

1.17 Municipal Manager's quality certificate

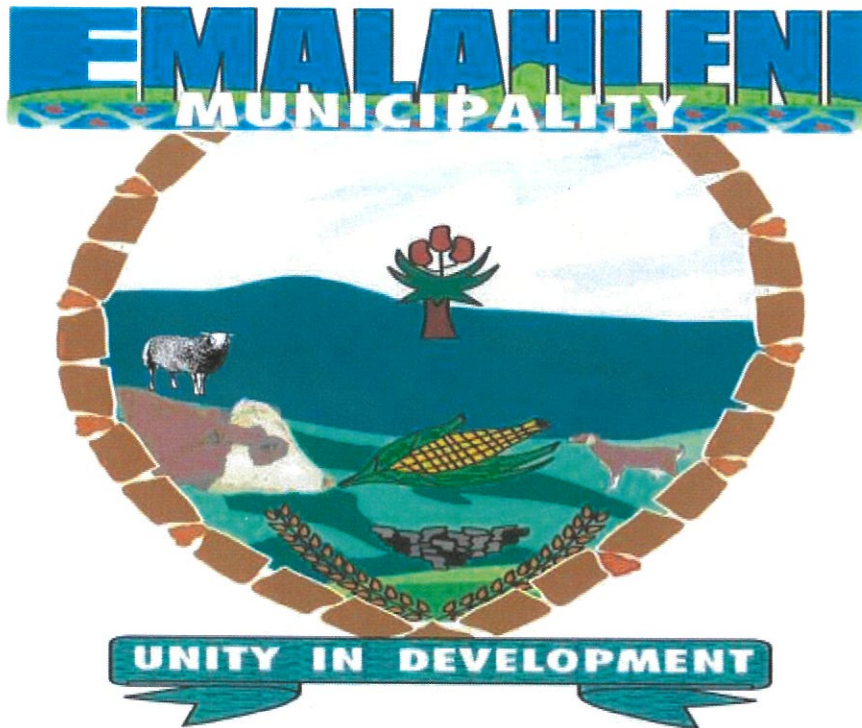
I Mr V.C. Makhedama, Municipal Manager of Emalahleni Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name MR V.C. MAKHEDAMA

Municipal Manager of Emalahleni Municipality

Signature 

Date 30 MARCH 2020



EMALAHLENI MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2020/2021 TO 2022/2023

**FINAL TABLED ANNUAL BUDGET OF
EMALAHLENI
MUNICIPALITY**

**2020/2021 TO 2022/23
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

Copies of this document can be viewed:

- **At the satellite and main office buildings of the municipality**

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Abbreviations and Acronyms

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

Part 1 – Final Tabled Annual Budget

1.1 Mayor's Report

The purpose of this report is to present to Council the Draft Annual Budget for the 2020/2021 financial year.

LEGISLATIVE BACKGROUND

Section 16 of the MFMA requires (1) the Council of a municipality to approve an annual budget for each financial year before the start of that financial year.

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a Council meeting at least 90 days before the start of the budget year.

Section 17 of the MFMA gives guidance on the content of an annual budget and prescribes that a municipal budget must

- Set out realistically anticipated revenue projections for the year from each revenue source;
- Appropriating expenditure for the budget year under the different votes of the municipality;
- Set out indicative revenue per revenue source and projected expenditure per vote for the two financial years following the budget year
- The proposed cost to the municipality for the budget year of the salary, benefits and allowances

Section 18 of the MFMA further gives guidance on the funding sources for municipal expenditure and may only be funded from

- realistically anticipated revenues to be collected
- cash backed accumulated surplus funds from previous years' surpluses not committed for other purposes
- borrowed funds but only for capital budget

Municipal Budget Circulars for the 2020/2021 MTREF : MFMA Circular 93,94,98,99

DISCUSSION

Budget Circular 93 clearly outlines that, the economic situation has not improved since the previous financial year. Therefore, municipalities are reminded as it was communicated in MFMA Circular No. 89 that weak economic growth has put stress on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. The Circular further requires all municipalities to consider the following when preparing the draft budget:

- Improving the effectiveness of revenue management processes and procedures; and
- Pay special attention to cost containment measures, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities.

- Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

Budget Circular 93 states that municipalities are now required to *justify all increases in excess of the 6 per cent* projected inflation target in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups.

Maximising the revenue generation of the municipal revenue base

Municipalities must comply with Section 18 of the MFMA and ensure that they fund their 2020/2021 MTREF budgets from realistically anticipated revenues to be collected. Subsequently, municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this has been identified as a fundamental reason for municipalities in financial distress.

In cases where municipalities have tabled an unfunded budget, they will be required to correct the budget to ensure that a funded budget is adopted and implemented

Given the scarce financial resources and intention of having a funded budget for the 2020/2021 financial year, the BTO had to take its tune from these stipulations and base its revenue budget only on realistically anticipated revenue sources and as at the current moment the unlimited expenditure budget far exceeds the available income budget.

The Total realistically anticipated Operating Revenue budget forecasted amounts to

R 52.061million excluding transfers recognised. This amount is slightly lower when compared with the 2019/2020 Adjusted budget currently been implemented that amounted to R 52.643 million .

Grants

Operating Grant Income is R148.749 million which constitutes 74% of the total operating revenue budget whilst own revenue constitutes only 26% of the final budget.

Own Revenue

The Municipality has budgeted all its revenue based on realistically anticipated estimates keeping the requirements of Circular 93 in mind.

EXPENDITURE

An exercise to cut the total expenditure budget in line with the revenue budget has been undertaken and is currently estimated at R 198.910 million resulting in an operating surplus before capital transfers of R 1.900 million.

Employee related costs including Councillor allowances now represent 55% of Total expenditure for 2020/2021, it further goes up to 61% in 2021/22 and to 62% in 2021/22 which is above NT maximum threshold of 40%. An increase of 10% has been provided for Remuneration of Councillors.

General expenditure: An approach to either cut expenditure or keep it in line with prior year budget has been taken, however no further cuts could be made without crippling the municipalities ability to operate and being able to deliver services to the community.

Below is a Summary of the 2020/2021 Draft Budget as contained in A1 of the Budget.

EC136 Emalahleni (Ec) - Table A1 Budget Summary

2019/20 Enhancement (2) - Table A: Budget Summary		Current Year 2019/20						2020/21 Medium Term Revenue & Expenditure Framework		
Description	2016/17	2017/18	2018/19					Budget Year	Budget Year	Budget Year
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	2020/21	+1 2021/22	+2 2022/23
Financial Performance										
Property rates	-	-	4 527	3 749	6 554	6 554	-	9 167	9 616	10 097
Service charges	-	-	22 229	23 342	27 943	27 943	-	26 687	27 994	29 394
Investment revenue	-	-	870	1 147	1 443	1 443	-	1 488	1 561	1 639
Transfers recognised - operational	-	-	121 556	-	-	-	-	148 749	154 102	157 351
Other own revenue	-	-	10 914	12 568	16 703	16 703	-	14 719	15 440	16 212
Total Revenue (excluding capital transfers and contributions)	-	-	160 097	40 806	52 643	52 643	-	200 810	208 714	214 693
Employee costs	-	-	80 446	96 117	78 625	78 625	-	93 824	94 002	103 272
Remuneration of councillors	-	-	13 003	14 070	13 931	13 931	-	14 749	16 077	17 684
Depreciation & asset impairment	-	-	24 223	24 256	24 256	24 256	-	19 384	18 790	19 730
Finance charges	-	-	1 586	271	271	271	-	280	294	308
Materials and bulk purchases	-	-	11 692	18 837	16 374	16 374	-	18 651	17 132	17 159
Transfers and grants	-	-	10 946	230	195	195	-	-	-	-
Other expenditure	-	-	68 118	23 126	30 466	30 466	-	52 022	32 937	34 092
Total Expenditure	-	-	210 014	176 907	164 118	164 118	-	198 910	179 232	192 246
Surplus/(Deficit)	-	-	(49 917)	(136 101)	(111 475)	(111 475)	-	1 900	29 482	22 447
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	42 557	31 848	31 848	31 848	-	31 653	35 564	35 564
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	-	-	(7 360)	(104 253)	(79 627)	(79 627)	-	33 553	65 046	58 011
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	(7 360)	(104 253)	(79 627)	(79 627)	-	33 553	65 046	58 011
Capital expenditure & funds sources										
Capital expenditure	-	-	43 940	34 913	34 808	34 808	-	33 553	35 564	18 361
Transfers recognised - capital	-	-	39 790	32 198	32 738	32 738	-	31 653	34 174	17 710
Borrowing	-	-	167	-	-	-	-	-	-	-
Internally generated funds	-	-	3 764	2 716	2 070	2 070	-	1 900	1 390	651
Total sources of capital funds	-	-	43 721	34 913	34 808	34 808	-	33 553	35 564	18 361
Financial position										
Total current assets	-	-	44 664	162 963	11 883	11 883	-	45 383	65 628	65 628
Total non current assets	-	-	441 872	490 549	452 211	452 211	-	459 387	468 439	451 236
Total current liabilities	-	-	47 532	86 755	42 860	42 860	-	40 249	40 249	40 249
Total non current liabilities	-	-	13 726	14 800	17 751	17 751	-	17 751	17 751	17 751
Community wealth/Equity	-	-	-	0	0	0	-	0	0	0
Cash flows										
Net cash from (used) operating	-	-	(164 185)	34 716	60 198	60 198	-	35 576	67 717	55 897
Net cash from (used) investing	-	-	-	-	22 000	22 000	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	(164 185)	34 716	82 198	82 198	-	35 576	103 294	159 191
Cash backing/surplus reconciliation										
Cash and investments available	-	-	4 145	88 321	3 527	3 527	-	38 169	58 338	58 338
Application of cash and investments	-	-	25 525	10 925	10 010	10 010	-	10 978	10 575	10 850
Balance - surplus (shortfall)	-	-	(21 381)	77 396	(6 483)	(6 483)	-	27 192	47 763	47 488
Asset management										
Asset register summary (WdV)	-	-	441 872	489 476	451 222	451 222	451 222	459 387	468 439	451 236
Depreciation	-	-	24 223	24 256	24 256	24 256	24 256	19 384	18 790	19 730
Renewal and Upgrading of Existing Assets	-	-	22 283	22 602	23 951	23 951	23 951	31 153	34 174	17 710
Repairs and Maintenance	-	-	3 431	5 597	4 081	4 081	4 081	2 920	3 566	3 739
Free services										
Cost of Free Basic Services provided	-	-	191	4 900	4 900	4 900	5 390	5 390	5 654	5 937
Revenue cost of free services provided	-	-	2	1 050	1 780	1 780	1 958	1 958	2 054	2 156
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Capital expenditure budget

The Capital expenditure budget is currently at R 33.553million. The MIG budget allocated is R 31.653 million and the difference of R1.900 million is for the R55 000 for grass-cutters and R55 000 for community services ,R190 0000 for computers , R1 400 000 for motor vehicles and R200 000 for insurance pay-outs for insured assets .

Funded status of the Budget and new budget requests.

The budget is currently a funded budget with a small anticipated cash surplus amount of R 1.900 million left at year end as contained in Table A8.

EC136 Emalahleni (Ec) - Table A8 Cash backed reserves/accumulated surplus reconciliation

2019/20 Emission (2) Table A: Cash backed non-recumulated surplus accumulation												
Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available												
Cash/cash equivalents at the year end		1	-	-	(164 185)	34 716	82 198	82 198	-	35 576	103 294	159 191
Other current investments > 90 days			-	-	168 329	53 605	(78 671)	(78 671)	-	2 593	(44 956)	(100 853)
Non current assets - Investments		1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:			-	-	4 145	88 321	3 527	3 527	-	38 169	58 338	58 338
Application of cash and investments												
Unspent conditional transfers			-	-	-	1	788	788	-	0	0	0
Unspent borrowing			-	-	-	-	-	-	-	-	-	-
Statutory requirements		2										
Other working capital requirements		3	-	-	25 525	10 924	9 221	9 221	-	10 977	10 575	10 850
Other provisions												
Long term investments committed		4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		5										
Total Application of cash and investments:			-	-	25 525	10 925	10 010	10 010	-	10 978	10 575	10 850
Surplus(shortfall)			-	-	(21 381)	77 396	(6 483)	(6 483)	-	27 192	47 763	47 488

FACTORS THAT WERE CONSIDERED IN FINALISING PREPARATION OF ANNUAL BUDGET

- Any applications or confirmation of funding/grants to be received by directorates to be considered in the annual budget.
- All Provincial and District allocations recognised in the Draft Budget are to be supported by allocation letters before final Budget is tabled or they will be removed from the Budget.

1.2 Council Resolutions

The Council approves and takes the following resolutions for the final annual budget (MTREF) of 2020/21 financial year:

The Council of Emalahleni Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves:

- 1.1. The draft annual budget of the municipality for the financial year 2020/2021 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budget Summary reflected in Table A1
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by standard classification) reflected in Table A2;

- 1.1.3. Budgeted Financial Performance (revenue and expenditure by municipal vote) reflected in Table A3;
- 1.1.4. Budgeted Financial Performance (Revenue and Expenditure) reflected in Table A4;
- 1.1.5. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source reflected in Table A5 as well as individual capital projects reflected under SA36;
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables attached in the budget documentation:
 - 1.2.1. Budgeted Financial Position reflected in Table A6;
 - 1.2.2. Budgeted Cash Flows reflected in Table A7;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation reflected in table A8;
 - 1.2.4. Asset management in Table A9; and
 - 1.2.5. Basic service delivery measurement reflected in Table A10.
2. The Council of Emalahleni Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the following tariffs as set out and included in the budget documentation, with effect from 1 July 2021:

PROPOSED TARIFF STRUCTURE FOR 2020/2021 FINANCIAL YEAR

	CPI	5,40%		
		19/20	20/21	
	Ratios	Excl Vat	Excl Vat	Incl VAT
ASSESSMENT RATES			10%	
Residential	1,00	0,0072	0,0079	
Undeveloped land/Vacant land	1,00	0,0072	0,0079	
Business	1,50	0,0107	0,0118	
Government	1,50	0,0107	0,0118	
Agriculture/Farms	0,25	0,0018	0,0020	
Public Service Infrastructure	0,00	0,0000	0,0000	
Public Benefit Organisation	0,25	0,0018	0,0020	
Municipal properties		0,0000	0,0000	
Insufficient data		0,0000	0,0000	
Indigent subsidy will be based on market value of R 80 000 for property rates				

ELECTRICITY - AS PER NERSA GUIDELINES		13,07%	10,00%
HOUSE HOLDS			
Indigents Prepaid			
Block 1 - 0 - 50 Kwh		1,09	1,20
Block 2 - 51 - 350 Kwh		1,38	1,51
Block 3 - 351 - 600 Kwh		1,82	2,00
Block 4 - > 600 Kwh		2,15	2,36
Domestic Conventional & Prepaids - Single Phase			
Block 1 - 0 - 50 Kwh		1,09	1,20
Block 2 - 51 - 350 Kwh		1,38	1,51
Block 3 - 351 - 600 Kwh		1,87	2,06
Block 4 - > 600 Kwh		2,20	2,42
Domestic Conventional & Prepaids - Three Phase			
Block 1 - 0 - 50 Kwh		1,45	1,59
Block 2 - 51 - 350 Kwh		1,58	1,74
Block 3 - 351 - 600 Kwh		1,92	2,11
Block 4 - > 600 Kwh		2,20	2,42
COMMERCIAL			
SMALL ≤ 3 500 Kwh			
CONVENTIONAL SINGLE PHASE			
Basic Charge /month		460,88	506,97
Energy charge: kWh		1,77	1,94
CONVENTIONAL THREE PHASE			
Basic Charge /month		904,31	994,74
Energy charge: kWh		1,69	1,86
Prepaid - Single phase		2,27	2,49
Prepaid - Three phase		2,30	2,53
LARGE > 3 500 Kwh			
Basic Charge /month		909,74	1 000,71
Energy charge: kWh		1,00	1,10
Demand: R/kVA		236,43	260,08

2.1. These electricity tariffs are subject to approval by NERSA.

2.2. The other service charges have been set at rates that are cost reflective and were benchmarked with municipalities of the same size.

3. The Council of Emalahleni Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July

2020 the tariffs for other services, as set out in the attached budget

SMALL-SCALE EMBEDDED GENERATION (SOLAR ENERGY)			10%	
HOUSE HOLDS				
IMPORT TARIFF				
Network and service charge		135,68	149,25	
Energy charge: kWh		1,09	1,19	
EXPORT TARIFF				
Export tariff		0,79	0,87	
COMMERCIAL				
SMALL - SINGLE PHASE				
IMPORT TARIFF				
Network and service charge		587,96	646,76	
Energy charge: kWh		1,76	1,94	
EXPORT TARIFF				
Export tariff		0,00	0,00	
Export tariff		0,79	0,87	
SMALL - THREE PHASE				
IMPORT TARIFF				
Network and service charge		10,61	11,67	
Energy charge: kWh		1,70	1,87	
EXPORT TARIFF				
Export tariff		0,00	0,00	
Export tariff		0,79	0,87	
LARGE BUSINESS				
IMPORT TARIFF				
Network and service charge		1 008,58	1 109,44	
Monthly demand charge: kVa		236,32	259,95	
Energy charge: kWh		1,00	1,09	
EXPORT TARIFF				
Export tariff		0,79	0,83	
REFUSE REMOVAL		12%	10%	
Domestic consumers (once per week)		120,57	132,63	
Commercial consumers (once per week)		258,05	283,85	
Commercial consumers (two times per week)		565,60	622,16	
Government consumers (once per week)		1 147,55	1 262,30	
Indigents		120,00	132,00	
Subsidy - 100%		120,00	132,00	
Effective charge		0,00	0,00	
Special refuse collection		350,00	369,25	
Special refuse collection - Government and Commercial		400,00	422,00	
Collection of garden refuse		350,00	369,25	
Clearing of Vacant Plots		597,00	629,83	
Tree felling - inside yard per tree		3 630,00	3 829,65	
Tree Pruning - Inside Yard (per tree)		1 915,00	2 020,33	
Building rubble - per load		372,00	392,46	
Disposal of General Waste at Landfill Site		338,00	356,59	
Disposal of Condemned Waste (per m³) plus special collection fee/Disposal fee		202,00	213,11	
Grass Cutting - inside the yard - Residential		620,00	654,10	
Grass Cutting - inside the yard - Government and Commercial		916,00	966,38	

HALL RENTALS		4,90%	
CATEGORY 1: ENTERTAINMENT			
Town Halls*		637,00	668,21
Village Halls*		160,00	167,84
Library Halls*		160,00	167,84
Kitchen (Dodrecht)*		175,00	183,58
CATEGORY 2: NON PROFIT PURPOSES			
Town Halls*		560,00	587,44
Village Halls*		141,00	147,91
Library Halls*		141,00	147,91
Kitchen (Dodrecht)*		175,00	183,58
CATEGORY 3: MEETINGS & FUNERALS & PRIZE GIVINGS & SCHOOL EVENTS			
Town Halls*		402,00	421,70
Village Halls*		100,00	104,90
Library Halls*		100,00	104,90
Kitchen (Dodrecht)*		175,00	183,58
1. A refundable fee is R 555.00 for Town halls if not damages to property.			
2. A refundable fee is R 245.00 for Village halls if no damage to property.			
* Sundays & Public Holidays - 2 x daily rate			
POUND FEES			
RATES OF MILEAGE			
For all animals going to the pound whether one or more per Km or portion of Km		18,63	19,54
For animals transported by vehicle - per km or portion of a km		23,26	24,40
TRESPASSING FEES			
Horses, Cattle, Ostriches, Donkeys and Pigs p/head		186,24	195,37
Sheep and Goats p/head		139,69	146,54
POUND FEES			
Horses, Cattle, Ostriches, Donkeys and Pigs p/head		139,69	146,54
Sheep and Goats p/head		108,56	113,88
SUSTENANCE FEES			
Horses, Cattle, Ostriches, Donkeys and Pigs p/head		217,28	227,93
Sheep and Goats p/head		139,69	146,54
FEES FOR ANIMALS			
- to be seperately herded:			
For every stallion, horse, mule or bull p/day		186,24	195,37
For every boar, ram, goat or other seperated animals p/day		155,20	162,81
COMMONAGE FEE			
Per animal head p/month		23,64	24,80
HERDING FEES			
Per animal head p/month		84,00	88,12
CALL OUTS			
18:00 to 06:00 and over weekends per call out to impound animals (payable by the owner of the animal)		869,10	911,69
CEMETRY CHARGES			
INDWE - Site only		139,00	145,81
- Digging		637,00	668,21
DODRECHT - Site only		139,00	145,81
- Digging		637,00	668,21
LADY FRERE - Site only		147,00	154,20
Exhumation		1 306,20	1 370,20
Wall of Remembrance		465,30	488,10

ACCOMODATION: INDWE RESORT				
Rondavels - Chalets per day		327,00	345,00	
Igloo per day		139,00	147,00	
Entrance fee per day		40,00	42,00	
Refundable fee per day		205,00	215,00	
SPORTS FIELDS				
Stadium per day - Sports Activities		490,28	514,31	
Stadium per day - Non-Sports Activities		980,56	1 028,61	
Holding Deposits		1 512,87	1 587,00	
Flood Lights per hour		83,35	87,43	
RENTAL OF MUNICIPAL BUILDINGS				
payable p/month OR as per agreement				
House Tenants (Residential purposes)		Rental tariffs to be provided per property per year as per agreement		
NGO's, Service providers and Companies				
Government Departments				
BUILDING PLANS				
Calculated per square meter (less than 60 m²)		554,93	582,12	
Residential Dwellings		9,43	9,90	
Out buildings (Residential)		11,65	12,22	
Residential alterations		8,32	8,73	
Flats		43,84	45,99	
Commercial dwellings (Shops)		33,63	35,28	
Commercial dwellings (Taverns)		56,37	59,13	
Offices		33,63	35,28	
Churches		20,17	21,15	
Carports		30,03	31,50	
Mobile Network Stations (Rate per number)		6 632,72	6 957,73	
Septic tanks (rate per m³)		28,30	29,69	
Erection of Hoardings (rate per meter)		11,65	12,22	
Building inspection fee (Complete inspection)		443,94	465,70	
Property Rates Clearance Certificate		116,54	122,35	
Encroachment fees: per m² Residential		389,86	408,97	
Encroachment fees: per m² Business		467,83	490,75	
ADMINISTRATIVE CHARGES				
PHOTOCOPIES AND FAXES				
Photocopies				
A4(per sheet)		1,96	2,05	
A3(per sheet)		2,94	3,09	
Faxes				
Local		8,18	8,58	
National		10,92	11,46	
International		10,92	11,46	
Tender Documents		163,53	171,54	
Note : that Tender documents will depend on the number of pages.				

OTHER TARIFFS				
LIVESTOCK BRANDING				
Cattle		8,70	9,20	
Sheep		5,00	5,30	
PLANT HIRE				
TIPPER TRUCK		686,40	724,00	
GRADER		1 225,71	1 293,00	
BACKACTOR		490,28	517,00	
SMOOTH DRUM ROLLER		686,40	724,00	
WATERCART		719,09	759,00	
NOTES				
1. The plant rates are hourly rates.				
SAND PER LOAD				
Bakkie		251,90	264,25	
4 ton truck		1 148,69	1 204,98	
6 ton truck		1 723,04	1 807,47	
8 ton truck		2 297,38	2 409,95	
TRAFFIC SERVICES				
Patrol vehicle per Hour		15,00	15,74	
Traffic Officer per hour (Mondays to Thursdays)		135,00	141,62	
Traffic Officer per hour (Sundays and Public Holidays)		160,00	167,84	
BUSINESS LICENSES: ALL UNITS - ANNUAL				
Business licenses - Hawkers		45,00	47,21	
Small Commercials		1 867,35	1 958,85	
Large Commercial		3 734,70	3 917,70	
Application fee for businesses		158,25	166,00	
Duplicate business license issue		126,60	132,80	
SIGNAGE				
Free standing Signage				
Sign boards: small size		1 007,75	1 057,13	
Sign boards: medium size		1 701,64	1 785,02	
Tower: Small size (Not exceeding 80 m ²)		2 016,39	2 115,20	
Tower: Large size (Exceeding 80 m ²)		2 421,27	2 539,91	
LAND USE APPLICATIONS				
CATEGORY 1 - LAND DEVELOPMENT APPLICATIONS				
Amendment of an application				
- If already approved by the Municipality		Same as tariff of new application	Same as tariff of new application	
- If not approved by the Municipality		10% of tariff of new application	10% of tariff of new application	
Phasing / cancellation of approved layout plan				
		1 474,22	1 555,31	
Rezoning:				
(a) Advertising fees		2 585,68	2 712,37	
(b) Erven 0 – 2500m ²		925,44	970,79	
(c) Erven 0 – 2500m ²		1 850,88	1 941,57	
(d) Erven 5001 – 10 000m ²		7 762,58	8 142,95	
(e) Erven 1h – 5h		10 348,25	10 855,32	
(f) Erven 1h – 5h		12 935,78	13 569,63	
Removal, amendment, suspension of a restrictive or obsolete condition, servitude or reservation against the title deed				
		388,68	407,73	
Amendment or cancellation of a general plan of a township				
		1 624,14	1 703,73	
Subdivision of land:				
(a) Basic Fee		740,35	776,63	
(b) Change per subdivision (Remainder considered a subdivision)		46,27	48,54	
(c) Subdivisions into more than 80 erven (Township Establishment)		11 705,87	12 279,46	
Permanent closure of a public place - per closure				
		491,41	515,49	
Development on communal land				
		1 936,02	2 030,88	
CATEGORY 2 - LAND USE APPLICATIONS				
Subdivision of land provided for in land use scheme or town planning scheme				
		482,15	505,78	
Subdivision of land				
		482,15	505,78	
Consent use				
		925,44	970,79	
The removal, amendment or suspension of a restrictive title condition relating to the density of residential development				
		573,77	601,89	
Departures:				
(a) Advertising fee for departures		2 538,48	2 662,86	
(b) Erven smaller than 500m ²		240,61	252,40	
(c) Erven 500 – 750m ²		455,32	477,63	
(a) Erven larger than 750m ²		925,44	970,79	
Occasional use: other rights				
		712,59	747,50	
Material amendments to original application prior to approval / refusal				
MISCELLANEOUS FEES				
Extension of validity period of approval				
		740,35	776,63	
Certificates:				
(a) Zoning certificate - per certificate		92,54	97,08	
(b) Any other certificate - per certificate		92,54	97,08	
Public hearing and inspection				
		3 221,45	3 379,30	
Reason for decision of municipal planning tribunal, land development officer or appeal authority				
		1 174,38	1 231,93	
Re-issuing of any notice of approval of any application				
		237,84	249,49	
Deed search and copy of the title deed				
		150,85	158,24	
Public notice:				
(a) Public notice and advertisements in the legal section of the paper		1 474,22	1 546,46	
(b) Public notice and advertisements in the body of the paper		2 654,16	2 784,21	
Way leave application (application to determine where the Council's services are located or a specific area where new services are to be installed)				
		2 321,93	2 435,70	
Any other application not provided for elsewhere in this schedule of fees				
		3 221,45	3 379,30	
COPIES				
Spatial Development Framework:				
(a) Hard copy - per region		161,00	168,89	
(b) In electronic format - per region		75,90	79,62	
Copy of land Use Scheme or town Planning scheme (Scheme Book)				
		371,00	389,18	
Scheme Regulations - per set				
		617,27	647,51	
Search fees - per erf				
		25,00	26,23	
Diagrammes - per diagramme				
		25,00	26,23	

4. Council resolves that the budget related policies reflected and listed below are approved for the budget year 2020/2021 :

- Property Rates policy
- Budget Policy
- Tariff policy
- Indigence Policy
- Credit control and Debt collection
- Cash Management and Investments policy
- Asset and Disposal Management policies
- Funding and Reserve policy
- Debt and Borrowing policy
- Fleet Management policy
- Virements policy
- Petty Cash Policy
- Supply Chain Management policy

5. To give proper effect to the municipality's annual budget, the Council of Emalahleni Municipality approves:

That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. The Municipal Budget and Reporting Regulations, as well as various circulars issued by National Treasury, provides the guidance for budget preparation by local government.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. In addition, the municipality during March 2020 proactively embarked on a strategic long-term financial sustainability exercise in order to ensure that this budget, as well as future budgets, is compiled to ensure that services to the community remains at high levels without overburdening the consumers of municipal services with excessive tariffs.

The main items identified by the strategic planning exercise can be summarised as follows:

- Improved service delivery;
- Underdeveloped areas;
- Impoverished communities;
- Co-operative governance;
- Unfunded mandates, core functions service delivery agents;
- Land availability for e.g. economic development;
- Land availability for establishing tip-sites;
- Alternative service delivery options;

- Obtaining a “clean audit” inclusive of performance management;
- Delegation- and procedure manuals;
- Risk management;
- Improved planning and beyond 5 years;
- High crime rate;
- Service delivery backlogs;
- Improved maintenance programs;
- Local economic development facilitation;
- Adequacy of municipal reserves and financial sustainability;
- Curtail electricity losses;
- Tourism initiatives; and
- Improved public participation.

For each of these risk areas the municipality is compiling business plans in order to prioritise expenditure according to the risk ratings. These business plans will all be implemented over the MTREF period according to available funding; however, in the 2020/2021 financial year limited provision was made for the implementation of the business plans.

The Municipality has also embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. The municipality, however, acknowledges that there can never be too much information and involvement in its interaction with the public at large, and for that reason it is still identified as a major risk area.

National Treasury’s MFMA Circulars No. 71, 82, 93, 94, 98 and 99 as well as the Strategic Workshops and IDP consultation processes, were mainly used to guide the compilation of the 2020/2021 MTREF. Some of the key challenges faced by the municipality when compiling the budget were:

- The ongoing difficulties in the national and local economy;
- Aging roads and electricity infrastructure;
- The need to prioritise projects and expenditure within the existing resource envelope;
- The increased cost of electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a 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;
- Affordability of capital projects and the resultant operational costs associated with new infrastructure projects; and

The municipality is not in a healthy financial position, it therefore needs to at least stabilise and further strive to continuously better its financial position, coupled with acceptable levels of service delivery at affordable tariffs. The retention of sufficient cash-backed reserves is critical for the long-term sustainability of the municipality. The municipality is striving to establishing a Capital Replacing Reserve to fund future capital projects to help mitigate the over dependence on grants for funding capital projects.

The following budget principles and guidelines directly informed the compilation of the 2020/2021 MTREF:

- The 2019/2020 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 2020/2021 draft 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 electricity. In addition, tariffs need to remain or move towards being cost reflective, and should consider the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The budget must be spent in full, and all grants should be utilised in full;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2020/2021 Medium-term Revenue and Expenditure Framework:

Total operating revenue has decreased by 1.18% for the 2020/2021 financial year when compared to the 2019/2020 Adjustments Budget. For the two outer years, operational revenue will increase by 4.71 and 5.19 percent respectively for the outer years. The main reason for the fluctuation in revenue is the decrease or increase in operational transfers.

Total operating expenditure for the 2020/2021 financial year has been appropriated at R198.910 million and translates into a budgeted surplus of R1.900 million before capital transfers.

The capital budget of R 33.553 million for 2020/2021 shows a decrease of R1.255 million when compared to the 2019/2020 Adjustment Budget. This is due to the decrease in the MIG allocation for 2020/2021 and then in 2021/22 increases to R34.174 million in 2021/2022 .

The municipality has kept internally funded capital projects at a minimum, R1.900 million for 2020/2021 financial year, R1,390 million and R651 000 for the outer years as it currently has limited internal funds available for the financing of capital projects. The municipality is still well within the limits of its borrowing capacity but will raise very limited loans in the near future in order to curtail possible rising debt servicing costs.

1.4 Operating Revenue Framework

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

The municipality will also have to look to revamp its revenue enhancement strategy. The latter will assist the municipality to identify areas to improve their revenue collection. In the absence of a revenue enhancement strategy, the following information were used to help the municipality's revenue management

- National Treasury's guidelines and macroeconomic policy;
- Limited growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure an improve percentage increase in annual collection rate for property rates and other key service charges. This percentage is low compared to past history, but is being calculated conservatively due to the signs of financial stress currently being experienced;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- 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 inflation forecasts for the MTREF period is on average 4.9% per annum. The municipality's aim is to not exceed inflation in its annual tariff adjustments but external factors such as the Eskom increases and which are beyond the control of the municipality hampers this goal.

The following table is a summary of the 2020/2021 MTREF (classified by main revenue source):

EC136 Emalahleni (Ec) - 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
Financial Performance							0			
Property rates	-	-	4 527	3 749	6 554	6 554	55	9 167	9 616	10 097
Service charges	-	-	22 229	23 342	27 943	27 943	57	26 687	27 994	29 394
Investment revenue	-	-	870	1 147	1 443	1 443	-	1 488	1 561	1 639
Transfers recognised - operational	-	-	121 556	-	-	-	-	148 749	154 102	157 351
Other own revenue	-	-	10 914	12 568	16 703	16 703	-	14 719	15 440	16 212
Total Revenue (excluding capital transfers and contributions)	-	-	160 097	40 806	52 643	52 643	112	200 810	208 714	214 693

The percentage revenue from own sources increases during the budget year. In the two outer years of the MTREF the increases in revenue is fairly consistent. The growth in revenue contributions are indicated below (Excluding Capital Transfers). In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

EC136 Emalahleni (Ec) - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref					Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		2016/17	2017/18	2018/19		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	Audited Outcome	Audited Outcome	Audited Outcome								
Revenue By Source												
Property rates	2	-	-	4 527		3 749	6 554	6 554	-	9 167	9 616	10 097
Service charges - electricity revenue	2	-	-	14 097		16 355	19 093	19 093	-	18 391	19 293	20 257
Service charges - refuse revenue	2	-	-	8 133		6 987	8 850	8 850	-	8 295	8 702	9 137
Rental of facilities and equipment		-	-	894		1 468	1 468	1 468	-	949	995	1 045
Interest earned - external investments		-	-	870		1 147	1 443	1 443	-	1 488	1 561	1 639
Interest earned - outstanding debtors		-	-	5 284		6 127	6 889	6 889	-	6 032	6 327	6 644
Fines, penalties and forfeits		-	-	9		115	399	399	-	202	211	222
Licences and permits		-	-	1 745		1 514	2 062	2 062	-	4 429	4 646	4 878
Agency services		-	-	800		1 384	1 384	1 384	-	1 457	1 528	1 604
Transfers and subsidies		-	-	121 556		-	-	-	-	148 749	154 102	157 351
Other revenue	2	-	-	2 703		1 960	4 501	4 501	-	1 651	1 732	1 818
Gains		-	-	(521)		-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	160 097		40 806	52 643	52 643	-	200 810	208 714	214 693
Expenditure By Type												
Employee related costs	2	-	-	80 446		96 117	78 625	78 625	-	93 824	94 002	103 272
Remuneration of councillors		-	-	13 003		14 070	13 931	13 931	-	14 749	16 077	17 684
Debt impairment	3	-	-	12 044		6 000	6 000	6 000	-	4 000	4 196	4 406
Depreciation & asset impairment	2	-	-	24 223		24 256	24 256	24 256	-	19 384	18 790	19 730
Finance charges		-	-	1 586		271	271	271	-	280	294	308
Bulk purchases	2	-	-	9 625		16 070	13 892	13 892	-	14 300	15 000	15 000
Other materials	8	-	-	2 067		2 767	2 482	2 482	-	4 351	2 132	2 159
Contracted services		-	-	20 488		17 126	16 466	16 466	-	33 851	19 351	19 971
Transfers and subsidies		-	-	10 946		230	195	195	-	-	-	-
Other expenditure	4, 5	-	-	26 036		-	-	-	-	14 170	9 390	9 715
Losses		-	-	9 550		-	8 000	8 000	-	-	-	-
Total Expenditure		-	-	210 014		176 907	164 118	164 118	-	198 910	179 232	192 246
Surplus/(Deficit)		-	-	(49 917)		(136 101)	(111 475)	(111 475)	-	1 900	29 482	22 447
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	42 557		31 848	31 848	31 848	-	31 653	35 564	35 564
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		-	-	(7 360)		(104 253)	(79 627)	(79 627)	-	33 553	65 046	58 011
Taxation		-	-	-		-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		-	-	(7 360)		(104 253)	(79 627)	(79 627)	-	33 553	65 046	58 011
Attributable to minorities		-	-	-		-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		-	-	(7 360)		(104 253)	(79 627)	(79 627)	-	33 553	65 046	58 011
Share of surplus/ (deficit) of associate	7	-	-	-		-	-	-	-	-	-	-
Surplus/(Deficit) for the year		-	-	(7 360)		(104 253)	(79 627)	(79 627)	-	33 553	65 046	58 011

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality, but operating grants forms the major funding source.

This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes (Net of) revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

EC136 Emalahleni (Ec) - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

C136 Ennalseni (EC) - Supporting Table SA1: Supporting detail to Budgeted Financial Performance											
Description	Ref	2018/19				Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6			4 529	4 799	8 334	8 334		11 125	11 670	12 254
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)				2	1 050	1 780	1 780		1 958	2 054	2 156
Net Property Rates				4 527	3 749	6 554	6 554		9 167	9 616	10 097
Service charges - electricity revenue											
Total Service charges - electricity revenue	6			15 797	19 255	21 993	21 993		21 581	22 639	23 771
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)				1 700	2 900	2 900	2 900		3 190	3 346	3 514
Net Service charges - electricity revenue				14 097	16 355	19 093	19 093		18 391	19 293	20 257
Service charges - water revenue											
Total Service charges - water revenue	6										
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)											
Net Service charges - water revenue											
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)											
Net Service charges - sanitation revenue											
Service charges - refuse revenue											
Total refuse removal revenue	6			6 623	8 987	10 850	10 850		10 495	11 010	11 560
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)				(1 500)	2 000	2 000	2 000		2 200	2 308	2 423
Net Service charges - refuse revenue				8 133	6 987	8 850	8 850		8 295	8 702	9 137
Other Revenue by source											
Fuel Levy											
Other Revenue				2 703	1 960	4 501	4 501		1 651	1 732	1 818
Total 'Other' Revenue	1			2 703	1 960	4 501	4 501		1 651	1 732	1 818
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2			60 900	67 878	57 014	57 014		66 235	66 013	72 521
Pension and UIF Contributions				5 592	9 542	7 967	7 967		9 587	9 679	10 643
Medical Aid Contributions				3 304	2 900	2 769	2 769		3 526	3 575	3 933
Overtime					1 695	1 348	1 348				
Performance Bonus				4 295	5 535	3 348	3 348		6 814	7 463	8 177
Motor Vehicle Allowance				4 409	4 335	2 716	2 716		4 548	3 964	4 350
Cellphone Allowance				674	680	968	968		529	487	535
Housing Allowances				943	249	169	169		168	171	188
Other benefits and allowances				1 408	467	400	400		2 418	2 659	2 925
Payments in lieu of leave				650	273	273	273				
Long service awards				591	436	66	66				
Post-retirement benefit obligations				(12)	649	109	109				
sub-total	4										
Less: Employees costs capitalised to PPE	5			82 754	94 637	77 145	77 145		93 824	94 002	103 272
				2 308	(1 480)	(1 480)	(1 480)				
Total Employee related costs	1			80 446	96 117	78 625	78 625		93 824	94 002	103 272
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment				24 168	24 256	24 256	24 256		19 284	18 790	19 730
Lease amortisation				55					100		
Capital asset impairment											
Total Depreciation & asset impairment	1			24 223	24 256	24 256	24 256		19 384	18 790	19 730
Bulk purchases											
Electricity Bulk Purchases				9 625	16 070	13 892	13 892		14 300	15 000	15 000
Total bulk purchases	1			9 625	16 070	13 892	13 892		14 300	15 000	15 000
Transfers and grants											
Cash transfers and grants				10 933	100	180	180				
Non-cash transfers and grants				12	130	15	15				
Total transfers and grants	1			10 946	230	195	195				
Contracted services											
Outsourced Services				10 993	5 084	3 939	3 939		18 954	8 641	8 970
Consultants and Professional Services				5 582	3 010	9 861	9 861		11 490	6 557	6 674
Contractors				3 914	9 032	2 666	2 666		3 407	4 153	4 327
Total contracted services				20 488	17 126	16 466	16 466		33 851	19 351	19 971
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions											
Audit fees				5 182							
General expenses				20 854					14 170	9 390	9 715
Total 'Other' Expenditure	1			26 036					14 170	9 390	9 715
Repairs and Maintenance by Expenditure Item											
Employee related costs	8			6	1 813	1 492	1 492				
Other materials				220	265	245	245		70	73	76
Contracted Services				3 120	3 339	2 114	2 114		2 850	3 493	3 663
Other Expenditure				85	180	230	230				
Total Repairs and Maintenance Expenditure	9			3 431	5 597	4 081	4 081		2 920	3 566	3 739

Tariffs for indigent households are set out below:

1	Rates free of charge to the value based on market value of his property to the maximum of R80 000
2	50 kWh free electricity per month
3	Free refuse x 4 removal per month

Operating grants and transfers totals R148.749 million in the 2019/20 financial year, increases to R154.102 million in 2020/21 and R157.351 million in 2022/2023. Operating grants usually fluctuates upwards or downwards from year-to-year, as the revenue recognition for such grants depends only on compliance with any conditions attached to such grants and it is also dependant on the funding available from the other spheres of Government. The unconditional Equitable Share Grant, however, is a grant growing annually according to a formula determined nationally and such formula is applicable to all local authorities on an equal basis. The contribution for Councillors Allowances also increased significantly for the budget year.

Revenue from capital transfers as indicated below increases from R31.653 in 2019/2020 to R35.564 million in 2020/2021.

Total revenue per municipal vote, including capital transfers, is listed below:

EC136 Emalahleni (Ec) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	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
Revenue by Vote	1									
Vote 1 - Executive and council		-	-	-	7 254	7 254	7 254	7 254	7 554	7 867
Vote 2 - Corporate Services		-	-	(538)	1 005	1 005	1 005	0	0	0
Vote 3 - Budget and Treasury		-	-	128 049	131 026	138 529	138 529	143 421	151 962	158 805
Vote 4 - PEDTA		-	-	2	(1 044)	(1 768)	(1 768)	(1 954)	(2 049)	(2 152)
Vote 5 - Community Services and Social Services		-	-	13 819	16 847	19 674	19 674	18 871	19 749	20 689
Vote 6 - Infrastructure Development and Human Settlement		-	-	61 322	57 328	60 289	60 289	64 870	67 062	65 048
Total Revenue by Vote	2	-	-	202 654	212 415	224 982	224 982	232 463	244 278	250 257
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and council		-	-	30 346	34 512	30 168	30 168	30 492	29 606	32 374
Vote 2 - Corporate Services		-	-	64 792	18 825	21 770	21 770	27 128	22 983	24 811
Vote 3 - Budget and Treasury		-	-	35 331	29 393	38 001	38 001	31 507	29 635	31 690
Vote 4 - PEDTA		-	-	9 632	9 600	7 426	7 426	7 873	1 905	1 997
Vote 5 - Community Services and Social Services		-	-	41 349	38 116	31 527	31 527	33 991	35 446	38 501
Vote 6 - Infrastructure Development and Human Settlement		-	-	28 583	66 471	56 473	56 473	67 919	59 656	62 874
Total Expenditure by Vote	2	-	-	210 014	196 918	185 366	185 366	198 910	179 232	192 246
Surplus/(Deficit) for the year	2	-	-	(7 360)	15 497	39 617	39 617	33 553	65 046	58 011

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 5.4 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 increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by an external agency, the impact it has on the municipality's electricity tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

The Draft Budget is based on the Assumption of an average collection rate at about 42%. We will also endeavour to collect at least about R 10 million from the arear debtors book to cover for this low collection rate.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. The contribution for bad debt is maintained at R4 million in 2020/2021 financial year.

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 to a maximum valuation of 80 000;
- The limit for indigent households is twice the amount of government social pensions.

The municipality investigates a tariff structure consistent with operational requirements but also to ensure that the ratepayers are not over-burdened.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2020/21 financial year based on a general 10 per cent increase from 1 July 2021.

1.4.2 Sale of Electricity and Impact of Tariff Increases

Electricity has been increased by an average of 10% in line with NERSA guidelines. These tariffs are subject to approval by NERSA.

Considering the Eskom increases, the consumer tariff had to be increased by 10% per cent to offset the additional bulk purchase cost from 1 July 2021. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity. Registered indigents will again be granted 50 kWh per 30-day period free of charge.

ELECTRICITY TARIFFS & CHARGES

Standard interest + 1.00% would be charged on all late payments

Implementation subject to NERSA approval

Tariffs are applicable throughout Emalahleni Municipality unless indicated otherwise

Electricity is regarded as a trading account which should make a profit, although NERSA monitors and limits this profit to about 10% if possible. The municipality does not make a profit on electricity and must implement ways of achieving a profit, without overburdening the consumers with exorbitant tariffs.

Electricity line losses should be continuously monitored as it can represent a significant financial loss for the municipality. In general electricity line losses of 10% are being regarded as "acceptable" in the industry and Emalahleni Municipality is well above that norm.

Comparison between current electricity charges and increases

It should further be noted that NERSA has advised that a stepped tariff structure must be used. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The Municipality should comply with this requirement.

1.4.3 Waste Removal and Impact of Tariff Increases

The Municipality should implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main cost drivers for this section are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. In addition, the cost of new landfill sites, the effect of depreciation and rehabilitation on these landfill sites all plays an important role as cost drivers. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation should be incorporated into the next planning cycle.

Due to this deficit the Municipality did a benchmarking exercise with similar municipalities of the same size and magnitude and identified all services that were under charged and those that were over charged and aligned its own tariffs to these tariffs in order to attempt to at least reduce the loss/deficit currently endured from offering these services.

The following table compares current and proposed amounts payable from 1 July 2021.

Comparison between current waste removal fees and increases**1.4.4 Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases on different households.

Note that in all instances the overall impact of the tariff increases on household's bills has a net average effect of about 10%.

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2020/2021 budget and MTREF is informed by the following:

- Guidance provided by National Treasury in Circulars 71, 82, 93, 94, 98 and 99

- Balanced budget constraint (operating expenditure should not exceed operating Revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit; Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Limitation on tariff increases.

The following table is a high-level summary of the 2020/2021 budget and MTREF (classified per main type of operating expenditure):

EC136 Emalahleni (Ec) - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source												
Property rates	2		–	–	4 527	3 749	6 554	6 554	–	9 167	9 616	10 097
Service charges - electricity revenue	2		–	–	14 097	16 355	19 093	19 093	–	18 391	19 293	20 257
Service charges - refuse revenue	2		–	–	8 133	6 987	8 850	8 850	–	8 295	8 702	9 137
Rental of facilities and equipment			–	–	894	1 468	1 468	1 468	–	949	995	1 045
Interest earned - external investments			–	–	870	1 147	1 443	1 443	–	1 488	1 561	1 639
Interest earned - outstanding debtors			–	–	5 284	6 127	6 889	6 889	–	6 032	6 327	6 644
Fines, penalties and forfeits			–	–	9	115	399	399	–	202	211	222
Licences and permits			–	–	1 745	1 514	2 062	2 062	–	4 429	4 646	4 878
Agency services			–	–	800	1 384	1 384	1 384	–	1 457	1 528	1 604
Transfers and subsidies			–	–	121 556	–	–	–	–	148 749	154 102	157 351
Other revenue	2		–	–	2 703	1 960	4 501	4 501	–	1 651	1 732	1 818
Gains			–	–	(521)	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			–	–	160 097	40 806	52 643	52 643	–	200 810	208 714	214 693
Expenditure By Type												
Employee related costs	2		–	–	80 446	96 117	78 625	78 625	–	93 824	94 002	103 272
Remuneration of councillors			–	–	13 003	14 070	13 931	13 931	–	14 749	16 077	17 684
Debt impairment	3		–	–	12 044	6 000	6 000	6 000	–	4 000	4 196	4 406
Depreciation & asset impairment	2		–	–	24 223	24 256	24 256	24 256	–	19 384	18 790	19 730
Finance charges			–	–	1 586	271	271	271	–	280	294	308
Bulk purchases	2		–	–	9 625	16 070	13 892	13 892	–	14 300	15 000	15 000
Other materials	8		–	–	2 067	2 767	2 482	2 482	–	4 351	2 132	2 159
Contracted services			–	–	20 488	17 126	16 466	16 466	–	33 851	19 351	19 971
Transfers and subsidies			–	–	10 946	230	195	195	–	–	–	–
Other expenditure	4, 5		–	–	26 036	–	–	–	–	14 170	9 390	9 715
Losses			–	–	9 550	–	8 000	8 000	–	–	–	–
Total Expenditure			–	–	210 014	176 907	164 118	164 118	–	198 910	179 232	192 246
Surplus/(Deficit)			–	–	(49 917)	(136 101)	(111 475)	(111 475)	–	1 900	29 482	22 447
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			–	–	42 557	31 848	31 848	31 848	–	31 653	35 564	35 564
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			–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011
Taxation			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation			–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011
Attributable to minorities			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality			–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011
Share of surplus/ (deficit) of associate	7		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year			–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011

The budgeted allocation for employee related costs for the 2020/2021 financial year totals R108.573 million, which equals 55 % of the total operating expenditure. This percentage increases to 62% in 2021/2022. Based on the guidance provided by National Treasury in Circular 93 and 94 and The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 30 June 2021 dated 15 August 2018 through the South African Local Government Bargaining Council Circular No. 6 of 2018, salary increases have been factored into this budget at a percentage increase slightly higher than the Agreement to include the notch increases of 2.5 % for the 2020/2021 financial year for municipal officials. Due to some of the mSCOA projects having a labour component and also Repairs and Maintenance having a labour component, those labour costs also pull to this line item resulting in a higher percentage increase than it would have been had it only been the direct municipal official employee related costs.

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.

The provision of debt impairment was determined based on an annual collection rate of 60 per cent and the Debt Write-off Policy of the Municipality. For the 2020/2021 financial year, this amount equates to R4 million, R4.196 and R4.406 for the outer years. The amount has been conservatively estimated and there has been no write-offs in the current year, however the economy is on a downhill owing to high fuel prices and high food prices and is well known that consumers do not prioritise the paying of their municipal accounts and therefore these economic conditions will most probably be felt by the municipality and hence the increased provision for doubtful debts. While this expenditure is a non-cash flow item, it informs the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R19.384 million for the 2020/2021 financial year and equates to 9.7 per cent of the total operating expenditure. In order to measure it against other municipalities, if electricity bulk purchases are eliminated, it represents 10.5 per cent of the expenditure. The average for local municipalities in recent research is 13,76 per cent, and this small difference indicating that expected useful lives and depreciation rates are realistic.

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. The expenditures include distribution losses. Electricity bulk purchases represent 7.2 per cent of expenditure and increases to 8.4 per cent. If depreciation is excluded, the percentage is 7.9 per cent for the budget year.

National Treasury has introduced a new Chart of Accounts and additional expenditure line-items in the budget. One of these line-items is "Other materials". Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. This group of expenditure has been identified in order to measure sustainability of the Municipality's infrastructure. The municipality's financial systems are, however, not yet ready to implement this change and will be addressed in future budgets.

Main operational expenditure categories for the 2020/2021 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2020/2021 budget and MTREF provide for extensive growth in the area of asset

maintenance, as informed by the asset management policy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, National Treasury requires municipalities to adapt their costing systems to reflect these costs as Repairs and Maintenance.

During the compilation of the 2020/2021 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. The table below provides a breakdown of the repairs and maintenance in relation to asset class:

EC136 Emalahleni (Ec) - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		–	–	818	2 613	2 278	2 278	440	406	426
Roads Infrastructure		–	–	528	636	200	200	–	–	–
Roads		–	–	528	636	200	200	–	–	–
Storm water Infrastructure		–	–	34	1 517	1 507	1 507	–	–	–
Storm water Conveyance		–	–	34	1 517	1 507	1 507	–	–	–
Electrical Infrastructure		–	–	257	460	570	570	440	406	426
MV Substations		–	–	55	93	92	92	85	89	94
MV Networks		–	–	49	175	291	291	200	155	163
LV Networks		–	–	153	193	188	188	155	162	170
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Community Assets		–	–	1 175	974	474	474	640	66	67
Community Facilities		–	–	1 312	914	454	454	640	66	67
Halls		–	–	964	514	359	359	535	–	–
Cemeteries/Crematoria		–	–	25	130	30	30	35	5	5
Parks		–	–	130	190	52	52	30	41	42
Public Open Space		–	–	193	80	13	13	40	20	20
Sport and Recreation Facilities		–	–	(137)	60	20	20	–	–	–
Outdoor Facilities		–	–	(137)	60	20	20	–	–	–
		1	1	1	1	1	1	1	1	1
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Other assets		–	–	540	654	300	300	300	–	–
Operational Buildings		–	–	540	654	300	300	300	–	–
Municipal Offices		–	–	540	654	300	300	300	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	85	130	200	200	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	85	130	200	200	–	–	–
Computer Software and Applications		–	–	85	130	200	200	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	187	246	67	67	345	1 650	1 650
Machinery and Equipment		–	–	187	246	67	67	345	1 650	1 650
Transport Assets		–	–	625	980	762	762	1 195	1 444	1 596
Transport Assets		–	–	625	980	762	762	1 195	1 444	1 596
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	–	–	3 431	5 597	4 081	4 081	2 920	3 566	3 739
R&M as a % of PPE		0,0%	0,0%	0,8%	1,2%	0,9%	0,9%	0,0%	0,8%	0,8%
R&M as % Operating Expenditure		0,0%	0,0%	1,6%	3,2%	2,5%	2,5%	0,0%	1,8%	2,1%

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 all indigent households during the 2020/2021 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 below.

The cost of the social package of the registered indigent households is financed by the municipality largely by utilising the municipality's unconditional equitable share, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. The Transfer of grants because of free basic services totals R7.348 million comprising of R3.190 million for electricity, R1.958 for Property rates and R2.200 million for refuse for the 2020/2021 financial year and increases to R7.708 million in 2021/2022.

EC136 Emalahleni (Ec) - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>		6									
Total Property Rates				4 529	4 799	8 334	8 334		11 125	11 670	12 254
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)			—	—	2	1 050	1 780	—	1 958	2 054	2 156
Net Property Rates			—	—	4 527	3 749	6 554	—	9 167	9 616	10 097
<u>Service charges - electricity revenue</u>		6									
Total Service charges - electricity revenue				15 797	19 255	21 993	21 993		21 581	22 639	23 771
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)			—	—	1 700	2 900	2 900		3 190	3 346	3 514
Net Service charges - electricity revenue			—	—	14 097	16 355	19 093	—	18 391	19 293	20 257
<u>Service charges - water revenue</u>		6									
Total Service charges - water revenue											
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)			—	—	—	—	—	—	—	—	—
Net Service charges - water revenue			—	—	—	—	—	—	—	—	—
<u>Service charges - sanitation revenue</u>		6									
Total Service charges - sanitation revenue											
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)			—	—	—	—	—	—	—	—	—
Net Service charges - sanitation revenue			—	—	—	—	—	—	—	—	—
<u>Service charges - refuse revenue</u>		6									
Total refuse removal revenue			—	—	6 623	8 987	10 850	—	10 495	11 010	11 560
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)			—	—	(1 509)	2 000	2 000	—	2 200	2 308	2 423
Net Service charges - refuse revenue			—	—	8 133	6 987	8 850	—	8 295	8 702	9 137
<u>Other Revenue by source</u>		1									
Fuel Levy			—	—	—	—	—	—	—	—	—
Other Revenue			—	—	2 703	1 960	4 501	—	1 651	1 732	1 818
Total 'Other' Revenue			—	—	2 703	1 960	4 501	—	1 651	1 732	1 818

1.6 Capital expenditure

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

Vote Description R thousand	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
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and council		-	-	3 637	2 000	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	-	243	-	-	-	-	190	350	100
Vote 4 - PEDTA		-	-	1 049	-	-	-	-	-	-	-
Vote 5 - Community Services and Social Services		-	-	27 540	13 708	10 174	10 174	-	3 422	4 875	30
Vote 6 - Infrastructure Development and Human Settlement		-	-	11 715	18 490	22 533	22 533	-	28 341	29 729	17 710
Capital multi-year expenditure sub-total	7	-	-	44 183	34 198	32 707	32 707	-	31 953	34 954	17 840
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	716	763	763	-	200	210	221
Vote 3 - Budget and Treasury		-	-	-	-	1 283	1 283	-	1 400	400	300
Vote 4 - PEDTA		-	-	-	-	31	31	-	-	-	-
Vote 5 - Community Services and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Development and Human Settlement		-	-	-	-	24	24	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	716	2 101	2 101	-	1 600	610	521
Total Capital Expenditure - Vote		-	-	44 183	34 913	34 808	34 808	-	33 553	35 564	18 361
Capital Expenditure - Functional											
Governance and administration		-	-	3 637	2 716	2 046	2 046	-	1 790	1 360	621
Executive and council		-	-	3 637	2 000	-	-	-	-	-	-
Finance and administration		-	-	-	716	2 046	2 046	-	1 790	1 360	621
Community and public safety		-	-	23 183	13 358	9 523	9 523	-	2 922	4 475	30
Community and social services		-	-	8 969	5 294	2 351	2 351	-	-	-	-
Sport and recreation		-	-	14 214	8 064	7 173	7 173	-	2 922	4 475	30
Economic and environmental services		-	-	11 420	12 887	16 954	16 954	-	17 531	28 829	17 710
Planning and development		-	-	-	-	24	24	-	-	-	-
Road transport		-	-	11 420	12 887	16 930	16 930	-	17 531	28 829	17 710
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	513	5 953	5 953	5 953	-	11 310	900	-
Energy sources		-	-	295	-	-	-	-	5 000	900	-
Waste water management		-	-	-	5 603	5 603	5 603	-	5 810	-	-
Waste management		-	-	219	350	350	350	-	500	-	-
Other		-	-	5 187	0	332	332	-	-	-	-
Total Capital Expenditure Functional	3	-	-	43 940	34 913	34 808	34 808	-	33 553	35 564	18 361
Funded by:											
National Government		-	-	39 790	31 848	32 388	32 388	-	31 653	34 174	17 710
Provincial Government		-	-	-	350	350	350	-	-	-	-
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	-	-	39 790	32 198	32 738	32 738	-	31 653	34 174	17 710
Borrowing	6	-	-	167	-	-	-	-	-	-	-
Internally generated funds		-	-	3 764	2 716	2 070	2 070	-	1 900	1 390	651
Total Capital Funding	7	-	-	43 721	34 913	34 808	34 808	-	33 553	35 564	18 361

The following tables provides more information on the breakdown of the capital budget and the related maintenance of assets.

EC136 Emalahleni (Ec) - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		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									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	–	3 662	1 729	3 504	3 504	500	–	–
Roads Infrastructure		–	–	3 367	1 729	3 504	3 504	–	–	–
Roads		–	–	3 367	1 729	3 504	3 504	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	295	–	–	–	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	295	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	500	–	–
Landfill Sites		–	–	–	–	–	–	500	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Community Assets		–	–	13 263	7 867	5 252	5 252	–	–	–
Community Facilities		–	–	13 263	7 867	5 252	5 252	–	–	–
Centres		–	–	7 920	3 032	–	–	–	–	–
Testing Stations		–	–	5 187	0	332	332	–	–	–
Cemeteries/Crematoria		–	–	–	2 262	2 320	2 320	–	–	–
Public Open Space		–	–	156	2 572	2 600	2 600	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Other assets		–	–	3 637	2 000	–	–	–	400	–
Operational Buildings		–	–	3 637	2 000	–	–	–	400	–
Municipal Offices		–	–	3 637	2 000	–	–	–	–	–
Stores		–	–	–	–	–	–	–	400	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	24	24	190	350	100
Computer Equipment		–	–	–	–	24	24	190	350	100
Furniture and Office Equipment		–	–	–	716	1 113	1 113	200	210	221
Furniture and Office Equipment		–	–	–	716	1 113	1 113	200	210	221
Machinery and Equipment		–	–	48	–	–	–	110	30	30
Machinery and Equipment		–	–	48	–	–	–	110	30	30
Transport Assets		–	–	–	–	933	933	1 400	400	300
Transport Assets		–	–	–	–	933	933	1 400	400	300
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	1 049	–	31	31	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	1 049	–	31	31	–	–	–
Total Capital Expenditure on new assets	1	–	–	21 658	12 311	10 856	10 856	2 400	1 390	651

EC136 Emalahleni (Ec) - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description		Ref	2016/17			2017/18			2018/19			Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23						
Capital expenditure on renewal of existing assets by Asset Class/Sub-class																	
Infrastructure			-	-	171	350	2 350	2 350	13 866	24 542	15 310						
Roads Infrastructure			-	-	-	-	2 000	2 000	8 866	23 642	15 310						
Roads			-	-	-	-	2 000	2 000	8 866	23 642	15 310						
Storm water Infrastructure			-	-	-	-	-	-	-	-	-						
Attenuation			-	-	-	-	-	-	-	-	-						
Electrical Infrastructure			-	-	-	-	-	-	5 000	900	-						
LV Networks			-	-	-	-	-	-	5 000	900	-						
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-						
Dams and Weirs			-	-	-	-	-	-	-	-	-						
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-						
Capital Spares			-	-	-	-	-	-	-	-	-						
Solid Waste Infrastructure			-	-	171	350	350	350	-	-	-						
Waste Processing Facilities			-	-	171	350	350	350	-	-	-						
Rail Infrastructure			-	-	-	-	-	-	-	-	-						
Rail Lines			-	-	-	-	-	-	-	-	-						
Coastal Infrastructure			-	-	-	-	-	-	-	-	-						
Sand Pumps			-	-	-	-	-	-	-	-	-						
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-						
Data Centres			-	-	-	-	-	-	-	-	-						
Community Assets			-	-	3 737	0	533	533	-	-	-						
Community Facilities			-	-	-	-	-	-	-	-	-						
Halls			-	-	-	-	-	-	-	-	-						
Sport and Recreation Facilities			-	-	3 737	0	533	533	-	-	-						
Outdoor Facilities			-	-	3 737	0	533	533	-	-	-						
Heritage assets			-	-	-	-	-	-	-	-	-						
Monuments			-	-	-	-	-	-	-	-	-						
Historic Buildings			-	-	-	-	-	-	-	-	-						
Investment properties			-	-	-	-	-	-	-	-	-						
Revenue Generating			-	-	-	-	-	-	-	-	-						
Improved Property			-	-	-	-	-	-	-	-	-						
Non-revenue Generating			-	-	-	-	-	-	-	-	-						
Improved Property			-	-	-	-	-	-	-	-	-						
Unimproved Property			-	-	-	-	-	-	-	-	-						
Other assets			-	-	-	-	-	-	-	-	-						
Operational Buildings			-	-	-	-	-	-	-	-	-						
Municipal Offices			-	-	-	-	-	-	-	-	-						
Housing			-	-	-	-	-	-	-	-	-						
Staff Housing			-	-	-	-	-	-	-	-	-						
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-						
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-						
Intangible Assets			-	-	-	-	-	-	-	-	-						
Servitudes			-	-	-	-	-	-	-	-	-						
Licences and Rights			-	-	-	-	-	-	-	-	-						
Water Rights			-	-	-	-	-	-	-	-	-						
Computer Equipment			-	-	-	-	-	-	-	-	-						
Computer Equipment			-	-	-	-	-	-	-	-	-						
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-						
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-						
Machinery and Equipment			-	-	-	-	-	-	-	-	-						
Machinery and Equipment			-	-	-	-	-	-	-	-	-						
Transport Assets			-	-	-	-	-	-	-	-	-						
Transport Assets			-	-	-	-	-	-	-	-	-						
Land			-	-	-	-	-	-	-	-	-						
Land			-	-	-	-	-	-	-	-	-						
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-						
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-						
Total Capital Expenditure on renewal	1		-	-	3 908	350	2 883	2 883	13 866	24 542	15 310						
Renewal of Existing Assets as % of total capex			0,0%	0,0%	8,9%	1,0%	8,3%	8,3%	41,3%	69,0%	83,4%						
Renewal of Existing Assets as % of deprecn"			0,0%	0,0%	16,1%	1,4%	11,9%	11,9%	71,5%	130,6%	77,6%						

EC136 Emalahleni (Ec) - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		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									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		–	–	818	2 613	2 278	2 278	440	406	426
Roads Infrastructure		–	–	528	636	200	200	–	–	–
Roads		–	–	528	636	200	200	–	–	–
Storm water Infrastructure		–	–	34	1 517	1 507	1 507	–	–	–
Storm water Conveyance		–	–	34	1 517	1 507	1 507	–	–	–
Electrical Infrastructure		–	–	257	460	570	570	440	406	426
MV Substations		–	–	55	93	92	92	85	89	94
MV Networks		–	–	49	175	291	291	200	155	163
LV Networks		–	–	153	193	188	188	155	162	170
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Community Assets		–	–	1 175	974	474	474	640	66	67
Community Facilities		–	–	1 312	914	454	454	640	66	67
Halls		–	–	964	514	359	359	535	–	–
Cemeteries/Crematoria		–	–	25	130	30	30	35	5	5
Parks		–	–	130	190	52	52	30	41	42
Public Open Space		–	–	193	80	13	13	40	20	20
Sport and Recreation Facilities		–	–	(137)	60	20	20	–	–	–
Outdoor Facilities		–	–	(137)	60	20	20	–	–	–
		1	1	1	1	1	1	1	1	1
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Other assets		–	–	540	654	300	300	300	–	–
Operational Buildings		–	–	540	654	300	300	300	–	–
Municipal Offices		–	–	540	654	300	300	300	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	85	130	200	200	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	85	130	200	200	–	–	–
Computer Software and Applications		–	–	85	130	200	200	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	187	246	67	67	345	1 650	1 650
Machinery and Equipment		–	–	187	246	67	67	345	1 650	1 650
Transport Assets		–	–	625	980	762	762	1 195	1 444	1 596
Transport Assets		–	–	625	980	762	762	1 195	1 444	1 596
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance	1	–	–	3 431	5 597	4 081	4 081	2 920	3 566	3 739
R&M as a % of PPE		0,0%	0,0%	0,8%	1,2%	0,9%	0,9%	0,0%	0,8%	0,8%
R&M as % Operating Expenditure		0,0%	0,0%	1,6%	3,2%	2,5%	2,5%	0,0%	1,8%	2,1%

EC136 Emalahleni (Ec) - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		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									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	8 053	16 761	17 029	17 029	14 474	5 187	2 400
Roads Infrastructure		-	-	8 053	11 158	11 425	11 425	8 664	5 187	2 400
Roads		-	-	-	1 072	988	988	-	-	-
Road Structures		-	-	8 053	10 085	10 437	10 437	8 664	5 187	2 400
Storm water Infrastructure		-	-	-	5 603	5 603	5 603	5 810	-	-
Storm water Conveyance		-	-	-	5 603	5 603	5 603	5 810	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Community Assets		-	-	10 321	5 491	4 040	4 040	2 812	4 445	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	10 321	5 491	4 040	4 040	2 812	4 445	-
Outdoor Facilities		-	-	10 321	5 491	4 040	4 040	2 812	4 445	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading	1	-	-	18 374	22 252	21 069	21 069	17 287	9 632	2 400
Upgrading of Existing Assets as % of total capital expenditure		0,0%	0,0%	41,8%	63,7%	60,5%	60,5%	51,5%	27,1%	13,1%
Upgrading of Existing Assets as % of depreciation		0,0%	0,0%	75,9%	91,7%	86,9%	86,9%	89,2%	51,3%	12,2%

Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 6 MBRR SA35. This table shows that future operational costs associated with the capital programme totals R33.553 million in 2020/2021 and R35.564 million in 2021/2022 and R18.361 million in 2022/2023. It needs to be noted that as part of the 2020/2021 MTREF, this expenditure has been factored into the two outer years of the operational budget.

EC136 Emalahleni (Ec) - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
Capital expenditure	1							
Vote 1 - Executive and council		-	-	-				
Vote 2 - Corporate Services		200	210	221				
Vote 3 - Budget and Treasury		1 590	750	400				
Vote 4 - PEDTA		-	-	-				
Vote 5 - Community Services and Social Services		3 422	4 875	30				
Vote 6 - Infrastructure Development and Human Settlement		28 341	29 729	17 710				
Total Capital Expenditure		33 553	35 564	18 361	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Executive and council								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Rental of facilities and equipment								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		33 553	35 564	18 361	-	-	-	-

1.7 Annual Budget Tables

(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 2020/2021 budget and MTREF to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.)

2019/20 Financials (R'000) - Table A: Budget Summary										
Description R thousands	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
Financial Performance										
Property rates	-	-	4 527	3 749	6 554	6 554	-	9 167	9 616	10 097
Service charges	-	-	22 229	23 342	27 943	27 943	-	26 687	27 994	29 394
Investment revenue	-	-	870	1 147	1 443	1 443	-	1 488	1 561	1 639
Transfers recognised - operational	-	-	121 556	-	-	-	-	148 749	154 102	157 351
Other own revenue	-	-	10 914	12 568	16 703	16 703	-	14 719	15 440	16 212
Total Revenue (excluding capital transfers and contributions)	-	-	160 097	40 806	52 643	52 643	-	200 810	208 714	214 693
Employee costs	-	-	80 446	96 117	78 625	78 625	-	93 824	94 002	103 272
Remuneration of councillors	-	-	13 003	14 070	13 931	13 931	-	14 749	16 077	17 684
Depreciation & asset impairment	-	-	24 223	24 256	24 256	24 256	-	19 384	18 790	19 730
Finance charges	-	-	1 586	271	271	271	-	280	294	308
Materials and bulk purchases	-	-	11 682	18 837	16 374	16 374	-	18 651	17 132	17 159
Transfers and grants	-	-	10 946	230	195	195	-	-	-	-
Other expenditure	-	-	68 118	23 126	30 466	30 466	-	52 022	32 937	34 092
Total Expenditure	-	-	210 014	176 907	164 118	164 118	-	198 910	179 232	192 246
Surplus/(Deficit)	-	-	(49 917)	(136 101)	(111 475)	(111 475)	-	1 900	29 482	22 447
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	42 557	31 848	31 848	31 848	-	31 653	35 564	35 564
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	-	-	(7 360)	(104 253)	(79 627)	(79 627)	-	33 553	65 046	58 011
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	(7 360)	(104 253)	(79 627)	(79 627)	-	33 553	65 046	58 011
Capital expenditure & funds sources										
Capital expenditure	-	-	43 940	34 913	34 808	34 808	-	33 553	35 564	18 361
Transfers recognised - capital	-	-	39 790	32 198	32 738	32 738	-	31 653	34 174	17 710
Borrowing	-	-	167	-	-	-	-	-	-	-
Internally generated funds	-	-	3 764	2 716	2 070	2 070	-	1 900	1 390	651
Total sources of capital funds	-	-	43 721	34 913	34 808	34 808	-	33 553	35 564	18 361
Financial position										
Total current assets	-	-	44 664	162 963	11 863	11 863	-	45 383	65 628	65 628
Total non current assets	-	-	441 872	480 549	452 211	452 211	-	459 387	468 439	451 236
Total current liabilities	-	-	47 532	86 755	42 860	42 860	-	40 249	40 249	40 249
Total non current liabilities	-	-	13 726	14 800	17 751	17 751	-	17 751	17 751	17 751
Community wealth/Equity	-	-	-	0	0	0	-	0	0	0
Cash flows										
Net cash from (used) operating	-	-	(164 185)	34 716	60 198	60 198	-	35 576	67 717	55 897
Net cash from (used) investing	-	-	-	-	22 000	22 000	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	(164 185)	34 716	82 198	82 198	-	35 576	103 294	159 191
Cash backing										

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. There is no provision for any borrowing in the cash flows;
 - 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 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 paying much attention to managing this aspect of its finances, and consequently all of its obligations are cash-backed.
5. Significant assistance is being given to the indigent households.

EC136 Emalahleni (Ec) - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description R thousand	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
Revenue - Functional										
<i>Governance and administration</i>		-	-	127 914	137 307	143 916	143 916	147 762	156 460	163 464
Executive and council		-	-	-	7 254	7 254	7 254	7 254	7 554	7 867
Finance and administration		-	-	127 914	130 053	136 662	136 662	140 508	148 906	155 597
<i>Community and public safety</i>		-	-	723	2 812	2 997	2 997	2 332	2 399	2 472
Community and social services		-	-	273	1 630	1 679	1 679	1 233	1 246	1 261
Sport and recreation		-	-	5	12	3	3	3	3	3
Public safety		-	-	-	1 140	1 305	1 305	1 093	1 146	1 204
Housing		-	-	445	30	10	10	3	4	4
<i>Economic and environmental services</i>		-	-	46 114	35 838	35 838	35 838	35 523	37 481	37 584
Planning and development		-	-	46 114	35 838	35 838	35 838	35 523	37 481	37 584
<i>Trading services</i>		-	-	25 710	33 609	38 552	38 552	40 864	41 661	40 148
Energy sources		-	-	14 766	21 461	24 440	24 440	29 344	29 577	27 460
Waste management		-	-	10 944	12 148	14 112	14 112	11 519	12 084	12 688
<i>Other</i>	4	-	-	1 237	2 850	3 679	3 679	5 983	6 276	6 590
Total Revenue - Functional	2	-	-	201 698	212 415	224 982	224 982	232 463	244 278	250 257
Expenditure - Functional										
<i>Governance and administration</i>		-	-	140 836	90 120	96 276	96 276	95 787	90 012	97 189
Executive and council		-	-	30 049	31 646	29 107	29 107	28 252	28 981	31 718
Finance and administration		-	-	110 167	56 110	66 228	66 228	65 411	60 479	64 892
Internal audit		-	-	619	2 364	941	941	2 124	552	579
<i>Community and public safety</i>		-	-	9 627	19 240	14 189	14 189	16 785	17 350	18 898
Community and social services		-	-	6 867	11 026	7 179	7 179	11 261	11 275	12 274
Sport and recreation		-	-	1 282	2 265	2 326	2 326	2 027	2 216	2 390
Public safety		-	-	-	3 079	2 161	2 161	1 724	1 851	2 030
Housing		-	-	1 478	2 870	2 523	2 523	1 773	2 018	2 204
<i>Economic and environmental services</i>		-	-	22 904	43 789	41 394	41 394	43 109	37 659	40 189
Planning and development		-	-	21 536	39 906	36 207	36 207	40 373	36 949	39 408
Road transport		-	-	1 368	3 883	5 187	5 187	2 736	710	781
<i>Trading services</i>		-	-	33 023	40 088	31 854	31 854	39 977	31 010	32 485
Energy sources		-	-	12 530	25 531	19 348	19 348	30 586	21 617	22 201
Waste water management		-	-	(27)	1 527	1 518	1 518	-	-	-
Waste management		-	-	20 520	13 030	10 988	10 988	9 391	9 393	10 285
<i>Other</i>	4	-	-	1 935	3 682	1 653	1 653	3 252	3 191	3 485
Total Expenditure - Functional	3	-	-	208 323	196 918	185 366	185 366	198 910	179 232	192 246
Surplus/(Deficit) for the year		-	-	(6 625)	15 497	39 617	39 617	33 553	65 046	58 011

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 not the case for any of the trading services. As already noted above, the municipality will be undertaking a detailed study of these functions to explore ways of improving efficiencies and provide a basis for re-evaluating these functions' tariff structures.

4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

EC136 Emalahleni (Ec) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and council		-	-	-	7 254	7 254	7 254	7 254	7 554	7 857
Vote 2 - Corporate Services		-	-	(538)	1 005	1 005	1 005	0	0	0
Vote 3 - Budget and Treasury		-	-	128 049	131 026	138 529	138 529	143 421	151 962	158 805
Vote 4 - PEDTA		-	-	2	(1 044)	(1 768)	(1 768)	(1 954)	(2 049)	(2 152)
Vote 5 - Community Services and Social Services		-	-	13 819	16 847	19 674	19 674	18 871	19 749	20 689
Vote 6 - Infrastructure Development and Human Settlement		-	-	61 322	57 328	60 289	60 289	64 870	67 062	65 048
Total Revenue by Vote	2	-	-	202 654	212 415	224 982	224 982	232 483	244 278	250 257
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and council		-	-	30 346	34 512	30 168	30 168	30 492	29 606	32 374
Vote 2 - Corporate Services		-	-	64 792	18 825	21 770	21 770	27 128	22 983	24 811
Vote 3 - Budget and Treasury		-	-	35 331	29 393	38 001	38 001	31 507	29 635	31 690
Vote 4 - PEDTA		-	-	9 632	9 600	7 426	7 426	7 873	1 905	1 997
Vote 5 - Community Services and Social Services		-	-	41 349	38 116	31 527	31 527	33 991	35 446	38 501
Vote 6 - Infrastructure Development and Human Settlement		-	-	28 563	66 471	56 473	56 473	67 919	59 656	62 874
Total Expenditure by Vote	2	-	-	210 014	196 918	185 366	185 366	188 910	179 232	192 246
Surplus/(Deficit) for the year	2	-	-	(7 360)	15 497	39 617	39 617	33 553	65 046	58 011

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.
2. This table is the main driver of management- responsibility and performance in terms of the operating budget and also the benchmark against which any unauthorised expenditure will be measured.

EC136 Emalahleni (Ec) - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source												
Property rates	2		–	–	4 527	3 749	6 554	6 554	–	9 167	9 616	10 097
Service charges - electricity revenue	2		–	–	14 097	16 355	19 093	19 093	–	18 391	19 293	20 257
Service charges - refuse revenue	2		–	–	8 133	6 987	8 850	8 850	–	8 295	8 702	9 137
Rental of facilities and equipment			–	–	894	1 468	1 468	1 468	–	949	995	1 045
Interest earned - external investments			–	–	870	1 147	1 443	1 443	–	1 488	1 561	1 639
Interest earned - outstanding debtors			–	–	5 284	6 127	6 889	6 889	–	6 032	6 327	6 644
Fines, penalties and forfeits			–	–	9	115	399	399	–	202	211	222
Licences and permits			–	–	1 745	1 514	2 062	2 062	–	4 429	4 646	4 878
Agency services			–	–	800	1 384	1 384	1 384	–	1 457	1 528	1 604
Transfers and subsidies			–	–	121 556	–	–	–	–	148 749	154 102	157 351
Other revenue	2		–	–	2 703	1 960	4 501	4 501	–	1 651	1 732	1 818
Gains			–	–	(521)	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			–	–	160 097	40 806	52 643	52 643	–	200 810	208 714	214 693
Expenditure By Type												
Employee related costs	2		–	–	80 446	96 117	78 625	78 625	–	93 824	94 002	103 272
Remuneration of councillors			–	–	13 003	14 070	13 931	13 931	–	14 749	16 077	17 684
Debt impairment	3		–	–	12 044	6 000	6 000	6 000	–	4 000	4 196	4 406
Depreciation & asset impairment	2		–	–	24 223	24 256	24 256	24 256	–	19 384	18 790	19 730
Finance charges			–	–	1 586	271	271	271	–	280	294	308
Bulk purchases	2		–	–	9 625	16 070	13 892	13 892	–	14 300	15 000	15 000
Other materials	8		–	–	2 067	2 767	2 482	2 482	–	4 351	2 132	2 159
Contracted services			–	–	20 488	17 126	16 466	16 466	–	33 851	19 351	19 971
Transfers and subsidies			–	–	10 946	230	195	195	–	–	–	–
Other expenditure	4, 5		–	–	26 036	–	–	–	–	14 170	9 390	9 715
Losses			–	–	9 550	–	8 000	8 000	–	–	–	–
Total Expenditure			–	–	210 014	176 907	164 118	164 118	–	198 910	179 232	192 246
Surplus/(Deficit)												
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			–	–	(49 917)	(136 101)	(111 475)	(111 475)	–	1 900	29 482	22 447
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6		–	–	42 557	31 848	31 848	31 848	–	31 653	35 564	35 564
Transfers and subsidies - capital (in-kind - all)			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions			–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011
Taxation			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation			–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011
Attributable to minorities			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality			–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011
Share of surplus / (deficit) of associate	7		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year			–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011

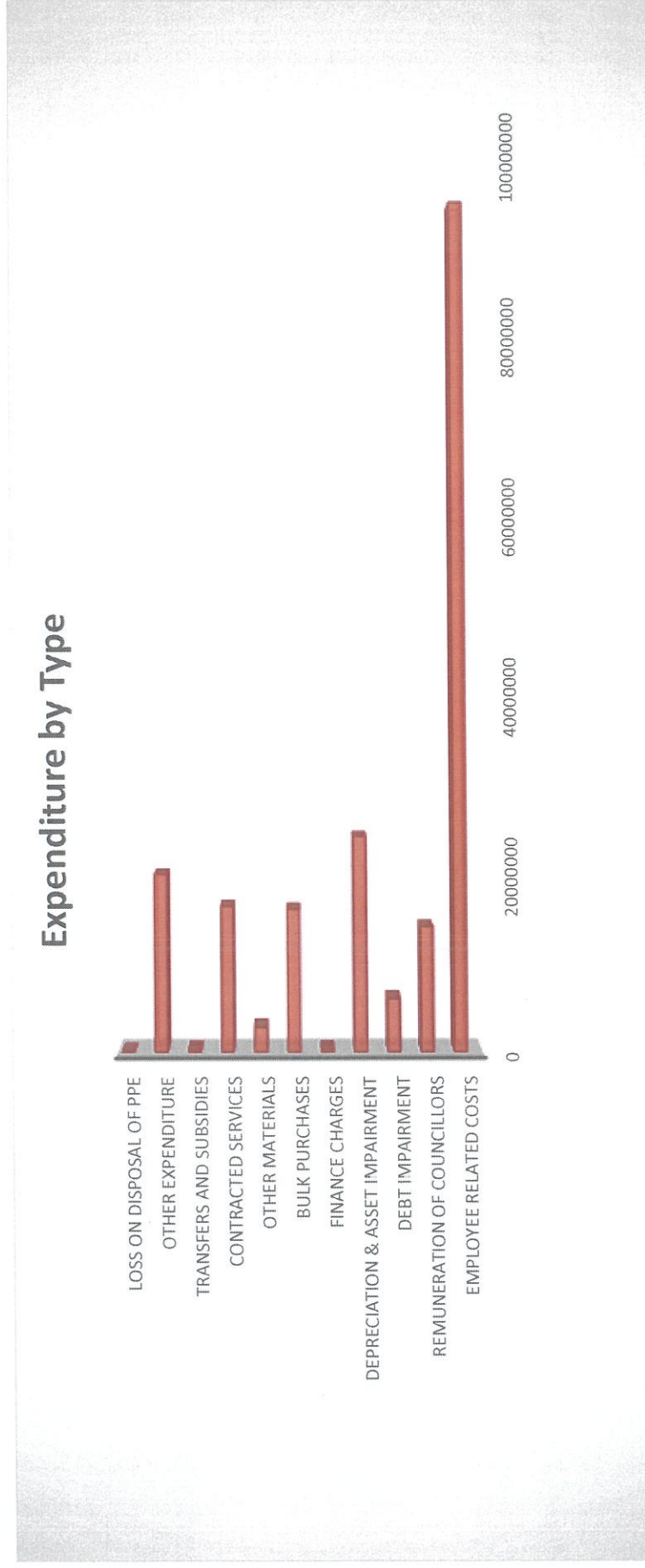
Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue, excluding capital transfers, is estimated at R200.810 million for 2020/2021 and escalates to R208.714 million in 2021/2022 and R214.693 million in 2022/2023. This represents a year-on-year increase of 4 per cent between 2019/2020 to 2020/2021 and an increase of 3 and 6.08 per cent throughout the MTREF.
2. Revenue to be generated from property rates is R9.167 million in the 2020/2021 financial year and increases to R9.616 million by 2021/22 which represents only 4.6 per cent of the operating revenue base (excluding capital transfers) of the Municipality and therefore does not represent a significant funding source for the municipality. It remains relatively constant over the medium-

term and tariff increases have been factored in at 4.9 per cent for each of the respective financial years of the MTREF.

3. Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R26.686 million for the 2020/2021 financial year and increasing to R27.995 million by 2021/22 and R29.394. For the 2020/2021 financial year services charges amount to 13.29 per cent of the total revenue base , increases to 13.41 percent and 13.69 percent over the MTREF period.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. Transfers are fluctuating according to grants provided for by the respective governments.

5. The following graph illustrates the major expenditure items per type.



Expenditure by major type

6. Bulk purchases have significantly increased from the 2019/2020 Adjusted budget of R13.892 million to R14.300 million and R15 million over the outer years of the MTREF. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
7. Employee related costs, depreciation, contracted services, other operating expenditure and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

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

Vote Description R thousand	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
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and council		-	-	3 637	2 000	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	-	243	-	-	-	-	190	350	100
Vote 4 - PEDTA		-	-	1 049	-	-	-	-	-	-	-
Vote 5 - Community Services and Social Services		-	-	27 540	13 708	10 174	10 174	-	3 422	4 875	30
Vote 6 - Infrastructure Development and Human Settlement		-	-	11 715	18 490	22 533	22 533	-	28 341	29 729	17 710
Capital multi-year expenditure sub-total	7	-	-	44 183	34 198	32 707	32 707	-	31 953	34 954	17 840
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	716	763	763	-	200	210	221
Vote 3 - Budget and Treasury		-	-	-	-	1 283	1 283	-	1 400	400	300
Vote 4 - PEDTA		-	-	-	-	31	31	-	-	-	-
Vote 5 - Community Services and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Development and Human Settlement		-	-	-	-	24	24	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	716	2 101	2 101	-	1 600	610	521
Total Capital Expenditure - Vote		-	-	44 183	34 913	34 808	34 808	-	33 553	35 564	18 361
Capital Expenditure - Functional											
Governance and administration		-	-	3 637	2 716	2 046	2 046	-	1 790	1 360	621
Executive and council		-	-	3 637	2 000	-	-	-	-	-	-
Finance and administration		-	-	-	716	2 046	2 046	-	1 790	1 360	621
Community and public safety		-	-	23 183	13 358	9 523	9 523	-	2 922	4 475	30
Community and social services		-	-	8 969	5 294	2 351	2 351	-	-	-	-
Sport and recreation		-	-	14 214	8 064	7 173	7 173	-	2 922	4 475	30
Economic and environmental services		-	-	11 420	12 887	16 954	16 954	-	17 531	28 829	17 710
Planning and development		-	-	-	-	24	24	-	-	-	-
Road transport		-	-	11 420	12 887	16 930	16 930	-	17 531	28 829	17 710
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	513	5 953	5 953	5 953	-	11 310	900	-
Energy sources		-	-	295	-	-	-	-	5 000	900	-
Waste water management		-	-	-	5 603	5 603	5 603	-	5 810	-	-
Waste management		-	-	219	350	350	350	-	500	-	-
Other		-	-	5 187	0	332	332	-	-	-	-
Total Capital Expenditure - Functional	3	-	-	43 940	34 913	34 808	34 808	-	33 553	35 564	18 361
Funded by:											
National Government		-	-	39 790	31 848	32 388	32 388	-	31 653	34 174	17 710
Provincial Government		-	-	-	350	350	350	-	-	-	-
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	-	-	39 790	32 198	32 738	32 738	-	31 653	34 174	17 710
Borrowing	6	-	-	167	-	-	-	-	-	-	-
Internally generated funds		-	-	3 764	2 716	2 070	2 070	-	1 900	1 390	651
Total Capital Funding	7	-	-	43 721	34 913	34 808	34 808	-	33 553	35 564	18 361

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. 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.
3. The capital program is funded from national grants and transfers and internally generated funds from current and prior year surpluses and is listed above.

MBRR Table A6 -Budgeted Financial Position

EC136 Emalahleni (Ec) - Table A6 Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
ASSETS											
Current assets											
Cash		–	–	51 293	88 321	3 527	3 527	–	13 633	21 737	21 737
Call investment deposits	1	–	–	(47 148)	–	–	–	–	24 536	36 601	36 601
Consumer debtors	1	–	–	34 429	46 419	8 318	8 318	–	7 185	7 270	7 270
Other debtors		–	–	6 090	26 923	38	38	–	28	21	21
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	–	–	–	1 301	0	0	–	0	0	0
Total current assets		–	–	44 664	162 963	11 883	11 883	–	45 383	65 628	65 628
Non current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		–	–	4 149	4 543	4 149	4 149	–	4 149	4 149	4 149
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	–	–	437 139	485 268	447 478	447 478	–	454 654	463 706	446 503
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		–	–	401	556	401	401	–	401	401	401
Other non-current assets		–	–	183	183	183	183	–	183	183	183
Total non current assets		–	–	441 872	490 549	452 211	452 211	–	459 387	468 439	451 236
TOTAL ASSETS		–	–	486 536	653 512	464 093	464 093	–	504 769	534 067	516 864
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits		–	–	64	46	0	0	–	0	0	0
Trade and other payables	4	–	–	26 874	70 656	20 983	20 983	–	18 372	18 372	18 372
Provisions		–	–	20 594	16 053	21 877	21 877	–	21 877	21 877	21 877
Total current liabilities		–	–	47 532	86 755	42 860	42 860	–	40 249	40 249	40 249
Non current liabilities											
Borrowing		–	–	779	1 407	373	373	–	373	373	373
Provisions		–	–	12 947	13 394	17 378	17 378	–	17 378	17 378	17 378
Total non current liabilities		–	–	13 726	14 800	17 751	17 751	–	17 751	17 751	17 751
TOTAL LIABILITIES		–	–	61 258	101 556	60 611	60 611	–	58 000	58 000	58 000
NET ASSETS	5	–	–	425 278	551 957	403 482	403 482	–	446 770	476 068	458 865
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		–	–	425 278	551 957	403 482	403 482	–	446 770	476 068	458 865
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	–	–	425 278	551 957	403 482	403 482	–	446 770	476 068	458 865

- Call investments deposits
The statement of financial position reflects a positive cash position of R13.633 million as well as call investments amounting to R24.536 million for the 2020/2021 financial year.
- Consumer debtors of R7.213 million for 2020/2021 financial year
- Property, plant and equipment is reflecting a healthy asset base of R454.654 million for 2020/2021, R463.706 million and R446.503 million for the outer years

- Trade and other payables reflects R13.372 million for the 2020/2021 financial year
- Provisions non-current are estimated at R17.378 million for the 2020/2021 financial year
- The Statement of Financial Position reflects a healthy accumulated surplus of R446.770 million, R476.068 million and R458.865 million for the outer years.

Explanatory notes to Table A6 - Budgeted Financial Position

1. The Budgeted Financial Position 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. This table is supported by an extensive table of notes (SA3 which can be found on later in this report providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

MBRR Table A7 - Budgeted Cash Flow Statement

EC136 Emalahleni (Ec) - Table A7 Budgeted Cash Flows

EC136 Emailani (EC) - Table A7/ Budgeted Cash Flows											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	4 050	5 084	5 084	-	5 439	5 240	5 240
Service charges		-	-	-	18 294	20 289	20 289	-	21 995	23 836	23 836
Other revenue		-	-	-	4 903	11 878	11 878	-	12 048	13 021	13 021
Transfers and Subsidies - Operational	1	-	-	-	133 306	135 976	135 976	-	136 525	144 379	144 379
Transfers and Subsidies - Capital	1	-	-	-	31 848	32 738	32 738	-	33 484	35 837	35 837
Interest		-	-	-	8 747	1 147	1 147	-	1 200	1 202	1 202
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	-	(151 665)	(166 161)	(146 644)	(146 644)	-	(174 835)	(155 504)	(167 310)
Finance charges		-	-	(1 586)	(271)	(271)	(271)	-	(280)	(294)	(308)
Transfers and Grants	1	-	-	(10 933)	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	(164 185)	34 716	60 198	60 198	-	35 576	67 717	55 897
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	22 000	22 000	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	-	22 000	22 000	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	(164 185)	34 716	82 198	82 198	-	35 576	67 717	55 897
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	-	-	35 576	103 294
Cash/cash equivalents at the year end:	2	-	-	(164 185)	34 716	82 198	82 198	-	35 576	103 294	159 191

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2020/2021 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. Cash and cash equivalents were estimated to total R82.198 million in 2019/2020 financial year and decreases to R35.576 million as at the end of the 2020/2021 financial year.

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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EC136 Emalahleni (Ec) - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	-	-	(164 185)	34 716	82 198	82 198	-	35 576	103 294	159 191
Other current investments > 90 days		-	-	168 329	53 605	(78 671)	(78 671)	-	2 593	(44 956)	(100 853)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	-	4 145	88 321	3 527	3 527	-	38 169	58 338	58 338
Application of cash and investments											
Unspent conditional transfers		-	-	-	1	788	788	-	0	0	0
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	-	25 525	10 924	9 221	9 221	-	10 977	10 575	10 850
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		-	-	25 525	10 925	10 010	10 010	-	10 978	10 575	10 850
Surplus(shortfall)		-	-	(21 381)	77 396	(6 483)	(6 483)	-	27 192	47 763	47 488

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. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
2. 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". The municipality's budget is cash-funded and thus in compliance with the requirements of the MFMA.
3. As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 MTREF the end objective of the medium-term framework was to ensure the budget is funded and aligned to section 18 of the MFMA.

MBRR Table A9 - Asset Management

136 Emalaheni (Ee) - Table A0 Asset Management											
R thousand	Description	Ref	2016/17 Audited Outcomes	2017/18 Audited Outcomes	2018/19 Audited Outcomes	Current Year 2019/20 Original Budget	Adjusted Budget	Full Year Forecast	2020/21 Budget Year 2020/21	2021/22 Forecast Budget Year +1 2021/22	2022/23 Forecast Budget Year +2 2022/23
CAPITAL EXPENDITURE											
Total New Assets											
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											
Heritage Assets											
Revenue Generating											
Non-revenue Generating											
Investment properties											
Operational Buildings											
Housing											
Other Assets											
Biological or Cultivated Assets											
Servitudes											
Licences and Rights											
Intangible Assets											
Computer Equipment											
Furniture and Office Equipment											
Machinery and Equipment											
Transport Assets											
Land											
Zoo's, Marine and Non-biological Animals											
Total Renewal of Existing Assets											
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											
Heritage Assets											
Revenue Generating											
Non-revenue Generating											
Investment properties											
Operational Buildings											
Housing											
Other Assets											
Biological or Cultivated Assets											
Servitudes											
Licences and Rights											
Intangible Assets											
Computer Equipment											
Furniture and Office Equipment											
Machinery and Equipment											
Transport Assets											
Land											
Zoo's, Marine and Non-biological Animals											
Total Upgrading of Existing Assets											
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											
Heritage Assets											
Revenue Generating											
Non-revenue Generating											
Investment properties											
Operational Buildings											
Housing											
Other Assets											
Biological or Cultivated Assets											
Servitudes											
Licences and Rights											
Intangible Assets											
Computer Equipment											
Furniture and Office Equipment											
Machinery and Equipment											
Transport Assets											
Land											
Zoo's, Marine and Non-biological Animals											
Total Capital Expenditure											
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											
Heritage Assets											
Revenue Generating											
Non-revenue Generating											
Investment properties											
Operational Buildings											
Housing											
Other Assets											
Biological or Cultivated Assets											
Servitudes											
Licences and Rights											
Intangible Assets											
Computer Equipment											
Furniture and Office Equipment											
Machinery and Equipment											
Transport Assets											
Land											
Zoo's, Marine and Non-biological Animals											
TOTAL CAPITAL EXPENDITURE - Asset class											
ASSET REGISTER SUMMARY - PPE (WDV)											
Roads Infrastructure											
Storm water Infrastructure											
Electrical Infrastructure											
Sanitation Infrastructure											
Solid Waste Infrastructure											
Rail Infrastructure											
Coastal Infrastructure											
Information and Communication Infrastructure											
Infrastructure											
Community Facilities											
Sport and Recreation Facilities											
Heritage Assets											
Revenue Generating											
Non-revenue Generating											
Investment properties											
Operational Buildings											
Housing											
Other Assets											
Biological or Cultivated Assets											
Servitudes											
Licences and Rights											
Intangible Assets											
Computer Equipment											
Furniture and Office Equipment											
Machinery and Equipment											
Transport Assets											
Land											
Zoo's, Marine and Non-biological Animals											
TOTAL ASSET REGISTER SUMMARY - PPE (R											
EXPENDITURE OTHER ITEMS											
Depreciation											
Repairs and Maintenance by Asset Class											
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											
Heritage Assets											
Revenue Generating											
Non-revenue Generating											
Investment properties											
Operational Buildings											
Housing											
Other Assets											
Biological or Cultivated Assets											
Servitudes											
Licences and Rights											
Intangible Assets											
Computer Equipment											

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. The Municipality does not meet both these recommendations.
3. An analysis between depreciation and operational repairs and maintenance over the MTREF is not yet possible until there is a way or accounting reform that allows the municipality to include all maintenance costs, also those incurred internally, to the maintenance votes. When implemented it will highlight the Municipality's maintenance backlog. The implementation of mSCOA and the costing segment will assist in this regard but for now as the costing segment is not yet fully implemented it is still difficult to align all repairs and maintenance expenditure to that cost driver.

4. MBRR Table A10–Basic Service Delivery Measurement

EC136 Emalahleni (Ec) - 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		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolites per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlement	8									
Water (6 kilolites per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	1 700	2 900	2 900	2 900	3 190	3 346	3 514
Refuse (removed once a week for indigent households)		-	-	(1 508)	2 000	2 000	2 000	2 200	2 308	2 423
Cost of Free Basic Services provided - Informal Formal Settlements										
Total cost of FBS provided		-	-	191	4 900	4 900	4 900	5 390	5 654	5 937
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolites per household per month)										
Sanitation (kilolites 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		-	-	2	1 050	1 780	1 780	1 958	2 054	2 156
Water (in excess of 6 kilolites 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)		-	-	-	-	-	-	-	-	-
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	-	-	2	1 050	1 780	1 780	1 958	2 054	2 156

Part 2 – Supporting Documentation

1.8 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 Portfolio Head Councillor of Financial Services/Mayor.

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.

1.8.1 Budget Process Overview

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

The Mayor tabled in Council the required the IDP and budget time schedule by 31 August 2019.

1.8.2 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 2020/2021 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.

1.8.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/2021 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 2020/2021 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 2019/20 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and 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 93 and 94 has been taken into consideration in the planning and prioritisation process.

1.9 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.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

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

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

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

IDP Strategic Objectives

2019/20 Financial Year	2020/21 MTREF
1. To ensure that cost effective, appropriate and efficient services are delivered (KPA Service delivery)	1. To ensure that cost effective, appropriate and efficient services are delivered (KPA Service delivery)
2. To ensure that conditions are created which stimulate the growth of the local economy (KPA LED)	2. To ensure that conditions are created which stimulate the growth of the local economy (KPA LED)
3. To have an effective and efficient administration (KPA Municipal transformation and Inst.dev.)	3. To have an effective and efficient administration (KPA Municipal transformation and Inst.dev.)
4. To have a transparent and performance driven organisation (KPA Good governance and public participation)	4. To have a transparent and performance driven organisation (KPA Good governance and public participation)
5. To implement good financial management (KPA Financial management and viability)	5. To implement good financial management (KPA Financial management and viability)

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

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

1. To have a transparent and performance driven organisation
2. To ensure that cost effective, appropriate and efficient services are delivered
3. To ensure that conditions are created which stimulate the growth of the local economy
4. To implement good financial management
5. To have an effective and efficient administration

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

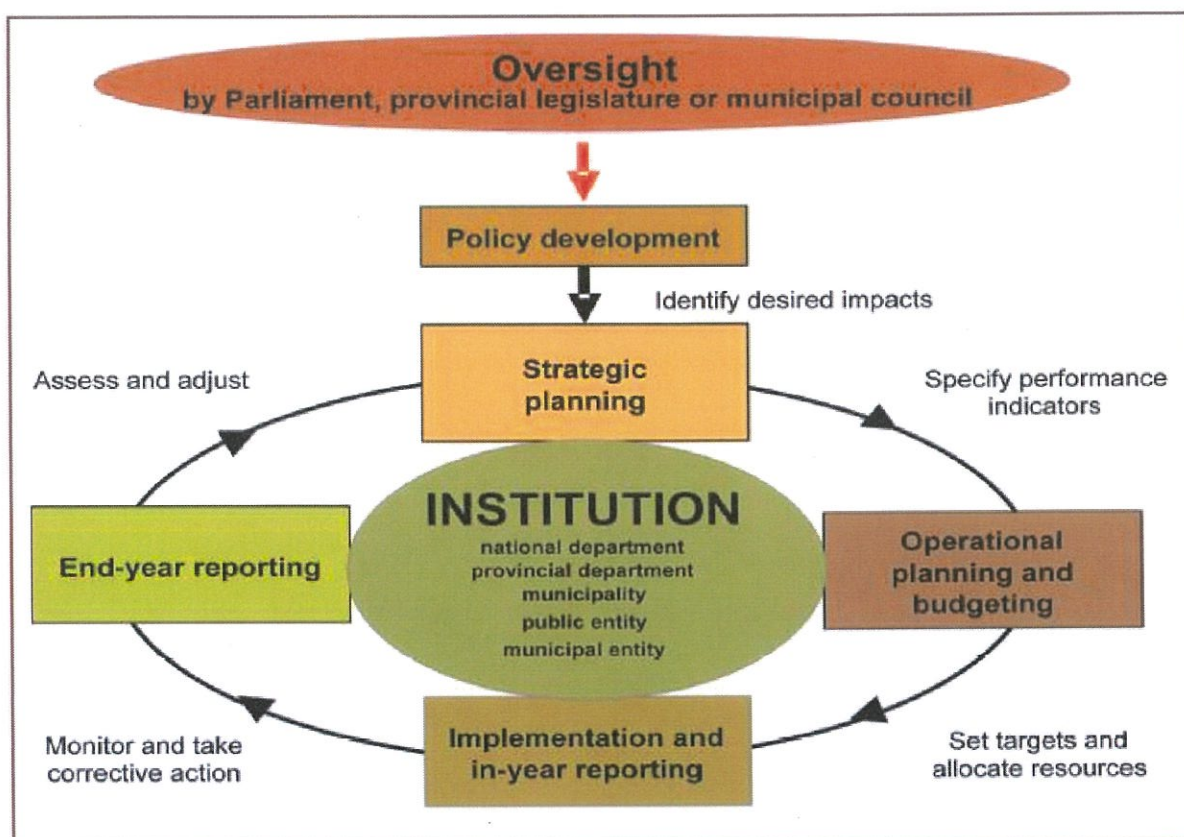
Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the new IDP.

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

1.10 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:



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

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

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

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

MBRR Table SA8 - Performance indicators and benchmark

EC136 Emalaheni (Ec) - Supporting Table SA8 Performance indicators and benchmarks

EC136 Emalaheni (Ec) - Supporting Table SA8 Performance Indicators and benchmarks										
Description of financial indicator	Basis of calculation	2016/17 Audited Outcome	2017/18 Audited Outcome	2018/19 Audited Outcome	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.8%	0.2%	0.2%	0.0%	0.1%	0.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	4.1%	0.7%	0.5%	0.0%	0.5%	0.5%	0.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity										
Current Ratio	Current assets/current liabilities	-	-	0.9	0.3	0.3	-	1.1	1.6	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	-	-	0.9	0.3	0.3	-	1.1	1.6	1.6
Liquidity Ratio	Monetary Assets/Current Liabilities	-	-	0.1	1.0	0.1	-	0.9	1.4	1.4
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	73.5%	73.5%	0.0%	76.5%	77.3%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	82.5%	73.5%	0.0%	76.5%	73.3%	73.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	25.3%	179.7%	15.9%	0.0%	3.6%	3.5%	3.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))									
Creditors to Cash and Investments		0.0%	0.0%	-15.5%	176.6%	18.6%	0.0%	46.7%	15.8%	10.3%
Other Indicators										
	Total Volume Losses (kW)									
	Total Cost of Losses (Rand '000)									
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated									
	Total Volume Losses (k£)									
	Total Cost of Losses (Rand '000)									
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	0.0%	0.0%	50.2%	235.5%	149.4%	0.0%	46.7%	45.0%	48.1%
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	0.0%	61.1%	262.8%	170.2%		53.9%	52.5%	56.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	2.1%	13.7%	7.8%		1.5%	1.7%	1.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	16.1%	60.1%	46.6%	0.0%	9.8%	9.1%	9.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)			4.4	35.6	35.6	-	43.3	45.4	47.7
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	-	-							
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services (Available cash + Investments)/monthly fixed operational expenditure	0.0%	0.0%	146.5%	256.8%	23.2%	0.0%	19.6%	18.9%	18.0%
iii. Cost coverage		-	-	(12.4)	2.8	7.6	-	2.5	8.1	11.6

1.10.1 Performance indicators and benchmarks

1.10.1.1 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, Emalahleni Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2020/21 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. This ratio is by far below the borrowing capacity of the municipality, but it needs to be noted that capital grants and transfers has contributed significantly to the municipality's capital expenditure programs, thus limiting the need for borrowing.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is steady 0.1 percent increasing to 0.2 percent throughout the MTREF period. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality should limit external interest charges to the minimum.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality does not intend borrowing in the 2020/21 and no other borrowings are planned over the MTREF period.

The Municipality's debt profile provides some interesting insights on the Municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2020/21 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

1.10.1.2 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, overdraft and tax provisions as a percentage of funds and reserves. This ratio is 0.0 % well below the norm, indicating a strong financial position.
- *The gearing ratio* is a measure of the total long-term borrowings over funds and reserves.

1.10.1.3 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 more than 2 which is a general benchmark, hence at no point in time should this ratio be less than 2. For the 2020/21 MTREF the current

ratio is 1.1, this is lower than the set limit. Going forward it will be good financial practices if these levels can be improved.

- 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 2020/21 financial year the ratio was 0.9 and it increases to 1.4 and 1.4 percent for the outer years of the MTREF which is an indication of a financially distressed Municipality, management will need to dramatically cut on expenditure and non-obligatory commitments in order to be able to improve the cashflow and financial health of the municipality.

1.10.1.4 Revenue Management

- As part of the financial sustainability, an aggressive revenue management framework should be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears more than 90 days.

1.10.1.5 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.

1.10.1.6 Other Indicators

- The municipality needs to know what causes high electricity losses. The municipality has then to developed mechanism to determine what is an acceptable distribution loss and what should be contributed to theft.
- Employee costs as a percentage of operating revenue is constantly growing over the MTREF. This is primarily owing to the high employee costs which are growing on an annual basis, the municipality has taken an approach to either cut expenditure or keep it in line with prior year budget, however employee costs cannot be cut, the increases in revenue are therefore consumed by the growing employee costs, hence the employee costs percent against revenue has remained constant.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also fairly constant owing directly to cost drivers such as bulk purchases increasing far above inflation. The expenditure on repairs and maintenance is well below acceptable levels, but the actual cost will only be determined when a costing system is implemented.

1.10.2 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 MTREF 3900 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 50 kwh of electricity, free

sanitation and free waste removal equivalent once a week, 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 elsewhere in this report.

1.11 Overview of budget related-policies

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

1.11.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council annually is currently under review. 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. In addition, emphasis was placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, they are entitled to free basic services.

The 2020/21 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 60 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.

1.11.2 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 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).

1.11.3 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.

1.11.4 Supply Chain Management Policy

The Supply Chain Management Policy was reviewed presented to Council in May 2019. Any amendments policy to the policy will be considered by Council when it arises of which the amendments will be extensively consulted on.

1.11.5 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 amended policy to accommodate the requirements of mSCOA was workshopped and presented to Council in May 2019 and is expected to be adopted before the end of the financial year to be implemented in the 2020/2021 financial year.

1.11.6 Cash Management and Investment Policy

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.

1.11.7 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.

All the above policies are available on the website and at the main municipal building, as well as the following budget related policies:

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

1.12 Overview of budget assumptions

1.12.1 External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank fast and millions of people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven and that growth for 2020 will be minimal with a slightly better growth in the outer years.

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.

1.12.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2020/2021 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration.

1.12.3 Credit rating outlook

The Municipality did not perform a credit rating outlook.

1.12.4 Interest rates for borrowing and investment of funds

The municipality expected that interest rates will be adjusted slightly upwards during the MTREF period and it has been budget for as such.

1.12.5 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as an averaged percentage (60 per cent) of annual billings. Cash flow is assumed to be on average 60 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

1.12.6 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's 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.

1.12.7 Salary increases

A 10% increase has been provided for Councillors, a provision of 10% increase has been made for employee related costs and a 10% increase has been provided for Directors remuneration increase. Employee related costs including Councillor allowances now represent 55% of Total expenditure which is above the maximum of 40%. The municipality will continue to improve its

revenue enhancement and delay filling of non- crucial posts to ensure the percentage is brought down and maintained under control.

1.12.8 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align 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.

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

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2020/21 MTREF of which performance has been factored into the cash flow budget.

1.13 Overview of budget funding

1.13.1 Medium-term outlook: operating revenue

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 electricity 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).

Investment revenue contributes significantly 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.

1.13.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves 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 provided for as cash inflow based on actual performance. In other words, the *actual collection rate* of billed revenue, and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

MBRR Table A7 - Budget cash flow statement**EC136 Emalahleni (Ec) - Table A7 Budgeted Cash Flows**

EC 130 Ennakointilaji (LC) - Table A1 Budgeted Cash Flows			2020/21 Medium Term Revenue & Expenditure Framework											
R thousand	Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21			Budget Year +1	Budget Year +2	
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23		
CASH FLOW FROM OPERATING ACTIVITIES														
Receipts														
	Property rates		-	-	-	4 050	5 084	5 084	-	5 439	5 240	5 240		
	Service charges		-	-	-	18 294	20 289	20 289	-	21 995	23 836	23 836		
	Other revenue		-	-	-	4 903	11 878	11 878	-	12 048	13 021	13 021		
1	Transfers and Subsidies - Operational		-	-	-	133 306	135 976	135 976	-	136 525	144 379	144 379		
1	Transfers and Subsidies - Capital		-	-	-	31 848	32 738	32 738	-	33 484	35 837	35 837		
	Interest		-	-	-	8 747	1 147	1 147	-	1 200	1 202	1 202		
	Dividends		-	-	-	-	-	-	-	-	-	-		
Payments														
	Suppliers and employees		-	-	(151 665)	(166 161)	(146 644)	(146 644)	-	(174 835)	(155 504)	(167 310)		
	Finance charges		-	-	(1 586)	(271)	(271)	(271)	-	(280)	(294)	(308)		
1	Transfers and Grants		-	-	(10 933)	-	-	-	-	-	-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES														
			-	-	(164 185)	34 716	60 198	60 198	-	35 576	67 717	55 897		
CASH FLOWS FROM INVESTING ACTIVITIES														
Receipts														
	Proceeds on disposal of PPE		-	-	-	-	22 000	22 000	-	-	-	-		
	Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-		
	Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-		
Payments														
	Capital assets		-	-	-	-	-	-	-	-	-	-		
NET CASH FROM/(USED) INVESTING ACTIVITIES														
			-	-	-	-	22 000	22 000	-	-	-	-		
CASH FLOWS FROM FINANCING ACTIVITIES														
Receipts														
	Short term loans		-	-	-	-	-	-	-	-	-	-		
	Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-		
	Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-		
Payments														
	Repayment of borrowing		-	-	-	-	-	-	-	-	-	-		
NET CASH FROM/(USED) FINANCING ACTIVITIES														
			-	-	-	-	-	-	-	-	-	-		
NET INCREASE/ (DECREASE) IN CASH HELD														
2	Cash/cash equivalents at the year begin:		-	-	(164 185)	34 716	82 198	82 198	-	35 576	67 717	55 897		
2	Cash/cash equivalents at the year end:		-	-	(164 185)	34 716	82 198	82 198	-	35 576	103 294	103 294		
												159 191		

1.13.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

EC136 Emalahleni (Ec) - Table A8 Cash backed reserves/accumulated surplus reconciliation

Ev 130 Etihadilaili (LC) - Table A0 Cash backed reserves/accumulated surplus recommendation													
Description	Ref	Current Year 2019/20					2020/21 Medium Term Revenue & Expenditure Framework						
		2016/17	2017/18	2018/19	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	-	-	(164 185)	34 716	82 198	82 198	-	35 576	103 294	159 191		
Other current investments > 90 days		-	-	168 329	53 605	(78 671)	(78 671)	-	2 593	(44 956)	(100 853)		
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-		
Cash and investments available:		-	-	4 145	88 321	3 527	3 527	-	38 169	58 338	58 338		
Application of cash and investments													
Unspent conditional transfers		-	-	-	1	788	788	-	0	0	0		
Unspent borrowing		-	-	-	-	-	-	-	-	-	-		
Statutory requirements	2												
Other working capital requirements	3	-	-	25 525	10 924	9 221	9 221	-	10 977	10 575	10 850		
Other provisions													
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-		
Reserves to be backed by cash/investments	5												
Total Application of cash and investments:		-	-	25 525	10 925	10 010	10 010	-	10 978	10 575	10 850		
Surplus(shortfall)		-	-	(21 381)	77 396	(6 483)	(6 483)	-	27 192	47 763	47 488		

From the above table it can be seen that the cash and investments available total positive R38.169 million in the 2020/21 financial year and progressively increase to R58.338 million by 2021/22 and R58.338 million over the MTREF including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the Capital Replacement Reserve, Employee Benefits Reserves and the Rehabilitation of landfill sites and quarries.

1.13.4 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.

MBRR SA10 – Funding compliance measurement

EC136 Emalahleni (Ec) Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2020/21 Medium Term Revenue & Expenditure Framework														
			2016/17		2017/18		2018/19		Current Year 2019/20			2020/21		Budget Year +1		Budget Year +2	
			Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year	2021/22	2022/23		
Funding measures																	
Cash/cash equivalents at the year end - R000	18(1)b	1	-	-	-	(164 185)	34 716	82 198	82 198	-	-	35 576	103 294	159 091			
Cash + investments at the yr end less applications - R000	18(1)b	2	-	-	-	(21 381)	77 396	(6 483)	(6 483)	-	-	27 192	47 763	47 468			
Cash year end/monthly employee/supplier payments	18(1)b	3	-	-	-	(12 4)	2,8	7,6	7,6	-	-	2,5	8,1	11,6			
Surplus/(Deficit) excluding depreciation offsets: R000	18(1)	4	-	-	-	(7 380)	(104 253)	(79 627)	(79 627)	-	-	33 553	65 046	58 011			
Service charge rev % change- macro CPI\% target exclusive	18(1)a(2)	5	N.A.	(6,0%)	(6,0%)	(6,0%)	(4,7%)	21,3%	(6,0%)	(106,0%)	(106,0%)	(2,1%)	(1,1%)	(1,0%)			
Cash receipts % of Ratepayer & Other revenue	18(1)a(2)	6	0,0%	0,0%	0,0%	0,0%	68,7%	72,8%	72,8%	0,0%	0,0%	78,1%	79,4%	75,5%			
Debt impairment expense as a % of total taxable revenue	18(1)a(2)	7	0,0%	0,0%	0,0%	45,0%	22,1%	17,4%	17,4%	0,0%	0,0%	11,2%	11,2%	11,2%			
Capital payments % of capital expenditure	18(1)c-19	8	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%			
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%			
Grants % of Govt. legislated/gazetted allocations	18(1)a	10	N.A.	0,0%	0,0%	0,0%	81,0%	(88,5%)	0,0%	(100,0%)	(100,0%)	0,0%	0,0%	0,0%			
Current consumer debtors % change- incl(lect)	18(1)a	11	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	(13,7%)	1,1%	0,0%			
Long term receivables % change- incl(lect)	18(1)a	12	N.A.	0,0%	0,0%	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	0,0%	0,0%	0,0%	0,8%	1,2%	0,9%	0,9%	0,0%	0,0%	0,6%	0,9%	0,8%			
Asset renewal % of capital budget	20(1)(vi)	14	0,0%	0,0%	0,0%	8,8%	1,0%	8,3%	8,3%	0,0%	0,0%	41,3%	69,0%	83,4%			

1.14 Councillor and employee benefits :MBRR SA22 - Summary of councillor and staff benefits

EC136 Emalahleni (EC) - Supporting Table SA22 Summary councillor and staff benefits

EC: Local Eminentment (EC) - Supporting any Rate SP42 Summary Contributor and Councilor Remuneration																			
R-Rowband	Summary of Employee and Councillor remuneration	Ref	2016/17			2017/18			2018/19			Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework				
			Audited Outcome	A	B	Audited Outcome	B	C	Audited Outcome	D	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year 2020/21	Budget Year 2020/21	Budget Year 2020/21	Budget Year 2020/21	
1	Councillors (Political Office Bearers plus Other)		-	-	-	12 266	11 695	11 626	11 626	11 626	11 626	11 626	11 626	11 626	11 626	11 626	11 626	11 626	
	Basic Salaries and Wages		-	-	-	549	1 659	1 599	1 599	1 599	1 599	1 599	1 599	1 599	1 599	1 599	1 599	1 599	
	Cellphone Allowance		-	-	-	-	765	765	765	765	765	765	765	765	765	765	765	765	
	Other benefits and allowances		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Sub Total - Councillors		-	-	-	12 814	14 070	13 931	13 931	13 931	13 931	13 931	13 931	13 931	13 931	13 931	13 931	13 931	
	% increase		-	-	-	-	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	
2	Senior Managers of the Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Basic Salaries and Wages		-	-	-	7 463	9 933	7 746	7 746	7 746	7 746	7 746	7 746	7 746	7 746	7 746	7 746	7 746	
	Pension and UIF Contributions		-	-	-	117	12	10	10	10	10	10	10	10	10	10	10	10	
	Performance Bonus		-	-	-	(1 094)	1 336	200	200	200	200	200	200	200	200	200	200	200	
3	Cellphone Allowance		-	-	-	33	-	-	-	-	-	-	-	-	-	-	-	-	
	Other benefits and allowances		-	-	-	339	56	0	0	0	0	0	0	0	0	0	0	0	
6	Postretirement benefit obligations		-	-	-	649	649	649	649	649	649	649	649	649	649	649	649	649	
	Sub Total - Senior Managers of Municipality		-	-	-	6 849	11 665	8 666	8 666	8 666	8 666	8 666	8 666	8 666	8 666	8 666	8 666	8 666	
4	% increase		-	-	-	-	70.3%	70.3%	70.3%	70.3%	70.3%	70.3%	70.3%	70.3%	70.3%	70.3%	70.3%	70.3%	
	Other Municipal Staff		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Basic Salaries and Wages		-	-	-	54 053	56 785	47 707	47 707	47 707	47 707	47 707	47 707	47 707	47 707	47 707	47 707	47 707	
	Pension and UIF Contributions		-	-	-	5 426	9 031	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	
	Medical Aid Contributions		-	-	-	3 304	2 900	2 769	2 769	2 769	2 769	2 769	2 769	2 769	2 769	2 769	2 769	2 769	
	Overtime		-	-	-	1 390	1 895	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	
	Performance Bonus		-	-	-	5 389	4 199	3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	3 147	
3	Motor Vehicle Allowance		-	-	-	4 409	4 335	2 716	2 716	2 716	2 716	2 716	2 716	2 716	2 716	2 716	2 716	2 716	
3	Cellphone Allowance		-	-	-	641	690	968	968	968	968	968	968	968	968	968	968	968	
3	Housing Allowances		-	-	-	943	249	169	169	169	169	169	169	169	169	169	169	169	
3	Other benefits and allowances		-	-	-	771	411	309	309	309	309	309	309	309	309	309	309	309	
	Payments in lieu of leave		-	-	-	650	273	273	273	273	273	273	273	273	273	273	273	273	
	Long service awards		-	-	-	501	438	66	66	66	66	66	66	66	66	66	66	66	
6	Postretirement benefit obligations		-	-	-	88	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub Total - Other Municipal Staff		-	-	-	76 214	81 492	67 599	67 599	67 599	67 599	67 599	67 599	67 599	67 599	67 599	67 599	67 599	
4	% increase		-	-	-	-	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	
	Total Parent Municipality		-	-	-	97 877	107 227	89 596	89 596	89 596	89 596	89 596	89 596	89 596	89 596	89 596	89 596	89 596	
	% increase		-	-	-	-	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	
	Board Members of Entities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Basic Salaries and Wages		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	% increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Senior Managers of Entities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Basic Salaries and Wages		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	% increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Other Staff of Entities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Basic Salaries and Wages		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	% increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Municipal Entities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	TOTAL SALARY, ALLOWANCES & BENEFITS		-	-	-	97 877	107 227	89 596	89 596	89 596	89 596	89 596	89 596	89 596	89 596	89 596	89 596	89 596	
4	% increase		-	-	-	-	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	
5,7	TOTAL MANAGERS AND STAFF		-	-	-	85 093	93 197	75 865	75 865	75 865	75 865	75 865	75 865	75 865	75 865	75 865	75 865	75 865	

1.15

Monthly targets for revenue, expenditure and cash flow

MBRR SA25 - Budgeted monthly revenue and expenditure

EC136 Emalahleni (Ec) - Supporting Table SA25 Budgeted monthly revenue and expenditure

Ref	Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
	Revenue By Source															
	Property rates	764	764	764	764	764	764	764	764	764	764	764	764	9 167	9 166	10 097
	Service charges - electricity revenue	1 533	1 533	1 533	1 533	1 533	1 533	1 533	1 533	1 533	1 533	1 533	1 533	18 361	19 293	20 267
	Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Service charges - refuse revenue	691	691	691	691	691	691	691	691	691	691	691	691	8 295	8 702	9 137
	Rental of facilities and equipment	79	79	79	79	79	79	79	79	79	79	79	79	949	995	1 045
	Interest earned - external investments	124	124	124	124	124	124	124	124	124	124	124	124	1 488	1 561	1 639
	Interest earned - outstanding debtors	503	503	503	503	503	503	503	503	503	503	503	503	6 032	6 327	6 644
	Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fines, penalties and forfeits	17	17	17	17	17	17	17	17	17	17	17	17	202	211	222
	Licences and permits	369	369	369	369	369	369	369	369	369	369	369	369	4 429	4 546	4 878
	Agency services	121	121	121	121	121	121	121	121	121	121	121	121	1 457	1 528	1 604
	Transfers and subsidies	12 396	12 396	12 396	12 396	12 396	12 396	12 396	12 396	12 396	12 396	12 396	12 396	148 749	154 102	157 351
	Other revenue	138	138	138	138	138	138	138	138	138	138	138	138	1 651	1 732	1 818
	Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Revenue (excluding capital transfers and contribution)	16 734	16 734	16 734	16 734	16 734	16 734	16 734	16 734	16 734	16 734	16 734	16 734	200 810	208 714	214 893
	Expenditure By Type															
	Employee related costs	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	93 824	94 002	103 272
	Remuneration of councillors	1 229	1 229	1 229	1 229	1 229	1 229	1 229	1 229	1 229	1 229	1 229	1 229	14 749	16 077	17 684
	Debt impairment	333	333	333	333	333	333	333	333	333	333	333	333	4 000	4 196	4 406
	Depreciation & asset impairment	1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	19 384	18 790	19 730
	Finance charges	23	23	23	23	23	23	23	23	23	23	23	23	280	294	308
	Bulk purchases	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	14 300	15 000	15 000
	Other materials	363	363	363	363	363	363	363	363	363	363	363	363	4 351	4 351	2 159
	Contracted services	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	33 851	19 351	19 971
	Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other expenditure	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	14 170	9 390	9 715
	Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenditure	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	198 910	179 232	192 246
	Surplus/(Deficit)	158	158	158	158	158	158	158	158	158	158	158	158	1 900	29 482	22 447
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	31 653	35 564	36 564
	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	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	65 046	58 011
	Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Surplus/(Deficit)	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	65 046	58 011

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

EC136 Emalahleni (Ec) - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

R thousand	Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
			July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional																	
Governance and administration																	
Executive and council			12 313	12 313	12 313	12 313	12 313	12 313	12 313	12 313	12 313	12 313	12 313	12 313	147 762	156 460	163 464
Finance and administration			605	605	605	605	605	605	605	605	605	605	605	605	7 254	7 554	7 867
Internal audit			11 709	11 709	11 709	11 709	11 709	11 709	11 709	11 709	11 709	11 709	11 709	11 709	140 508	148 906	155 597
Community and public safety																	
Community and social services			194	194	194	194	194	194	194	194	194	194	194	194	2 332	2 399	2 472
Sport and recreation			103	103	103	103	103	103	103	103	103	103	103	103	1 233	1 246	1 261
Public safety			0	0	0	0	0	0	0	0	0	0	0	0	3	3	3
Housing			91	91	91	91	91	91	91	91	91	91	91	91	1 093	1 146	1 204
Health			0	0	0	0	0	0	0	0	0	0	0	0	3	4	4
Economic and environmental services																	
Planning and development			2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	35 523	37 481	37 584
Road transport			2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	35 523	37 481	37 584
Environmental protection			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services																	
Energy sources			3 405	3 405	3 405	3 405	3 405	3 405	3 405	3 405	3 405	3 405	3 405	3 405	40 864	41 661	40 148
Water management			2 445	2 445	2 445	2 445	2 445	2 445	2 445	2 445	2 445	2 445	2 445	2 445	29 344	29 577	27 460
Waste management			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other																	
Waste water management			960	960	960	960	960	960	960	960	960	960	960	960	11 519	12 084	12 688
Total Revenue - Functional			19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	232 463	244 278	250 257
Expenditure - Functional																	
Governance and administration																	
Executive and council			7 982	7 982	7 982	7 982	7 982	7 982	7 982	7 982	7 982	7 982	7 982	7 982	95 787	90 012	97 189
Finance and administration			2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	28 252	28 981	31 718
Internal audit			5 451	5 451	5 451	5 451	5 451	5 451	5 451	5 451	5 451	5 451	5 451	5 451	65 411	60 479	64 892
Community and public safety																	
Community and social services			1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	16 785	17 360	18 898
Sport and recreation			938	938	938	938	938	938	938	938	938	938	938	938	11 261	11 275	12 274
Public safety			169	169	169	169	169	169	169	169	169	169	169	169	2 027	2 216	2 390
Housing			144	144	144	144	144	144	144	144	144	144	144	144	1 724	1 851	2 030
Health			148	148	148	148	148	148	148	148	148	148	148	148	1 773	2 018	2 204
Economic and environmental services																	
Planning and development			3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	43 109	37 659	40 189
Road transport			3 364	3 364	3 364	3 364	3 364	3 364	3 364	3 364	3 364	3 364	3 364	3 364	40 373	36 949	39 408
Environmental protection			228	228	228	228	228	228	228	228	228	228	228	228	2 736	710	781
Trading services																	
Energy sources			3 331	3 331	3 331	3 331	3 331	3 331	3 331	3 331	3 331	3 331	3 331	3 331	39 977	31 010	32 485
Water management			2 549	2 549	2 549	2 549	2 549	2 549	2 549	2 549	2 549	2 549	2 549	2 549	30 586	21 617	22 201
Waste water management			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management			783	783	783	783	783	783	783	783	783	783	783	783	9 391	9 393	10 285
Other																	
Share of surplus/ (deficit) of associate			2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	199 910	179 232	192 246
Total Expenditure - Functional			16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	33 553	65 046	58 011
Surplus/(Deficit) before assoc.			2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	65 046	58 011
Share of surplus/ (deficit) of associate			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)			2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	65 046	58 011

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

EC-136 Emalahleni (Ec) - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

R thousand	Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
			July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote			605	605	605	605	605	605	605	605	605	605	605	605	7 254	7 554	7 867
	Vote 1 - Executive and council		—	—	—	—	—	0	—	—	—	—	—	—	0	0	0
	Vote 2 - Corporate Services		11 952	11 952	11 952	11 952	11 952	11 952	11 952	11 952	11 952	11 952	11 952	11 952	143 421	151 962	158 805
	Vote 3 - Budget and Treasury		(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(1 954)	(2 049)	(2 152)
	Vote 4 - PEDA		1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	18 871	19 749	20 689
	Vote 5 - Community Services and Social Services		5 406	5 406	5 406	5 406	5 406	5 406	5 406	5 406	5 406	5 406	5 406	5 406	64 870	67 062	68 048
	Vote 6 - Infrastructure Development and Human Settlement		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Vote 7 - COMMUNITY & SOCIAL SERVICES		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	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			19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	232 463	244 278	250 257
Expenditure by Vote to be appropriated																	
	Vote 1 - Executive and council		2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	30 492	29 606	32 374
	Vote 2 - Corporate Services		2 261	2 261	2 261	2 261	2 261	2 261	2 261	2 261	2 261	2 261	2 261	2 261	27 128	22 983	24 811
	Vote 3 - Budget and Treasury		2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	31 507	29 635	31 690
	Vote 4 - PEDA		656	656	656	656	656	656	656	656	656	656	656	656	7 873	1 905	1 997
	Vote 5 - Community Services and Social Services		2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	33 991	35 446	38 501
	Vote 6 - Infrastructure Development and Human Settlement		5 660	5 660	5 660	5 660	5 660	5 660	5 660	5 660	5 660	5 660	5 660	5 660	67 919	59 656	62 874
	Vote 7 - COMMUNITY & SOCIAL SERVICES		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	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			16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	198 910	179 232	192 246
Surplus/(Deficit) before assoc.			2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	65 046	58 011
Taxation			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/(deficit) of associate			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)			2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	65 046	58 011

MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**EC136 Emalahleni (Ec) - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)**

R thousand	Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
1	Multi-year expenditure to be appropriated																
	Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 3 - Budget and Treasury		16	16	16	16	16	16	16	16	16	16	16	16	190	350	100
	Vote 4 - PEDTA		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 5 - Community Services and Social Services		285	285	285	285	285	285	285	285	285	285	285	285	3 422	4 875	30
	Vote 6 - Infrastructure Development and Human Settlement		2 362	2 362	2 362	2 362	2 362	2 362	2 362	2 362	2 362	2 362	2 362	2 362	28 341	29 729	17 710
2	Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Capital multi-year expenditure sub-total		2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	31 953	34 954	17 840
	Single-year expenditure to be appropriated																
	Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Vote 2 - Corporate Services		17	17	17	17	17	17	17	17	17	17	17	17	200	210	221
	Vote 3 - Budget and Treasury		117	117	117	117	117	117	117	117	117	117	117	117	1 400	400	300
	Capital single-year expenditure sub-total		133	133	133	133	133	133	133	133	133	133	133	133	1 600	610	521
2	Total Capital Expenditure		2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	35 564	18 361

*** MBRR SA29 - Budgeted monthly capital expenditure (standard classification)****EC136 Emalahleni (Ec) - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)**

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		149	149	149	149	149	149	149	149	149	149	149	149	1 790	1 360	621
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		149	149	149	149	149	149	149	149	149	149	149	149	1 790	1 360	621
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		244	244	244	244	244	244	244	244	244	244	244	244	2 922	4 475	30
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		244	244	244	244	244	244	244	244	244	244	244	244	2 922	4 475	30
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	17 531	28 829	17 710
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	17 531	28 829	17 710
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		943	943	943	943	943	943	943	943	943	943	943	943	11 310	900	-
Energy sources		417	417	417	417	417	417	417	417	417	417	417	417	5 000	900	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		484	484	484	484	484	484	484	484	484	484	484	484	5 810	-	-
Waste management		42	42	42	42	42	42	42	42	42	42	42	42	500	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	35 564	18 361
Funded by:																
National Government		2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	31 653	34 174	17 710
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
transfers and subsidies - capital (monetary		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
allocations) (National / Provincial Departmental		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit institutions,		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Enterprises, Public Corporations, Higher		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational institutions)		2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	31 653	34 174	17 710
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		158	158	158	158	158	158	158	158	158	158	158	158	1 900	1 360	651
Total Capital Funding		2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	35 564	18 361

MBRR SA30 - Budgeted monthly cash

EC136 Emalahleni (Ec) - Supporting Table SA30 Budgeted monthly cash flow

R thousand	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Receipts By Source													1		
Property rates	453	453	453	453	453	453	453	453	453	453	453	453	5 439	5 240	5 240
Service charges - electricity revenue	1 405	1 405	1 405	1 405	1 405	1 405	1 405	1 405	1 405	1 405	1 405	1 405	16 858	18 170	18 170
Service charges - refuse revenue	428	428	428	428	428	428	428	428	428	428	428	428	5 137	5 666	5 666
Rental of facilities and equipment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest earned - external investments	100	100	100	100	100	100	100	100	100	100	100	100	1 200	1 202	1 202
Fines, penalties and forfeits	23	23	23	23	23	23	23	23	23	23	23	23	277	297	297
Licences and permits	311	311	311	311	311	311	311	311	311	311	311	311	3 736	4 075	4 075
Agency services	291	291	291	291	291	291	291	291	291	291	291	291	3 491	3 881	3 881
Transfers and Subsidies - Operational	11 377	11 377	11 377	11 377	11 377	11 377	11 377	11 377	11 377	11 377	11 377	11 377	136 525	144 379	144 379
Other revenue	379	379	379	379	379	379	379	379	379	379	379	379	4 545	4 768	4 768
Cash Receipts by Source	14 767	14 767	14 767	14 767	14 767	14 767	14 767	14 767	14 767	14 767	14 767	14 767	177 208	187 679	187 679
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 790	2 790	2 790	2 790	2 790	2 790	2 790	2 790	2 790	2 790	2 790	2 790	33 484	35 837	35 837
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on Disposal of Fixed and Intangible Assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Receipts by Source	17 558	17 558	17 558	17 558	17 558	17 558	17 558	17 558	17 558	17 558	17 558	17 558	210 691	223 515	223 515
Cash Payments by Type															
Employee related costs	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	93 824	94 002	103 272
Remuneration of councillors	1 195	1 195	1 195	1 195	1 195	1 195	1 195	1 195	1 195	1 195	1 195	1 195	14 339	15 029	17 192
Finance charges	23	23	23	23	23	23	23	23	23	23	23	23	280	294	308
Bulk purchases - Electricity	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	14 300	15 000	15 000
Other materials	363	363	363	363	363	363	363	363	363	363	363	363	4 351	2 132	2 159
Contracted services	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	33 851	19 351	19 971
Other expenditure	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	14 170	9 390	9 715
Cash Payments by Type	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	175 115	155 798	167 618
Other Cash Flows/Payments by Type															
Capital assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Payments by Type	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	175 115	155 798	167 618
NET INCREASE/(DECREASE) IN CASH HELD	2 965	2 965	2 965	2 965	2 965	2 965	2 965	2 965	2 965	2 965	2 965	2 965	35 576	67 717	55 897
Cash/cash equivalents at the month/year begin	2 965	2 965	5 929	8 894	11 859	14 823	17 788	20 753	23 717	26 682	29 647	32 611	—	35 576	103 294
Cash/cash equivalents at the month/year end	2 965	5 929	8 894	11 859	14 823	17 788	20 753	23 717	26 682	29 647	32 611	35 576	35 576	103 294	159 191

MBRR SA33 - 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.

1.16 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.

EC136 Emalaheni (Ec) - Supporting Table SA34a Capital expenditure on new assets by asset class													
R thousand	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
Capital expenditure on new assets by Asset Class/Sub-class			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast					
Infrastructure	Roads												
	Roads Infrastructure												
	Storm water Infrastructure												
	Drainage Collection												
	Electrical Infrastructure												
	Power Plants												
	Capital Spares												
	Dams and Weirs												
	Sanitation Infrastructure												
	Pump Station												
	Solid Waste Infrastructure												
	Landfill Sites												
	Rail Infrastructure												
	Rail Lines												
	Coastal Infrastructure												
	Sand Pumps												
	Information and Communication Infrastructure												
	Community Assets												
	Centres												
	Testing Stations												
Cemeteries/Crematoria													
Public Open Space													
Sport and Recreation Facilities													
Indoor Facilities													
Heritage assets													
Monuments													
Investment Properties													
Revenue Generating													
Improved Property													
Non-revenue Generating													
Improved Property													
Other assets													
Operational Buildings													
Municipal Offices													
Stores													
Housing													
Staff Housing													
Biological or Cultivated Assets													
Biological or Cultivated Assets													
Intangible Assets													
Services													
Licences and Rights													
Water Rights													
Computer Equipment													
Computer Equipment													
Furniture and Office Equipment													
Furniture and Office Equipment													
Machinery and Equipment													
Machinery and Equipment													
Transport Assets													
Transport Assets													
Land													
Land													
Zoo's, Marine and Non-biological Animals													
Zoo's, Marine and Non-biological Animals													
Total Capital Expenditure on new assets		1	21 658	12 311	10 856	10 856	2 400	1 390	651				

EC136 Emalahleni (Ec) - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure			-	-	171	350	2 350	2 350	13 866	24 542	15 310
Roads Infrastructure			-	-	-	-	2 000	2 000	8 866	23 642	15 310
Roads			-	-	-	-	2 000	2 000	8 866	23 642	15 310
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Attenuation			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	-	-	-	-	-	5 000	900	-
LV Networks			-	-	-	-	-	-	5 000	900	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Dams and Weirs			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	171	350	350	350	-	-	-
Waste Processing Facilities			-	-	171	350	350	350	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Rail Lines			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Sand Pumps			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Data Centres			-	-	-	-	-	-	-	-	-
Community Assets			-	-	3 737	0	533	533	-	-	-
Community Facilities			-	-	-	-	-	-	-	-	-
Halls			-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities			-	-	3 737	0	533	533	-	-	-
Outdoor Facilities			-	-	3 737	0	533	533	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Monuments			-	-	-	-	-	-	-	-	-
Historic Buildings			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Improved Property			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Improved Property			-	-	-	-	-	-	-	-	-
Unimproved Property			-	-	-	-	-	-	-	-	-
Other assets			-	-	-	-	-	-	-	-	-
Operational Buildings			-	-	-	-	-	-	-	-	-
Municipal Offices			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Staff Housing			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Water Rights			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	-	-	-	-	-	-	-	-
Transport Assets			-	-	-	-	-	-	-	-	-
Transport Assets			-	-	-	-	-	-	-	-	-
Land			-	-	-	-	-	-	-	-	-
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal	1		-	-	3 908	350	2 883	2 883	13 866	24 542	15 310
Renewal of Existing Assets as % of total capex			0.0%	0.0%	8.9%	1.0%	8.3%	8.3%	41.3%	69.0%	83.4%
Renewal of Existing Assets as % of deprecn			0.0%	0.0%	16.1%	74.4%	11.9%	11.9%	71.5%	130.6%	77.6%

EC136 Emalahleni (Ec) - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			-	-	818	2 613	2 278	2 278	440	406	426
Roads Infrastructure			-	-	528	636	200	200	-	-	-
Roads			-	-	528	636	200	200	-	-	-
Storm water Infrastructure			-	-	34	1 517	1 507	1 507	-	-	-
Storm water Conveyance			-	-	34	1 517	1 507	1 507	-	-	-
Electrical Infrastructure			-	-	257	460	570	570	440	406	426
MV Substations			-	-	55	93	92	92	85	89	94
MV Networks			-	-	49	175	291	291	200	155	163
LV Networks			-	-	153	193	188	188	155	162	170
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Rail Lines			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Sand Pumps			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Data Centres			-	-	-	-	-	-	-	-	-
Community Assets			-	-	1 175	974	474	474	640	66	67
Community Facilities			-	-	1 312	914	454	454	640	66	67
Halls			-	-	964	514	359	359	535	-	-
Cemeteries/Crematoria			-	-	25	130	30	30	35	5	5
Parks			-	-	130	190	52	52	30	41	42
Public Open Space			-	-	193	80	13	13	40	20	20
Sport and Recreation Facilities			-	-	(137)	60	20	20	-	-	-
Outdoor Facilities			-	-	(137)	60	20	20	-	-	-
			1	1	1	1	1	1	1	1	1
Heritage assets			-	-	-	-	-	-	-	-	-
Monuments			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Improved Property			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Improved Property			-	-	-	-	-	-	-	-	-
Other assets			-	-	540	654	300	300	300	-	-
Operational Buildings			-	-	540	654	300	300	300	-	-
Municipal Offices			-	-	540	654	300	300	300	-	-
Housing			-	-	-	-	-	-	-	-	-
Staff Housing			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	85	130	200	200	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	85	130	200	200	-	-	-
Computer Software and Applications			-	-	85	130	200	200	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	-	187	246	67	67	345	1 650	1 650
Machinery and Equipment			-	-	187	246	67	67	345	1 650	1 650
Transport Assets			-	-	625	980	762	762	1 195	1 444	1 596
Transport Assets			-	-	625	980	762	762	1 195	1 444	1 596
Land			-	-	-	-	-	-	-	-	-
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance	1		-	-	3 431	5 597	4 081	4 081	2 920	3 566	3 739
R&M as a % of PPE			0.0%	0.0%	0.8%	1.2%	0.9%	0.9%	0.0%	0.8%	0.8%
R&M as % Operating Expenditure			0.0%	0.0%	7.5%	3.2%	2.5%	2.5%	0.0%	1.8%	2.1%

1.18 Legislation compliance status

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

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department and one in the Internal Audit 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 2020/21 MTREF in May 2020.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010.

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

EC136 Emalahleni (Ec) - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and council	Vote 2 - Corporate Services	Vote 3 - Budget and Treasury	Vote 4 - PEDTA	Vote 5 - Community Services and Social Services	Vote 6 - Infrastructure Development and Human Settlement	Vote 7 - COMMUNITY & SOCIAL SERVICES	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		-	0	11 125	(1 553)	-	-	-	-	-	-	-	-	-	-	-	9 167
Service charges - electricity revenue		-	-	-	-	-	18 391	-	-	-	-	-	-	-	-	-	18 391
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	8 295	-	-	-	-	-	-	-	-	-	-	8 295
Rental of facilities and equipment		-	-	724	-	224	-	-	-	-	-	-	-	-	-	-	948
Interest earned - external investments		-	-	1 446	-	42	-	-	-	-	-	-	-	-	-	-	1 488
Interest earned - outstanding debtors		-	-	2 079	-	3 224	729	-	-	-	-	-	-	-	-	-	6 032
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	202	-	-	-	-	-	-	-	-	-	-	202
Licences and permits		-	-	10	-	4 419	-	-	-	-	-	-	-	-	-	-	4 429
Agency services		-	-	-	-	1 457	-	-	-	-	-	-	-	-	-	-	1 457
Other revenue		-	-	1 473	4	57	116	-	-	-	-	-	-	-	-	-	1 651
Transfers and subsidies		7 254	-	126 554	-	950	13 981	-	-	-	-	-	-	-	-	-	148 749
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)		7 254	0	143 421	(1 554)	18 871	33 217	-	-	-	-	-	-	-	-	-	200 810
Expenditure By Type																	
Employee related costs		790	1 118	1 237	508	1 908	1 043	-	-	-	-	-	-	-	-	-	6 603
Remuneration of councillors		14 749	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14 749
Debt impairment		-	-	4 000	-	-	-	-	-	-	-	-	-	-	-	-	4 000
Depreciation & asset impairment		76	284	1 276	32	981	16 724	-	-	-	-	-	-	-	-	-	19 384
Finance charges		-	280	-	-	-	-	-	-	-	-	-	-	-	-	-	280
Bulk purchases		-	-	-	-	-	14 300	-	-	-	-	-	-	-	-	-	14 300
Other materials		260	130	20	180	1 585	2 166	-	-	-	-	-	-	-	-	-	4 351
Contracted services		1 088	7 150	7 700	230	5 840	11 843	-	-	-	-	-	-	-	-	-	33 851
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		3 000	5 150	3 236	892	750	1 142	-	-	-	-	-	-	-	-	-	14 170
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		19 963	14 122	17 469	1 842	11 074	47 218	-	-	-	-	-	-	-	-	-	111 686
Surplus/(Deficit)		(12 709)	(14 122)	125 952	(3 796)	7 797	(14 000)	-	-	-	-	-	-	-	-	-	89 121
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	31 653	-	-	-	-	-	-	-	-	-	31 653
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Nonprofit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(12 709)	(14 122)	125 952	(3 796)	7 797	17 653	-	-	-	-	-	-	-	-	-	120 774

MBRR Table SA3 – Supporting detail to Statement of Financial Position

EC136 Emalahleni (Ec) - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
ASSETS											
Consumer debtors											
Consumer debtors		—	—	86 696	86 147	14 873	14 873	—	12 710	12 713	12 713
Less: Provision for debt impairment		—	—	(52 257)	(39 726)	(6 555)	(6 555)	—	(5 524)	(5 443)	(5 443)
Total Consumer debtors	2	—	—	34 429	46 419	8 318	8 318	—	7 185	7 270	7 270
Debt impairment provision											
Balance at the beginning of the year		—	—	58 863	25 851	4 265	4 265	—	3 595	3 542	3 542
Contributions to the provision		—	—	12 520	(6 000)	(990)	(990)	—	(2 503)	(2 486)	(2 486)
Bad debts written off		—	—	12	—	—	—	—	0	0	0
Balance at end of year		—	—	71 395	19 851	3 275	3 275	—	1 092	1 076	1 076
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		—	—	714 432	714 775	659 089	659 089	—	668 652	679 331	662 128
Leases recognised as PPE	3	—	—	—	—	—	—	—	—	—	—
Less: Accumulated depreciation		—	—	277 293	229 507	211 611	211 611	—	213 998	215 625	215 625
Total Property, plant and equipment (PPE)	2	—	—	437 139	485 268	447 478	447 478	—	454 654	463 706	446 503
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		—	—	—	—	—	—	—	—	—	—
Current portion of long-term liabilities		—	—	—	—	—	—	—	—	—	—
Total Current liabilities - Borrowing		—	—	—	—	—	—	—	—	—	—
Trade and other payables											
Trade Payables	5	—	—	25 525	61 312	15 300	15 300	—	16 609	16 390	16 390
Other creditors		—	—	—	—	—	—	—	—	—	—
Unspent conditional transfers		—	—	—	1	788	788	—	0	0	0
VAT		—	—	1 349	9 343	4 894	4 894	—	1 762	2 012	2 012
Total Trade and other payables	2	—	—	26 874	70 656	20 983	20 983	—	18 372	18 372	18 372
Non current liabilities - Borrowing											
Borrowing	4	—	—	—	1	1	1	—	1	1	1
Finance leases (including PPP asset element)		—	—	779	1 405	371	371	—	371	371	371
Total Non current liabilities - Borrowing		—	—	779	1 407	373	373	—	373	373	373
Provisions - non-current											
Retirement benefits		—	—	—	—	—	—	—	—	—	—
Refuse landfill site rehabilitation		—	—	12 812	12 207	15 838	15 838	—	15 838	15 838	15 838
Other		—	—	135	1 187	1 540	1 540	—	1 540	1 540	1 540
Total Provisions - non-current		—	—	12 947	13 394	17 378	17 378	—	17 378	17 378	17 378
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		—	—	408 406	408 406	527 188	527 188	—	577 658	652 754	652 754
GRAP adjustments		—	—	—	0	0	0	—	0	0	0
Restated balance		—	—	408 406	408 406	527 188	527 188	—	577 658	652 754	652 754
Surplus/(Deficit)		—	—	(7 360)	(104 253)	(79 627)	(79 627)	—	33 553	65 046	58 011
Transfers to/from Reserves		—	—	—	(78 863)	(101 799)	(101 799)	—	(126 225)	(171 696)	(171 696)
Depreciation offsets		—	—	—	0	0	0	—	0	0	0
Other adjustments		—	—	(440)	0	0	0	—	0	0	0
Accumulated Surplus/(Deficit)	1	—	—	400 606	225 291	345 761	345 761	—	484 987	546 104	539 070
Reserves											
Housing Development Fund		—	—	—	—	—	—	—	—	—	—
Capital replacement		—	—	—	—	—	—	—	—	—	—
Self-insurance		—	—	—	—	—	—	—	—	—	—
Other reserves		—	—	—	—	—	—	—	—	—	—
Revaluation		—	—	—	—	—	—	—	—	—	—
Total Reserves	2	—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	—	—	400 606	225 291	345 761	345 761	—	484 987	546 104	539 070

EC136 Emalahleni (Ec) - 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		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min.service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	1 700	2 900	2 900	2 900	3 190	3 346	3 514
Refuse (removed once a week for indigent households)		-	-	(1 509)	2 000	2 000	2 000	2 200	2 308	2 423
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		-	-	191	4 900	4 900	4 900	5 390	5 654	5 937
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		-	-	2	1 050	1 780	1 780	1 958	2 054	2 156
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	-	-	2	1 050	1 780	1 780	1 958	2 054	2 156