated date.	30 September 2019
October 2019	2019/20 first quarter review. Begin preliminary preparations on proposed budget for 2020/21. 2019/20 First performance lekgotla. Submit 2019/20 1 st quarter performance to council.	31 October 2019
Month	Action	Target Date
Project Phase		
November 2019	Confirm IDP projects with district & sector department. Review & effect changes on draft IDP	30 November 2019
Month	Action	Target Date
Integration Phase		
December 2019	Review budget performance & prepare for 2019/20 budget adjustment. Consolidated analysis phase in place. IDP/Budget steering committee meeting. IDP representative forum.	31 December 2019
January 2020	Table 2018/19 draft annual report to council. Submit draft annual report to AG, PT & Coghsta. Publish draft annual report in municipal jurisdiction. Prepare 2018/19 oversight report. Mid-year performance lekgotla. Table mid-year performance assessment report to PT, Coghsta & Mayor. Strategic Planning Session.	31 January 2020
February 2020	Table 2019/20 adjusted budget/SDBIP before council. Submit draft IDP/Budget to management & relevant stakeholders. Conduct mid-year assessments for municipal manager & all senior managers. Submit & present mid-year performance assessment report to provincial treasury & Coghsta.	28 February 2020
March 2020	Council considers the 2020/21 draft IDP/Budget & SDBIP. Adoption of 2018/19 oversight report.	31 March 2020
Month	Action	Target Date
Approval Phase		
April 2020	Publish the 2020/21 draft IDP/Budget for public comments.	30 April 2020

	Submit the 2020/21 draft IDP/Budget to NT, PT & Coghsta. Consultations with community & stakeholders. Strategic risk assessment for 2019/20. 2019/20 3 rd quarter performance Lekgotla. Submit 3 rd quarter report to council.	
May 2020	IDP/Budget steering committee meeting. Submit the draft 2020/21 IDP/Budget with public comments to council for adoption. Submit annual procurement plan to Mayor, PT & NT. Prepare 2020/21 SDBIP.	31 May 2020
June 2020	Publish the approved 2020/21 IDP/Budget. Submit the 2020/21 SDBIP to Mayor for approval. Develop performance agreements for MM & all senior managers. Submit approved IDP/Budget to NT, PT & Coghsta.	30 June 2020

3.2 Overview of alignment of annual budget with IDP

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

Our municipal IDP that 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 municipal council, was first adopted in July 2019. This plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. The municipality's IDP is therefore a key instrument which was used to provide vision, leadership and direction to all those that have a role to play in the development of the municipality. The IDP enables the municipality 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.

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

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2020/21 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 17 IDP Strategic Objectives

2019/20 Financial year	2020/21 Financial year
To ensure sustainable use of land and promote growth and development.	To ensure sustainable use of land and promote growth and development.
To improve quality of life of our citizens through sustainable roads infrastructure.	To improve quality of life of our citizens through sustainable roads infrastructure.
To create an environment that will develop, stimulate and strengthen local economic growth.	To create an environment that will develop, stimulate and strengthen local economic growth.
To provide sound and sustainable management of the financial affairs of the municipality.	To provide sound and sustainable management of the financial affairs of the municipality.
To effectively coordinate all general administrative, governance, human resources, IT and legal services.	To effectively coordinate all general administrative, governance, human resources, IT and legal services.
To provide assurance and build internal and public confidence on internal and external operations of the municipality and its stakeholders.	To provide assurance and build internal and public confidence on internal and external operations of the municipality and its stakeholders.

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

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

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide waste removal;
 - Provide roads and storm water;
 - Provide municipal 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;
 - Facilitating the use of labour intensive approaches through the EPWP programme in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to assist on matters affecting primary health care.

- Extending waste removal services and ensuring effective municipal cleansing;
- Working with strategic partners such as SAPS to address crime;
- Ensuring safe working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated.
- Provision of bursaries for well deserving students who are financially needy.

4. 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.

5.1 Promote sound governance and transparency through:

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

5.2 Ensure financial sustainability through:

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

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

The 2020/21 draft budget and the MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 18 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

LIM473 Makhuduthamaga - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand				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
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Improved revenue collection rate for property rates debtors			37,894	37,708	38,129	43,049	41,414	41,414	43,378	43,476	43,587
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Improved revenue collection on rental of municipal assets.			121	150	130	142	124	124	132	138	141
To secure sound and sustainable management of fiscus and financial affairs of the institution.	increase revenue generation through interests on investments.			10,225	7,828	5,304	7,493	2,770	2,770	3,592	3,726	3,814
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Improved collection rate on interests for overdue accounts.			23,498	33,999	32,642	35,906	43,839	43,839	39,102	39,174	39,569
To secure sound and sustainable management of fiscus and financial affairs of the institution.	To maximise adherence to roads laws and regulations.			730	236	550	626	694	694	730	800	850
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Adherence to vehicle licensing regulations			5,154	4,943	5,984	6,553	5,966	5,966	6,625	6,657	6,815
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Receipt of the total equitable share grant allocated for our municipality			228,253	247,523	256,837	270,771	270,771	270,771	288,251	308,384	322,462
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Improve collection rate on VAT input and other revenue			613	951	622	544	381	381	427	430	452
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Receipt of total allocation of MIG grant.			94,210	74,655	66,000	62,122	62,122	62,122	61,710	67,025	70,915
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Improved revenue collection rate from refuse collection			-	-	-	-	-	-	151	181	240
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	400,697	407,994	406,199	427,205	428,080	428,080	444,098	469,991	488,845

Table 19 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted Operational Expenditure.

LIM473 Makhuduthamaga - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand				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
Good corporate governance and administration	Implement best methods & practices of corporate governance			23,692	33,237	27,989	29,378	26,690	26,690	27,322	27,736	30,690
Exceleerate basic service delivery	Deliver all basic services to the community members			81,010	214,023	114,301	102,090	115,506	115,506	83,648	85,131	98,395
Sustainable economic planning and development	Archivement of the set economic development targets			13,652	11,986	13,129	12,047	9,046	9,046	9,313	5,562	6,461
Sustainable financial management	financially viable municipality			93,150	147,706	110,934	122,100	128,931	128,931	140,774	148,437	156,692
Executive Support and Insitutional Management	Practice of good governance			61,501	68,618	76,898	71,413	68,393	68,393	56,923	65,131	68,940
Allocations to other priorities												
Total Expenditure			1	273,006	475,569	343,252	337,027	348,565	348,565	317,980	331,996	361,177

Table 20 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted Capital Expenditure.

LIM473 Makhuduthamaga - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand				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
Good corporate governance and administration	Implement best methods & practices of corporate governance	A		2,200	–	–	3,200	3,200	3,200	3,290	1,700	2,000
Excelerate basic service delivery	Deliver all basic services to the community members	B		144,004	148,751	94,908	85,813	71,313	71,313	117,628	136,294	119,347
Sustainable economic planning and development	Archivement of the set economic development targets	C		3,060	–	1,570	–	–	–	–	–	–
Sustainable financial management	financially viable municipality	D		15,307	6,069	4,783	1,000	5,300	5,300	5,200	–	6,320
Executive Support and Insitutional Management	Practice of good governance	E		3,500	5,463	1,522	–	–	–	–	–	–
Allocations to other priorities			3									
Total Capital Expenditure			1	168,071	160,282	102,782	90,013	79,813	79,813	126,118	137,994	127,668

3.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, 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 performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

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

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

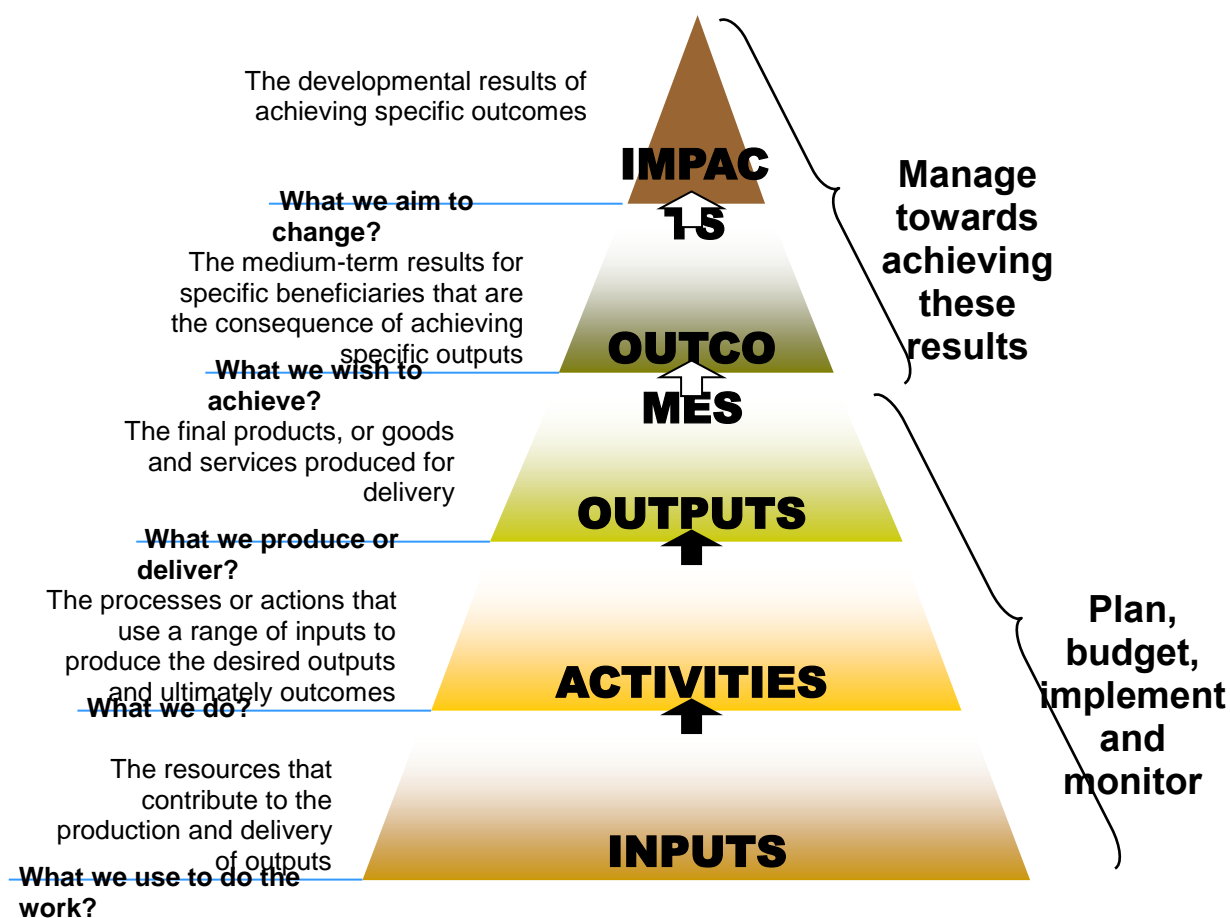


Figure 1 Definition of performance information concepts

The following table sets out the municipalities main performance objectives and benchmarks for the 2020/21 MTREF.

Table 21 MBRR Table SA7 – Measurable Performance Objectives
LIM473 Makhuduthamaga - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Vote 1 - vote name										
Function 1 - Roads										
Sub-function 1 - Access Roads										
Ga Mampane Access road	No. of kilometers	-	-	-	5km	5km	5km	5km	0km	0 km
Mashabela tribal office to Machacha road	No. of kilometers	-	-	-	5km	5km	5km	3km	4km	3 km
Mokwete to Molepane/ Ntoane road	No. of kilometers	-	-	-	5km	5km	5km	3km	4km	3km
Malegale to madibeng road	No. of kilometers	6km	-	-	-	-	-	-	-	-
Rietfontein to Easaam road	No. of kilometers	5.5km	5.km	5km	-	-	-	-	-	-
Thabampshe cross to tswaing road	No. of kilometers	7km	6.5km	6.5km	-	-	-	-	-	-
R579 to Mashishing road	No. of kilometers	1km	2.1km	-	-	-	-	-	-	-
Speed humps	No. of speedhumps	25 speed humps	-	-	-	-	-	-	-	-
Phaahla Internal street	No. of kilometers	0.0%	0.0%	0.0%	4.2km	4.2km	4.2km	4.2km	0km	0km
Nebo/masumpark stormwater	No. of stormwater	1 stormwater	-	-	-	-	-	-	-	-
Rietfontein stormwater	No. of stormwater	1 stormwater	-	-	-	-	-	-	-	-
Mashupye village road	No. of kilometers	2km	2.6km	-	-	-	-	-	-	-
Glenowie to moloi road	No. of kilometers	0.0%	5km	-	-	-	-	-	-	-
Makgwabe to mphane road	No. of kilometers	0.0%	5km	5km	-	-	-	-	-	-
Mapitsane to Magolego tribal office road	No. of kilometers	0.0%	2.4km	0.0%	0.0%	0.0%	0.0%	1 design	1 design	1 design
Stocking Internal street	No. of kilometers	0.0%	0.0%	5.3km	5.3km	5.3km	5.3km	5.3km	0km	0km
Sub-function 2 - Designs										
Designs of Mapitsane to Magolego tribal office road	No. of designs	-	-	0.0%	-	-	-	1 design	1 design	1 design
Mokwete to Molepane/ Ntoane road	No. of designs	-	-	1 design	-	-	-	0.0%	0.0%	0.0%
Mashabela tribal office to Machacha road	No. of designs	-	-	1 design	-	-	-	0.0%	0.0%	0.0%
road	No. of designs	-	-	0.0%	-	-	-	1 design	1 design	1 design
Designs from glenowie to moloi road	No. of designs	1 design	-	-	-	-	-	-	-	-
Designs of Lobethal to Tisane road	No. of designs	-	-	0.0%	-	-	-	1 design	1 design	1 design
Phaahla Internal street	No. of designs	-	-	1 design	-	-	-	0.0%	0.0%	0.0%
Manganeng bridge	No. of designs	1 design	-	-	-	-	-	-	-	-
Makgwabe to mphane road	No. of designs	1 design	-	-	-	-	-	-	-	-
Development of Road master plan	No. of road master plan	-	-	-	-	-	-	1 road master	1 road master	1 road master
Function 2 - Bridges										
Sub-function 1 - Access bridges										
Matulaneng Access bridge	Percentages	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%
Manganeng bridge	Percentages	0.0%	100.0%	-	-	-	-	-	-	-
abrieve access bridge	Percentages	-	-	100.0%	-	-	-	-	-	-
Mohlala Ngwanatshwane Access bridge	Percentages	0.0%	10.0%	0.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%
Sub-function 2 - Repairs and maintenance										
Maintenance of roads, bridges and	No. of existing roads, bridges	100.0%	100.0%	100.0%	35 existing	35 existing	35 existing	25 existing	25 existing	25 existing
Maintenance of Electricity Infrastructure	No. of electricity infrastructure	100.0%	100.0%	100.0%	21 existing	21 existing	21 existing	16 existing	16 existing	16 existing
Maintenance of other assets	No. of other assets	65.0%	100.0%	100.0%	12 existing	12 existing	12 existing	8 existing	8 existing	8 existing
Sub-function 3 - Electricity										
Free basic services	No. of indigent Household	0.0%	0.0%	0.0%	7557 indigents	7557 indigents	7557 indigents	8102 indigents	8102 indigents	8102 indigents
Electrification of Moloi village	Percentages	-	-	50.0%	-	-	-	-	-	-
Electrification of mogaladi village	Percentages	-	-	100.0%	-	-	-	-	-	-
Vote 2 - Community Services										
Function 1 - Waste Management										
Sub-function 1 - Waste										
Solid Waste Collection	No. of Households with	100%	100%	100%	200 Households	200 Households	200 Households	500 Households	500 Households	500 Households
Solid Waste Collection	No. of Skips collected	100%	100%	100%	53 skips	53 skips	53 skips	50 skips	50 skips	50 skips
Solid Waste Collection	No. of community consultation	-	-	-	-	-	-	2 consultation	2 consultation	2 consultation
Landfill operations	Percentages	100%	100%	100%	100%	100%	100%	100.0%	100.0%	100.0%
Fencing of cemeteries	No. of cemeteries fenced	2 cemeteries	10 cemeteries	-	10 cemeteries	10 cemeteries	10 cemeteries	4 cemeteries	4 cemeteries	4 cemeteries
Environmental care awareness	No. of awareness	-	4 awareness	8 awareness	4 awareness	4 awareness	4 awareness	3 awareness	3 awareness	3 awareness
Sub-function 2 - Library										
Library promotions	No. of awareness	-	10 awareness	8 awareness	8 awareness	8 awareness	8 awareness	6 awareness	6 awareness	6 awareness
		-	-	-	-	-	-	-	-	-
Sub-function 3 - Disaster management										
Disaster relief	Percentage	-	-	-	100%	100%	100%	100.0%	100.0%	100.0%
Disaster relief- Covid 19	Percentage	-	-	-	0%	100%	100%	100.0%	100.0%	100.0%
Disaster awareness	No. of awareness	-	8 awareness	8 awareness	10 awareness	10 awareness	10 awareness	8 awareness	8 awareness	8 awareness
Advisory awareness	No. of forums	-	-	-	-	-	-	3 forums	3 forums	3 forums
Function 2 -Sports, Arts and Coulture										
Sub-function 1 - Sports										
Sports promotion	No. of activities	-	-	-	7 sports activities	7 sports activities	7 sports activities	5 sports activities	5 sports activities	5 sports activities
		-	-	-	-	-	-	-	-	-
Sub-function 2 - Arts and Culture										
Arts and culture promotions	No. of activities	-	2 activities	7 activities	8 activities	8 activities	8 activities	5 activities	5 activities	5 activities
		-	-	-	-	-	-	-	-	-
Sub-function 3 - (name)										
Insert measure/s description		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Function 3 - Public Safety										
Sub-function 1 - Police forces and traffic										
Road and safety management	No. of campaigns	-	6 campaigns	6 campaigns	4 campaigns	4 campaigns	4 campaigns	4 campaigns	4 campaigns	4 campaigns
Traffic vehicles	No. of traffic vehicles	-	-	4 traffic vehicles	-	-	-	-	-	-
Road safety management	No. of traffic equipments	-	-	-	5 equipment	5 equipment	5 equipment	2 equipment	2 equipment	2 equipment
Insert measure/s description		-	-	-	-	-	-	-	-	-

Table 21 MBRR Table SA8 - Performance indicators and benchmarks

LIM473 Makhuduthamaga - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	7.6	8.6	5.7	7.1	3.2	3.2	3.2	1.7	2.1	3.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	7.6	8.6	0.7	(32.4)	(35.4)	(35.4)	(35.4)	(10.2)	(10.1)	(9.4)
Liquidity Ratio	Monetary Assets/Current Liabilities	1.5	0.4	0.1	2.1	1.1	1.1	1.1	0.8	1.0	1.7
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		22.1%	19.3%	34.1%	33.8%	33.8%	33.8%	33.8%	31.6%	37.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		22.1%	19.3%	34.1%	33.8%	33.8%	33.8%	33.8%	31.6%	37.4%	47.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	103.2%	116.6%	120.6%	14.4%	6.2%	6.2%	6.2%	7.9%	8.7%	9.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	1.0%	1.0%	2.0%	20.0%	20.0%	20.0%	20.0%	36.0%	40.0%	40.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		57.6%	238.8%	837.6%	48.2%	91.1%	91.1%	91.1%	127.1%	102.0%	60.1%
Other Indicators											
Employee costs	Employee costs/(Total Revenue - capital revenue)	16.9%	18.5%	21.2%	24.7%	20.9%	20.9%	20.9%	22.0%	22.3%	23.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	23.4%	25.1%	28.3%	31.3%	28.5%	28.5%		28.1%	28.5%	29.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	13.1%	12.6%	22.1%	16.5%	20.1%	20.1%		12.7%	12.5%	14.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.5%	7.8%	7.8%	7.5%	7.6%	7.6%	7.6%	8.1%	8.5%	9.0%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	9.9	24.6	16.2	41.6	41.6	41.6	28.6	25.7	23.5	23.7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	872.4%	1032.7%	1104.3%	121.3%	54.3%	54.3%	54.3%	69.2%	80.2%	90.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.2	0.8	0.3	0.9	0.5	0.5	0.5	1.3	1.4	1.9
References											
1. Consumer debtors > 12 months old are excluded from current assets											
2. Only include if services provided by the municipality											
Calculation data											
Debtors > 90 days				381,447	419,592	422,591	422,591	422,591	410,850	380,632	350,489
Monthly fixed operational expenditure		20,162	23,070	26,828	23,305	24,400	24,400	24,400	21,348	22,065	24,040
Fixed operational expenditure % assumption		40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Own capex		-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-

3.3.1 Performance indicators and benchmarks

3.3.1.1 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. Our municipality is not planning to make use of borrowed funds to fund its capital expenditure for 2020/21 MTREF due to poor own revenue collection rate.

3.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves. The debt equity ratio of our municipality remains at 0:1 or zero per cent for 2020/21 as our municipality does not have borrowings or overdraft and the ratio remain stable for the two outer years.

3.3.1.3 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. For the 2018/19 financial year the current ratio is 0.4 as per the audited annual financial statements for 30 June 2019. For the 2019/20 financial year, it is estimated to be at 3.6. It is further estimated to be at 4.7 for the 2020/21 budget year and 4.7 & 5 for 2021/22 & 2022/23 respectively. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to settle its current liabilities as they fall due. 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 or more. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2020/21 MTREF our municipality ratio indicates that we will be able to meet our creditor obligations. This is also supported by the cash flow projections appropriated to ensure that cash out flow is always covered by cash inflow or availability of surplus funds to settle the obligations.

3.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been put in place 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.
- The significant percentage of our debtors are government departments which did not pay their accounts because of various reasons provided to the municipality which includes budget issues and lack of certain information from the municipality 's side. We have worked hard to compile all information required to prove the accuracy of the billings and submitted it to all affected departments.

3.3.1.5 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of the receipt of the invoice in the previous financial year. As our liquidity ratio is in good order we will not encounter cash flow problems to ensure a 100 per cent compliance rate to this legislative obligation in 2020/21 and the MTREF. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

3.3.1.6 Other Indicators

- Employee costs as a percentage of operating revenue continues to increase for the 2020/21 MTREF as the municipality continues to implement three year collective agreement on municipal salaries for the year.
- Repairs and maintenance as percentage of operating expenditure is 13% for 2020/21 budget year. The municipality will always ensure that its existing assets are properly maintained and repaired to lengthen their life span and to keep them in good working conditions.

3.3.2 Free Basic Services: basic electricity tokens for indigent households

The free basic electricity token assists residents that have difficulty paying for electricity services and are registered as indigent households in terms of the Indigent Policy of the municipality.

For the 2019/20 financial year registered indigents are been provided with a fifty (50) KWh token per household per month at a total cost **R 4.5 million** to the municipality. The cost of free basic electricity increases to **R 4.8 million** in 2020/21 financial year and increases to **R 5 million** and **R 5.3 million** in 2021/22 and 2022/23 respectively. The total amount of units provided per household remains at 50 KWh for the 2020/21 MTREF.

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 16 MBRR A10 (Basic Service Delivery Measurement)

3.4 Overview of budget related-policies

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

3.4.1 Review of credit control and debt collection procedures/policies

The Debt Collection Policy as approved by Council in May 2019 was reviewed. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review the tariff for property rates and certain components to encourage our customers to pay their accounts as they complained with current rate and to achieve a higher collection rate. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

The 2020/21 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 50 per cent on current debtors. 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 and since these overdue debtors has not paid in the past two financial years and an impairment was made to their balances as at 30 June 2019, the municipality has not made any projection for them in the cash flow statement for 2020/21 MTREF. In addition, the payment incentive scheme was consulted with the customers and is being implemented to encourage customers who were not paying to start paying by taking advantage of the settlement offer by the municipality.

3.4.2 Budget Policy

The annual budget process is governed by various provisions in the MFMA and the Budget policy of the municipality which is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. The budget policy was reviewed to ensure that it is up to date considering the latest regulations and budget circulars.

3.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in May 2019 and reviewed during the course of the 2019/20 financial year.

3.4.4 Cash Management and Investment Policy

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

3.4.5 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 reviewed policy was reviewed and will be submitted to council for approval in May 2020.

3.5 Overview of budget assumptions

3.5.1 External factors

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 available cash.

3.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2020/21 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 electricity and water; and
- The increase in the cost of remuneration.

3.5.3 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 is not planning to use borrowing to fund its capital projects and therefore no interests are to be paid. The municipality is forecasting to have surplus cash for investment and cash management and investment policy will be applied when investing such funds to generate revenue.

3.5.4 Collection rate for revenue services

The municipality's assumption is that, the reduction of the property rates tariff implemented from 1 July 2016 will be affordable to the rate payers and collection will increase significantly as compared to the previous years. The settlement offer by the municipality to the property rates customers has also resulted in an increased collection rate during the 2019/20 financial year and the municipality remain positive that it will encourage the other to come on board.

3.5.5 Salary increases

We have budgeted salary increases as per the National Treasury Circular number 98 and 99. We budgeted an increase of 7 per cent for 2020/21 financial year.

3.5.6 Impact of national, provincial and local policies

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

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

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

3.6 Overview of budget funding

3.6.1 Medium-term outlook: operating revenue

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

Table 22 Breakdown of the operating revenue over the medium-term

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 transfers recognised – operational (government grants), Property rates, capital grants from organs of state and other minor charges (such as licenses and permits etc).

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

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- National Treasury guidelines;
- 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 determination of the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff reduction for the 2020/21 MTREF for Property rates can be shown as follows:

Revenue Category	Approved Tariff 2017/18	Approved Tariff 2018/19	Approved Tariff 2019/20	Approved Tariff 2020/21
Property Rates	0.015 cents	0.015 cents	0.015 cents	0.015 cents

A R 200 000 exemption is applicable to all business properties.

3.6.2 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 of the municipality. Some specific features include:

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

Table 28 MBRR Table A7 - Budget cash flow statement

LIM473 Makhuduthamaga - Table A7 Budgeted Cash Flows											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		8,390	7,265	13,017	14,567	13,980	13,980	13,980	13,736	16,283	20,740
Service charges		–	–	–	–	–	–	–	39	42	47
Other revenue		5,778	6,228	6,745	7,250	34,940	34,940	34,940	35,642	43,533	45,532
Transfers and Subsidies - Operational	1	215,973	243,135	263,498	270,771	269,560	269,560	269,560	288,251	308,384	322,462
Transfers and Subsidies - Capital	1	94,210	74,655	66,000	62,122	62,122	62,122	62,122	61,710	67,025	70,918
Interest		8,989	8,749	3,576	5,693	2,270	2,270	2,270	3,324	3,656	4,022
Payments											
Suppliers and employees		(287,963)	(380,917)	(327,711)	(255,561)	(304,488)	(304,488)	(304,488)	(243,158)	(253,503)	(278,663)
NET CASH FROM/(USED) OPERATING ACTIVITIES		45,376	(40,885)	25,125	104,841	78,383	78,383	78,383	154,744	180,421	179,758
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			20	153					–	–	–
Payments											
Capital assets		(57,583)	(24,061)	(35,503)	(91,799)	(75,560)	(75,560)	(75,560)	(126,118)	(137,994)	(127,668)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(57,583)	(24,042)	(35,350)	(91,799)	(75,560)	(75,560)	(75,560)	(126,118)	(137,994)	(127,668)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing									–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		(12,207)	(64,927)	(10,226)	13,042	2,823	2,823	2,823	28,626	42,427	52,090
Cash/cash equivalents at the year begin:	2	96,412	84,204	19,278	9,052	9,052	9,052	9,052	9,052	37,679	80,105
Cash/cash equivalents at the year end:	2	84,204	19,278	9,052	22,094	11,875	11,875	11,875	37,679	80,105	132,196

The above table shows a net increase in cash held for both 2020/21 & 2021/22 financial years and a net decrease in the 2022/23 financial year.

3.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). 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 29 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

LIM473 Makhuduthamaga - 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		
R thousand		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
Cash and investments available											
Cash/cash equivalents at the year end	1	84,204	19,278	9,052	22,094	11,875	11,875	11,875	37,679	80,105	132,196
Other current investments > 90 days		(0)	–	(0)	0	(0)	(0)	(0)	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		84,204	19,278	9,052	22,094	11,875	11,875	11,875	37,679	80,105	132,196
Application of cash and investments											
Unspent conditional transfers		6,111	1,723	42	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	(13,069)	(19,889)	(19,727)	(2,251)	8,802	8,802	8,802	28,852	36,731	34,008
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(6,958)	(18,165)	(19,685)	(2,251)	8,802	8,802	8,802	28,852	36,731	34,008
Surplus(shortfall)		91,162	37,443	28,737	24,345	3,073	3,073	3,073	8,827	43,374	98,188
Other working capital requirements											
Debtors		61,549	65,932	95,546	12,899	33,530	33,530	33,530	16,497	23,154	28,820
Creditors due		48,480	46,043	75,819	10,648	42,332	42,332	42,332	45,349	59,885	62,828
Total		13,069	19,889	19,727	2,251	(8,802)	(8,802)	(8,802)	(28,852)	(36,731)	(34,008)
Debtors collection assumptions											
Balance outstanding - debtors		331,708	390,941	422,699	52,393	63,343	63,343	63,343	30,226	35,143	39,830
Estimate of debtors collection rate		18.6%	16.9%	22.6%	24.6%	52.9%	52.9%	52.9%	54.6%	65.9%	72.4%

From the above table it can be seen that the cash and investments available total is **R 37.6 million** in the 2020/21 financial year and increases to **R 80.1 million** by 2021/22 and decreases to **R 132.1 million** by 2022/23.

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. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

It can be concluded that the municipality has a surplus against the cash backed and accumulated surpluses reconciliation.

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.

Table 30 MBRR SA10 – Funding compliance measurement

LIM473 Makhuduthamaga Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	84,204	19,278	9,052	22,094	11,875	11,875	11,875	37,679	80,105	132,196
Cash + investments at the yr end less applications - R'000	18(1)b	2	91,162	37,443	28,737	24,345	3,073	3,073	3,073	8,827	43,374	98,188
Cash year end/monthly employee/supplier payments	18(1)b	3	4.2	0.8	0.3	0.9	0.5	0.5	0.5	1.8	3.6	5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	13,994	(66,834)	(34,839)	90,177	79,813	79,813	79,813	126,118	137,994	127,668
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.5%)	(4.9%)	6.9%	(9.8%)	(6.0%)	(6.0%)	(0.9%)	(5.7%)	(5.6%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	18.6%	16.9%	22.6%	24.6%	52.9%	52.9%	52.9%	54.6%	65.9%	72.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	204.0%	179.4%	166.6%	83.4%	105.9%	105.9%	105.9%	89.8%	89.7%	90.3%
Capital payments % of capital expenditure	18(1)c,19	8	95.0%	87.8%	105.8%	102.0%	94.7%	94.7%	94.7%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	17.9%	8.1%	(87.6%)	20.9%	0.0%	0.0%	(52.3%)	16.3%	13.3%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	14.4%	14.5%	24.5%	21.8%	21.6%	21.6%	14.3%	13.4%	12.9%	15.4%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	3.8%	3.8%	0.0%	0.0%	0.0%	0.0%
References												
Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a			(0.5%)	1.1%	12.9%	(3.8%)	0.0%	0.0%	5.1%	0.3%	0.4%
% incr Property Tax	18(1)a			(0.5%)	1.1%	12.9%	(3.8%)	0.0%	0.0%	4.7%	0.2%	0.3%
% incr Service charges - electricity revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - water revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - sanitation revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - refuse revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.8%	32.5%
% incr in	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		37,890	37,708	38,129	43,049	41,414	41,414	41,414	43,530	43,657	43,827
Service charges			37,890	37,708	38,129	43,049	41,414	41,414	41,414	43,530	43,657	43,827
Property rates			37,890	37,708	38,129	43,049	41,414	41,414	41,414	43,378	43,476	43,587
Service charges - refuse removal			-	-	-	-	-	-	-	151	181	240
Rental of facilities and equipment			134	150	148	142	124	124	124	132	138	141
Cash receipts from ratepayers	18(1)a		14,168	13,493	19,762	21,817	48,920	48,920	48,920	49,417	59,859	66,319
Ratepayer & Other revenue	18(1)a		76,354	80,009	87,428	88,619	92,417	92,417	92,417	90,544	90,856	91,654
Change in consumer debtors (current and non-current)			119,840	59,233	31,758	(370,306)	(359,356)	(359,356)	(359,356)	(22,167)	4,917	4,687
Operating and Capital Grant Revenue	18(1)a		319,072	322,178	331,179	332,893	333,191	333,191	333,191	349,961	375,409	393,377
Capital expenditure - total	20(1)(vi)		60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668
Capital expenditure - renewal	20(1)(vi)		-	-	-	-	3,000	3,000		-	-	-
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%

DoRA operating												
Equitable Share										285,383	304,684	320,692
Financial Management Grant										1,700	1,700	1,770
Extended Public Work Programme										1,168	2,000	
										288,251	308,384	322,462
DoRA capital												
MIG										61,710	67,025	70,915
										61,710	67,025	70,915
Trend												
Change in consumer debtors (current and non-current)			119,840	59,233	31,758	(359,356)	(22,167)	4,917	4,687	–	–	–
Total Operating Revenue			321,416	335,361	350,378	365,083	366,256	366,256	366,256	382,388	402,966	417,930
Total Operating Expenditure			391,323	476,850	458,217	337,027	348,565	348,565	348,565	317,980	331,996	361,177
Operating Performance Surplus/(Deficit)			(69,908)	(141,489)	(107,839)	28,055	17,691	17,691	17,691	64,408	70,969	56,753
Cash and Cash Equivalents (30 June 2012)										37,679		
Revenue												
% Increase in Total Operating Revenue			4.3%	4.5%	4.2%	0.3%	0.0%	0.0%	0.0%	4.4%	5.4%	3.7%
% Increase in Property Rates Revenue			(0.5%)	1.1%	12.9%	(3.8%)	0.0%	0.0%	0.0%	4.7%	0.2%	0.3%
% Increase in Electricity Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges			(0.5%)	1.1%	12.9%	(3.8%)	0.0%	0.0%	0.0%	5.1%	0.3%	0.4%
Expenditure												
% Increase in Total Operating Expenditure			21.9%	(3.9%)	(26.4%)	3.4%	0.0%	0.0%	0.0%	(8.8%)	4.4%	8.8%
% Increase in Employee Costs			14.1%	19.4%	21.5%	(15.1%)	0.0%	0.0%	0.0%	9.8%	7.0%	7.0%
% Increase in Electricity Bulk Purchases			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)					466422.4358	566532.0623				482807.8461		
Average Cost Per Councillor (Remuneration)					366134.9839	392406.4314				379547.9281		
R&M % of PPE			14.4%	14.5%	24.5%	21.8%	21.6%	21.6%		13.4%	12.9%	15.4%
Asset Renewal and R&M as a % of PPE			14.0%	14.0%	24.0%	22.0%	22.0%	22.0%		13.0%	13.0%	15.0%
Debt Impairment % of Total Billable Revenue			204.0%	179.4%	166.6%	83.4%	105.9%	105.9%	105.9%	89.8%	89.7%	90.3%
Capital Revenue												
Grant Funding and Other (R'000)			60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668
Internally Generated funds % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Capital Expenditure												
Total Capital Programme (R'000)			60,606	27,413	33,560	90,013	79,813	79,813	79,813	126,118	137,994	127,668
Asset Renewal			–	–	–	–	3,000	3,000	3,000	–	–	–
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	0.0%	3.8%	3.8%	3.8%	0.0%	0.0%	0.0%
Cash												
Cash Receipts % of Rate Payer & Other			18.6%	16.9%	22.6%	24.6%	52.9%	52.9%	52.9%	54.6%	65.9%	72.4%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Capital Charges to Operating			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Surplus/(Deficit)			91,162	37,443	28,737	24,345	3,073	3,073	3,073	8,827	43,374	98,188
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			0.7%	0.7%	0.7%	0.6%	0.6%	0.6%		0.6%	0.6%	0.6%
High Level Outcome of Funding Compliance												
Total Operating Revenue			321,416	335,361	350,378	365,083	366,256	366,256	366,256	382,388	402,966	417,930
Total Operating Expenditure			391,323	476,850	458,217	337,027	348,565	348,565	348,565	317,980	331,996	361,177
Surplus/(Deficit) Budgeted Operating Statement			(69,908)	(141,489)	(107,839)	28,055	17,691	17,691	17,691	64,408	70,969	56,753
Surplus/(Deficit) Considering Reserves and Cash Backing			91,162	37,443	28,737	24,345	3,073	3,073	3,073	8,827	43,374	98,188
MTREF Funded (1) / Unfunded (0)			15	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded *			15	✓	✓	✓	✓	✓	✓	✓	✓	✓

3.7 Expenditure on allocations and grants programmes

Table 30 MBRR SA18 - Transfers and Grants Received

LIM473 Makhuduthamaga - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		235,253	247,523	256,837	270,771	271,069	271,069	288,251	308,384	322,462
Local Government Equitable Share		225,123	233,388	241,518	267,931	267,931	267,931	285,383	304,684	320,692
Finance Management		1,625	1,700	1,770	1,770	1,770	1,770	1,700	1,700	1,770
Municipal Systems Improvement		–	–	–	–	–	–	–	–	–
EPWP Incentive		1,505	1,158	1,537	1,070	1,070	1,070	1,168	2,000	–
Integrated National Electrification Programme		7,000	11,277	12,012	–	–	–	–	–	–
Municipal Disaster Relief Grant		–	–	–	–	298	298	–	–	–
Total Operating Transfers and Grants	5	235,253	247,523	256,837	270,771	271,069	271,069	288,251	308,384	322,462
<u>Capital Transfers and Grants</u>										
National Government:		87,210	74,655	66,000	62,122	62,122	62,122	61,710	67,025	70,915
Municipal Infrastructure Grant (MIG)		87,210	74,655	66,000	62,122	62,122	62,122	61,710	67,025	70,915
Total Capital Transfers and Grants	5	87,210	74,655	66,000	62,122	62,122	62,122	61,710	67,025	70,915
TOTAL RECEIPTS OF TRANSFERS & GRANTS		322,463	322,178	322,837	332,893	333,191	333,191	349,961	375,409	393,377

Table 31 MBRR SA19 - Expenditure on Transfers & Grants

LIM473 Makhuduthamaga - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		235,253	247,523	256,837	270,771	271,069	271,069	288,251	308,384	322,462
Local Government Equitable Share		225,123	233,388	241,518	267,931	267,931	267,931	285,383	304,684	320,692
Finance Management		1,625	1,700	1,770	1,770	1,770	1,770	1,700	1,700	1,770
Municipal Systems Improvement		–	–	–	–	–	–	–	–	–
EPWP Incentive		1,505	1,158	1,537	1,070	1,070	1,070	1,168	2,000	–
Integrated National Electrification Programme		7,000	11,277	12,012	–	–	–	–	–	–
Municipal Disaster Relief Grant		–	–	–	–	298	298	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		235,253	247,523	256,837	270,771	271,069	271,069	288,251	308,384	322,462
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		87,210	74,655	66,000	62,122	62,122	62,122	61,710	67,025	70,915
Municipal Infrastructure Grant (MIG)		87,210	74,655	66,000	62,122	62,122	62,122	61,710	67,025	70,915
Total capital expenditure of Transfers and Grants		87,210	74,655	66,000	62,122	62,122	62,122	61,710	67,025	70,915
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		322,463	322,178	322,837	332,893	333,191	333,191	349,961	375,409	393,377

Table 32 MBRR SA 20 – Reconciliation of transfers, grant receipts and unspent funds

LIM473 Makhuduthamaga - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		235,171	247,523	258,179	270,771	271,069	271,069	288,251	308,384	322,462
Conditions met - transferred to revenue		235,171	247,523	258,179	270,771	271,069	271,069	288,251	308,384	322,462
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		235,171	247,523	258,179	270,771	271,069	271,069	288,251	308,384	322,462
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year				6,111						
Current year receipts		94,210	74,655	66,000	62,122	62,122	62,122	61,710	67,025	70,915
Conditions met - transferred to revenue		94,210	74,655	72,111	62,122	62,122	62,122	61,710	67,025	70,915
Total capital transfers and grants revenue		94,210	74,655	72,111	62,122	62,122	62,122	61,710	67,025	70,915
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		329,381	322,178	330,290	332,893	333,191	333,191	349,961	375,409	393,377
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

3.8 Allocations and grants made by the municipality.

Our municipality does not have any allocations any grants transferred to other municipalities or entities as indicated by the table below.

LIM473 Makhuduthamaga - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		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
Cash Transfers to Groups of Individuals											
<i>Free Basic Electricity</i>		4,310	4,685	4,803	7,750	6,550	6,550	6,550	4,800	5,000	5,300
Total Cash Transfers To Groups Of Individuals:		4,310	4,685	4,803	7,750	6,550	6,550	6,550	4,800	5,000	5,300
TOTAL CASH TRANSFERS AND GRANTS	6	4,310	4,685	4,803	7,750	6,550	6,550	6,550	4,800	5,000	5,300
Total Non-Cash Grants To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL NON-CASH TRANSFERS AND GRANTS		–	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	6	4,310	4,685	4,803	7,750	6,550	6,550	6,550	4,800	5,000	5,300

3.9 Councillor and employee benefits

Table 33 MBRR SA22 - Summary of councillor and staff benefits

LIM473 Makhuduthamaga - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		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
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		11,490	12,225	13,961	13,776	13,519	13,519	13,078	13,862	14,694
Pension and UIF Contributions		2,873	2,312	2,847	2,336	2,292	2,292	2,314	2,453	2,600
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		4,788	4,745	5,092	4,792	4,703	4,703	4,748	5,032	5,334
Cellphone Allowance		1,400	2,527	2,660	3,026	2,972	2,972	2,638	2,796	2,964
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		242	303	349	399	389	389	755	800	848
Sub Total - Councillors		20,792	22,112	24,909	24,329	23,874	23,874	23,532	24,944	26,441
% increase	4		6.3%	12.6%	(2.3%)	(1.9%)	—	(1.4%)	6.0%	6.0%
Senior Managers of the Municipality										
Basic Salaries and Wages		3,170	1,794	4,130	3,420	3,420	3,420	3,420	3,659	3,915
Pension and UIF Contributions		146	5	74	318	318	318	259	277	296
Medical Aid Contributions		233	165	307	369	369	369	506	542	579
Overtime		—	—	(45)	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	3	831	568	1,264	1,220	1,220	1,220	1,218	1,303	1,394
Cellphone Allowance	3	114	57	136	106	106	106	98	105	112
Housing Allowances	3	359	246	522	206	206	206	137	146	157
Other benefits and allowances	3	80	397	47	64	64	64	65	69	74
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		4,932	3,232	6,434	5,701	5,701	5,701	5,701	6,100	6,527
% increase	4		(34.5%)	99.1%	(11.4%)	—	—	0.0%	7.0%	7.0%
Other Municipal Staff										
Basic Salaries and Wages		29,337	35,062	36,479	47,281	42,941	42,941	43,059	46,073	49,298
Pension and UIF Contributions		6,487	6,425	7,748	7,959	6,870	6,870	8,000	8,560	9,159
Medical Aid Contributions		5,341	3,240	5,180	6,393	5,622	5,622	6,046	6,469	6,922
Overtime		2,268	534	1,155	669	501	501	786	841	900
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	3	7,686	7,812	8,294	11,148	9,682	9,682	10,375	11,101	11,878
Cellphone Allowance	3	1,240	1,314	1,317	1,834	1,623	1,623	1,890	2,022	2,164
Housing Allowances	3	2,697	2,352	3,326	4,110	3,571	3,571	3,760	4,023	4,305
Other benefits and allowances	3	3,124	2,151	4,162	4,983	4,076	4,076	4,392	4,699	5,028
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		58,179	58,889	67,661	84,378	74,887	74,887	78,307	83,789	89,654
% increase	4		1.2%	14.9%	24.7%	(11.2%)	—	4.6%	7.0%	7.0%
Total Parent Municipality		83,904	84,233	99,004	114,408	104,463	104,463	107,541	114,833	122,622
			0.4%	17.5%	15.6%	(8.7%)	—	2.9%	6.8%	6.8%
TOTAL SALARY, ALLOWANCES & BENEFITS		83,904	84,233	99,004	114,408	104,463	104,463	107,541	114,833	122,622
% increase	4		0.4%	17.5%	15.6%	(8.7%)	—	2.9%	6.8%	6.8%
TOTAL MANAGERS AND STAFF	5,7	63,112	62,121	74,095	90,079	80,588	80,588	84,009	89,889	96,181

2.9 The following table SA23 indicates the remuneration for the political office bearers.

LIM473 Makhuduthamaga - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1				2
Councillors	3							
Speaker	4		447,482	78,967	226,395			752,844
Chief Whip			419,514	74,032	215,383			708,929
Executive Mayor			559,351	98,709	271,109			929,170
Deputy Executive Mayor			–	–	–			–
Executive Committee			2,626,475	469,781	1,489,905			4,586,160
Total for all other councillors			9,024,764	1,592,605	5,937,500			16,554,869
Total Councillors	8	–	13,077,586	2,314,094	8,140,291			23,531,972
Senior Managers of the Municipality	5							
Municipal Manager (MM)			666,723	179,719	309,663			1,156,105
Chief Finance Officer			550,561	84,055	320,064			954,679
Senior Manager: Corporate Services			550,561	137,961	265,677			954,198
Senior Manager: Infrastructure Development			550,561	148,706	255,413			954,679
Senior Manager: Economic Development & Planning			550,561	210,188	193,991			954,740
Senior Manager: Community Services			550,561	68,989	335,130			954,679
Total Senior Managers of the Municipality	8,10	–	3,419,526	829,618	1,679,938	–		5,929,081
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	16,497,112	3,143,712	9,820,229	–		29,461,053

3. SA24 Indicates the Personnel Numbers

LIM473 Makhuduthamaga - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2018/19			Current Year 2019/20			Budget Year 2020/21		
Number		1,2	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 Councillors)			62		62	62		62	62		62
Board Members of municipal entities	4										
Municipal employees											
Municipal Manager and Senior Managers	3		6		6	6		6	6		6
Other Managers	7										
Professionals			112	101	11	112	101	11	127	116	11
<i>Finance</i>			56	48	8	56	48	8	56	48	8
<i>Spatial/town planning</i>			9	8	1	9	8	1	9	8	1
<i>Information Technology</i>			4	4	–	4	4	–	4	4	–
<i>Roads</i>			6	4	2	6	4	2	6	4	2
<i>Electricity</i>			1	1	–	1	1	–	1	1	–
<i>Other</i>			36	36	–	36	36	–	51	51	–
Technicians			–	–	–	–	–	–	–	–	–
Clerks (Clerical and administrative)			31	27	4	31	27	4	31	27	4
Plant and Machine Operators			10	10	–	10	10	–	10	10	–
Elementary Occupations											
TOTAL PERSONNEL NUMBERS	9		221	138	83	221	138	83	236	153	83

3.10 Monthly targets for revenue, expenditure and cash flow

The following tables shows how the municipality is planning to receive its budgeted revenue and spend funds appropriated per cost centre, standard classification and the cash inflow and out flow per month.

Table 364 MBRR SA25 - Budgeted monthly revenue and expenditure

LIM473 Makhuduthamaga - Supporting Table SA25 Budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Revenue By Source																
Property rates		3,615	3,615	3,615	3,615	3,615	3,615	3,615	3,615	3,615	3,615	3,615	3,615	43,378	43,476	43,587
Service charges - refuse revenue		13	13	13	13	13	13	13	13	13	13	13	13	151	181	240
Rental of facilities and equipment		11	11	11	11	11	11	11	11	11	11	11	11	132	138	141
Interest earned - external investments		284	295	257	270	301	344	370	320	348	290	263	251	3,592	3,726	3,814
Interest earned - outstanding debtors		3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	39,102	39,174	39,569
Fines, penalties and forfeits		67	55	70	49	72	58	62	57	40	60	66	75	730	800	850
Agency services		550	510	570	600	640	532	540	610	504	569	490	510	6,625	6,657	6,815
Transfers and subsidies		77,000	2,065	–	–	98,405	–	–	–	110,781	–	–	–	288,251	308,384	322,462
Other revenue		–	84	91	–	112	46	24	65	–	4	–	–	427	430	452
Total Revenue (excluding capital transfers and contributions)		84,798	9,906	7,885	7,816	106,427	7,877	7,893	7,949	118,570	7,820	7,716	7,732	382,388	402,966	417,930
Expenditure By Type																
Employee related costs		6,543	6,693	7,491	6,735	6,843	7,043	7,143	6,669	7,165	8,001	7,093	6,593	84,009	89,889	96,181
Remuneration of councillors		1,961	1,961	1,961	1,961	1,961	1,961	1,961	1,961	1,961	1,961	1,961	1,961	23,532	24,944	26,441
Debt impairment		3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	3,258	39,102	39,174	39,569
Depreciation & asset impairment		2,277	2,277	2,277	2,301	2,301	2,654	2,654	2,654	2,879	2,879	2,879	2,892	30,920	34,320	37,645
Other materials		5	–	–	–	–	–	–	–	–	–	–	–	5	5	5
Contracted services		8,136	5,792	8,702	5,302	9,216	6,327	7,975	5,767	6,527	6,237	6,527	7,636	84,148	83,842	97,625
Transfers and subsidies		400	400	400	400	400	400	400	400	400	400	400	400	4,800	5,000	5,300
Other expenditure		4,985	5,738	4,853	4,865	4,532	3,771	6,454	3,667	3,194	4,729	6,124	(1,446)	51,465	54,824	58,412
Total Expenditure		27,565	26,119	28,942	24,822	28,511	25,414	29,845	24,376	25,384	27,466	28,242	21,294	317,980	331,996	361,177
Surplus/(Deficit)		57,233	(16,213)	(21,057)	(17,006)	77,915	(17,537)	(21,952)	(16,427)	93,186	(19,646)	(20,526)	(13,562)	64,408	70,969	56,753
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		24,500				22,000				15,210			–	61,710	67,025	70,915
Surplus/(Deficit) after capital transfers & contributions		81,733	(16,213)	(21,057)	(17,006)	99,915	(17,537)	(21,952)	(16,427)	108,396	(19,646)	(20,526)	(13,562)	126,118	137,994	127,668
Surplus/(Deficit)	1	81,733	(16,213)	(21,057)	(17,006)	99,915	(17,537)	(21,952)	(16,427)	108,396	(19,646)	(20,526)	(13,562)	126,118	137,994	127,668

Table 37 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

LIM473 Makhuduthamaga - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																	
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Revenue by Vote																	
Vote 7 - Budget and Treasury		109,298	9,906	7,885	7,816	128,427	7,877	7,893	7,949	133,780	7,820	7,716	7,732	444,098	469,991	488,845	
Total Revenue by Vote		109,298	9,906	7,885	7,816	128,427	7,877	7,893	7,949	133,780	7,820	7,716	7,732	444,098	469,991	488,845	
Expenditure by Vote to be appropriated																	
Vote 1 - Executive Support		4,120	3,682	4,082	3,502	3,977	3,477	3,877	3,477	3,482	3,810	3,482	3,482	44,453	51,757	54,729	
Vote 2 - Office of the Municipal Manager		946	1,362	1,028	933	862	1,001	1,401	1,022	882	1,150	949	935	12,470	13,374	14,211	
Vote 3 - Economic Development and Planning		544	544	1,244	344	2,634	844	494	1,044	344	594	344	344	9,313	5,562	6,461	
Vote 4 - Infrastructure Development		2,957	4,282	3,697	3,917	3,547	3,557	2,788	2,380	3,767	5,307	4,657	3,057	43,915	41,021	41,802	
Vote 5 - Community Services		4,366	2,595	4,098	2,114	3,433	2,522	4,390	2,390	3,131	2,276	4,093	4,326	39,732	44,110	56,593	
Vote 6 - Corporate Services		2,699	1,701	2,191	1,841	1,879	1,832	4,696	1,967	1,731	2,264	2,661	1,864	27,322	27,736	30,690	
Vote 7 - Budget and Treasury		11,528	11,554	12,203	11,771	11,779	11,782	11,800	11,697	11,647	11,667	11,657	11,690	140,774	148,437	156,692	
Total Expenditure by Vote		27,160	25,719	28,542	24,422	28,111	25,014	29,445	23,976	24,984	27,066	27,842	25,699	317,980	331,996	361,177	
Surplus/(Deficit) before assoc.		82,138	(15,813)	(20,657)	(16,606)	100,315	(17,137)	(21,552)	(16,027)	108,796	(19,246)	(20,126)	(17,967)	126,118	137,994	127,668	
Surplus/(Deficit)	1	82,138	(15,813)	(20,657)	(16,606)	100,315	(17,137)	(21,552)	(16,027)	108,796	(19,246)	(20,126)	(17,967)	126,118	137,994	127,668	

Table 38 MBRR SA27 - Budgeted monthly revenue and expenditure (Standard classification)

LIM473 Makhuduthamaga - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)																
Description	Ref	Budget Year 2020/21												Medium Term Budget Year 2020/21	Revenue and Expenditure Framework	
		July	August	Sept.	October	November	December	January	February	March	April	May	June		Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional																
Governance and administration		109,298	9,906	7,885	7,816	128,427	7,877	7,893	7,949	133,780	7,820	7,716	7,732	444,098	469,991	488,845
Executive and council													–	–	–	–
Finance and administration		109,298	9,906	7,885	7,816	128,427	7,877	7,893	7,949	133,780	7,820	7,716	7,732	444,098	469,991	488,845
Other													–	–	–	–
Total Revenue - Functional		109,298	9,906	7,885	7,816	128,427	7,877	7,893	7,949	133,780	7,820	7,716	7,732	444,098	469,991	488,845
			9,906	7,885	7,816	128,427	7,877	7,893	7,949	133,780	7,820	7,716				
Expenditure - Functional																
Governance and administration		19,293	18,299	19,503	18,047	18,497	18,092	21,773	18,163	17,742	18,889	18,749	17,972	225,019	241,303	256,321
Executive and council		5,066	5,044	5,110	4,435	4,839	4,478	5,278	4,499	4,364	4,959	4,431	2,717	55,223	63,281	67,060
Finance and administration		14,087	13,115	14,253	13,472	13,518	13,473	16,355	13,524	13,238	13,790	14,177	15,114	168,117	176,232	187,379
Internal audit		140	140	140	140	140	140	140	140	140	140	140	140	1,679	1,790	1,882
Community and public safety		2,128	2,797	2,661	1,976	2,865	2,384	2,452	2,252	2,184	2,438	2,255	1,868	28,260	28,892	30,326
Community and social services		842	1,031	1,174	640	834	1,098	756	921	567	822	469	582	9,733	9,282	10,107
Sport and recreation		–	140	–	50	75	–	110	45	–	30	100	–	550	350	500
Public safety		1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,326	1,286	1,286	1,286	15,477	16,560	17,718
Housing		–	340	200	–	670	–	300	–	290	300	400	–	2,500	2,700	2,000
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		5,324	4,309	5,024	4,274	4,074	3,924	4,605	2,524	4,640	4,974	6,524	5,744	55,936	53,307	65,696
Planning and development		984	984	984	984	984	984	984	984	984	984	984	984	11,806	8,227	9,308
Road transport		2,215	3,300	2,515	3,265	1,965	2,915	1,496	1,515	2,531	3,965	3,415	2,415	31,510	28,609	29,669
Environmental protection		2,125	25	1,525	25	1,125	25	2,125	25	1,125	25	2,125	2,345	12,620	16,471	26,720
Trading services		653	553	893	563	823	553	903	757	803	953	753	553	8,764	8,494	8,834
Energy sources		541	441	781	451	711	441	791	644	691	841	641	441	7,412	7,048	7,286
Waste management		113	113	113	113	113	113	113	113	113	113	113	113	1,352	1,446	1,548
Other													–	–	–	–
Total Expenditure - Functional		27,398	25,958	28,081	24,860	26,260	24,953	29,733	23,695	25,369	27,255	28,280	26,137	317,980	331,996	361,177
Surplus/(Deficit) before assoc.		81,900	(16,052)	(20,196)	(17,044)	102,167	(17,076)	(21,840)	(15,747)	108,411	(19,435)	(20,565)	(18,405)	126,118	137,994	127,668
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	81,900	(16,052)	(20,196)	(17,044)	102,167	(17,076)	(21,840)	(15,747)	108,411	(19,435)	(20,565)	(18,405)	126,118	137,994	127,668

Table 39 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

LIM473 Makhuduthamaga - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive Support													-	-	-	-
Vote 2 - Office of the Municipal Manager													-	-	-	-
Vote 3 - Economic Development and Planning													-	-	-	-
Vote 4 - Infrastructure Development		4,470	5,750	6,570	17,210	10,856	13,160	9,234	12,447	7,640	10,466	10,318	9,507	117,628	136,294	119,347
Vote 5 - Community Services													-	-	-	-
Vote 6 - Corporate Services													-	-	-	-
Vote 7 - Budget and Treasury													-	-	-	-
Capital multi-year expenditure sub-total	2	4,470	5,750	6,570	17,210	10,856	13,160	9,234	12,447	7,640	10,466	10,318	9,507	117,628	136,294	119,347
Single-year expenditure to be appropriated																
Vote 1 - Executive Support													-	-	-	-
Vote 2 - Office of the Municipal Manager													-	-	-	-
Vote 3 - Economic Development and Planning													-	-	-	-
Vote 4 - Infrastructure Development													-	-	-	-
Vote 5 - Community Services													-	-	-	-
Vote 6 - Corporate Services		-	-	990	-	700	-	-	800	-	800	-	-	3,290	1,700	2,000
Vote 7 - Budget and Treasury		-	2,500	1,200	-	1,500	-	-	-	-	-	-	-	5,200	-	6,320
Capital single-year expenditure sub-total	2	-	2,500	2,190	-	2,200	-	-	800	-	800	-	-	8,490	1,700	8,320
Total Capital Expenditure	2	4,470	8,250	8,760	17,210	13,056	13,160	9,234	13,247	7,640	11,266	10,318	9,507	126,118	137,994	127,668

Table 40 MBRR SA29 - Budgeted monthly capital expenditure (Standard classification)

LIM473 Makhuduthamaga - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																	
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Capital Expenditure - Functional	1																
<i>Governance and administration</i>		–	2,500	2,190	–	2,200	–	–	800	–	800	–	–	8,490	1,700	8,320	
Executive and council													–	–	–	–	
Finance and administration		–	2,500	2,190	–	2,200	–	–	800	–	800	–	–	8,490	1,700	8,320	
Internal audit													–	–	–	–	
<i>Community and public safety</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
<i>Economic and environmental services</i>		4,470	5,750	6,570	17,210	10,856	13,160	9,234	12,447	7,640	10,466	10,318	9,507	117,628	136,294	119,347	
Planning and development													–	–	–	–	
Road transport		4,470	5,750	6,570	17,210	10,856	13,160	9,234	12,447	7,640	10,466	10,318	9,507	117,628	136,294	119,347	
Environmental protection													–	–	–	–	
<i>Trading services</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
<i>Other</i>													–	–	–	–	
Total Capital Expenditure - Functional	2	4,470	8,250	8,760	17,210	13,056	13,160	9,234	13,247	7,640	11,266	10,318	9,507	126,118	137,994	127,668	
Funded by:																	
National Government		4,470	8,250	7,770	17,210	11,556	13,160	7,640	13,247	7,640	10,466	10,318	14,391	126,118	137,994	127,668	
Transfers recognised - capital		4,470	8,250	7,770	17,210	11,556	13,160	7,640	13,247	7,640	10,466	10,318	14,391	126,118	137,994	127,668	
Borrowing													–	–	–	–	
Internally generated funds													–	–	–	–	
Total Capital Funding		4,470	8,250	7,770	17,210	11,556	13,160	7,640	13,247	7,640	10,466	10,318	14,391	126,118	137,994	127,668	

Table 41 MBRR SA30 - Budgeted monthly cash flow (Standard classification)

LIM473 Makhuduthamaga - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Receipts By Source															
Property rates	975	860	865	800	900	1,100	890	1,400	1,590	1,350	1,600	1,406	13,736	16,283	20,740
Service charges - refuse revenue	3	2	4	3	3	2	2	4	4	4	3	4	39	42	47
Rental of facilities and equipment	11	11	11	11	11	11	11	11	11	11	11	11	132	138	141
Interest earned - external investments	256	270	220	260	301	344	370	303	320	290	180	210	3,324	3,656	4,022
Fines, penalties and forfeits	5	3	4	6	3	4	2	4	1	4	3	5	44	48	53
Agency services	362	355	418	444	434	550	560	555	570	601	620	556	6,025	6,657	6,815
Transfers and Subsidies - Operational	88,000	–	–	–	95,000				105,251			–	288,251	308,384	322,462
Other revenue	2,400	3,700	3,100	2,970	4,200	1,900	1,750	2,650	2,200	1,500	1,550	1,523	29,443	36,690	38,524
Cash Receipts by Source	92,012	5,201	4,622	4,494	100,852	3,911	3,585	4,927	109,947	3,760	3,967	3,714	340,992	371,899	392,803
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	24,500				22,000				15,210			–	61,710	67,025	70,918
Total Cash Receipts by Source	116,512	5,201	4,622	4,494	122,852	3,911	3,585	4,927	125,157	3,760	3,967	3,714	402,702	438,924	463,721
Cash Payments by Type															
Employee related costs	7,008	7,108	6,808	7,008	6,908	7,408	6,908	6,808	7,008	7,008	7,208	6,826	84,009	89,889	96,181
Remuneration of councillors	1,861	1,861	1,861	1,861	1,861	1,861	1,861	1,861	2,161	2,161	2,161	2,161	23,532	24,944	26,441
Contracted services	13,800	8,700	4,560	4,010	9,200	3,400	5,700	6,800	7,000	8,900	4,700	10,378	87,148	83,842	97,625
Other expenditure	3,980	3,900	2,800	4,100	2,780	6,750	4,400	3,230	6,000	5,700	3,500	1,330	48,470	54,829	58,417
Cash Payments by Type	27,049	21,969	16,429	17,379	21,149	19,819	19,269	19,099	22,569	24,169	17,969	21,094	247,958	258,503	283,963
Other Cash Flows/Payments by Type															
Capital assets	13,260	11,400	12,400	8,700	13,000	12,400	10,600	9,600	10,500	13,400	9,600	1,258	126,118	137,994	127,668
Total Cash Payments by Type	40,309	33,369	28,829	26,079	34,149	32,219	29,869	28,699	33,069	37,569	27,569	22,352	374,076	396,498	411,631
NET INCREASE/(DECREASE) IN CASH HELD	76,204	(28,167)	(24,207)	(21,584)	88,704	(28,308)	(26,284)	(23,772)	92,088	(33,809)	(23,601)	(18,638)	28,626	42,427	52,090
Cash/cash equivalents at the month/year begin:	9,052	85,256	57,088	32,882	11,298	100,001	71,693	45,410	21,638	113,727	79,918	56,317	9,052	37,679	80,105
Cash/cash equivalents at the month/year end:	85,256	57,088	32,882	11,298	100,001	71,693	45,410	21,638	113,727	79,918	56,317	37,679	37,679	80,105	132,196

3.11 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.

3.12 Capital expenditure details

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

Table 42 MBRR SA 34a - Capital expenditure on new assets by asset class

LIM473 Makhuduthamaga - Supporting Table SA34a Capital expenditure on new assets by asset class										
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	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		40,953	17,099	27,695	84,513	71,213	71,213	117,628	136,294	119,347
Roads Infrastructure		40,953	17,099	27,695	84,513	71,213	71,213	117,628	136,294	119,347
Roads		40,953	17,099	27,695	84,513	71,213	71,213	117,628	136,294	119,347
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Community Assets		3,655	-	-	1,300	800	800	-	-	-
Community Facilities		3,655	-	-	1,300	800	800	-	-	-
Police		-	-	-	1,300	800	800	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	2,000	-	1,500
Licences and Rights		-	-	-	-	-	-	2,000	-	1,500
Computer Software and Applications								2,000	-	1,500
Computer Equipment		3,327	5,721	1,218	3,200	3,600	3,600	3,290	1,700	2,000
Computer Equipment		3,327	5,721	1,218	3,200	3,600	3,600	3,290	1,700	2,000
Furniture and Office Equipment		-	770	417	1,000	100	100	1,200	-	2,800
Furniture and Office Equipment			770	417	1,000	100	100	1,200	-	2,800
Machinery and Equipment		811	281	934	-	100	100	500	-	2,020
Machinery and Equipment		811	281	934		100	100	500	-	2,020
Transport Assets		4,329	3,541	3,295	-	1,000	1,000	-	-	-
Transport Assets		4,329	3,541	3,295		1,000	1,000			
Land		-	-	-	-	-	-	-	-	-
Land										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	60,606	27,413	33,560	90,013	76,813	76,813	126,118	137,994	127,668

Table 43 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

LIM473 Makhuduthamaga - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
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	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	3,000	3,000	-	-	-
Operational Buildings		-	-	-	-	3,000	3,000	-	-	-
Municipal Offices		-	-	-	-	3,000	3,000	-	-	-
Total Capital Expenditure on renewal of existing assets	1	-	-	-	-	3,000	3,000	-	-	-

Table 44 MBRR SA34c - Repairs and maintenance expenditure by asset class

LIM473 Makhuduthamaga - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
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	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		39,800	25,000	67,261	52,313	61,811	61,811	39,753	41,691	52,739
Roads Infrastructure		36,100	22,000	38,000	21,739	31,339	31,339	25,333	24,035	24,950
<i>Roads</i>		36,100	22,000	38,000	21,739	31,339	31,339	25,333	24,035	24,950
Electrical Infrastructure		3,700	3,000	3,000	2,174	2,174	2,174	2,100	1,500	1,400
<i>LV Networks</i>		3,700	3,000	3,000	2,174	2,174	2,174	2,100	1,500	1,400
Solid Waste Infrastructure		–	–	26,261	28,400	28,298	28,298	12,320	16,156	26,389
<i>Landfill Sites</i>		–	–	26,261	28,400	28,298	28,298	12,320	16,156	26,389
Community Assets		–	2,100	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	2,100	–	–	–	–	–	–	–
<i>Outdoor Facilities</i>		–	2,100	–	–	–	–	–	–	–
Other assets		–	6,500	1,800	2,478	2,878	2,878	2,560	2,810	2,950
Operational Buildings		–	6,500	1,800	2,478	2,878	2,878	2,560	2,810	2,950
<i>Municipal Offices</i>		–	6,500	1,800	2,478	2,878	2,878	2,560	2,810	2,950
Computer Equipment		1,300	6,000	6,739	3,600	7,295	7,295	3,800	3,000	4,300
Computer Equipment		1,300	6,000	6,739	3,600	7,295	7,295	3,800	3,000	4,300
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		1,100	2,781	1,522	2,000	1,600	1,600	2,500	2,700	2,000
Transport Assets		1,100	2,781	1,522	2,000	1,600	1,600	2,500	2,700	2,000
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	42,200	42,381	77,322	60,391	73,585	73,585	48,613	50,201	61,989

Table 45 MBRR SA34d – Depreciation by Asset class

LIM473 Makhuduthamaga - Supporting Table SA34d Depreciation by asset class										
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	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		17,733	15,659	14,354	14,580	14,580	14,580	18,290	19,647	21,104
Roads Infrastructure		17,321	15,659	13,954	14,030	14,030	14,030	17,780	19,093	20,503
Roads		17,321	15,659	13,954	14,030	14,030	14,030	17,780	19,093	20,503
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		412	–	400	550	550	550	511	554	601
LV Networks		412	–	400	550	550	550	511	554	601
<u>Community Assets</u>		–	112	230	230	230	230	118	96	79
Community Facilities		–	112	230	230	230	230	118	96	79
Markets			112	230	230	230	230	118	96	79
<u>Other assets</u>		780	1,708	1,428	1,500	1,500	1,500	1,863	1,918	1,974
Operational Buildings		780	1,708	1,428	1,500	1,500	1,500	1,863	1,918	1,974
Municipal Offices		780	1,708	1,428	1,500	1,500	1,500	1,863	1,918	1,974
<u>Intangible Assets</u>		569	941	1,437	800	800	800	1,503	2,429	2,414
Servitudes										
Licences and Rights		569	941	1,437	800	800	800	1,503	2,429	2,414
Computer Software and Applications		569	941	1,437	800	800	800	1,503	2,429	2,414
<u>Computer Equipment</u>		1,506	2,650	2,811	3,200	3,200	3,200	3,034	3,137	3,244
Computer Equipment		1,506	2,650	2,811	3,200	3,200	3,200	3,034	3,137	3,244
<u>Furniture and Office Equipment</u>		861	387	429	440	440	440	1,494	2,399	4,052
Furniture and Office Equipment		861	387	429	440	440	440	1,494	2,399	4,052
<u>Machinery and Equipment</u>		438	569	2,480	2,470	2,470	2,470	269	231	198
Machinery and Equipment		438	569	2,480	2,470	2,470	2,470	269	231	198
<u>Transport Assets</u>		2,247	4,081	4,108	4,060	4,500	4,500	4,348	4,463	4,581
Transport Assets		2,247	4,081	4,108	4,060	4,500	4,500	4,348	4,463	4,581
<u>Land</u>		–	–	–	–	–	–	–	–	–
Land										
<u>Zoo's, Marine and Non-biological Animals</u>		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	24,134	26,108	27,278	27,280	27,720	27,720	30,920	34,320	37,645

Table 46 MBRR SA34e – Capital expenditure on the upgrading of existing assets

LIM473 Makhuduthamaga - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class										
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	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets										
Land		-	-	-	-	-	-	-	-	-
Land										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on upgrading of existing assets	1	-	-	-	-	-	-	-	-	-

Table 46 MBRR SA35 - Future financial implications of the capital budget

LIM473 Makhuduthamaga - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive Support		–	–	–				
Vote 2 - Office of the Municipal Manager		–	–	–				
Vote 3 - Economic Development and Planning		–	–	–				
Vote 4 - Infrastructure Development		117,628	136,294	119,347	126,789	133,500	141,960	
Vote 5 - Community Services		–	–	–				
Vote 6 - Corporate Services		3,290	1,700	2,000	2,300	1,750	2,000	
Vote 7 - Budget and Treasury		5,200	–	6,320	3,400	4,200	3,500	
Total Capital Expenditure		126,118	137,994	127,668	132,489	139,450	147,460	–
Future operational costs by vote	2							
Vote 1 - Executive Support		44,453	51,757	54,729	58,150	61,929	65,955	
Vote 2 - Office of the Municipal Manager		12,470	13,374	14,211	15,099	16,081	17,126	
Vote 3 - Economic Development and Planning		9,313	5,562	6,461	6,864	7,311	7,786	
Vote 4 - Infrastructure Development		43,915	41,021	41,802	44,415	47,302	50,376	
Vote 5 - Community Services		39,732	44,110	56,593	60,130	64,039	68,201	
Vote 6 - Corporate Services		27,322	27,736	30,690	32,608	34,727	36,985	
Vote 7 - Budget and Treasury		140,774	148,437	156,692	170,623	182,181	193,697	
Total future operational costs		317,980	331,996	361,177	387,888	413,569	440,125	–
Future revenue by source	3							
Property rates		43,378	43,476	43,587	46,312	49,322	52,405	
Service charges - refuse revenue		151	181	240	255	271	288	
Rental of facilities and equipment		132	138	141	150	159	169	
Interest earned - external investments		3,592	3,726	3,814	4,052	4,305	4,574	
Interest earned - outstanding debtors		39,102	39,174	39,569	42,042	44,669	47,461	
Dividends received		–	–	–	–	–	–	
Fines, penalties and forfeits		730	800	850	903	960	1,020	
Licences and permits		–	–	–	–	–	–	
Agency services		6,625	6,657	6,815	7,241	7,693	8,174	
Transfers and subsidies		349,961	375,409	393,377	417,963	444,086	471,841	
Other revenue		427	430	452	481	511	543	
Total future revenue		444,098	469,991	488,845	519,397	551,976	586,474	–
Net Financial Implications		–	–	–	980	1,044	1,111	–

Table 46 MBRR SA36 - Detailed capital budget per municipal vote

LIM473 Makhuduthamaga - Supporting Table SA36 Detailed capital budget							2020/21 Medium Term Revenue & Expenditure Framework		
R thousand									
Function	Project Description	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality:									
<i>List all capital projects grouped by Function</i>									
Vote 4 - Infrastructure Development	RD Makgwabe_Mphane10km	Ward 29	-24	30	–	12,680	–	–	–
Vote 4 - Infrastructure Development	Mashabela_Machacha 10km	Ward 25	-24	30	–	–	14,000	16,000	13,200
Vote 4 - Infrastructure Development	Marishane/Phaahla_Internal streets	Ward 26	-24	29	–	9,000	21,209	–	–
Vote 4 - Infrastructure Development	Matulaneng_Access_Bridge	Ward 21	-24	29	–	7,034	3,057	–	–
Vote 4 - Infrastructure Development	RD Lobethal_Tisane	Ward 20 & 24	-24	29	–	–	4,870	15,000	–
Vote 4 - Infrastructure Development	RD Riverside Plant_Phob	Ward 8 & 7	-24	29	–	–	–	4,195	6,000
Vote 4 - Infrastructure Development	RD Phaahla/Mamaŋekele_Masehlaneng	Ward 24	-24	29	–	–	–	9,000	–
Vote 4 - Infrastructure Development	RD Kome	Ward 31	-24	29	–	–	–	–	5,000
Vote 4 - Infrastructure Development	RD Ga-Mampane Tribal Office_Sehuswane	Ward 31	-24	29	–	–	–	–	6,000
Vote 4 - Infrastructure Development	RD Marulaneng_Manganeng	Ward 23 & 17	-24	29	–	–	–	–	7,000
Vote 4 - Infrastructure Development	RD Maila Mapitsa_Magoleg	Ward 15	-24	29	–	–	5,217	13,043	–
Vote 4 - Infrastructure Development	RD Phaahla _1.5km	Ward 24	-24	29	–	7,030	–	–	–
Vote 4 - Infrastructure Development	RD Ga-Mampane-Phase 4	Ward 31	-24	29	–	23,100	7,466	–	–
Vote 4 - Infrastructure Development	RD Stocking Internal Streets	Ward 14	-24	29	–	4,069	27,386	–	–
Vote 4 - Infrastructure Development	RD Mokwe_Molap/Ntw _10km	Ward 11	-24	29	–	–	20,000	16,000	13,200
Vote 4 - Infrastructure Development	Cabrieve_Access_Road	Ward 8	-24	29	–	–	–	20,800	–
Vote 4 - Infrastructure Development	Nchabeleng/Thabampshe_Bridge	Ward 28	-24	29	–	–	–	–	6,228
Vote 4 - Infrastructure Development	Kome Internal Streets	Ward 26	-24	29	–	–	–	20,000	–
Vote 4 - Infrastructure Development	Ga-Kgagara/Moretelele Primary_Access road	Ward 12	-24	29	–	–	–	10,256	2,267
Vote 4 - Infrastructure Development	Grade A DLTC_Ga-Masemola	Ward 27	-24	29	–	–	–	–	29,452
Vote 4 - Infrastructure Development	Moloi_Glen Cowie_5km access road	Ward 8	-24	29	–	–	1,000	12,000	25,000
Vote 4 - Infrastructure Development	Thusong Centre	Ward 28	-24	29	–	–	–	–	6,000
Vote 4 - Infrastructure Development	Mohlala_Ngoanathswane_	Ward 21	-24	29	–	4,000	11,829	–	–
Vote 4 - Infrastructure Development	RD Sekhukhune Traffic St	Ward 14	-24	29	6,754	–	–	–	–
Vote 4 - Infrastructure Development	Refurb of water&sewage system main office & satellite offices	Ward 18	-24	29	2,550	–	–	–	–
Vote 4 - Infrastructure Development	BLD Upgrade Sekhukhune_DLTC Phase 1	Ward 14	-24	29	4,248	–	–	–	–
Vote 4 - Infrastructure Development	SWC Rietfontein Storm Water Control	Ward 4	-24	29	6,060	–	–	–	–
Vote 4 - Infrastructure Development	Weigh_Bridge_Madibong	Ward 18	-24	29	4,857	2,300	–	–	–
Vote 4 - Infrastructure Development	Upgrading of Marishane sports complex	Ward 26	-24	29	–	5,000	1,594	–	–
Vote 7 - Budget and Treasury	Petitioning of new municipal building	Ward 18	-24	29	–	1,000	1,500	–	–
Vote 7 - Budget and Treasury	Purchases of Office Furniture and Equipment	Ward 18	-24	29	1,339	100	1,700	–	4,820
Vote 7 - Budget and Treasury	Purchases of Office Transport Assets	Ward 18	-24	29	–	–	2,000	–	1,500
Vote 7 - Budget and Treasury	Purchases of Office Transport Assets	Ward 18	-24	29	3,443	–	–	–	–
Vote 7 - Budget and Treasury	Purchases of Machinery & Equipment	Ward 18	-24	29	–	–	–	–	–
Vote 6 - Corporate Services	Acquisition of IT Infrastructure Assets	Ward 18	-24	29	1,522	3,600	3,290	1,700	2,000
Vote 3 - Economic Development and Planning	Acquisition of Land	Ward 18	-24	29	1,570	–	–	–	–
Vote 5 Community Services	Acquisition of Transport Assets	Ward 18	-24	29	1,217	900	–	–	–
Parent Capital expenditure					33,560	79,813	126,118	137,994	127,668

Table 47 MBRR SA37 – Projects delayed from previous years



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4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail draft SDBIP is and aligned with the 2020/21 draft budget & 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 and training is ongoing.
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.

3.14 Other supporting documents

Table 49 MBRR Table SA1 - Supporting detail to budgeted financial performance

LIM473 Makhuduthamaga - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		37,890	37,708	38,129	43,049	41,414	41,414	41,414	43,378	43,476	43,587
<i>impermissible values in excess of section 17 of MPRA)</i>											
Net Property Rates		37,890	37,708	38,129	43,049	41,414	41,414	41,414	43,378	43,476	43,587
Service charges - refuse revenue	6										
Total refuse removal revenue									151	181	240
Net Service charges - refuse revenue		-	-	-	-	-	-	-	151	181	240
Other Revenue by source											
Tender documents		539	785	400	535	372	372	372	159	159	160
Other Revenue		1,682	287	372					267	270	292
Total 'Other' Revenue	1	2,221	1,072	772	535	372	372	372	427	430	452
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	23,827	29,582	40,609	49,717	40,111	40,111	40,111	46,479	49,732	53,213
Pension and UIF Contributions		6,632	7,899	7,822	8,554	6,759	6,759	6,759	8,258	8,837	9,455
Medical Aid Contributions		5,575	6,173	5,487	6,989	5,618	5,618	5,618	6,552	7,010	7,501
Overtime		2,268	1,984	1,110	710	3,230	3,230	3,230	786	841	900
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		8,517	8,315	9,558	12,798	11,457	11,457	11,457	11,592	12,404	13,272
Cellphone Allowance		1,354	1,308	1,454	2,007	1,798	1,798	1,798	1,988	2,127	2,276
Housing Allowances		3,056	3,067	3,848	4,450	3,713	3,713	3,713	3,897	4,170	4,462
Other benefits and allowances		3,204	3,794	4,275	4,853	3,825	3,825	3,825	4,457	4,769	5,103
sub-total	5	54,432	62,121	74,161	90,079	76,511	76,511	76,511	84,009	89,889	96,181
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	54,432	62,121	74,161	90,079	76,511	76,511	76,511	84,009	89,889	96,181
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		22,340	26,108	27,278	27,280	27,720	27,720	27,720	30,920	34,320	37,645
Total Depreciation & asset impairment	1	24,134	26,108	27,278	27,280	27,720	27,720	27,720	30,920	34,320	37,645
Transfers and grants											
Cash transfers and grants		4,310	4,685	4,803	7,750	6,550	6,550	6,550	4,800	5,000	5,300
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	4,310	4,685	4,803	7,750	6,550	6,550	6,550	4,800	5,000	5,300
Contracted services											
Repairs and Maintenance		42,617	40,809	77,322	60,391	75,738	75,738	75,738	48,613	50,201	61,989
Security Services and Cleaning Services		12,893	14,696	13,672	14,350	14,350	14,350	14,350	23,406	24,576	25,805
Other Contracted Services		856	25,934	35,102	26,788	33,231	33,231	33,231	12,129	9,064	9,831
Total contracted services		56,365	81,439	126,096	101,529	123,320	123,320	123,320	84,148	83,842	97,625
Other Expenditure By Type											
Audit Fees		2,670	3,196	2,430	3,390	3,390	3,390	3,390	3,800	3,990	4,190
Contributions to 'other' provisions		71,201	93,879	74,170	46,711	43,309	43,309	43,309	47,665	50,834	54,222
Total 'Other' Expenditure	1	73,871	97,075	76,600	50,101	46,699	46,699	46,699	51,465	54,824	58,412
Repairs and Maintenance by Expenditure Item	8										
Contracted Services		42,200	42,381	77,322	60,391	73,585	73,585	73,585	48,613	50,201	61,989
Total Repairs and Maintenance Expenditure	9	42,200	42,381	77,322	60,391	73,585	73,585	73,585	48,613	50,201	61,989

Table 50 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

LIM473 Makhuduthamaga - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)									
Description	Ref	Vote 1 - Executive Support	Vote 2 - Office of the Municipal Manager	Vote 3 - Economic Development and Planning	Vote 4 - Infrastructure Development	Vote 5 - Community Services	Vote 6 - Corporate Services	Vote 7 - Budget and Treasury	Total
R thousand	1								
Revenue By Source									
Property rates								43,378	43,378
Service charges - refuse revenue								151	151
Rental of facilities and equipment								132	132
Interest earned - external investments								3,592	3,592
Interest earned - outstanding debtors								39,102	39,102
Fines, penalties and forfeits								730	730
Agency services								6,625	6,625
Other revenue								427	427
Transfers and subsidies								288,251	288,251
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	382,388	382,388
Expenditure By Type									
Employee related costs		8,820	10,770	3,733	4,583	21,462	10,909	23,731	84,009
Remuneration of councillors		23,532	–	–	–	–	–	–	23,532
Debt impairment								39,102	39,102
Depreciation & asset impairment		–	–	–	–	–	–	30,920	30,920
Contracted services		2,900	1,000	4,000	31,672	12,320	3,800	28,456	84,148
Other expenditure		9,201	700	1,580	7,660	5,950	12,613	18,566	56,270
Losses (Capital Expenditure Written Off - D Roads)									–
Total Expenditure		44,453	12,470	9,313	43,915	39,732	27,322	140,774	317,980
Surplus/(Deficit)		(44,453)	(12,470)	(9,313)	(43,915)	(39,732)	(27,322)	241,614	64,408
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)								61,710	61,710
Surplus/(Deficit) after capital transfers & contributions		(44,453)	(12,470)	(9,313)	(43,915)	(39,732)	(27,322)	303,324	126,118

Table 51 MBRR Table SA3 – Supporting detail to Statement of Financial Position

LIM473 Makhuduthamaga - Supporting Table SA3 Supporting detail to '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
R thousand											
ASSETS											
Consumer debtors											
Consumer debtors		299,708	365,287	404,263	28,032	35,482	35,482	35,482	485,000	515,000	535,000
Less: Provision for debt impairment									(479,130)	(508,880)	(527,670)
Total Consumer debtors	2	299,708	365,287	404,263	28,032	35,482	35,482	35,482	5,870	6,120	7,330
PPE at cost/valuation (excl. finance leases)		292,338	293,189	315,104	277,526	340,198	340,198	340,198	362,500	389,700	401,500
Total Property, plant and equipment (PPE)	2	292,338	293,189	315,104	277,526	340,198	340,198	340,198	362,500	389,700	401,500
LIABILITIES											
Current liabilities - Borrowing											
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Trade and other payables											
Trade Payables	5	48,480	46,043	75,819	10,648	42,332	42,332	42,332	45,349	59,885	62,828
Total Trade and other payables	2	54,591	47,767	75,861	10,648	42,332	42,332	42,332	45,349	59,885	62,828
Non current liabilities - Borrowing											
Total Non current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions - non-current											
Retirement benefits		3,616	4,504	5,818	4,856	6,556	6,556	6,556	7,050	7,850	8,645
Total Provisions - non-current		301,762	368,400	419,262	4,856	21,097	21,097	21,097	26,250	28,550	31,045
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		338,917	355,706	288,131	247,916	273,758	273,758	273,758	236,246	281,113	354,193
Restated balance		341,713	356,932	290,098	247,916	273,758	273,758	273,758	236,246	281,113	354,193
Surplus/(Deficit)		13,994	(66,834)	(34,839)	90,177	79,813	79,813	79,813	126,118	137,994	127,668
Accumulated Surplus/(Deficit)	1	355,706	290,098	255,259	338,094	353,571	353,571	353,571	362,364	419,108	481,860
Reserves											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	355,706	290,098	255,259	338,094	353,571	353,571	353,571	362,364	419,108	481,860

Table 52 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

LIM473 Makhuduthamaga - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Census 2001 - Census 2007 -Census 2011	264	262	300	274	300	300	300	300	300	300
Females aged 5 - 14		Census 2001 - Census 2007 -Census 2011	–	–	300	60	177	177	177	177	177	177
Males aged 5 - 14		Census 2001 - Census 2007 -Census 2011	–	–	123	60	123	123	123	123	123	123
Females aged 15 - 34		Census 2001 - Census 2007 -Census 2011	–	–	–	47	–	–	–	–	–	–
Males aged 15 - 34		Census 2001 - Census 2007 -Census 2011	–	–	–	36	–	–	–	–	–	–
Unemployment		Census 2001 - Census 2007 -Census 2011	–	–	24	33	21	21	21	21	21	21
Monthly household income (no. of households)												
No income	1, 12	Statistics South Africa 2007 & 2011 (Community Survey)	–	–	144,105	121,946	144,105	144,105	144,105	144,105	144,105	144,105
R1 - R1 600		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	–	1,311,130	–	–	–	–	–	–
R1 601 - R3 200		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	–	3,945	–	–	–	–	–	–
R3 201 - R6 400		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	60,966	2,894	60,966	60,966	60,966	60,966	60,966	60,966
R6 401 - R12 800		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	32,154	3,281	32,154	32,154	32,154	32,154	32,154	32,154
R12 801 - R25 600		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	2,128	2,028	2,128	2,128	2,128	2,128	2,128	2,128
R25 601 - R51 200		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	2,637	346	2,637	2,637	2,637	2,637	2,637	2,637
R52 201 - R102 400		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	3,829	57	3,829	3,829	3,829	3,829	3,829	3,829
R102 401 - R204 800		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	718	73	718	718	718	718	718	718
R204 801 - R409 600		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	57	55	57	57	57	57	57	57
R409 601 - R819 200		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	9	9	9	9	9	9	9	9
> R819 200		Statistics South Africa 2007 & 2011 (Community Survey)	–	–	235	235	235	235	235	235	235	235
Poverty profiles (no. of households)												
< R2 060 per household per month	13	Statistics South Africa 2007 & 2011 (Community Survey)	-	-	247,632	247,632.00	247,632.00	247,632.00	247,632.00	247,632.00	247,632.00	247,632.00
Household/demographics (000)												
Number of people in municipal area			274,358	274,358	274,358	274,358	274,358	274,358	274,358	274,358	274,358	274,358
Number of poor people in municipal area												
Number of households in municipal area			65,217	65,217	65,217	65,217.00	65,217.00	65,217.00	65,217.00	65,217.00	65,217.00	65,217.00
Number of poor households in municipal area												
Definition of poor household (R per month)												
Detail of Free Basic Services (FBS) provided				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
Electricity	Ref.	Location of households for each type of FBS										
Listtype of FBS service		Formal settlements - (50 kwh per indigent household per month Rands)										
		Number of HH receiving this type of FBS		605	605	605	605	605	605	605	605	605
		Total cost of FBS - Electricity for informal settlements		–	–	–	–	–	–	–	–	–
Refuse Removal	Ref.	Location of households for each type of FBS										
Solid Waste Collection		Formal settlements - (removed once a week to indigent households)					498	498	498	750	750	750
		Total cost of FBS - Refuse Removal for informal settlements		–	–	–	–	–	–	–	–	–

Table 53 MBRR Table SA11 – Property rates summary

LIM473 Makhuduthamaga - Supporting Table SA11 Property rates summary										
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
Valuation:	1									
Date of valuation:		7/1/2011	7/1/2011	7/1/2011	7/1/2011					
Financial year valuation used		2016/17	2017/18	2018/19	2019/20			2020/21		
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)		NO	NO	NO	NO	NO	NO	NO	NO	NO
No. of assistant valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of data collectors (FTE)	3	-	-	-	-	-	-	-	-	-
No. of internal valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of additional valuers (FTE)	4	-	-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)		Yes	Yes	Yes	Yes					
Implementation time of new valuation roll (mths)		48	48	48	48					
No. of properties	5	1,797	1,797	1,797	1,797	1,797	1,797	1,797	1,797	1,797
No. of sectional title values	5	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-
No. of supplementary valuations		1	1	1	1	1	1	1	1	1
Total rebates,exemptns,reductns,discs (R'000)		-	-	-	-	-	-	-	-	-

Table 54 MBRR Table SA12a – Property rates by category (current year)

LIM473 Makhuduthamaga - Supporting Table SA12a Property rates by category (current year)																	
Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum'ts	Public benefit organs.	Mining Props.
Current Year 2019/20																	
Valuation:																	
No. of properties		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of sectional title property values		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)		3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Frequency of valuation (select)		<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Flat rate used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
Valuation reductions:																	
Rating:																	
Average rate	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R '000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total rebates,exemptns,reductns,discs (R'000)																	

Table 55 MBRR Table SA12b – Property rates by category (Budget year)

LIM473 Makhuduthamaga - Supporting Table SA12b Property rates by category (budget year)																	
Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum'ts	Public benefit organs.	Mining Props.
Budget Year 2020/21																	
Valuation:																	
Supplementary valuation (Rm)		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)		3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Frequency of valuation (select)		<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Flat rate used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
Valuation reductions:																	
Rating:																	
Expected cash collection rate (%)	4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total rebates,exemptns,reductns,discs (R'000)																	

Table 56 MBRR Table SA13a – Service tariffs by category.

LIM473 Makhuduthamaga - Supporting Table SA13a Service Tariffs by category									
Description	Ref	Provide description of tariff structure where appropriate	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
							Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Property rates <i>(rate in the Rand)</i>	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used			0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
Farm properties - not used			-	-	-	0.0256	0.0268	0.0280	0.0293
Industrial properties			-	-	-	-	-	-	-
Business and commercial properties			-	-	-	0.0034	0.0036	0.0037	0.0039
Exemptions, reductions and rebates <i>(Rands)</i>									
Residential properties									
R15 000 threshold rebate			15,000	15,000	15,000	15,000	15,000	15,000	15,000
Other rebates or exemptions	2	Business properties	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Water tariffs									
Domestic									
Other	2								
Waste water tariffs									
Domestic									
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fix fee <i>(Rands/month)</i>									
Service point - vacant land <i>(Rands/month)</i>									
FBE			50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge						15	15	15	15
Basic charge/fix fee						300	300	300	300
80l bin - once a week						600	600	600	600
250l bin - once a week									

Table 57 MBRR Table SA13b – Service tariffs by category (explanatory).

LIM473 Makhuduthamaga - Supporting Table SA13b Service Tariffs by category - explanatory									
Description	Ref	Provide description of tariff structure where appropriate	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
							Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Exemptions, reductions and rebates (Rands)									
<i>[Insert lines as applicable]</i>									
Water tariffs									
<i>[Insert blocks as applicable]</i>		(fill in thresholds)							
Waste water tariffs									
<i>[Insert blocks as applicable]</i>		(fill in structure)							
Electricity tariffs									
<i>[Insert blocks as applicable]</i>		(fill in thresholds)							

Table 58 MBRR Table SA14 – Household bills.

LIM473 Makhuduthamaga - Supporting Table SA14 Household bills											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent											
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy		4,309,604.00	4,685,022.00	4,200,000.00	4,500,000.00	4,500,000.00	4,500,000.00	480,000,000.0%	5,000,000.00	5,300,000.00	5,500,000.00
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		4,309,604.00	4,685,022.00	4,200,000.00	4,500,000.00	4,500,000.00	4,500,000.00	11.1%	5,000,000.00	5,300,000.00	5,500,000.00
VAT on Services											
Total small household bill:		4,309,604.00	4,685,022.00	4,200,000.00	4,500,000.00	4,500,000.00	4,500,000.00	11.1%	5,000,000.00	5,300,000.00	5,500,000.00
% increase/-decrease			8.7%	(10.4%)	7.1%	-	-		11.1%	6.0%	3.8%

Table 59 MBRR Table SA15 – Investment particulars by type.

LIM473 Makhuduthamaga - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
<u>Parent municipality</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
<u>Entities</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-

Table 60 MBRR Table SA16 – Investment particulars by maturity.

LIM473 Makhuduthamaga - Supporting Table SA16 Investment particulars by maturity														
Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ^a	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
<u>Parent municipality</u>														
														-
														-
														-
														-
														-
														-
														-
Municipality sub-total										-		-	-	-
<u>Entities</u>														
														-
														-
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									-		-	-	-

Table 61 MBRR Table SA17 – Borrowing.

LIM473 Makhuduthamaga - Supporting Table SA17 Borrowing										
Borrowing - Categorised by type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		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
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

2.1 Annual Budget of Municipal entities

- The municipality does not have entities.