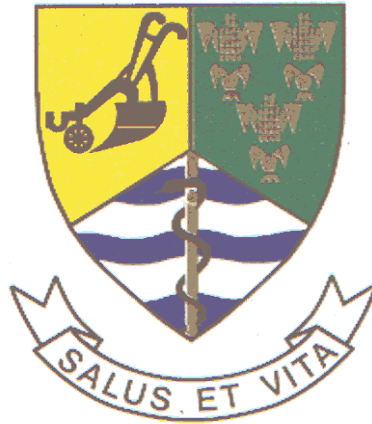


BELA-BELA LOCAL MUNICIPALITY



ADJUSTMENT BUDGET FOR THE FINANCIAL YEAR 2020/2021

Compiled in terms of Section 28 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and Schedule B (In-Year Reports of Municipalities) of the Municipal Budget and Reporting Regulations

Acronyms and abbreviations

BSC	Budget Steering Committee
CFO	Chief Financial Officer
MM	Municipal Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DoRA	Division of Revenue Act
FBS	Free basic services
GVA	Gross Value Added
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
IBT	Inclining Block Tariff
IDP	Integrated Development Plan
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act (56 of 2003)
MIG	Municipal Infrastructure Grant
EXCO	Executive Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator of South Africa
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan

Table of Contents

PART 1 – ANNUAL ADJUSTMENT BUDGET.....	4
1.1 MAYOR’S REPORT	4
1.2 COUNCIL RESOLUTIONS	4
1.3 EXECUTIVE SUMMARY	5
1.4 ADJUSTMENT BUDGET TABLES	9
PART 2 – SUPPORTING DOCUMENTATION.....	28
2.1. ADJUSTMENTS TO BUDGET ASSUMPTIONS	28
2.2. ADJUSTMENTS TO BUDGET FUNDING.....	28
2.3. ADJUSTMENTS TO EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES	29
2.4. ADJUSTMENTS TO ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY	30
2.5. ADJUSTMENTS TO COUNCILORS AND BOARD MEMBERS ALLOWANCES AND EMPLOYEES BENEFIT	30
2.6. ADJUSTMENTS TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN.....	30
2.7. ADJUSTMENTS TO CAPITAL EXPENDITURE.....	30
2.8. MUNICIPALITY MANAGER’S QUALITY CERTIFICATE	33

Part 1 – Annual Adjustment Budget

1.1 Mayor's Report

The Mayor's report on the adjustment budget will be tabled separately by the Mayor at the Municipal Council meeting.

1.2 Council Resolutions

In terms of sections 160(2)(b) of the Constitution ((Act 108 of 1996, as amended) and 28(4) of the Municipal Finance Management Act (56 of 2003), read with paragraph 23 of the Municipal Budget and Reporting Regulations (issued in terms of notice 393 of 2009), Council of Bela-Bela Local Municipality is required to meet during month of February 2020 where the Mayor will table the 2020/21 adjustment budget for adoption by Council. At the meeting the Council took the following resolutions:

1. The Council of Bela-Bela Local Municipality, acting in terms of section 28 of the Municipal Finance Management Act, (Act 56 of 2003):-
 - 1.1. Approves and adopts the adjustment budget of the municipality for the financial year 2020/21 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 4 on page 10;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 5 on page 13;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 6 on page 15; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 7 on page 16.
2. Directs that the Accounting Officer adheres to section 22 of the Municipal Finance Management Act, read with paragraph 24(1) of the Municipal Budget and Reporting Regulations. The regulations require the municipal manager to submit the adjustment budget and supporting documentation to National Treasury and the Provincial Treasury within ten (10) working days after tabling to Council, in both printed and electronic copies.
3. Notes that municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan. As such no increases in taxes and tariffs have been factored in this adjustment budget.

1.3 Executive Summary

This adjustment budget has been compiled in line with section 28 of the MFMA, read with Part 4 of the Municipal Budget and Reporting Regulations which deal with adjustment budgets of municipalities. Section 28(2) of the MFMA states that:-

(2) An adjustments budget-

- a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for (in other words, there should not be new projects or programmes in the adjustments budget);
- c) may, within a prescribed framework, authorise unforeseen and unavoidable expenditure by the mayor of the municipality;
- d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
- f) may correct any errors in the annual budget; and
- g) may provide for any other expenditure within a prescribed framework.

The following key factors were taken into consideration when preparing and compiling the 2020/21 adjustments budget, namely:

- a) The Medium Term Budget Policy Statement (MTBPS) and national adjusted estimates.
- b) The mid-year budget and performance assessment report compiled in terms of section 72 of the MFMA;
- c) The monthly budget statements published in terms of section 71 of the MFMA;
- d) The comments received from the Limpopo Provincial Treasury on the 2020/21 approved budget and subsequence special adjustment budget which was adopted in September.
- e) The errors in the approved budgets;
- f) Unforeseen and unavoidable expenditure incurred; and
- g) The restructuring of votes as result of continuance maintenance of the mSCOA set up. That is, votes were restructured after it was discovered that expenditure was incurred in votes that did not have budget and some votes had budgets although no expenditure was incurred during the first half of the current year.
- h) Also to incorporate the new Covid 19 segments aligned to the allocations from National Treasury
- i) During the audit, incorrect segment was identified, and the adjustment was used to realign segmentation (eg, item having more than 1 budget line item)

Other key issues which were taken into consideration to ensure a Credible Budget were:

- a) Funds were allocated to activities which are consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the Municipality;
- b) Objectives are achievable in terms of the agreed service delivery and performance targets;

- c) Financial estimates comprise of revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;
- d) The increased expenditure does not jeopardize the financial viability of the municipality i.e. ensures that the financial position is maintained within generally accepted prudent limits and that obligations can be met in the short, medium and long term;

The main challenges experienced during the compilation of the 2020/21 adjustments budget can be summarised as follows:

- The ongoing difficulties in the national and local economy, particularly the rising cost of living as measured by CPIX and the steady collection level;
- The current impact to economy as result of COVID 19 pandemic.
- Aging and insufficiently funded water, roads and electricity infrastructure; and
- The need to re-prioritise projects and expenditure within the existing resource given the cash flow realities of the municipality.
- Insufficient Capital Replacement Reserve, impacting on the Municipality's ability to fund capital expenditure from internal sources
- The input to respond to COVID 19 impact to the current approved budget

The rates and tariffs for various municipal services are not increased in this adjustments budget in line with section 28(6) of the MFMA.

The 2020/21 adjustments budget has been issued for community consultation and published on the municipality's website, and hard copies were made available at municipal offices and municipal library.

The table below depict the adjustment in operating revenues that are realistically anticipated and/ or confirmed.

Table 1: Confirmed or realistically anticipated revenue (adjustment budget 2020/21)

Description	Ref	Budget Year 2020/21				Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	B		C	D	E
<u>Revenue By Source</u>							
Property rates	2	94 479	94 479	(1 500)	92 979	98 258	102 189
Service charges - electricity revenue	2	147 928	147 928	(1 500)	146 428	153 845	159 998
Service charges - water revenue	2	32 060	32 060	–	32 060	33 342	34 676
Service charges - sanitation revenue	2	17 905	17 905	–	17 905	18 621	19 366
Service charges - refuse revenue	2	8 765	8 765	–	8 765	9 116	9 481
Rental of facilities and equipment		1 728	1 728	(200)	1 528	1 798	1 870
Interest earned -external investments		2 363	2 363	(1 363)	1 000	2 458	2 556
Interest earned - outstanding debtors		13 730	13 730	–	13 730	14 279	14 850
Dividends received		–	–	–	–	–	–

Fines, penalties and forfeits		10 200	10 200	(2 000)	8 200	10 608	11 032
Licences and permits		5 172	5 172	–	5 172	5 379	5 594
Agency services		–	–	–	–	–	–
Transfers and subsidies		103 274	119 389	–	119 389	111 756	121 115
Other revenue	2	8 593	8 593	(1 500)	7 093	8 937	9 295
Gains		–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		446 198	462 313	(8 063)	454 250	468 397	492 021

Revenue decreased by R8.1 million from special budget of R462 million and the resulted decrease was as result of the following adjustment processed.

- **Property rates - (R 1 500 m)**

The decrease was based on consolidations of properties in the supplementary valuation roll

- **Service charges - electricity revenue- (R 1 500 m)**

Decrease in the electricity budget amount is due to replacement of conventional meters with prepaid meters. About 1000 consumers switched to prepaid meters. There was a shortage of prepaid meters in the previous year and conventional meters were used to replace faulty meters. This resulted in high consumption of electricity as consumers cannot control usage when conventional meters are running. However a lot of prepaid meters were purchased in the current year to address the backlog, the conventional meters were then removed and were replaced with prepaid meters. This resulted in decrease in consumption of electricity as consumers are able to control the usage when prepaid meter is installed.

- **Rental of facilities and equipment- (R 200)**

Income on rental of facilities and equipment has not been realised as anticipated due the Covid 19 restriction regulations.

- **Traffic Fines- (R 2 000 m)**

Traffic fines indicate an undesirable collection rate of 3% against anticipated revenue. The percentage as reported depict an unrealistic pressure to the finances of the institution. Municipality is still facing challenges during the process to intergrade traffic fines system to the Municipality financial system. Furthermore, the Covid 19 pandemic with its restriction regulations had an overbearing impact on the traffic fines.

- **Investment revenue- (R 1 363 m)**

Decrease with R1, 3 million as a result of lower interest rates and inability to secure investment due to a result in low collection rate. The investment income is seating at 3% against anticipated projections on approved budgets.

- **Other income- (R 1 500 m)**

Material component variance is made up of advertisement, building plans and cemetery bookings among others. The actual income is seating at 15% against (special adjustment) (original) budget. This variance is considered as part of the budget adjustment process and the variances for other line item are dependent on consumption level with some being linked to slow economy in our country.

The following table below depict the adjustment in operating expenditure

Table 2: Application of increased/decreased expenditure (adjusted budget 2020/21)

Description	Ref	Budget Year 2020/21				Budget Year +1 2021/22	Budget Year +2 2022/23	Adjusted Budget
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
R thousands	1	A	B	F		C	D	E
Expenditure By Type	-							
Employee related costs		144 153	149 053	-	-	149 053	153 523	163 502
Remuneration of councillors		8 235	8 235	-	-	8 235	8 647	9 079
Debt impairment		10 350	10 350	-	-	10 350	11 385	12 523
Depreciation & asset impairment		33 968	33 968	-	-	33 968	37 365	41 101
Finance charges		12 600	12 600	(7 600)	(7 600)	5 000	13 293	14 024 150
Bulk purchases		131 510	131 510	-	-	131 510	138 449	384
Other materials		10 806	14 806	168	168	14 974	11 887	13 075
Contracted services		36 960	48 160	4 530	4 530	52 690	39 993	43 351
Transfers and subsidies		-	-	-	-	-	-	-
Other expenditure		35 644	35 759	(3 509)	(3 509)	32 251	35 087	37 960
Losses		-	-	-	-	-	-	-
Total Expenditure		424 227	444 442	(6 410)	(6 410)	438 032	449 628	485 001

Table 2 above depict decrease in expenditure by R6.4 million from the special budget of R444 million which is largely derived in by finance charges and other expenditure. This is composed of the following:

- **Finance charges**

The municipality acquired a finance lease contract for its fleet management. The contract is coming to end and most assets have been transferred during the tenure of the lease term. Subsequence to that the finance charges, amortisation of premium have reduced which result in the decrease on the budget for finance cost.

The finance charges had to be adjusted taking into account the interest cost to be incurred or recognised at year end relating to employment benefit and actuarial gain determined.

- **Contracted Services**

The high increase is as a result of identified misclassification in segments as per the chart requirements. This has simultaneously affected the next components, other expenditure.

- **Other Expenditure**

Other expenditure was reviewed to ensure all line item are properly budgeted and aligned as per the Mscoa requirement. The high decrease is primarily due to realignment of segment classification (other expenditure to contracted services)

1.4 Adjustment Budget Tables

The discussion below presents the ten (10) main adjustments budget tables as required in terms of section Schedule B of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 adjustments budget as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 3 MBRR Table B1 - Budget Summary

Description	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	94 479	94 479	–	–	–	–	(1 500)	(1 500)	92 979	98 258	102 189
Service charges	206 658	206 658	–	–	–	–	(1 500)	(1 500)	205 158	214 924	223 521
Investment revenue	2 363	2 363	–	–	–	–	(1 363)	(1 363)	1 000	2 458	2 556
Transfers recognised - operational	103 274	119 389	–	–	–	–	–	–	119 389	111 756	121 115
Other own revenue	39 424	39 424	–	–	–	–	(3 700)	(3 700)	35 724	41 001	42 641
Total Revenue (excluding capital transfers and contributions)	446 198	462 313	–	–	–	–	(8 063)	(8 063)	454 250	468 397	492 021
Employee costs	144 153	149 053	–	–	–	–	–	–	149 053	153 523	163 502
Remuneration of councillors	8 235	8 235	–	–	–	–	–	–	8 235	8 647	9 079
Depreciation & asset impairment	33 968	33 968	–	–	–	–	–	–	33 968	37 365	41 101
Finance charges	12 600	12 600	–	–	–	–	(7 600)	(7 600)	5 000	13 293	14 024
Materials and bulk purchases	142 316	146 316	–	–	–	–	168	168	146 484	150 336	163 459
Transfers and grants	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	82 955	94 270	–	–	–	–	1 021	1 021	95 291	86 464	93 835
Total Expenditure	424 227	444 442	–	–	–	–	(6 410)	(6 410)	438 032	449 628	485 001
Surplus/(Deficit)	21 971	17 871	–	–	–	–	(1 653)	(1 653)	16 218	18 769	7 020
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	77 495	74 095	–	–	–	–	–	–	74 095	84 407	66 683
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	99 466	91 966	–	–	–	–	(1 653)	(1 653)	90 313	103 176	73 704
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	99 466	91 966	–	–	–	–	(1 653)	(1 653)	90 313	103 176	73 704
Capital expenditure & funds sources											
Capital expenditure	85 415	82 015	–	–	–	–	(2 402)	(2 402)	79 613	84 657	64 386
Transfers recognised - capital	77 495	74 095	–	–	–	–	–	–	74 095	84 407	64 136
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	7 920	7 920	–	–	–	–	(2 402)	(2 402)	5 518	250	250
Total sources of capital funds	85 415	82 015	–	–	–	–	(2 402)	(2 402)	79 613	84 657	64 386
Financial position											
Total current assets	155 233	155 362	–	–	–	–	3 784	3 784	159 146	92 749	171 262
Total non current assets	1 093 683	1 090 283	–	–	–	–	(2 402)	(2 402)	1 087 881	1 140 975	1 164 259
Total current liabilities	141 092	148 407	–	–	–	–	3 035	3 035	151 442	145 563	163 665
Total non current liabilities	55 000	55 000	–	–	–	–	–	–	55 000	(55 000)	(55 000)
Community wealth/Equity	1 052 823	1 045 323	–	–	–	–	(1 653)	(1 653)	1 043 671	1 162 356	1 232 390
Cash flows											
Net cash from (used) operating	188 669	96 515	–	–	–	–	(2 618)	(2 618)	93 897	234 473	232 040
Net cash from (used) investing	(85 415)	(82 015)	–	–	–	–	2 402	2 402	(79 613)	(84 657)	(64 386)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	117 603	28 849	–	–	–	–	(216)	(216)	28 633	178 449	215 628
Cash backing/surplus reconciliation											
Cash and investments available	21 634	25 762	–	–	–	–	(216)	(216)	25 547	22 186	67 935
Application of cash and investments	(26 258)	18 593	–	–	–	–	3 355	3 355	21 947	49 259	26 092
Balance - surplus (shortfall)	47 891	7 170	–	–	–	–	(3 570)	(3 570)	3 599	(27 072)	41 842
Asset Management											
Asset register summary (WDV)	1 031 791	1 028 391	–	–	–	–	(251)	(251)	1 028 140	1 133 041	1 150 860
Depreciation & asset impairment	33 968	33 968	–	–	–	–	–	–	33 968	37 365	41 101
Renewal and Upgrading of Existing Assets	14 845	14 845	–	–	–	–	(1 701)	(1 701)	13 143	12 434	18 724
Repairs and Maintenance	10 706	17 106	–	–	–	–	8 168	8 168	25 274	11 777	12 954
Free services											
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–	–
Households below minimum service level											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table B1 - Budget Summary

1. Table B1 is the adjustments budget summary and provides a concise overview of the municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance);
2. Adjusted budget depicts a surplus of R R16 million from special adjustment budget surplus of R17 million. Surplus reduction can be attributed to decreased revenue, together with adjustment movement made under contracted services and other expenditure.
3. The reported surplus of R16 million include a non-cash item of R44 million leaving cash surplus to at least of R60 million should the non-cash items not be considered; and
4. Financial management reforms emphasis the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard.

Table 4 MBRR Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
<i>Governance and administration</i>		219 619	235 434	-	-	-	-	(6 563)	(6 563)	228 871	232 709	246 890
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		219 619	235 434	-	-	-	-	(6 563)	(6 563)	228 871	232 709	246 890
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		5 900	5 900	-	-	-	-	-	-	5 900	6 136	6 382
Community and social services		612	612	-	-	-	-	-	-	612	636	662
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		5 289	5 289	-	-	-	-	-	-	5 289	5 500	5 720
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		26 761	27 061	-	-	-	-	-	-	27 061	28 747	30 212
Planning and development		2 289	2 589	-	-	-	-	-	-	2 589	2 426	2 539
Road transport		24 472	24 472	-	-	-	-	-	-	24 472	26 321	27 674
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		271 413	268 013	-	-	-	-	(1 500)	(1 500)	266 513	285 212	275 221
Energy sources		165 334	161 934	-	-	-	-	(1 500)	(1 500)	160 434	173 778	169 009
Water management		74 884	74 884	-	-	-	-	-	-	74 884	78 992	72 472
Waste water management		21 027	21 027	-	-	-	-	-	-	21 027	21 868	22 743
Waste management		10 167	10 167	-	-	-	-	-	-	10 167	10 574	10 997
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	523 693	536 408	-	-	-	-	(8 063)	(8 063)	528 345	552 804	558 705
Expenditure - Functional												
<i>Governance and administration</i>		153 380	155 380	-	-	-	-	(9 905)	(9 905)	145 475	161 346	173 463
Executive and council		10 871	10 871	-	-	-	-	(278)	(278)	10 593	11 477	12 118
Finance and administration		139 917	141 917	-	-	-	-	(9 677)	(9 677)	132 241	147 099	158 382
Internal audit		2 592	2 592	-	-	-	-	50	50	2 642	2 771	2 963
<i>Community and public safety</i>		33 454	44 369	-	-	-	-	(4 086)	(4 086)	40 283	35 762	38 233
Community and social services		16 433	27 298	-	-	-	-	(3 936)	(3 936)	23 362	17 597	18 846
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		17 021	17 071	-	-	-	-	(150)	(150)	16 921	18 165	19 387
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		50 062	50 462	-	-	-	-	(973)	(973)	49 490	54 130	58 510
Planning and development		14 691	15 091	-	-	-	-	(532)	(532)	14 559	15 707	16 762
Road transport		35 372	35 372	-	-	-	-	(441)	(441)	34 931	38 423	41 748
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		187 331	194 231	-	-	-	-	8 554	8 554	202 785	198 389	214 794
Energy sources		135 923	135 923	-	-	-	-	11 908	11 908	147 831	143 426	155 986
Water management		19 261	24 161	-	-	-	-	(3 100)	(3 100)	21 061	20 476	21 802
Waste water management		14 711	16 711	-	-	-	-	(1 420)	(1 420)	15 291	15 799	16 971
Waste management		17 436	17 436	-	-	-	-	1 166	1 166	18 602	18 689	20 035
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	424 227	444 442	-	-	-	-	(6 410)	(6 410)	438 032	449 628	485 001
Surplus/ (Deficit) for the year		99 466	91 966	-	-	-	-	(1 653)	(1 653)	90 313	103 176	73 704

Explanatory notes to MBRR Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enable the National Treasury to compile 'whole of government' reports; and
2. Table B2 is a reproduction of Table B1 in GFA format so the aggregate figures of these tables are the same.

Table 5MBRR Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Revenue by Vote	1											
Vote 1 - 100 MAYOR AND COUNCIL (GENERAL)		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - 102 MUNICIPAL MANAGER TOWN SECRETARY		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - 103 ECONOMIC DEVELOPMENT/PLANNING:LED		1 001	1 001	-	-	-	-	-	-	1 001	1 041	1 082
Vote 4 - 104 BUDGET AND TREASURY OFFICE		219 619	235 434	-	-	-	-	(6 563)	(6 563)	228 871	232 709	246 890
Vote 5 - 105 ECONOMIC DEVELOPMENT/PLANNING:TEC		0	0	-	-	-	-	-	-	0	0	0
Vote 6 - 500 ECONOMIC DEVELOPMENT/PLANNING:PMU		1 288	1 588	-	-	-	-	-	-	1 588	1 385	1 457
Vote 7 - 520 SOLID WASTE REMOVAL		10 167	10 167	-	-	-	-	-	-	10 167	10 574	10 997
Vote 8 - 530 ENERGY SOURCES : ELECTRICITY		165 334	161 934	-	-	-	-	(1 500)	(1 500)	160 434	173 778	169 009
Vote 9 - 540 WATER DISTRIBUTION:WATER		74 884	74 884	-	-	-	-	-	-	74 884	78 992	72 472
Vote 10 - 550 ROADS: ROADS AND STORMWATER		24 472	24 472	-	-	-	-	-	-	24 472	26 321	27 674
Vote 11 - 560 WASTE WATER TREATMENT: SANITATION		21 027	21 027	-	-	-	-	-	-	21 027	21 868	22 743
Vote 12 - 106 HUMAN ROSOURCES MANAGEMENT:HR		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - 107 ECONOMIC DEVELOPMENT/PLANNING: CO		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - 108 ROAD AND TRAFFIC REGULATION: TRAFF		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 300 COMMUNITY HALLS AND FACILITIES		5 900	5 900	-	-	-	-	-	-	5 900	6 136	6 382
Total Revenue by Vote	2	523 693	536 408	-	-	-	-	(8 063)	(8 063)	528 345	552 804	558 705
Expenditure by Vote	1											
Vote 1 - 100 MAYOR AND COUNCIL (GENERAL)		8 798	8 798	-	-	-	-	(299)	(299)	8 499	9 265	9 757
Vote 2 - 102 MUNICIPAL MANAGER TOWN SECRETARY		8 621	8 621	-	-	-	-	71	71	8 692	9 197	9 812
Vote 3 - 103 ECONOMIC DEVELOPMENT/PLANNING:LED		6 048	6 448	-	-	-	-	(635)	(635)	5 813	6 463	6 907
Vote 4 - 104 BUDGET AND TREASURY OFFICE		102 444	104 444	-	-	-	-	(8 711)	(8 711)	95 733	112 423	121 163
Vote 5 - 105 ECONOMIC DEVELOPMENT/PLANNING:TEC		3 598	3 598	-	-	-	-	103	103	3 701	3 854	4 128
Vote 6 - 500 ECONOMIC DEVELOPMENT/PLANNING:PMU		3 406	3 406	-	-	-	-	-	-	3 406	3 641	3 859
Vote 7 - 520 SOLID WASTE REMOVAL		17 436	17 436	-	-	-	-	1 166	1 166	18 602	18 689	20 035
Vote 8 - 530 ENERGY SOURCES : ELECTRICITY		135 923	135 923	-	-	-	-	11 908	11 908	147 831	143 426	155 986
Vote 9 - 540 WATER DISTRIBUTION:WATER		19 316	26 216	-	-	-	-	(5 100)	(5 100)	21 116	20 536	21 869
Vote 10 - 550 ROADS: ROADS AND STORMWATER		35 372	35 372	-	-	-	-	(441)	(441)	34 931	38 423	41 748
Vote 11 - 560 WASTE WATER TREATMENT: SANITATION		14 656	14 656	-	-	-	-	580	580	15 236	15 738	16 904
Vote 12 - 106 HUMAN ROSOURCES MANAGEMENT:HR		33 516	33 516	-	-	-	-	(966)	(966)	32 551	30 462	32 730
Vote 13 - 107 ECONOMIC DEVELOPMENT/PLANNING: CO		1 638	1 638	-	-	-	-	0	0	1 639	1 750	1 869
Vote 14 - 108 ROAD AND TRAFFIC REGULATION: TRAFF		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 300 COMMUNITY HALLS AND FACILITIES		33 454	44 369	-	-	-	-	(4 086)	(4 086)	40 283	35 762	38 233
Total Expenditure by Vote	2	424 227	444 442	-	-	-	-	(6 410)	(6 410)	438 032	449 628	485 001
Surplus/ (Deficit) for the year	2	99 466	91 966	-	-	-	-	(1 653)	(1 653)	90 313	103 176	73 704

Explanatory notes to MBRR Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table B3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 6 MBRR Table B4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands	1											
Revenue By Source												
Property rates	2	94 479	94 479	-	-	-	-	(1 500)	(1 500)	92 979	98 258	102 189
Service charges - electricity revenue	2	147 928	147 928	-	-	-	-	(1 500)	(1 500)	146 428	153 845	159 998
Service charges - water revenue	2	32 060	32 060	-	-	-	-	-	-	32 060	33 342	34 676
Service charges - sanitation revenue	2	17 905	17 905	-	-	-	-	-	-	17 905	18 621	19 366
Service charges - refuse revenue	2	8 765	8 765	-	-	-	-	-	-	8 765	9 116	9 481
Rental of facilities and equipment		1 728	1 728					(200)	(200)	1 528	1 798	1 870
Interest earned - external investments		2 363	2 363					(1 363)	(1 363)	1 000	2 458	2 556
Interest earned - outstanding debtors		13 730	13 730					-	-	13 730	14 279	14 850
Dividends received		-	-					-	-	-	-	-
Fines, penalties and forfeits		10 200	10 200					(2 000)	(2 000)	8 200	10 608	11 032
Licences and permits		5 172	5 172					-	-	5 172	5 379	5 594
Agency services		-	-					-	-	-	-	-
Transfers and subsidies		103 274	119 389					-	-	119 389	111 756	121 115
Other revenue	2	8 593	8 593	-	-	-	-	(1 500)	(1 500)	7 093	8 937	9 295
Gains		-	-					-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		446 198	462 313	-	-	-	-	(8 063)	(8 063)	454 250	468 397	492 021
Expenditure By Type												
Employee related costs		144 153	149 053	-	-	-	-	-	-	149 053	153 523	163 502
Remuneration of councillors		8 235	8 235					-	-	8 235	8 647	9 079
Debt impairment		10 350	10 350					-	-	10 350	11 385	12 523
Depreciation & asset impairment		33 968	33 968	-	-	-	-	-	-	33 968	37 365	41 101
Finance charges		12 600	12 600					(7 600)	(7 600)	5 000	13 293	14 024
Bulk purchases		131 510	131 510	-	-	-	-	-	-	131 510	138 449	150 384
Other materials		10 806	14 806					168	168	14 974	11 887	13 075
Contracted services		36 960	48 160	-	-	-	-	4 530	4 530	52 690	39 993	43 351
Transfers and subsidies		-	-					-	-	-	-	-
Other expenditure		35 644	35 759	-	-	-	-	(3 509)	(3 509)	32 251	35 087	37 960
Losses		-	-					-	-	-	-	-
Total Expenditure		424 227	444 442	-	-	-	-	(6 410)	(6 410)	438 032	449 628	485 001
Surplus/(Deficit)		21 971	17 871	-	-	-	-	(1 653)	(1 653)	16 218	18 769	7 020
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		77 495	74 095					-	-	74 095	84 407	66 683
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education and Training)		-	-					-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-					-	-	-	-	-
Surplus/(Deficit) before taxation		99 466	91 966	-	-	-	-	(1 653)	(1 653)	90 313	103 176	73 704
Taxation		-	-					-	-	-	-	-
Surplus/(Deficit) after taxation		99 466	91 966	-	-	-	-	(1 653)	(1 653)	90 313	103 176	73 704
Attributable to minorities		-	-					-	-	-	-	-
Surplus/(Deficit) attributable to municipality		99 466	91 966	-	-	-	-	(1 653)	(1 653)	90 313	103 176	73 704
Share of surplus/ (deficit) of associate		-	-					-	-	-	-	-
Surplus/ (Deficit) for the year		99 466	91 966	-	-	-	-	(1 653)	(1 653)	90 313	103 176	73 704

Explanatory notes to Table B4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue as per original budget was set at R446 million for 2020/21 budget year, with subsequent special adjustment of R462 million and now 2% decrease has been considered resulting in 2020/21 budget adjustment of R 454 million.
2. Total expenditure was decreased by R6.1 million from R462 million in the 2020/21 special adjustment to R438 million. The factors contributing to this situation were outlined in the Executive Summary above.

Table 7 MBRR Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - 100 MAYOR AND COUNCIL (GENERAL)		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - 102 MUNICIPAL MANAGER TOWN SECRETARY A		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - 103 ECONOMIC DEVELOPMENT/PLANNING:LED		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - 104 BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - 105 ECONOMIC DEVELOPMENT/PLANNING:TECH		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - 500 ECONOMIC DEVELOPMENT/PLANNING:PMU		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - 520 SOLID WASTE REMOVAL		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - 530 ENERGY SOURCES : ELECTRICITY		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - 540 WATER DISTRIBUTION:WATER		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - 550 ROADS: ROADS AND STORMWATER		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - 560 WASTE WATER TREATMENT: SANITATION		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - 106 HUMAN ROSOURCES MANAGEMENT:HR		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - 107 ECONOMIC DEVELOPMENT/PLANNING: CO		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - 108 ROAD AND TRAFFIC REGULATION: TRAFF		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 300 COMMUNITY HALLS AND FACILITIES		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2											
Vote 1 - 100 MAYOR AND COUNCIL (GENERAL)		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - 102 MUNICIPAL MANAGER TOWN SECRETARY A		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - 103 ECONOMIC DEVELOPMENT/PLANNING:LED		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - 104 BUDGET AND TREASURY OFFICE		5 500	5 500	-	-	-	-	(1 500)	(1 500)	4 000	250	250
Vote 5 - 105 ECONOMIC DEVELOPMENT/PLANNING:TECH		320	320	-	-	-	-	(180)	(180)	140	-	-
Vote 6 - 500 ECONOMIC DEVELOPMENT/PLANNNG:PMU		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - 520 SOLID WASTE REMOVAL		500	500	-	-	-	-	(500)	(500)	-	1 601	13 399
Vote 8 - 530 ENERGY SOURCES : ELECTRICITY		16 248	12 848	-	-	-	-	(202)	(202)	12 646	18 000	4 452
Vote 9 - 540 WATER DISTRIBUTION:WATER		27 675	27 675	-	-	-	-	5 149	5 149	32 824	15 294	10 602
Vote 10 - 550 ROADS: ROADS AND STORMWATER		12 180	12 180	-	-	-	-	2 054	2 054	14 234	22 934	5 324
Vote 11 - 560 WASTE WATER TREATMENT: SANITATION		9 800	9 800	-	-	-	-	(5 149)	(5 149)	4 651	24 792	21 408
Vote 12 - 106 HUMAN ROSOURCES MANAGEMENT:HR		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - 107 ECONOMIC DEVELOPMENT/PLANNING: CO		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - 108 ROAD AND TRAFFIC REGULATION: TRAFF		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 300 COMMUNITY HALLS AND FACILITIES		13 192	13 192	-	-	-	-	(2 074)	(2 074)	11 118	1 786	8 950
Capital single-year expenditure sub-total		85 415	82 015	-	-	-	-	(2 402)	(2 402)	79 613	84 657	64 386
Total Capital Expenditure - Vote		85 415	82 015	-	-	-	-	(2 402)	(2 402)	79 613	84 657	64 386
Capital Expenditure - Functional												
Governance and administration		5 500	5 500	-	-	-	-	(1 500)	(1 500)	4 000	250	250
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		5 500	5 500	-	-	-	-	(1 500)	(1 500)	4 000	250	250
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		13 192	13 192	-	-	-	-	(2 074)	(2 074)	11 118	1 786	8 950
Community and social services		13 192	13 192	-	-	-	-	(2 074)	(2 074)	11 118	1 786	8 950
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		12 500	12 500	-	-	-	-	1 874	1 874	14 374	22 934	5 324
Planning and development		320	320	-	-	-	-	(180)	(180)	140	-	-
Road transport		12 180	12 180	-	-	-	-	2 054	2 054	14 234	22 934	5 324
Env ironmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		54 223	50 823	-	-	-	-	(702)	(702)	50 121	59 687	49 861
Energy sources		16 248	12 848	-	-	-	-	(202)	(202)	12 646	18 000	4 452
Water management		27 675	27 675	-	-	-	-	5 149	5 149	32 824	15 294	10 602
Waste w ater management		9 800	9 800	-	-	-	-	(5 149)	(5 149)	4 651	24 792	21 408
Waste management		500	500	-	-	-	-	(500)	(500)	-	1 601	13 399
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	85 415	82 015	-	-	-	-	(2 402)	(2 402)	79 613	84 657	64 386
Funded by:												
National Government		77 495	74 095	-	-	-	-	-	-	74 095	84 407	64 136
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	77 495	74 095	-	-	-	-	-	-	74 095	84 407	64 136
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		7 920	7 920	-	-	-	-	(2 402)	(2 402)	5 518	250	250
Total Capital Funding		85 415	82 015	-	-	-	-	(2 402)	(2 402)	79 613	84 657	64 386

Explanatory notes to Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single - year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments;
2. No additional funding has been budgeted from municipality's own sources, in point of fact own source projects has been reduced as a result of the low collection rate caused by the economic status due to the Covid 19 lockdown.
3. The capital budget did not have any adjustment other than restructuring of the existing project mainly affected by the rejection on the 2019/2020 roll over application on conditional grants.
4. The municipality has not budgeted for any long term borrowing to fund the capital programme.

Table 8 MBRR Table B6 -Budgeted Financial Position

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
ASSETS												
Current assets												
Cash		18 547	25 762					(216)	(216)	25 547	19 100	64 849
Call investment deposits	1	3 086	–	–	–	–	–	–	–	3 086	3 086	3 086
Consumer debtors	1	108 093	108 093	–	–	–	–	–	–	108 093	29 070	45 208
Other debtors		25 106	25 106					–	–	25 106	41 493	58 119
Current portion of long-term receivables		–	–					–	–	–	–	–
Inventory		400	(3 600)					4 000	4 000	400	–	–
Total current assets		155 233	155 362	–	–	–	–	3 784	3 784	162 232	92 749	171 262
Non current assets												
Long-term receivables		–	–					–	–	–	–	–
Investments		–	–					–	–	–	–	–
Investment property		287 684	287 684					–	–	287 684	287 684	287 684
Investment in Associate		–	–					–	–	–	–	–
Property, plant and equipment	1	803 776	800 376	–	–	–	–	(2 402)	(2 402)	797 973	851 987	876 283
Biological		–	–					–	–	–	–	–
Intangible		1 684	1 684					–	–	1 684	765	(247)
Other non-current assets		539	539					–	–	539	539	539
Total non current assets		1 093 683	1 090 283	–	–	–	–	(2 402)	(2 402)	1 087 881	1 140 975	1 164 259
TOTAL ASSETS		1 248 916	1 245 644	–	–	–	–	1 382	1 382	1 250 113	1 233 724	1 335 521
LIABILITIES												
Current liabilities												
Bank overdraft		–	–					–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–	–	–
Consumer deposits		5 836	5 836					–	–	5 836	5 836	5 836
Trade and other payables		128 256	135 571	–	–	–	–	3 035	3 035	138 606	132 477	149 828
Provisions		7 000	7 000					–	–	7 000	7 250	8 000
Total current liabilities		141 092	148 407	–	–	–	–	3 035	3 035	151 442	145 563	163 665
Non current liabilities												
Borrowing	1	–	–	–	–	–	–	–	–	–	–	–
Provisions	1	55 000	55 000	–	–	–	–	–	–	55 000	(55 000)	(55 000)
Total non current liabilities		55 000	55 000	–	–	–	–	–	–	55 000	(55 000)	(55 000)
TOTAL LIABILITIES		196 092	203 407	–	–	–	–	3 035	3 035	206 442	90 563	108 665
NET ASSETS	2	1 052 823	1 042 237	–	–	–	–	(1 653)	(1 653)	1 043 671	1 143 161	1 226 857
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		1 052 823	1 045 323	–	–	–	–	(1 653)	(1 653)	1 043 671	1 162 356	1 232 390
Reserves		–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY		1 052 823	1 045 323	–	–	–	–	(1 653)	(1 653)	1 043 671	1 162 356	1 232 390

Explanatory notes to Table B6 - Budgeted Financial Position

1. Table B6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes providing a detailed analysis of the major components of several items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current liabilities;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 9 MBRR Table B7 - Budgeted Cash Flow Statement

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		92 425	92 425					(1 500)	(1 500)	90 925	96 677	101 124
Service charges		185 561	185 561					(1 500)	(1 500)	184 061	194 097	203 026
Other revenue		117 809	21 840					(3 700)	(3 700)	18 140	126 929	136 953
Transfers and Subsidies - Operational	1	103 274	119 389					-	-	119 389	111 756	121 115
Transfers and Subsidies - Capital	1	77 495	74 095					-	-	74 095	84 407	66 683
Interest		2 363	2 363					(1 363)	(1 363)	1 000	2 458	2 556
Dividends		-	-					-	-	-	-	-
Payments												
Suppliers and employees		(377 659)	(386 559)					(2 155)	(2 155)	(388 714)	(395 031)	(413 203)
Finance charges		(12 600)	(12 600)					7 600	7 600	(5 000)	13 180	13 786
Transfers and Grants	1	-	-					-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		188 669	96 515	-	-	-	-	(2 618)	(2 618)	93 897	234 473	232 040
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-					-	-	-	-	-
Decrease (increase) in non-current receivables		-	-					-	-	-	-	-
Decrease (increase) in non-current investments		-	-					-	-	-	-	-
Payments												
Capital assets		(85 415)	(82 015)					2 402	2 402	(79 613)	(84 657)	(64 386)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(85 415)	(82 015)	-	-	-	-	2 402	2 402	(79 613)	(84 657)	(64 386)
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		103 254	14 500	-	-	-	-	(216)	(216)	14 284	149 816	167 655
Cash/cash equivalents at the year begin:	2	14 349	14 349					-	-	14 349	28 633	47 974
Cash/cash equivalents at the year end:	2	117 603	28 849					(216)	(216)	28 633	178 449	215 628

Explanatory notes to Table B7 - 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.

Table 10 MBRR Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
											+1 2021/22	+2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands												
A	A1	B	C	D	E	F	G	H				
Cash and investments available												
Cash/cash equivalents at the year end	1	117 603	28 849	–	–	–	–	(216)	(216)	28 633	178 449	215 628
Other current investments > 90 day s		(95 970)	(3 086)	–	–	–	–	–	–	(3 086)	(156 263)	(147 694)
Non current assets - Inv estments	1	–	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		21 634	25 762	–	–	–	–	(216)	(216)	25 547	22 186	67 935
Applications of cash and investments												
Unspent conditional transfers		12 579	12 579	–	–	–	–	–	–	12 579	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–	–
Statutory requirements		–	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	2	(38 837)	6 013	–	–	–	–	3 355	3 355	9 368	49 259	26 092
Other provisions		–	–	–	–	–	–	–	–	–	–	–
Long term investments committed		–	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments		–	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		(26 258)	18 593	–	–	–	–	3 355	3 355	21 947	49 259	26 092
Surplus(shortfall)		47 891	7 170	–	–	–	–	(3 570)	(3 570)	3 599	(27 072)	41 842

Explanatory notes to Table B8 - 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.

Table 11 MBRR Table B9 - Asset Management

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
											+1 2021/22	+2 2022/23
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	70 570	67 170	-	-	-	-	(701)	(701)	66 469	72 223	45 662
Roads Infrastructure		8 725	8 725	-	-	-	-	2 062	2 062	10 787	22 934	-
Storm water Infrastructure		3 455	3 455	-	-	-	-	(9)	(9)	3 446	-	-
Electrical Infrastructure		15 548	12 148	-	-	-	-	-	-	12 148	18 000	4 452
Water Supply Infrastructure		19 508	19 508	-	-	-	-	6 861	6 861	26 369	4 461	10 602
Sanitation Infrastructure		9 800	9 800	-	-	-	-	(5 149)	(5 149)	4 651	24 792	21 408
Solid Waste Infrastructure		500	500	-	-	-	-	(500)	(500)	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		57 536	54 136	-	-	-	-	3 265	3 265	57 401	70 187	36 462
Community Facilities		-	-	-	-	-	-	-	-	-	1 050	8 950
Sport and Recreation Facilities		6 514	6 514	-	-	-	-	(2 084)	(2 084)	4 430	736	-
Community Assets		6 514	6 514	-	-	-	-	(2 084)	(2 084)	4 430	1 786	8 950
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		320	320	-	-	-	-	(180)	(180)	140	-	-
Furniture and Office Equipment		500	500	-	-	-	-	-	-	500	250	250
Machinery and Equipment		700	700	-	-	-	-	(202)	(202)	498	-	-
Transport Assets		5 000	5 000	-	-	-	-	(1 500)	(1 500)	3 500	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	5 500	5 500	-	-	-	-	450	450	5 950	4 500	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		5 500	5 500	-	-	-	-	450	450	5 950	4 500	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		5 500	5 500	-	-	-	-	450	450	5 950	4 500	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets to be adjusted	2a	9 345	9 345	-	-	-	-	(2 151)	(2 151)	7 193	7 934	18 724

Roads Infrastructure		2 667	2 667	-	-	-	-	(2 161)	(2 161)	506	7 934	18 724
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		2 667	2 667	-	-	-	-	(2 161)	(2 161)	506	7 934	18 724
Community Facilities		6 678	6 678	-	-	-	-	10	10	6 688	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		6 678	6 678	-	-	-	-	10	10	6 688	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	78 895	75 495	-	-	-	-	(521)	(521)	74 974	84 407	64 136
Roads Infrastructure		65 703	62 303	-	-	-	-	1 554	1 554	63 857	82 621	55 186
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		65 703	62 303	-	-	-	-	1 554	1 554	63 857	82 621	55 186
Community Facilities		13 192	13 192	-	-	-	-	(2 074)	(2 074)	11 118	1 786	8 950
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		13 192	13 192	-	-	-	-	(2 074)	(2 074)	11 118	1 786	8 950
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	78 895	75 495	-	-	-	-	(521)	(521)	74 974	84 407	64 136

ASSET REGISTER SUMMARY - PPE (WDV)	5	1 031 791	1 028 391	-	-	-	-	(251)	(251)	1 028 140	1 133 041	1 150 860
<i>Roads Infrastructure</i>		111 423	111 423					2 062	2 062	113 485	203 420	195 817
<i>Storm water Infrastructure</i>		60 276	60 276					(9)	(9)	60 268	-	-
<i>Electrical Infrastructure</i>		61 530	58 130					-	-	58 130	216 406	214 657
<i>Water Supply Infrastructure</i>		35 904	35 904					7 310	7 310	43 215	206 545	219 903
<i>Sanitation Infrastructure</i>		226 160	226 160					(5 149)	(5 149)	221 011	21 041	17 282
<i>Solid Waste Infrastructure</i>		18 990	18 990					(500)	(500)	18 490	-	-
<i>Rail Infrastructure</i>		-	-					-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-					-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-					-	-	-	-	-
Infrastructure		514 285	510 885	-	-	-	-	3 715	3 715	514 599	647 412	647 659
Community Assets		81 092	81 092					(2 084)	(2 084)	79 008	201 343	220 421
Heritage Assets		539	539					-	-	539	539	539
Investment properties		287 684	287 684					-	-	287 684	287 684	287 684
Other Assets		19 219	19 219					-	-	19 219	(1 297)	(1 427)
Biological or Cultivated Assets		-	-					-	-	-	-	-
Intangible Assets		1 684	1 684					-	-	1 684	765	(247)
Computer Equipment		(1 355)	(1 355)					(180)	(180)	(1 535)	(2 912)	(3 204)
Furniture and Office Equipment		2 051	2 051					-	-	2 051	(233)	(281)
Machinery and Equipment		1 105	1 105					(202)	(202)	903	(259)	(285)
Transport Assets		45 790	45 790					(1 500)	(1 500)	44 290	-	-
Land		79 698	79 698					-	-	79 698	-	-
Zoo's, Marine and Non-biological Animals		-	-					-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 031 791	1 028 391	-	-	-	-	(251)	(251)	1 028 140	1 133 041	1 150 860
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance by asset class	3	10 742	17 142	-	-	-	-	8 168	8 168	25 311	11 817	12 998
<i>Roads Infrastructure</i>		8 926	13 376	-	-	-	-	10 168	10 168	23 544	9 819	10 801
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		66	66	-	-	-	-	-	-	66	73	80
Infrastructure		8 992	13 442	-	-	-	-	10 168	10 168	23 611	9 892	10 881
Community Facilities		1 750	1 700	-	-	-	-	-	-	1 700	1 925	2 117
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		1 750	1 700	-	-	-	-	-	-	1 700	1 925	2 117
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	2 000	-	-	-	-	(2 000)	(2 000)	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		-	2 000	-	-	-	-	(2 000)	(2 000)	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	6	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		10 742	17 142	-	-	-	-	8 168	8 168	25 311	11 817	12 998
Renewal and upgrading of Existing Assets as % of total capital expenditure		18.8%	19.7%							17.5%	14.7%	29.2%
Renewal and upgrading of Existing Assets as % of depreciation		0.0%	0.0%							0.0%	0.0%	0.0%
R&M as a % of PPE		1.0%	1.7%							2.5%	1.0%	1.1%
Renewal and upgrading and R&M as a % of PPE		2.5%	3.1%							3.7%	2.1%	2.8%

Explanatory notes to Table B9 - Asset Management

1. Table B9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The table shows that all of the capital allocations are for new assets.
3. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

Table 12 MBRR Table B10 - Basic Service Delivery Measurement

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
											+1 2021/22	+2 2022/23
		Original Budget A	Prior Adjusted 7 A1	Accum. Funds 8 B	Multi-year capital 9 C	Unfore. Unavoid. 10 D	Nat. or Prov. Govt 11 E	Other Adjuts. 12 F	Total Adjuts. 13 G	Adjusted Budget 14 H	Adjusted Budget	Adjusted Budget
Household service targets		1										
Water:												
Piped water inside dwelling		14073							14	14073	14073	
Piped water inside yard (but not in dwelling)		855							1	855	855	
Using public tap (at least min.service level)	2	3136							3	3136	3136	
Other water supply (at least min.service level)		4							0	0	0	
Minimum Service Level and Above sub-total		18	-	-	-	-	-	-	18	18	18	
Using public tap (< min.service level)	3								-			
Other water supply (< min.service level)	3,4	6668							7	5268	5268	
No water supply									-			
Below Minimum Service Level sub-total		7	-	-	-	-	-	-	7	5	5	
Total number of households	5	25							25	23	23	
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		14928							14 928	14928	14928	
Flush toilet (with septic tank)		855							855	855	855	
Chemical toilet		0							-	0	0	
Pit toilet (v entilated)		951							951	951	951	
Other toilet provisions (> min.service level)		1334							1 334	1334	1334	
Minimum Service Level and Above sub-total		18 068	-	-	-	-	-	-	18 068	18 068	18 068	
Bucket toilet									-			
Other toilet provisions (< min.service level)		10200							10 200	9800	9800	
No toilet provisions									-			
Below Minimum Service Level sub-total		10 200	-	-	-	-	-	-	10 200	9 800	9 800	
Total number of households	5	28 268							28 268	27 868	27 868	
Energy:												
Electricity (at least min. service level)		577							577	577	577	
Electricity - prepaid (> min.service level)		15426							15 426	15845	15845	
Minimum Service Level and Above sub-total		16 003	-	-	-	-	-	-	16 003	16 422	16 422	
Electricity (< min.service level)									-			
Electricity - prepaid (< min. service level)		2065							2 065	2065	2065	
Other energy sources									-			
Below Minimum Service Level sub-total		2 065	-	-	-	-	-	-	2 065	2 065	2 065	
Total number of households	5	18 068							18 068	18 487	18 487	
Refuse:												
Removed at least once a week (min.service)									-			
Minimum Service Level and Above sub-total									-			
Removed less frequently than once a week		0							-	0	0	
Using communal refuse dump		2350							2 350	2350	2350	
Using own refuse dump		0							-	0	0	
Other rubbish disposal		0							-	0	0	
No rubbish disposal		1095							-	1 095	1095	
Below Minimum Service Level sub-total		3 445	-	-	-	-	-	-	3 445	3 445	3 445	
Total number of households	5	3 445							3 445	3 445	3 445	
Households receiving Free Basic Service		15										
Water (6 kilolitres per household per month)		5	-	-	-	-	-	-	5	5	5	
Sanitation (free minimum level service)		5	-	-	-	-	-	-	5	5	5	
Electricity/other energy (50kwh per household per month)		4	-	-	-	-	-	-	4	4	4	
Refuse (removed at least once a week)		5	-	-	-	-	-	-	5	5	5	
Cost of Free Basic Services provided (R'000)		16										
Water (6 kilolitres per indigent household per month)		8 011	-	-	-	-	-	-	8 011	8 332	8 665	
Sanitation (free sanitation service to indigent households)		11 471	-	-	-	-	-	-	11 471	11 930	12 407	
Electricity/other energy (50kwh per indigent household)		11 424	-	-	-	-	-	-	11 424	11 881	12 356	
Refuse (removed once a week for indigent households)		4 483	-	-	-	-	-	-	4 483	4 663	4 849	
Cost of Free Basic Services provided - Informal												
Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-	-	
Total cost of FBS provided		35 390	-	-	-	-	-	-	35 390	36 805	38 277	
Highest level of free service provided												
Property rates (R'000 value threshold)		1							1	1	1	
Water (kilolitres per household per month)		6							6	6	6	
Sanitation (kilolitres per household per month)									-			
Sanitation (Rand per household per month)		218							218	227.81	238.06145	
Electricity (kw per household per month)		50							50	50	50	
Refuse (average litres per week)		1							1	1	1	
Revenue cost of free services provided (R'000)		17										
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)									-			
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA									-			
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	
Electricity/other energy (in excess of 50 kwh per indigent household)		-	-	-	-	-	-	-	-	-	-	
households)		-	-	-	-	-	-	-	-	-	-	
Municipal Housing - rental rebates									-			
Housing - top structure subsidies									-			
Other									-			
Total revenue cost of subsidised services provided		-	-	-	-	-	-	-	-	-	-	

Explanatory notes to Table B10 - Basic Service Delivery Measurement

Table B10 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.

Part 2 – Supporting Documentation

2.1. Adjustments to budget assumptions

Except for the factors outlined below, the assumptions that underlined the approved 2020/21 MTREF still hold. The following factors were taken into consideration when compiling this adjustments budget.

- Half yearly revenue reached almost 56% of the budgeted revenue with the exception of certain revenue item which were considered for adjustment in order to have realistic revenue at year end.
- Misallocation of expenditure in order to realign the incorrect segment which was as result of mSCOA implementation.

2.2. Adjustments to budget funding

Table 13 below depicts the adjustments that were made to the operating revenue and actuals.

Table 13: Adjustments to operating revenue

Description	Ref	Budget Year 2020/21				Actuals	Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Total Adjusts.	Adjusted Budget		Adjusted Budget	Adjusted Budget
R thousands	1	A	B		C		D	E
Revenue By Source								
Property rates	2	94 479	94 479	(1 500)	92 979	46 591	98 258	102 189
Service charges - electricity revenue	2	147 928	147 928	(1 500)	146 428	69 886	153 845	159 998
Service charges - water revenue	2	32 060	32 060	–	32 060	21 919	33 342	34 676
Service charges - sanitation revenue	2	17 905	17 905	–	17 905	12 203	18 621	19 366
Service charges - refuse revenue	2	8 765	8 765	–	8 765	5 749	9 116	9 481
Rental of facilities and equipment		1 728	1 728	(200)	1 528	791	1 798	1 870
Interest earned - external investments		2 363	2 363	(1 363)	1 000	80	2 458	2 556
Interest earned - outstanding debtors		13 730	13 730	–	13 730	7 461	14 279	14 850
Dividends received		–	–	–	–	–	–	–
Fines, penalties and forfeits		10 200	10 200	(2 000)	8 200	316	10 608	11 032
Licences and permits		5 172	5 172	–	5 172	5 801	5 379	5 594
Agency services		–	–	–	–	–	–	–
Transfers and subsidies		103 274	119 389	–	119 389	85 876	111 756	121 115
Other revenue	2	8 593	8 593	(1 500)	7 093	1 298	8 937	9 295
Gains		–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		446 198	462 313	(8 063)	454 250	257 972	468 397	492 021

Table 13 above shows the 2020/21 original budget, 4% Increase on special adjustment due to the revised allocations since the COVID 19 pandemic impact; and the proposed 2% decrease for 2020/21 adjustment budget.

2.3. Adjustments to expenditure on allocations and grant programs

Table 14 below shows the total allocations gazette for the 2020/21 financial year.

Table 14: Grant allocations to the municipality

Description	Ref	Budget Year 2020/21							Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget A	Prior Adjusted 7 A1	Multi-year capital 8 B	Nat. or Prov. Govt 9 C	Other Adjusts. 10 D	Total Adjusts. 11 E	Adjusted Budget 12 F	Adjusted Budget	Adjusted Budget
R thousands										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		103 274	119 389	–	–	–	–	119 389	111 756	121 115
Local Government Equitable Share		99 226	115 041				–	115 041	108 671	117 958
Finance Management	3	1 700	1 700				–	1 700	1 700	1 700
EPWP Incentive		1 060	1 060				–	1 060	–	–
Municipal Systems Improvement		–	300				–	300	–	–
Municipal Infrastructure grant-Operational		1 288	1 288				–	1 288	1 385	1 457
Other transfers and grants [insert description]		–	–				–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
	4						–	–		
							–	–		
Other transfers and grants [insert description]	5						–	–		
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
Total Operating Transfers and Grants	6	103 274	119 389	–	–	–	–	119 389	111 756	121 115
Capital Transfers and Grants										
National Government:		77 495	74 095	–	–	–	–	74 095	84 407	66 684
Municipal Infrastructure Grant (MIG)		24 472	24 472				–	24 472	26 321	27 674
Integrated National Electrification Programme (INEP)		11 548	8 548				–	8 548	12 000	7 000
Water Services Infrastructure Grant (WSIG)		37 475	37 475				–	37 475	40 086	32 010
Energy Efficiency and Demand Side Management Grant		4 000	3 600				–	3 600	6 000	–
Other capital transfers [insert description]		–	–				–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]							–	–		
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
Total Capital Transfers and Grants	6	77 495	74 095	–	–	–	–	74 095	84 407	66 684
TOTAL RECEIPTS OF TRANSFERS & GRANTS		180 769	193 484	–	–	–	–	193 484	196 163	187 798

2.4. Adjustments to allocations and grants made by the municipality

The municipality does not allocate any grants to external parties.

2.5. Adjustments to councilors and board member's allowances and employees benefit

During the compilation of 2020/21 main budget, consideration of upper limit on councillor salaries were considered and therefore no adjustments are necessary.

2.6. Adjustments to service delivery and budget implementation plan

The 2020/21 SDBIP Adjustment will be prepared in the context of the 2020/21 Adjustment Budget. In a sense, the report must also highlight areas where targets have been adjusted due to the influence of the decisions on the budget adjustment side. Most importantly, the budget adjustment as well as any adjustment to the SDBIP is done in total alignment to the goals of the municipality as set out in the IDP. Any unavoidable deviation from the adjusted SDBIP will be dealt with during the revision of the IDP, taking into consideration all necessary legislative requirements. In addition, the report will also capture changes that have occurred during the past 2 Quarters of the year, such as structural changes that have brought about relocation of certain KPIs/targets among and/or within department/divisions.

The following generic principles will be followed with the drafting of the SDBIP adjustment. Department will be requested to review their targets:

- to ensure where obvious errors in judgement in target setting occurred could be corrected
- to deal decisively with indicators that departments are required to report on, on a monthly basis that are not reflective of their core business, or which cannot be accurately measured
- to reflect the amendments to resource allocation as captured in the Adjusted MTREF submission prepared by the Budget & Treasury Department
- to appropriately accommodate and plan for the amendments that are necessitated by external funding increases and/or decreases
- with a view to evaluate the amount of target capability that will not be realised as a result of the reduced funds
- to evaluate if funds can be diverted from another source internally within agreed financial transfer mechanisms.

2.7. Adjustments to capital expenditure

There have been few adjustments made on capital projects. MIG and WSIG projects have been adjusted by shifting funds within the projects which resulted to zero adjustment in the total allocation.

The capital spending for the first six month was seating reasonable for both grants except WSIGN which reported 16% spent for the first Six month of the financial year and Municipality anticipate to fully utilize the grant in line with the condition aligned to each grant.

Additional adjustment was made on INEP project to the tune of R8.7 million as result of approved rollover grant from previous year.

Based on the above said it is proposed / requested that the following amendments shall be considered during the 2020/21 budget adjustment process

Adjustments Capital Expenditure- Own source funded Projects

Segment Description	Project	Final Budget	Adjusted Budget	Adjustments	New adjusted budget
cable fault detector	Energy sources	R 700 000.00	R 700 000.00	-R 201 727.39	R 498 272.61
Moloto Stadium-existing	Community and social services	R 900 000.00	R 900 000.00	-R 20 572.69	R 879 427.31
Electrification Bela-Bela X9 (900HH)	Energy sources	R -	R -	R -	R -
Office Furnisher	Finance and administration	R 500 000.00	R 500 000.00	R -	R 500 000.00
1x plotter	Planning and development	R 100 000.00	R 100 000.00	R -	R 100 000.00
40X Building control equipment	Planning and development	R 100 000.00	R 100 000.00	-R 100 000.00	R -
1Xcopier	Planning and development	R 80 000.00	R 80 000.00	-R 80 000.00	R -
1X 40inch UHD screens for GIS	Planning and development	R 40 000.00	R 40 000.00	R -	R 40 000.00
Fleet	Finance and administration	R 5 000 000.00	R 5 000 000.00	-R 1 500 000.00	R 3 500 000.00
Mass Container	Waste management	R 500 000.00	R 500 000.00	-R 500 000.00	R -
Totals		R 7 920 000.00	R 7 920 000.00	-R 2 402 300.08	R 5 517 699.92

Adjustments Capital Expenditure- WSIG Funded Projects

Segment Description	Projects	Final Budget	Adjusted Budget	Adjustments	New adjusted budget
2ML WTW in Masakhane	Water management	R 11 751 31.40	R 11 090 91.00	-R 213 463.86	R 10 876 927.14
Refurbishment of Bela Bela Waste Water Treatment Works	Waste water management	R -	R 9 800 00.00	-R 9 800 000.00	R -
Refurbishment of the inlet and outlet works for the Platrivi	Water management	R 5 949 934.84	R 5 500 00.00	R 449 934.84	R 5 949 34.84
Supply & install new & replace faulty water meters (+-7500HH)	Water management	R 7 031 78.34	R 4 417 56.00	R 2 613 322.34	R 7 031 78.34
WCDM: Installation of Bulk Zonal Meters and Pressure Reduct	Water management	R 275 350.00	R 4 000 000.00	-R 3 724 650.00	R 275 350.00

Water reticulation in Rapotokwane upgrade	Water management	R 505 545.75	R 2 666 653.00	-R 2 161 107.25	R 505 545.75
Refurbish Old Section WTW	Water management	R 3 054 348.39	R -	R 3 054 348.39	R 3 054 348.39
Water Desalination Plant - Rapotokwane	Water management	R 5 130 967.98	R -	R 5 130 967.98	R 5 130 967.98
Upgrading Aventura Sewer Pump Station	Waste water management	R 3 775 943.30	R -	R 4 650 647.56	R 4 650 647.56
Totals		R 37 475 000.00	R 37 475 000.00		R 37 475 000.00

Adjustments Capital Expenditure –MIG Projects

Segment Description	Projects	Final Budget	Adjusted Budget	Adjustments	New adjusted budget
Bela Bela: Extension of existing grave yard (Ward 2)	Community and social services	R 5 808 520.00	R 5 778 125.20	R 30 394.80	R 5 808 520.00
Bela Bela: Road paving & Storm water X6 Phase 1 (Ward 7)	Road transport	R 4 143 405.80	R 4 143 405.80	R 240 000.00	R 4 383 405.80
Bela Bela: Development of sports facilities - Leseding Ward6	Road transport	R 1 817 903.16	R 3 764 152.00	-R 1 526 468.18	R 2 237 683.82
Storm Water Spa Park	Waste water management	R 3 446 364.70	R 3 455 070.00	-R 8 705.30	R 3 446 364.70
Bela Bela Spa Park Sports Facilities	Community and social services	R 2 504 863.27	R 2 749 759.00	-R 557 480.54	R 2 192 278.46
Road Paving & Strom Water X5 & Hostel View	Road transport	R 2 784 943.55	R 2 345 759.00	R 439 184.55	R 2 784 943.55
Bela Bela: Ext 6 Intersection	Road transport	R 463 117.09	R 1 500 000.00	-R 1 000 000.00	R 500 000.00
Bela Bela: Road paving & Storm water X7 Phase 1 (Ward 4;7)	Road transport	R 474 019.00	R 474 19.00	R -	R 474 019.00
Bela Bela: Road paving & Storm water X8 Phase 1 (Ward 4)	Road transport	R 262 162.22	R 262 62.00	R 0.22	R 262 162.22
Bela Bela: Road Paving X 4, 6, 7, 8	Road transport	R 2 766 701.21	R -	R 2 383 074.45	R 2 383 074.45
PMU		R 1 288 000.00	R 1 288 000.00	R -	R 1 288 000.00
Totals		R 25 760 000.00	R 25 760 452.00		R 25 760 452.00

Adjustments Capital Expenditure - INEP Projects

Segment Description	Project	Final Budget	Adjusted Budget	Adjustments	New adjusted budget
Electrification Bela-Bela X9 (900HH)	Energy sources	R 8 548 000.00	R 8 548 000.00	R -	R 8 548 000.00
Total		R 8 548 000.00	R 8 548 000.00	R -	R 8 548 000.00

Adjustments Capital Expenditure -EEDM Projects

Segment Description	Project	Final Budget	Adjusted Budget	Adjustments	New adjusted budget
Bela-Bela Town: Replacement of 250W HPS Street lights with 1	Energy sources	R 3 600 000.00	R 3 600 000.00	R -	R 3 600 000.00
Totals		R 3 600 000.00	R 3 600 000.00	R -	R 3 600 000.00