

SCHEDULE A

ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF RAMOTSHERE MOILOA LOCAL MUNICIPALITY



ANNUAL BUDGET OF RAMOTSHERE MOILOA LOCAL MUNICIPALITY



2020/21 TO 2022/23 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Table of Contents

PART 1 – ANNUAL BUDGET	1
1.1 MAYOR’S REPORT	1
1.2 COUNCIL RESOLUTIONS	2
1.3 EXECUTIVE SUMMARY	2
1.4 OPERATING REVENUE FRAMEWORK.....	4
1.5 OPERATING EXPENDITURE FRAMEWORK.....	13
1.6 CAPITAL EXPENDITURE	15
1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY.....	17
2 PART 2 – SUPPORTING DOCUMENTATION	37
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	37
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	41
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....	46
2.4 OVERVIEW OF BUDGET RELATED-POLICIES.....	52
2.5 OVERVIEW OF BUDGET ASSUMPTIONS	55
2.6 OVERVIEW OF BUDGET FUNDING	57
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS.....	72
2.8 COUNCILLOR AND EMPLOYEE BENEFITS.....	74
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW.....	76
2.10 ANNUAL BUDGETS AND SDBIPs – INTERNAL DEPARTMENTS.....	85
2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	85
2.12 CAPITAL EXPENDITURE DETAILS	85
2.13 LEGISLATION COMPLIANCE STATUS.....	94
2.14 OTHER SUPPORTING DOCUMENTS.....	95
2.15 MUNICIPAL MANAGER’S QUALITY CERTIFICATE	100

List of Tables

Table 1 Consolidated Overview of the 2019/20 MTREF	3
Table 2 Summary of revenue classified by main revenue source.....	4
Table 3 Operating Transfers and Grant Receipts	6
Table 4 Comparison of proposed rates to levied for the 2019/20 financial year.....	8
Table 5 Proposed Water Tariffs	9
Table 6 to 23	10-38
Table 24 IDP Strategic Objectives	42
Table 25 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue	43
Table 26 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure.....	44

Table 27 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure.....	45
Table 28 MBRR Table SA7 - Measurable performance objectives.....	47
Table 29 MBRR Table SA8 - Performance indicators and benchmarks.....	49
Table 30 Breakdown of the operating revenue over the medium-term	58
Table 31 Proposed tariff increases over the medium-term.....	59
Table 32 MBRR SA15 – Detail Investment Information	61
Table 33 MBRR SA16 – Investment particulars by maturity.....	61
Table 34 Sources of capital revenue over the MTREF	62
Table 35 MBRR Table SA 17 - Detail of borrowings	62
Table 36 MBRR Table SA 18 - Capital transfers and grant receipts	64
Table 37 MBRR Table A7 - Budget cash flow statement.....	65
Table 38 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation	66
Table 39 MBRR SA10 – Funding compliance measurement	67
Table 40 MBRR SA19 - Expenditure on transfers and grant programmes.....	72
Table 41 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds	73
Table 42 MBRR SA22 - Summary of Councillor and staff benefits.....	74
Table 43 MBRR SA23 - Salaries, allowances and benefits (political office bearers/Councillors/ senior managers)	75
Table 44 MBRR SA24 – Summary of personnel numbers	76
Table 45 MBRR SA25 - Budgeted monthly revenue and expenditure	77
Table 46 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote).....	78
Table 47 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification).....	80
Table 48 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)	81
Table 49 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)	83
Table 50 MBRR SA30 - Budgeted monthly cash flow.....	84
Table 51 MBRR SA 34a - Capital expenditure on new assets by asset class.....	85
Table 52 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class.....	88
Table 53 MBRR SA34c - Repairs and maintenance expenditure by asset class.....	90
Table 54 MBRR SA35 - Future financial implications of the capital budget	92
Table 55 MBRR SA36 - Detailed capital budget per municipal vote	93
Table 56 MBRR Table SA1 - Supporting detail to budgeted financial performance	95
Table 57 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department).....	97
Table 58 MBRR Table SA3 – Supporting detail to Statement of Financial Position.....	98
Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions.....	99

List of Figures

Figure 2 Capital Infrastructure Programme	16
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Figure 3 Planning, budgeting and reporting cycle	47
Figure 5 Breakdown of operating revenue over the 2019/20MTREF	58

Abbreviations and Acronyms

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

SAPS South African Police Service

SMME Small Micro and Medium Enterprises

SDBIP Service Delivery Budget
Implementation Plan

Part 1 – Annual Budget

1.1 Mayor's Report

Honourable Speaker of Council-Cllr. A. N Nyamane, Honourable Chairperson of Municipal Public Accounts-Cllr. P. J Molefe

Members of the Mayoral Committee, Managers, All protocol observed

Honourable Speaker

The proposed budget of Ramotshere Moiloa Local municipality for the 2020/21 financial year totals R 444.1 million, comprising of R 409.1 million Operating Expenditure and R 35 million for Capital expenditure.

The decline in the growth is due to the decrease in National and Provincial allocation and steady tariffs on property rates.

CONSOLIDATED OVERVIEW OF THE 2019/2020-2022/2023 BUDGET

Description	Approved Budget 2019/2020	Adjustment Budget 2019/2020	Budget Year 1 2020/2021	Budget Year +1 2021/2022	Budget Year +2 2022/2023
	R'000	R'000	R'000	R'000	R'000
Operating Revenue	400 361	402 273	421 362	439 630	460 283
Operating Expenditure	429 396	352 760	409 121	425 140	445 045
Surplus/(Deficit)	- 29 035	49 513	12 242	14 490	15 237
Capital Expenditure	36 479	45 449	35 077	46 172	49 999
TOTAL BUDGET	465 875	398 209	444 198	471 312	495 044

I recommend that the Council approves and adopts the following resolutions:

1.2 COUNCIL RESOLUTIONS

See attached resolution xxxx

1.3 Executive Summary

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

National Treasury's MFMA Circulars No 98 and 99 were used to guide the compilation of the 2020/21 MTREF.

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

- The ongoing difficulties in the national and local economy.
- The National State of Emergency as declared by the President of the Republic of South Africa. (COVID-19).
- The number of objections received on the new General Valuation.
- The pending Court Case by some residents with regards to the General valuation roll implemented on 01 July 2019.
- Aging and poorly maintained water, roads, and electricity infrastructure.
- The need to reprioritise projects and expenditure within the existing resource envelope in response to COVID-19.
- Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable.
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.

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

- The 2019/20 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2020/21 annual budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- Ngaka Modiri Molema District Municipality has not confirmed any provision for grants for our municipality for 2019/20 financial year for Free Basic Services;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2019/20 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2019/20 MTREF

Description	Approved Budget 2019/2020	Adjustment Budget 2019/2020	Budget Year 1 2020/2021	Budget Year +1 2021/2022	Budget Year +2 2022/2023
	R' 000	R' 000	R' 000	R' 000	R' 000
Operating Revenue	400 361	402 273	421 362	439 630	460 283
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1.4 Operating Revenue Framework

For Ramotshere Moiloa Local Municipality to continue improving the quality of services provided to its communities it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy.
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service.
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA).
- Increase ability to extend new services and recover costs.
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

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

Table 2 Summary of revenue classified by main revenue source

NW385 Ramotshere Moiloa - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		108 659	111 576	105 554	160 507	160 507	-	209 109	219 921	229 374
Executive and council		68	45 860	34 140	53 514	46 980	-	38 351	41 311	43 888
Finance and administration		108 591	65 716	71 414	106 993	106 993	-	161 567	168 709	174 968
Internal audit		-	-	-	-	6 534	-	9 192	9 901	10 519
<i>Community and public safety</i>		33 639	22 846	25 383	17 113	17 113	-	25 357	27 280	28 964
Community and social services		2 104	22 846	19 553	7 110	7 110	-	16 342	17 570	18 648
Sport and recreation		31 535	-	5 829	8 796	8 796	-	7 681	8 273	8 790
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	1 206	1 206	-	1 334	1 437	1 527
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		43 672	61 666	111 101	109 736	118 836	-	77 713	82 252	86 747
Planning and development		35 899	22 845	83 444	76 677	64 349	-	49 990	52 669	55 472
Road transport		7 774	38 821	27 657	33 059	54 488	-	27 723	29 583	31 275
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		100 952	102 079	81 997	150 214	153 214	-	145 506	157 596	166 444
Energy sources		53 171	81 758	62 567	89 025	89 025	-	91 886	104 404	110 611
Water management		7 329	10 882	9 376	20 837	23 837	-	24 939	22 949	24 004
Waste water management		33 727	2 401	186	15 177	15 177	-	2 757	2 960	3 172
Waste management		6 725	7 038	9 868	25 175	25 175	-	25 924	27 284	28 656
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	286 922	298 167	324 035	437 570	449 670	-	457 686	487 049	511 528
Expenditure - Functional										
<i>Governance and administration</i>		189 301	178 390	125 108	208 611	178 298	-	202 725	212 020	221 665
Executive and council		60 875	67 193	32 370	51 396	39 637	-	38 351	40 115	41 964
Finance and administration		128 427	111 197	92 737	149 237	131 048	-	155 183	162 291	169 644
Internal audit		-	-	-	7 978	7 613	-	9 192	9 615	10 057
<i>Community and public safety</i>		25 309	18 411	17 336	13 522	9 488	-	25 241	26 402	27 616
Community and social services		25 309	18 411	11 968	4 970	3 591	-	16 926	17 704	18 519
Sport and recreation		-	-	5 367	7 265	4 735	-	6 981	7 302	7 638
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	1 287	1 161	-	1 334	1 396	1 460
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		53 540	33 221	69 917	86 454	66 907	-	68 336	68 407	69 412
Planning and development		25 309	27 319	46 558	35 089	31 006	-	27 522	28 017	27 036
Road transport		28 231	5 903	23 359	51 365	35 902	-	40 814	40 390	42 377
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		58 335	54 152	100 008	120 971	98 429	-	112 819	118 310	126 352
Energy sources		42 860	45 244	72 927	79 233	68 328	-	78 260	82 211	88 642
Water management		-	-	10 126	13 097	8 358	-	10 340	10 815	11 313
Waste water management		15 474	8 908	12 041	16 613	12 814	-	12 781	13 319	13 883
Waste management		-	4 914	4 914	12 028	8 928	-	11 438	11 965	12 515
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	326 485	284 174	312 369	429 558	353 121	-	409 121	425 140	445 045
Surplus/(Deficit) for the year		(39 563)	13 993	11 666	8 012	96 549	-	48 565	61 909	66 483

Revenue allocated from National and Provincial government forms a significant percentage of the revenue basket for the Municipality. In the 2019/20 financial year, operational revenue from grants amounted to R 179.8 million. This amount has increased to R 193.8 million in the 2020/21 year which makes up 46%. The total revenue of the municipality amounts to R 457.6 million of which 50% is from Capital and Operational grants.

The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1.

Service Charges are the second largest revenue source. For the 2019/20-year, revenue from service charges amounted to 28 per cent of the total revenue. Revenue from service charges increases to 31 per cent in 2020/21.

Property rates revenue is the third largest revenue source totaling 16 per cent or R 68.9 million rand.

Operating grants and transfers totals R 193.8 million in the 2020/21 financial year and steadily increases to R 204.5 million by 2021/22. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts

Desription	Approved Budget 2019/20	Adjusted Budget 2019/20	Budget Year 2020/21	Budget Year+1 2021/22	Budget Year+2 2022/23
FMG	2 215 000,00	2 215 000,00	2 000 000,00	2 200 000,00	2 400 000,00
EPWP	1 000 000,00	1 000 000,00	1 000 000,00	-	-
EQS	174 021 000,00	170 021 000,00	187 061 001,00	201 498 001,08	214 068 001,14
MIG PMU Establishment	1 930 488,68	1 930 488,68	1 846 150,00	1 995 750,00	2 105 200,00
Water Grant	-	30 000 000,00	3 000 000,00	-	-
Total	179 166 488,68	205 166 488,68	194 907 151,00	205 693 751,08	218 573 201,14

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality falls outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

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

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- Due to the increased market values of the properties in the General Valuation Roll, the municipality has opted not to increase the tariffs to compensate for the high values in the market values of the properties.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2020/21 financial year based on a zero per cent increase from 1 July 2019 is contained below:

Table 4 Comparison of proposed rates to levied for the 2019/20 financial year

PROPERTY RATES	CATEGORY OF PROPERTY									
	Residential/ Domestic	Industrial	Business/ Commercial	Agricultural	Mining	properties owned by organ of state used for public service purpose	Public Service Infrastructure	Property owned by public benefit organisations and used for specific public benefit activities	Property used for multi purpose, subject to section 9	Special Category
Basic Charge - (in the Rand value) All areas	0,01696	0,03392	0,03392	0,00424	0,03392	0,00424	0,00424	-		
Rebates - %								100%		10%
Retired and disabled persons on residential properties	-	-	-	-	-	-	-			-
Owner with income less than R5000 per	50%	-	-	-	-	-	-			-
Owner with income between R5001 and R10 000	40%	-	-	-	-	-	-			-
As contemplated in paragraph 10 (1) and (2) of the										
Exemptions Municipal Property Rates Policy										
Reductions										
Municipal Property Rates Act 2004	R15 000			R15 000						
% Discount - full settlement of rates before 30 September each year	10%	10%	10%	10%		10%				10%
CONSUMER DEPOSITS - (Rand value)	R 2 939	R 14 691	R 35 258	R -		R 35 258	R 35 258	R 11 753		R 5 876

1.4.2 Sale of Water and Impact of Tariff Increases

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

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

Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

A tariff increase of 4.5 per cent from 1 July 2020 for water is proposed and 12 kℓ water per month will be granted free of charge to all residents.

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

Table 5 Proposed Water Tariffs

SERVICE TYPE		DETAILED DESCRIPTION	FINANCIAL YEAR	
			2019/2020	2020/2021
WATER SERVICES				
Consumption				
Residential/Domestic - (per kl)				
	0-12 Free Basic Water - Registered indigents		R 0,00	R 0,00
	0-15		R 6,43	R 6,72
	OVER 15.1 - 30		R 7,23	R 7,56
	OVER 30.1 - 45		R 8,04	R 8,40
	OVER 45.1 - 60		R 8,87	R 9,27
	OVER 60.1		R 9,64	R 10,08
Industrial/Bulk - (per kl)				
	0-300		R 10,95	R 11,44
	OVER 301 - 600		R 12,86	R 13,44
	OVER 601		R 14,79	R 15,45
Businesses/Commercial (per kl)				
	0-300		R 10,95	R 11,44
	OVER 301-600		R 13,19	R 13,79
	OVER 601		R 15,29	R 15,97
Government (per kl)				
	0-300		R 5,98	R 6,25
	OVER 301-600		R 7,32	R 7,65
	OVER 601		R 8,31	R 8,68

1.4.3 Sale of Electricity and Impact of Tariff Increases

Registered indigents will again be granted 50 kWh per month free of charge. The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. However, there has not been any determination by NERSA since the impasse around Eskom's application. Circular 99 of the MFMA has urged that municipalities use the previously approved tariff increases approved by the regulator of 8.1 per cent for 2020/21, 5.2 per cent 2021/22 and 8.9 per cent for 2022/23.

The municipality has also gone further to remove the basic electricity charge for domestic prepaid customers. This charge has not been collected at point of sale but rather billed along with other charged, the collection of which is almost an impossible task. This has put immense pressure on the collection rate particularly on electricity sales.

DRAFT ELECTRICITY TARIFFS 2020/2021	UNITS	2019/2020	2020/2021
DOMESTIC			
Domestic Prepaid			
Energy Charge	>0kWh	1,4646	1,9832
Basic Charge		170,80	0,00
Domestic Conventional & Outside Borders			
Block 1	(0- 50kWh)	1,0338	1,0981
Block 2	(51-350kWh)	1,3409	1,4243
Block 3	(351-600kWh)	1,8092	1,9217
Block 4	(>600kWh)	2,0061	2,1309
Basic Charge		171,14	181,7849
COMMERCIAL			
Commercial Prepaid			
Energy Charge	>0kWh	2,1786	2,3141
Basic charge		170,80	181,4238
Commercial Conventional			
Basic charge		172,22	182,93
Energy Charge	>0kWh	2,0707	2,1995
INDUSTRIAL			
Government Low Tension			
Demand Charge	0>kVA	233,90	248,45
Energy Charge	0>kWh	1,0289	1,0929
Basic Charge		156,92	166,68
Agriculture			
Energy charge	0>kWh	1,1959	1,2703
Basic Charge		463,67	492,51
Government			
Energy charge	0>kWh	1,2130	1,2884
Basic Charge		253,68	269,46
Agriculture low tension			
Demand Charge	0>kVA	243,46	258,60
Energy Charge		1,0873	1,1549
Basic Charge		1,7080	1,8142
Industrial Low tension			
Energy Charge	0>KWh	1,0289	1,0929
Demand Charge	0>kVA	234,73	249,33
Basic Charge		170,80	181,42

The inadequate electricity bulk capital Municipality and the impact on service delivery and development remains a challenge for the Municipality. The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply).

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 4.5 per cent for sanitation from 1 July 2020 is proposed. This is based on the input cost assumptions related to water. The following factors also contribute to the proposed tariff increase:

The following table compares the current and proposed tariffs:

Table 6 Comparison between current sanitation charges and increases

SERVICE TYPE	DETAILED DESCRIPTION		FINANCIAL YEAR	
			2019/2020	2019/2020
SANITATIONS SERVICES				
Disposal of chemical toilets - per kilolitre			R 145,58	R 152,13
Sewage tariffs				
	Residential/Domestic - basic		R 16,92	R 17,68
	Residential/Domestic - (first point)		R 16,92	R 17,68
	Residential/Domestic - (next point)		R 8,14	R 8,51
	Government - basic		R 19,38	R 20,25
	Government - per point		R 22,87	R 23,90
	Businesses/Commercial - basic		R 19,38	R 20,25
	Businesses/Commercial - point		R 22,87	R 23,90
Suction tariffs - per kilolitre				
0 - 10kl			R 99,24	R 103,70
11 - 20kl			R 49,62	R 51,85
21 - 30kl			R 33,08	R 34,57
22 - 40kl			R 24,80	R 25,92
41 - 50kl			R 19,85	R 20,74
51 - 60kl			R 16,53	R 17,28
61 - 70kl			R 14,18	R 14,82
71 - 80kl			R 12,38	R 12,94
81 - 90kl			R 11,02	R 11,52
91 - 100kl			R 11,14	R 11,64
The tariff levied for sewer charges is based on the number of service points per, property per category.				
Additional sewerage connection installed by council				
	Cleaning sewerage blockages and assisting private		R 8 197,76	R 8 566,66
	Office hours: per half an hour or part thereof		R 723,33	R 755,88
	After hours: per half an hour or part thereof		R 964,44	R 1 007,84

1.4.5 Waste Removal and Impact of Tariff Increases

A 4.5 per cent increase in the waste removal tariff is proposed from 1 July 2020. Any increase higher than 4.5 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2020:

Table 7 Comparison between current waste removal fees and increases

SERVICE TYPE	DETAILED DESCRIPTION	FINANCIAL YEAR	
		2019/2020	2020/2021
REFUSE REMOVAL SERVICES			
Monthly levies payable			
BUSINESS	Business 1X Week	R 321,28	R 335,73
	Business 2X Week	R 481,19	R 502,85
	Business 3X Week	R 1 089,48	R 1 138,51
	Business 3X Week	R 1 443,59	R 1 508,55
	Bulk Removal 1X Week	R 722,51	R 755,02
	Bulk Removal 3X Week	R 1 089,48	R 1 138,51
GOVERNMENT	Bulk Removal 1X Week	R 802,47	R 838,59
	Bin 1X Week	R 114,23	R 119,37
	MILITARY BASE	R 809,07	R 845,48
RESIDENTIAL	Bin 1X Week	R 114,23	R 119,37
	Bin 2X Week	R 135,65	R 141,75

Table 8 MBRR Table SA14 – Household bills

NW385 Ramotshere Moiloa - 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 - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		875,00		457,28	457,28	457,28					
Electricity: Basic levy		114,91		134,02	140,99	140,99		4,5%	147,33	154,11	161,20
Electricity: Consumption		1 330,00		1 262,34	1 327,98	1 327,98		8,1%	1 435,55	1 510,20	1 644,60
Water: Basic levy		–		–	–	–		4,5%	–	–	–
Water: Consumption		123,72		281,18	295,80	295,80		4,5%	309,11	323,33	338,20
Sanitation		73,81		17,25	18,15	18,15		4,5%	18,96	19,84	20,75
Refuse removal		90,23		182,04	191,51	191,51		4,5%	200,12	209,33	218,96
Other		–		–	–	–					
sub-total		2 607,67	–	2 334,11	2 431,71	2 431,71	–	(13,2%)	2 111,08	2 216,80	2 383,72
VAT on Services		–	–	–	–	–	–		–	–	–
Total large household bill:		2 607,67	–	2 334,11	2 431,71	2 431,71	–	(13,2%)	2 111,08	2 216,80	2 383,72
% increase/decrease			(100,0%)	–	4,2%	–	(100,0%)		–	5,0%	7,5%

1.5 Operating Expenditure Framework

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

- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan, no funding allocation can be made.

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

Table 9 Summary of operating expenditure by standard classification item

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	1										
Expenditure By Type											
Employee related costs	2	123 793	106 895	130 031	156 911	123 374	–	–	134 350	140 804	147 573
Remuneration of councillors		9 618	12 555	13 241	15 562	15 562			14 255	14 910	15 596
Debt impairment	3	36 053	7 446	2 020	39 655	51 386			40 864	42 825	44 795
Depreciation & asset impairment	2	33 443	29 170	27 047	29 122	29 041	–	–	29 614	30 147	30 704
Finance charges		7 334		12 841	10 000	1 500			4 500	4 707	4 924
Bulk purchases	2	42 860	45 244	49 907	54 150	54 150	–	–	58 611	61 658	67 143
Other materials	8	6 276	3 325	–					22 118	23 124	24 203
Contracted services		6 872	9 359	8 610	59 633	31 999	–	–	43 050	43 028	44 991
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	59 648	70 180	63 858	64 525	45 748	–	–	61 759	63 936	65 117
Losses		589		4 815							
Total Expenditure		326 485	284 174	312 369	429 558	352 760	–	–	409 121	425 140	445 045

The budgeted allocation for employee related costs for the 2020/21 financial year totals R148.6 million, which equals 36 per cent of the total operating expenditure. Based on the three-year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.5 per cent for the 2020/21 financial year.

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

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

As part of the compilation of the 2020/21 MTREF contracted services expenditure was critically evaluated and operational efficiencies were enforced. In the 2020/21 financial year, this expenditure totals R 43 million and make up 11 per cent of operating expenditure.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has been identified as an area in which cost savings and efficiencies can be achieved.

1.5.1 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 5 000 or more indigent households during the 2020/21 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

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

1.6 Capital expenditure

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

Table 10 2019/20 Medium-term capital budget per vote**NW385 Ramotshere Moiloa - 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		
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
Revenue by Vote		1									
Vote 1 - 1,1 - Vote 1 - Executive & Council			68	45 690	34 140	53 514	53 514	–	47 542	51 212	54 406
Vote 2 - Vote 2 - Finance & Administration			108 591	65 885	71 414	95 351	95 351	–	117 120	120 832	124 103
Vote 3 - Vote 3 - Planning & Development			35 899	22 845	83 444	19 254	19 254	–	14 352	14 139	14 895
Vote 4 - Vote 4 - Technical Services			102 000	133 862	99 786	208 408	220 508	–	213 491	231 610	245 048
Vote 5 - Vote 5 - Community & Social Services			40 364	29 884	35 250	61 043	61 043	–	65 180	69 257	73 075
Vote 6 - [NAME OF VOTE 6]			–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]			–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]			–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]			–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]			–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]			–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]			–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]			–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]			–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]			–	–	–	–	–	–	–	–	–
Total Revenue by Vote		2	286 922	298 167	324 035	437 570	449 670	–	457 686	487 049	511 528
Expenditure by Vote to be appropriated		1									
Vote 1 - 1,1 - Vote 1 - Executive & Council			60 875	67 193	32 370	59 374	47 250	–	47 542	49 729	52 021
Vote 2 - Vote 2 - Finance & Administration			128 427	111 197	92 737	112 378	104 699	–	126 185	131 977	137 953
Vote 3 - Vote 3 - Planning & Development			25 309	27 319	46 558	12 240	9 334	–	12 885	13 392	12 423
Vote 4 - Vote 4 - Technical Services			86 566	60 055	118 453	182 582	141 429	–	159 840	166 808	176 396
Vote 5 - Vote 5 - Community & Social Services			25 309	18 411	22 250	62 984	50 409	–	62 669	63 234	66 253
Vote 6 - [NAME OF VOTE 6]			–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]			–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]			–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]			–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]			–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]			–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]			–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]			–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]			–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]			–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		2	326 485	284 174	312 369	429 558	353 121	–	409 121	425 140	445 045
Surplus/(Deficit) for the year		2	(39 563)	13 993	11 666	8 012	96 549	–	48 565	61 909	66 483

For 2020/21 an amount of R 35.07 million has been appropriated for the development of infrastructure. In the outer years this amount totals R 37.9 million, and R 39.9 million, respectively for each of the financial years.

Figure 1 Capital Infrastructure Programme

Department	Item Description	2020/21	2021/22	2022/23
Human Resource Man		650 000	679 900	712 535
ICT		2 500 000	2 620 000	2 745 760
Electricity		4 220 000	12 667 120	14 617 170
Workshop		15 000 000	7 000 000	7 000 000
Municipal Bldings		200 000	209 600	219 661
Refuse		3 400 000	3 556 400	3 719 994
Cemeteries		3 500 000	3 661 000	3 829 406
Libraries		31 860	33 326	34 859
Parks		700 000	732 200	765 881
Security		1 200 000	-	-
Traffic		1 310 000	2 210 000	300 000
Roads		35 076 850	37 919 250	39 998 800
		67 788 710	71 288 796	73 944 066
	FUNDING	-	-	-
	MIG Projects	35 076 850	37 919 250	39 998 800
	INEP	-	8 253 000	10 000 000
	Internal	32 711 860	25 116 546	23 945 266
		67 788 710	71 288 796	73 944 066

1.7 Annual Budget Tables - Parent Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 11 MBRR Table A1 - Budget Summary**NW385 Ramotshere Moiloa - Table A1 Budget Summary**

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Property rates	40 473	34 942	31 198	68 932	68 932	–	–	68 932	68 932	68 932
Service charges	67 985	70 066	78 103	128 466	128 466	–	–	132 856	139 128	145 690
Investment revenue	613	1 876	1 041	180	180	–	–	188	196	205
Transfers recognised - operational	130 672	142 307	160 990	179 880	180 876	–	–	193 831	204 503	217 310
Other own revenue	9 848	9 663	7 433	23 820	23 820	–	–	26 802	28 117	29 392
Total Revenue (excluding capital transfers and contributions)	249 591	258 853	278 766	401 277	402 273	–	–	422 609	440 877	461 529
Employee costs	123 793	106 895	130 031	156 911	123 374	–	–	134 350	140 804	147 573
Remuneration of councillors	9 618	12 555	13 241	15 562	15 562	–	–	14 255	14 910	15 596
Depreciation & asset impairment	33 443	29 170	27 047	29 122	29 041	–	–	29 614	30 147	30 704
Finance charges	7 334	–	12 841	10 000	1 500	–	–	4 500	4 707	4 924
Materials and bulk purchases	49 136	48 569	49 907	54 150	54 150	–	–	80 729	84 782	91 346
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	103 161	86 985	79 303	163 813	129 133	–	–	145 672	149 789	154 903
Total Expenditure	326 485	284 174	312 369	429 558	352 760	–	–	409 121	425 140	445 045
Surplus/(Deficit)	(76 894)	(25 321)	(33 603)	(28 281)	49 513	–	–	13 488	15 737	16 484
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	37 331	39 313	45 269	36 293	45 449	–	–	35 077	46 172	49 999
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(39 563)	13 993	11 666	8 012	94 963	–	–	48 565	61 909	66 483
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(39 563)	13 993	11 666	8 012	94 963	–	–	48 565	61 909	66 483
Capital expenditure & funds sources										
Capital expenditure	39 044	36 119	46 456	36 593	–	–	–	67 789	71 289	73 944
Transfers recognised - capital	36 515	32 575	46 456	36 293	–	–	–	35 077	46 172	49 999
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	2 528	3 544	–	300	–	–	–	32 712	25 117	23 945
Total sources of capital funds	39 044	36 119	46 456	36 593	–	–	–	67 789	71 289	73 944
Financial position										
Total current assets	64 309	94 484	113 051	94 484	94 484	–	–	96 217	101 220	106 484
Total non current assets	635 568	637 461	659 742	637 461	673 810	–	–	707 106	743 855	782 514
Total current liabilities	108 605	117 884	136 380	64 996	39 351	–	–	40 392	42 492	44 702
Total non current liabilities	76 397	85 194	78 841	85 134	86 255	–	–	–	–	–
Community wealth/Equity	514 874	528 867	557 571	581 814	642 688	–	–	762 932	802 583	844 296
Cash flows										
Net cash from (used) operating	32 100	45 504	44 218	36 665	65 679	–	–	69 312	81 131	87 189
Net cash from (used) investing	(38 949)	(32 666)	(45 513)	(16 219)	(25 133)	–	–	(67 789)	(63 881)	(66 491)
Net cash from (used) financing	2 130	(222)	(2 362)	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	2 035	14 651	11 622	32 027	52 168	–	–	1 523	18 773	39 471
Cash backing/surplus reconciliation										
Cash and investments available	2 035	14 651	11 622	16 976	16 976	–	–	15 413	16 215	17 058
Application of cash and investments	66 529	56 513	65 537	13 547	1 232	–	–	(13 588)	(15 866)	(18 391)
Balance - surplus (shortfall)	(64 495)	(41 862)	(53 915)	3 429	15 744	–	–	29 001	32 080	35 449
Asset management										
Asset register summary (WDV)	635 568	637 461	601 315	673 810	673 810	–	–	–	–	–
Depreciation	33 443	29 170	27 047	29 122	29 041	–	–	–	–	–
Renewal and Upgrading of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	6 276	3 325	–	35 383	12 639	–	–	–	–	–
Free services										
Cost of Free Basic Services provided	7 380	–	–	3 778	3 778	–	2 531	2 531	2 531	2 531
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	31	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	30	32	–	–	–	–	–	–	–	–
Energy:	39	42	–	63	63	–	63	63	63	63
Refuse:	33	35	–	33	33	–	33	33	33	33

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.

Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**NW385 Ramotshere Moiloa - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		108 659	111 576	105 554	160 507	160 507	–	209 109	219 921	229 374
Executive and council		68	45 860	34 140	53 514	46 980	–	38 351	41 311	43 888
Finance and administration		108 591	65 716	71 414	106 993	106 993	–	161 567	168 709	174 968
Internal audit		–	–	–	–	6 534	–	9 192	9 901	10 519
<i>Community and public safety</i>		33 639	22 846	25 383	17 113	17 113	–	25 357	27 280	28 964
Community and social services		2 104	22 846	19 553	7 110	7 110	–	16 342	17 570	18 648
Sport and recreation		31 535	–	5 829	8 796	8 796	–	7 681	8 273	8 790
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	1 206	1 206	–	1 334	1 437	1 527
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		43 672	61 666	111 101	109 736	118 836	–	77 713	82 252	86 747
Planning and development		35 899	22 845	83 444	76 677	64 349	–	49 990	52 669	55 472
Road transport		7 774	38 821	27 657	33 059	54 488	–	27 723	29 583	31 275
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		100 952	102 079	81 997	150 214	153 214	–	145 506	157 596	166 444
Energy sources		53 171	81 758	62 567	89 025	89 025	–	91 886	104 404	110 611
Water management		7 329	10 882	9 376	20 837	23 837	–	24 939	22 949	24 004
Waste water management		33 727	2 401	186	15 177	15 177	–	2 757	2 960	3 172
Waste management		6 725	7 038	9 868	25 175	25 175	–	25 924	27 284	28 656
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	286 922	298 167	324 035	437 570	449 670	–	457 686	487 049	511 528
Expenditure - Functional										
<i>Governance and administration</i>		189 301	178 390	125 108	208 611	178 298	–	202 725	212 020	221 665
Executive and council		60 875	67 193	32 370	51 396	39 637	–	38 351	40 115	41 964
Finance and administration		128 427	111 197	92 737	149 237	131 048	–	155 183	162 291	169 644
Internal audit		–	–	–	7 978	7 613	–	9 192	9 615	10 057
<i>Community and public safety</i>		25 309	18 411	17 336	13 522	9 488	–	25 241	26 402	27 616
Community and social services		25 309	18 411	11 968	4 970	3 591	–	16 926	17 704	18 519
Sport and recreation		–	–	5 367	7 265	4 735	–	6 981	7 302	7 638
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	1 287	1 161	–	1 334	1 396	1 460
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		53 540	33 221	69 917	86 454	66 907	–	68 336	68 407	69 412
Planning and development		25 309	27 319	46 558	35 089	31 006	–	27 522	28 017	27 036
Road transport		28 231	5 903	23 359	51 365	35 902	–	40 814	40 390	42 377
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		58 335	54 152	100 008	120 971	98 429	–	112 819	118 310	126 352
Energy sources		42 860	45 244	72 927	79 233	68 328	–	78 260	82 211	88 642
Water management		–	–	10 126	13 097	8 358	–	10 340	10 815	11 313
Waste water management		15 474	8 908	12 041	16 613	12 814	–	12 781	13 319	13 883
Waste management		–	–	4 914	12 028	8 928	–	11 438	11 965	12 515
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	326 485	284 174	312 369	429 558	353 121	–	409 121	425 140	445 045
Surplus/(Deficit) for the year		(39 563)	13 993	11 666	8 012	96 549	–	48 565	61 909	66 483

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

Table 13 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**NW385 Ramotshere Moiloa - 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 - 1,1 - Vote 1 - Executive & Council		68	45 690	34 140	53 514	53 514	-	47 542	51 212	54 406
Vote 2 - Vote 2 - Finance & Administration		108 591	65 885	71 414	95 351	95 351	-	117 120	120 832	124 103
Vote 3 - Vote 3 - Planning & Development		35 899	22 845	83 444	19 254	19 254	-	14 352	14 139	14 895
Vote 4 - Vote 4 - Technical Services		102 000	133 862	99 786	208 408	220 508	-	213 491	231 610	245 048
Vote 5 - Vote 5 - Community & Social Services		40 364	29 884	35 250	61 043	61 043	-	65 180	69 257	73 075
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	286 922	298 167	324 035	437 570	449 670	-	457 686	487 049	511 528
Expenditure by Vote to be appropriated	1									
Vote 1 - 1,1 - Vote 1 - Executive & Council		60 875	67 193	32 370	59 374	47 250	-	47 542	49 729	52 021
Vote 2 - Vote 2 - Finance & Administration		128 427	111 197	92 737	112 378	104 699	-	126 185	131 977	137 953
Vote 3 - Vote 3 - Planning & Development		25 309	27 319	46 558	12 240	9 334	-	12 885	13 392	12 423
Vote 4 - Vote 4 - Technical Services		86 566	60 055	118 453	182 582	141 429	-	159 840	166 808	176 396
Vote 5 - Vote 5 - Community & Social Services		25 309	18 411	22 250	62 984	50 409	-	62 669	63 234	66 253
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	326 485	284 174	312 369	429 558	353 121	-	409 121	425 140	445 045
Surplus/(Deficit) for the year	2	(39 563)	13 993	11 666	8 012	96 549	-	48 565	61 909	66 483

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 14 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**NW385 Ramotshere Moiloa - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Wides Ramotshere Motona - Table A4 Budgeted Financial Performance (Revenue and Expenditure)									2020/21 Medium Term Revenue & Expenditure Framework		
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome			
Revenue By Source											
Property rates	2	40 473	34 942	31 198	68 932	68 932	–	–	68 932	68 932	68 932
Service charges - electricity revenue	2	51 739	51 745	58 673	86 139	86 139	–	–	89 971	94 147	98 515
Service charges - water revenue	2	7 329	8 882	9 376	18 360	18 360	–	–	19 351	20 241	21 172
Service charges - sanitation revenue	2	2 192	2 401	186	3 064	3 064	–	–	1 571	1 720	1 875
Service charges - refuse revenue	2	6 725	7 038	9 868	20 904	20 904	–	–	21 963	23 020	24 127
Rental of facilities and equipment		305	142		9	9			9	10	10
Interest earned - external investments		613	1 876	1 041	180	180			188	196	205
Interest earned - outstanding debtors					842	842			880	920	963
Dividends received											
Fines, penalties and forfeits		4 995	5 575	4 274	4 218	4 218			4 408	4 611	4 823
Licences and permits		2 779	1 100	1 231	4 055	4 055			4 237	4 432	4 636
Agency services											
Transfers and subsidies		130 672	142 307	160 990	179 880	180 876			193 831	204 503	217 310
Other revenue	2	1 768	2 846	1 928	7 196	7 196	–	–	9 430	9 930	10 352
Gains					7 500	7 500			7 838	8 214	8 608
Total Revenue (excluding capital transfers and contributions)		249 591	258 853	278 766	401 277	402 273	–	–	422 609	440 877	461 529
Expenditure By Type											
Employee related costs	2	123 793	106 895	130 031	156 911	123 374	–	–	134 350	140 804	147 573
Remuneration of councillors		9 618	12 555	13 241	15 562	15 562			14 255	14 910	15 596
Debt impairment	3	36 053	7 446	2 020	39 655	51 386			40 864	42 825	44 795
Depreciation & asset impairment	2	33 443	29 170	27 047	29 122	29 041	–	–	29 614	30 147	30 704
Finance charges		7 334		12 841	10 000	1 500			4 500	4 707	4 924
Bulk purchases	2	42 860	45 244	49 907	54 150	54 150	–	–	58 611	61 658	67 143
Other materials	8	6 276	3 325	–					22 118	23 124	24 203
Contracted services		6 872	9 359	8 610	59 633	31 999	–	–	43 050	43 028	44 991
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	59 648	70 180	63 858	64 525	45 748	–	–	61 759	63 936	65 117
Losses		589		4 815							
Total Expenditure		326 485	284 174	312 369	429 558	352 760	–	–	409 121	425 140	445 045
Surplus/(Deficit)		(76 894)	(25 321)	(33 603)	(28 281)	49 513	–	–	13 488	15 737	16 484
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		37 331	39 313	45 269	36 293	45 449			35 077	46 172	49 999
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–									
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		(39 563)	13 993	11 666	8 012	94 963	–	–	48 565	61 909	66 483
Taxation											
Surplus/(Deficit) after taxation		(39 563)	13 993	11 666	8 012	94 963	–	–	48 565	61 909	66 483
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(39 563)	13 993	11 666	8 012	94 963	–	–	48 565	61 909	66 483
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(39 563)	13 993	11 666	8 012	94 963	–	–	48 565	61 909	66 483

Table 15 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - 1,1 - Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Vote 2 - Finance & Administration		-	-	-	-	-	-	-	-	-	-
Vote 3 - Vote 3 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 4 - Vote 4 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Vote 5 - Community & Social Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - 1,1 - Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Vote 2 - Finance & Administration		4 256	3 119	12 842	-	-	-	-	3 150	3 300	3 458
Vote 3 - Vote 3 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 4 - Vote 4 - Technical Services		34 104	33 000	33 614	36 183	-	-	-	54 497	57 796	61 836
Vote 5 - Vote 5 - Community & Social Services		684	-	-	410	-	-	-	10 142	10 193	8 650
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		39 044	36 119	46 456	36 593	-	-	-	67 789	71 289	73 944
Total Capital Expenditure - Vote		39 044	36 119	46 456	36 593	-	-	-	67 789	71 289	73 944
Capital Expenditure - Functional											
Governance and administration		4 256	3 119	12 842	-	-	-	-	3 150	3 300	3 458
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		2 434	-	12 842	-	-	-	-	3 150	3 300	3 458
Internal audit		1 822	3 119	-	-	-	-	-	-	-	-
Community and public safety		684	-	-	410	-	-	-	6 742	6 637	4 930
Community and social services		684	-	-	110	-	-	-	6 042	5 904	4 164
Sport and recreation		-	-	-	300	-	-	-	700	732	766
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		34 104	33 000	30 433	35 130	-	-	-	35 077	37 919	39 999
Planning and development		-	-	-	35 130	-	-	-	35 077	37 919	39 999
Road transport		34 104	33 000	30 433	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	3 181	1 053	-	-	-	7 620	16 224	18 337
Energy sources		-	-	3 181	1 053	-	-	-	4 220	12 667	14 617
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	3 400	3 556	3 720
Waste management		-	-	-	-	-	-	-	15 200	7 210	7 220
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	39 044	36 119	46 456	36 593	-	-	-	67 789	71 289	73 944
Funded by:											
National Government		36 515	32 575	46 456	36 183	-	-	-	35 077	46 172	49 999
Provincial Government		-	-	-	110	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	36 515	32 575	46 456	36 293	-	-	-	35 077	46 172	49 999
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		2 528	3 544	-	300	-	-	-	32 712	25 117	23 945
Total Capital Funding	7	39 044	36 119	46 456	36 593	-	-	-	67 789	71 289	73 944

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations
3. Single-year capital expenditure has been appropriated at R 35.07 million for the 2020/21 financial year and remains relatively constant over the MTREF at levels of R 37.9 million and R 39.9 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital grants and transfers.

Table 16 MBRR Table A6 - Budgeted Financial Position**NW385 Ramotshere Moiloa - Table A6 Budgeted Financial Position**

Woods Railways (Shire) Limited - Table A: 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											
Current assets											
Cash		1 564	3 183	4 752	14 651	14 651			15 413	16 215	17 058
Call investment deposits	1	471	11 469	6 870	2 325	2 325			–	–	–
Consumer debtors	1	52 269	70 487	87 695	58 247	58 247	–	–	61 276	64 462	67 814
Other debtors		2 112	2 325	7 818	698	698					
Current portion of long-term receivables					11 542	11 542			12 142	12 774	13 438
Inventory	2	7 894	7 021	5 915	7 021	7 021			7 386	7 770	8 174
Total current assets		64 309	94 484	113 051	94 484	94 484	–	–	96 217	101 220	106 484
Non current assets											
Long-term receivables				2 171							
Investments											
Investment property		54 973	53 836	53 931	53 836	53 836			56 636	59 581	62 679
Investment in Associate											
Property, plant and equipment	3	578 223	581 584	601 336	581 584	617 934	–	–	650 066	683 870	719 431
Biological		–	–		1 636	1 636					
Intangible		1 967	1 636	1 900	405	405			405	405	405
Other non-current assets		405	405	405					–	–	–
Total non current assets		635 568	637 461	659 742	637 461	673 810	–	–	707 106	743 855	782 514
TOTAL ASSETS		699 877	731 945	772 793	731 945	768 294	–	–	803 323	845 075	888 998
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	4 375	4 779	837	956	956	–	–	–	–	–
Consumer deposits		1 859	1 995	2 107	1 995	1 995			2 099	2 208	2 323
Trade and other payables	4	100 777	110 092	131 859	62 045	36 400	–	–	38 293	40 284	42 379
Provisions		1 595	1 018	1 577							
Total current liabilities		108 605	117 884	136 380	64 996	39 351	–	–	40 392	42 492	44 702
Non current liabilities											
Borrowing		3 718	2 956	2 348	2 896	4 017	–	–	–	–	–
Provisions		72 679	82 238	76 493	82 238	82 238	–	–	–	–	–
Total non current liabilities		76 397	85 194	78 841	85 134	86 255	–	–	–	–	–
TOTAL LIABILITIES		185 002	203 078	215 222	150 131	125 606	–	–	40 392	42 492	44 702
NET ASSETS	5	514 874	528 867	557 571	581 814	642 688	–	–	762 932	802 583	844 296
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		514 874	528 867	557 571	581 814	642 688			762 932	802 583	844 296
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	514 874	528 867	557 571	581 814	642 688	–	–	762 932	802 583	844 296

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for 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 23 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:

- Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions;
 - 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 17 MBRR Table A7 - Budgeted Cash Flow Statement**NW385 Ramotshere Moiloa - Table A7 Budgeted Cash Flows**

Woods Ranchshire Council - Table A1 Budgeted Cash Flows											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		8 962	11 377	29 800	65 485	41 359			55 145	58 585	62 240
Service charges		67 985	72 771	46 904	97 098	77 080			108 310	115 067	122 245
Other revenue		5 648	4 888	5 358	18 477	14 292			23 452	24 915	26 469
Transfers and Subsidies - Operational	1	131 099	140 447	171 656	179 234	180 876			193 831	204 510	217 319
Transfers and Subsidies - Capital	1	37 331	42 382	45 269	36 479	47 307			35 077	46 172	49 999
Interest		613	1 876	923	511	108			861	915	972
Dividends						-			-	-	-
Payments											
Suppliers and employees		(216 190)	(222 950)	(250 497)	(350 618)	(293 842)			(342 864)	(364 253)	(386 976)
Finance charges		(3 348)	(5 286)	(5 196)	(10 000)	(1 500)			(4 500)	(4 781)	(5 079)
Transfers and Grants	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		32 100	45 504	44 218	36 665	65 679	-	-	69 312	81 131	87 189
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		43	1 053		3 460	3 460			-	-	-
Decrease (increase) in non-current receivables					15 000	15 000			-	-	-
Decrease (increase) in non-current investments		0			2 100	2 100			-	-	-
Payments											
Capital assets		(38 992)	(33 718)	(45 513)	(36 779)	(45 693)			(67 789)	(63 881)	(66 491)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(38 949)	(32 666)	(45 513)	(16 219)	(25 133)	-	-	(67 789)	(63 881)	(66 491)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		183	136	(1 118)					-	-	-
Payments											
Repayment of borrowing		1 947	(357)	(1 243)					-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		2 130	(222)	(2 362)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(4 719)	12 616	(3 657)	20 446	40 546	-	-	1 523	17 250	20 698
Cash/cash equivalents at the year begin:	2	6 754	2 035	15 278	11 582	11 622			-	1 523	18 773
Cash/cash equivalents at the year end:	2	2 035	14 651	11 622	32 027	52 168	-	-	1 523	18 773	39 471

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.

Table 18 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NW385 Ramotshere Moiloa - Table A8 Cash backed reserves/accumulated surplus reconciliation

WVWS Financials - WWSA - Table A: Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	2 035	14 651	11 622	32 027	52 168	–	–	1 523	18 773	39 471
Other current investments > 90 days		–	–	–	(15 051)	(35 192)	–	–	13 890	(2 559)	(22 414)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		2 035	14 651	11 622	16 976	16 976	–	–	15 413	16 215	17 058
Application of cash and investments											
Unspent conditional transfers		–	–	14 079	–	–	–	–	–	–	–
Unspent borrowing		3 718	2 956	2 348	1 440	1 440	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	62 811	53 557	49 110	12 107	(208)	–	–	(13 588)	(15 866)	(18 391)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		66 529	56 513	65 537	13 547	1 232	–	–	(13 588)	(15 866)	(18 391)
Surplus(shortfall)		(64 495)	(41 862)	(53 915)	3 429	15 744	–	–	29 001	32 080	35 449

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. 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 19 MBRR Table A9 - Asset Management

NW385 Ramtotshe Moiloa - Table A9 Asset Management

NW385 Ramotshere Moiloa - Table A9 Asset Management											
R thousand	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
CAPITAL EXPENDITURE											
1	Total New Assets		39 044	36 119	46 456	36 593	-	-	67 789	71 289	73 944
	Roads Infrastructure		34 088	35 994	43 585	35 130	-	-	35 077	37 919	39 999
	Storm water Infrastructure		-	-	-	-	-	-	-	-	-
	Electrical Infrastructure		1 275	125	2 871	1 463	-	-	4 220	12 667	14 617
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
	Rail Infrastructure		-	-	-	-	-	-	3 400	3 556	3 720
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
	Infrastructure		35 363	36 119	46 456	36 593			42 697	54 743	58 336
	Community Facilities		-	-	-	-	-	-	6 742	6 637	4 930
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
	Community Assets								6 742	6 637	4 930
	Heritage Assets		-	-	-	-	-	-	-	-	-
	Revenue Generating		-	-	-	-	-	-	-	-	-
	Non-revenue Generating		-	-	-	-	-	-	-	-	-
	Investment properties										
	Operational Buildings		-	-	-	-	-	-	200	210	220
	Housing		-	-	-	-	-	-	-	-	-
	Other Assets								200	210	220
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
	Services		-	-	-	-	-	-	-	-	-
	Licences and Rights		-	-	-	-	-	-	-	-	-
	Intangible Assets										
	Computer Equipment		-	-	-	-	-	-	2 500	2 620	2 746
	Furniture and Office Equipment		-	-	-	-	-	-	650	680	713
	Machinery and Equipment		3 681	-	-	-	-	-	-	-	-
	Transport Assets		-	-	-	-	-	-	-	-	-
	Land		-	-	-	-	-	-	15 000	7 000	7 000
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	
Total Renewal of Existing Assets											
2	Roads Infrastructure		-	-	-	-	-	-	-	-	-
	Storm water Infrastructure		-	-	-	-	-	-	-	-	-
	Electrical Infrastructure		-	-	-	-	-	-	-	-	-
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
	Rail Infrastructure		-	-	-	-	-	-	-	-	-
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
	Infrastructure										
	Community Facilities		-	-	-	-	-	-	-	-	-
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
	Community Assets										
	Heritage Assets		-	-	-	-	-	-	-	-	-
	Revenue Generating		-	-	-	-	-	-	-	-	-
	Non-revenue Generating		-	-	-	-	-	-	-	-	-
	Investment properties										
	Operational Buildings		-	-	-	-	-	-	200	210	220
	Housing		-	-	-	-	-	-	-	-	-
	Other Assets								200	210	220
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
	Services		-	-	-	-	-	-	-	-	-
	Licences and Rights		-	-	-	-	-	-	-	-	-
	Intangible Assets										
	Computer Equipment		-	-	-	-	-	-	2 500	2 620	2 746
	Furniture and Office Equipment		-	-	-	-	-	-	650	680	713
	Machinery and Equipment		-	-	-	-	-	-	-	-	-
	Transport Assets		-	-	-	-	-	-	-	-	-
	Land		-	-	-	-	-	-	15 000	7 000	7 000
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets											
6	Roads Infrastructure		-	-	-	-	-	-	-	-	-
	Storm water Infrastructure		-	-	-	-	-	-	-	-	-
	Electrical Infrastructure		-	-	-	-	-	-	-	-	-
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
	Rail Infrastructure		-	-	-	-	-	-	-	-	-
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
	Infrastructure										
	Community Facilities		-	-	-	-	-	-	-	-	-
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
	Community Assets										
	Heritage Assets		-	-	-	-	-	-	-	-	-
	Revenue Generating		-	-	-	-	-	-	-	-	-
	Non-revenue Generating		-	-	-	-	-	-	-	-	-
	Investment properties										
	Operational Buildings		-	-	-	-	-	-	200	210	220
	Housing		-	-	-	-	-	-	-	-	-
	Other Assets								200	210	220
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
	Services		-	-	-	-	-	-	-	-	-
	Licences and Rights		-	-	-	-	-	-	-	-	-
	Intangible Assets										
	Computer Equipment		-	-	-	-	-	-	2 500	2 620	2 746
	Furniture and Office Equipment		-	-	-	-	-	-	650	680	713
	Machinery and Equipment		-	-	-	-	-	-	-	-	-
	Transport Assets		-	-	-	-	-	-	-	-	-
	Land		-	-	-	-	-	-	15 000	7 000	7 000
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure		39 044	36 119	46 456	36 593	-	-	67 789	71 289	73 944	
4	Roads Infrastructure		34 088	35 994	43 585	35 130	-	-	35 077	37 919	39 999
	Storm water Infrastructure		-	-	-	-	-	-	-	-	-
	Electrical Infrastructure		1 275	125	2 871	1 463	-	-	4 220	12 667	14 617
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
	Rail Infrastructure		-	-	-	-	-	-	3 400	3 556	3 720
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
	Infrastructure		35 363	36 119	46 456	36 593			42 697	54 743	58 336
	Community Facilities		-	-	-	-	-	-	6 742	6 637	4 930
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
	Community Assets								6 742	6 637	4 930
	Heritage Assets		-	-	-	-	-	-	-	-	-
	Revenue Generating		-	-	-	-	-	-	-	-	-
	Non-revenue Generating		-	-	-	-	-	-	-	-	-
	Investment properties										
	Operational Buildings		-	-	-	-	-	-	200	210	220
	Housing		-	-	-	-	-	-	-	-	-
	Other Assets								200	210	220
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
	Services		-	-	-	-	-	-	-	-	-
	Licences and Rights		-	-	-	-	-	-	-	-	-
	Intangible Assets										
	Computer Equipment		-	-	-	-	-	-	2 500	2 620	2 746
	Furniture and Office Equipment		-	-	-	-	-	-	650	680	713
	Machinery and Equipment		3 681	-	-	-	-	-	-	-	-
	Transport Assets		-	-	-	-	-	-	-	-	-
	Land		-	-	-	-	-	-	15 000	7 000	7 000
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total ASSET REGISTER SUMMARY - PPE (WDV)		635 568	637 461	601 315	673 810	673 810		673 810			
5	Roads Infrastructure		405 302	427 549	431 343	45 377	-	-	376 468	-	-
	Storm water Infrastructure		-	-	-	-	-	-	-	-	-
	Electrical Infrastructure		42 895	41 146	76 092	92 199	-	-	42 199	-	-
	Water Supply Infrastructure		-	2	-	-	-	-	-	-	-
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
	Rail Infrastructure		-	-	131	2	-	2	-	-	-
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
	Infrastructure		32 197	23 084	507 565	514 046			514 046		
	Community Facilities		-	-	-	-	-	-	-	-	-
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
	Community Assets		480 394	491 791	507 565	514 046			514 046		
	Heritage Assets		51 275	44 207	23 222	79 308	-	-	79 308	-	-
	Revenue Generating		405	405	-	405	-	-	405	-	-
	Non-revenue Generating		-	-	-	-	-	-	-	-	-
	Investment properties		54 973	53 836	53 836	53 836			53 836		
	Operational Buildings		46 554	45 596	70 528	1 010	-	-	1 010	-	-
	Housing		-	-	-	-	-	-	-	-	-
	Other Assets		1 967	1 636							
	Biological or Cultivated Assets		-	-	-	-	-	-			

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

Table 20 MBRR Table A10 - Basic Service Delivery Measurement**NW385 Ramotshere Moiloa - 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
Household service targets	1									
Water:										
Piped water inside dwelling		9 657	10 264	–	10 281	10 281	–	10 281	10 281	10 281
Piped water inside yard (but not in dwelling)		–	4 296	–	4 296	4 296	–	4 296	4 296	4 296
Using public tap (at least min.service level)	2	–	26	–	523	523	–	523	523	523
Other water supply (at least min.service level)	4	937	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		10 595	14 586	–	15 100	15 100	–	15 100	15 100	15 100
Using public tap (< min.service level)	3	3 685	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	26 957	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		30 642	–	–	–	–	–	–	–	–
Total number of households	5	41 237	14 586	–	15 100	15 100	–	15 100	15 100	15 100
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		9 191	14 693	–	14 713	14 713	–	14 713	14 713	14 713
Flush toilet (with septic tank)		1 740	196	–	220	220	–	220	220	220
Chemical toilet		215	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		11 145	14 889	–	14 933	14 933	–	14 933	14 933	14 933
Bucket toilet		94	100	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		27 640	29 376	–	–	–	–	–	–	–
No toilet provisions		2 357	2 505	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		30 092	31 982	–	–	–	–	–	–	–
Total number of households	5	41 237	46 871	–	14 933	14 933	–	14 933	14 933	14 933
Energy:										
Electricity (at least min.service level)		968	846	–	505	505	–	505	505	505
Electricity - prepaid (min.service level)		1 193	4 414	–	4 941	4 941	–	4 941	4 941	4 941
<i>Minimum Service Level and Above sub-total</i>		2 161	5 260	–	5 446	5 446	–	5 446	5 446	5 446
Electricity (< min.service level)		29 385	31 231	–	30 877	30 877	–	30 877	30 877	30 877
Electricity - prepaid (< min. service level)		9 691	10 299	–	32 061	32 061	–	32 061	32 061	32 061
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		39 076	41 530	–	62 938	62 938	–	62 938	62 938	62 938
Total number of households	5	41 237	46 790	–	68 384	68 384	–	68 384	68 384	68 384
Refuse:										
Removed at least once a week		8 478	9 011	–	8 013	8 013	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		8 478	9 011	–	8 013	8 013	–	–	–	–
Removed less frequently than once a week		–	–	–	330	330	–	330	330	330
Using communal refuse dump		319	339	–	351	351	–	351	351	351
Using own refuse dump		29 533	31 388	–	29 160	29 160	–	29 160	29 160	29 160
Other rubbish disposal		459	487	–	441	441	–	441	441	441
No rubbish disposal		2 449	2 602	–	2 400	2 400	–	2 400	2 400	2 400
<i>Below Minimum Service Level sub-total</i>		32 759	34 816	–	32 682	32 682	–	32 682	32 682	32 682
Total number of households	5	41 237	43 827	–	40 695	40 695	–	32 682	32 682	32 682
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		1 440	–	–	1 077	1 077	–	–	–	–
Sanitation (free minimum level service)		1 595	–	–	1 392	1 392	–	1 392	1 392	1 392
Electricity/other energy (50kwh per household per month)		6 841	–	–	3 287	3 287	–	3 287	3 287	3 287
Refuse (removed at least once a week)		1 595	–	–	1 392	1 392	–	1 392	1 392	1 392
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		493	–	–	1 247	1 247	–	–	–	–
Sanitation (free sanitation service to indigent households)		310	–	–	1 658	1 658	–	1 658	1 658	1 658
Electricity/other energy (50kwh per indigent household per month)		4 487	–	–	820	820	–	820	820	820
Refuse (removed once a week for indigent households)		2 091	–	–	54	54	–	54	54	54
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		7 380	–	–	3 778	3 778	–	2 531	2 531	2 531
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)										
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)										
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 per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	–	–	–	–	–	–	–	–	–

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is 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.

2.1.1 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 September 2018) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in September 2018. Key dates applicable to the process were:

- **August 2018** – Review Provincial IDP assessment report;
- **November 2018** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **3 to 7 January 2019** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2019** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **28 January 2019** - Council considers the 2018/19 Mid-year Review and Adjustments Budget;
- **February 2019** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2019/20 MTREF is revised accordingly;
- **27 March 2019** - Tabling in Council of the draft 2019/20IDP and 2019/20 MTREF for public consultation;
- **April 2019** – Public consultation;
- **3 May 2019** - Closing date for written comments;
- **1 May 2019 to 17 May 2019** – finalisation of the 2019/20IDP and 2019/20MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **28 May 2019** - Tabling of the 2019/20MTREF before Council for consideration and approval.

There were deviations from the key dates set out in the Budget Time Schedule tabled in Council due to many factors beyond the control of the municipality

2.1.2 IDP and Service Delivery and Budget Implementation Plan

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 fourth 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, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2020/20 MTREF, based on the approved 2019/20 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2020/21 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2019/20 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 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 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 2018/19 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

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

2.1.4 Community Consultation

The draft 2020/21 MTREF as tabled before Council in **March 2020 for** community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees will be utilised to facilitate the community consultation process **in April 2020**. The applicable dates and venues will be published in all the local newspapers and on the municipal website. Individual sessions will be scheduled with organised business to further ensure transparency and interaction. Other stakeholders involved in the consultation includes churches, non-governmental institutions and community-based organisations.

2.2 Overview of alignment of annual budget with IDP

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

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

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 six strategic objectives or key performance areas for the 2020/21 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 21 IDP Strategic Objectives

KPA	KPA Description
KPA 1	TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT
KPA 2	GOOD GOVERNANCE
KPA 3	LOCAL ECONOMIC DEVELOPMENT
KPA 4	FINANCIAL VIABILITY
KPA 5	BASIC SERVICE DELIVERY AND INFRASTRUCTURE
KPA 6	MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

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.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Ramotshere Moiloa Local Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2020/21 MTREF has therefore been directly informed by the IDP revision process and the SA 4, 5 and 6 tables below provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 22 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

NW385 Ramotshere Moiloa - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

WV05 Kaitiakihe Mōhio - Supporting Table 04A Reconciliation of RDP Strategic Objectives and Budget (Revenue)													
Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
R thousand													
Good Governance				339	27 915	19 823	38 079	38 010	38 010				
Operational Transformation and Public Participation				9 580		24 854	7 442	7 442	7 442				
Planning and LED				1 055	–	16 997	5 856	5 856	5 856				
Financial Viability				180 228	68 118	99 250	81 592	80 662	80 662				
Service Delivery				126 906	137 899	137 243	110 989	103 109	103 109				
Community Services				17 889	40 364		38 599	43 272	43 272				
Roads and infrastructure							62 296	63 896	63 896				
Organisational Transformation							18 325	21 325	21 325				
Municipal Buildings							9 832	9 832	9 832				
municipal planning							4 770	4 770	4 770				
Municipal governance and administration							3 100	3 100	3 100	160 507	167 186	174 561	
Community and public safety										17 944	18 377	19 771	
Economic and environmental services										108 904	115 703	124 002	
Other										150 214	170 320	179 908	
										–	–	–	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	335 997	274 296	298 167	380 879	381 272	381 272	437 570	471 585	498 241

Table 23 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

NW385 Ramotshere Moiloa - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Woods Kaniotshere Mwenba - Supporting Table C4a Reconciliation of RDR Strategic Objectives and Budget (Operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
R thousand													
Good Governance				17 960	11 228	19 823	39 232	45 909	45 909				
Promote Community participation				2 456		24 854	7 581						
Planning and LED				2 376	30 545	10 567	5 450	10 046	10 046				
Financial Viability				143 191	126 140	79 822	54 348	89 436	89 436				
Service Delivery				88 242	86 033	149 108	93 646	142 281	142 281				
Community Services				42 494	30 545		42 644	46 551	46 551				
Roads and infrastructure							54 406						
Organisational Transformation							17 825						
Municipal Buildings							9 832						
municipal planning							4 790						
Information Technology							4 190						
Municipal governance and administration										208 611	219 499	217 409	
Community and public safety										13 522	21 521	22 684	
Economic and environmental services										85 401	69 320	73 023	
Other										122 024	140 295	147 884	
Allocations to other priorities													
Total Expenditure				1	296 718	284 492	284 174	333 943	334 223	334 223	429 558	450 635	460 999

Table 24 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

NW385 Ramotshere Moiloa - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand												
Governance and administration		A		1 201	3 681	2 994	0	200	200		–	
Economic and environmental services		B		53 944	34 088	33 000	43 585	38 053	38 053	35 130	37 060	39 742
Trading services		C		–	6 276	–	11 535	9 269	9 269	1 053	12 800	13 504
Community and public safety		D						1 073	1 073	410	3 000	
LED and Planning		E										
Financial Viability		F										
		G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	55 146	44 045	35 994	55 120	48 595	48 595	36 593	52 860	53 246

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

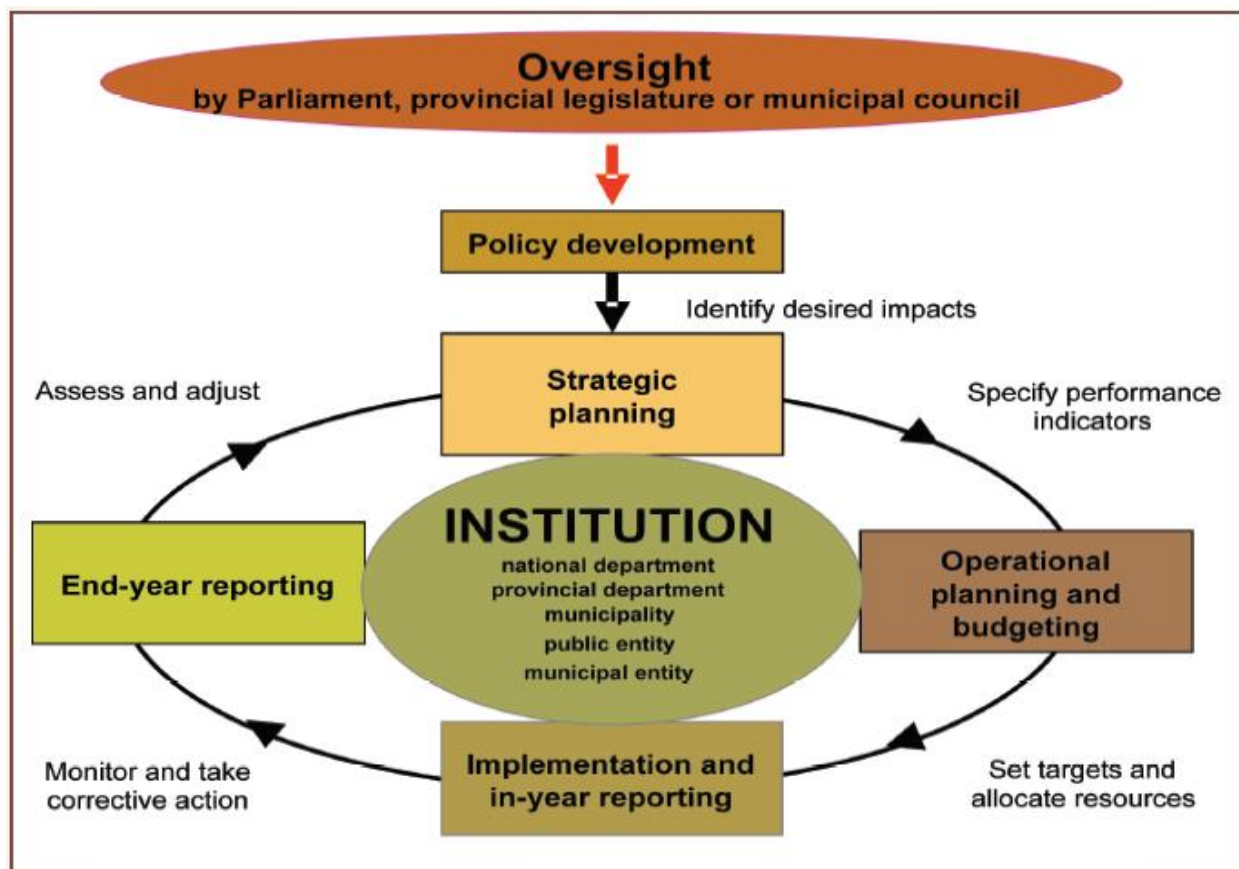


Figure 2 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

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

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

SA 7 table below illustrates Ramotshere Moiloa Local Municipality's measurable performance objectives and indicators.

Table 25 MBRR Table SA7 - Measurable performance objectives

NW385 Ramotshere Moiloa - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 1 - Executive and Council										
Office of the Municipal Manager										
Sub-function 1 - (name)										
<i>Provide planning and performance management</i>								100,0%		
Promote good governance and public										
Sub-function 2 - (name)										
Sub-function 3 - (name)										
Office of the Mayor										
Sub-function 1 - (name)										
<i>Social Cohesion</i>								100,0%		
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Vote 2 - Finance & Administration										
Budget and Treasury										
Sub-function 1 - (name)										
<i>To achieve clean audit</i>								100,0%		
To provide financial excellence										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Human Resource										
Sub-function 1 - (name)										
<i>To provide legal Service</i>								100,0%		
To Recruit and retain talented employees										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Vote 3 - Planning & Development										
Local Economic Development										
Sub-function 1 - (name)										
<i>Promote local Economic Development</i>								100,0%		
Provide Town Planning Service										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
And so on for the rest of the Votes										

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

Table 26 MBRR Table SA8 - Performance indicators and benchmarks

NW385 Ramotshere Moiloa - Supporting Table SA8 Performance indicators and benchmarks

NW365 Ramothshere Morija - Supporting Table 3A6 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2,3%	3,1%	0,4%	0,1%	0,5%	0,5%	0,0%	2,3%	2,3%	2,4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5,3%	8,3%	0,9%	0,3%	1,0%	1,0%	0,0%	4,5%	4,6%	4,7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0,0%	28,2%	19,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Safety of Capital</u>											
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%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0,8	0,8	0,8	2,7	2,7	2,7	–	1,5	1,8	1,8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0,8	0,8	0,8	2,7	2,7	2,7	–	1,5	1,8	1,8
Liquidity Ratio	Monetary Assets/Current Liabilities	0,1	0,0	0,1	–	–	–	–	0,3	0,3	0,3
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		73,6%	80,3%	81,1%	86,3%	79,0%	79,0%	0,0%	90,0%	82,1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		73,6%	80,3%	80,1%	86,3%	79,0%	79,0%	0,0%	82,4%	82,1%	78,1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	19,4%	29,9%	27,2%	41,5%	40,5%	40,5%	0,0%	17,6%	17,7%	17,6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		1129,8%	4844,5%	732,0%	479,3%	110,2%	110,2%	0,0%	170,2%	211,7%	193,8%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)								1217615		
	Total Cost of Losses (Rand '000)								11 447		
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	42,6%	51,6%	41,3%	39,6%	38,8%	38,8%	0,0%	39,1%	39,5%	39,2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	46,9%	56,3%	51,9%	44,4%	43,5%	0,0%		43,0%	43,4%	43,1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3,7%	2,6%	1,3%	6,5%	8,8%	8,8%		8,8%	8,9%	8,8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	16,9%	17,2%	11,3%	9,6%	9,8%	9,8%	0,0%	9,7%	9,8%	9,8%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	87,6	105,3	154,2	1 095,0	1 095,0	1 095,0	–	411,3	404,7	420,0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	45,9%	73,7%	67,0%	87,8%	89,6%	89,6%	0,0%	35,7%	36,4%	37,0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0,4	0,1	0,8	0,5	2,1	2,1	–	0,9	0,8	0,9

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Ramotshere Moiloa Local Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. Ramotshere Moiloa Local Municipality's creditworthiness does not allow it to borrow funds to fund capital expenditure. The following financial performance indicators have formed part of the compilation of the 2019/20MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing.

2.3.1.2 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 gearing ratio* is a measure of the total long term borrowings over funds and reserves.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2020/21 MTREF the current ratio is 1.2 in the 2020/21 financial year and 1.6 and 2.1 for the two outer years of the MTREF. 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 extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2018/19 financial year the ratio was 0.2 and as part of the financial planning strategy it has been decreased to 0.1 in the 2019/20 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.3.1.6 Other Indicators

- Employee costs as a percentage of operating revenue continues to increase over the MTREF.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases

increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2019/20 financial year 2 080 registered indigents have been provided for in the budget. This is due to the proper capturing of indigents on the municipality's indigent database. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 kwh of electricity, 6kl sanitation as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

2.4 Overview of budget related-policies

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

2.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by and reviewed when the budget was approved. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate.

Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. 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 85 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

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

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

2.4.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues

to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council.

2.4.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The Budget and Virement Policy was approved by Council.

2.4.6 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy was adopted by Council. 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 introduces time frames to achieve certain benchmarks.

2.4.7 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

2.4.8 Financial Modelling and Scenario Planning Policy

The Financial Modelling and Scenario Planning Policy has directly informed the compilation of the 2020/21 MTREF with the emphasis on affordability and long-term sustainability. The policy dictates the approach to longer term financial modelling. The outcomes are then filtered into the budget process. The model and scenario planning outcomes are taken to Council every

November and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features of the policy is the emphasis on financial sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

- Approved 2019/20 Adjustments Budget;
- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

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

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

2.5 Overview of budget assumptions

2.5.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained

expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

2.5.2 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (75 per cent) of annual billings. Cash flow is assumed to be 75 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.3 Growth or decline in tax base of the municipality

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

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

2.5.4 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2018 and shall remain in force until 30 June 2021. The percentage increase for year 1 (2018/19) was 7%, with CPI + 1.5% and CPI + 1.2% increment for outer years respectfully.

2.5.5 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:

- 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.

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

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2020/21 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

Table 27 Breakdown of the operating revenue over the medium-term

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Financial Performance										
Property rates	49 857	27 847	34 942	42 191	49 549	49 549	-	68 932	68 932	68 932
Service charges	64 607	67 985	70 066	111 557	101 090	101 090	-	128 466	135 387	142 698
Investment revenue	1 229	613	1 876	170	170	170	-	180	189	200
Transfers recognised - operational	141 529	130 672	142 307	157 762	164 459	164 459	-	179 900	189 111	206 704
Other own revenue	13 400	9 848	9 663	14 009	17 810	17 810	-	23 820	25 106	26 462
Total Revenue (excluding capital transfers and contributions)	270 623	236 965	258 853	325 690	333 078	333 078	-	401 297	418 725	444 994

Figure 3 Breakdown of operating revenue over the 2019/20MTREF

NW385 Ramotshere Moiloa - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	49 857	27 847	34 942	42 191	49 549	49 549	-	68 932	68 932	68 932
Service charges - electricity revenue	2	48 908	51 739	51 745	75 675	61 507	61 507	-	86 139	90 790	95 693
Service charges - water revenue	2	7 718	7 329	8 882	16 775	17 975	17 975	-	18 360	19 351	20 396
Service charges - sanitation revenue	2	2 106	2 192	2 401	4 740	6 240	6 240	-	3 064	3 229	3 403
Service charges - refuse revenue	2	5 875	6 725	7 038	14 368	15 368	15 368	-	20 904	22 017	23 206
Rental of facilities and equipment		198	305	142	9	9	9		9	9	10
Interest earned - external investments		1 229	613	1 876	170	170	170		180	189	200
Interest earned - outstanding debtors		-	-	-	799	799	799		842	887	935
Dividends received											
Fines, penalties and forfeits		5 644	4 995	5 575	402	4 002	4 002		4 218	4 446	4 686
Licences and permits		3 532	2 779	1 100	4 147	4 147	4 147		4 055	4 274	4 505
Agency services			-		-						
Transfers and subsidies		141 529	130 672	142 307	157 762	164 459	164 459		179 900	189 111	206 704
Other revenue	2	2 447	1 768	2 846	5 953	6 153	6 153	-	7 196	7 584	7 994
Gains on disposal of PPE		1 580	-	-	2 700	2 700	2 700		7 500	7 905	8 332
Total Revenue (excluding capital transfers and contributions)		270 623	236 965	258 853	325 690	333 078	333 078	-	401 297	418 725	444 994

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity,

sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

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

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 75 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- The ability to extend new services and obtain cost recovery levels.

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

The proposed tariff increases for the 2020/21 MTREF on the different revenue categories are:

Table 28 Proposed tariff increases over the medium-term

DRAFT TARIFF STRUCTURE - PROPERTY RATES										
2019/20 FINANCIAL YEAR										
PROPERTY RATES	CATEGORY OF PROPERTY									
	Residential/ Domestic	Industrial	Business/ Commercial	Agricultural	Mining	properties owned by organ of state used for public service purpose	Public Service Infrastructur e	Property owned by public benefit organisations and used for specific public benefit activities	Property used for multi purpose, subject to section 9	Special Category
Basic Charge - (in the Rand value) All areas	0,01696	0,03392	0,03392	0,00424	0,03392	0,00424	0,00424	-		
Rebates - %								100%		10%
Retired and disabled persons on residential properties	-	-	-	-	-	-	-	-		-
month(excluding indigents)	50%	-	-	-	-	-	-	-		-
Owner with income between R5001 and R10 000	40%	-	-	-	-	-	-	-		-
As contemplated in paragraph 10 (1) and (2) of the Municipal Property Rates Policy										
Exemptions										
Reductions										
Municipal Property Rates Act 2004	R15 000			R15 000						
% Discount - full settlement of rates before 30 September each year	10%	10%	10%	10%		10%				10%
CONSUMER DEPOSITS - (Rand value)	R 2 812	R 14 058	R 33 740	R -		R 33 740	R 33 740	R 11 247		R 5 623

Revenue to be generated from property rates is R 68.9 million in the 2019/20 financial year which represents 17 per cent of the operating revenue base of the Municipality. It remains

relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The Municipality is still in a process of further data verification and validation relating to the valuation roll. In addition there are still outstanding objections. As the levying of property rates is considered a strategic revenue source, supplementary valuation process will be undertaken in the 2020/21 till 2023/24 financial years. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Operational grants and subsidies constitutes the biggest component of the revenue basket of the Municipality totaling amount to R 179.9 million, R189.1 million and R206.7 million for each of the respective financial years of the MTREF. This translates to 45 per cent of the total revenue of the municipality

Services charges relating to electricity, water, sanitation and refuse removal constitutes the second biggest component of the revenue basket of the Municipality totaling R128.4 million for the 2019/20 financial year. For the 2019/20 financial year services charges amount to 32 per cent of the total revenue base.

Investment revenue contributes marginally to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

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

Table 29 MBRR SA15 – Detail Investment Information

NW385 Ramotshere Moiloa - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		1 980	11 062	17 300				2 325	2 451	2 583
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	1 980	11 062	17 300	-	-	-	2 325	2 451	2 583
Entities										
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:		1 980	11 062	17 300	-	-	-	2 325	2 451	2 583

Table 30 MBRR SA16 – Investment particulars by maturity

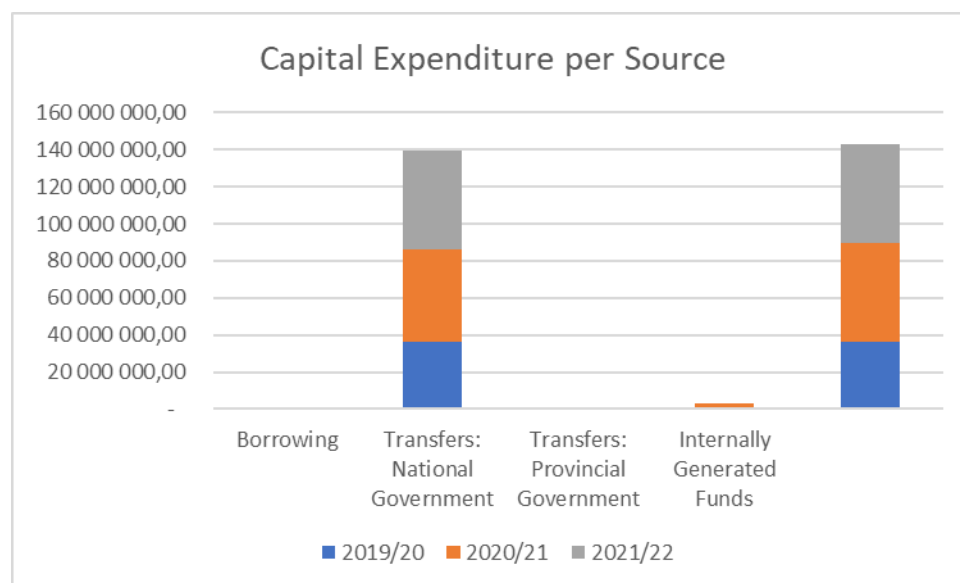
NW385 Ramotshere Moiloa - Supporting Table SA16 Investment particulars by maturity														
Investments by Maturity	Ref	Period of investment	Type of investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
SANLAM 04001352X4		20 YEARS	FIXED	Yes	FIXED	5.5	N/A	N/A	21 June 2020	1 900	200	N/A	N/A	2 100
														-
														-
														-
Municipality sub-total										1 900		-	-	2 100
Entities														
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									1 900		-	-	2 100

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2019/20 medium-term capital programme:

Table 31 Sources of capital revenue over the MTREF

Funded by:											
National Government		52 753	34 088	32 575	55 120	47 322	47 322		36 183	49 860	53 246
Provincial Government						1 073	1 073		110		
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	52 753	34 088	32 575	55 120	48 395	48 395	–	36 293	49 860	53 246
Borrowing	6										
Internally generated funds		2 887	3 681	3 419		200	200		300	3 000	
Total Capital Funding	7	55 640	37 769	35 994	55 120	48 595	48 595	–	36 593	52 860	53 246

**Figure 8 Sources of capital revenue for the 2019/2020 financial year**

Capital grants and receipts equates to 99 per cent of the total funding source which represents R36.2 million for the 2019/20 financial year.

As explained earlier, the borrowing capacity of the Municipality has essentially reached its limits.

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

Table 32 MBRR Table SA 17 - Detail of borrowings

NW385 Ramotshere Moiloa - Supporting Table SA17 Borrowing

Borrowing - Categorised by type R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality										
Annuity and Bullet Loans								2 577	2 173	1 765
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases								1 440	1 440	1 440
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	4 017	3 613	3 205
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	-	-	-	-	-	-	4 017	3 613	3 205
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)								2 577	2 173	1 765
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		4 697	3 718	2 956				1 440	1 440	1 440
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	4 697	3 718	2 956	-	-	-	4 017	3 613	3 205
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	4 697	3 718	2 956	-	-	-	4 017	3 613	3 205

Table 33 MBRR Table SA 18 - Capital transfers and grant receipts

NW385 Ramotshere Moiloa - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		106 164	132 599	–	156 482	156 482	–	177 236	189 306	203 747
Local Government Equitable Share		102 166	126 139		153 173	153 173		174 021	187 091	201 532
Municipal Systems Improvement		934								
Finance Management		1 600	1 810		2 215	2 215		2 215	2 215	2 215
EPWP Incentive		1 464	1 104		1 094	1 094		1 000		
Other transfers/grants [insert description]			3 546							
Provincial Government:		500	1 000	–	1 280	1 150	–	640	770	812
Sport and Recreation		500	1 000		1 280	1 150		640	770	812
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	106 664	133 599	–	157 762	157 632	–	177 876	190 076	204 559
Capital Transfers and Grants										
National Government:		38 493	31 914	–	55 120	47 322	–	38 207	51 895	55 391
Municipal Infrastructure Grant (MIG)		34 624	31 914		45 851	38 053		37 154	39 095	41 887
Neighbourhood Development Partnership		3 869								
INEP					9 269	9 269		1 053	12 800	13 504
Provincial Government:		–	–	–	–	–	–	110	–	–
Sport and Recreation								110		
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	38 493	31 914	–	55 120	47 322	–	38 317	51 895	55 391
TOTAL RECEIPTS OF TRANSFERS & GRANTS		145 157	165 513	–	212 882	204 954	–	216 193	241 971	259 950

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for Councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 34 MBRR Table A7 - Budget cash flow statement

NW385 Ramotshere Moiloa - Table A7 Budgeted Cash Flows											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		42 358	20 120	14 082	38 648	28 000	28 000	10 789	65 485	65 485	65 485
Service charges		41 899	56 827	70 066	93 967	91 043	91 043	21 496	97 098	102 330	99 698
Other revenue		3 145	5 648	6 763	10 250	18 789	18 789	28 484	18 477	19 124	17 543
Government - operating	1	138 639	131 099	143 516	157 762	164 459	164 459	120 369	179 234	189 576	204 017
Government - capital	1	43 182	37 331	39 313	55 120	48 395	48 395	26 322	36 479	49 860	53 246
Interest		1 229	613		756	153	153	12	511	538	567
Dividends						414	414		-	-	-
Payments											
Suppliers and employees		(221 616)	(213 463)	(222 950)	(282 716)	(257 426)	(257 426)	(165 790)	(350 618)	(368 053)	(373 351)
Finance charges		(5 822)	(7 334)	(5 286)	(479)	(479)	(479)		(10 000)	(10 540)	(11 109)
Transfers and Grants	1					(5 926)	(5 926)	(3 886)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		43 014	30 841	45 504	73 308	87 422	87 422	37 796	36 665	48 321	56 097
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			43	(125)					3 460	500	542
Decrease (Increase) in non-current debtors									15 000	-	-
Decrease (increase) other non-current receivables				1 053					-	-	-
Decrease (increase) in non-current investments		0	0						2 100	-	-
Payments											
Capital assets		(53 702)	(37 733)	(33 594)	(67 877)	(47 050)	(47 050)	(36 266)	(36 779)	(52 860)	(53 246)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(53 702)	(37 690)	(32 666)	(67 877)	(47 050)	(47 050)	(36 266)	(16 219)	(52 360)	(52 704)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing			2 808	652					-	-	-
Increase (decrease) in consumer deposits		319	183	136					-	-	-
Payments											
Repayment of borrowing		(1 013)	(861)	(1 010)					-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(694)	2 130	(222)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(11 382)	(4 719)	12 616	5 432	40 373	40 373	1 530	20 446	(4 040)	3 392
Cash/cash equivalents at the year begin:	2	18 136	6 754	2 035	5 000	5 000	5 000	14 651	6 000	26 446	22 406
Cash/cash equivalents at the year end:	2	6 754	2 035	14 651	10 432	45 373	45 373	16 182	26 446	22 406	25 798

The above table shows that cash and cash equivalents of the Municipality are steadily decreasing in 2019/20 financial year however a positive cash balance of R 20.4 million to a is maintained.

2.6.4 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 35 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

NW385 Ramotshere Moiloa - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	6 754	2 035	14 651	10 432	45 373	45 373	16 182	26 446	22 406	25 798
Other current investments > 90 days		2 103	2 112	2 325	(10 432)	(45 373)	(45 373)	(16 182)	(9 469)	(4 513)	(6 939)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		8 858	4 146	16 976	-	-	-	-	16 976	17 893	18 859
Application of cash and investments											
Unspent conditional transfers		-	2 204	3 412	-	-	-	-	13 000	-	-
Unspent borrowing		4 697	3 718	2 956	-	-	-	-	4 017	3 613	3 205
Statutory requirements	2										
Other working capital requirements	3	39 890	43 207	60 516	(66 849)	(62 262)	(62 262)	-	(2 122)	(2 032)	1 041
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		44 587	49 129	66 885	(66 849)	(62 262)	(62 262)	-	14 895	1 581	4 247
Surplus(shortfall)		(35 730)	(44 983)	(49 909)	66 849	62 262	62 262	-	2 081	16 312	14 612

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 36 MBRR SA10 – Funding compliance measurement

NW385 Ramotshere Moiloa Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	6 754	2 035	14 651	10 432	45 373	45 373	16 182	26 446	22 406	25 798
Cash + investments at the yr end less applications - R'000	18(1)b	2	(35 730)	(44 983)	(49 909)	66 849	62 262	62 262	–	2 081	16 312	14 612
Cash year end/monthly employee/supplier payments	18(1)b	3	0,4	0,1	0,8	0,5	2,1	2,1	–	0,9	0,8	0,9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	39 280	(10 196)	13 993	46 867	47 000	47 000	–	8 012	20 951	37 242
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	(22,3%)	3,6%	40,4%	(8,0%)	(6,0%)	(106,0%)	25,0%	(2,5%)	(2,4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	69,2%	78,2%	79,3%	86,6%	83,2%	83,2%	0,0%	84,7%	84,4%	79,5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	4,0%	5,1%	7,1%	13,9%	14,1%	14,1%	0,0%	20,1%	20,3%	14,0%
Capital payments % of capital expenditure	18(1)c,19	8	97,4%	85,7%	93,3%	123,1%	96,8%	96,8%	0,0%	100,5%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	28,2%	19,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100,0%	100,0%	100,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	34,6%	(0,5%)	91,5%	0,0%	0,0%	(100,0%)	(47,8%)	5,4%	5,4%
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	1,7%	1,1%	0,6%	0,0%	0,0%	0,0%	0,0%	5,7%	6,0%	6,3%
Asset renewal % of capital budget	20(1)(vi)	14	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

2.6.5.1 Cash/cash equivalent position

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

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2019/20 MTREF shows R63.9 million, R152.8 million and R287.4 million for each respective financial year.

2.6.5.2 Cash plus investments less application of funds

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

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

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

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

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

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 74.7, 76.0 and 75.5 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 75 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 27.2, 22.0 and 16.9 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position

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

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded

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

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

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance is contained in Table 60 MBRR SA34C.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 37 MBRR SA19 - Expenditure on transfers and grant programmes

NW385 Ramotshere Moiloa - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		106 164	132 599	–	156 482	156 482	–	177 236	189 306	203 747
Local Government Equitable Share		102 166	126 139		153 173	153 173		174 021	187 091	201 532
Municipal Systems Improvement		934								
Finance Management		1 600	1 810		2 215	2 215		2 215	2 215	2 215
EPWP Incentive		1 464	1 104		1 094	1 094		1 000		
Other transfers/grants [insert description]			3 546							
Provincial Government:		500	1 000	–	1 280	1 150	–	640	770	812
Sport and Recreation		500	1 000		1 280	1 150		640	770	812
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants		106 664	133 599	–	157 762	157 632	–	177 876	190 076	204 559
Capital expenditure of Transfers and Grants										
National Government:		38 493	31 914	–	55 120	47 322	–	38 207	51 895	55 391
Municipal Infrastructure Grant (MIG)		34 624	31 914		45 851	38 053		37 154	39 095	41 887
Neighbourhood Development Partnership		3 869								
INEP					9 269	9 269		1 053	12 800	13 504
Provincial Government:		–	–	–	–	–	–	110	–	–
Sport and Recreation								110		
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total capital expenditure of Transfers and Grants		38 493	31 914	–	55 120	47 322	–	38 317	51 895	55 391
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		145 157	165 513	–	212 882	204 954	–	216 193	241 971	259 950

Table 38 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**NW385 Ramotshere Moiloa - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		26 860						-		
Current year receipts		51 949	60 567					177 236		
Conditions met - transferred to revenue		78 808	60 567	-	-	-	-	177 236	-	-
Conditions still to be met - transferred to liabilities								-		
Provincial Government:										
Balance unspent at beginning of the year		500	500					-		
Current year receipts		1 000	1 000					640		
Conditions met - transferred to revenue		1 500	1 500	-	-	-	-	640	-	-
Conditions still to be met - transferred to liabilities								-		
District Municipality:										
Balance unspent at beginning of the year		5 000								
Current year receipts										
Conditions met - transferred to revenue		5 000	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		85 308	62 067	-	-	-	-	177 876	-	-
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year								13 000		
Current year receipts								38 207		
Conditions met - transferred to revenue		-	-	-	-	-	-	51 207	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts								110		
Conditions met - transferred to revenue		-	-	-	-	-	-	110	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	-	-	-	-	51 317	-	-
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		85 308	62 067	-	-	-	-	229 193	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

2.8 Councillor and employee benefits

Table 39 MBRR SA22 - Summary of Councillor and staff benefits

NW385 Ramotshere Moiloa - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		6 386	6 275	9 387	10 709	10 800		11 864	11 732	13 456
Pension and UIF Contributions		1 114	1 113	1 128	1 114	1 114		1 780	1 760	2 018
Medical Aid Contributions		218	251	215	218	218				
Motor Vehicle Allowance		2 448	2 185	2 273	2 448	2 448				
Cellphone Allowance		671	592	623	671	671		1 797	1 863	2 038
Housing Allowances		716	812	89	716	716		122	121	138
Other benefits and allowances										
Sub Total - Councillors	4	11 553	11 228	13 725	15 876	15 967	—	15 562	15 476	17 650
% increase			(2,8%)	22,2%	15,7%	0,6%	(100,0%)	—	(0,5%)	14,0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		5 483	6 820	3 452	5 483	5 483		7 357	7 835	8 345
Pension and UIF Contributions		55			55	55				
Medical Aid Contributions		8 408	2 903		8 408	8 408				
Overtime										
Performance Bonus		772			772	772				
Motor Vehicle Allowance		8 408		1 200	8 408	8 408				
Cellphone Allowance				90				564	601	640
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave		8 471	326	47	13 960	16 190				
Long service awards										
Post-retirement benefit obligations										
Sub Total - Senior Managers of Municipality	6	31 597	10 049	4 789	42 575	47 035	—	7 921	8 436	8 984
% increase	4		(68,2%)	(52,3%)	788,9%	10,5%	(100,0%)	—	6,5%	6,5%
Other Municipal Staff										
Basic Salaries and Wages		55 834	78 466	82 398	55 834	49 295		90 026	102 797	106 398
Pension and UIF Contributions		12 335	12 297	12 787	12 335	12 335		13 137	13 991	14 900
Medical Aid Contributions		4 862	6 671	7 154	4 862	4 862		5 178	5 515	5 874
Overtime			2 378	2 766	5 489	7 720		7 720	8 222	534
Performance Bonus										
Motor Vehicle Allowance		1 856	4 036	3 141	1 856	1 856		5 626	2 222	144
Cellphone Allowance		233	346	295	233	233		4 002	493	4 035
Housing Allowances		651	750	907	653	651		651	693	45
Other benefits and allowances		7 916	6 764	6 282	5 028	5 097		5 747	6 121	6 519
Payments in lieu of leave			29	47						
Long service awards			397	133						
Post-retirement benefit obligations										
Sub Total - Other Municipal Staff	6	83 687	112 133	115 910	86 290	82 050	—	132 088	140 054	138 449
% increase	4		34,0%	3,4%	(25,6%)	(4,9%)	(100,0%)	—	6,0%	(1,1%)
Total Parent Municipality		126 837	133 410	134 424	144 741	145 052	—	155 570	163 966	165 084
% increase			5,2%	0,8%	7,7%	0,2%	(100,0%)	—	5,4%	0,7%
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Board Members of Entities	6	—	—	—	—	—	—	—	—	—
% increase	4		—	—	—	—	—	—	—	—
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Senior Managers of Entities	6	—	—	—	—	—	—	—	—	—
% increase	4		—	—	—	—	—	—	—	—
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Other Staff of Entities	6	—	—	—	—	—	—	—	—	—
% increase	4		—	—	—	—	—	—	—	—
Total Municipal Entities		—	—	—	—	—	—	—	—	—
TOTAL SALARY, ALLOWANCES & BENEFITS										
		126 837	133 410	134 424	144 741	145 052	—	155 570	163 966	165 084
% increase	4		5,2%	0,8%	7,7%	0,2%	(100,0%)	—	5,4%	0,7%
TOTAL MANAGERS AND STAFF	5,7	115 284	122 182	120 699	128 865	129 085	—	140 009	148 490	147 433

NW385 Ramotshere Moiloa - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

75 | Page

Table 41 MBRR SA24 – Summary of personnel numbers

NW385 Ramotshere Moiloa - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2017/18			Current Year 2018/19			Budget Year 2019/20		
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)			39		39	39		39	13		4
Board Members of municipal entities	4										39
Municipal employees											
Municipal Manager and Senior Managers	5										
Other Managers	3								7	–	7
Professionals	7		8		2	8		2	33	21	–
Finance			347	–	19	347	–	19	448	314	–
Spatial/town planning			60		8	60		8	66	41	–
Information Technology			14			14			14	10	–
Roads			5			5			5	3	–
Electricity			52			52			49	39	–
Water			18	–		18	–		44	35	–
Sanitation			23			23			103	87	–
Refuse			60			60			–	–	–
Other			4			4			94	39	–
Technicians			111		11	111		11	73	60	–
Finance			–	–	–	–	–	–	–	–	–
Spatial/town planning											
Information Technology											
Roads											
Electricity											
Water											
Sanitation											
Refuse											
Other											
Clerks (Clerical and administrative)											
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators											
Elementary Occupations											
TOTAL PERSONNEL NUMBERS	9		394	–	60	394	–	60	501	335	50

2.9 Monthly targets for revenue, expenditure and cash flow

Table 42 MBRR SA25 - Budgeted monthly revenue and expenditure

NW385 Ramotshere Moiloa - Supporting Table SA25 Budgeted monthly revenue and expenditure

Wrocs Ramothere monea - Supporting Table 04a: Budgeted monthly revenue and expenditure														Medium Term Revenue and Expenditure Framework		
Description	Ref	Budget Year 2019/20												Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June			
Revenue By Source																
Property rates		5 744	5 744	5 744	5 744	5 744	5 744	5 744	5 744	5 744	5 744	5 744	5 744	68 932	68 932	68 932
Service charges - electricity revenue		8 900	7 600	7 100	6 400	6 500	6 220	6 400	6 020	6 300	7 500	8 800	8 399	86 139	90 790	95 693
Service charges - water revenue		1 530	1 530	1 530	1 530	1 530	1 530	1 530	1 530	1 530	1 530	1 530	1 530	18 360	19 351	20 396
Service charges - sanitation revenue		255	255	255	255	255	255	255	255	255	255	255	255	3 064	3 229	3 403
Service charges - refuse revenue		1 742	1 742	1 742	1 742	1 742	1 742	1 742	1 742	1 742	1 742	1 742	1 742	20 904	22 017	23 206
Rental of facilities and equipment			2		1	1	3						2	9	9	10
Interest earned - external investments		15	15	15	15	15	15	15	15	15	15	15	15	180	189	200
Interest earned - outstanding debtors		70	70	70	70	70	70	70	70	70	70	70	70	842	887	935
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		352	352	352	352	352	352	352	352	352	352	352	352	4 218	4 446	4 686
Licences and permits		205	240	273	220	450	165	435	325	305	420	560	457	4 055	4 274	4 505
Agency services													—	—	—	—
Transfers and subsidies		61 950	333				58 340			58 007	270	333	646	179 880	189 111	206 704
Other revenue		125	1 252	825	350	550	950	750	350	250	750	450	594	7 196	7 584	7 994
Gains on disposal of PPE				3 000				2 500					2 000	7 500	7 905	8 332
Total Revenue (excluding capital transfers and contributions)		80 888	19 136	20 906	16 679	17 209	75 387	19 793	16 403	74 570	18 648	19 852	21 806	401 277	418 725	444 994
Expenditure By Type																
Employee related costs		13 076	13 076	13 076	13 076	13 076	13 076	13 076	13 076	13 076	13 076	13 076	13 076	156 911	165 379	174 310
Remuneration of councillors		1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	15 562	16 402	17 288
Debt impairment		3 305	3 305	3 305	3 305	3 305	3 305	3 305	3 305	3 305	3 305	3 305	3 305	39 655	41 419	29 713
Depreciation & asset impairment		2 427	2 427	2 427	2 427	2 427	2 427	2 427	2 427	2 427	2 427	2 427	2 427	29 122	30 695	32 352
Finance charges							5 000							5 000	10 000	11 109
Bulk purchases		5 421	4 500	4 100	3 100	3 200	4 500	4 200	4 100	5 402	4 521	4 500	6 606	54 150	57 074	60 156
Other materials		6 151	3 512	4 512	3 512	2 512	1 254	1 254	2 314	2 314	2 310	2 541	3 197	35 383	37 164	39 171
Contracted services		1 521	2 512	2 351	4 512	2 541	2 145	1 521	1 241	1 254	1 231	1 512	1 909	24 250	25 560	26 940
Transfers and subsidies													—	—	—	—
Other expenditure		12 100	7 500	7 500	3 500	6 500	3 510	2 541	4 500	4 500	7 500	3 500	1 374	64 525	66 402	69 961
Loss on disposal of PPE													—	—	—	—
Total Expenditure		45 297	38 128	38 567	34 728	34 857	36 513	29 620	32 259	33 574	35 666	32 157	38 190	429 558	450 635	460 999
Surplus/(Deficit)																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		12 160					12 160			11 973			0	36 293	52 860	53 246
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													—	—	—	—
Transfers and subsidies - capital (in-kind - all)													—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		47 751	(18 993)	(17 661)	(18 049)	(17 648)	51 033	(9 827)	(15 856)	52 970	(17 018)	(12 306)	(16 384)	8 012	20 951	37 242
Taxation													—	—	—	—
Attributable to minorities													—	—	—	—
Share of surplus/ (deficit) of associate													—	—	—	—
Surplus/(Deficit)	1	47 751	(18 993)	(17 661)	(18 049)	(17 648)	51 033	(9 827)	(15 856)	52 970	(17 018)	(12 306)	(16 384)	8 012	20 951	37 242

Table 43 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

NW385 Ramtoshere Moiloa - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote																
Vote 1 - Vote 1 - Executive & Council		17 838					17 838			17 838			-	53 514	57 533	61 974
Vote 2 - Vote 2 - Finance & Administration		7 946	7 946	7 946	7 946	7 946	7 946	7 946	7 946	7 946	7 946	7 946	7 946	95 351	97 136	99 104
Vote 3 - Vote 3 - Planning & Development		1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	19 254	19 456	20 762
Vote 4 - Vote 4 - Technical Services		17 367	17 367	17 367	17 367	17 367	17 367	17 367	17 367	17 367	17 367	17 367	17 367	208 408	232 493	247 166
Vote 5 - Community & Social Services		5 026	5 026	5 026	5 026	5 026	5 026	5 026	5 026	5 026	5 026	5 026	5 756	61 043	64 967	69 235
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		49 782	31 944	31 944	31 944	31 944	49 782	31 944	31 944	49 782	31 944	31 944	32 674	437 570	471 585	498 241
Expenditure by Vote to be appropriated																
Vote 1 - Vote 1 - Executive & Council		6 231	5 012	4 948	4 001	4 948	4 815	4 948	4 900	4 751	4 621	5 121	5 079	59 374	62 581	65 960
Vote 2 - Vote 2 - Finance & Administration		9 365	9 365	9 365	9 365	9 365	9 365	9 365	9 365	9 365	9 365	9 365	9 365	112 378	118 069	110 501
Vote 3 - Vote 3 - Planning & Development		2 510	958	975	985	865	925	1 020	1 020	745	654	111	1 471	12 240	11 293	11 875
Vote 4 - Vote 4 - Technical Services		11 120	13 230	17 512	21 450	18 230	17 510	18 230	16 151	14 541	12 541	19 710	2 356	182 582	192 120	202 494
Vote 5 - Community & Social Services		6 521	5 260	4 512	5 260	5 260	5 142	4 951	5 321	4 915	4 321	5 360	6 160	62 984	66 573	70 168
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		35 747	33 825	37 312	41 061	38 668	37 757	38 514	36 757	34 317	31 502	39 667	24 431	429 558	450 635	460 999
Surplus/(Deficit) before assoc.		14 035	(1 881)	(5 368)	(9 117)	(6 725)	12 025	(6 570)	(4 813)	15 465	442	(7 723)	8 243	8 012	20 951	37 242
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	14 035	(1 881)	(5 368)	(9 117)	(6 725)	12 025	(6 570)	(4 813)	15 465	442	(7 723)	8 243	8 012	20 951	37 242

Table 44 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

NW385 Ramotshere Moiloa - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional																
Governance and administration		44 505	3 521	3 000	7 541	4 512	44 505	1 514	2 514	44 505	1 541	1 651	1 199	160 507	167 186	174 561
Executive and council		15 660					15 660			15 660			6 534	53 514	57 533	61 974
Finance and administration		26 667	3 521	3 000	7 541	4 512	26 667	1 514	2 514	26 667	1 541	1 651	1 199	106 993	109 652	112 587
Internal audit		2 178					2 178			2 178			(6 534)	—	—	—
Community and public safety		5 475	121	120	100	135	5 346	89	134	5 534	78	75	(95)	17 113	18 377	19 771
Community and social services		2 141	121	120	100	135	2 012	89	134	2 200	78	75	(95)	7 110	7 624	8 188
Sport and recreation		2 932					2 932			2 932			—	8 796	9 457	10 187
Public safety													—	—	—	—
Housing		402					402			402			—	1 206	1 296	1 397
Health													—	—	—	—
Economic and environmental services		31 301	851	1 212	3 000	565	31 301	1 512	2 512	31 301	1 254	3 211	1 715	109 736	115 703	124 002
Planning and development		20 282	851	1 212	3 000	565	20 282	1 512	2 512	20 282	1 254	3 211	1 715	76 677	80 342	86 121
Road transport		11 020					11 020			11 020			0	33 059	35 361	37 880
Environmental protection													—	—	—	—
Trading services		16 698	12 518	12 345	12 518	12 518	16 698	12 518	12 518	14 301	11 745	10 760	5 076	150 214	170 320	179 908
Energy sources		8 515	7 419	7 419	7 419	7 419	8 515	7 419	7 419	8 515	7 419	7 419	4 129	89 025	105 522	111 233
Water management		2 321	1 736	1 564	1 736	1 736	2 321	1 736	1 736	2 321	1 736	1 736	155	20 837	21 962	23 148
Waste water management		2 651	1 265	1 265	1 265	1 265	2 651	1 265	1 265	254	695	851	487	15 177	16 228	17 378
Waste management		3 211	2 098	2 098	2 098	2 098	3 211	2 098	2 098	3 211	1 895	754	306	25 175	26 607	28 148
Other													—	—	—	—
Total Revenue - Functional		97 980	17 011	16 677	23 159	17 730	97 980	15 633	17 678	95 642	14 618	15 697	7 895	437 570	471 585	498 241
Expenditure - Functional																
Governance and administration		16 546	18 546	17 463	16 463	17 489	18 199	15 546	17 546	17 489	17 546	18 100	17 680	208 611	219 499	217 409
Executive and council		4 283	4 283	4 283	4 283	4 283	4 283	4 283	4 283	4 283	4 283	4 283	4 283	51 396	62 581	65 960
Finance and administration		11 598	13 598	12 515	11 515	12 541	13 251	10 598	12 598	12 541	12 598	13 152	12 732	149 237	156 918	151 449
Internal audit		665	665	665	665	665	665	665	665	665	665	665	665	7 978	—	—
Community and public safety		1 316	1 140	1 164	1 259	985	1 138	1 086	1 138	1 118	1 126	1 151	901	13 522	21 521	22 684
Community and social services		401	401	401	401	401	401	401	401	401	401	401	563	4 970	12 192	12 850
Sport and recreation		790	632	656	751	478	630	590	630	630	630	630	216	7 265	7 973	8 404
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		125	107	107	107	106	107	95	107	87	95	120	123	1 287	1 356	1 430
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		8 762	7 792	6 892	6 494	6 731	7 131	10 333	6 970	7 231	6 780	6 401	4 933	86 454	82 120	86 527
Planning and development		3 121	3 512	2 612	2 214	2 410	2 851	5 821	2 690	2 951	2 500	2 121	2 286	35 089	27 981	29 465
Road transport		5 641	4 280	4 280	4 280	4 321	4 280	4 512	4 280	4 280	4 280	4 280	2 647	51 365	54 138	57 062
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		11 811	10 062	9 356	10 168	8 465	10 277	10 062	12 127	10 990	10 168	10 168	7 316	120 971	127 495	134 380
Energy sources		7 512	6 690	5 984	6 690	4 987	6 690	6 690	8 951	7 512	6 690	6 690	4 146	79 233	83 507	88 017
Water management		1 254	985	985	1 091	1 091	1 200	985	789	1 091	1 091	1 091	1 441	13 097	13 804	14 550
Waste water management		1 524	1 384	1 384	1 384	1 384	1 384	1 384	1 384	1 384	1 384	1 384	1 245	16 613	17 505	18 450
Waste management		1 521	1 002	1 002	1 002	1 002	1 002	1 002	1 002	1 002	1 002	1 002	484	12 028	12 678	13 362
Other													—	—	—	—
Total Expenditure - Functional		38 435	37 540	34 875	34 385	33 670	36 746	37 027	37 782	36 828	35 621	35 821	30 830	429 558	450 635	460 999
Surplus/(Deficit) before assoc.		59 545	(20 529)	(18 198)	(11 226)	(15 940)	61 105	(21 394)	(20 104)	58 813	(21 002)	(20 124)	(22 936)	8 012	20 951	37 242
Share of surplus/ (deficit) of associate													—	—	—	—
Surplus/(Deficit)	1	59 545	(20 529)	(18 198)	(11 226)	(15 940)	61 105	(21 394)	(20 104)	58 813	(21 002)	(20 124)	(22 936)	8 012	20 951	37 242

Table 45 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

NW385 Ramotshere Moiloa - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Vote 1 - Executive & Council													-	-	-	-
Vote 2 - Vote 2 - Finance & Administration													-	-	-	-
Vote 3 - Vote 3 - Planning & Development													-	-	-	-
Vote 4 - Vote 4 - Technical Services													-	-	-	-
Vote 5 - Community & Social Services													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Vote 1 - Executive & Council													-	-	-	-
Vote 2 - Vote 2 - Finance & Administration													-	-	-	-
Vote 3 - Vote 3 - Planning & Development													-	-	-	-
Vote 4 - Vote 4 - Technical Services			15 651		3 512			14 510			2 510		-	36 183	49 860	53 246
Vote 5 - Community & Social Services			-		300						110		-	410	3 000	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	-	15 651	-	3 812	-	-	14 510	-	-	2 620	-	-	36 593	52 860	53 246
Total Capital Expenditure	2	-	15 651	-	3 812	-	-	14 510	-	-	2 620	-	-	36 593	52 860	53 246

Table 46 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**NW385 Ramotshere Moiloa - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)**

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional	1															
Governance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council														-	-	-
Finance and administration														-	-	-
Internal audit														-	-	-
Community and public safety		-	-	-	-	300	-	-	-	-	-	-	110	410	3 000	-
Community and social services						-							110	110	-	-
Sport and recreation						300								300	3 000	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
Economic and environmental services		-	7 510	-	-	2 952	-	8 510	-	-	7 854	2 952	5 352	35 130	37 060	39 742
Planning and development			7 510			2 952		8 510			7 854	2 952	5 352	35 130	37 060	39 742
Road transport														-	-	-
Environmental protection														-	-	-
Trading services		351	-	-	-	-	-	450	-	-	252	-	-	1 053	12 800	13 504
Energy sources		351						450			252			1 053	12 800	13 504
Water management														-	-	-
Waste water management														-	-	-
Waste management														-	-	-
Other														-	-	-
Total Capital Expenditure - Functional	2	351	7 510	-	-	3 252	-	8 960	-	-	8 106	2 952	5 462	36 593	52 860	53 246
Funded by:																
National Government		12 160					12 160			11 864			(0)	36 183	49 860	53 246
Provincial Government										110			-	110	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
Transfers recognised - capital		12 160	-	-	-	-	12 160	-	-	11 974	-	-	(0)	36 293	49 860	53 246
Borrowing													-	-	-	-
Internally generated funds							300						-	300	3 000	-
Total Capital Funding		12 160	-	-	-	-	12 460	-	-	11 974	-	-	(0)	36 593	52 860	53 246

Table 47 MBRR SA30 - Budgeted monthly cash flow

NW385 Ramotshere Moiloa - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Receipts By Source													1		
Property rates	5 457	5 457	5 457	5 457	5 457	5 457	5 457	5 457	5 457	5 457	5 457	5 457	65 485	65 485	65 485
Service charges - electricity revenue	6 245	6 245	6 245	6 245	6 245	6 245	6 245	6 245	6 245	6 245	6 245	6 245	74 941	78 988	83 253
Service charges - water revenue	612	612	612	612	612	612	612	612	612	612	612	612	7 344	7 740	—
Service charges - sanitation revenue	102	102	102	102	102	102	102	102	102	102	102	102	1 226	1 292	1 361
Service charges - refuse revenue	1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	13 587	14 311	15 084
Rental of facilities and equipment				1				1		1		2	4	5	5
Interest earned - external investments	10	9	7	7	7	7	9	5	4	9	7	9	90	95	100
Interest earned - outstanding debtors	35	35	35	35	35	35	35	35	35	35	35	35	421	444	468
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits	176	176	176	176	176	176	176	176	176	176	176	176	2 109	2 223	2 343
Licences and permits	169	169	169	169	169	169	169	169	169	169	169	169	2 027	2 304	2 428
Agency services													—	—	—
Transfer receipts - operational	59 655					59 655		—	59 655	270		—	179 234	189 576	204 017
Other revenue	1 200	1 195	1 195	1 195	1 254	851	1 195	985	1 195	1 195	785	2 093	14 336	14 593	12 767
Cash Receipts by Source	74 792	15 132	15 130	15 131	15 190	74 441	15 131	14 919	74 781	15 402	14 721	16 032	360 804	377 053	387 311
Other Cash Flows by Source															
Transfer receipts - capital												36 479	36 479	49 860	53 246
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)															
Proceeds on disposal of PPE			3 000						—	460		—	460	500	542
Short term loans												—	3 000	—	—
Borrowing long term/refinancing												—	—	—	—
Increase (decrease) in consumer deposits												—	—	—	—
Decrease (Increase) in non-current debtors		3 500				4 500		1 200		3 555		2 245	15 000		
Decrease (Increase) other non-current receivables												—	—	—	—
Decrease (Increase) in non-current investments												2 100	2 100		
Total Cash Receipts by Source	74 792	18 632	18 130	15 131	15 190	78 941	15 131	16 119	74 781	19 417	14 721	56 857	417 843	427 414	441 099
Cash Payments by Type															
Employee related costs	13 056	13 056	13 056	13 056	13 056	13 056	13 056	13 056	13 056	13 056	13 056	13 056	156 669	165 124	165 323
Remuneration of councillors	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	15 562	16 402	17 288
Finance charges	833	833	833	833	833	833	833	833	833	833	833	833	10 000	10 540	11 109
Bulk purchases - Electricity	4 513	4 513	4 513	4 513	4 513	4 513	4 513	4 513	4 513	4 513	4 513	4 513	54 150	57 074	59 989
Bulk purchases - Water & Sewer													—	—	—
Other materials	2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	2 942	35 305	37 211	38 777
Contracted services	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	24 250	25 560	26 940
Transfers and grants - other municipalities													—	—	—
Transfers and grants - other													—	—	—
Other expenditure	12 510	5 390	5 390	5 214	5 390	5 390	4 512	3 512	5 390	4 521	3 895	3 568	64 683	66 682	65 035
Cash Payments by Type	37 171	30 052	30 052	29 875	30 052	30 052	29 173	28 173	30 052	29 182	28 556	28 229	360 618	378 593	384 460
Other Cash Flows/Payments by Type															
Capital assets	8 511		2 351				4 561			7 541	9 195	4 620	36 779	52 860	53 246
Repayment of borrowing												—	—	—	—
Other Cash Flows/Payments												—	—	—	—
Total Cash Payments by Type	45 682	30 052	32 403	29 875	30 052	30 052	33 734	28 173	30 052	36 723	37 751	32 849	397 398	431 453	437 707
NET INCREASE/(DECREASE) IN CASH HELD	29 110	(11 420)	(14 272)	(14 744)	(14 862)	48 890	(18 603)	(12 055)	44 730	(17 306)	(23 030)	24 007	20 446	(4 040)	3 392
Cash/cash equivalents at the month/year begin:	6 000	35 110	23 690	9 418	(5 326)	(20 188)	28 702	10 099	(1 955)	42 774	25 468	2 438	6 000	26 446	22 406
Cash/cash equivalents at the month/year end:	35 110	23 690	9 418	(5 326)	(20 188)	28 702	10 099	(1 955)	42 774	25 468	2 438	26 446	26 446	22 406	25 798

2.10 Annual budgets and SDBIPs – internal departments

The SDBIP's for the different departments will in terms of section 53(1)(c)(ii) of the MFMA be tabled and approved by the mayor within 28 days after the approval of the annual budget

2.11 Contracts having future budgetary implications

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

2.12 Capital expenditure details

The following 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 48 MBRR SA 34a - Capital expenditure on new assets by asset class

NW385 Ramotshere Moiloa - Supporting Table SA34a Capital expenditure on new assets by asset class

Description		Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			52 753	34 088	35 994	55 120	47 322	48 595	36 479	25 600	27 008
Roads Infrastructure			52 753	34 088	35 994	43 585	38 053	48 595	35 426	12 800	13 504
Roads			52 753	34 088	35 994	43 585	38 053	48 595	35 426	12 800	13 504
Road Structures						-					
Road Furniture											
Capital Spares											
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Drainage Collection											
Storm water Conveyance											
Attenuation											
Electrical Infrastructure			-	-	-	11 535	9 269	-	1 053	12 800	13 504
Power Plants											
HV Substations											
HV Switching Station											
HV Transmission Conductors											
MV Substations											
MV Switching Stations											
MV Networks											
LV Networks											
Capital Spares						11 535	9 269		1 053	12 800	13 504
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Dams and Weirs											
Boreholes											
Reservoirs											
Pump Stations											
Water Treatment Works											
Bulk Mains											
Distribution											
Distribution Points											
PRV Stations											
Capital Spares											
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Pump Station											
Reticulation											
Waste Water Treatment Works											
Outfall Sewers											
Toilet Facilities											
Capital Spares											
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Landfill Sites											
Waste Transfer Stations											
Waste Processing Facilities											
Waste Drop-off Points											
Waste Separation Facilities											
Electricity Generation Facilities											
Capital Spares											
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Rail Lines											
Rail Structures											
Rail Furniture											
Drainage Collection											
Storm water Conveyance											
Attenuation											
MV Substations											
LV Networks											
Capital Spares											
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Sand Pumps											
Piers											
Revetments											
Promenades											
Capital Spares											
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	85
Data Centres											
Core Layers											
Distribution Layers											
Capital Spares											

March 2011

Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries	1 990	296								
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls	-	-	-	-	-	-	-	-	-	-
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares		425								
Sport and Recreation Facilities	14 091	2 010	-	9 500	9 500	9 500	-	-	-	-
Indoor Facilities										
Outdoor Facilities	14 091	2 010	-	9 500	9 500	9 500	-	-	-	-
Capital Spares										
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Other assets	1 816	12 522	-	-	-	-	-	-	-	-
Operational Buildings	1 816	12 522	-	-	-	-	-	-	-	-
Municipal Offices	1 816									
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares		12 522								
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment	1 585	1 065	4 593	-	29 279	29 279	-	-	-	-
Furniture and Office Equipment	1 585	1 065	4 593	-	29 279	29 279	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment										
Transport Assets	-	19 449	16 437	-	-	-	-	-	-	-
Transport Assets	-	19 449	16 437	-	-	-	-	-	-	-
Land	-	-	1 393	-	-	-	-	-	-	-
Land	-	-	1 393	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	289 000	252 614	112 636	154 500	183 779	183 779	281 797	317 703	342 794

Table 49 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

NW385 Ramotshere Moiloa - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class											
Description		Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure											
Roads Infrastructure											
Roads											
Road Structures											
Road Furniture											
Capital Spares											
Storm water Infrastructure											
Drainage Collection											
Storm water Conveyance											
Attenuation											
Electrical Infrastructure											
Power Plants											
HV Substations											
HV Switching Station											
HV Transmission Conductors											
MV Substations											
MV Switching Stations											
MV Networks											
LV Networks											
Capital Spares											
Water Supply Infrastructure											
Dams and Weirs											
Boreholes											
Reservoirs											
Pump Stations											
Water Treatment Works											
Bulk Mains											
Distribution											
Distribution Points											
PRV Stations											
Capital Spares											
Sanitation Infrastructure											
Pump Station											
Reticulation											
Waste Water Treatment Works											
Outfall Sewers											
Toilet Facilities											
Capital Spares											
Solid Waste Infrastructure											
Landfill Sites											
Waste Transfer Stations											
Waste Processing Facilities											
Waste Drop-off Points											
Waste Separation Facilities											
Electricity Generation Facilities											
Capital Spares											
Rail Infrastructure											
Rail Lines											
Rail Structures											
Rail Furniture											
Drainage Collection											
Storm water Conveyance											
Attenuation											
MV Substations											
LV Networks											
Capital Spares											
Coastal Infrastructure											
Sand Pumps											
Piers											
Revetments											
Promenades											
Capital Spares											
Information and Communication Infrastructure											
Data Centres											
Core Layers											
Distribution Layers											
Capital Spares											
Community Assets											
Community Facilities											
Halls											
Centres											
Crèches											
Clinics/Care Centres											
Fire/Ambulance Stations											
Testing Stations											
Museums											
Galleries											
Theatres											
Libraries											
Cemeteries/Crematoria											
Police											
Parks											
Public Open Space											
Nature Reserves											
Public Ablution Facilities											
Markets											
Stalls											
Abattoirs											
Airports											
Taxi Ranks/Bus Terminals											
Capital Spares											
Sport and Recreation Facilities											
Indoor Facilities											
Outdoor Facilities											
Capital Spares											
Heritage assets											
Monuments											
Historic Buildings											
Works of Art											
Conservation Areas											
Other Heritage											
Investment properties											
Revenue Generating											
Improved Property											
Unimproved Property											
Non-revenue Generating											
Improved Property											
Unimproved Property											
Other assets											
Operational Buildings											
Municipal Offices											
Pay/Enquiry Points											
Building Plan Offices											
Workshops											
Yards											
Stores											
Laboratories											
Training Centres											
Manufacturing Plant											
Depots											
Capital Spares											
Housing											
Staff Housing											
Social Housing											
Capital Spares											
Biological or Cultivated Assets											
Biological or Cultivated Assets											
Intangible Assets											
Servitudes											
Licences and Rights											
Water Rights											
Effluent Licenses											
Solid Waste Licenses											
Computer Software and Applications											
Load Settlement Software Applications											
Unspecified											
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 renewal of existing											
Assets as % of total capex											
Assets as % of deprec											

March 2021

89

Table 50 MBRR SA34c - Repairs and maintenance expenditure by asset class

NW385 Ramotshere Moiloa - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure								9 640	10 161	10 709
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure								7 350	7 747	8 165
Power Plants										
HV Substations										
HV Switching Station								7 350	7 747	8 165
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure								400	422	444
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations								400	422	444
Bulk Mains										
Distribution										
Distribution Points										
PEV Stations										
Capital Spares										
Sanitation Infrastructure								1 100	1 169	1 222
Pump Station										
Reticulation										
Waste Water Treatment Works								1 100	1 169	1 222
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure								790	833	878
Landfill Sites								790	833	878
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets								1 798	1 765	1 861
Community Facilities								1 798	1 765	1 861
Halls								200	211	222
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries								548	448	472
Cemeteries/Crematoria								250	264	278
Police										
Parks								800	843	889
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
Other assets		9 923	6 276	3 325	21 227	29 398	29 398	23 945	25 238	26 601
Operational Buildings		9 923	6 276	3 325	21 227	29 398	29 398	23 945	25 238	26 601
Municipal Offices						14 699	14 699	3 800	4 005	4 221
Pay/Enquiry Points										
Building Plan Offices										
Workshops								20 015	21 096	22 236
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares		9 923	6 276	3 325	21 227	14 699	14 699	130	137	144
Housing										
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets										
Biological or Cultivated Assets										
Intangible Assets										
Services										
Licences and Rights										
Water Rights										
Effluent Licences										
Solid Waste Licences										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
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 Repairs and Maintenance Expenditure	1	9 923	6 276	3 325	21 227	29 398	29 398	35 383	37 164	39 171
R&M as a % of PPE		1,7%	1,1%	0,6%	0,0%	0,0%	0,0%	0,0%	6,0%	6,3%
R&M as % Operating Expenditure		3,3%	2,2%	1,2%	6,4%	8,8%	8,8%	0,0%	8,7%	8,7%

Table 51 MBRR SA35 - Future financial implications of the capital budget**NW385 Ramotshere Moiloa - Supporting Table SA35 Future financial implications of the capital budget**

Vote Description	Ref	2019/20 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Vote 1 - Executive & Council		-	-	-				
Vote 2 - Vote 2 - Finance & Administration		130	-	-				
Vote 3 - Vote 3 - Planning & Development		-	-	-				
Vote 4 - Vote 4 - Technical Services		36 349	25 600	27 008				
Vote 5 - Community & Social Services		-	-	-				
Vote 6 - [NAME OF VOTE 6]		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total Capital Expenditure		36 479	25 600	27 008	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Vote 1 - Executive & Council								
Vote 2 - Vote 2 - Finance & Administration								
Vote 3 - Vote 3 - Planning & Development								
Vote 4 - Vote 4 - Technical Services								
Vote 5 - Community & Social Services								
Vote 6 - [NAME OF VOTE 6]								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		36 479	25 600	27 008	-	-	-	-

Table 52 MBRR SA36 - Detailed capital budget per municipal vote

NW385 Ramotshere Moiloa - Supporting Table SA36 Detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	2019/20 Medium Term Revenue & Expenditure Framework		Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
													Audited Outcome 2017/18	Current Year 2018/19 Full Year Forecast			
Parent municipality:																	
List all capital projects grouped by Function																	
	8374/06/0606 (Driefontien internal roads and stormwater)		Upgrading	cent employment through inclusive growth	Inclusion and access			Infrastructure - Road transport	Roads, Pavements & Bridges	ward 3	25° 57' 36" E	25° 08' 33" E			4 500		
	8376/06/0606 (Madule/Mafhase internal roads)	NW2472/R, ST/18	Upgrading	cent employment through inclusive growth	Inclusion and access			Infrastructure - Road transport	Roads, Pavements & Bridges	ward 14	25° 44' 55" E	25° 24' 05" S			4 500		
	8379/06/0606 (Maramage internal roads)	NW2474/R, ST/18	Upgrading	cent employment through inclusive growth	Inclusion and access			Infrastructure - Road transport	Roads, Pavements & Bridges	ward 9	25° 52' 28" E	25° 23' 29" S			4 500		
	8371/06/0606 (Mmushwe internal roads)	NW2517/R, ST/18	Upgrading	cent employment through inclusive growth	Inclusion and access			Infrastructure - Road transport	Roads, Pavements & Bridges	ward 5	25° 55' 21" E	25° 22' 22" S			4 500		
	Borakalalo Internal Roads and Storm Water									ward	26° 04' 35" E	25° 19' 40" S			6 000		
	8347/06/0606 (Ntswaletsoku sports facility/Technical/Civil)		Upgrading	cent employment through inclusive growth	Inclusion and access			Infrastructure - Road transport	Roads, Pavements & Bridges	ward 13	25° 51' 50" E	25° 26' 36" S					
	Gopane Internal Roads and Storm Water	GNW1698/R/13/1	Upgrading	cent employment through inclusive growth	Inclusion and access			Infrastructure - Road transport	Roads, Pavements & Bridges	ward 13	25° 48' 51" E	25° 19' 57" S			11 000		
	Sanvake high mast lights							Community	Community halls								
	Ward 4 High Mast Lights							Roads Infrastructure	Public Ablution Facilities								
	office equipment (laptop, printers, furniture)							Computer Equipment	LV Networks						130		
	0000/06/0603 kageleng phase 1		Upgrading	cent employment through inclusive growth	Inclusion and access			Electrical Infrastructure	LV Networks						1 053	12 800	13 504
	MIG / INEP Projects														300		
	Brush Cutters																
	Landfill Site															3 000	
	MIG Projects															37 060	39 742
	Library Vehicle														110		
Parent Capital expenditure													66 187	67 877	36 593	52 860	53 246
Entities:																	
List all capital projects grouped by Entity																	
Entity A																	
Water project A																	
Entity B																	
Electricity project B																	
Entity Capital expenditure													-	-	-	-	-
Total Capital expenditure													66 187	67 877	36 593	52 860	53 246

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed eight interns undergoing training in various divisions of the Financial Services Department.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2019/20 MTREF in June 2019 directly aligned and informed by the 2019/20MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. Policies

All financial related policies are reviewed on an annual basis or whenever the need arises and submitted with the budget for adoption by council.

9. Risk Management

A Risk Committee has been established and is functional

2.14 Other supporting documents

Table 53 MBRR Table SA1 - Supporting detail to budgeted financial performance

NW385 Ramotshere Moiloa - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

W305 Ramotshere Moncha - Supporting Table SAT Supporting detail to Budgeted Financial Performance											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		49 857	27 847	34 942	49 549	49 549	49 549		70 750	70 750	70 750
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)					7 358				1 818	1 818	1 818
Net Property Rates		49 857	27 847	34 942	42 191	49 549	49 549	-	68 932	68 932	68 932
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		48 908	56 225	51 745	80 818	61 507	61 507		86 959	91 655	96 604
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	4 487	-	5 144	-	-		820	864	911
Net Service charges - electricity revenue		48 908	51 739	51 745	75 675	61 507	61 507	-	86 139	90 790	95 693
Service charges - water revenue	6										
Total Service charges - water revenue		7 718	7 822	8 882	17 975	17 975	17 975		20 354	21 453	22 612
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)									748	788	831
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	493	-	1 200	-	-		1 247	1 314	1 385
Net Service charges - water revenue		7 718	7 329	8 882	16 775	17 975	17 975	-	18 360	19 351	20 396
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		2 106	2 502	2 401	6 240	6 240	6 240		4 722	4 976	5 245
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		-	310	-	1 500	-	-		1 658	1 747	1 842
Net Service charges - sanitation revenue		2 106	2 192	2 401	4 740	6 240	6 240	-	3 064	3 229	3 403
Service charges - refuse revenue	6										
Total refuse removal revenue		5 875	8 816	7 038	15 368	15 368	15 368		20 957	22 073	23 265
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)		-	2 091	-	1 000	-	-		54	57	60
Net Service charges - refuse revenue		5 875	6 725	7 038	14 368	15 368	15 368	-	20 904	22 017	23 206
Other Revenue by source											
Other Revenue		2 447	-	-	69	270	270		1 934	2 038	2 148
Valuation Certificates		-			53	53	53		56	59	62
Rezoning					2 631	2 631	2 631		116	122	129
Town Planning Scheme		-	1 463	2 676	1 237	1 237	1 237		155	164	173
Cleaning Empty Plots			305	170	200	200	200		150	158	167
Interest on investment					170	170	170		180	189	200
Clearance Certificate					256	256	256		269	284	299
Electricity Connection Fees					50	50	50		1 790	1 886	1 988
Water Connection Fees					100	100	100		2 477	2 611	2 752
Building Plans					10	10	10		16	17	18
Plan Copies	3	-			1 176	1 176	1 176		53	56	59
Total 'Other' Revenue	1	2 447	1 768	2 846	5 953	6 153	6 153	-	7 196	7 584	7 994

Table 54 MBRR Table SA1 - Supporting detail to budgeted financial performance
(Continued)

EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	2	64 177	73 315	74 736	128 865	129 085	129 085	96 496	102 583	116 791
Pension and UIF Contributions		34 275	616	15 578				16 591	17 669	18 818
Medical Aid Contributions		5 401	8 335	4 223				4 497	4 790	5 101
Overtime			7 472	7 695				8 196	8 728	8 728
Performance Bonus			310	(310)						
Motor Vehicle Allowance		2 042	4 548					6 959	11 482	12 229
Cellphone Allowance		197	318	306				326	326	347
Housing Allowances		705	770	863				919	919	979
Other benefits and allowances		8 488	25 527	6 534				20 753	16 708	9 002
Payments in lieu of leave			873	921				921	921	981
Long service awards			1 253	1 253				1 253	1 253	1 334
Post-retirement benefit obligations			(1 154)	(4 905)						
sub-total	5	115 284	122 182	106 895	128 865	129 085	129 085	156 911	165 379	174 310
Less: Employees costs capitalised to PPE										
Total Employee related costs	1	115 284	122 182	106 895	128 865	129 085	129 085	156 911	165 379	174 310
Contributions recognised - capital										
<i>List contributions by contract</i>										
Total Contributions recognised - capital										
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment		39 978	32 837	29 170	30 745	30 745	30 745	29 122	30 695	32 352
Lease amortisation										
Capital asset impairment										
Depreciation resulting from revaluation of PPE	10									
Total Depreciation & asset impairment	1	39 978	32 837	29 170	30 745	30 745	30 745	29 122	30 695	32 352
Bulk purchases										
Electricity Bulk Purchases		39 747	42 860	45 244	43 559	43 559	43 559	54 150	57 074	60 156
Water Bulk Purchases										
Total bulk purchases	1	39 747	42 860	45 244	43 559	43 559	43 559	54 150	57 074	60 156
Transfers and grants										
Cash transfers and grants										
Non-cash transfers and grants										
Total transfers and grants	1									
Contracted services										
<i>List services provided by contract</i>										
Legal Fees		6 121			3 704	9 981	1 704	2 250	2 372	2 500
Pastel Support Services			390	991	692	1 521	2 500	2 000	2 108	2 222
Lease Payments					1 065	464	1 065	1 500	1 581	1 666
AFS Preparation										
Camera Fees										
Professional Fees										
Security services			6 106	8 368	6 000	6 890	7 500	6 000	6 324	6 665
					10 272	4 184	10 272	12 500	13 175	13 886
sub-total	1	6 121	6 496	9 359	21 733	23 041	23 041	24 250	25 560	26 940
Allocations to organs of state:										
Electricity										
Water										
Sanitation										
Other										
Total contracted services		6 121	6 496	9 359	21 733	23 041	23 041	24 250	25 560	26 940
Other Expenditure By Type										
Collection costs										
Contributions to 'other' provisions										
Consultant fees										
Audit fees										
General expenses	3	8 391		15 211	50 160	54 308	54 308	3 500	3 689	3 888
Consumables and materials		19 870	4 951	14 348				26 450	26 271	27 662
Hire of Machinery and Equipment		1 311	522	4 663				6 500	6 851	7 221
Extended Public Works Program		3 771	6 267	7 467				700	738	778
Fuel and Oil		2 038	1 618	1 919				1 000	1 054	1 111
Indigent Subsidy		2 241	2 250	2 250				780	822	866
Land Use Management Scheme		1 302	10 460	13 667				5 000	5 270	5 555
Sitting Allowance		3 283	2 410	2 784				1 000	1 054	1 111
Subscriptions and membership fees		1 016	1 074	1 221				3 077	3 243	3 418
Telephone and fax		1 126	821	1 528				13	14	15
Legal Fees		1 066	1 447	1 092				1 000	1 054	1 111
Software Licences		3 384	3 547	230				8 250	8 696	9 165
Bank Charges		1 214	1 072	865				1 000	1 054	1 111
Electricity		1 438	1 347	978				1 500	1 581	1 666
Meter Audit			172	163				200	211	222
Printing and Stationery			1 744	712				150	158	167
Training		8 499	7 730	34				750	791	833
Advertising		88	138	212				150	158	167
Mayoral Outreach Programmes		247	229	258				720	759	800
Chemicals		80	19	22				200	211	222
Community Participation		1 798	964	209				985	1 038	1 094
Conferences and Seminars		486	127	46				200	211	222
Protective Clothing		1 086	286	300				1 200	1 265	1 333
Total Other Expenditure	1	63 734	49 196	70 160	50 160	54 308	54 308	64 525	66 402	69 961
Repairs and Maintenance										
Employee related costs	8									
Other materials		9 923	6 276	3 325	21 227	14 699	14 699	35 383	37 164	39 171
Contracted Services										
Other Expenditure										
Total Repairs and Maintenance Expenditure	9	9 923	6 276	3 325	21 227	14 699	14 699	35 383	37 164	39 171

Table 55 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**NW385 Ramotshere Moiloa - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

Description	Ref	Vote 1 - Vote 1 - Executive & Council	Vote 2 - Vote 2 - Finance & Administation	Vote 3 - Vote 3 - Planning & Development	Vote 4 - Vote 4 - Technical Services	Vote 5 - Community & Social Services	Vote 6 - [NAME OF VOTE 6]	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates			68 932														68 932
Service charges - electricity revenue					86 139												86 139
Service charges - water revenue					18 360		-										18 360
Service charges - sanitation revenue					3 064		-										3 064
Service charges - refuse revenue						20 904	-										20 904
Rental of facilities and equipment					9		-										9
Interest earned - external investments			180				-										180
Interest earned - outstanding debtors			842				-										842
Dividends received							-										-
Fines, penalties and forfeits					2	4 216	-										4 216
Licences and permits						4 055	-										4 055
Agency services							-										-
Other revenue			989	973	4 750	483											7 196
Transfers and subsidies		67 819	24 862	12 991	57 148	17 061											179 880
Gains on disposal of PPE				7 500			-										7 500
Total Revenue (excluding capital transfers and contributions)		67 819	95 803	21 465	169 472	46 719	-	-	-	-	-	-	-	-	-	-	401 277
Expenditure By Type																	
Employee related costs		22 202	37 353	8 333	52 931	36 092	-										156 911
Remuneration of councillors		15 562					-										15 562
Debt impairment			39 655				-										39 655
Depreciation & asset impairment			2 062	81	26 845	134	-										29 122
Finance charges			10 000				-										10 000
Bulk purchases					54 150		-										54 150
Other materials		35 353					-										35 353
Contracted services		2 250	9 500			12 500	-										24 250
Transfers and subsidies		-					-										-
Other expenditure		20 611	11 253	3 026	17 791	11 874											64 555
Loss on disposal of PPE							-										-
Total Expenditure		95 977	109 824	11 440	151 717	60 601	-	-	-	-	-	-	-	-	-	-	429 558
Surplus/(Deficit)		(28 158)	(14 021)	10 025	17 755	(13 882)	-	-	-	-	-	-	-	-	-	-	(28 281)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)					36 183	110	-										36 293
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)							-										-
Transfers and subsidies - capital (in-kind - all)							-										-
Surplus/(Deficit) after capital transfers & contributions		(28 158)	(14 021)	10 025	53 938	(13 772)	-	-	-	-	-	-	-	-	-	-	8 012

Table 56 MBRR Table SA3 – Supporting detail to Statement of Financial Position

NW385 Ramotshere Moiloa - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
ASSETS											
Call investment deposits											
Call deposits			2 582	2 325					2 325	2 451	2 583
Other current investments		4 200									
Total Call investment deposits	2	4 200	2 582	2 325	-	-	-	-	2 325	2 451	2 583
Consumer debtors											
Consumer debtors		44 519	63 405	58 247	135 000	135 000	135 000		58 247	61 392	64 708
<u>Less: Provision for debt impairment</u>											
Total Consumer debtors	2	44 519	63 405	58 247	135 000	135 000	135 000	-	58 247	61 392	64 708
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		573 918	578 543	581 584					617 934	617 934	617 934
Leases recognised as PPE	3										
<u>Less: Accumulated depreciation</u>											
Total Property, plant and equipment (PPE)	2	573 918	578 543	581 584	-	-	-	-	617 934	617 934	617 934
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		1 449	4 375	2 981					956	1 008	1 062
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		1 449	4 375	2 981	-	-	-	-	956	1 008	1 062
Trade and other payables											
Trade Payables	5	76 308	98 573	107 248	50 000	50 000	50 000		45 000	47 430	49 991
Other creditors									2 816	2 968	3 128
Unspent conditional transfers			2 204	3 412					13 000	-	-
VAT									1 229	1 296	1 366
Total Trade and other payables	2	76 308	100 777	110 661	50 000	50 000	50 000	-	62 045	51 694	54 485
Non current liabilities - Borrowing											
Borrowing	4	4 697	3 718	2 956					2 577	2 173	1 765
Finance leases (including PPP asset element)									1 440	1 440	1 440
Total Non current liabilities - Borrowing		4 697	3 718	2 956	-	-	-	-	4 017	3 613	3 205
Provisions - non-current											
Retirement benefits		59 081	61 231	82 238					37 213	39 223	41 341
<u>List other major provision items</u>											
Refuse landfill site rehabilitation									37 917	39 965	42 123
Other									7 108	7 492	7 896
Total Provisions - non-current		59 081	61 231	82 238	-	-	-	-	82 238	86 679	91 360
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		382 233							-		
GRAP adjustments		357 174									
Restated balance		739 407	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		39 280	(10 196)	13 993	46 867	47 000	47 000	-	8 012	20 951	37 242
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments		(381 891)									
Accumulated Surplus/(Deficit)	1	396 796	(10 196)	13 993	46 867	47 000	47 000	-	8 012	20 951	37 242
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	396 796	(10 196)	13 993	46 867	47 000	47 000	-	8 012	20 951	37 242

Table 57 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

NW385 Ramotshere Moiloa - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population										158	166	175
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment										8	9	9
Monthly household income (no. of households)	1, 12											
No income										23 654	24 931	26 278
R1 - R1 600										7 885	8 311	8 760
R1 601 - R3 200												
R3 201 - R6 400										15 769	16 621	17 518
R6 401 - R12 800												
R12 801 - R25 600										37 845	39 889	42 043
R25 601 - R51 200										34 691	36 564	38 539
R52 201 - R102 400										15 769	16 621	17 518
R102 401 - R204 800										11 038	11 634	12 262
R204 801 - R409 600										6 307	6 648	7 007
R409 601 - R819 200										1 576	1 661	1 751
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household demographics (000)												
Number of people in municipal area										158	166	175
Number of poor people in municipal area												
Number of households in municipal area										9	9	9
Number of poor households in municipal area										3 400	3 400	3 400
Definition of poor household (R per month)												
Housing statistics	3											
Formal										37 496	37 496	37 496
Informal										7 262	7 262	7 262
Total number of households			-	-	-	-	-	-	-	44 758	44 758	44 758
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)										5,2%	5,4%	5,4%
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases										6,5%	6,5%	6,5%
Consumption growth (electricity)										20,0%	5,4%	5,4%
Consumption growth (water)										13,2%	5,4%	6,0%
Collection rates	7											
Property tax/service charges										80,0%	80,0%	80,0%
Rental of facilities & equipment										100,0%	100,0%	100,0%
Interest - external investments										100,0%	100,0%	100,0%
Interest - debtors										N/A	N/A	N/A
Revenue from agency services												

2.15 Municipal manager's quality certificate

I, municipal manager of Ramotshere Moiloa Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal Manager of Ramotshere Moiloa Local Municipality (NW 385)

Signature _____

Date _____