



SCHEDULE A: AN ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF THE HARRY GWALA DISTRICT MUNICIPALITY

BUDGET & TREASURY

202223 MTREF

DRAFT BUDGET

ANNUAL BUDGET OF
HARRY GWALA
DISTRICT
MUNICIPALITY

2022/2023 TO 2024/2025
MEDIUM-TERM REVENUE AND EXPENDITURE
FRAMEWORK BUDGET

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- Annexure B: Budget Related Resolutions
- Annexure C: Amendments to Budget Related Policies
- Annexure B: SDBIP Summary

Abbreviations and Acronyms

AMR	Automated Meter Reading	kWh	kilowatt
ASGISA	Accelerated and Shared Growth Initiative	ℓ	litre
BPC	Budget Planning Committee	LED	Local Economic Development
CBD	Central Business District	MEC	Member of the Executive Committee
CFO	Chief Financial Officer	MFMA	Municipal Financial Management Act Programme
CM	District Manager	MIG	Municipal Infrastructure Grant
CPI	Consumer Price Index	MMC	Member of Mayoral Committee
CRRF	Capital Replacement Reserve Fund	MPRA	Municipal Properties Rates Act
DBSA	Development Bank of South Africa	MSA	Municipal Systems Act
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 District 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
GAMAP	Generally Accepted Municipal Accounting Practice	OP	Operational Plan
GDP	Gross domestic product	PBO	Public Benefit Organisations
GDS	Gauteng Growth and Development Strategy	PHC	Provincial Health Care
GFS	Government Financial Statistics	PMS	Performance Management System
GRAP	General Recognised Accounting Practice	PPE	Property Plant and Equipment
HR	Human Resources	PPP	Public Private Partnership
HGDM	Harry Gwala District Municipality	PTIS	Public Transport Infrastructure System
IDP	Integrated Development Strategy	RG	Restructuring Grant
IT	Information Technology	RSC	Regional Services Council
kl	Kilolitre	SALGA	South African Local Government Association
km	Kilometre	SAPS	South African Police Service
KPA	Key Performance Area	SDBIP	Service Delivery Budget Implementation Plan
KPI	Key Performance Indicator	SMME	Small Micro and Medium Enterprises

1 Part 1 – Annual Budget

1.1 MAYOR’S REPORT

PURPOSE

To table to Council the 2022/23 Medium Term Revenue and Expenditure Framework Draft budget for adoption.

BACKGROUND

In terms of section 16 (1) of the Municipal Finance Management Act the Council of a Municipality must for each financial year approve an annual budget for the Municipality before the start of that financial year.

DISCUSSION:

In order for a Municipality to comply with section (i) section 16 (2) prescribes that 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.

In terms of section 17 of the MFMA;

An annual budget of a Municipality must set out realistically anticipated revenue for the budget year and appropriate expenditure for the budget year under the different votes of the Municipality.

BUDGET SUMMARY:

The 2022/2023 **Parent** Total Revenue is R 848, 5m, broken down as follows;

- | | |
|---|-----------|
| • Government Grants and Subsidies – Capital | R 320, 2m |
| • Government Grants and Subsidies – Operational | R 446, 7m |
| • Own Revenue | R 81, 6m |

Allocated as follows;

- | | |
|----------------------|-----------|
| • Operational budget | R 592, 2m |
| • Capital budget | R 297, 8m |

The 2022/2023 **Consolidated** Total Revenue is R 865, 7m broken down as follows;

• Government Grants and Subsidies – Capital	R 446, 7m
• Government Grants and Subsidies – Operational	R 320, 2m
• Own Revenue	R 98, 7m

Allocated as follows;

• Operational budget	R 608, 2m
• Capital budget	R 298, 3m

The actual revenue is R848, 7million, however due to R17million for transfers and subsidies paid over to Harry Gwala Development Agency as revenue on their side this result on overstating the revenue by R17million on the consolidated budget. The revenue amount is supposed to be eliminated against the expenditure on parent books on consolidated however this is not happening due to system challenges.

The staff salaries budget for the consolidated has been budgeted at R250m, representing 41% of the operational budget. Councilor’s allowances have been budgeted at R8, 9m. Board members have been budgeted at R 500 000.

Local government equitable share

The equitable share for 2022/2023 financial year as gazetted from the Division of Revenue Bill is as follows:

✓ Equitable share	R 432 161 000
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For 2022/23 Draft Budget capital projects amounting to R 342 442 625 (Inclusive of VAT) have been planned under the following categories;

PROJECT TYPE	AMOUNT
Water	R 266 035 725
Sanitation	R 54 200 000
Other Assets	R 22 206 900
TOTAL	R 342 442 625

The municipality has prepared its infrastructure budget with the guidance of MIG formula for allocating this funding to local municipalities

Budget or breakdown allocation per local Municipality is as follows:

Umzimkhulu	R	101 500 000	30%	Has a huge Backlogs and high population
NDZ	R	113 150 000	33%	Huge Backlogs & Bulwer Dam
Ubuhlebezwe	R	70 583 131	21%	Huge Backlogs
Kokstad	R	35 002 594	10%	Few Backlogs
Internal	R	22 206 900	6%	No Backlogs

Local Economic Development and Tourism

The Harry Gwala District Municipality has developed a number of local development related strategies and plans that seek to enhance its economic growth. These plans and strategies were circulated to all councilors. The Harry Gwala District Municipality has allocated R 17m towards LED projects in 2022/23 and a total of R34million in the MTREF in line with this National priority. We are hopeful that our partners, the first and second sphere of Government, in economic development will support in this Endeavour. We also intend to attract private sector investment to our district through the strengthening of our Harry Gwala Development Agency (HGDA). The Board of directors is now in place. To further strengthen the administrative capacity of the Agency, the HGDM LED unit was seconded to be part of the SDA. We are also engage through the Mayoral forum to drive towards having one LED vehicle for the district including LMs being the HGDA.

Promoting efficient revenue and expenditure management in local government

The minister said municipalities, just like national and provincial governments, needed to closely examine their budgets to ensure they are using their available resources to maximize service delivery and this was centered on both; Cost-effective spending, and Revenue collection.

Looking at this budget it will be noticed that we were very conservative on the expenditure but we will also explore all possible means to recover as much potential revenue as we could collect.

While we have to focus on our mandate and uplifting skills related to our mandate but we cannot overlook the development of youth towards scarce skills in our area as they have a negative impact on the quality of life for our people. Without supporting and building of these skills like health and education, we cannot fully claim to have contributed to sustainable communities.

Harry Gwala Municipality is committed in developing community and youth residing within the District in the above mentioned skills. A number of projects have been budgeted for in the special programmes unit to ensure that the special groups existing in the Harry Gwala community are sufficiently catered for.

In relation to the above stated points, the Local Government Budgets and Expenditure Review, published by the National Treasury in September 2011, highlights 5 important considerations:

Revenue management – To ensure the collection of revenues, the municipality should maintain accurate billing systems; timeously send out accounts to residents and strive to collect as much revenues owed as we can.

Collecting outstanding debts – This requires political commitment, sufficient administrative capacity, and pricing policies that ensure that bills are accurate and affordable, especially for poor households. In this regard, Harry Gwala Municipality has recently completed a data cleansing exercise and is reviewing its Indigent Policy.

Pricing services correctly – The full cost of services should be reflected in the price charged to residents who can afford to pay. Many municipalities offer overly generous subsidies and rebates that result in services being run at a loss, resulting in funds being diverted away from other priorities. This is a major area in which should pull our socks. Running services at a loss affects the extension of services to other areas and impact negatively on operations and maintenance.

Under spending on repairs and maintenance – Often seen as a way to reduce spending in the short-term, under spending on maintenance can shorten the life of assets, increase long-term maintenance and refurbishment costs, and cause a deterioration in the reliability of services. This lack of Operations and maintenance also causes uprising by communities due to inadequate supply of services and the questing of democracy.

Spending on non-priorities – Many municipalities spend significant amounts on non-priority items including unnecessary travel, luxury furnishings, excessive catering and unwarranted public relations projects. Consultants are often used to perform routine tasks. Major attempts would be made to reduce use of consultants. A number of capacity building programmes have been undertaken to improve the capacity which has to result to improved quality of work

Funding local government -The functions performed by local government rely largely on self-financing. The minister noted that Substantial progress has been made in overcoming the service disparities of the past through transfers from the national fiscus, but large backlogs remain. The major need is to provide municipal infrastructure to poor households and, increasingly, to pay for the institutional and governance needs of poor municipalities. This situation requires us to put more emphasis on job creation and economic development in order to create more opportunities for self-income.

Other strategies documents to be linked with the budget are:

- Integrated Development Plan (IDP)
- Budget
- Strategic Development Budget Implementation Plan (SDBIP)
- Performance Management System (PMS)
- Policies and By-Laws

1.2 COUNCIL RESOLUTIONS

On 29 March 2022 the Council of Harry Gwala District Municipality met online via Microsoft teams to consider the Draft budget of the municipality for the financial year 2022/23. The Council notes the following resolutions:

1. The Council, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) notes:

1.1. The Draft budget of the municipality for the financial year 2022/23 and the multi-year capital appropriations as set out in the following tables:

1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18;

1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19;

1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21; and

1.1.4. Multi-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.

1.1.5. Consolidated budget schedules A1 to A10.

1.1.6 Noting the budget of the Harry Gwala Development Agency (Municipal Entity) as presented in Supporting in Table 31.

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:

1.2.1. Budgeted Financial Position as contained in Table A6;

1.2.2. Budgeted Cash Flows as contained in Table A7;

1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;

1.2.4. Asset management as contained in Table A9; and

1.2.5. Basic service delivery measurement as contained in Table A10.

2. The Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) notes:

2.1. The tariffs for the supply of water – Refer to the tariffs policy in Annexure B

2.2. The tariffs for sanitation services – refer to the tariffs policy in Annexure B

3. The Council, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) notes 6 percent increase in tariffs and for other services, as set out in tariffs policy.

4. The council, acting in terms of section 24 of the Municipal Finance Management Act, notes the draft budget related policies as discussed above.

5. To give proper effect to the municipality's annual budget, the Council notes:

5.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from water and sanitation to ensure that all capital reserves and provisions, 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 Regulations.

5.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the budget.

1.3 EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the Harry Gwala District Municipality 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.

District business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items and stern control measures expenditures such as telephone, internet usage, printing, workshops, accommodation, and catering.

The District has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the District has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead the government.

National Treasury's MFMA Circular No. 51, 54, 58, 59, 66, 70, 72, 74, 75, 79, 80, 85, 86, 93, 94, 98, 99, 112 and 115 were used to guide the compilation of the 2022/23 MTREF.

The main challenges experienced during the compilation of the 2022/23 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water and sanitation infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;

- The increased cost of bulk water (due to tariff increases from Umngeni and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no longer be affordable.
- Wage increases for municipal staff and the need to fill critical vacancies, and

The following budget principles and guidelines directly informed the compilation of the 2022/23 MTREF:

- The 2021/22 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 2022/23 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and the operational cost of District expense for the water pumps. In addition, tariffs need to remain or move towards being cost reflective, and should take into account 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.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2022/23 Medium-term Revenue and Expenditure Framework:

Table 2 below presents a consolidated overview of the 2022/23 budget.

Table 1 Consolidated Overview of the 2022/23 MTREF

R thousand	Adjustments Budget 2021/22	Budget Year 2022/23	Budget Year + 1 2023/24	Budget Year +2 2024/25
Total Operating Revenue	R 493 562 000	R 545 527 941	R 575 711 667	R 613 311 705
Total Operating Expenditure	R 615 176 000	R 608 246 402	R 635 683 671	R 662 694 450
(Surplus)/ Deficit for the year	R - 121 614 000	R -62 718 461	R -59 972 004	R - 49 382 745
Total Capital Expenditure	R 332 258 000	R 342 667 333	R 383 873 069	R 421 632 820

Total operating revenue for the consolidated municipality has increased by 11% per cent or R51, 9million for the 2022/23 financial year when compared to the 2021/22 Adjustments Budget. For the two outer years, operational revenue increased by 6 % and 7 % per cent respectively, equating to a total revenue growth of R30, 2million and R37, 6million respectively over the MTREF when compared to the 2022/23 financial year.

Total operating expenditure for the 2022/23 financial year has been appropriated at R608, 2million. When compared to the 2021/22 Adjustments Budget, operational expenditure has decreased by 1% per cent in the 2022/23 budget. The operating deficit for the 2022/23 decreased from R121, 6million in 2021/22 financial year to R 62, 7million in 2022/23 and decreased for the outer years respectively by R59 million and R49, 4million. The non- cash item in 2022/23 financial year is at R 120, 7m. The amount for depreciation in 2022/23 financial year is at R91, 9m and provision for bad debts is at R28, 7million.

The capital budget of R342, 6million (Incl VAT) for 2022/23 is 7% per cent more when compared to the 2021/22 Adjustment Budget. The increase is due to additional of grants gazzetted for the 2022/23 financial year and this is going to have a positive impact on the service delivery and water and sanitation backlogs will decline in the district. The capital budget is largely funded from the Government Grants and Subsidies in the MTREF.

1.4 OPERATING REVENUE FRAMEWORK

For Harry Gwala District 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's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the District and continued economic development;
- Efficient revenue management, which aims to ensure a 75 per cent annual collection rate for water and sanitation service charges in the MTREF;
- Achievement in the long term of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- 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 district.

The following table is a summary of the 2022/23 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

DC43 Harry Gwala - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	43 001	54 157	54 003	48 866	47 622	47 622	32 722	51 777	54 884	58 177
Service charges - sanitation revenue	2	15 419	16 305	13 762	20 555	12 465	12 465	8 270	13 213	14 006	14 846
Interest earned - external investments		9 202	6 196	3 011	5 682	4 504	4 504	3 041	4 859	5 056	5 260
Interest earned - outstanding debtors		10 556	12 632	10 100	10 198	10 715	10 715	7 252	11 358	11 813	12 285
Fines, penalties and forfeits		694	-	-	-	-	-	-	-	-	-
Transfers and subsidies		366 165	380 256	430 342	417 406	417 406	417 406	307 909	463 738	489 349	522 115
Other revenue	2	337	1 770	778	549	850	850	641	582	606	630
Gains		-	1 062	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		445 375	472 379	511 997	503 258	493 562	493 562	359 835	545 528	575 712	613 312

Table 3 Percentage growth in revenue by main revenue source

DC43 Harry Gwala - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)									
Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework						
	R thousand	Adjusted Budget	%	Budget Year 2022/23	%	Budget Year +1 2023/24	%	Budget Year +2 2024/25	%
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	47 622		10%	51 777		9%	54 884		10%
Service charges - sanitation revenue	12 465		3%	13 213		2%	14 006		2%
Interest earned - external investments	4 504		1%	4 859		1%	5 056		1%
Interest earned - outstanding debtors	10 715		2%	11 358		2%	11 813		2%
Fines, penalties and forfeits	-		0%	-		0%	-		0%
Transfers and subsidies	417 406		85%	463 738		85%	489 349		85%
Other revenue	850		0%	582		0%	606		0%
Gains	-		0%	-		0%	-		0%
Total Revenue (excluding capital transfers and contributions)	493 562		100%	545 528		100%	575 712		100%

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.

Revenue generated from services charges forms a small percentage of the revenue basket for the District. Service charges revenue comprises a mere 13% of the total revenue mix. In the 2022/23 financial year, revenue from service charges totaled R 64, 9m or 14% per cent. This increases to R68, 8m, and then R73m in the respective financial years of the MTREF. A notable trend is the constant pattern in the total percentage revenue generated from services charges which averaging 14% in the MTREF. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1.

Operating grants and transfers total R463, 7m in the 2022/23 financial year and increases to R489, 3m 2023/24 and R522m in 2024/25. Note that the year-on-year growth on the operational grants for the 2022/23 financial year is 11% percent and then increased to 6 % and 7 % percent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term: The actual operating grants and transfers total R 463, 7m in the 2022/23 financial year and increases to R 489, 3m, and increases to R 522m however due to R17million transfer to Harry Gwala Development Agency this results on overstating the operating grants and transfers by R 17 million in 2022/23 financial year and in the outer years.

Table 4 Operating Transfers and Grant Receipts

DC43 Harry Gwala - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	(15 000)	–	–	–	–	–	–	–
Current year receipts		(846)	(334)	–	–	–	–	–	–	–
Conditions met - transferred to revenue		(3 518)	(13 912)	(6 195)	(395 084)	(400 406)	(400 406)	(14 577)	(9 637)	(10 011)
Conditions met - transferred to revenue		4 030	14 148	6 195	395 084	400 406	400 406	14 577	9 637	10 011
Conditions still to be met - transferred to liabilities		(334)	(196)	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		0	0	0	–	0	0	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		0	0	0	–	0	0	–	–	–
Total operating transfers and grants revenue		4 030	14 148	6 195	395 084	400 406	400 406	14 577	9 637	10 011
Total operating transfers and grants - CTBM	2	(334)	(196)	0	–	0	0	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(59 734)	(23 238)	–	–	–	–	–	–	–
Current year receipts		(349 213)	(283 218)	(293 626)	(303 580)	(298 258)	(298 258)	(320 236)	(360 787)	(397 413)
Conditions met - transferred to revenue		336 443	283 218	293 626	303 580	298 258	298 258	320 236	360 787	397 413
Conditions still to be met - transferred to liabilities		(121 770)	(46 476)	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		(242)	(20 242)	–	–	–	–	–	–	–
Current year receipts		(20 000)	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		(20 242)	(40 485)	–	–	–	–	–	–	–
Total capital transfers and grants revenue		336 443	283 218	293 626	303 580	298 258	298 258	320 236	360 787	397 413
Total capital transfers and grants - CTBM	2	(142 012)	(86 961)	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		340 472	297 366	299 821	698 664	698 664	698 664	334 813	370 424	407 424
TOTAL TRANSFERS AND GRANTS - CTBM		(142 346)	(87 157)	0	–	0	0	–	–	–

TARIFFS: 2022/2023 FINANCIAL YEAR

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 district.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. However, excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Umngeni Water bulk tariffs at 9, 9% are more than the mentioned inflation target of 4%. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's rates and in these tariffs are largely outside the control of the District. Discounting the impact of these price increases in lower consumer tariffs will erode the District future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of water, petrol, diesel, chemicals etc. The current challenge facing the District 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 District has undertaken the tariff setting process relating to service charges as follows.

Sale of Water and Impact of Tariff Increases

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

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

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective.

Better maintenance of infrastructure, new construction of Bulwer dam and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Umngeni Water has increased its bulk tariffs by a higher than the CPIX increase from 1 July 2022, which increases the District's water input cost tremendously.

A tariff increase of 6 per cent from 1 July 2022 for water is proposed. This is based on input cost of 6% increase in the cost of bulk water (Umngeni Water), the cost of other inputs increasing by 6 per cent and a surplus generated on the water service of a minimum 15 per cent. In addition 6 kℓ water per 30-day period will again be granted free of charge to indigent households.

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

- Sale of Water and Impact of Tariff Increases

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

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

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2017.

Better maintenance of infrastructure, new construction of Bulwer dam and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Umngeni Water has increased its bulk tariffs by a higher than the CPIX increase from 1 July 2022, which increases the District's water input cost tremendously.

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

Table 5 Proposed Water Tariffs

Residential

Consumption in KL	2022/23		2022/23		Increase	
0-6	R	9.66	R	10.24	R	0.58
07- 20	R	10.23	R	10.84	R	0.61
21-40	R	18.74	R	19.86	R	1.12
41-100	R	31.08	R	32.94	R	1.86
101-200	R	35.37	R	37.49	R	2.12
201+	R	38.16	R	40.45	R	2.29
Unmetered flat rate per month	R	94.70	R	Interim	R	-

Commercial & Industrial

Commercial & Industrial						
Consumption	2022/23		2022/23		Increase	
Increments in R per KL						
0-6	R	13.94	R	14.78	R	0.84
07- 20	R	18.74	R	19.86	R	1.12
21-40	R	31.09	R	32.96	R	1.87
41-100	R	33.23	R	35.22	R	1.99
101-200	R	35.37	R	37.49	R	2.12
200+	R	37.52	R	39.77	R	2.25

Consumption Increments in R per KL	Public Service & Government Institutions						Agricultural			Geriatric Institutions, Religious organisations, NPO & recreational facilities.		
	2022/23	2022/23	Increase	2022/23	2022/23	Increase	2022/23	2022/23	Increase	2022/23	2022/23	Increase
	Education institution											
0-100	R 13.94	R 14.78	R 0.84	R 13.94	R 14.78	R 0.84	R 13.94	R 14.78	R 0.84	R 13.94	R 14.78	R 0.84
101- 200	R 18.74	R 19.86	R 1.12	R 18.74	R 19.86	R 1.12	R 18.74	R 19.86	R 1.12	R 18.74	R 19.86	R 1.12
201-300	R 31.09	R 32.96	R 1.87	R 31.09	R 32.96	R 1.87	R 31.09	R 32.96	R 1.87	R 31.09	R 32.96	R 1.87
301-400	R 33.23	R 35.22	R 1.99	R 33.23	R 35.22	R 1.99	R 33.23	R 35.22	R 1.99	R 33.23	R 35.22	R 1.99
401-500	R 35.37	R 37.49	R 2.12	R 35.37	R 37.49	R 2.12	R 35.37	R 37.49	R 2.12	R 35.37	R 37.49	R 2.12
500+	R 37.52	R 39.77	R 2.25	R 37.52	R 39.77	R 2.25	R 37.52	R 39.77	R 2.25	R 37.52	R 39.77	R 2.25

Road tanker Delivery				Static tank hire per day		
Road Tanker Delivery of Water	2022/23	2022/23	Increase	2022/23	2022/23	Increase
2500 l	R 2 358.75	R 2 500.28	R 141.53	R 214.43	R 227.30	R12.7
5000 l	R 3 216.49	R 3 409.48	R 192.99	R 536.08	R568.24	R32.16
7500 l	R 3 752.56	R 3 977.71	R 225.15	R 750.51	R795.54	R45.03
10 000 l	R 4 503.07	R 4 773.25	R 270.18	R 1 072.16	R1136.49	R64.33
Del. Charge	R 428.85	R 454.58	R 25.73	R 428.85	R454.58	R25.73

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Deposit per meter				New water meter			Disconnection and Reconnection		
Misc. water related tariffs given in pipe diameter	2022/23	2022/23	Increase	2022/23	2022/23	Increase	2022/23	2022/23	Increase
15 mm	R 1 286.60	R 1 363.80	R 77.20	R 1 286.60	R 1 363.80	R 77.20	R 643.29	R 681.89	R 38.60
20 mm	R 1 608.23	R 1 704.72	R 96.49	R 1 822.67	R 1 932.03	R 109.36	R 857.72	R 909.18	R 51.46
50 mm	R 2 144.32	R 2 272.98	R 128.66	R 2 251.52	R 2 386.61	R 135.09	R 1 608.23	R 1 704.72	R 96.49
100 mm	R 3 216.49	R 3 409.48	R 192.99	R 3 752.56	R 3 977.71	R 225.15	R 2 144.32	R 2 272.98	R 128.66
110 mm +	R 4 288.63	R 4 545.95	R 257.32	R 5 360.80	R 5 682.45	R 321.65	R 2 680.40	R 2 841.22	R 160.82

Table 6 Comparison between current water charges and increases (Domestic)

Domestic (Metered)			
Consumption Increments in R per Kl	2022/23	2022/23	Increase
INDIGENT 0-6	R0.00	R 0.0	R 0.00
0-6	R 9.66	R 10.24	R 0.58
7-20	R 10.23	R 10.84	R 0.61
21-40	R 18.74	R 19.86	R 1.12
41-100	R 31.08	R 32.94	R 1.86
101-200	R 35.37	R 37.49	R 2.12
201 +	R 38.16	R 40.45	R 2.29

The tariff structure of the 2022/23 financial year has been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R32.04 per kiloliter for consumption in excess of 201kl per 30 day period. In 2022/23 financial year not all domestic consumers will benefit the free 6kl, only the indigent domestic consumers will receive free basic services. Demand notice fee to consumers, borehole flat rate of R150.00 and raw water flat rate of R3.61 have been added on the tariff structure.

Sanitation and Impact of Tariff Increases

A tariff increase of 6 per cent for sanitation from 1 July 2022 is proposed. This is based on the input cost assumptions related to water. It should be noted that District costs contributes approximately 20 per cent of waste water treatment input costs, therefore the CPI increase of 6 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;

The total revenue expected to be generated from rendering this service amounts to R59, 4million for the 2022/23 financial year.

The following table compares the current and proposed tariffs:

Table 7 Comparison between current sanitation charges and increases

Conservancy tank clearance on site				Sceptic tank clearance on site			Disposal into municipal reticulation system		
Static sanitation system given per load	2022/23	2022/23	Increase	2022/23	2022/23	Increase	2019/20	2022/23	Increase
Per load	R450.32	R477.34	R27.02	R1393.82	R1477.45	R83.63	R450.32	R477.34	R27.02
Transport per km	R 13.94	R 14.78	R 0.84	R 13.94	R 14.78	R 0.84			

New connections

Disconnect/Reconnection IRO credit control

Misc. sanitation related tariffs given in service pipe diameter	2022/23	2022/23	Increase	2022/23	2022/23	Increase
Up to 600 mm	R 4 288.63	R 4 545.95	R 257.32	R 1 072.16	R 1 136.49	R 64.33
600 mm -1200 mm	R 5 360.80	R 5 682.45	R 321.65	R 1 608.23	R 1 704.72	R 96.49
1200 mm +	R 7 505.10	R 7 955.41	R 450.31	R 2 144.32	R 2 272.98	R 128.66

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

Table 8 Comparison between current sanitation charges and increases, single dwelling- houses

Misc. sanitation related tariffs given in service pipe diameter	2022/23	2022/23	Increase	New connection sanitation	2022/23	2022/23	Increase
Disconnection/re connection Up to 600 mm	R 1 072.16	R 1 136.49	R 64.33	New Connections Up to 600 mm	R 4 288.63	R 4 545.95	R 257.32
Up to 1 200 mm	R 1 608.23	R 1 704.72	R 96.49	Up to 1 200 mm	R 5 360.80	R 5 682.45	R 321.65
1 200 mm +	R 2 144.32	R 2 272.98	R 128.66	1 200 mm +	R 7 505.10	R 7 955.41	R 450.31

Sanitation costs given in terms of water consumption	2022/23	2022/23	Increase
Water borne systems 0-200 Kl	R7.50	R7.95	R0.45
201 Kl +	R9.67	R10.25	R0.58
Shayamoya, Bhongweni and Fairview 0-200 Kl			
200 Kl +			
Unmetered / flat rate per month	INTERIM	INTERIM	INTERIM

Overall impact of tariff increases on households

Property development costs, I.R.O water and sanitation delivery reticulation given in number of sub-divisions Per Sub-Division Clearance Certificate	2022/23	2022/23	Increase
1 Site	R 12 437.04	R 13 183.28	R 746.24
2-5 Sites	R 7 505.11	R 7 955.42	R 450.31
6-10 Sites	R 4 288.63	R 4 545.95	R 257.32
11-20 + Sites	R 2 573.18	R 2 727.57	R 154.39
Clearance certificate	R 198.54	R 210.45	R 11.91

Demand Notice to Customers	R107.19	R113.62	R6.43
Borehole Flat Rate	R178.65	R189.37	R10.72
Raw water Flat Rate	R4.30	R4.56	R0.26
<u>Prepaid meter pad replacement</u>	R642.46	R681.01	R38.55
<u>Purchase, installation and connection of a prepaid meter for businesses</u>	R 6 064.84	R6 428.73	R363.89
<u>Purchase, installation and connection of a prepaid meter for domestic</u>	R 5 483.25	R 5 812.25	R329.00

Application and renewal of conducting a business within the municipality

					2022/23	2022/23	Increase
Application for COA for food premise and COC for funeral parlour / Government mortuary					R 715.50	R 758.43	R 42.93
Vending Food					R 127.20	R 134.83	R 7.63
Escort agencies, night clubs, massage parlours and adult clubs					R 3,561.60	R 3,775.30	R213.70
Issuing of a duplicate Certificate					R 127.20	R 134.83	R7.63
Amendment of COA and COC.					R 127.20	R 134.83	R 7.63
Amendment of a condition on the endorsement to an issued COC and COA.					R 164.30	R 174.16	R 9.86

Re-inspection of a food premises for the removal of a prohibition					R1,139.50	R 1,207.87	R 68.37
Issuing of an export certificate for foodstuffs.					R1,139.50	R1,207.87	R 68.37
Sampling and analysis boreholes intended for human consumption.					R1,139.50	R1,207.87	R 68.37
Sampling and analysis of a communal swimming pool					R450.50	R 477.53	R 27.03
Issuing of a permit for a service to remove human excrement.					R689.00	R 730.34	R 41.34
Issuing of destruction of food certificates.					R689.00	R 730.34	R 41.34
Issuing of destruction of food certificates.					R689.00	R 730.34	R41.34
Issuing of a COA to introduce milk and/or milk products into the Municipal area for human consumption.					R689.00	R 730.34	R 41.34
Penalty for late payments shall be calculated at 10% of the application					%	%	%

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept at an average of 6 per cent, with the same increase for indigent households.

Table 9 MBRR Table SA14 – Household bills

DC43 Harry Gwala - Supporting Table SA14 Household bills

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption		-	4,58	-	5,23	5,23	5,23	-	5,58	5,94	-
Sanitation		-	366,69	-	418,25	418,25	418,25	-	446,70	446,74	-
Refuse removal		-	164,74	-	187,90	187,90	187,90	-	200,68	213,72	-
Other											
sub-total		-	536,01	-	611,38	611,38	611,38	6,8%	652,96	666,40	-
VAT on Services											
Total large household bill:		-	536,01	-	611,38	611,38	611,38	6,8%	652,96	666,40	-
% increase/-decrease			-	(100,0%)	-	-	-	6,8%	6,8%	2,1%	(100,0%)
Monthly Account for Household - 'Affordable Range'											
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption		-	4,59	-	5,23	5,23	5,23	-	5,59	5,95	-
Sanitation		-	305,58	-	348,55	348,55	348,55	-	372,25	396,45	-
Refuse removal		-	137,27	-	156,57	156,57	156,57	-	167,22	178,09	-
Other											
sub-total		-	447,44	-	510,35	510,35	510,35	6,8%	545,06	580,49	-
VAT on Services											
Total small household bill:		-	447,44	-	510,35	510,35	510,35	6,8%	545,06	580,49	-
% increase/-decrease			-	(100,0%)	-	-	-	6,8%	6,8%	6,5%	(100,0%)

1.5 OPERATING EXPENDITURE FRAMEWORK

Harry Gwala District Municipality's expenditure framework for the 2022/23 budget and MTREF is informed by the following:

1. The asset renewal strategy and the repairs and maintenance plan;
2. Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
3. Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
4. The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
5. Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
6. Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2022/23 budget and MTREF (classified per main type of operating expenditure):

Table 10 Summary of operating expenditure by standard classification item

DC43 Harry Gwala - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure By Type											
Employee related costs	2	173 695	190 401	217 969	237 156	243 395	243 395	154 191	250 011	262 419	273 518
Remuneration of councillors		6 952	7 702	7 813	8 922	8 538	8 538	4 663	8 879	9 270	9 687
Debt impairment	3	19 111	43 365	31 734	27 645	27 645	27 645	-	28 750	30 015	31 366
Depreciation & asset impairment	2	69 605	71 944	79 359	87 410	88 415	88 415	51 764	91 951	95 997	100 317
Finance charges		3 752	2 396	995	1 328	415	415	-	516	727	761
Bulk purchases - electricity	2	35	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	-	31 249	43 337	43 337	-	29 207	30 492	31 864
Contracted services		156 110	144 400	129 640	105 296	125 821	125 821	101 186	117 521	122 597	128 080
Transfers and subsidies		14 000	14 000	17 000	17 000	17 000	17 000	10 600	17 000	17 000	17 000
Other expenditure	4, 5	37 963	55 607	56 907	61 589	60 624	60 624	43 914	64 411	67 166	70 102
Losses		8 948	2 714	6 496	-	-	-	-	-	-	-
Total Expenditure		490 171	532 530	547 913	577 594	615 189	615 189	366 318	608 247	635 684	662 695

The consolidated budgeted allocation for employee-related costs for the 2022/23 financial year totals R250, 1m, which equals 41% per cent of the total operating expenditure. Harry Gwala District Municipality have factored an increase of 4, 9 per cent for the 2022/2023 financial year as per the collective agreement. An annual increase of 7 per cent has been included in the next 2023/2024 MTREF. As part of the district’s cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards and cost containment measures have been put in place and the cost containment policy is reviewed and will be approved together with the budget. The municipality has the strategy on improving collection as per MFMA circular 99 wage bill

As part of the planning assumptions and interventions all vacancies were originally removed from the budget and a reporting and was compiled by the Corporate Services Department relating to the prioritization of critical vacancies within the Municipality. The outcome of this exercise was the inclusion of the critical and strategically important vacancies. In addition expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions.

1. **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 taken into account in compiling the Municipality’s budget.
2. **The provision of debt impairment** was determined based on an annual collection rate of 78 per cent and the Debt Write-off Policy of the Municipality. The previous financial year collection rate was 73 per cent. For the 2022/23 financial year this amount equates to R28, 7m and for outer years R30m, and R31, 3million respectively. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality’s realistically anticipated revenues.
3. **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 asset consumption. Budget appropriations in this regard total R91, 4m for the 2022/23 financial and equates to 15% per cent of the total operating expenditure. Depreciation for the budget year represents an increase from the 2020/21 original budgets due to a number of projects or assets that are still on work in progress.

4. **Bulk purchases** are directly informed by the purchase of water from Umngeni Water in the Ubuhlebezwe area. The annual price increases of 6% has been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.
5. **Contracted services** have been identified as a cost saving area for the Municipality. As part of the compilation of the 2022/23 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2022/23 financial year, this group of expenditure totals R117million showing a decrease of 6% from 2020/21, clearly demonstrating that the municipality is committed to comply with cost containment measures. For the 2023/24 and 2024/25 financial year growth has been limited to 4% per cent. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2022/23 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented. Further details relating to contracted services can be seen in Table 64 MBRR SA1.
6. **Other expenditure** comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The expenditure increased by 6% per cent from the adjusted budget for 2020/21 and decreased in the 2023/24 and 2024/25 financial years by 4 per cent, indicating that significant cost savings. Further details relating to contracted services and other expenditure can be seen in Table MBRR SA1.

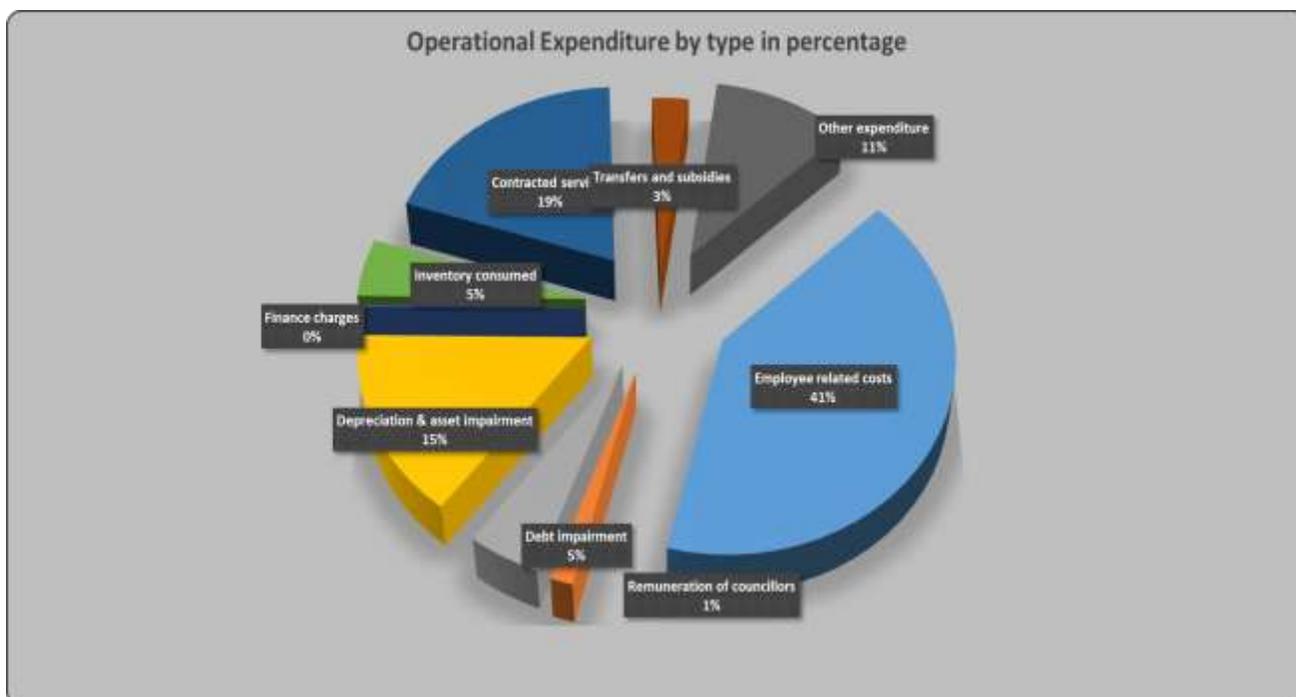


Figure 1 Main operational expenditure categories for the 2022/23 financial year

Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the district’s current infrastructure, the 2022/23 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the district. 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, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 11 Operational repairs and maintenance

DC43 Harry Gwala - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Inventory Consumed (Project Maintenance)		15 942	196	319	1 262	11 568	11 568	5 383	-	-	-
Contracted Services		17 488	20 284	34 963	32 738	35 723	35 723	27 961	37 238	38 876	40 625
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	33 430	20 479	35 282	34 000	47 290	47 290	33 344	37 238	38 876	40 625

During the compilation of the 2022/23 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the district infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially decreased in the 2021/22 financial year, from R47, 2 million to R37, 2 million for the 2022/23 financial year. During the 2020 Adjustment Budget this allocation was adjusted it was R22, 3m during the original budget taking into account the additional funding that we received in September 2020 and the repairs and maintenance increased. Notwithstanding this increase as part of the 2022/23 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2022/23 equates to R37 million showing a decrease of 20 per cent in relation to the Adjustment Budget and grows at 4% in the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 4 and 5 per cent for the respective financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 12 Repairs and maintenance per asset class

DC43 Harry Gwala - Table A9 Consolidated Asset Management										
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
CAPITAL EXPENDITURE										
EXPENDITURE OTHER ITEMS		103 035	92 424	114 641	121 410	135 705	135 705	129 189	134 873	140 942
Depreciation	7	69 605	71 944	79 359	87 410	88 415	88 415	91 951	95 997	100 317
Repairs and Maintenance by Asset Class	3	33 430	20 479	35 282	34 000	47 290	47 290	37 238	38 876	40 625
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		11 693	18 521	33 009	29 000	31 036	31 036	33 000	34 452	36 002
Sanitation Infrastructure		4 396	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		16 089	18 521	33 009	29 000	31 036	31 036	33 000	34 452	36 002
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		96	85	86	90	64	64	90	94	98
Community Assets		96	85	86	90	64	64	90	94	98
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1 167	1 497	1 287	3 000	4 081	4 081	3 500	3 654	3 818
Housing		-	-	-	-	-	-	-	-	-
Other Assets		1 167	1 497	1 287	3 000	4 081	4 081	3 500	3 654	3 818
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		9	165	497	320	96	96	320	334	349
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		15 933	196	319	1 262	11 568	11 568	-	-	-
Transport Assets		136	15	83	328	447	447	328	342	357
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		103 035	92 424	114 641	121 410	135 705	135 705	129 189	134 873	140 942

For the 2022/23 financial year, R37million of total repairs and maintenance will be spent on infrastructure assets. This signifies the implementation of the municipality's plans of maintaining its infrastructure levels high to ensure uninterrupted service delivery.

Table A9 reveals a decreasing trend in the percentage of Repairs & Maintenance as a percentage of Property, Plant & Equipment. This is due to a higher rate of monetary increase in the PPE balances as compared to the monetary increases in the Repairs & Maintenance budget.

The challenge noted above of a higher increase in the capital budget than the repairs & maintenance budget is mainly attributable to a higher grant funded infrastructural spending than the increase in own revenue sources that fund the repairs and maintenance budget.

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 district Indigent Policy. The target is to register 3 500 or more indigent households during the 2022/23 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

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

1.6 CAPITAL EXPENDITURE

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

Table 13 2022/23 Medium-term capital budget per vote

DC43 Harry Gwala - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	38	281	-	500	24	24	-	-	-	-
Vote 04 - Summary Corporate Services	10 203	3 814	7 226	4 031	8 051	8 051	5 846	9 940	10 377	10 844
Vote 05 - Summary Social Services & Development Planning	62	-	7 355	1 870	627	627	47	4 151	4 001	4 169
Vote 06 - Summary Infrastructure Services	255 044	224 244	46 050	16 300	8 652	8 652	7 839	36 087	99 715	149 498
Vote 07 - Summary Water Services	-	11 855	235 826	284 583	262 268	262 268	149 135	248 167	215 442	202 486
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	265 346	240 195	296 457	307 283	279 622	279 622	162 867	298 345	329 536	366 997

For 2022/23 an amount of R278, 5million has been appropriated for the development of infrastructure which represents 93% of the total capital budget. In the outer years this amount totals R309, 1million, 94% and R345, 7million, 94% respectively for each of the financial years. These expenditures are exclusive of VAT

Total new assets represents R262, 9million of the total capital budget while asset renewal equates to R31, million. Further detail relating to asset classes and proposed capital expenditure is contained in Table MBRR A9 (Asset Management). In addition to the MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class. Refer to table MBRR SA36 for the detailed listing of the capital projects.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table MBRR SA35. This table shows that future operational costs associated with the capital programme totals R69, 8 million in 2022/23 and to R73, 9million by 2023/24. This associated to the operational expenditure and is expected to escalate to R78, 2 million by 2024/25 It needs to be noted that as part of the 2022/23 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 ANNUAL BUDGET TABLES – CONSOLIDATED BUDGET

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 2022/23 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 14 MBRR Table A1 - Budget Summary

DC43 Harry Gwala - Table A1 Consolidated Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	58 421	70 463	67 765	69 422	60 067	60 067	40 992	64 990	68 889	73 022
Investment revenue	9 202	6 196	3 011	5 682	4 504	4 504	3 041	4 859	5 056	5 260
Transfers recognised - operational	366 165	380 256	430 342	417 406	417 406	417 406	307 909	463 738	489 349	522 115
Other own revenue	11 587	15 464	10 879	10 748	11 565	11 565	7 893	11 941	12 418	12 915
Total Revenue (excluding capital transfers and contributions)	445 375	472 379	511 997	503 258	493 562	493 562	359 835	545 528	575 712	613 312
Employee costs	173 695	190 401	217 969	237 156	243 395	243 395	154 191	250 011	262 419	273 518
Remuneration of councillors	6 952	7 702	7 813	8 922	8 538	8 538	4 663	8 879	9 270	9 687
Depreciation & asset impairment	69 605	71 944	79 359	87 410	88 415	88 415	51 764	91 951	95 997	100 317
Finance charges	3 752	2 396	995	1 328	415	415	-	516	727	761
Inventory consumed and bulk purchases	35	-	-	31 249	43 337	43 337	-	29 207	30 492	31 864
Transfers and grants	14 000	14 000	17 000	17 000	17 000	17 000	10 000	17 000	17 000	17 000
Other expenditure	222 131	246 086	224 777	194 529	214 090	214 090	145 100	210 682	219 779	229 548
Total Expenditure	490 171	532 530	547 913	577 594	615 189	615 189	366 318	608 247	635 684	662 695
Surplus/(Deficit)	(44 797)	(60 151)	(35 916)	(74 336)	(121 627)	(121 627)	(6 483)	(62 719)	(59 972)	(49 383)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	335 775	262 515	302 857	298 258	332 258	332 258	185 796	320 236	360 787	397 413
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)	-	5 863	4 693	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	290 979	208 227	-	223 922	210 631	210 631	179 313	257 517	300 815	348 030
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	290 979	208 227	-	223 922	210 631	210 631	179 313	257 517	300 815	348 030
Capital expenditure & funds sources										
Capital expenditure	265 346	240 195	296 457	307 283	279 622	279 622	162 867	298 345	329 536	366 997
Transfers recognised - capital	132 801	234 687	268 028	298 258	268 967	268 967	156 022	278 466	309 115	345 689
Borrowing	-	1 296	-	-	-	-	-	-	-	-
Internally generated funds	14 442	4 211	28 430	9 025	10 655	10 655	6 845	19 879	20 421	21 328
Total sources of capital funds	147 243	240 195	296 457	307 283	279 622	279 622	162 867	298 345	329 536	366 997
Financial position										
Total current assets	118 695	101 536	104 170	107 760	107 226	107 226	230 656	119 901	128 831	136 018
Total non current assets	2 170 255	2 341 369	2 551 972	2 845 908	2 743 179	2 743 179	2 663 075	2 677 474	2 933 908	3 222 508
Total current liabilities	168 160	137 351	101 296	106 785	102 502	102 502	198 873	126 478	120 227	114 976
Total non current liabilities	56 670	44 948	42 648	25 676	28 756	28 756	27 625	15 947	17 570	19 193
Community wealth/Equity	2 116 154	2 288 638	2 540 089	2 621 066	2 718 134	2 718 134	2 691 742	2 655 949	2 924 942	3 224 357
Cash flows										
Net cash from (used) operating	-	-	(89 951)	-	(74 704)	(74 704)	119 376	307 846	356 907	409 856
Net cash from (used) investing	-	-	(251 425)	-	27 662	27 662	(162 867)	(298 345)	(329 536)	(366 997)
Net cash from (used) financing	(1 768)	(95)	(170)	(122)	(27)	(27)	(106)	149	149	149
Cash/cash equivalents at the year end	98 110	58 268	(310 876)	48 609	4 792	4 792	(43 598)	14 898	42 219	85 226
Cash backing/surplus reconciliation										
Cash and investments available	58 363	40 671	51 862	51 179	60 569	60 569	158 736	64 962	69 530	74 279
Application of cash and investments	138 387	101 450	(7 879)	97 273	72 203	72 203	89 727	41 923	35 486	30 594
Balance - surplus (shortfall)	(80 024)	(60 779)	59 742	(46 094)	(11 633)	(11 633)	69 009	23 039	34 044	43 715
Asset management										
Asset register summary (WCV)	1 544 132	1 674 186	1 820 137	2 178 724	2 011 345	2 011 345	2 011 345	1 945 639	2 202 074	2 480 674
Depreciation	69 605	71 944	79 359	87 410	88 415	88 415	88 415	91 951	95 997	100 317
Renewal and Upgrading of Existing Assets	191 501	124 468	29 321	16 500	43 737	43 737	43 737	35 348	45 608	45 903
Repairs and Maintenance	33 430	20 479	35 282	34 000	47 290	47 290	47 290	37 238	38 876	40 625
Free services										
Cost of Free Basic Services provided	343	699	303	7	619	619	(642)	(642)	(680)	(729)
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water	32	30	-	31	31	31	33	33	35	-
Sanitation/sewerage	-	-	-	-	-	-	-	-	-	-
Energy	-	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

Table A1 is a budget summary and provides a concise overview of the Harry Gwala district municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

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.

A financial management reform emphasizes 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:

1. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF Capital expenditure is balanced by capital funding sources, of which transfers recognised is reflected on the Financial Performance Budget;
2. Internally generated funds are financed from a combination of the current operating surplus and VAT refunds on Conditional Grants. The amount is incorporated in the Net cash from operating on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year.

But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2022/23 financial year.

Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs. It is anticipated that by 2022/23 the water backlog will have been very nearly eliminated.

Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC43 Harry Gwala - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description R thousand	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional									
Governance and administration	331 363	368 076	422 901	404 553	393 591	393 591	438 744	469 512	502 129
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	331 363	368 076	422 901	404 553	393 591	393 591	438 744	469 512	502 129
Economic and environmental services	382 421	7 928	8 568	22 412	17 090	17 090	17 180	17 189	17 198
Planning and development	382 421	7 928	8 568	22 412	17 090	17 090	17 180	17 189	17 198
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	67 365	364 753	388 078	374 551	415 139	415 139	409 840	449 798	491 397
Energy sources	-	-	-	-	-	-	-	-	-
Water management	49 012	348 448	358 853	360 199	368 733	368 733	396 689	435 935	476 781
Waste water management	18 353	16 305	29 226	14 352	46 406	46 406	13 151	13 864	14 616
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	781 150	740 757	819 547	801 516	825 820	825 820	865 764	936 499	1 010 725
Expenditure - Functional									
Governance and administration	213 051	229 394	233 309	251 534	249 612	249 612	266 752	278 436	290 893
Executive and council	18 266	20 706	27 920	24 745	35 223	35 223	33 612	35 091	36 651
Finance and administration	188 610	198 889	195 887	217 553	206 199	206 199	223 385	233 161	243 600
Internal audit	6 175	9 799	9 503	9 236	8 189	8 189	9 755	10 184	10 643
Community and public safety	13 823	16 687	17 674	18 501	19 197	19 197	20 931	21 852	22 836
Community and social services	13 823	16 687	17 674	18 501	19 197	19 197	20 931	21 852	22 836
Economic and environmental services	167 800	139 476	123 312	154 812	153 324	153 324	157 082	164 721	170 611
Planning and development	167 800	139 476	123 312	154 812	153 324	153 324	157 082	164 721	170 611
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	145 688	175 205	201 487	152 747	192 056	192 056	163 481	170 675	178 355
Energy sources	35	-	-	-	-	-	-	-	-
Water management	144 911	172 630	200 625	151 849	190 944	190 944	162 342	169 485	177 112
Waste water management	742	2 574	862	898	1 111	1 111	1 139	1 190	1 243
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	540 363	560 762	575 782	577 594	614 189	614 189	608 247	635 684	662 695
Surplus/(Deficit) for the year	240 787	179 995	243 766	223 922	211 631	211 631	257 517	300 815	348 030

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

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.

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.

Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for District, Water and Waste water functions, but not the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

Other functions show a deficit between revenue and expenditure are being financed from equitable share and other revenue sources reflected under the Budget and Treasury vote.

Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

DC43 Harry Gwala - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	330 039	366 522	422 192	404 553	393 222	393 222	438 660	469 423	502 036
Vote 04 - Summary Corporate Services	445	1 447	665	-	290	290	-	-	-
Vote 05 - Summary Social Services & Development P	346	928	3 875	22 412	17 090	17 090	17 180	17 189	17 198
Vote 06 - Summary Infrastructure Services	382 076	287 979	305 438	311 333	314 169	314 169	337 554	373 401	410 652
Vote 07 - Summary Water Services	68 244	83 881	87 377	63 218	101 049	101 049	72 370	76 485	80 839
Total Revenue by Vote	781 150	740 757	819 547	801 516	825 820	825 820	865 764	936 499	1 010 725
Expenditure by Vote to be appropriated									
Vote 01 - Summary Council	8 421	10 296	14 956	16 256	20 456	20 456	18 963	19 798	20 669
Vote 02 - Summary Municipal Manager	16 020	20 209	22 466	17 726	22 957	22 957	24 404	25 477	26 624
Vote 03 - Summary Budget And Treasury Office	72 227	74 417	59 812	85 267	80 277	80 277	83 148	86 754	90 604
Vote 04 - Summary Corporate Services	85 564	86 493	89 619	89 530	80 250	80 250	91 188	95 200	99 484
Vote 05 - Summary Social Services & Development P	47 553	49 942	48 107	68 717	68 393	68 393	72 508	74 774	76 623
Vote 06 - Summary Infrastructure Services	149 530	114 515	97 107	109 078	108 396	108 396	109 944	116 433	121 667
Vote 07 - Summary Water Services	161 048	204 889	243 714	191 021	233 460	233 460	208 092	217 248	227 024
Total Expenditure by Vote	540 363	560 762	575 782	577 594	614 189	614 189	608 247	635 684	662 695
Surplus/(Deficit) for the year	240 787	179 995	243 766	223 922	211 631	211 631	257 517	300 815	348 030

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

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 organizational structure of Harry Gwala Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for water trading services.

Table 17 Surplus/ (Deficit) calculations for the trading services

DC43 Harry Gwala - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Revenue by Vote	1									
Vote 06 - Summary Infrastructure Services		382 076	287 979	305 438	311 333	314 169	314 169	337 554	373 401	410 652
Vote 07 - Summary Water Services		68 244	83 881	87 377	63 218	101 049	101 049	72 370	76 485	80 839
Total Revenue by Vote	2	781 150	740 757	819 547	801 516	825 820	825 820	865 764	936 499	1 010 725
Expenditure by Vote to be appropriated	1									
Vote 06 - Summary Infrastructure Services		149 530	114 515	97 107	109 078	108 396	108 396	109 944	116 433	121 667
Vote 07 - Summary Water Services		161 048	204 889	243 714	191 021	233 460	233 460	208 092	217 248	227 024
Total Expenditure by Vote	2	540 363	560 762	575 782	577 594	614 189	614 189	608 247	635 684	662 695
Surplus/(Deficit) for the year	2	240 787	179 995	243 766	223 922	211 631	211 631	257 517	300 815	348 030

The municipality currently operates on a surplus in its trading services. This is largely attributable to higher percentage increase in the input cost as compared to the increase in tariffs. The municipality is currently reviewing the costing of the tariff structure with a view to recovering the cost of providing these services and also ensuring financial sustainability.

Table 18 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

DC43 Harry Gwala - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	43 001	54 157	54 003	48 866	47 622	47 622	32 722	51 777	54 884	58 177
Service charges - sanitation revenue	15 419	16 305	13 762	20 555	12 465	12 465	8 270	13 213	14 006	14 846
Interest earned - external investments	9 202	6 196	3 011	5 682	4 504	4 504	3 041	4 859	5 056	5 260
Interest earned - outstanding debtors	10 556	12 632	10 100	10 198	10 715	10 715	7 252	11 358	11 813	12 285
Fines, penalties and forfeits	694	-	-	-	-	-	-	-	-	-
Transfers and subsidies	366 165	380 256	430 342	417 406	417 406	417 406	307 909	463 738	489 349	522 115
Other revenue	337	1 770	778	549	850	850	641	582	606	630
Gains	-	1 062	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	445 375	472 379	511 997	503 258	493 562	493 562	359 835	545 528	575 712	613 312
Expenditure By Type										
Employee related costs	173 695	190 401	217 969	237 156	243 395	243 395	154 191	250 011	262 419	273 518
Remuneration of councillors	6 952	7 702	7 813	8 922	8 538	8 538	4 663	8 879	9 270	9 687
Debt impairment	19 111	43 365	31 734	27 645	27 645	27 645	-	28 750	30 015	31 366
Depreciation & asset impairment	69 605	71 944	79 359	87 410	88 415	88 415	51 764	91 951	95 997	100 317
Finance charges	3 752	2 396	995	1 328	415	415	-	516	727	761
Bulk purchases - electricity	35	-	-	-	-	-	-	-	-	-
Inventory consumed	-	-	-	31 249	43 337	43 337	-	29 207	30 492	31 864
Contracted services	156 110	144 400	129 640	105 296	125 821	125 821	101 186	117 521	122 597	128 080
Transfers and subsidies	14 000	14 000	17 000	17 000	17 000	17 000	10 600	17 000	17 000	17 000
Other expenditure	37 963	55 607	56 907	61 589	60 624	60 624	43 914	64 411	67 166	70 102
Losses	8 948	2 714	6 496	-	-	-	-	-	-	-
Total Expenditure	490 171	532 530	547 913	577 594	615 189	615 189	366 318	608 247	635 684	662 695
Surplus/(Deficit)	(44 797)	(60 151)	(35 916)	(74 336)	(121 627)	(121 627)	(6 483)	(62 719)	(59 972)	(49 383)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	335 775	262 515	302 857	298 258	332 258	332 258	185 796	320 236	360 787	397 413
Transfers and subsidies - capital (in-kind - all)	-	5 863	4 693	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	290 979	208 227	271 634	223 922	210 631	210 631	179 313	257 517	300 815	348 030
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	290 979	208 227	271 634	223 922	210 631	210 631	179 313	257 517	300 815	348 030
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	290 979	208 227	271 634	223 922	210 631	210 631	179 313	257 517	300 815	348 030
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	290 979	208 227	271 634	223 922	210 631	210 631	179 313	257 517	300 815	348 030

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

Total operating revenue is R608, 2million in 2022/23 and escalates to R635, 6million by 2022/23. This represents an increase of 6 per cent for the 2022/23 financial year and an increase of 6 per cent for the 2022/23 and 2 % in 2023/24 financial year.

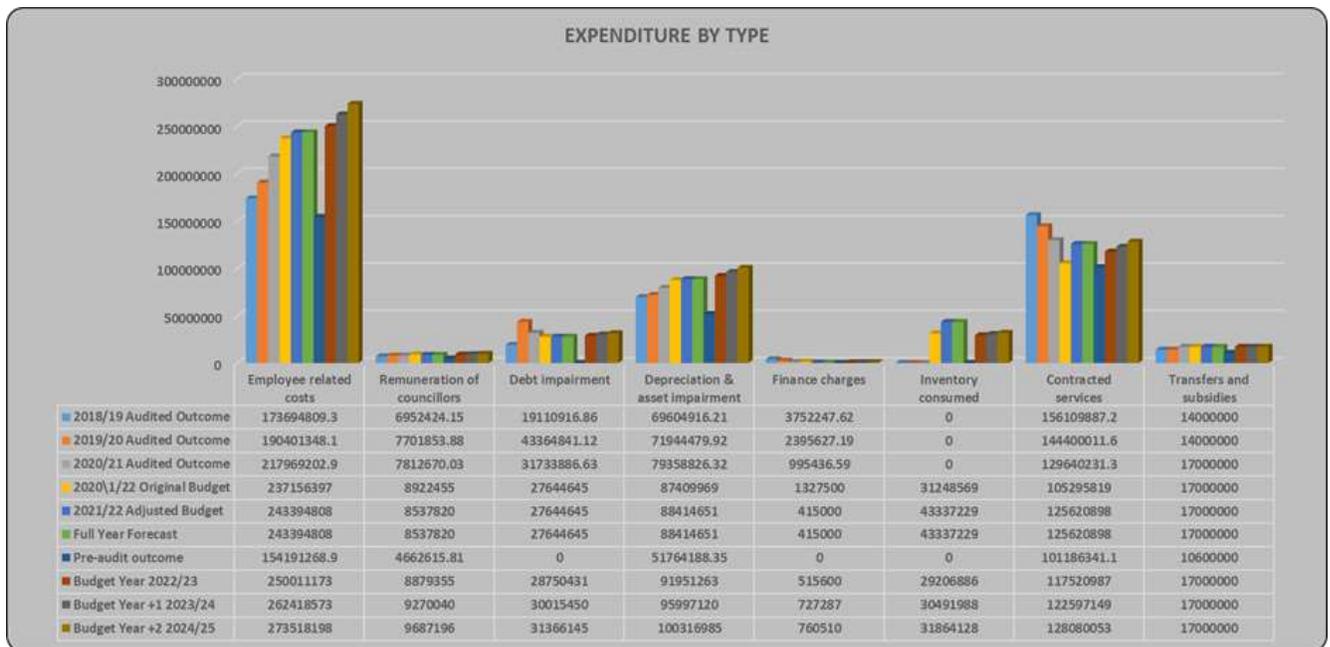
The revenue on the system generated A Schedule is R865, 7million which is R17million higher than the actual Draft budget. The R17 million relates to the transfers to Harry Gwala Development Agency from the parent municipality as shown on the entity’s D schedule. This amount should be eliminated on consolidation however; the system is not eliminating the revenue against the transfers from the parent side resulting in the overstatement of both the consolidated revenue and expenditure by the same amount.

Services charges relating to water and sanitation constitutes the biggest component of the own revenue basket of the district totaling R64, 9million for the 2022/23 financial year and increasing to R68, 8million by 2022/23. For the 2022/23 financial year services charges amount to 12% of the total revenue and 12 per cent again in the MTREF.

Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government decreased by R 31m or 7% in 2022/2023 and grow rapidly by 5 per cent in 2022/2023 and 1 per cent in the 2023/2024 financial year. There is a R 17m operating transfers and grants transferred to Development agency that appears under district municipality which overstate grants by R17m.

The following graph illustrates the major expenditure items per type.

Figure 2 Expenditure by major type



Employee related costs, Contracted services 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.

Table 19 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

DC43 Harry Gwala - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote										
Multi-year expenditure, to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	38	281	-	500	24	24	-	-	-	-
Vote 04 - Summary Corporate Services	10 203	3 814	7 226	4 031	8 051	8 051	5 846	9 940	10 377	10 844
Vote 05 - Summary Social Services & Development Planning	62	-	7 355	1 870	627	627	47	4 151	4 001	4 169
Vote 06 - Summary Infrastructure Services	255 044	224 244	46 050	16 300	8 652	8 652	7 839	36 087	99 715	149 498
Vote 07 - Summary Water Services	-	11 855	235 826	284 583	262 268	262 268	149 135	248 167	215 442	202 486
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	265 346	240 195	296 457	307 283	279 622	279 622	162 867	298 345	329 536	366 997
Capital single-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote	265 346	240 195	296 457	307 283	279 622	279 622	162 867	298 345	329 536	366 997
Capital Expenditure - Functional										
Governance and administration	10 240	4 095	7 226	5 110	8 655	8 655	5 846	10 508	10 638	11 105
Executive and council	-	-	-	-	-	-	-	-	-	-
Finance and administration	10 240	4 095	7 226	5 110	8 655	8 655	5 846	10 508	10 638	11 105
Internal audit	-	-	-	-	-	-	-	-	-	-
Community and public safety	-	-	7 355	1 021	47	47	47	3 304	3 450	3 605
Community and social services	-	-	7 355	1 021	47	47	47	3 304	3 450	3 605
Economic and environmental services	212 808	1 693	18 541	1 270	-	-	-	11 148	43 856	76 373
Planning and development	212 808	1 693	18 541	1 270	-	-	-	11 148	43 856	76 373
Road transport	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	42 298	234 406	263 335	299 883	270 920	270 920	156 974	273 384	271 592	275 914
Energy sources	-	-	-	-	-	-	-	-	-	-
Water management	43 737	198 896	248 698	244 033	219 813	219 813	125 997	226 254	239 494	226 994
Waste water management	(1 439)	35 511	14 637	55 850	51 107	51 107	30 978	47 130	32 098	48 920
Waste management	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	265 346	240 195	296 457	307 283	279 622	279 622	162 867	298 345	329 536	366 997
Funded by:										
National Government	132 801	222 832	249 289	298 258	239 355	239 355	150 819	278 466	309 115	345 669
Provincial Government	-	11 855	18 739	-	29 565	29 565	5 156	-	-	-
District Municipality	-	-	-	-	47	47	47	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	132 801	234 687	268 028	298 258	268 967	268 967	156 022	278 466	309 115	345 669
Borrowing	-	1 296	-	-	-	-	-	-	-	-
Internally generated funds	14 442	4 211	28 430	9 025	10 655	10 655	6 845	19 879	20 421	21 328
Total Capital Funding	147 243	240 195	296 457	307 283	279 622	279 622	162 867	298 345	329 536	366 997

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

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year appropriation); 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.

The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2022/23 R298, 3million (Excl VAT) has been allocated of the total R278, 4million infrastructural budget, which totals 93 per cent. 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 District. 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.

The capital programme is funded mainly from national and provincial grants and subsidies. For 2022/23 capital transfers totals R298, 4million and R329, 5 million by 2023/24 and then in 2024/25 increase to R366, 9million. No borrowing applications are expected to result in the MTREF. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 20 MBRR Table A6 - Budgeted Financial Position

DC43 Harry Gwala - Table A6 Consolidated Budgeted Financial Position

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
ASSETS										
Current assets										
Cash	53 026	23 704	(617 181)	11 058	38 534	38 534	527 449	15 849	20 416	25 165
Call investment deposits	5 337	16 967	669 043	40 121	22 036	22 036	(368 713)	49 114	49 114	49 114
Consumer debtors	26 933	33 060	29 191	30 951	28 157	28 157	42 262	32 600	33 963	35 401
Other debtors	33 151	27 538	22 709	25 222	18 092	18 092	29 250	21 930	24 930	25 930
Current portion of long-term receivables	-	-	-	-	-	-	-	-	-	-
Inventory	248	267	408	408	408	408	408	408	408	408
Total current assets	118 695	101 536	104 170	107 760	107 226	107 226	230 656	119 901	128 831	136 018
Non current assets										
Long-term receivables	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-
Investment in Associate	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	2 169 063	2 340 494	2 551 394	2 843 962	2 742 357	2 742 357	2 662 631	2 675 771	2 932 123	3 220 496
Biological	-	-	-	-	-	-	-	-	-	-
Intangible	1 191	875	578	1 946	822	822	444	1 702	1 785	2 012
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total non current assets	2 170 255	2 341 369	2 551 972	2 845 908	2 743 179	2 743 179	2 663 075	2 677 474	2 933 908	3 222 508
TOTAL ASSETS	2 288 950	2 442 906	2 656 142	2 953 668	2 850 405	2 850 405	2 893 731	2 797 374	3 062 739	3 358 526
LIABILITIES										
Current liabilities										
Bank overdraft	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	13 194	13 194	12 994	8 394	5 994	3 594
Consumer deposits	1 768	1 863	2 034	2 155	2 182	2 182	2 140	2 331	2 480	2 629
Trade and other payables	155 391	122 194	84 175	91 336	72 038	72 038	168 652	99 666	96 666	93 666
Provisions	11 000	13 294	15 088	13 294	15 088	15 088	15 088	15 088	15 088	15 088
Total current liabilities	168 160	137 351	101 296	106 785	102 502	102 502	198 873	125 478	120 227	114 976
Non current liabilities										
Borrowing	37 730	26 469	18 098	1 878	1 796	1 796	3 077	-	-	-
Provisions	18 940	18 479	24 548	23 797	26 960	26 960	24 548	15 947	17 570	19 193
Total non current liabilities	56 670	44 948	42 646	25 676	28 756	28 756	27 625	15 947	17 570	19 193
TOTAL LIABILITIES	224 830	182 300	143 941	132 461	131 258	131 258	226 498	141 425	137 797	134 169
NET ASSETS	2 064 120	2 260 606	2 512 201	2 821 207	2 719 147	2 719 147	2 667 232	2 655 949	2 924 942	3 224 357
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	2 116 154	2 288 838	2 540 069	2 821 066	2 718 134	2 718 134	2 691 742	2 655 949	2 924 942	3 224 357
Reserves	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 116 154	2 288 838	2 540 069	2 821 066	2 718 134	2 718 134	2 691 742	2 655 949	2 924 942	3 224 357

Explanatory notes to Table A6 - Budgeted Financial Position

Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

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.

Table A6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:

1. Call investments deposits;
2. Consumer debtors;
3. Property, plant and equipment;
4. Trade and other payables;
5. Provisions non-current;
6. Changes in net assets; and
7. Reserves

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.

Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 21 MBRR Table A7 - Budgeted Cash Flow Statement

DC43 Harry Gwala - Table A7 Consolidated Budgeted Cash Flows

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates			130 189	53 905	58 404	58 404	46 131	59 930	63 356	66 981
Service charges	-	-	307	549	549	398	582	606	630	630
Other revenue	-	-	234 993	389 288	400 406	400 406	335 334	446 738	472 349	505 115
Transfers and Subsidies - Operational	-	-	215 028	303 580	332 258	332 258	291 221	320 236	360 787	397 413
Transfers and Subsidies - Capital	-	-	3 011	5 592	4 414	4 414	3 041	4 679	4 867	5 061
Interest	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees	-	-	(683 128)	(445 807)	(564 406)	(564 406)	(556 750)	(529 577)	(568 010)	(603 602)
Finance charges	-	-	-	(1 328)	(415)	(415)	-	-	-	-
Transfers and Grants	-	-	(352)	-	(135)	(135)	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	-	(99 951)	305 780	231 076	231 076	119 376	302 589	333 954	371 597
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-
Payments										
Capital assets	-	-	(251 425)	(307 283)	(279 622)	(279 622)	(162 867)	(298 345)	(329 536)	(366 997)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	-	(251 425)	(307 283)	(279 622)	(279 622)	(162 867)	(298 345)	(329 536)	(366 997)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	(1 768)	(95)	(170)	(122)	(27)	(27)	(106)	149	149	149
Payments										
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 768)	(95)	(170)	(122)	(27)	(27)	(106)	149	149	149
NET INCREASE/ (DECREASE) IN CASH HELD	(1 768)	(95)	(351 547)	(1 625)	(48 573)	(48 573)	(43 598)	4 393	4 568	4 749
Cash/cash equivalents at the year begin:	99 878	58 363	40 671	48 731	51 862	51 862	-	60 569	64 962	69 530
Cash/cash equivalents at the year end:	98 110	58 268	(310 876)	47 106	3 289	3 289	(43 598)	64 962	69 530	74 279

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

As part of the 2021/22 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations, rationalisation of spending priorities and cost containment policy.

The 2022/23 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term. Cash and cash equivalents totals R64,9 million as at the end of the 2022/23 financial year and escalates to R69, 2million by 2023/24 and R72, 3m at the end of 2024/2025 financial year.

Table 22 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

DC43 Harry Gwala - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available											
Cash/cash equivalents at the year end	1	98 110	58 268	(310 876)	47 106	3 289	3 289	(43 598)	64 962	69 530	74 279
Other current investments > 90 days		(39 748)	(17 597)	362 739	4 073	57 280	57 280	202 334	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		58 363	40 671	51 862	51 179	60 569	60 569	158 736	64 962	69 530	74 279
Application of cash and investments											
Unspent conditional transfers		43 814	15 000	(0)	-	(0)	(0)	96 825	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	94 573	86 450	(7 879)	59 118	37 055	37 055	(7 097)	41 923	35 486	30 564
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		138 387	101 450	(7 879)	59 118	37 055	37 055	89 727	41 923	35 486	30 564
Surplus(shortfall)		(80 024)	(60 779)	59 742	(7 939)	23 515	23 515	69 009	23 039	34 044	43 715

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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.

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”.

Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded. From the table it can be seen that for the period 2022/23 the budget is sitting on a surplus of R23million then R 34, million in 2023/24 then a surplus of R43, 7million and in 2024/25. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2021/22 Draft Budget MTREF is funded.

As part of the budgeting and planning guidelines that informed the compilation of the 2022/23 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 23 MBRR Table A9 - Asset Management

DC43 Harry Gwala - Table A9 Consolidated Asset Management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CAPITAL EXPENDITURE										
Total New Assets	1	73 845	115 726	267 136	290 783	235 885	235 885	262 997	283 930	321 094
<i>Water Supply Infrastructure</i>		70 959	105 103	237 781	228 108	181 472	181 472	207 857	243 803	263 795
<i>Sanitation Infrastructure</i>		-	-	7 958	55 850	51 107	51 107	47 130	32 098	48 920
<i>Information and Communication Infrastructure</i>		1 728	-	-	-	-	-	-	-	-
Infrastructure		72 687	105 103	245 738	283 958	232 580	232 580	254 988	275 901	312 716
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	1 610	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	1 610	-	-	-	-	-	-
Licences and Rights		-	-	-	1 418	450	450	1 534	1 354	1 407
Intangible Assets		-	-	-	1 418	450	450	1 534	1 354	1 407
Computer Equipment		-	4 084	1 566	2 130	1 409	1 409	1 904	1 903	1 984
Furniture and Office Equipment		1 120	684	1 768	3 057	1 400	1 400	2 206	2 303	2 407
Machinery and Equipment		38	-	9 099	220	47	47	191	200	209
Transport Assets		-	5 855	7 355	-	-	-	2 174	2 270	2 372
Total Renewal of Existing Assets	2	191 501	76 976	15 142	16 000	43 614	43 614	31 000	35 171	45 034
<i>Water Supply Infrastructure</i>		41 249	38 675	982	15 800	8 652	8 652	24 348	28 226	37 776
<i>Sanitation Infrastructure</i>		138 696	38 302	7 128	-	29 565	29 565	-	-	-
Infrastructure		179 945	76 976	8 110	15 800	38 217	38 217	24 348	28 226	37 776
Machinery and Equipment		85	-	-	200	150	150	217	227	237
Transport Assets		11 472	-	7 032	-	5 246	5 246	6 435	6 718	7 020
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	-	47 492	14 179	500	123	123	4 348	10 435	870
<i>Water Supply Infrastructure</i>		-	45 766	8 814	500	123	123	4 348	10 435	870
<i>Sanitation Infrastructure</i>		-	1 725	5 365	-	-	-	-	-	-
Infrastructure		-	47 492	14 179	500	123	123	4 348	10 435	870
Total Capital Expenditure	4	265 346	240 195	296 457	307 283	279 622	279 622	298 345	329 536	366 997
<i>Water Supply Infrastructure</i>		112 208	189 544	247 576	244 408	190 248	190 248	236 553	282 464	302 441
<i>Sanitation Infrastructure</i>		138 696	40 027	20 452	55 850	80 672	80 672	47 130	32 098	48 920
<i>Information and Communication Infrastructure</i>		1 728	-	-	-	-	-	-	-	-
Infrastructure		252 631	229 571	268 028	300 258	270 920	270 920	283 683	314 562	351 361
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	1 610	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	1 610	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	1 418	450	450	1 534	1 354	1 407
Intangible Assets		-	-	-	1 418	450	450	1 534	1 354	1 407
Computer Equipment		-	4 084	1 566	2 130	1 409	1 409	1 904	1 903	1 984
Furniture and Office Equipment		1 120	684	1 768	3 057	1 400	1 400	2 206	2 303	2 407
Machinery and Equipment		123	-	9 099	420	197	197	409	427	446
Transport Assets		11 472	5 855	14 387	-	5 246	5 246	8 609	8 987	9 392
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		265 346	240 195	296 457	307 283	279 622	279 622	298 345	329 536	366 997

DC43 Harry Gwala - Table A9 Consolidated Asset Management

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CAPITAL EXPENDITURE									
ASSET REGISTER SUMMARY - PPE (WDV)	1 544 132	1 674 186	1 820 137	2 178 724	2 011 345	2 011 345	1 945 639	2 202 074	2 490 674
<i>Roads Infrastructure</i>	3 253	1 725	197	(0)	-	-	-	-	-
<i>Storm water Infrastructure</i>									
<i>Electrical Infrastructure</i>	13 387	12 096	10 480	9 004	8 911	8 911	7 342	5 774	4 205
<i>Water Supply Infrastructure</i>	1 335 309	1 441 200	1 588 157	1 868 527	1 738 774	1 738 774	1 686 341	1 899 621	2 132 895
<i>Sanitation Infrastructure</i>	142 854	156 749	149 945	227 065	195 917	195 917	186 805	213 768	257 553
<i>Solid Waste Infrastructure</i>									
<i>Rail Infrastructure</i>									
<i>Coastal Infrastructure</i>									
<i>Information and Communication Infrastructure</i>	326	247	136	97	53	53	67	33	33
Infrastructure	1 495 129	1 612 017	1 748 914	2 104 692	1 943 655	1 943 655	1 880 556	2 119 195	2 394 687
Community Assets	26 846	2 846	2 617	2 533	2 389	2 389	2 162	1 934	1 713
Heritage Assets									
Investment properties	-	-	-	-	-	-	-	-	-
Other Assets	(889)	37 105	37 594	34 969	36 527	36 527	36 075	35 008	33 941
Biological or Cultivated Assets									
Intangible Assets	1 191	875	578	1 946	822	822	1 702	1 785	2 012
Computer Equipment	309	5 785	5 025	6 013	4 748	4 748	4 277	5 293	7 361
Furniture and Office Equipment	4 456	1 413	2 636	3 550	3 522	3 522	3 953	5 811	7 773
Machinery and Equipment	503	359	2 220	439	2 237	2 237	2 422	2 849	3 295
Transport Assets	16 587	13 785	20 554	24 581	17 444	17 444	14 493	30 198	39 892
Land									
Zoo's, Marine and Non-biological Animals									
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 544 132	1 674 186	1 820 137	2 178 724	2 011 345	2 011 345	1 945 639	2 202 074	2 490 674
EXPENDITURE OTHER ITEMS	103 035	92 424	114 641	121 410	135 705	135 705	129 189	134 873	140 942
Depreciation	69 605	71 944	79 359	87 410	88 415	88 415	91 951	95 997	100 317
Repairs and Maintenance by Asset Class	33 430	20 479	35 282	34 000	47 290	47 290	37 238	38 876	40 625
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	11 693	18 521	33 009	29 000	31 036	31 036	33 000	34 452	36 002
<i>Sanitation Infrastructure</i>	4 396	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	16 089	18 521	33 009	29 000	31 036	31 036	33 000	34 452	36 002
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	96	85	86	90	64	64	90	94	98
Community Assets	96	85	86	90	64	64	90	94	98
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 167	1 497	1 287	3 000	4 081	4 081	3 500	3 654	3 818
Housing	-	-	-	-	-	-	-	-	-
Other Assets	1 167	1 497	1 287	3 000	4 081	4 081	3 500	3 654	3 818
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	9	165	497	320	96	96	320	334	349
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	15 933	196	319	1 262	11 568	11 568	-	-	-
Transport Assets	136	15	83	328	447	447	328	342	357
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	103 035	92 424	114 641	121 410	135 705	135 705	129 189	134 873	140 942
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	72.2%	51.8%	9.9%	5.4%	15.6%	15.6%	11.8%	13.8%	12.5%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	275.1%	173.0%	36.9%	18.9%	49.5%	49.5%	38.4%	47.5%	45.8%
<i>R&M as a % of PPE</i>	1.5%	0.9%	1.4%	1.2%	1.7%	1.7%	1.4%	1.3%	1.3%
<i>Renewal and upgrading and R&M as a % of PPE</i>	15.0%	9.0%	4.0%	2.0%	5.0%	5.0%	4.0%	4.0%	3.0%

Explanatory notes to Table A9 - Asset Management

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.

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. Due to the extremely high infrastructure backlogs that exists in our district a huge allocation of the conditional funding arising from prior years multi- year capital budget appropriations has been committed towards new water and sanitation infrastructure. However the revised infrastructure plan will see a shift of more funds being allocated towards the refurbishment of assets as advised by National Treasury.

The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the district strategy to address the maintenance backlog.

Figure 3 Depreciation in relation to repairs and maintenance over the MTREF

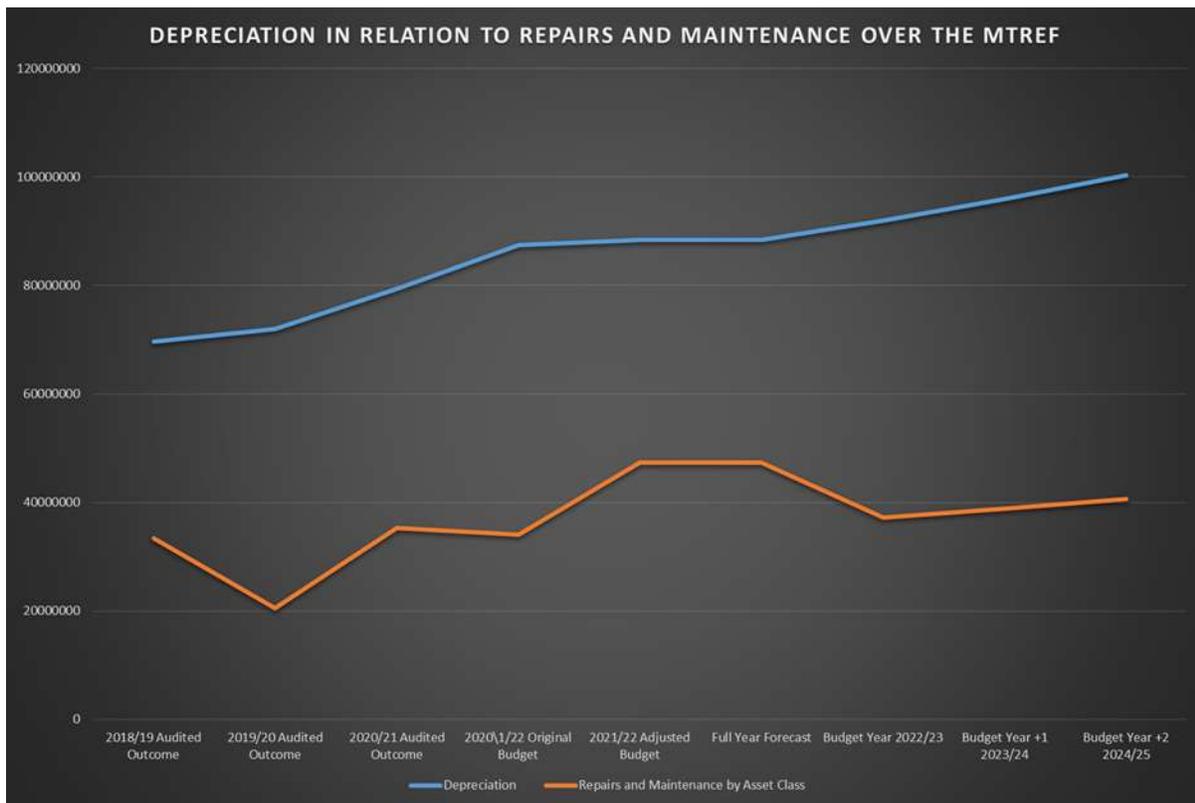


Table 24 MBRR Table A10 - Basic Service Delivery Measurement

DC43 Harry Gwala - Table A10 Consolidated basic service delivery measurement

Description	2018/19	2019/20	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework	
	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24
Household service targets							
Water:							
Piped water inside dwelling	48 246	48 641	52 292	52 292	52 292	55 691	59 311
Piped water inside yard (but not in dwelling)	20 086	19 885	21 261	21 261	21 261	22 643	24 115
Using public tap (at least min.service level)	26 109	30 026	37 292	37 292	37 292	39 716	42 298
Other water supply (at least min.service level)	-	30 152	30 936	30 936	30 936	32 947	35 089
<i>Minimum Service Level and Above sub-total</i>	94 441	128 704	141 781	141 781	141 781	150 997	160 812
Using public tap (< min.service level)	-	-	-	-	-	-	-
Other water supply (< min.service level)	31 739	30 152	30 936	30 936	30 936	32 947	35 088
No water supply	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	31 739	30 152	30 936	30 936	30 936	32 947	35 088
Total number of households	126 180	158 856	172 717	172 717	172 717	183 944	195 900
Sanitation/sewerage:							
Flush toilet (connected to sewerage)	65 558	70 615	81 649	81 649	81 649	86 956	92 608
Flush toilet (with septic tank)	12 436	12 312	13 164	13 164	13 164	14 020	14 931
Chemical toilet	-	-	-	-	-	-	-
Pit toilet (ventilated)	48 188	45 779	46 969	46 969	46 969	50 022	53 273
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	126 182	128 706	141 782	141 782	141 782	150 998	160 813
Bucket toilet	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-
Total number of households	126 182	128 706	141 782	141 782	141 782	150 998	160 813
Cost of Free Basic Services provided - Formal Settlements (R'000)							
Water (6 kilolitres per indigent household per month)	343	693	-	612	612	(649)	(688)
Sanitation (free sanitation service to indigent households)	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	-	5	7	7	7	7	7
Total cost of FBS provided	343	699	7	619	619	(642)	(680)

Explanatory notes to Table A10 - Basic Service Delivery Measurement

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

The district continues to make good progress with the eradication of backlogs:

Water services – The table shows an increase in the number of household accessing water in the MTREF. These households are largely found in ‘reception areas’ and will need to be moved to formal areas so that they can receive services.

Sanitation services – backlog will be reduced greatly in the MTREF. The budget provides for 12800 households to be registered as indigent in 2022/23, and therefore entitled to receiving Free Basic Services.

It is anticipated that these Free Basic Services will cost the municipality R6, 1million in the MTREF. This is covered by the municipality’s equitable share allocation from national government.

1.8 ANNUAL BUDGET TABLES- PARENT MUNICIPALITY

Table 25 MBRR Table A1 - Budget Summary

DC43 Harry Gwala - Table A1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	58 421	70 463	67 765	69 422	60 087	60 087	40 992	64 990	68 889	73 022
Investment revenue	9 202	6 196	3 011	5 592	4 414	4 414	3 041	4 679	4 867	5 061
Transfers recognised - operational	366 165	380 256	430 342	400 406	400 406	400 406	307 909	446 738	472 349	505 115
Other own revenue	11 587	15 464	10 879	10 748	11 565	11 565	7 893	11 941	12 418	12 915
Total Revenue (excluding capital transfers and contributions)	445 375	472 379	511 997	486 168	476 472	476 472	359 835	528 348	558 523	596 113
Employee costs	173 695	190 401	217 969	224 855	231 093	231 093	154 191	237 545	249 769	261 051
Remuneration of councillors	6 952	7 702	7 813	8 922	8 538	8 538	4 663	8 879	9 270	9 687
Depreciation & asset impairment	69 605	71 944	79 359	86 885	87 890	87 890	51 764	91 405	95 427	99 721
Finance charges	3 752	2 396	995	1 313	400	400	-	500	522	545
Inventory consumed and bulk purchases	35	-	-	31 249	43 337	43 337	-	29 207	30 492	31 864
Transfers and grants	14 000	14 000	17 000	17 000	17 000	17 000	10 600	17 000	17 000	17 000
Other expenditure	222 131	246 086	224 777	191 156	211 159	211 159	145 100	207 634	216 596	226 222
Total Expenditure	490 171	532 530	547 913	561 362	599 417	599 417	366 318	582 170	619 076	646 091
Surplus/(Deficit)	(44 797)	(60 151)	(35 916)	(75 214)	(122 944)	(122 944)	(6 483)	(63 822)	(60 554)	(49 978)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	335 775	262 515	302 857	298 258	332 258	332 258	185 796	320 236	360 787	397 413
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)	-	5 863	4 693	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	290 979	208 227	-	223 044	209 314	209 314	179 313	256 414	300 233	347 436
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	290 979	208 227	-	223 044	209 314	209 314	179 313	256 414	300 233	347 436
Capital expenditure & funds sources										
Capital expenditure	265 346	240 195	296 457	306 704	279 042	279 042	162 867	297 776	329 275	366 737
Transfers recognised - capital	132 801	234 687	268 028	298 258	268 967	268 967	156 022	278 466	309 115	345 669
Borrowing	-	1 296	-	-	-	-	-	-	-	-
Internally generated funds	14 442	4 211	28 430	8 446	10 075	10 075	6 845	19 310	20 160	21 067
Total sources of capital funds	147 243	240 195	296 457	306 704	279 042	279 042	162 867	297 776	329 275	366 737
Financial position										
Total current assets	118 695	101 536	104 170	107 760	107 226	107 226	230 656	119 901	128 831	136 018
Total non current assets	2 170 255	2 341 369	2 551 972	2 845 328	2 742 600	2 742 600	2 663 075	2 676 905	2 933 079	3 221 418
Total current liabilities	168 160	137 351	101 296	106 785	102 502	102 502	198 873	109 196	103 594	96 346
Total non current liabilities	56 670	44 948	42 646	25 676	28 756	28 756	27 625	15 947	17 570	19 193
Community wealth/Equity	2 116 154	2 288 838	2 540 069	2 820 209	2 716 636	2 716 636	2 691 742	2 654 286	2 923 801	3 223 203
Cash flows										
Net cash from (used) operating	-	-	(99 951)	-	(74 704)	(74 704)	119 376	307 846	356 907	409 856
Net cash from (used) investing	-	-	(251 425)	-	27 662	27 662	(162 867)	(298 345)	(329 536)	(366 997)
Net cash from (used) financing	(1 768)	(95)	(170)	(122)	(27)	(27)	(106)	149	149	149
Cash/cash equivalents at the year end	98 110	58 268	(310 876)	48 609	4 792	4 792	(43 598)	14 698	42 219	85 226
Cash backing/surplus reconciliation										
Cash and investments available	58 363	40 671	51 862	51 179	60 589	60 589	158 736	64 962	69 530	74 279
Application of cash and investments	138 387	101 450	(7 879)	97 273	72 203	72 203	89 727	25 641	18 853	13 934
Balance - surplus (shortfall)	(80 024)	(60 779)	59 742	(46 094)	(11 633)	(11 633)	69 009	39 321	50 677	60 345
Asset management										
Asset register summary (WDV)	1 544 132	1 674 186	1 820 137	2 178 145	2 010 765	2 010 765	2 010 765	1 945 071	2 201 244	2 489 584
Depreciation	69 605	71 944	79 359	86 885	87 890	87 890	87 890	91 405	95 427	99 721
Renewal and Upgrading of Existing Assets	191 501	124 468	29 321	16 500	43 737	43 737	43 737	35 348	45 606	45 903
Repairs and Maintenance	33 430	20 479	35 262	34 000	47 290	47 290	47 290	37 238	38 876	40 625
Free services										
Cost of Free Basic Services provided	343	699	303	7	619	619	(642)	(642)	(680)	(729)
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water	32	30	-	31	31	31	33	33	35	-
Sanitation/sewerage	-	-	-	-	-	-	-	-	-	-
Energy	-	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-	-

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

DC43 Harry Gwala - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		331 363	368 076	422 901	404 553	393 591	393 591	438 744	469 512	502 129
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		331 363	368 076	422 901	404 553	393 591	393 591	438 744	469 512	502 129
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		382 421	7 928	8 568	5 322	-	-	-	-	-
Planning and development		382 421	7 928	8 568	5 322	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		67 365	364 753	388 078	374 551	415 139	415 139	409 840	449 798	491 397
Energy sources		-	-	-	-	-	-	-	-	-
Water management		49 012	348 448	358 853	360 199	368 733	368 733	396 689	435 935	476 781
Waste water management		18 353	16 305	29 226	14 352	46 406	46 406	13 151	13 864	14 616
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	<i>4</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	781 150	740 757	819 547	784 426	808 730	808 730	848 584	919 310	993 527
Expenditure - Functional										
<i>Governance and administration</i>		213 051	229 394	233 309	251 534	249 612	249 612	266 752	278 436	290 893
Executive and council		18 266	20 706	27 920	24 745	35 223	35 223	33 612	35 091	36 651
Finance and administration		188 610	198 889	195 887	217 553	206 199	206 199	223 385	233 161	243 600
Internal audit		6 175	9 799	9 503	9 236	8 189	8 189	9 755	10 184	10 643
<i>Community and public safety</i>		13 823	16 687	17 674	18 501	19 197	19 197	20 931	21 852	22 836
Community and social services		13 823	16 687	17 674	18 501	19 197	19 197	20 931	21 852	22 836
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		167 800	139 476	123 312	138 302	137 292	137 292	140 736	147 832	153 713
Planning and development		167 800	139 476	123 312	138 302	137 292	137 292	140 736	147 832	153 713
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		145 688	175 205	201 487	152 747	192 056	192 056	163 481	170 675	178 355
Energy sources		35	-	-	-	-	-	-	-	-
Water management		144 911	172 630	200 625	151 849	190 944	190 944	162 342	169 485	177 112
Waste water management		742	2 574	862	898	1 111	1 111	1 139	1 190	1 243
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	<i>4</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	540 363	560 762	575 782	561 084	598 157	598 157	591 900	618 795	645 797
Surplus/(Deficit) for the year		240 787	179 995	243 766	223 342	210 573	210 573	256 683	300 515	347 730

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

DC43 Harry Gwala - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote	1									
Vote 01 - Summary Council		-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office		330 039	366 522	422 192	404 553	393 222	393 222	438 660	469 423	502 036
Vote 04 - Summary Corporate Services		445	1 447	665	-	290	290	-	-	-
Vote 05 - Summary Social Services & Development Planning		346	928	3 875	5 322	-	-	-	-	-
Vote 06 - Summary Infrastructure Services		382 076	287 979	305 438	311 333	314 169	314 169	337 554	373 401	410 652
Vote 07 - Summary Water Services		68 244	83 881	87 377	63 218	101 049	101 049	72 370	76 485	80 839
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	781 150	740 757	819 547	784 426	808 730	808 730	848 584	919 310	993 527
Expenditure by Vote to be appropriated	1									
Vote 01 - Summary Council		8 421	10 296	14 956	16 256	20 456	20 456	18 963	19 798	20 669
Vote 02 - Summary Municipal Manager		16 020	20 209	22 466	17 726	22 957	22 957	24 404	25 477	26 624
Vote 03 - Summary Budget And Treasury Office		72 227	74 417	59 812	85 267	80 277	80 277	83 148	86 754	90 604
Vote 04 - Summary Corporate Services		85 564	86 493	89 619	89 530	80 250	80 250	91 188	95 200	99 484
Vote 05 - Summary Social Services & Development Planning		47 553	49 942	48 107	52 206	52 361	52 361	56 162	57 885	59 725
Vote 06 - Summary Infrastructure Services		149 530	114 515	97 107	109 078	108 396	108 396	109 944	116 433	121 667
Vote 07 - Summary Water Services		161 048	204 889	243 714	191 021	233 460	233 460	208 092	217 248	227 024
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	540 363	560 762	575 782	561 084	598 157	598 157	591 900	618 795	645 797
Surplus/(Deficit) for the year	2	240 787	179 995	243 766	223 342	210 573	210 573	256 683	300 515	347 730

MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

DC43 Harry Gwala - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework			
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23
Revenue By Source												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	43 001	54 157	54 003	48 866	47 622	47 622	32 722	51 777	54 884	58 177	
Service charges - sanitation revenue	2	15 419	16 305	13 762	20 555	12 465	12 465	8 270	13 213	14 006	14 846	
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment												
Interest earned - external investments		9 202	6 196	3 011	5 592	4 414	4 414	3 041	4 679	4 867	5 061	
Interest earned - outstanding debtors		10 556	12 632	10 100	10 198	10 715	10 715	7 252	11 358	11 813	12 285	
Dividends received												
Fines, penalties and forfeits		694	-	-	-	-	-	-	-	-	-	-
Licences and permits												
Agency services												
Transfers and subsidies		366 165	380 256	430 342	400 406	400 406	400 406	307 909	446 738	472 349	505 115	
Other revenue	2	337	1 770	778	549	850	850	641	582	606	630	
Gains		-	1 062	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		445 375	472 379	511 997	486 168	476 472	476 472	359 835	528 348	558 523	596 113	
Expenditure By Type												
Employee related costs	2	173 695	190 401	217 969	224 855	231 093	231 093	154 191	237 545	249 769	261 051	
Remuneration of councillors		6 952	7 702	7 813	8 922	8 538	8 538	4 663	8 879	9 270	9 687	
Debt impairment	3	19 111	43 365	31 734	27 645	27 645	27 645	-	28 750	30 015	31 366	
Depreciation & asset impairment	2	69 605	71 944	79 359	86 885	87 890	87 890	51 764	91 405	95 427	99 721	
Finance charges		3 752	2 396	995	1 313	400	400	-	500	522	545	
Bulk purchases - electricity	2	35	-	-	-	-	-	-	-	-	-	
Inventory consumed	8	-	-	-	31 249	43 337	43 337	-	29 207	30 492	31 864	
Contracted services		156 110	144 400	129 640	104 211	124 877	124 877	101 186	116 540	121 573	127 010	
Transfers and subsidies		14 000	14 000	17 000	17 000	17 000	17 000	10 600	17 000	17 000	17 000	
Other expenditure	4, 5	37 963	55 607	56 907	59 303	58 636	58 636	43 914	62 344	65 008	67 846	
Losses		8 948	2 714	6 496	-	-	-	-	-	-	-	
Total Expenditure		490 171	532 530	547 913	561 382	599 417	599 417	366 318	522 170	619 076	646 091	
Surplus/(Deficit)		(44 797)	(60 151)	(35 916)	(75 214)	(122 944)	(122 944)	(6 483)	(63 822)	(60 554)	(49 978)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		335 775	262 515	302 857	298 258	332 258	332 258	185 796	320 236	360 787	397 413	
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)		-	5 863	4 693	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		290 979	208 227	271 634	223 044	209 314	209 314	179 313	256 414	300 233	347 436	
Taxation												
Surplus/(Deficit) after taxation		290 979	208 227	271 634	223 044	209 314	209 314	179 313	256 414	300 233	347 436	
Attributable to minorities												
Surplus/(Deficit) attributable to municipality		290 979	208 227	271 634	223 044	209 314	209 314	179 313	256 414	300 233	347 436	
Share of surplus/ (deficit) of associate	7											
Surplus/(Deficit) for the year		290 979	208 227	271 634	223 044	209 314	209 314	179 313	256 414	300 233	347 436	

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 01 - Summary Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office		38	281	-	500	24	24	-	-	-	-
Vote 04 - Summary Corporate Services		10 203	3 814	7 226	4 031	8 051	8 051	5 846	9 940	10 377	10 844
Vote 05 - Summary Social Services & Development Planning		62	-	7 355	1 291	47	47	47	3 583	3 740	3 909
Vote 06 - Summary Infrastructure Services		255 044	224 244	46 050	16 300	8 652	8 652	7 839	36 087	99 715	149 498
Vote 07 - Summary Water Services		-	11 855	235 826	284 583	262 268	262 268	149 135	248 167	215 442	202 486
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	265 346	240 195	296 457	306 704	279 042	279 042	162 867	297 776	329 275	366 737
Single-year expenditure to be appropriated	2										
Vote 01 - Summary Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning		-	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services		-	-	-	-	-	-	-	-	-	-
Vote 07 - Summary Water Services		-	-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		265 346	240 195	296 457	306 704	279 042	279 042	162 867	297 776	329 275	366 737
Capital Expenditure - Functional											
Governance and administration		10 240	4 095	7 226	4 531	8 075	8 075	5 846	9 940	10 377	10 844
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		10 240	4 095	7 226	4 531	8 075	8 075	5 846	9 940	10 377	10 844
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	7 355	1 021	47	47	47	3 304	3 450	3 605
Community and social services		-	-	7 355	1 021	47	47	47	3 304	3 450	3 605
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		212 808	1 693	18 541	1 270	-	-	-	11 148	43 856	76 373
Planning and development		212 808	1 693	18 541	1 270	-	-	-	11 148	43 856	76 373
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		42 298	234 406	263 335	299 883	270 920	270 920	156 974	273 384	271 592	275 914
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		43 737	198 896	248 698	244 033	219 813	219 813	125 997	226 254	239 494	226 994
Waste water management		(1 439)	35 511	14 637	55 850	51 107	51 107	30 978	47 130	32 098	48 920
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	265 346	240 195	296 457	306 704	279 042	279 042	162 867	297 776	329 275	366 737
Funded by:											
National Government		132 801	222 832	249 289	298 258	239 355	239 355	150 819	278 466	309 115	345 669
Provincial Government		-	11 855	18 739	-	29 565	29 565	5 156	-	-	-
District Municipality		-	-	-	-	47	47	47	-	-	-
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	132 801	234 687	268 028	298 258	268 967	268 967	156 022	278 466	309 115	345 669
Borrowing	6	-	1 296	-	-	-	-	-	-	-	-
Internally generated funds		14 442	4 211	28 430	8 446	10 075	10 075	6 845	19 310	20 160	21 067
Total Capital Funding	7	147 243	240 195	296 457	306 704	279 042	279 042	162 867	297 776	329 275	366 737

MBRR Table A6 - Budgeted Financial Position

DC43 Harry Gwala - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
ASSETS											
Current assets											
Cash		53 026	23 704	(617 181)	11 058	38 534	38 534	527 449	15 849	20 416	25 165
Call investment deposits	1	5 337	16 967	669 043	40 121	22 036	22 036	(368 713)	49 114	49 114	49 114
Consumer debtors	1	26 933	33 060	29 191	30 951	28 157	28 157	42 262	32 600	33 963	35 401
Other debtors		33 151	27 538	22 709	25 222	18 092	18 092	29 250	21 930	24 930	25 930
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	248	267	408	408	408	408	408	408	408	408
Total current assets		118 695	101 536	104 170	107 760	107 226	107 226	230 656	119 901	128 831	136 018
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	2 169 063	2 340 494	2 551 394	2 843 832	2 742 227	2 742 227	2 662 631	2 675 606	2 931 871	3 220 158
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		1 191	875	578	1 496	373	373	444	1 298	1 207	1 261
Other non-current assets		0	0	0	0	0	0	0	0	0	0
Total non current assets		2 170 255	2 341 369	2 551 972	2 845 328	2 742 600	2 742 600	2 663 075	2 676 905	2 933 079	3 221 418
TOTAL ASSETS		2 288 950	2 442 906	2 656 142	2 953 088	2 849 825	2 849 825	2 893 731	2 796 806	3 061 910	3 357 436
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	-	-	-	-	13 194	13 194	12 994	8 394	5 994	3 594
Consumer deposits		1 768	1 863	2 034	2 155	2 182	2 182	2 140	2 331	2 480	2 629
Trade and other payables	4	155 391	122 194	84 175	91 336	72 038	72 038	168 652	83 384	80 032	77 036
Provisions		11 000	13 294	15 088	13 294	15 088	15 088	15 088	15 088	15 088	15 088
Total current liabilities		168 160	137 351	101 296	106 785	102 502	102 502	198 873	109 196	103 594	98 346
Non current liabilities											
Borrowing		37 730	26 469	18 098	1 878	1 796	1 796	3 077	-	-	-
Provisions		18 940	18 479	24 548	23 797	26 960	26 960	24 548	15 947	17 570	19 193
Total non current liabilities		56 670	44 948	42 646	25 676	28 756	28 756	27 625	15 947	17 570	19 193
TOTAL LIABILITIES		224 830	182 300	143 941	132 461	131 258	131 258	226 498	125 143	121 164	117 539
NET ASSETS	5	2 064 120	2 260 606	2 512 201	2 820 627	2 718 567	2 718 567	2 667 232	2 671 663	2 940 746	3 239 897
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		2 116 154	2 288 838	2 540 069	2 820 209	2 716 836	2 716 836	2 691 742	2 654 286	2 923 801	3 223 203
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	2 116 154	2 288 838	2 540 069	2 820 209	2 716 836	2 716 836	2 691 742	2 654 286	2 923 801	3 223 203

MBRR Table A7 - Budgeted Cash Flow Statement

DC43 Harry Gwala - Table A7 Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates				130 189		4 499	4 499	46 131	59 930	63 356	66 981
Service charges				307				398	582	606	630
Other revenue				234 993		11 118	11 118	335 334	442 091	470 259	505 527
Transfers and Subsidies - Operational	1			215 028		28 678	28 678	291 221	320 236	360 787	397 413
Transfers and Subsidies - Capital	1			3 011		(1 178)	(1 178)	3 041	4 679	4 867	5 061
Interest											
Dividends											
Payments											
Suppliers and employees				(683 128)		(118 599)	(118 599)	(556 750)	(519 672)	(542 967)	(565 756)
Finance charges						913	913				
Transfers and Grants	1			(352)		(135)	(135)				
NET CASH FROM/(USED) OPERATING ACTIVITIES				(99 951)		(74 704)	(74 704)	119 376	307 846	356 907	409 856
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (increase) in non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets				(251 425)		27 662	27 662	(162 867)	(298 345)	(329 536)	(366 997)
NET CASH FROM/(USED) INVESTING ACTIVITIES				(251 425)		27 662	27 662	(162 867)	(298 345)	(329 536)	(366 997)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits		(1 768)	(95)	(170)	(122)	(27)	(27)	(106)	149	149	149
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 768)	(95)	(170)	(122)	(27)	(27)	(106)	149	149	149
NET INCREASE/ (DECREASE) IN CASH HELD		(1 768)	(95)	(351 547)	(122)	(47 070)	(47 070)	(43 598)	9 651	27 521	43 008
Cash/cash equivalents at the year begin:	2	99 878	58 363	40 671	48 731	51 862	51 862		5 047	14 698	42 219
Cash/cash equivalents at the year end:	2	98 110	58 268	(310 876)	48 609	4 792	4 792	(43 598)	14 698	42 219	85 226

MBRR Table A8 – Cash Backed reserves

DC43 Harry Gwala - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	98 110	58 268	(310 876)	48 609	4 792	4 792	(43 598)	14 698	42 219	85 226
Other current investments > 90 days		(39 748)	(17 597)	362 739	2 570	55 777	55 777	202 334	50 264	27 311	(10 947)
Non current assets - investments	1										
Cash and investments available:		58 363	40 671	51 862	51 179	60 569	60 569	158 736	64 962	69 530	74 279
Application of cash and investments											
Unspent conditional transfers		43 814	15 000	(0)		(0)	(0)	96 825			
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	94 573	86 450	(7 879)	97 273	72 203	72 203	(7 097)	25 641	18 853	13 934
Other provisions											
Long term investments committed	4										
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		138 387	101 450	(7 879)	97 273	72 203	72 203	89 727	25 641	18 853	13 934
Surplus(shortfall)		(80 024)	(60 779)	59 742	(46 094)	(11 633)	(11 633)	69 009	39 321	50 677	60 345

MBRR Table A9 - Asset Management

DC43 Harry Gwala - Table A9 Asset Management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CAPITAL EXPENDITURE										
Total New Assets	1	73 845	115 726	267 136	290 204	235 306	235 306	262 428	283 669	320 833
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		70 959	105 103	237 781	228 108	181 472	181 472	207 857	243 803	263 795
Sanitation Infrastructure		-	-	7 958	55 850	51 107	51 107	47 130	32 098	48 920
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		1 728	-	-	-	-	-	-	-	-
Infrastructure		72 687	105 103	245 738	283 958	232 580	232 580	254 988	275 901	312 716
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	1 610	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	1 610	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	968	-	-	1 130	1 180	1 233
Intangible Assets		-	-	-	968	-	-	1 130	1 180	1 233
Computer Equipment		-	4 084	1 566	2 000	1 279	1 279	1 739	1 816	1 897
Furniture and Office Equipment		1 120	684	1 768	3 057	1 400	1 400	2 206	2 303	2 407
Machinery and Equipment		38	-	9 099	220	47	47	191	200	209
Transport Assets		-	5 855	7 355	-	-	-	2 174	2 270	2 372
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	191 501	76 976	15 142	16 000	43 614	43 614	31 000	35 171	45 034
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		41 249	38 675	982	15 800	8 652	8 652	24 348	28 226	37 776
Sanitation Infrastructure		138 696	38 302	7 128	-	29 565	29 565	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		179 945	76 976	8 110	15 800	38 217	38 217	24 348	28 226	37 776
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
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		85	-	-	200	150	150	217	227	237
Transport Assets		11 472	-	7 032	-	5 246	5 246	6 435	6 718	7 020
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	-	47 492	14 179	500	123	123	4 348	10 435	870
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	45 766	8 814	500	123	123	4 348	10 435	870
<i>Sanitation Infrastructure</i>		-	1 725	5 365	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	47 492	14 179	500	123	123	4 348	10 435	870
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
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	4	265 346	240 195	296 457	306 704	279 042	279 042	297 776	329 275	366 737
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		112 208	189 544	247 576	244 408	190 248	190 248	236 553	282 464	302 441
<i>Sanitation Infrastructure</i>		138 696	40 027	20 452	55 850	80 672	80 672	47 130	32 098	48 920
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		1 728	-	-	-	-	-	-	-	-
Infrastructure		252 631	229 571	268 028	300 258	270 920	270 920	283 683	314 562	351 361
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	1 610	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	1 610	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	968	-	-	1 130	1 180	1 233
Intangible Assets		-	-	-	968	-	-	1 130	1 180	1 233
Computer Equipment		-	4 084	1 566	2 000	1 279	1 279	1 739	1 816	1 897
Furniture and Office Equipment		1 120	684	1 768	3 057	1 400	1 400	2 206	2 303	2 407
Machinery and Equipment		123	-	9 099	420	197	197	409	427	446
Transport Assets		11 472	5 855	14 387	-	5 246	5 246	8 609	8 987	9 392
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		265 346	240 195	296 457	306 704	279 042	279 042	297 776	329 275	366 737

ASSET REGISTER SUMMARY - PPE (WDV)	5	1 544 132	1 674 186	1 820 137	2 178 145	2 010 765	2 010 765	1 945 071	2 201 244	2 489 584
<i>Roads Infrastructure</i>		3 253	1 725	197	(0)	-	-	-	-	-
<i>Storm water Infrastructure</i>										
<i>Electrical Infrastructure</i>		13 387	12 096	10 480	9 004	8 911	8 911	7 342	5 774	4 205
<i>Water Supply Infrastructure</i>		1 335 309	1 441 200	1 588 157	1 868 527	1 738 774	1 738 774	1 686 341	1 899 621	2 132 895
<i>Sanitation Infrastructure</i>		142 854	156 749	149 945	227 065	195 917	195 917	186 805	213 768	257 553
<i>Solid Waste Infrastructure</i>										
<i>Rail Infrastructure</i>										
<i>Coastal Infrastructure</i>										
<i>Information and Communication Infrastructure</i>		326	247	136	97	53	53	67	33	33
Infrastructure		1 495 129	1 612 017	1 748 914	2 104 692	1 943 655	1 943 655	1 880 556	2 119 195	2 394 687
Community Assets		26 846	2 846	2 617	2 533	2 389	2 389	2 162	1 934	1 713
Heritage Assets										
Investment properties										
Other Assets		(889)	37 105	37 594	34 969	36 527	36 527	36 075	35 008	33 941
Biological or Cultivated Assets										
Intangible Assets		1 191	875	578	1 496	373	373	1 298	1 207	1 261
Computer Equipment		309	5 785	5 025	5 883	4 619	4 618	4 112	5 041	7 023
Furniture and Office Equipment		4 456	1 413	2 636	3 550	3 522	3 522	3 953	5 811	7 773
Machinery and Equipment		503	359	2 220	439	2 237	2 237	2 422	2 849	3 295
Transport Assets		16 587	13 785	20 554	24 581	17 444	17 444	14 493	30 198	39 892
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 544 132	1 674 186	1 820 137	2 178 145	2 010 765	2 010 765	1 945 071	2 201 244	2 489 584
EXPENDITURE OTHER ITEMS		103 035	92 424	114 641	120 885	135 180	135 180	128 643	134 303	140 347
Depreciation	7	69 605	71 944	79 359	86 885	87 890	87 890	91 405	95 427	99 721
Repairs and Maintenance by Asset Class	3	33 430	20 479	35 282	34 000	47 290	47 290	37 238	38 876	40 625
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		11 693	18 521	33 009	29 000	31 036	31 036	33 000	34 452	36 002
<i>Sanitation Infrastructure</i>		4 396	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		16 089	18 521	33 009	29 000	31 036	31 036	33 000	34 452	36 002
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		96	85	86	90	64	64	90	94	98
Community Assets		96	85	86	90	64	64	90	94	98
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1 167	1 497	1 287	3 000	4 081	4 081	3 500	3 654	3 818
Housing		-	-	-	-	-	-	-	-	-
Other Assets		1 167	1 497	1 287	3 000	4 081	4 081	3 500	3 654	3 818
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		9	165	497	320	96	96	320	334	349
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		15 933	196	319	1 262	11 568	11 568	-	-	-
Transport Assets		136	15	83	328	447	447	328	342	357
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		103 035	92 424	114 641	120 885	135 180	135 180	128 643	134 303	140 347
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		72,2%	51,8%	9,9%	5,4%	15,7%	15,7%	11,9%	13,9%	12,5%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		275,1%	173,0%	36,9%	19,0%	49,8%	49,8%	38,7%	47,8%	46,0%
<i>R&M as a % of PPE</i>		1,5%	0,9%	1,4%	1,2%	1,7%	1,7%	1,4%	1,3%	1,3%
<i>Renewal and upgrading and R&M as a % of PPE</i>		15,0%	9,0%	4,0%	2,0%	5,0%	5,0%	4,0%	4,0%	3,0%

MBRR Table A10 – Basic Service Delivery Measurement

DC43 Harry Gwala - Table A10 Basic service delivery measurement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets	1									
Water:										
Piped water inside dwelling		48 246	48 641	--	52 292	52 292	52 292	55 691	59 311	--
Piped water inside yard (but not in dwelling)	2	20 086	19 885	--	21 261	21 261	21 261	22 643	24 115	--
Using public tap (at least min.service level)	4	26 109	30 026	--	37 292	37 292	37 292	39 716	42 298	--
Other water supply (at least min.service level)	2	--	30 152	--	30 936	30 936	30 936	32 947	35 069	--
<i>Minimum Service Level and Above sub-total</i>		94 441	128 704	--	141 781	141 781	141 781	150 997	160 812	--
Using public tap (< min.service level)	3	--	--	--	--	--	--	--	--	--
Other water supply (< min.service level)	4	31 739	30 152	--	30 936	30 936	30 936	32 947	35 068	--
No water supply		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>		31 739	30 152	--	30 936	30 936	30 936	32 947	35 068	--
Total number of households	5	126 180	158 856	--	172 717	172 717	172 717	183 944	195 900	--
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		65 558	70 615	--	81 649	81 649	81 649	86 956	92 608	--
Flush toilet (with septic tank)		12 436	12 312	--	13 164	13 164	13 164	14 020	14 931	--
Chemical toilet		--	--	--	--	--	--	--	--	--
Pit toilet (ventilated)		48 188	45 779	--	46 969	46 969	46 969	50 022	53 273	--
Other toilet provisions (> min.service level)		--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>		126 182	128 706	--	141 782	141 782	141 782	150 998	160 813	--
Bucket toilet		--	--	--	--	--	--	--	--	--
Other toilet provisions (< min.service level)		--	--	--	--	--	--	--	--	--
No toilet provisions		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>		--	--	--	--	--	--	--	--	--
Total number of households	5	126 182	128 706	--	141 782	141 782	141 782	150 998	160 813	--
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 (fee 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 kilolites per indigent household per month)		343	693	303	--	612	612	(649)	(688)	(729)
Sanitation (fee sanitation service to indigent households)		--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per indigent household per month)		--	--	--	--	--	--	--	--	--
Refuse (removed once a week for indigent households)		--	--	--	--	--	--	--	--	--
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		--	5	--	7	7	7	7	7	--
Total cost of FBS provided		343	698	303	7	619	619	(642)	(681)	(729)

Part 2 – Supporting Documentation

1.9 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 Mayor.

The primary aims of the Budget Steering Committee are to ensure:

1. that the process followed to compile the budget complies with legislation and good budget practices;
2. that there is proper alignment between the policy and service delivery priorities set out in the district IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
3. that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
4. That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

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 2021) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in August 2021. Key dates applicable to the process were:

- a) **August 2021** – Joint strategic planning session of the Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2022/23 MTREF;
- b) **November 2021** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;

- c) **January 2022** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- d) **January 2022** – Multi-year budget proposals are submitted to the Executive Committee for endorsement;
- e) **January 2022** - Council considers the 2021/22 Mid-year Review and Adjustments Budget;
- f) **February 2022** - Recommendations of the Executive Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2022/23 MTREF is revised accordingly;
- g) **March 2022** - Tabling in Council of the draft 2022/23 IDP and 2022/23 MTREF for public consultation;
- h) **April 2022** – Public consultation;
- i) **May 2022** - Closing date for written comments;
- j) **May 2022** – Draftisation of the 2022/23 IDP and 2022/23 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- k) **May 2022** - Tabling of the 2022/23 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council IDP and Service Delivery and Budget Implementation Plan.

The Harry Gwala District 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 fifth revision cycle included the following key IDP processes and deliverables:

1. Registration of community needs;
2. Compilation of departmental business plans including key performance indicators and targets;
3. Financial planning and budgeting process;
4. Public participation process;
5. Compilation of the SDBIP, and
6. 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 2022/23 MTREF, based on the approved 2021/22 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2022/23 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 2021/22 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.

Financial Modeling and Key Planning Drivers

Part of the compilation of the 2022/23 MTREF, extensive financial modelling was undertaken to ensure the affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2022/23 MTREF:

1. District growth
2. Policy priorities and strategic objectives
3. Asset maintenance
4. Economic climate and trends (i.e. inflation, household debt, migration patterns)
5. Performance trends
6. The approved 2021/22 adjustments budget and performance against the SDBIP
7. Cash Flow Management Strategy
8. Debtor payment levels
9. Loan and investment possibilities
10. The need for tariff increases versus the ability of the community to pay for services;
11. Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54 has been taken into consideration in the planning and prioritisation process.

Community Consultation

The draft 2022/23 MTREF as tabled before Council on 29 March 2022 for community consultation was published on the municipality's website, and hard copies were made available at satellite offices, municipal notice boards and various libraries. In addition E-mail notifications were sent to all organisations on the municipality's database, including ratepayer associations, community-based organisations and organised business. The opportunity to give electronic feedback was also communicated on the Harry Gwala district municipality's website, and the district call centre was engaged in collecting inputs via e-mail, fax and SMS.

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

Ward Committees were utilised to facilitate the community consultation process from 03 to 23 May 2021, and included nine public briefing sessions. The applicable dates and venues were published in all the local newspapers and local municipalities a notice board on average attendance of 300 was recorded per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organised business and izimbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the Draftisation of the 2022/23 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

- a) Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The district is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is realized in a sustainable manner over a reasonable period of time;
- b) Several complaints were received regarding poor service delivery, especially poor condition of water (drinking water) and sanitation infrastructure;
- c) Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;
- d) The affordability of tariff increases was raised on numerous occasions. This concern was also raised by organised business as an obstacle to economic growth;
- e) Pensioners cannot afford the tariff increases due to low annual pension increases; and
- f) During the community consultation process large sections of the community made it clear that they are not in favor of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.

1.10 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 district, 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 district 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 district's response to these requirements.

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

- a) Green Paper on National Strategic Planning of 2009;
- b) Government Programme of Action;
- c) Development Facilitation Act of 1995;
- d) Provincial Growth and Development Strategy (GGDS);
- e) National and Provincial spatial development perspectives;
- f) Relevant sector plans such as transportation, legislation and policy;
- g) National Key Performance Indicators (NKPIs);
- h) Accelerated and Shared Growth Initiative (ASGISA);
- i) National 2014 Vision;
- j) National Spatial Development Perspective (NSDP) and
- k) 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 2022/23 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 26 IDP Strategic Objectives

2021/22 Financial Year	2022/23 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to Harry Gwala district principles through a caring, accessible and accountable service	4. Foster participatory democracy and Harry Gwala district principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the district 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:

Provision of quality basic services and infrastructure which includes, amongst others:

- a) Provide water;
- b) Provide sanitation;
- c) Provide housing;
- d) Provide district planning services; and
- e) Maintaining the infrastructure of the district.

Economic growth and development that leads to sustainable job creation by:

- a) Ensuring there is a clear structural plan for the district;
- b) Ensuring planning processes function in accordance with set timeframes;
- c) Facilitating the use of labor intensive approaches in the delivery of services and the building of infrastructure.

Fight poverty and build clean, healthy, safe and sustainable communities:

- a) Effective implementation of the Indigent Policy;
- b) Ensuring all waste water treatment works are operating optimally;
- c) Working with strategic partners such as SAPS to address crime;
- d) Ensuring safe working environments by effective enforcement of building and health regulations;
- e) Promote viable, sustainable communities through proper zoning; and
- f) Promote environmental sustainability by protecting wetlands and key open spaces.

Integrated Social Services for empowered and sustainable communities

Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly coordinated with the informal settlements upgrade programme

Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- a) Optimising effective community participation in the ward committee system; and
- b) Implementing Batho Pele in the revenue management strategy.

Promote sound governance through:

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

Ensure financial sustainability through:

- b) Reviewing the use of contracted services

- c) Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- d) Optimal institutional transformation to ensure capacity to achieve set objectives
- e) Review of the organizational structure to optimize the use of personnel;

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

In addition to the five-year IDP, the district 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 district 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 district IDP, associated sectoral plans and strategies, and the allocation of resources of the district and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

1. Developing dormant areas;
2. Enforcing hard development lines – so as to direct private investment;
3. Maintaining existing urban areas;
4. Strengthening key economic clusters;
5. Building social cohesion;
6. Strong developmental initiatives in relation to the municipal institution as a whole; and
7. Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- a) Strengthening the analysis and strategic planning processes of the District;
- b) Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- c) Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and

- d) Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2022/23 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 27 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

DC43 Harry Gwala - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand													
GOOD GOVERNANCE				-	-	-	-	-	-	-	-	-	
FINANCIAL VIABILITY AND MANAGEMENT				330 039	366 522	422 192	404 553	393 222	393 222	438 660	469 423	502 036	
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT				346	928	3 875	22 412	17 090	17 090	17 180	17 189	17 198	
BASIC SERVICE DELIVERY				114 545	103 481	85 265	76 293	82 960	82 960	89 688	89 099	94 078	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				445	1 447	665	-	290	290	-	-	-	
CROSS-CUTTING				-	-	-	-	-	-	-	-	-	
Allocations to other priorities			2										
Total Revenue (excluding capital transfers and contributions)				1	445 375	472 379	511 997	503 258	493 562	493 562	545 520	575 712	613 312

Table 28 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

DC43 Harry Gwala - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand													
GOOD GOVERNANCE				27 725	33 030	40 304	37 425	46 870	46 870	46 793	48 852	51 031	
FINANCIAL VIABILITY AND MANAGEMENT				72 227	74 417	59 812	85 267	80 277	80 277	83 148	86 754	90 604	
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT				27 264	27 396	23 937	41 799	41 915	41 915	43 355	44 338	44 818	
BASIC SERVICE DELIVERY				310 579	319 404	340 821	300 099	341 856	341 856	318 036	333 681	348 691	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				85 564	86 493	89 619	89 530	80 250	80 250	91 188	95 200	99 484	
CROSS-CUTTING				17 005	20 022	21 289	23 474	23 021	23 021	25 727	26 859	28 067	
Allocations to other priorities													
Total Expenditure				1	540 363	560 762	575 782	577 594	614 189	614 189	608 247	635 684	662 695

Table 29 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

DC43 Harry Gwala - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
FINANCIAL VIABILITY AND MANAGEMENT				38	281	-	500	24	24	-	-	-
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT				62	-	-	850	580	580	847	551	564
BASIC SERVICE DELIVERY				255 044	236 099	281 876	300 883	270 920	270 920	284 254	315 157	351 984
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				10 203	3 814	7 226	4 031	8 051	8 051	9 940	10 377	10 844
CROSS-CUTTING				-	-	7 355	1 021	47	47	3 304	3 450	3 605
Allocations to other priorities			3									
Total Capital Expenditure			1	265 346	240 195	296 457	307 283	279 622	279 622	298 345	329 536	366 997

1.11 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 district has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

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

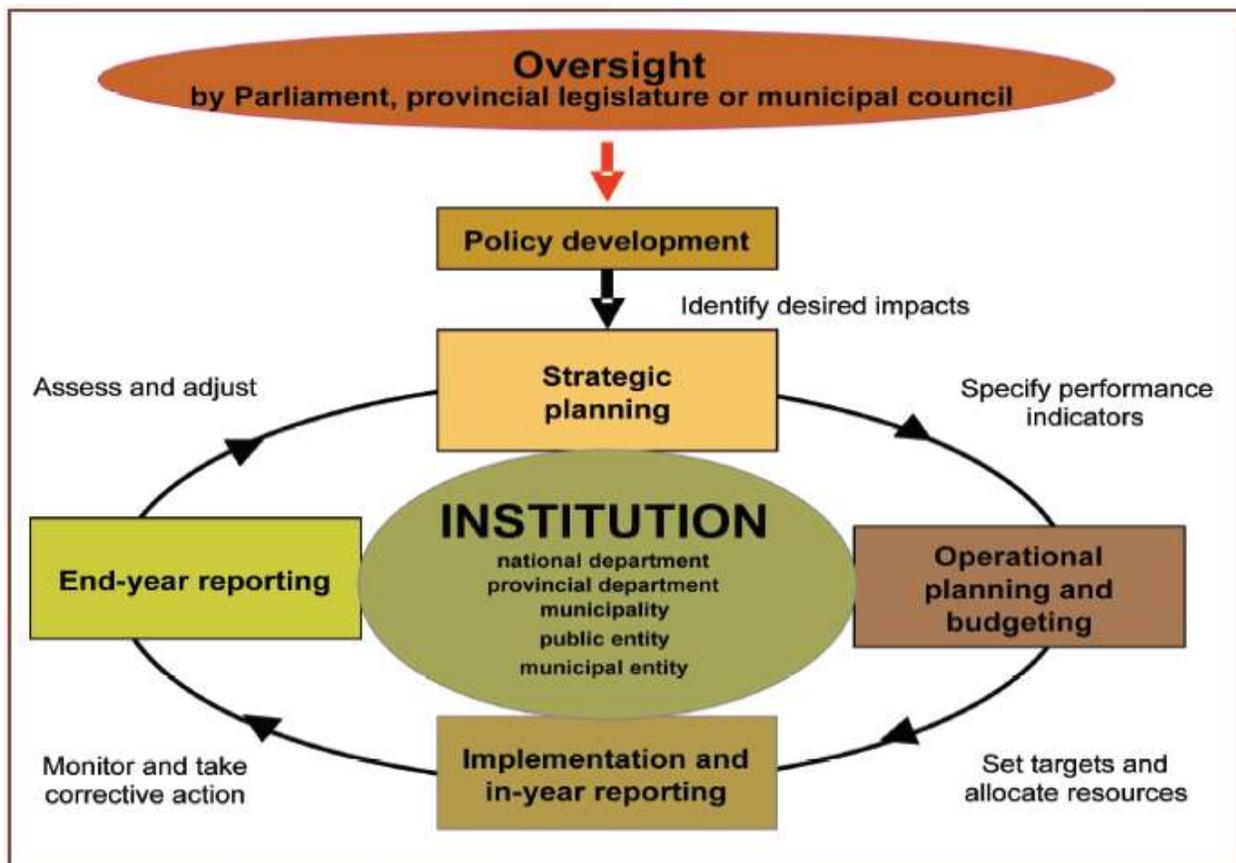


Figure 4 Planning, budgeting and reporting cycle

The performance of the district 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 district therefore has adopted one integrated performance management system which encompasses:

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

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

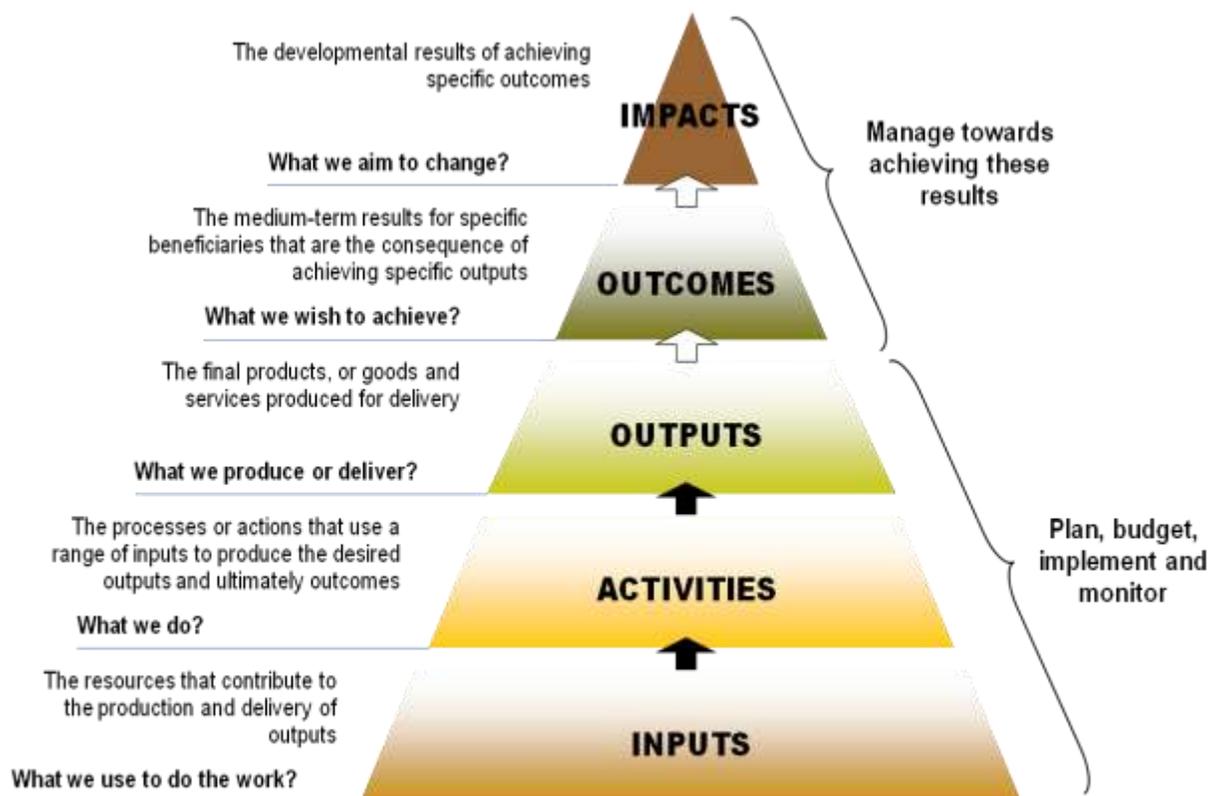


Figure 5 Definition of performance information concepts

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

Table 30 MBRR Table SA7- Measurable Performance Objectives

DC43 Harry Gwala - Supporting Table SA7 Measurable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
06 - Summary Infrastructure Services										
Waste Water Management										
Sewerage										
<i>Flush Toilet (Connected To Sewerage)</i>	Households	65 558	70 615	–	81 649	81 649	81 649	86 956	92 608	–
<i>Flush Toilet (With Septic Tank)</i>	Households	12 436	12 312	–	13 164	13 164	13 164	14 020	14 931	–
<i>Pit Toilet (Ventilated)</i>	Households	48 188	45 779	–	46 969	46 969	46 969	50 022	53 273	–
Water Management										
Water Distribution										
<i>Informal Settlements (R000)</i>	Rand Value	–	5 189	–	6 561	6 561	6 561	6 954	7 406	–
<i>Other Water Supply (< Min.Service Level)</i>	Households	31 739	30 152	–	30 936	30 936	30 936	32 947	35 088	–
<i>Level)</i>	Households	–	30 152	–	30 936	30 936	30 936	32 947	35 089	–
<i>Piped Water Inside Dwelling</i>	Households	48 246	48 641	–	52 292	52 292	52 292	55 691	59 311	–
<i>Dwelling)</i>	Households	20 086	19 885	–	21 261	21 261	21 261	22 643	24 115	–
<i>Level)</i>	Households	26 109	30 026	–	37 292	37 292	37 292	39 716	42 298	–

The following table sets out the municipalities main performance objectives and benchmarks for the 2022/23 MTREF

Table 31 MBRR Table SA8- Performance indicators and benchmarks

DC43 Harry Gwala - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,8%	0,4%	0,2%	0,2%	0,1%	0,1%	0,0%	0,1%	0,1%	0,1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4,7%	2,6%	1,2%	1,5%	0,5%	0,5%	0,0%	0,6%	0,8%	0,8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity											
Current Ratio	Current assets/current liabilities	0,7	0,7	1,0	1,0	1,0	1,0	1,2	1,0	1,1	1,2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0,7	0,7	1,0	1,0	1,0	1,0	1,2	1,0	1,1	1,2
Liquidity Ratio	Monetary Assets/Current Liabilities	0,3	0,3	0,5	0,5	0,6	0,6	0,8	0,5	0,6	0,6
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0,0%	0,0%	192,1%	0,0%	7,5%	7,5%	112,5%	92,2%	92,0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0,0%	0,0%	192,1%	0,0%	7,5%	7,5%	112,5%	92,2%	92,0%	91,7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13,5%	12,8%	10,1%	11,2%	9,4%	9,4%	19,9%	10,0%	10,2%	10,0%
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		95,6%	147,5%	-25,1%	200,1%	1567,2%	1567,2%	-139,5%	577,1%	193,8%	92,5%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	39,0%	40,3%	42,6%	47,1%	49,3%	49,3%	42,9%	45,8%	45,6%	44,6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	40,6%	41,9%	44,1%	48,9%	51,0%	51,0%		47,5%	47,2%	46,2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7,5%	4,3%	6,9%	6,8%	9,6%	9,6%		6,8%	6,8%	6,6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	16,5%	15,7%	15,7%	17,6%	18,0%	18,0%	14,4%	16,9%	16,8%	16,5%
DP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	-	30,6	-	(72,9)	(72,9)	(72,9)	11,1	16,8	17,1	18,0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	102,8%	86,0%	76,6%	80,9%	77,0%	77,0%	174,5%	83,9%	85,5%	84,0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3,1	1,6	(8,7)	1,3	0,1	0,1	(1,8)	0,4	1,1	2,0

PERFORMANCE INDICATORS AND BENCHMARKS

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, Harry Gwala's borrowing strategy is primarily informed by the affordability of debt repayments. The following financial performance indicators have formed part of the compilation of the 2022/23 MTREF:

No projects are funded from Borrowing in the MTREF

In summary, various financial risks could have a negative impact on the future borrowing District of the municipality. In particular, the continued ability of the district 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.

Liquidity (reference SA8)

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the District has set a limit of 1.5, hence at no point in time should this ratio be less than 1. For the 2022/23 MTREF the current ratio is 1.0 and 1.1, 1.3 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2022/23 financial year the ratio was 0.5 and it has been increased to 0.5 in the 2023/24 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the District. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

Revenue Management

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

Creditors Management

The district 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 will seek to ensure an improvement a 100 per cent compliance rate to this legislative obligation. This has had a favorable impact on suppliers' perceptions of risk of doing business with the district, which is expected to benefit the district in the form of more competitive pricing of tenders, as suppliers compete for the district business.

Other Indicators

The water distribution losses have been increased from 38 per cent in 2021/22 to 39 per cent in 2022/23. This has been achieved with the introduction of a water leakage report and action centre. The intention is to further rollout additional depots within the District to further leverage from the efficiency that the centre offers. It is planned to reduce distribution losses from 38 per cent in 2020/21 to at least 30 per cent by 2022/23.

Employee costs as a percentage of operating revenue remained the same at 42 per cent on all three years. This is primarily owing to the high increase in salaries costs and the filling of vacant posts. The revenue base also has not significantly increased resulting in a lower budget for operational costs.

Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation.

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 District.

For the 2022/23 financial year all households in the district have been budgeted for the 6 free kilo litres. Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

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

Providing clean water and managing waste water

Harry Gwala district is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. The water for Ubuhlebezwe local municipal area is provided by Umngeni water and Ugu District municipality while the remaining areas are supplied from the district own water sources, such as boreholes, springs and small dams.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

The following is briefly the main challenges facing the district:

1. The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
2. Shortage of skilled personnel makes proper operations and maintenance difficult;
3. Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
4. There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

1. Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
2. The filling of vacancies has commenced and there is training that embark on an in-house, especially for operational personnel and plumbers;
3. The District Division is to install dedicated power supply lines to the plants; and
4. The Division is working in consultation with the Department of Water Affairs to address catchment management.

1.12 OVERVIEW OF BUDGET RELATED-POLICIES

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

Review of credit control and debt collection procedures/policies

As the most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2022/23 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 75 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 district's cash levels. There is panel of lawyers that assist the municipality in collection debt that is older than 90 days. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

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 district 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. Due to the limited capital funding from National Treasury the municipality continues to prioritise the new assets because of the projects that takes long to be capitalised due to limited funds.

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

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 district 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.

Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in May 2021. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

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 district system of delegations. The Budget and Virement Policy was approved by Council after having been amended accordingly.

Cash Management and Investment Policy

The aim of the policy is to ensure that the district 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 a cash equivalent required at any point in time and introduces time frames to achieve certain benchmarks.

Tariff Policies

The district 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.

Financial Modelling and Scenario Planning Policy

The Financial Modelling and Scenario Planning Policy have directly informed the compilation of the 2022/23 MTREF with the emphasis on affordability and long-term sustainability. The policy dictates the approach to longer term financial modelling. The outcomes are then filtered into the budget process. The model and scenario planning outcomes are taken to Council every November and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features of the policy is the emphasis on financial sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

1. Approved 2021/22 Adjustments Budget;
2. Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
3. Economic climate and trends (i.e. Inflation, household debt levels, indigent factors, growth, recessionary implications);
4. Loan and investment possibilities;
5. Performance trends;
6. Tariff Increases;

7. The ability of the community to pay for services (affordability);
8. Policy priorities;
9. Improved and sustainable service delivery; and
10. Debtor payment levels.

All the above policies are available on the district website, as well as the following budget related policies:

- a) Funding and Reserves Policy;
- b) Borrowing Policy;
- c) Budget Policy; and
- d) Basic Social Services Package (Indigent Policy).
- e) Appointment of Consultants
- f) Loss Control Policy

The proposed amendments to the budget policies have been included as Annexure C.

1.13 OVERVIEW OF BUDGET ASSUMPTIONS

External factors

The economy is still recovering from the recession it has had in the past 3 years and the implications of the coronavirus pandemic. Owing to the economic slowdown and the high unemployment levels, 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 district's finances.

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 2022/23 MTREF:

1. National Government macro-economic targets;
2. The general inflationary outlook and the impact on district's residents and businesses;
3. The impact of municipal cost drivers;
4. The increase in the price of bulk water; and other input costs like District and fuel,
5. The increase in the cost of remuneration. Employee related costs comprise 41 per cent of total operating expenditure in the 2022/23 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.
6. Collection rate for revenue services

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

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

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 district, 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.

Salary increases

The collective agreement regarding salaries/wages came into operation on the 01 July 2022 and shall remain in force until 30 June 2024. Year two which is 2022/23 financial year as per circular 5 of 2022 salary and wage increase is 4, 9 percent and year three is an average CPI and 1, 25 per cent.

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:

1. Creating jobs;
2. Enhancing education and skill development;
3. Improving Health services;
4. Rural development and agriculture; and
5. 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.

The 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 2022/23 MTREF of which performance has been factored into the cash flow budget.

1.14 OVERVIEW OF BUDGET FUNDING

Medium-term outlook: operating revenue

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

Table 30 Breakdown of the operating revenue over the medium-term

DC43 Harry Gwala - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2022/23	%	Budget Year +1 2023/24	%	Budget Year +2 2024/25	%
Revenue By Source								
Property rates	-		-		-		-	
Service charges - electricity revenue	-		-		-		-	
Service charges - water revenue	47 622	10%	51 777	9%	54 884	10%	58 177	9%
Service charges - sanitation revenue	12 465	3%	13 213	2%	14 006	2%	14 846	2%
Interest earned - external investments	4 504	1%	4 859	1%	5 056	1%	5 260	1%
Interest earned - outstanding debtors	10 715	2%	11 358	2%	11 813	2%	12 285	2%
Fines, penalties and forfeits	-	0%	-	0%	-	0%	-	0%
Transfers and subsidies	417 406	85%	463 738	85%	489 349	85%	522 115	85%
Other revenue	850	0%	582	0%	606	0%	630	0%
Gains	-	0%	-	0%	-	0%	-	0%
Total Revenue (excluding capital transfers and contributions)	493 562	100%	545 528	100%	575 712	100%	613 312	100%
Total Operating Expenditure	615 189		608 247		635 684		662 695	
Surplus/ Deficit	(121 627)		(62 719)		(59 972)		(49 383)	

The following graph is a breakdown of the operational revenue per main category for the 2022/23 financial year.

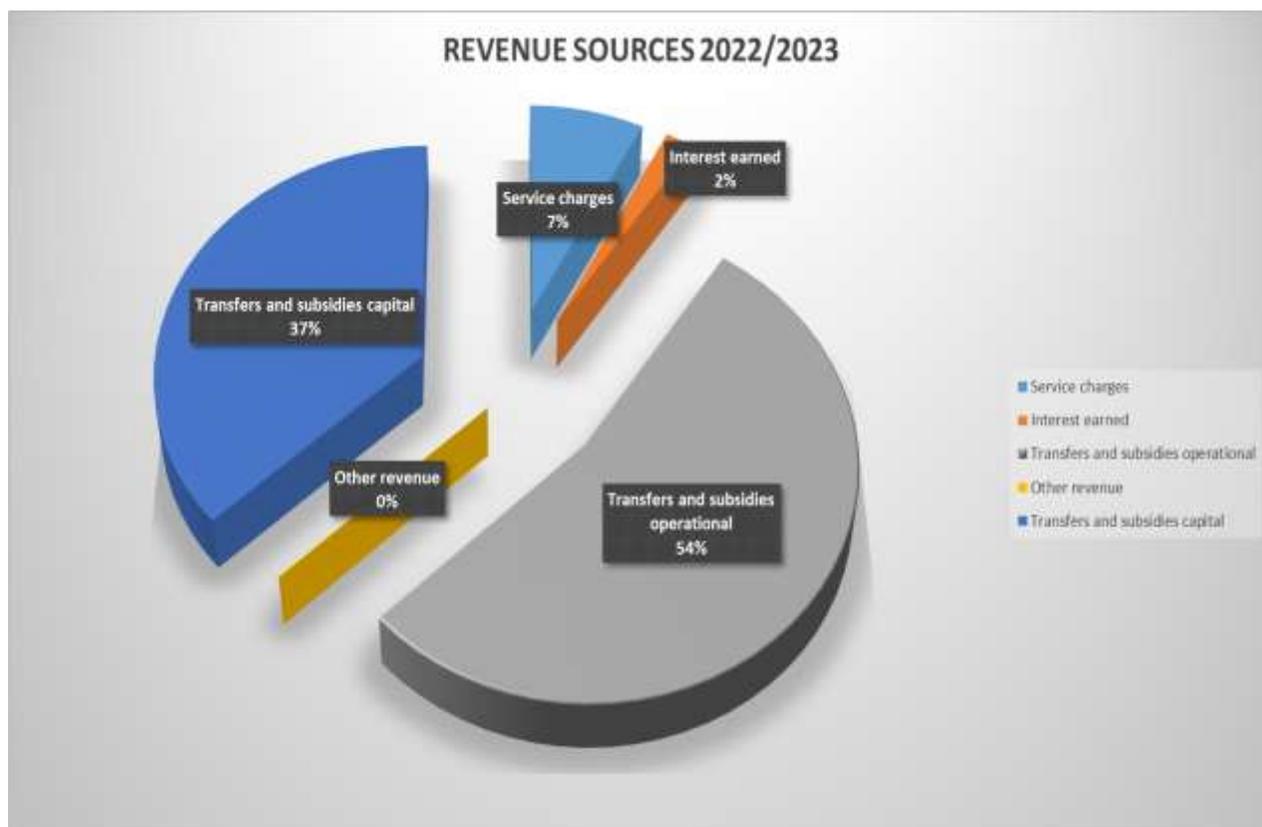


Figure 6 Breakdown of operating revenue over the 2022/23 MTREF

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 district derives most of its operational revenue from the provision of goods and services such as water and sanitation.

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

1. Growth in the District and economic development;
2. Revenue management and enhancement;
3. Achievement of a 75 per cent annual collection rate for consumer revenue;
4. National Treasury guidelines;
5. District tariff increases within the National District Regulator of South Africa (NERSA) approval;
6. Achievement of full cost recovery of specific user charges;
7. Determining tariff escalation rate by establishing/calculating revenue requirements;

8. And the ability to extend new services and obtain cost recovery levels.

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

The proposed tariff increases for the 2022/23 MTREF on the different revenue categories are:

Table 31 Proposed tariff increases over the medium-term

Operational grants and subsidies amount to R417, 4 million, R440, 1 million and R444million for each of the respective financial years of the MTREF, or 0, 7%, 5% and 1 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. The percentage of the total operational grants and transfers in relation to the total operating revenue is distorted owing to the high increases in revenue relating to services charges. The actual operational grants and subsidies amount to R 400, 2 million for the 2022/2023 financial year, R420, 1m in 2022/23 and R424m in 2023/24 however due to transfers and subsidies paid over to Harry Gwala District Municipality the amount of R17 million and R40m for the outer years as per the attached SA18.

Investment revenue contributes marginally to the revenue base of the District with a budget allocation of R5, 8 million, R5, 9million and R12million for the respective three financial years of the 2022/23 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

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

Table 32 MBRR SA15 – Detail Investment Information

Harry Gwala District Municipality does not have investments which are greater than 90 days..

Table 33 MBRR SA16 – Investment particulars by maturity

DC43 Harry Gwala - Supporting Table SA16 Investment particulars by maturity		
Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment
	Yrs/Months	
Parent municipality		
First National Bank-Salaries	N/A	Call account
First National Bank-MIG	N/A	Call account
First National Bank-Admin Call	N/A	Call account
Investec	N/A	Call account
First National Bank-EPWP	N/A	Call account
First National Bank-Energy	N/A	Call account
First National Bank-FMG	N/A	Call account
Nedbank	N/A	Call account
First National Bank-RBIG	N/A	Call account

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2022/23 medium-term capital programme:

Table 34 Sources of capital revenue over the MTREF

DC43 Harry Gwala - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2022/23	%	Budget Year +1 2023/24	%	Budget Year +2 2024/25	%
R thousand								
Funded by:								
National Government	239 355	86%	278 466	93%	309 115	94%	345 669	94%
Provincial Government	29 565	11%	-	0%	-	0%	-	0%
District Municipality	47	0%	-	0%	-	0%	-	0%
Internally generated funds	10 655	4%	19 879	7%	20 421	6%	21 328	6%
Total Capital Funding	279 622	100%	298 345	100%	329 536	100%	366 997	100%

Capital grants and receipts equates to 93 per cent of the total funding source which represents R298, 3 million for the 2022/23 financial year and steadily increase to R329, 5million and increase to R366, 9million for 2023/24.

The following table is a detailed analysis of the District’s borrowing liability.

Table 35 MBRR Table SA 17 - Detail of borrowings

DC43 Harry Gwala - Supporting Table SA17 Borrowing

Borrowing - Categorized by type R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality									
Annuity and Bullet Loans	14 816	8 657	4 555	-	-	-	-	-	-
Long-Term Loans (non-annuity)	-	11 661	11 661	-	11 661	11 661	-	-	-
Local registered stock									
Instalment Credit									
Financial Leases	13 666	17 412	10 253	3 485	4 378	4 378	1 878	146	-
Municipality sub-total	28 482	37 730	26 469	3 485	16 040	16 040	1 878	146	-
Total Borrowing	28 482	37 730	26 469	3 485	16 040	16 040	1 878	146	-

The following graph illustrates the growth in outstanding borrowing for the 2018/19 to 2024/25 period.

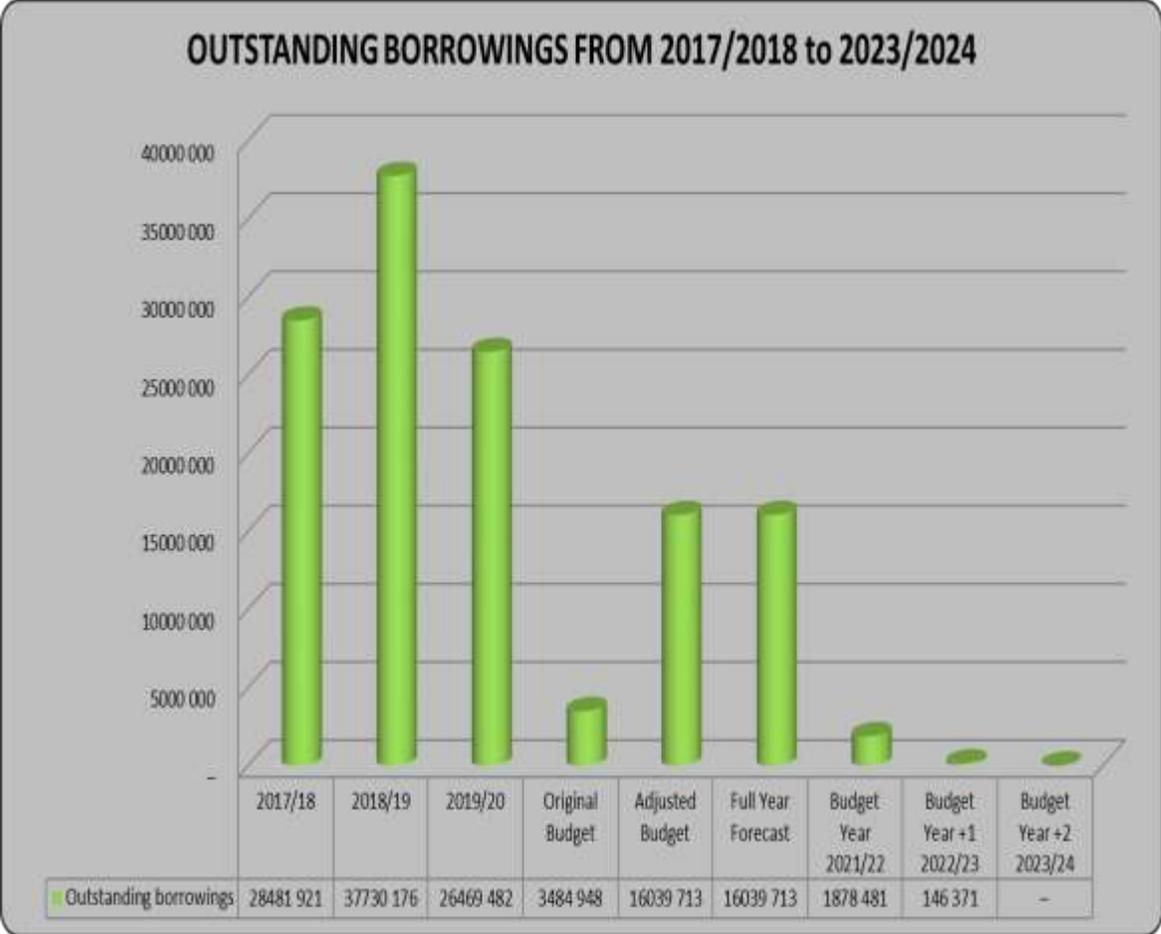


Figure 7 Growth in outstanding borrowing (long-term liabilities)

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below.

Table 36 MBRR Table SA 18 - Capital transfers and grant receipts

DC43 Harry Gwala - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		3 518	13 912	6 195	8 071	13 393	13 393	14 577	9 637	10 011
Local Government Equitable Share										
EPWP: RECEIPTS		2 518	5 316	5 195	4 596	4 596	4 596	5 221	-	-
INPUT HEADER DESC: RECEIPTS		1 000	8 000	1 000	1 200	1 200	1 200	1 200	1 200	1 200
LFGM: RECEIPTS		-	-	-	-	-	-	-	-	-
MDG: RECEIPTS		-	596	-	-	-	-	-	-	-
MIG: RECEIPTS		-	-	-	-	5 322	5 322	5 775	6 046	6 334
RAMS: RECEIPTS		-	-	-	2 275	2 275	2 275	2 381	2 391	2 477
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	3 518	13 912	6 195	8 071	13 393	13 393	14 577	9 637	10 011
Capital Transfers and Grants										
National Government:		349 213	283 218	293 626	303 580	298 258	298 258	320 236	360 787	397 413
MIG: RECEIPTS		196 587	200 860	209 000	212 880	207 558	207 558	225 236	235 787	247 013
NDPG: RECEIPTS		-	-	-	-	-	-	-	-	-
RBIG: RECEIPTS		70 000	20 000	22 381	-	-	-	-	25 000	50 000
RRAMS: RECEIPTS		2 226	2 358	2 245	-	-	-	-	-	-
WSIG: RECEIPTS		80 400	60 000	60 000	90 700	90 700	90 700	95 000	100 000	100 400
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	349 213	283 218	293 626	303 580	298 258	298 258	320 236	360 787	397 413
TOTAL RECEIPTS OF TRANSFERS & GRANTS		352 731	297 130	299 821	311 651	311 651	311 651	334 813	370 424	407 424

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 councilors and management. Some specific features include:

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

Table 37 MBRR Table A7 - Budget cash flow statement

DC43 Harry Gwala - Table A7 Consolidated Budgeted Cash Flows

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates										
Service charges	-	-	130 189	53 905	58 404	58 404	46 131	59 930	63 356	66 981
Other revenue	-	-	307	549	549	549	398	582	606	630
Transfers and Subsidies - Operational	-	-	234 993	389 288	400 406	400 406	335 334	446 738	472 349	505 115
Transfers and Subsidies - Capital	-	-	215 028	303 580	332 258	332 258	291 221	320 236	360 787	397 413
Interest	-	-	3 011	5 592	4 414	4 414	3 041	4 679	4 867	5 061
Dividends										
Payments										
Suppliers and employees	-	-	(683 128)	(445 807)	(564 406)	(564 406)	(556 750)	(529 577)	(568 010)	(603 602)
Finance charges	-	-	-	(1 328)	(415)	(415)	-	-	-	-
Transfers and Grants	-	-	(352)	-	(135)	(135)	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	-	(99 951)	305 780	231 076	231 076	119 376	302 589	333 954	371 597
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE										
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments										
Payments										
Capital assets	-	-	(251 425)	(307 283)	(279 622)	(279 622)	(162 867)	(298 345)	(329 536)	(366 997)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	-	(251 425)	(307 283)	(279 622)	(279 622)	(162 867)	(298 345)	(329 536)	(366 997)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits	(1 768)	(95)	(170)	(122)	(27)	(27)	(106)	149	149	149
Payments										
Repayment of borrowing										
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 768)	(95)	(170)	(122)	(27)	(27)	(106)	149	149	149
NET INCREASE/ (DECREASE) IN CASH HELD	(1 768)	(95)	(351 547)	(1 625)	(48 573)	(48 573)	(43 598)	4 393	4 568	4 749
Cash/cash equivalents at the year begin:	99 878	58 363	40 671	48 731	51 862	51 862	-	60 569	64 962	69 530
Cash/cash equivalents at the year end:	98 110	58 268	(310 876)	47 106	3 289	3 289	(43 598)	64 962	69 530	74 279

With the 2021/22 adjustments budget various cost efficiencies and savings had to be realised to ensure the District could meet its operational expenditure commitments. These interventions have translated into a surplus for the District and it is projected that the closing balance for cash and cash equivalents for the 2021/22 financial year will be R60, 5 million. For the 2022/23 MTREF the budget has been prepared to continue ensuring high levels of cash and cash equivalents over the medium-term with cash levels anticipated to be R64, 9 million and steadily increasing to R69, 5 million by 2023/24 and 2024/2025 to R 74, 3million.

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:

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

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

It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 38 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

DC43 Harry Gwala - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	98 110	58 268	(310 876)	47 106	3 289	3 289	(43 598)	64 962	69 530	74 279
Other current investments > 90 days		(39 748)	(17 597)	362 739	4 073	57 280	57 280	202 334	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		58 363	40 671	51 862	51 179	60 569	60 569	158 736	64 962	69 530	74 279
Application of cash and investments											
Unspent conditional transfers		43 814	15 000	(0)	-	(0)	(0)	96 825	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	94 573	86 450	(7 879)	59 118	37 055	37 055	(7 097)	41 923	35 486	30 564
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		138 387	101 450	(7 879)	59 118	37 055	37 055	89 727	41 923	35 486	30 564
Surplus(shortfall)		(80 024)	(60 779)	59 742	(7 939)	23 515	23 515	69 009	23 039	34 044	43 715

From the above table it can be seen that the cash and investments available total R64, 9 million in the 2022/23 financial year and progressively increase to R69, 5million by 2023/24, 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. There is no unspent borrowing from the previous financial years.

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. It needs to be noted that although this can be considered prudent, the desired cash levels should be 90 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the District to meet its creditor obligations.

The 2022/23 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. From a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the District will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

Figure 8 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.5 Funding compliance measurement

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

Table 39 MBRR SA10 – Funding compliance measurement

DC43 Harry Gwala Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	98 110	58 268	(310 876)	47 106	3 289	3 289	(43 598)	64 962	69 530	74 279
Cash + investments at the yr end less applications - R'000	18(1)b	2	(80 024)	(60 779)	59 742	(7 939)	23 515	23 515	69 009	23 039	34 044	43 715
Cash year end/monthly employee/supplier payments	18(1)b	3	3,1	1,6	(8,7)	1,3	0,1	0,1	(1,8)	1,7	1,7	1,8
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	290 979	208 227	271 634	223 922	210 631	210 631	179 313	257 517	300 815	348 030
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	14,6%	(9,8%)	(3,6%)	(19,4%)	(6,0%)	(37,8%)	2,2%	(0,0%)	0,0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0,0%	0,0%	165,9%	67,9%	82,3%	82,3%	95,2%	78,7%	78,7%	78,7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	32,7%	61,5%	46,8%	39,8%	46,0%	46,0%	0,0%	44,2%	43,6%	43,0%
Capital payments % of capital expenditure	18(1)c;19	8	0,0%	0,0%	84,8%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0,9%	(14,4%)	8,2%	(17,7%)	0,0%	54,6%	17,9%	8,0%	4,1%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1,5%	0,9%	1,4%	1,2%	1,7%	1,7%	1,4%	1,4%	1,3%	1,3%
Asset renewal % of capital budget	20(1)(vi)	14	72,2%	32,0%	5,1%	5,2%	15,6%	15,6%	0,0%	10,4%	10,7%	12,3%
Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a			20,6%	(3,8%)	2,4%	(13,4%)	0,0%	(31,8%)	8,2%	6,0%	6,0%
% incr Property Tax	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - electricity revenue	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - water revenue	18(1)a			25,9%	(0,3%)	(9,5%)	(2,5%)	0,0%	(31,3%)	8,7%	6,0%	6,0%
% incr Service charges - sanitation revenue	18(1)a			5,7%	(15,6%)	49,4%	(39,4%)	0,0%	(33,7%)	6,0%	6,0%	6,0%
% incr Service charges - refuse revenue	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr in	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total billable revenue	18(1)a		58 421	70 463	67 765	69 422	60 087	60 087	40 992	64 990	68 889	73 022
Service charges			58 421	70 463	67 765	69 422	60 087	60 087	40 992	64 990	68 889	73 022
Property rates			-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue			-	-	-	-	-	-	-	-	-	-
Service charges - water revenue			43 001	54 157	54 003	48 866	47 622	47 622	32 722	51 777	54 884	58 177
Service charges - sanitation revenue			15 419	16 305	13 762	20 555	12 465	12 465	8 270	13 213	14 006	14 846
Service charges - refuse removal			-	-	-	-	-	-	-	-	-	-
Service charges - other			-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			-	-	-	-	-	-	-	-	-	-
Capital expenditure excluding capital grant funding			132 545	5 507	28 430	9 025	10 655	10 655	6 845	19 879	20 421	21 328
Cash receipts from ratepayers	18(1)a		-	-	130 496	54 454	58 953	58 953	46 530	60 512	63 962	67 611
Ratepayer & Other revenue	18(1)a		70 007	84 865	78 644	80 169	71 652	71 652	48 885	76 930	81 307	85 937
Change in consumer debtors (current and non-current)			(5 739)	514	(8 698)	4 272	(5 652)	(5 652)	19 611	(1 642)	4 363	2 438
Operating and Capital Grant Revenue	18(1)a		701 941	642 771	733 200	715 664	749 664	749 664	493 705	783 974	850 136	919 528
Capital expenditure - total	20(1)(vi)		265 346	240 195	296 457	307 283	279 622	279 622	162 867	298 345	329 536	366 997
Capital expenditure - renewal	20(1)(vi)		191 501	76 976	15 142	16 000	43 614	43 614		31 000	35 171	45 034
Supporting benchmarks												
Growth guideline maximum			6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
CPI guideline			4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										-	-	-
Average annual collection rate (arears inclusive)												
Trend												
Change in consumer debtors (current and non-current)			(5 739)	514	(8 698)	19 611	(1 642)	4 363	2 438	-	-	-

DC43 Harry Gwala Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Total Operating Revenue			445 375	472 379	511 997	503 258	493 562	493 562	359 835	545 528	575 712	613 312
Total Operating Expenditure			490 171	532 530	547 913	577 594	615 189	615 189	366 318	608 247	635 684	662 695
Operating Performance Surplus/(Deficit)			(44 797)	(60 151)	(35 916)	(74 336)	(121 627)	(121 627)	(6 483)	(62 719)	(59 972)	(49 383)
Cash and Cash Equivalents (30 June 2012)										64 962		
Revenue												
% Increase in Total Operating Revenue				6.1%	8.4%	(1.7%)	(1.9%)	0.0%	(27.1%)	10.5%	5.5%	6.5%
% Increase in Property Rates Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Electricity Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges				20.6%	(3.8%)	2.4%	(13.4%)	0.0%	(31.8%)	8.2%	6.0%	6.0%
Expenditure												
% Increase in Total Operating Expenditure				8.6%	2.9%	5.4%	6.5%	0.0%	(40.5%)	(1.1%)	4.5%	4.2%
% Increase in Employee Costs				9.6%	14.5%	8.8%	2.6%	0.0%	(36.6%)	2.7%	5.0%	4.2%
% Increase in Electricity Bulk Purchases				(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)					494261,231	466843,3012				492147,9783		
Average Cost Per Councillor (Remuneration)					300487,3088	278826,7188				277479,8438		
R&M % of PPE			1.5%	0.9%	1.4%	1.2%	1.7%	1.7%		1.4%	1.3%	1.3%
Asset Renewal and R&M as a % of PPE			15.0%	9.0%	4.0%	2.0%	5.0%	5.0%		4.0%	4.0%	3.0%
Debt Impairment % of Total Billable Revenue			32.7%	61.5%	46.8%	39.8%	46.0%	46.0%	0.0%	44.2%	43.6%	43.0%
Capital Revenue												
Internally Funded & Other (R'000)			14 442	4 211	28 430	9 025	10 655	10 655	6 845	19 879	20 421	21 328
Borrowing (R'000)			-	1 296	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)			132 801	234 687	268 028	298 258	268 967	268 967	156 022	278 466	309 115	345 669
Internally Generated funds % of Non Grant Funding			100.0%	76.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	23.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			90.2%	97.7%	90.4%	97.1%	96.2%	96.2%	95.8%	93.3%	93.8%	94.2%
Capital Expenditure												
Total Capital Programme (R'000)			265 346	240 195	296 457	307 283	279 622	279 622	162 867	298 345	329 536	366 997
Asset Renewal			191 501	124 468	29 321	16 500	43 737	43 737	43 737	35 348	45 606	45 903
Asset Renewal % of Total Capital Expenditure			130.1%	51.8%	9.9%	5.4%	15.6%	15.6%	26.9%	11.8%	13.8%	12.5%
Cash												
Cash Receipts % of Rate Payer & Other			0.0%	0.0%	165.9%	67.9%	82.3%	82.3%	95.2%	78.7%	78.7%	78.7%
Cash Coverage Ratio			0	0	(0)	0	0	0	(0)	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			0.8%	0.4%	0.2%	0.2%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Surplus/(Deficit)			(80 024)	(60 779)	59 742	(7 939)	23 515	23 515	69 009	23 039	34 044	43 715
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
High Level Outcome of Funding Compliance												
Total Operating Revenue			445 375	472 379	511 997	503 258	493 562	493 562	359 835	545 528	575 712	613 312
Total Operating Expenditure			490 171	532 530	547 913	577 594	615 189	615 189	366 318	608 247	635 684	662 695
Surplus/(Deficit) Budgeted Operating Statement			(44 797)	(60 151)	(35 916)	(74 336)	(121 627)	(121 627)	(6 483)	(62 719)	(59 972)	(49 383)
Surplus/(Deficit) Considering Reserves and Cash Backing			(80 024)	(60 779)	59 742	(7 939)	23 515	23 515	69 009	23 039	34 044	43 715
MTREF Funded (1) / Unfunded (0)	15		0	0	1	0	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✖	15		✖	✖	✓	✖	✓	✓	✓	✓	✓	✓

Cash/cash equivalent position

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

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2022/23 MTREF show R64, 9 million, R69, 5 million and R74, 3million for each respective financial year.

Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The reconciliation is intended to be a

relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the District to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection. Notably, the ratio has been falling significantly for the period 2016/17 to 2017/18, moving from 1.5 to 3.6 this ratio improved from 3.6 to 2.2 in the 2020/21 then declined from 2022/2023 to 0, 2 and then to 0, 3 in the 2023/2024 financial year.

Operating surplus/deficit excluding non-cash items offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2022/23 MTREF the indicative outcome is a surplus of R57, 9 million, R66 million and R82, 3 million.

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

Service charge revenue as a percentage increase less macro inflation target

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

The factor is calculated by deducting the maximum macro-economic inflation target increase. The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 0 per cent for the respective financial year of the 2022/23 MTREF. Considering tariff increase in relation to revenue generated from rates and services charges is 6 per cent. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 60.2 for the each of the respective financial years. Given that the assumed collection rate was based on a 70 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 32.9 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 2 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

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

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

Consumer debtors change (Current and Non-current)

The purpose of this measure is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long

term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the District's policy of settling debtor's accounts within 30 days.

Repairs and maintenance expenditure level

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

Asset renewal/rehabilitation expenditure level

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

1.15 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS

Table 40 MBRR SA19 - Expenditure on transfers and grant programmes

DC43 Harry Gwala - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		4 030	14 148	6 195	8 071	13 393	13 393	14 577	9 637	10 011
Local Government Equitable Share										
EPWP: TRSF TO REV		2 518	5 316	5 195	4 596	4 596	4 596	5 221	-	-
INPUT HEADER DESC: TRSF TO REV		1 512	8 236	1 000	1 200	1 200	1 200	1 200	1 200	1 200
LGFMG: TRSF TO REV		-	-	-	-	-	-	-	-	-
MDG: TRSF TO REV		-	596	-	-	-	-	-	-	-
MIG: TRSF TO REV		-	-	-	-	5 322	5 322	5 775	6 046	6 334
RAMS: TRSF TO REV		-	-	-	2 275	2 275	2 275	2 381	2 391	2 477
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		4 030	14 148	6 195	8 071	13 393	13 393	14 577	9 637	10 011
Capital expenditure of Transfers and Grants										
National Government:		336 443	283 218	293 626	303 580	298 258	298 258	320 236	360 787	397 413
MIG: TRSF TO REV		183 817	200 860	209 000	212 880	207 558	207 558	225 236	235 787	247 013
NDPG: TRSF TO REV		-	-	-	-	-	-	-	-	-
RBIG: TRSF TO REV		70 000	20 000	22 381	-	-	-	-	25 000	50 000
RRAMS: TRSF TO REV		2 226	2 358	2 245	-	-	-	-	-	-
WSIG: TRSF TO REV		80 400	60 000	60 000	90 700	90 700	90 700	95 000	100 000	100 400
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		336 443	283 218	293 626	303 580	298 258	298 258	320 236	360 787	397 413
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		340 472	297 366	299 821	311 651	311 651	311 651	334 813	370 424	407 424

Table 41 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

DC43 Harry Gwala - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating transfers and grants:	1,3									
National Government:			(15 000)	-	-	-	-	-	-	-
Balance unspent at beginning of the year		(846)	(334)	-	-	-	-	-	-	-
Current year receipts		(3 518)	(13 912)	(6 195)	(395 084)	(400 406)	(400 406)	(14 577)	(9 637)	(10 011)
Conditions met - transferred to revenue		4 030	14 148	6 195	395 084	400 406	400 406	14 577	9 637	10 011
Conditions still to be met - transferred to liabilities		(334)	(196)	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		0	0	0	-	0	0	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		0	0	0	-	0	0	-	-	-
Total operating transfers and grants revenue		4 030	14 148	6 195	395 084	400 406	400 406	14 577	9 637	10 011
Total operating transfers and grants - CTBM	2	(334)	(196)	0	-	0	0	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(59 734)	(23 238)	-	-	-	-	-	-	-
Current year receipts		(349 213)	(283 218)	(293 626)	(303 580)	(298 258)	(298 258)	(320 236)	(360 787)	(397 413)
Conditions met - transferred to revenue		336 443	283 218	293 626	303 580	298 258	298 258	320 236	360 787	397 413
Conditions still to be met - transferred to liabilities		(121 770)	(46 476)	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		(242)	(20 242)	-	-	-	-	-	-	-
Current year receipts		(20 000)	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		(20 242)	(40 485)	-	-	-	-	-	-	-
Total capital transfers and grants revenue		336 443	283 218	293 626	303 580	298 258	298 258	320 236	360 787	397 413
Total capital transfers and grants - CTBM	2	(142 012)	(86 961)	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		340 472	297 366	299 821	698 664	698 664	698 664	334 813	370 424	407 424
TOTAL TRANSFERS AND GRANTS - CTBM		(142 346)	(87 157)	0	-	0	0	-	-	-

Councilor and Employee benefits

Table 44 MBRR SA22-Summary of councilor and staff benefits

DC43 Harry Gwala - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		4 538	5 041	5 324	6 027	5 094	5 094	5 298	5 531	5 780
Pension and UIF Contributions		581	507	498	698	725	725	754	787	822
Medical Aid Contributions		96	54	57	61	61	61	64	66	69
Motor Vehicle Allowance		45	-	-	-	-	-	-	-	-
Cellphone Allowance		534	622	663	875	935	935	972	1 015	1 060
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1 159	1 478	1 271	1 262	1 723	1 723	1 792	1 870	1 955
Sub Total - Councillors		6 952	7 702	7 813	8 922	8 538	8 538	8 879	9 270	9 687
% increase	4		10,8%	1,4%	14,2%	(4,3%)	-	4,0%	4,4%	4,5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4 005	3 637	4 029	4 281	4 028	4 028	4 189	4 373	4 570
Pension and UIF Contributions		10	10	11	11	13	13	13	14	14
Medical Aid Contributions		91	122	171	182	173	173	180	188	197
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		146	53	106	56	95	95	99	103	108
Motor Vehicle Allowance		883	928	1 052	1 153	1 052	1 052	1 094	1 143	1 194
Cellphone Allowance	3	91	108	117	125	117	117	121	127	132
Housing Allowances	3	129	160	160	177	160	160	166	173	181
Other benefits and allowances	3	110	434	459	492	460	460	478	499	521
Payments in lieu of leave		22	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5 488	5 452	6 105	6 477	6 097	6 097	6 341	6 620	6 918
% increase	4		(0,7%)	12,0%	6,1%	(5,9%)	-	4,0%	4,4%	4,5%
Other Municipal Staff										
Basic Salaries and Wages		100 145	108 070	126 815	136 771	137 712	137 712	140 428	148 379	155 099
Pension and UIF Contributions		14 873	16 177	18 955	19 567	20 519	20 519	21 340	22 279	23 281
Medical Aid Contributions		7 261	8 220	9 177	9 338	9 848	9 848	10 242	10 693	11 174
Overtime		135	136	129	119	149	149	155	162	169
Performance Bonus		6 855	7 833	8 464	7 716	8 519	8 519	8 860	9 249	9 666
Motor Vehicle Allowance	3	13 814	14 366	16 182	17 160	20 268	20 268	21 079	22 007	22 997
Cellphone Allowance	3	699	781	851	858	974	974	1 012	1 057	1 105
Housing Allowances	3	413	487	570	586	585	585	608	635	663
Other benefits and allowances	3	25 428	25 941	20 465	20 906	23 494	23 494	24 434	25 509	26 657
Payments in lieu of leave		1 967	3 208	3 207	1 204	1 885	1 885	1 960	2 047	2 139
Long service awards		626	193	981	810	1 044	1 044	1 086	1 133	1 184
Post-retirement benefit obligations	6	(4 009)	(461)	6 069	3 343	-	-	-	-	-
Sub Total - Other Municipal Staff		168 207	184 950	211 864	218 378	224 997	224 997	231 204	243 149	254 133
% increase	4		10,0%	14,6%	3,1%	3,0%	-	2,8%	5,2%	4,5%
Total Parent Municipality		180 647	198 103	225 782	233 777	239 631	239 631	246 424	259 039	270 738

SA 22 Continued...

		9,7%	14,0%	3,5%	2,5%	-	2,8%	5,1%	4,5%	
Board Members of Entities										
Basic Salaries and Wages		-	-	373	373	373	388	405	423	
Pension and UIF Contributions		-	-	-	-	-	-	-	-	
Medical Aid Contributions		-	-	-	-	-	-	-	-	
Overtime		-	-	-	-	-	-	-	-	
Performance Bonus		-	-	-	-	-	-	-	-	
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	
Cellphone Allowance	3	-	-	-	-	-	-	-	-	
Housing Allowances	3	-	-	-	-	-	-	-	-	
Other benefits and allowances	3	-	-	-	-	-	-	-	-	
Board Fees		-	-	-	-	-	-	-	-	
Payments in lieu of leave		-	-	-	-	-	-	-	-	
Long service awards		-	-	-	-	-	-	-	-	
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	
Sub Total - Board Members of Entities		-	-	373	373	373	388	405	423	
% increase	4	-	-	-	-	-	4,0%	4,4%	4,5%	
Senior Managers of Entities										
Basic Salaries and Wages		-	-	1 730	1 730	1 730	1 799	1 878	1 963	
Pension and UIF Contributions		-	-	-	-	-	-	-	-	
Medical Aid Contributions		-	-	-	-	-	-	-	-	
Overtime		-	-	-	-	-	-	-	-	
Performance Bonus		-	-	-	-	-	-	-	-	
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	
Cellphone Allowance	3	-	-	-	-	-	-	-	-	
Housing Allowances	3	-	-	-	-	-	-	-	-	
Other benefits and allowances	3	-	-	-	-	-	-	-	-	
Payments in lieu of leave		-	-	-	-	-	-	-	-	
Long service awards		-	-	-	-	-	-	-	-	
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	
Sub Total - Senior Managers of Entities		-	-	1 730	1 730	1 730	1 799	1 878	1 963	
% increase	4	-	-	-	-	-	4,0%	4,4%	4,5%	
Other Staff of Entities										
Basic Salaries and Wages		-	-	7 675	7 675	7 675	7 655	7 626	7 218	
Pension and UIF Contributions		-	-	1 470	1 470	1 470	1 528	1 596	1 668	
Medical Aid Contributions		-	-	479	479	479	498	520	544	
Overtime		-	-	-	-	-	-	-	-	
Performance Bonus		-	-	533	533	533	554	578	604	
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	
Cellphone Allowance	3	-	-	-	-	-	-	-	-	
Housing Allowances	3	-	-	-	-	-	-	-	-	
Other benefits and allowances	3	-	-	-	-	-	-	-	-	
Payments in lieu of leave		-	-	43	43	43	44	46	48	
Long service awards		-	-	-	-	-	-	-	-	
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	
Sub Total - Other Staff of Entities		-	-	10 199	10 199	10 199	10 280	10 367	10 082	
% increase	4	-	-	-	-	-	0,8%	0,8%	(2,7%)	
Total Municipal Entities		-	-	12 301	12 301	12 301	12 467	12 650	12 467	
TOTAL SALARY, ALLOWANCES & BENEFITS		180 647	198 103	225 782	246 079	251 933	258 891	271 689	283 205	
% increase	4		9,7%	14,0%	9,0%	2,4%	2,8%	4,9%	4,2%	
TOTAL MANAGERS AND STAFF	5,7	173 695	190 401	217 969	236 784	243 022	249 624	262 014	273 095	

Table 45 MBRR SA23- Salaries, allowances and benefits (Political Office Bearers/ Councilors/ Senior Managers)

DC43 Harry Gwala - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2020/21			Current Year 2021/22			Budget Year 2022/23		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		26	–	26	32	–	32	32	–	32
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	3	–	3	5	–	5	5	–	5
Other Managers	7	8	–	8	9	–	9	9	–	9
Professionals		251	247	13	280	260	16	280	285	16
<i>Finance</i>		13	13	3	13	13	–	13	13	–
<i>Spatial/town planning</i>		1	1	2	2	1	1	2	1	1
<i>Information Technology</i>		5	5	–	5	5	–	5	5	–
<i>Roads</i>		2	2	–	2	2	–	2	2	–
<i>Electricity</i>		4	4	–	4	4	–	4	4	–
<i>Water</i>		110	109	8	126	110	13	126	135	13
<i>Sanitation</i>		75	75	–	87	87	2	87	87	2
<i>Refuse</i>		1	1	–	1	1	–	1	1	–
<i>Other</i>		40	37	–	40	37	–	40	37	–
Technicians		28	27	–	28	27	–	28	27	–
<i>Finance</i>		–	–	–	–	–	–	–	–	–
<i>Spatial/town planning</i>		4	4	–	4	4	–	4	4	–
<i>Information Technology</i>		1	–	–	1	–	–	1	–	–
<i>Roads</i>		1	1	–	1	1	–	1	1	–
<i>Electricity</i>		1	1	–	1	1	–	1	1	–
<i>Water</i>		4	4	–	4	4	–	4	4	–
<i>Sanitation</i>		3	3	–	3	3	–	3	3	–
<i>Refuse</i>		1	1	–	1	1	–	1	1	–
<i>Other</i>		13	13	–	13	13	–	13	13	–
Clerks (Clerical and administrative)		–	–	6	38	38	10	38	38	10
Service and sales workers		2	2	–	2	2	–	2	2	–
Skilled agricultural and fishery workers		2	2	–	2	2	–	2	2	–
Craft and related trades		1	1	–	1	1	7	1	1	7
Plant and Machine Operators		82	73	9	95	45	–	95	95	–
Elementary Occupations		48	47	3	48	47	3	48	47	3
TOTAL PERSONNEL NUMBERS	9	451	399	68	540	422	82	540	497	82
% increase					19,7%	5,8%	20,6%	–	17,8%	–
Total municipal employees headcount	6, 10	526	464	73	617	492	105	617	567	105
Finance personnel headcount	8, 10	68	58	5	68	61	23	68	61	23
Human Resources personnel headcount	8, 10	7	7	–	9	9	–	9	9	–

2.8 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Table 47 MBRR SA25-Budgeted monthly revenue and expenditure

DC43 Harry Gwala - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand																	
Revenue By Source																	
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue																	
Service charges - water revenue		4 315	4 315	4 315	4 315	4 315	4 315	4 315	4 315	4 315	4 315	4 315	4 315	51 777	54 884	58 177	
Service charges - sanitation revenue		1 101	1 101	1 101	1 101	1 101	1 101	1 101	1 101	1 101	1 101	1 101	1 101	13 213	14 006	14 846	
Service charges - refuse revenue														-	-	-	
Rental of facilities and equipment														-	-	-	
Interest earned - external investments		405	405	405	405	405	405	405	405	405	405	405	405	4 859	5 056	5 260	
Interest earned - outstanding debtors		947	947	947	947	947	947	947	947	947	947	947	947	11 358	11 813	12 285	
Dividends received														-	-	-	
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Licences and permits														-	-	-	
Agency services														-	-	-	
Transfers and subsidies		38 645	38 645	38 645	38 645	38 645	38 645	38 645	38 645	38 645	38 645	38 645	38 645	463 738	489 349	522 115	
Other revenue		49	49	49	49	49	49	49	49	49	49	49	49	582	606	630	
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contribution)		45 461	45 461	45 461	45 461	45 461	45 461	45 461	45 461	45 461	45 461	45 461	45 461	545 528	575 712	613 312	
Expenditure By Type																	
Employee related costs		20 834	20 834	20 834	20 834	20 834	20 834	20 834	20 834	20 834	20 834	20 834	20 832	250 011	262 419	273 518	
Remuneration of councillors		740	740	740	740	740	740	740	740	740	740	740	740	8 879	9 270	9 687	
Debt impairment		2 396	2 396	2 396	2 396	2 396	2 396	2 396	2 396	2 396	2 396	2 396	2 396	28 750	30 015	31 366	
Depreciation & asset impairment		7 663	7 663	7 663	7 663	7 663	7 663	7 663	7 663	7 663	7 663	7 663	7 663	91 951	95 997	100 317	
Finance charges		43	43	43	43	43	43	43	43	43	43	43	43	516	727	761	
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inventory consumed		2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	29 207	30 492	31 864	
Contracted services		9 793	9 793	9 793	9 793	9 793	9 793	9 793	9 793	9 793	9 793	9 793	9 793	117 521	122 597	128 080	
Transfers and subsidies		1 417	1 417	1 417	1 417	1 417	1 417	1 417	1 417	1 417	1 417	1 417	1 417	17 000	17 000	17 000	
Other expenditure		5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 367	64 411	67 166	70 102	
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 684	608 247	635 684	662 695	
Surplus/(Deficit)		(5 227)	(5 227)	(5 227)	(5 227)	(5 227)	(5 227)	(5 227)	(5 227)	(5 227)	(5 227)	(5 227)	(5 223)	(62 719)	(59 972)	(49 383)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	320 236	360 787	397 413	
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		21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 463	257 517	300 815	348 030	
Taxation														-	-	-	
Attributable to minorities														-	-	-	
Share of surplus/ (deficit) of associate														-	-	-	
Surplus/(Deficit)	1	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 463	257 517	300 815	348 030	

Table 48 MBRR SA26- Budgeted monthly revenue and expenditure (municipal vote)

DC43 Harry Gwala - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote																
Vote 01 - Summary Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office		36 555	36 555	36 555	36 555	36 555	36 555	36 555	36 555	36 555	36 555	36 555	36 555	438 660	469 423	502 036
Vote 04 - Summary Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planin		1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	17 180	17 189	17 198
Vote 06 - Summary Infrastructure Services		28 129	28 129	28 129	28 129	28 129	28 129	28 129	28 129	28 129	28 129	28 129	28 130	337 554	373 401	410 652
Vote 07 - Summary Water Services		6 031	6 031	6 031	6 031	6 031	6 031	6 031	6 031	6 031	6 031	6 031	6 031	72 370	76 485	80 839
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		72 147	72 147	72 147	72 147	72 147	72 147	72 147	72 147	72 147	72 147	72 147	72 147	865 764	936 499	1 010 725
Expenditure by Vote to be appropriated																
Vote 01 - Summary Council		1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	1 580	18 963	19 798	20 669
Vote 02 - Summary Municipal Manager		2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 033	24 404	25 477	26 624
Vote 03 - Summary Budget And Treasury Office		6 929	6 929	6 929	6 929	6 929	6 929	6 929	6 929	6 929	6 929	6 929	6 929	83 148	86 754	90 604
Vote 04 - Summary Corporate Services		7 599	7 599	7 599	7 599	7 599	7 599	7 599	7 599	7 599	7 599	7 599	7 598	91 188	95 200	99 484
Vote 05 - Summary Social Services & Development Planin		6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	72 508	74 774	76 623
Vote 06 - Summary Infrastructure Services		9 162	9 162	9 162	9 162	9 162	9 162	9 162	9 162	9 162	9 162	9 162	9 162	109 944	116 433	121 667
Vote 07 - Summary Water Services		17 341	17 341	17 341	17 341	17 341	17 341	17 341	17 341	17 341	17 341	17 340	208 092	217 248	227 024	
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 684	608 247	635 684	662 695	
Surplus/(Deficit) before assoc.		21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 463	257 517	300 815	348 030	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 463	257 517	300 815	348 030	

Table 49 MBRRSA27-Budgeted monthly revenue and expenditure (standard classification)

DC43 Harry Gwala - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional																
Governance and administration		36 562	36 562	36 562	36 562	36 562	36 562	36 562	36 562	36 562	36 562	36 562	36 562	438 744	469 512	502 129
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		36 562	36 562	36 562	36 562	36 562	36 562	36 562	36 562	36 562	36 562	36 562	36 562	438 744	469 512	502 129
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	17 180	17 189	17 198
Planning and development		1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	1 432	17 180	17 189	17 198
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		34 153	34 153	34 153	34 153	34 153	34 153	34 153	34 153	34 153	34 153	34 153	34 154	409 840	449 798	491 397
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		33 057	33 057	33 057	33 057	33 057	33 057	33 057	33 057	33 057	33 057	33 057	33 058	396 689	435 935	476 781
Waste water management		1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 096	13 151	13 864	14 616
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		72 147	72 147	72 147	72 147	72 147	72 147	72 147	72 147	72 147	72 147	72 147	72 147	865 764	936 499	1 010 725
Expenditure - Functional																
Governance and administration		22 229	22 229	22 229	22 229	22 229	22 229	22 229	22 229	22 229	22 229	22 229	22 228	266 752	278 436	290 893
Executive and council		2 801	2 801	2 801	2 801	2 801	2 801	2 801	2 801	2 801	2 801	2 801	2 800	33 612	35 091	36 651
Finance and administration		18 616	18 616	18 616	18 616	18 616	18 616	18 616	18 616	18 616	18 616	18 616	18 614	223 385	233 161	243 600
Internal audit		813	813	813	813	813	813	813	813	813	813	813	813	9 755	10 184	10 643
Community and public safety		1 744	1 744	1 744	1 744	1 744	1 744	1 744	1 744	1 744	1 744	1 744	1 744	20 931	21 852	22 836
Community and social services		1 744	1 744	1 744	1 744	1 744	1 744	1 744	1 744	1 744	1 744	1 744	1 744	20 931	21 852	22 836
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		13 090	13 090	13 090	13 090	13 090	13 090	13 090	13 090	13 090	13 090	13 090	13 089	157 082	164 721	170 611
Planning and development		13 090	13 090	13 090	13 090	13 090	13 090	13 090	13 090	13 090	13 090	13 090	13 089	157 082	164 721	170 611
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		13 623	13 623	13 623	13 623	13 623	13 623	13 623	13 623	13 623	13 623	13 623	13 623	163 481	170 675	178 355
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		13 529	13 529	13 529	13 529	13 529	13 529	13 529	13 529	13 529	13 529	13 529	13 528	162 342	169 485	177 112
Waste water management		95	95	95	95	95	95	95	95	95	95	95	95	1 139	1 190	1 243
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional		50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 688	50 684	608 247	635 684	662 695
Surplus/(Deficit) before assoc.		21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 463	257 517	300 815	348 030
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 459	21 463	257 517	300 815	348 030

Table 50 MBRR SA28-Budgeted monthly capital expenditure (municipal vote)

DC43 Harry Gwala - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Multi-year expenditure to be appropriated	1															
Vote 01 - Summary Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services		828	828	828	828	828	828	828	828	828	828	828	828	9 940	10 377	10 844
Vote 05 - Summary Social Services & Development Planin		346	346	346	346	346	346	346	346	346	346	346	346	4 151	4 001	4 169
Vote 06 - Summary Infrastructure Services		3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	36 087	99 715	149 498
Vote 07 - Summary Water Services		20 681	20 681	20 681	20 681	20 681	20 681	20 681	20 681	20 681	20 681	20 681	20 681	248 167	215 442	202 486
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	298 345	329 536	366 997
Single-year expenditure to be appropriated																
Vote 01 - Summary Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Summary Water Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	2	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	298 345	329 536	366 997

Table 51 MBRR SA29- Budgeted monthly capital expenditure (standard classification)

DC43 Harry Gwala - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional	1															
Governance and administration		876	876	876	876	876	876	876	876	876	876	876	876	10 508	10 638	11 105
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		876	876	876	876	876	876	876	876	876	876	876	876	10 508	10 638	11 105
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		275	275	275	275	275	275	275	275	275	275	275	275	3 304	3 450	3 605
Community and social services		275	275	275	275	275	275	275	275	275	275	275	275	3 304	3 450	3 605
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		929	929	929	929	929	929	929	929	929	929	929	929	11 148	43 856	76 373
Planning and development		929	929	929	929	929	929	929	929	929	929	929	929	11 148	43 856	76 373
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		22 782	22 782	22 782	22 782	22 782	22 782	22 782	22 782	22 782	22 782	22 782	22 782	273 384	271 592	275 914
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		18 854	18 854	18 854	18 854	18 854	18 854	18 854	18 854	18 854	18 854	18 854	18 854	226 254	239 494	226 994
Waste water management		3 928	3 928	3 928	3 928	3 928	3 928	3 928	3 928	3 928	3 928	3 928	3 928	47 130	32 098	48 920
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	298 345	329 536	366 997
Funded by:																
National Government		23 206	23 206	23 206	23 206	23 206	23 206	23 206	23 206	23 206	23 206	23 206	23 205	278 466	309 115	345 669
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)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		23 206	23 206	23 206	23 206	23 206	23 206	23 206	23 206	23 206	23 206	23 206	23 205	278 466	309 115	345 669
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		1 657	1 657	1 657	1 657	1 657	1 657	1 657	1 657	1 657	1 657	1 657	1 656	19 879	20 421	21 328
Total Capital Funding		24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	298 345	329 536	366 997

Table 52 MBRR SA30- Budgeted monthly cash flow

DC43 Harry Gwala - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand															
Cash Receipts By Source													1		
Property rates													-		
Service charges - electricity revenue													-		
Service charges - water revenue	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	3 910	46 921	49 623	52 483
Service charges - sanitation revenue	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	1 084	13 009	13 733	14 497
Service charges - refuse revenue													-		
Rental of facilities and equipment													-		
Interest earned - external investments	390	390	390	390	390	390	390	390	390	390	390	390	4 679	4 867	5 061
Interest earned - outstanding debtors													-		
Dividends received													-		
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services													-		
Transfers and Subsidies - Operational	36 841	36 841	36 841	36 841	36 841	36 841	36 841	36 841	36 841	36 841	36 841	36 841	442 091	470 259	505 527
Other revenue	49	49	49	49	49	49	49	49	49	49	49	49	582	606	630
Cash Receipts by Source	42 274	42 274	42 274	42 274	42 274	42 274	42 274	42 274	42 274	42 274	42 274	42 274	507 283	539 087	578 199
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	320 236	360 787	397 413
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													-		
Short term loans													-		
Borrowing long term/refinancing													-		
Increase (decrease) in consumer deposits	12	12	12	12	12	12	12	12	12	12	12	12	149	149	149
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments													-		
Total Cash Receipts by Source	68 972	68 972	68 972	68 972	68 972	68 972	68 972	68 972	68 972	68 972	68 972	68 972	827 667	900 023	975 761
Cash Payments by Type															
Employee related costs	21 574	21 574	21 574	21 574	21 574	21 574	21 574	21 574	21 574	21 574	21 574	21 574	258 891	271 689	283 205
Remuneration of councillors													-		
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity													-		
Acquisitions - water & other inventory	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	23 000	24 012	25 093
Contracted services	11 262	11 262	11 262	11 262	11 262	11 262	11 262	11 262	11 262	11 262	11 262	11 262	135 149	140 987	147 292
Transfers and grants - other municipalities													-		
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	7 228	7 228	7 228	7 228	7 228	7 228	7 228	7 228	7 228	7 228	7 228	7 227	86 736	90 383	94 269
Cash Payments by Type	41 982	41 982	41 982	41 982	41 982	41 982	41 982	41 982	41 982	41 982	41 982	41 979	503 775	527 070	549 859
Other Cash Flows/Payments by Type															
Capital assets	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	24 862	298 345	329 536	366 997
Repayment of borrowing													-		
Other Cash Flows/Payments	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	15 896	15 896	15 896
Total Cash Payments by Type	68 168	68 168	68 168	68 168	68 168	68 168	68 168	68 168	68 168	68 168	68 168	68 165	818 017	872 502	932 753
NET INCREASE/(DECREASE) IN CASH HELD	804	804	804	804	804	804	804	804	804	804	804	807	9 651	27 521	43 008
Cash/cash equivalents at the month/year begin:	5 047	5 851	6 655	7 459	8 263	9 067	9 871	10 675	11 479	12 283	13 087	13 891	5 047	14 698	42 219
Cash/cash equivalents at the month/year end:	5 851	6 655	7 459	8 263	9 067	9 871	10 675	11 479	12 283	13 087	13 891	14 698	14 698	42 219	85 226

1.16 ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS

Water Services Department – Vote 07

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

Table 42 Water Services Department - operating revenue by source, expenditure by type and total capital expenditure

DC43 Harry Gwala - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)									
Description	Ref	Vote 01 - Summary Council	Vote 02 - Summary Municipal Manager	Vote 03 - Summary Budget And Treasury Office	Vote 04 - Summary Corporate Services	Vote 05 - Summary Social Services & Development Planing	Vote 06 - Summary Infrastructure Services	Vote 07 - Summary Water Services	Total
R thousand	1								
Revenue By Source									
Property rates		-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	76	51 701	51 777
Service charges - sanitation revenue		-	-	-	-	-	3 865	9 348	13 213
Service charges - refuse revenue		-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-
Interest earned - external investments		-	-	4 679	-	180	-	-	4 859
Interest earned - outstanding debtors		-	-	38	-	-	-	11 321	11 358
Dividends received		-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-
Other revenue		-	-	582	-	-	-	-	582
Transfers and subsidies		-	-	433 361	-	17 000	13 377	-	463 738
Gains		-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	438 660	-	17 180	17 318	72 370	545 528
Expenditure By Type									
Employee related costs		400	14 992	33 636	25 883	43 981	27 540	103 580	250 011
Remuneration of councillors		8 879	-	-	-	-	-	-	8 879
Debt impairment		-	-	28 750	-	-	-	-	28 750
Depreciation & asset impairment		-	-	38	11 838	1 994	74 842	3 240	91 951
Finance charges		-	-	-	500	16	-	-	516
Bulk purchases - electricity		-	-	-	-	-	-	-	-
Inventory consumed		-	-	9 207	-	-	-	20 000	29 207
Contracted services		6 250	7 050	11 000	24 824	4 016	5 881	58 500	117 521
Transfers and subsidies		-	-	-	-	17 000	-	-	17 000
Other expenditure		3 434	2 362	9 725	28 106	3 332	1 681	15 772	64 411
Losses		-	-	-	-	-	-	-	-
Total Expenditure		18 963	24 404	92 355	91 150	70 338	109 944	201 092	608 247
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(18 963)	(24 404)	346 305	(91 150)	(53 158)	(92 626)	(128 722)	(62 719)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	320 236	-	320 236
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(18 963)	(24 404)	346 305	(91 150)	(53 158)	227 610	(128 722)	257 517

Table 43 Water Services Department – Performance objectives and indicators

DC43 Harry Gwala - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
06 - Summary Infrastructure Services										
Waste Water Management										
Sewerage										
Flush Toilet (Connected To Sewerage)	Households	65 558	70 615	–	81 649	81 649	81 649	86 956	92 608	–
Flush Toilet (With Septic Tank)	Households	12 436	12 312	–	13 164	13 164	13 164	14 020	14 931	–
Pit Toilet (Ventilated)	Households	48 188	45 779	–	46 969	46 969	46 969	50 022	53 273	–
Water Management										
Water Distribution										
Informal Settlements (R000)	Rand Value	–	5 189	–	6 561	6 561	6 561	6 954	7 406	–
Other Water Supply (< Min. Service Level)	Households	31 739	30 152	–	30 936	30 936	30 936	32 947	35 088	–
Level)	Households	–	30 152	–	30 936	30 936	30 936	32 947	35 089	–
Piped Water Inside Dwelling	Households	48 246	48 641	–	52 292	52 292	52 292	55 691	59 311	–
Dwelling)	Households	20 086	19 885	–	21 261	21 261	21 261	22 643	24 115	–
Level)	Households	26 109	30 026	–	37 292	37 292	37 292	39 716	42 298	–

There are no unfilled positions in the top management structure of the Water Services Department, The top management structure consists of 2 Executive Director (Water and Infrastructure services), five directors and 7 professional engineers. As part of the performance objectives for the 2022/23 financial year, the expansion of the functional water demand management unit will require an amendment to the departmental organogram and the subsequent filling of vacancies.

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. To this end, the medium-term expenditure framework provides for operational repairs and maintenance of R34 million, R35, 4 million and R37 million in each of the respective financial years of the MTREF.

The departmental revenue base is primarily informed by the sale of water and charges for sanitation of which budget appropriation for the 2022/23 financial year is R69, 4 million and increases to R73, 5million by 2022/23 by the 2023/24 and has been informed by a collection rate of 73 per cent and distribution losses of 31, 2 per cent in the outer years.

The reduction of distribution losses is considered a priority and hence the departmental objectives. There has been a huge concerted effort in the 2022/23 in trying to minimize the water losses with initiatives such as the water meter and infrastructure audits. The enhancement of the ongoing Water Demand Management & Conservation initiatives are expected to also have a positive impact in minimizing water losses in the medium to long term.

Note: Municipalities would be required to undertake the aforementioned for each department/vote within the municipality.

1.17 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

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

3.11 CAPITAL EXPENDITURE DETAILS

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

Table55 MBRR SA34A- Capital expenditure on new assets by asset class

DC43 Sisonke - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	5 498	72 687	105 103	248 033	265 488	265 488	299 008	340 236	355 787
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	5 498	70 959	105 103	213 161	240 851	240 851	250 832	293 236	299 787
Dams and Weirs	-	65 476	32 289	16 526	16 653	16 653	18 000	47 000	40 000
Boreholes	3 638	3 203	12 718	31 965	21 901	21 901	52 775	56 000	50 750
Reservoirs	-	-	15 642	6 900	1 000	1 000	-	10 000	5 000
Pump Stations	-	-	-	21 437	65 051	65 051	37 000	8 000	-
Water Treatment Works	-	2 281	-	12 000	25 080	25 080	15 500	5 000	4 000
Bulk Mains	-	-	20 996	27 669	38 398	38 398	18 832	33 000	30 000
Distribution	1 860	-	23 458	95 963	72 770	72 770	108 725	134 236	170 037
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	700	-	-	-	-	-
Sanitation Infrastructure	-	-	-	34 873	24 637	24 637	48 176	47 000	56 000
Pump Station	-	-	-	8 700	11 300	11 300	19 326	3 000	-
Reticulation	-	-	-	19 506	10 861	10 861	28 850	34 000	42 000
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	-	-	6 667	2 476	2 476	-	10 000	14 000
Capital Spares	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	1 728	-	-	-	-	-	-	-
Data Centres	-	1 728	-	-	-	-	-	-	-
Other assets	902	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	902	-	-	-	-	-	-	-	-
Staff Housing	902	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	200	900	900	450	200	210
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	200	900	900	450	200	210
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	200	900	900	450	200	210
Computer Equipment	-	-	3 504	1 590	1 779	1 779	2 130	2 717	2 837
Computer Equipment	-	-	3 504	1 590	1 779	1 779	2 130	2 717	2 837
Furniture and Office Equipment	725	1 120	1 264	910	1 710	1 710	1 881	2 228	2 326
Furniture and Office Equipment	725	1 120	1 264	910	1 710	1 710	1 881	2 228	2 326
Machinery and Equipment	-	38	1 020	484	100	100	2 315	2 553	2 666
Machinery and Equipment	-	38	1 020	484	100	100	2 315	2 553	2 666
Transport Assets	-	-	5 855	2 500	10 958	10 958	-	-	-
Transport Assets	-	-	5 855	2 500	10 958	10 958	-	-	-
Total Capital Expenditure on new assets	7 125	73 845	116 746	253 717	280 935	280 935	305 783	347 933	363 826

Table 56 MBRR SA34b- Capital expenditure on the renewal of existing assets by asset class

DC43 Harry Gwala - Supporting Table SA34b Consolidated capital expenditure on the renewal of existing assets by asset class

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	215 128	179 945	76 976	780	8 796	8 796	1 000	-	-
Roads Infrastructure	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>									
Water Supply Infrastructure	-	41 249	38 675	780	982	982	1 000	-	-
<i>Dams and Weirs</i>	-	-	-	-	-	-	-	-	-
<i>Bulk Mains</i>	-	-	-	780	-	-	1 000	-	-
<i>Distribution</i>	-	26 126	38 675	-	982	982	-	-	-
<i>Distribution Points</i>	-	15 123	-	-	-	-	-	-	-
<i>PRV Stations</i>									
<i>Capital Spares</i>									
Sanitation Infrastructure	215 128	138 696	38 302	-	7 814	7 814	-	-	-
<i>Pump Station</i>									
<i>Reticulation</i>	-	(1 439)	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>	215 128	140 135	38 302	-	7 814	7 814	-	-	-
<i>Outfall Sewers</i>									
Machinery and Equipment	-	85	-	50	-	-	200	-	-
Machinery and Equipment	-	85	-	50	-	-	200	-	-
Transport Assets	-	11 472	-	-	16 550	16 550	-	-	-
Transport Assets	-	11 472	-	-	16 550	16 550	-	-	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	215 128	191 501	76 976	830	25 346	25 346	1 200	-	-
Renewal of Existing Assets as % of total capex	0,0%	72,2%	32,0%	0,3%	7,6%	7,6%	0,4%	0,0%	0,0%
Renewal of Existing Assets as % of deprecn"	321,1%	275,1%	107,0%	1,0%	30,1%	30,1%	1,4%	0,0%	0,0%

Table 57 MBRR SA34c-Repairs and maintenance expenditure by asset class

DC43 Harry Gwala - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	4 193	16 089	18 521	18 685	37 721	37 721	29 000	30 276	31 638
Roads Infrastructure	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	2 587	11 693	18 521	18 685	37 721	37 721	29 000	30 276	31 638
Dams and Weirs									
Boreholes									
Reservoirs	1 964	5 240	8 428	7 863	17 718	17 718	14 000	14 616	15 274
Pump Stations	32	3 138	6 698	7 034	12 914	12 914	8 000	8 352	8 728
PRV Stations									
Capital Spares	590	3 314	3 395	3 788	7 088	7 088	7 000	7 308	7 637
Sanitation Infrastructure	1 606	4 396	–	–	–	–	–	–	–
Pump Station									
Reticulation	1 606	4 396	–	–	–	–	–	–	–
Community Assets	119	96	85	153	96	96	90	94	98
Community Facilities	–	–	–	–	–	–	–	–	–
Halls									
Capital Spares									
Sport and Recreation Facilities	119	96	85	153	96	96	90	94	98
Indoor Facilities	119	96	85	153	96	96	90	94	98
Other assets	1 727	1 167	1 497	2 500	3 766	3 766	3 000	3 132	3 273
Operational Buildings	1 727	1 167	1 497	2 500	3 766	3 766	3 000	3 132	3 273
Municipal Offices	1 727	1 167	1 497	2 500	3 766	3 766	3 000	3 132	3 273
Computer Equipment	79	9	165	520	520	520	320	334	349
Computer Equipment	79	9	165	520	520	520	320	334	349
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	8 189	15 933	196	724	1 213	1 213	1 262	1 318	1 377
Machinery and Equipment	8 189	15 933	196	724	1 213	1 213	1 262	1 318	1 377
Transport Assets	–	136	15	315	315	315	328	342	357
Transport Assets	–	136	15	315	315	315	328	342	357
Total Repairs and Maintenance Expenditure	14 306	33 430	20 479	22 897	43 629	43 629	34 000	35 496	37 093
R&M as a % of PPE	0,7%	1,5%	0,9%	1,0%	1,7%	1,7%	1,3%	1,2%	1,2%
R&M as % Operating Expenditure	3,1%	6,8%	3,8%	4,3%	7,7%	7,7%	9,8%	6,1%	6,1%

Table 58 MBRR SA35- Future financial implications of the capital budget

DC43 Harry Gwala - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description R thousand	2021/22 Medium Term Revenue & Expenditure Framework		
	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure			
Vote 01 - Summary Council	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-
Vote 04 - Summary Corporate Services	4 031	4 945	5 163
Vote 05 - Summary Social Services & Development Planning	1 870	1 787	1 868
Vote 06 - Summary Infrastructure Services	-	20 000	20 000
Vote 07 - Summary Water Services	301 383	320 888	336 468
Vote 15 - Other	-	-	-
<i>List entity summary if applicable</i>			
Total Capital Expenditure	307 283	347 620	363 499
Future operational costs by vote			
Vote 01 - Summary Council			
Vote 02 - Summary Municipal Manager			
Vote 03 - Summary Budget And Treasury Office			
Vote 04 - Summary Corporate Services			
Vote 05 - Summary Social Services & Development Planning			
Vote 06 - Summary Infrastructure Services			
Vote 07 - Summary Water Services			
Vote 15 - Other			
Total future operational costs	-	-	-
Future revenue by source			
Property rates	-	-	-
Service charges - electricity revenue			
Service charges - water revenue	48 866	51 798	54 906
Service charges - sanitation revenue	20 555	21 789	23 096
Service charges - refuse revenue			
Rental of facilities and equipment			
<i>List other revenues sources if applicable</i>	5 682	6 018	6 290
<i>List entity summary if applicable</i>			
Total future revenue	75 104	79 605	84 292
Net Financial Implications	232 180	268 015	279 207

Table 59 MBRR SA36- Detailed capital budget per municipal vote

DC43 Harry Gwala - Supporting Table SA36 Consolidated detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2021/22 Medium Term Revenue & Expenditure Framework					
										Audited Outcome 2019/20	Current Year 2020/21 Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
Parent municipality: <i>List all capital projects grouped by Function</i>															
	Finance And Administration	Capital:Non-Infrastructure:Existing:Renewal:Machinery And Equipment	-	RENEWAL		Governance	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	-	-	150	-	-	
	Finance And Administration	Capital:Non-Infrastructure:Existing:Renewal:Transport Assets	-	RENEWAL		Governance	Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	-	568	-	-	-	
	Finance And Administration	Capital:Non-Infrastructure:Existing:Renewal:Transport Assets	-	RENEWAL		Governance	Transport Assets	Transport Assets	R-WHOLE OF THE DISTRICT	-	15 982	-	-	-	
	Finance And Administration	Capital:Non-Infrastructure:New:Computer Equipment	-	NEW	An efficient; effective and development-oriented public service	Growth	Computer Equipment	Computer Equipment	R-ADMIN OR HEAD OFFICE	2 208	1 600	2 000	2 717	2 837	
	Finance And Administration	Capital:Non-Infrastructure:New:Computer Equipment	-	NEW	An efficient; effective and development-oriented public service	Growth	Computer Equipment	Computer Equipment	R-WHOLE OF THE DISTRICT	1 296	-	-	-	-	
	Finance And Administration	Capital:Non-Infrastructure:New:Furniture And Office Equipment	-	NEW	An efficient; effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	591	1 800	1 881	2 228	2 326	
	Finance And Administration	Capital:Non-Infrastructure:New:Furniture And Office Equipment	-	NEW	An efficient; effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	-	60	-	-	-	
	Finance And Administration	Capital:Non-Infrastructure:New:Intangible Assets:Computer Software And Applic	-	NEW	An efficient; effective and development-oriented public service	Growth	Licences And Rights	Computer Software And Applications	R-ADMIN OR HEAD OFFICE	-	500	-	-	-	
	Community And Social Services	Capital:Non-Infrastructure:New:Furniture And Office Equipment	-	NEW	An efficient; effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	-	-	521	543	567	
	Community And Social Services	Capital:Non-Infrastructure:New:Intangible Assets:Computer Software And Applic	-	NEW	An efficient; effective and development-oriented public service	Growth	Licences And Rights	Computer Software And Applications	R-ADMIN OR HEAD OFFICE	-	-	500	1 044	1 091	
	Community And Social Services	Capital:Non-Infrastructure:New:Machinery And Equipment	-	NEW		Growth	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	-	100	-	-	-	
	Community And Social Services	Capital:Non-Infrastructure:New:Transport Assets	-	NEW		Growth	Transport Assets	Transport Assets	R-WHOLE OF THE DISTRICT	-	10 958	-	-	-	
	Planning And Development	Capital:Non-Infrastructure:Existing:Renewal:Machinery And Equipment	-	RENEWAL		Governance	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	-	-	50	-	-	
	Planning And Development	Capital:Non-Infrastructure:New:Furniture And Office Equipment	-	NEW	An efficient; effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	673	-	-	-	-	
	Planning And Development	Capital:Non-Infrastructure:New:Machinery And Equipment	-	NEW		Growth	Machinery And Equipment	Machinery And Equipment	R-WHOLE OF THE DISTRICT	1 020	-	220	-	-	
	Water Management	Capital:Infrastructure:Existing:Renewal:Water Supply Infrastructure:Bulk Mains	-	RENEWAL	efficient; competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Bulk Mains	R-GREATER KOKSTAD	-	-	1 000	-	-	
	Water Management	Capital:Infrastructure:Existing:Renewal:Water Supply Infrastructure:Distribution	Distrib010	RENEWAL	efficient; competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-GREATER KOKSTAD	2 926	506	-	-	-	
	Water Management	Capital:Infrastructure:Existing:Renewal:Water Supply Infrastructure:Distribution	Distrib010	RENEWAL	efficient; competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-INGWEIKWA SANI	9 915	-	-	-	-	
	Water Management	Capital:Infrastructure:Existing:Renewal:Water Supply Infrastructure:Distribution	Distrib010	RENEWAL	efficient; competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-UBUHLEBEZWE	10 545	476	-	-	-	
	Water Management	Capital:Infrastructure:Existing:Renewal:Water Supply Infrastructure:Distribution	Distrib010	RENEWAL	efficient; competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	15 288	-	-	-	-	
	Water Management	Capital:Infrastructure:Existing:Renewal:Sanitation Infrastructure:Waste Water Tre	-	RENEWAL	efficient; competitive and responsive economic infrastructure network	Inclusion and Access	Sanitation Infrastructure	Waste Water Treatment Works	R-GREATER KOKSTAD	4 416	6 500	-	-	-	
	Water Management	Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Boreholes	-	UPGRADING	efficient; competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Boreholes	R-INGWEIKWA SANI	8 203	-	-	-	-	

DC43 Harry Gwala - Supporting Table SA36 Consolidated detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2021/22 Medium Term Revenue & Expenditure Framework					
										Audited Outcome 2019/20	Current Year 2020/21 Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
Parent municipality:															
Water Management	Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Water Treatment Works	-	UPGRADING	efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Water Treatment Works	R-INGWEIKWA SANI	6 591	8 500	-	-	-		
Water Management	Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Water Treatment Works	-	UPGRADING	efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Water Treatment Works	R-UBUHLEBEZWE	2 692	-	-	-	-		
Water Management	Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Water Treatment Works	-	UPGRADING	efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	27 261	582	-	-	-		
Water Management	Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Distribution	-	UPGRADING	efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-INGWEIKWA SANI	-	-	250	-	-		
Water Management	Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Distribution	-	UPGRADING	efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-UBUHLEBEZWE	-	-	500	-	-		
Water Management	Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Reticulation	-	UPGRADING	efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Sanitation Infrastructure	Reticulation	R-UBUHLEBEZWE	101	-	-	-	-		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Dams And Weirs	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Dams And Weirs	R-GREATER KOKSTAD	-	5 500	18 000	15 000	10 000		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Dams And Weirs	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Dams And Weirs	R-INGWEIKWA SANI	19 379	22 381	-	20 000	20 000		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Dams And Weirs	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Dams And Weirs	R-WHOLE OF THE DISTRICT	12 911	1 048	-	12 000	10 000		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Boreholes	PA2_SDO3_OD04_W	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-GREATER KOKSTAD	-	4 500	13 425	13 500	15 250		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Boreholes	PA2_SDO3_OD04_W	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-INGWEIKWA SANI	10 186	6 867	15 823	16 000	11 250		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Boreholes	PA2_SDO3_OD04_W	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-UBUHLEBEZWE	-	4 849	9 527	14 500	11 250		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Boreholes	PA2_SDO3_OD04_W	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-WHOLE OF THE DISTRICT	2 532	5 716	14 000	12 000	13 000		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Reservoirs	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Reservoirs	R-INGWEIKWA SANI	15 642	870	-	10 000	-		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Reservoirs	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Reservoirs	R-UBUHLEBEZWE	-	1 000	-	-	5 000		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Pump Station	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Pump Stations	R-GREATER KOKSTAD	-	6 713	10 000	1 000	-		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Pump Station	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Pump Stations	R-UBUHLEBEZWE	-	3 018	10 000	5 000	-		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Pump Station	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Pump Stations	R-WHOLE OF THE DISTRICT	-	26 124	17 000	2 000	-		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Water Treatment Works	R-INGWEIKWA SANI	-	5 075	15 000	5 000	4 000		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Water Treatment Works	R-UBUHLEBEZWE	-	2 000	500	-	-		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Bulk Mains	PA2_SDO3_OS04_W	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-GREATER KOKSTAD	-	28 839	150	4 000	-		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Bulk Mains	PA2_SDO3_OS04_W	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-INGWEIKWA SANI	1 389	44 267	11 500	8 000	10 000		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Bulk Mains	PA2_SDO3_OS04_W	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-UBUHLEBEZWE	-	6 399	7 182	21 000	20 000		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Bulk Mains	PA2_SDO3_OS04_W	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	19 607	5 278	-	-	-		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Distribution	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-ADMIN OR HEAD OFFICE	-	2 000	2 000	-	-		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Distribution	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-GREATER KOKSTAD	-	598	4 300	5 000	7 000		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Distribution	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-INGWEIKWA SANI	12 817	49 314	61 500	76 500	98 000		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Distribution	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-UBUHLEBEZWE	1 651	14 920	27 875	17 500	24 250		
Water Management	Capital:Infrastructure:New:Water Supply Infrastructure:Distribution	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	8 991	14 919	13 050	35 236	40 787		

DC43 Harry Gwala - Supporting Table SA36 Consolidated detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2021/22 Medium Term Revenue & Expenditure Framework					
										Audited Outcome 2019/20	Current Year 2020/21 Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
Parent municipality:															
Water Management	Capital:Non-Infrastructure:New:Furniture And Office Equipment	-	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	-	-	156	163	170		
Water Management	Capital:Non-Infrastructure:New:Intangible Assets:Computer Software And Applications	-	NEW	An efficient, effective and development-oriented public service	Growth	Licences And Rights	Computer Software And Applications	R-ADMIN OR HEAD OFFICE	-	-	468	489	511		
Water Management	Capital:Non-Infrastructure:New:Transport Assets	-	NEW		Growth	Transport Assets	Transport Assets	R-WHOLE OF THE DISTRICT	5 855	-	-	-	-		
Waste Water Management	Capital:Infrastructure:Existing:Renewal:Sanitation Infrastructure:Waste Water Treatment Works	-	RENEWAL	efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Sanitation Infrastructure	Waste Water Treatment Works	R-GREATER KOKSTAD	32 125	725	-	-	-		
Waste Water Management	Capital:Infrastructure:Existing:Renewal:Sanitation Infrastructure:Waste Water Treatment Works	-	RENEWAL	efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Sanitation Infrastructure	Waste Water Treatment Works	R-WHOLE OF THE DISTRICT	1 760	590	-	-	-		
Waste Water Management	Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Reticulation	-	UPGRADING	efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Sanitation Infrastructure	Reticulation	R-GREATER KOKSTAD	-	5 365	-	-	-		
Waste Water Management	Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Waste Water Treatment Works	-	UPGRADING	efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Sanitation Infrastructure	Waste Water Treatment Works	R-WHOLE OF THE DISTRICT	1 625	-	-	-	-		
Waste Water Management	Capital:Infrastructure:New:Sanitation Infrastructure:Pump Station	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Pump Station	R-GREATER KOKSTAD	-	5 210	19 326	3 000	-		
Waste Water Management	Capital:Infrastructure:New:Sanitation Infrastructure:Reticulation	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticulation	R-GREATER KOKSTAD	-	-	1 000	5 000	17 000		
Waste Water Management	Capital:Infrastructure:New:Sanitation Infrastructure:Reticulation	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticulation	R-INGWEIKWA SANI	-	2 694	15 850	5 000	10 000		
Waste Water Management	Capital:Infrastructure:New:Sanitation Infrastructure:Reticulation	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticulation	R-UBUHLEBEZWE	-	6 000	12 000	10 000	5 000		
Waste Water Management	Capital:Infrastructure:New:Sanitation Infrastructure:Reticulation	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticulation	R-WHOLE OF THE DISTRICT	-	1 577	-	14 000	10 000		
Waste Water Management	Capital:Infrastructure:New:Sanitation Infrastructure:Toilet Facilities	-	NEW	efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Toilet Facilities	R-UBUHLEBEZWE	-	2 476	-	10 000	14 000		
Parent Capital expenditure									240 195	334 963	306 704	347 420	363 289		
Entities:															
<i>List all capital projects grouped by Entity</i>															
Harry Gwala Development Agency															
Finance And Administration	Capital:Non-Infrastructure:New:Computer Equipment	-	NEW	An efficient, effective and development-oriented public service	Growth	Computer Equipment	Computer Equipment	R-ADMIN OR HEAD OFFICE	-	179	130	-	-		
Finance And Administration	Capital:Non-Infrastructure:New:Intangible Assets:Computer Software And Applications	-	NEW	An efficient, effective and development-oriented public service	Growth	Licences And Rights	Computer Software And Applications	R-ADMIN OR HEAD OFFICE	-	400	450	200	210		
Entity Capital expenditure									-	579	580	200	210		
Total Capital expenditure									240 195	335 542	307 283	347 620	363 499		

Table 60 MBRR SA37-Projects delayed from previous financial year

DC43 Sisonke - Supporting Table SA37 Projects delayed from previous financial years

R thousand	Function	Project name	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Current Year 2009/10		2010/11 Medium Term Revenue & Expenditure Framework		
											Original Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
	Parent municipality:														
	<i>List all capital projects grouped by Function</i>														
	Water Management	Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Distribution	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-INGWEKWA SANI	0	0	-	-	250	-	-
	Water Management	Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Distribution	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-UBUHLEBEZWE	0	0	-	-	500	-	-
	<i>List all capital projects grouped by Entity</i>														
	Harry Gwala Development Agency														

Table 61 MBRR SA38 - Consolidated detailed operational projects

DC43 Harry Gwala - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Asset Class	Prior year outcomes		2021/22 Medium Term Revenue & Expenditure Framework		
								Audited Outcome 2019/20	Current Year 2020/21 Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality: <i>List all operational projects grouped by Function</i>												
Executive And Council												
O_Municipal Running Cost												
			M123	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance						
Executive And Council		O_Municipal Running Cost	M123	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance		18 718	22 596	19 500	20 615	21 808
Executive And Council		O_Tws_Capacity Build Train & Dev_Workshops; Seminars & Subject Matter Train	-	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance		1 377	2 067	2 212	2 366	2 532
Executive And Council		O_Tws_Cd_Holiday Program	-	Work Streams	A comprehensive; responsive and sustainable social protection system	Inclusion and Access		166	331	400	418	436
Executive And Council		O_Tws_Communic & Public Participation_Awareness Campaign	-	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access		-	200	208	217	227
Executive And Council		O_Tws_Communic & Public Participation_Mayoral/Executive Mayor Campaigns	-	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access		90	226	235	246	257
Executive And Council		O_Tws_Communic & Public Participation_Newsletters	-	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access		132	228	500	522	545
Executive And Council		O_Tws_Efficient And Effective Public Service	-	Work Streams	An efficient; effective and development-oriented public service	Inclusion and Access		205	300	500	522	545
Executive And Council		O_Tws_Sm&G_Government Information System (Gis) Project And Support	-	Work Streams	Responsive; accountable; effective and efficient local government	Spatial Integration		13	-	-	-	-
Executive And Council		Tws:Capacity Building Training & Dev:Capacity Building Local Municipalities	-	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance		5	-	250	261	273
Executive And Council		Tws:Capacity Building Training & Development/ Capacity Building Councillors	-	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance		-	-	340	355	371
Finance And Administration		O_Municipal Running Cost	M123	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance		-	581	600	626	655
Finance And Administration		O_Municipal Running Cost	M123	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance		131 676	144 217	144 681	152 622	161 110
Finance And Administration		O_Tws_Capacity Build Train & Dev_Abet And Life Long Learning Programme	-	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance		34 673	29 708	51 909	54 617	57 524
Finance And Administration		O_Tws_Capacity Build Train & Dev_Workshops; Seminars & Subject Matter Train	-	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance		5	395	589	589	589
Finance And Administration		O_Tws_Dist Initiat & Assist Lm_Assistance To Lnts (Cap Build)	-	Work Streams	A skilled and capable workforce to support an inclusive growth path	Inclusion and Access		917	2 640	1 750	1 827	1 909
Finance And Administration		O_Tws_Financial Mng Grant_Financial Systems	-	Work Streams	Responsive; accountable; effective and efficient local government	Governance		15	400	400	418	436
Finance And Administration		O_Tws_Human Resources_Employee Assistance Programme	-	Work Streams	Responsive; accountable; effective and efficient local government	Governance		7 174	4 077	3 500	3 654	3 818
Finance And Administration		O_Tws_Human Resources_Human Resource Management	-	Work Streams	Responsive; accountable; effective and efficient local government	Governance		446	267	500	522	545
Finance And Administration		O_Tws_Sm&G_Government Information System (Gis) Project And Support	-	Work Streams	Responsive; accountable; effective and efficient local government	Spatial Integration		65	84	86	90	94
Finance And Administration		Tws:Capacity Building Training & Dev:Capacity Building Local Municipalities	-	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance		7 171	9 826	8 716	9 090	9 493
Finance And Administration		Tws:Emergency & Disaster Management/Disaster Relief	-	Work Streams	A comprehensive; responsive and sustainable social protection system	Governance		-	-	80	84	87
Finance And Administration		O_Mai_Ninf_Cm_Pl_Computer Equipment	-	Corrective Maintenance	An efficient; effective and development-oriented public service	Governance	Computer Equipment	1 456	933	1 000	1 044	1 091
Finance And Administration		Operational/Maintenance/Non-Infrastructure/Preventative Maintenance/Interval Based	-	Preventative Maintenance	A long and healthy life for all South Africans	Inclusion and Access	Sport And Recreation Facilities	165	520	320	334	349
Finance And Administration		O_Mai_Ninf_Pm_Ib_Transport Assets	-	Preventative Maintenance		Governance	Transport Assets	85	96	90	94	98
Finance And Administration		O_Mai_Inf_Pm_Cb_Wsi_Capital Spares	-	Preventative Maintenance	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	15	315	328	342	357
Finance And Administration		O_Mai_Inf_Pm_Cb_Wsi_Pump Station_Mechanical Equipment	-	Preventative Maintenance	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	3 395	7 088	7 000	7 308	7 637
Finance And Administration			-					6 698	12 914	8 000	8 352	8 728

DC43 Harry Gwala - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Asset Class	Prior year outcomes		2021/22 Medium Term Revenue & Expenditure Framework		
								Audited Outcome 2019/20	Current Year 2020/21 Full Year Forecast	Budget Year 2021/22	Budget Year+1 2022/23	Budget Year+2 2023/24
Parent municipality:												
<i>List all operational projects grouped by Function</i>												
	Finance And Administration	O_Mai_Inf_Pm_Cb_Wsi_Reservoirs_Buildings	-	Preventative Maintenance	<i>In efficient; competitive and responsive economic infrastructure network</i>	<i>Inclusion and Access</i>	<i>Water Supply Infrastructure</i>	424	-	-	-	-
	Finance And Administration	O_Mai_Inf_Pm_Cb_Wsi_Reservoirs_Pipe Work	-	Preventative Maintenance	<i>In efficient; competitive and responsive economic infrastructure network</i>	<i>Inclusion and Access</i>	<i>Water Supply Infrastructure</i>	4 509	10 257	8 000	8 352	8 728
	Internal Audit	O_Municipal Running Cost	M123	Municipal Running Cost	<i>Sustainable human settlements and improved quality of household life</i>	<i>Governance</i>		9 799	7 716	8 384	8 955	9 565
	Internal Audit	O_Municipal Running Cost	M123	Municipal Running Cost	<i>Sustainable human settlements and improved quality of household life</i>	<i>Governance</i>		-	423	452	484	518
	Internal Audit	Tws:Strategic Management & Governance:Risk Management	-	Work Streams	<i>Responsive; accountable; effective and efficient local government</i>	<i>Inclusion and Access</i>		-	200	400	418	436
	Community And Social Services	O_Municipal Running Cost	M123	Municipal Running Cost	<i>Sustainable human settlements and improved quality of household life</i>	<i>Governance</i>		14 580	15 477	16 551	17 700	18 929
	Community And Social Services	O_Tws_Drinking Water Quality	-	Work Streams	<i>A long and healthy life for all South Africans</i>	<i>Inclusion and Access</i>		120	77	150	157	164
	Community And Social Services	O_Tws_Emergency & Disaster Mng_Disaster Management	-	Work Streams	<i>A comprehensive; responsive and sustainable social protection system</i>	<i>Governance</i>		137	662	1 400	1 462	1 527
	Community And Social Services	Tws:Emergency & Disaster Management:Disaster Relief	-	Work Streams	<i>A comprehensive; responsive and sustainable social protection system</i>	<i>Governance</i>		1 850	622	400	418	436
	Planning And Development	O_Municipal Running Cost	M123	Municipal Running Cost	<i>Sustainable human settlements and improved quality of household life</i>	<i>Governance</i>		9 478	11 911	12 723	13 603	14 545
	Planning And Development	O_Municipal Running Cost	M123	Municipal Running Cost	<i>Sustainable human settlements and improved quality of household life</i>	<i>Governance</i>		96 443	88 930	112 853	120 490	125 186
	Planning And Development	O_Tws_Capacity Build Train & Dev_Workshops; Seminars & Subject Matter Train	-	Work Streams	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Governance</i>		199	-	-	-	-
	Planning And Development	O_Tws_Capacity Build Train & Dev_Workshops; Seminars & Subject Matter Train	-	Work Streams	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Governance</i>		301	1 028	1 166	1 217	1 272
	Planning And Development	O_Tws_Cd_Elderly	-	Work Streams	<i>A comprehensive; responsive and sustainable social protection system</i>	<i>Inclusion and Access</i>		66	-	-	-	-
	Planning And Development	O_Tws_Cd_Social Development Programme (Welfare)	-	Work Streams	<i>A comprehensive; responsive and sustainable social protection system</i>	<i>Inclusion and Access</i>		274	-	-	-	-
	Planning And Development	O_Tws_Cd_Youth Projects_Youth Development	-	Work Streams	<i>A comprehensive; responsive and sustainable social protection system</i>	<i>Inclusion and Access</i>		-	500	500	522	545
	Planning And Development	O_Tws_Communic & Public Participation_Awareness Campaign	-	Work Streams	<i>Sustainable human settlements and improved quality of household life</i>	<i>Inclusion and Access</i>		5 063	-	-	-	-
	Planning And Development	O_Tws_Development Agency Establishment	-	Work Streams	<i>An efficient; effective and development-oriented public service</i>	<i>Governance</i>		-	17 000	-	-	-
	Planning And Development	O_Tws_Emergency & Disaster Mng_Disaster Management	-	Work Streams	<i>A comprehensive; responsive and sustainable social protection system</i>	<i>Governance</i>		-	-	700	731	764
	Planning And Development	O_Tws_Municipal Properties	-	Work Streams	<i>An efficient; effective and development-oriented public service</i>	<i>Inclusion and Access</i>		6 087	-	-	-	-
	Planning And Development	O_Tws_Sm&G_Government Information System (Gis) Project And Support	-	Work Streams	<i>Responsive; accountable; effective and efficient local government</i>	<i>Spatial Integration</i>		1 092	270	200	209	218
	Planning And Development	O_Tws_Sm&G_Idp Planning And Revision	-	Work Streams	<i>Responsive; accountable; effective and efficient local government</i>	<i>Spatial Integration</i>		357	561	800	835	873
	Planning And Development	O_Tws_Sport Development_Marathons; Sport And Recreation	-	Work Streams	<i>An efficient; effective and development-oriented public service</i>	<i>Inclusion and Access</i>		2 082	-	-	-	-
	Planning And Development	Tws:Capacity Building Training & Dev.Capacity Building Local Municipalities	-	Work Streams	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Governance</i>		-	-	52	54	57
	Planning And Development	Tws:City Cleanliness & Clean-Up:Clean-Up Actions	-	Work Streams	<i>Protect and enhance our environmental assets and natural resources</i>	<i>Inclusion and Access</i>		5 215	5 093	5 807	5 144	5 504

DC43 Harry Gwala - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Asset Class	Prior year outcomes		2021/22 Medium Term Revenue & Expenditure Framework		
								Audited Outcome 2019/20	Current Year 2020/21 Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality:												
	Planning And Development	Tws:Environmental:Air Quality Management	-	Work Streams	Protect and enhance our environmental assets and natural resources	Spatial Integration		-	-	500	521	544
	Planning And Development	Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Base	-	Preventative Maintenance	An efficient, effective and development-oriented public service	Governance	Operational Buildings	1 497	3 766	3 000	3 132	3 273
	Planning And Development	Operational:Infrastructure Projects:New:Sanitation Infrastructure:Toilet Facilities	-	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	3 635	-	-	-	-
	Planning And Development	Operational:Infrastructure Projects:New:Sanitation Infrastructure:Toilet Facilities	-	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	4 060	-	-	-	-
	Planning And Development	Operational:Infrastructure Projects:New:Sanitation Infrastructure:Toilet Facilities	-	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	3 626	-	-	-	-
	Water Management	O_Municipal Running Cost	M123	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance		26 824	12 471	11 036	11 756	12 527
	Water Management	O_Municipal Running Cost	M123	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance		117 095	119 405	105 483	112 129	119 302
	Water Management	O_Tws_Capacity Build Train & Dev_Workshops; Seminars & Subject Matter Train	-	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance		152	1 076	656	685	716
	Water Management	O_Tws_Drinking Water Quality	-	Work Streams	A long and healthy life for all South Africans	Inclusion and Access		1 926	2 099	1 500	1 566	1 636
	Water Management	O_Tws_Sm&G_Government Information System (Gis) Project And Support	-	Work Streams	Responsive; accountable; effective and efficient local government	Spatial Integration		11 955	24 837	5 500	5 742	6 000
	Water Management	O_Tws_Sm&G_Policy Review	-	Work Streams	Responsive; accountable; effective and efficient local government	Inclusion and Access		1 443	2 000	1 000	1 044	1 091
	Water Management	O_Tws_Sm&G_Strategic Planning_Workshops And Sessions	-	Work Streams	Responsive; accountable; effective and efficient local government	Inclusion and Access		5 230	-	-	-	-
	Water Management	Tws:Capacity Building Training & Dev.Capacity Building Local Municipalities	-	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance		-	-	15	16	16
	Water Management	Operational:Non-Infrastructure:New:Machinery And Equipment	-	NEW		Growth	Machinery And Equipment	4 315	-	-	-	-
	Water Management	Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Base	-	Preventative Maintenance		Governance	Machinery And Equipment	196	1 213	1 262	1 318	1 377
	Water Management	O_Mai_Inf_Pm_Ch_Wsi_Reservoirs_Buildings	-	Preventative Maintenance	n efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	3 496	7 461	6 000	6 264	6 546
	Waste Water Management	O_Municipal Running Cost	M123	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance		738	842	898	961	1 028
	Waste Water Management	Operational:Infrastructure Projects:New:Sanitation Infrastructure:Toilet Facilities	-	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	1 837	-	-	-	-
Parent Operational expenditure								560 762	575 904	561 084	593 018	624 840
Entities:												
<i>List all Operational projects grouped by Entity</i>												
Harry Gwala Development Agency												
	Executive And Council	O_Municipal Running Cost	M123	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance		-	-	-	-	-
	Executive And Council	O_Tws_Distr Inflat & Assist Lm Assistance To Lrfs (Cap Build)	-	Work Streams	A skilled and capable workforce to support an inclusive growth path	Inclusion and Access		-	-	-	-	-
	Finance And Administration	O_Municipal Running Cost	M123	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance		-	-	-	-	-
	Finance And Administration	O_Municipal Running Cost	M123	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance		-	-	-	-	-
	Finance And Administration	O_Tws_Distr Inflat & Assist Lm Assistance To Lrfs (Cap Build)	-	Work Streams	A skilled and capable workforce to support an inclusive growth path	Inclusion and Access		-	-	-	-	-
	Planning And Development	O_Municipal Running Cost	M123	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance		-	15 936	15 336	15 936	15 936
	Planning And Development	O_Municipal Running Cost	M123	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance		-	-	-	-	-
	Planning And Development	O_Tws_Distr Inflat & Assist Lm Assistance To Lrfs (Cap Build)	-	Work Streams	A skilled and capable workforce to support an inclusive growth path	Inclusion and Access		-	824	24	824	824
	Planning And Development	O_Tws_Local Economic Development_Project Implementation	-	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration		-	1 225	425	1 195	1 194
	Planning And Development	Tws:Tourism:Tourism Development	-	Work Streams	An efficient, effective and development-oriented public service	Growth		-	2 206	726	2 026	2 026
	Other		-		An efficient, effective and development-oriented public service	Inclusion and Access	Community Facilities	-	-	-	-	-
Entity Operational expenditure								-	20 190	16 510	19 980	19 979
Total Operational expenditure								560 762	596 094	577 594	612 998	644 819

1.18 LEGISLATION COMPLIANCE STATUS

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

In year reporting

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

Internship programme

The district 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 internal auditing. Their contracts started on the 01 August 2020 and the contract will take 5 years as required by National Treasury. Since the introduction of the Internship programme the district has successfully employed and trained 18 interns through this programme and a majority of them were appointed either in the district or other Institutions.

Budget and Treasury Office

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

Audit Committee

An Audit Committee has been established and is fully functional.

Service Delivery and Implementation Plan

The detail SDBIP document is at a Draft stage and will be Draftised after approval of the 2022/23 MTREF in May 2022 directly aligned and informed by the 2022/23 MTREF.

Annual Report

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

MFMA Training

The MFMA training module in electronic format is presented at the district and training is ongoing.

Policies

The review of all budget related policies has taken place in terms of Regulation 7 of the MBRR.

1.19 OTHER SUPPORTING DOCUMENTS

Table 44 MBRR Table SA1 - Supporting detail to budgeted financial performance

DC43 Harry Gwala - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
REVENUE ITEMS:										
<u>Service charges - water revenue</u>										
Total Service charges - water revenue	40 544	43 344	54 851	50 540	46 100	46 100	45 728	48 866	51 798	54 906
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)	2 347	343	693	-	-	-		-	-	-
Net Service charges - water revenue	38 197	43 001	54 157	50 540	46 100	46 100	45 728	48 866	51 798	54 906
<u>Service charges - sanitation revenue</u>										
Total Service charges - sanitation revenue	15 766	15 419	16 305	20 510	19 392	19 392	11 567	20 555	21 789	23 096
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	15 766	15 419	16 305	20 510	19 392	19 392	11 567	20 555	21 789	23 096
<u>Other Revenue by source</u>										
Fuel Levy										
Other Revenue	135	337	1 770	1 107	733	733	653	549	574	599
Total 'Other' Revenue	135	337	1 770	1 107	733	733	653	549	574	599

Table 45 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

DC43 Harry Gwala - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	90 790	104 150	111 707	132 863	141 575	141 575	108 844	150 801	160 672	171 235
Pension and UIF Contributions	10 745	14 883	16 187	18 668	19 767	19 767	15 766	21 048	22 418	23 885
Medical Aid Contributions	7 630	7 352	8 342	9 182	9 376	9 376	7 702	9 999	10 666	11 379
Overtime	17 064	22 215	22 043	26 225	15 200	15 200	12 943	16 264	17 403	18 621
Performance Bonus	6 565	7 002	7 886	8 259	7 854	7 854	6 567	8 367	8 915	9 502
Motor Vehicle Allowance	11 539	14 697	15 293	16 192	17 090	17 090	14 287	18 286	19 566	20 936
Cellphone Allowance	703	790	889	937	918	918	797	983	1 052	1 125
Housing Allowances	783	542	647	673	707	707	607	757	810	866
Other benefits and allowances	2 844	3 459	4 468	4 735	4 909	4 909	4 207	5 253	5 621	6 014
Payments in lieu of leave	1 532	1 989	3 208	822	1 168	1 168	1 364	1 246	1 331	1 421
Long service awards	515	626	193	1 065	757	757	899	810	866	927
Post-retirement benefit obligations	1 434	(4 009)	(461)	3 125	3 125	3 125	-	3 343	3 577	3 828
sub-total	152 144	173 695	190 401	222 746	222 446	222 446	173 982	237 156	252 896	269 738
Less: Employees costs capitalised to PPE	-	-	-	-	-	-	-	-	-	-
Total Employee related costs	152 144	173 695	190 401	222 746	222 446	222 446	173 982	237 156	252 896	269 738
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	64 115	66 570	70 557	83 706	83 606	83 606	-	86 859	90 439	94 409
Lease amortisation	433	285	361	543	543	543	-	551	561	572
Capital asset impairment	2 445	2 750	1 026	-	-	-	-	-	-	-
Total Depreciation & asset impairment	66 993	69 605	71 944	84 249	84 149	84 149	-	87 410	91 000	94 981
Bulk purchases - electricity										
Electricity bulk purchases	10 790	35	-	-	-	-	-	-	-	-
Total bulk purchases	10 790	35	-	-	-	-	-	-	-	-
Transfers and grants										
Cash transfers and grants	3 692	-	14 000	-	17 000	17 000	17 000	17 000	20 000	20 000
Non-cash transfers and grants	8 016	14 000	-	-	-	-	-	-	-	-
Total transfers and grants	11 708	14 000	14 000	-	17 000	17 000	17 000	17 000	20 000	20 000
Contracted services										
Outsourced Services	69 416	75 242	57 267	38 864	48 407	48 407	32 827	42 537	44 607	46 604
Consultants and Professional Services	68 198	70 575	64 540	63 445	79 965	79 965	62 704	53 065	55 392	57 761
Contractors	13 541	10 292	22 593	16 048	12 869	12 869	10 249	9 694	10 112	10 558
Total contracted services	151 155	156 110	144 400	118 356	141 241	141 241	105 780	105 296	110 111	114 923
Other Expenditure By Type										
Collection costs										
Contributions to 'other' provisions										
Audit fees	2 606	3 446	3 833	5 445	5 472	5 472	3 073	3 679	4 133	4 298
Other Expenditure	33 478	34 517	51 774	57 043	60 710	60 710	40 542	57 909	62 454	64 993
Total 'Other' Expenditure	36 084	37 963	55 607	62 488	66 182	66 182	43 614	61 589	66 587	69 291
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Inventory Consumed (Project Maintenance)	8 268	15 942	196	724	1 213	1 213	606	1 262	1 318	1 377
Contracted Services	6 039	17 488	20 284	22 173	42 417	42 417	32 816	32 738	34 178	35 716
Other Expenditure										
Total Repairs and Maintenance Expenditure	14 306	33 430	20 479	22 897	43 629	43 629	33 422	34 000	35 496	37 093
Inventory Consumed										
Inventory Consumed - Water	-	-	-	-	-	-	-	19 396	20 250	21 161
Inventory Consumed - Other	-	-	-	-	-	-	-	11 852	12 361	12 904
Total Inventory Consumed & Other Material	-	-	-	-	-	-	-	31 249	32 610	34 064

Table 63 MBRR Table SA2- Matrix financial performance budget (revenue source/expenditure type and department)

DC43 Harry Gwala - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Ref	Vote 01 - Summary Council	Vote 02 - Summary Municipal Manager	Vote 03 - Summary Budget And Treasury Office	Vote 04 - Summary Corporate Services	Vote 05 - Summary Social Services & Development Planning	Vote 06 - Summary Infrastructure Services	Vote 07 - Summary Water Services	Total
R thousand	1								
Revenue By Source									
Property rates		-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	76	51 701	51 777
Service charges - sanitation revenue		-	-	-	-	-	3 865	9 348	13 213
Service charges - refuse revenue		-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-
Interest earned - external investments		-	-	4 679	-	180	-	-	4 859
Interest earned - outstanding debtors		-	-	38	-	-	-	11 321	11 358
Dividends received		-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-
Other revenue		-	-	582	-	-	-	-	582
Transfers and subsidies		-	-	433 361	-	17 000	13 377	-	463 738
Gains		-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	438 660	-	17 180	17 318	72 370	545 528
Expenditure By Type									
Employee related costs		400	14 992	33 636	25 883	43 981	27 540	103 580	250 011
Remuneration of councillors		8 879	-	-	-	-	-	-	8 879
Debt impairment		-	-	28 750	-	-	-	-	28 750
Depreciation & asset impairment		-	-	38	11 838	1 994	74 842	3 240	91 951
Finance charges		-	-	-	500	16	-	-	516
Bulk purchases - electricity		-	-	-	-	-	-	-	-
Inventory consumed		-	-	9 207	-	-	-	20 000	29 207
Contracted services		6 250	7 050	11 000	24 824	4 016	5 881	58 500	117 521
Transfers and subsidies		-	-	-	-	17 000	-	-	17 000
Other expenditure		3 434	2 362	9 725	28 106	3 332	1 681	15 772	64 411
Losses		-	-	-	-	-	-	-	-
Total Expenditure		18 963	24 404	92 355	91 150	70 338	109 944	201 092	608 247
Surplus/(Deficit)		(18 963)	(24 404)	346 305	(91 150)	(53 158)	(92 626)	(128 722)	(62 719)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)						-	320 236	-	320 236
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		(18 963)	(24 404)	346 305	(91 150)	(53 158)	227 610	(128 722)	257 517

Table 46 MBRR Table SA3 – Supporting detail to Statement of Financial Position

DC43 Harry Gwala - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
ASSETS										
<u>Consumer debtors</u>										
Consumer debtors	217 638	205 714	227 137	230 190	228 468	228 468	232 513	260 956	287 047	314 704
Less: Provision for debt impairment	(207 758)	(178 781)	(194 077)	(196 735)	(201 261)	(201 261)	(172 770)	(230 005)	(256 543)	(284 617)
Total Consumer debtors	9 880	26 933	33 060	33 454	27 208	27 208	59 743	30 951	30 504	30 087
<u>Debt impairment provision</u>										
Balance at the beginning of the year	(159 670)	(159 670)	(150 710)	(131 628)	(169 635)	(169 635)	(172 770)	(204 092)	(230 005)	(256 543)
Contributions to the provision	-	8 960	(22 060)	(65 107)	(31 626)	(31 626)	512	(25 913)	(26 538)	(28 074)
Bad debts written off	(48 088)	(28 071)	(21 307)	-	-	-	(512)	-	-	-
Balance at end of year	(207 758)	(178 781)	(194 077)	(196 735)	(201 261)	(201 261)	(172 770)	(230 005)	(256 543)	(284 617)
<u>Inventory</u>										
<u>Water</u>										
Opening Balance	180	171	248	267	267	267	267	267	267	267
System Input Volume	(9)	77	19	-	-	-	-	19 396	20 250	21 161
Water Treatment Works	-	-	19	-	-	-	-	-	-	-
Bulk Purchases	(9)	77	-	-	-	-	-	19 396	20 250	21 161
Natural Sources	-	-	-	-	-	-	-	-	-	-
Authorised Consumption	-	-	-	-	-	-	-	(19 396)	(20 250)	(21 161)
Billed Authorised Consumption	-	-	-	-	-	-	-	(19 396)	(20 250)	(21 161)
Billed Metered Consumption	-	-	-	-	-	-	-	(19 396)	(20 250)	(21 161)
Free Basic Water	-	-	-	-	-	-	-	-	-	-
Subsidised Water	-	-	-	-	-	-	-	-	-	-
Revenue Water	-	-	-	-	-	-	-	(19 396)	(20 250)	(21 161)
Non-revenue Water	-	-	-	-	-	-	-	-	-	-
Closing Balance Water	171	248	267	267	267	267	267	267	267	267
Opening Balance	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	11 852	12 361	12 904
Issues	-	-	-	-	-	-	-	(11 852)	(12 361)	(12 904)
Closing Balance - Land	-	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables	171	248	267	267	267	267	267	267	267	267
<u>Property, plant and equipment (PPE)</u>										
PPE at cost/valuation (excl. finance leases)	2 410 644	2 697 743	2 924 351	2 855 685	3 264 959	3 264 959	3 182 991	3 566 369	3 907 452	4 263 791
Leases recognised as PPE	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	468 524	528 680	583 857	567 068	634 997	634 997	583 857	718 575	761 238	802 882
Total Property, plant and equipment (PPE)	1 942 120	2 169 063	2 340 494	2 288 618	2 629 962	2 629 962	2 599 134	2 847 794	3 146 214	3 460 910

DC43 Harry Gwala - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
ASSETS										
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)										
Current portion of long-term liabilities	(682)	-	-	4 555	-	-	(118)	-	-	-
Total Current liabilities - Borrowing	(682)	-	-	4 555	-	-	(118)	-	-	-
Trade and other payables										
Trade Payables	158 864	93 409	85 631	68 498	86 102	86 102	61 265	97 273	88 876	82 476
Other creditors	-	1 164	818	-	486	486	486	-	-	-
Unspent conditional transfers	60 822	43 814	15 000	236	236	236	51 881	-	-	-
VAT	5 151	17 004	20 744	-	3 064	3 064	28 660	(5 937)	(5 755)	(7 465)
Total Trade and other payables	224 836	155 391	122 194	68 734	89 888	89 888	142 292	91 336	83 121	75 012
Non current liabilities - Borrowing										
Borrowing	14 816	8 657	4 555	-	-	-	2 338	-	-	-
Finance leases (including PPP asset element)	13 666	29 073	21 914	3 485	16 040	16 040	14 730	1 878	146	-
Total Non current liabilities - Borrowing	28 482	37 730	26 469	3 485	16 040	16 040	17 069	1 878	146	-
Provisions - non-current										
Retirement benefits	17 728	11 438	9 956	18 792	12 079	12 079	9 956	13 702	15 225	16 648
Other	5 221	7 502	8 523	5 535	9 306	9 306	8 523	10 095	10 894	11 736
Total Provisions - non-current	22 949	18 940	18 479	24 326	21 385	21 385	18 479	23 797	26 119	28 384
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	1 630 973	1 825 028	2 064 120	2 042 864	2 244 518	2 244 518	2 260 606	2 604 333	2 877 186	3 206 571
GRAP adjustments	-	-	-	-	-	-	-	-	-	-
Restated balance	1 630 973	1 825 028	2 064 120	2 042 864	2 244 518	2 244 518	2 260 606	2 604 333	2 877 186	3 206 571
Surplus/(Deficit)	248 824	290 979	208 227	214 033	267 120	267 120	401 866	223 922	258 397	251 375
Depreciation offsets	-	-	-	(82 867)	-	-	-	-	-	-
Other adjustments	(16 825)	148	16 491	84 934	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1 862 972	2 116 154	2 288 838	2 258 964	2 511 637	2 511 637	2 662 471	2 828 254	3 135 582	3 457 946
Total Reserves	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	1 862 972	2 116 154	2 288 838	2 258 964	2 511 637	2 511 637	2 662 471	2 828 254	3 135 582	3 457 946

Table 654 MBRR Table SA9- Social, economic and demographic statistics and assumptions

DC43 Harry Gwala - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	2001 Census	2007 Survey	2011 Census	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<u>Demographics</u>										
Population	-	-	-	-	-	648	661	714	761	810
Females aged 5 - 14	-	-	-	-	-	96	98	105	112	120
Males aged 5 - 14	-	-	-	-	-	82	83	90	96	102
Females aged 15 - 34	-	-	-	-	-	119	122	132	140	149
Males aged 15 - 34	-	-	-	-	-	102	104	112	119	127
Unemployment	-	-	-	-	-	162	165	179	190	203
<u>Monthly household income (no. of households)</u>										
No income	-	-	-	-	-	91 681	93 514	100 996	107 560	114 552
R1 - R1 600	-	-	-	-	-	153 662	156 736	169 274	180 277	191 995
R1 601 - R3 200	-	-	-	-	-	239 791	244 587	264 153	281 323	2 996 090
R3 201 - R6 400	-	-	-	-	-	55 041	56 141	60 633	64 574	68 771
R6 401 - R12 800	-	-	-	-	-	46 873	47 811	51 636	54 992	58 567
R12 801 - R25 600	-	-	-	-	-	36 285	37 011	39 972	42 570	45 337
R25 601 - R51 200	-	-	-	-	-	144	147	158	169	179
R52 201 - R102 400										
R102 401 - R204 800										
R204 801 - R409 600										
R409 601 - R819 200										
> R819 200										

1.1 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Adelaide Nomnandi Dlamini**, Municipal Manager of Harry Gwala District 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 Adelaide Nomnandi Dlamini

Municipal Manager of Harry Gwala District Municipality (DC43)

Signature



Date 2022/03/29