

**ITEM:** K(ii) 1(11/2020)  
**ITEM NAME:** PROPOSED SPECIAL ADJUSTMENT BUDGET 2020/21 MTREF  
AND ITS SUPPORTING DOCUMENTS

**REPORT OF THE EXECUTIVE MAYOR**



# **PROPOSED SPECIAL ADJUSTMENT BUDGET 2020/21 MTREF AND ITS SUPPORTING DOCUMENTS**

Table of Contents

1. PURPOSE OF THE REPORT.....4

2. LEGISLATIVE BACKGROUND.....5

3. DISCUSSION..... 5-9

4. FINANCIAL IMPLICATIONS.....9-16

5. PROPOSED CAPITAL ADJUSTMENT BUDGET.....17-20

6. OVERVIEW OF BUDGET ASSUMPTIONS.....20–21

7. PROPOSED CASH FLOW PROJECTIONS.....22

8. LEGISLATIVE IMPLICATIONS..... 22

9. BUSINESS RISK IMPLICATIONS.....22-23

10. STAKEHOLDER CONSULTED.....23

11. COUNCIL RESOLUTIONS.....23-24

**12. ADJUSTED BUDGET TABLES**

**ANNEXURE A:**

1. MBRR Table B1: Adjustments Budget Summary.....25

2. MBRR Table B2: Adjustments Budget Financial Performance (functional classification)..26

3. MBRR Table B3: Adjustments Budget Financial Performance (revenue & expenditure  
by municipal vote).....27

4. MBRR Table B4: Adjustments Budget Financial Performance (revenue & expenditure....28

5. MBRR Table B5: Adjustments Budget Capital Expenditure Budget by vote & funding.....29

6. MBRR Table B6: Adjustments Budget Financial Position.....30

7. MBRR Table B7: Adjustments Budget Cash Flows.....31

8. MBRR Table B8: Cash backed reserves/accumulated surplus reconciliation..... .32

9. MBRR Table B9: Asset Management.....33-36

10. MBRR Table B10: Basic Service delivery measurement.....37

11. Municipal Manager’s Quality Certificate.....38

# **PROPOSED 2020/2021 SPECIAL ADJUSTMENT BUDGET AND ITS SUPPORTING DOCUMENTS**

## **1. PURPOSE OF THE REPORT**

1.1 The purpose of this report is to request Council approval of the proposed special adjustment budget 2020/21 MTREF and its supporting documents based on the approved Annual budget 2020/2021 MTREF required by the following:

- a) Municipal Budget and Reporting Regulations (MBRR) section 23 (3), and
- b) Government Gazette No. 43181: Municipal Finance Management Act (56/2003: Local Government: Municipal Finance Management Act, 2003 - Exemption from Act and Regulations.

1.2 To set out budget funding plan with an objective to achieve the funded budget and to respond to the impact of the COVID-19 pandemic.

## **2. LEGISLATIVE BACKGROUND**

### **2.1 Municipal Budget and Reporting Regulations (MBRR) section 23 (2) and (3) states that –**

“Only one adjustments budget referred to in sub regulation may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28 (2) (b) of the Act are allocated to a municipality in a national or provincial adjustments budget, in which case sub regulation (3) applies”.

“If a national or provincial adjustment budget allocates or transfers additional revenues to municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustment budget referred to in section 28 (2) (b) of the Act in the municipal council to appropriate these additional revenues.”

- 2.2** This special adjustment budget hereto presented is in terms of Regulations 23 (3) of the MBRR (Municipal Budget and Reporting Regulations and instructions from National Treasury.
- 2.3** Of the requirements as set out in Chapter 4 of the Municipal Budget and Reporting Regulations (MBRR) addresses the following principles:
- a) Section 21: Formats of adjustment budget;
  - b) Section 22: Funding of adjustment budget;
  - c) Section 23: Timeframes for tabling of adjustment budget;
  - d) Section 24: Submission of tabled adjustment budget;
  - e) Section 25: Approval of adjustment budget;
  - f) Section 26: Publication of approved adjustment budget; and
  - g) Section 27: Submission of approved adjustment budget.
- 2.4** The attached adjustment budget follows the format as prescribed in Schedule B of the Municipal Budget and Reporting Regulations.

### **3. DISCUSSION**

- 3.1** National Treasury has developed a proposed unsigned framework to provide guidance to municipalities (which includes but not limited to Mayors, Municipal Managers, Chief Financial Officers and reviewers of municipal budgets) a set criterion that should be included in the municipal budgets or budget funding improvement plans.
- 3.2** The Framework intends to assist preparers and assessors in achieving their ultimate objective of ensuring that all municipal budgets are progressively funded.
- 3.3** An unfunded budget in municipalities result in failure to fulfil legal obligations. It is against this backdrop that National Treasury develop the framework to provide clear guidance on items that municipalities should consider when compiling plans of moving from an unfunded budget to one that is fully funded. (Proposed Budget Funding Plan 2020/21 MTREF attached as **Annexure A**).
- 3.4** The budgeted funding plan is measured by the cash flow statement as the first tool 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.
- 3.5** The proposed special adjustment cash and cash equivalents is projecting a surplus of R17 million at a collection rate of 91% and gradually increase to R23 million over MTREF.

- 3.6** Provincial Treasury assessed the municipality to be unfunded on the Municipal Annual budget 2020/21 MTREF that was tabled and approved in the Council meeting of 30 June 2020, Provincial Treasury advised that Council should adopt the Proposed Special Adjustment Budget 2020/21 MTREF accompanied with a Proposed Budget Funding Plan 2020/21 MTREF (if the special adjustment budget is unfunded). The approval of the Proposed Special Adjustment Budget 2020/21 MTREF must be tabled on or before the 30 November 2020 to avoid any delays in the payment of the 2<sup>nd</sup> trench of the Equitable Share.
- 3.7** All departments must monitor the implementation of Proposed Special Adjustment Budget 2020/21 MTREF and ensure to reduce the occurrence of overtime and where feasible, the municipality to proceed with service delivery without incurring overtime costs.
- 3.8** The VIP Allowance and use of municipal trucks to transport employees be investigated by Corporate Support Services and Public Works Roads & Transport in order to advise Council on reducing the associated costs on or before 31 January 2021.
- 3.9** The municipality received additional funding from Human Settlements Development Grant (HSDG) of R48,500 million for Brickvalle, Dr Motlana, Dr Sefularo and Leratong Housing Development.
- 3.10** The additional funding will increase the total proposed revenue including capital grants by R48, 500 million from R3, 083 billion to R3, 132 billion.
- 3.11** The additional funding will increase the proposed capital budget by R48,500 million from R195,259 million to R243,759 million.
- 3.1.2** Disposal of properties listed under Annexure B. Economic Development Services Department to approach Provincial and National Departments for devolution of properties registered under them, particularly those properties in Dan Pienaarville and Munsieville Extension 1.
- 3.1.3** That all costs incidental to transfer of properties that may be sold be borne by the purchaser(s).
- 3.1.4** The Municipality revenue will be enhanced through outright sales and future rates and taxes, in case the land is disposed;
- 3.1.5** Municipality will save costs in terms of maintenance, cleaning and security services;
- 3.1.6** According to the valuation report dated 22 October 2020 the total value for all the properties that have been valued is R192 362 215.

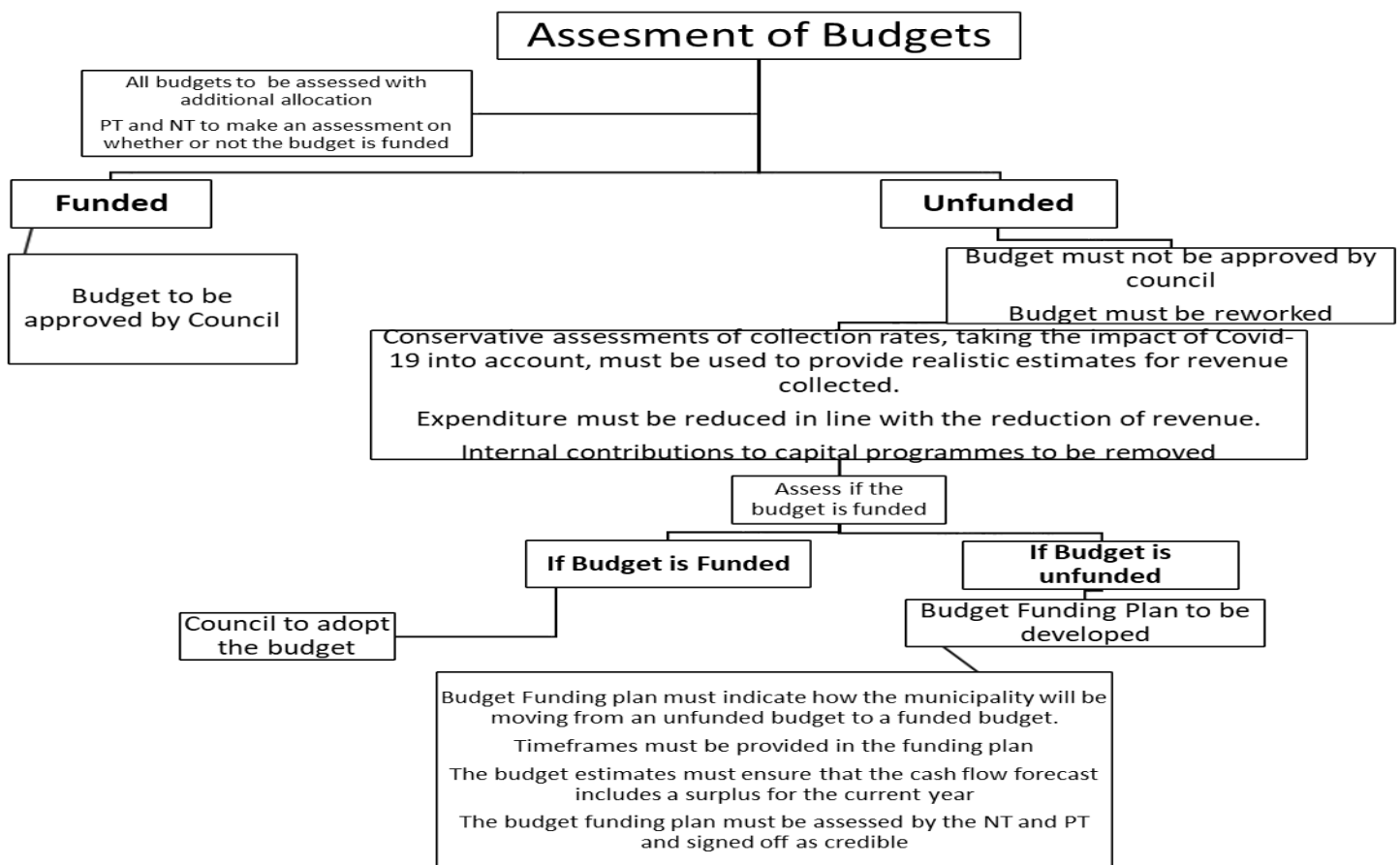
#### **4. 2020/2021 APPROVED ANNUAL BUDGET ASSESSED BY PROVINCIAL TREASURY**

**4.1** The 2020/21 tabled budget was assessed by Gauteng Provincial Treasury to be unfunded. Therefore, it is imperative that the municipality is prudent in its revenue and expenditure projections. **(For full details, refer to the assessment report attached as Annexure B – Schedule 3)**

**4.2 The Budget Funding Plan should be based on the following pillars:**

1. Positive cash flows with a focus on revenue from trade services;
2. Implementation of cost containment measures and a reduction of expenditure;
3. Realistic debtors' collection rates with incremental improvements year on year;
4. Creditors payment rates that ensure that all fixed obligations, including obligations for bulk purchases are met; and
5. Ring fencing of conditional grants and ensuring that conditional grant funding is cash backed.

#### 4.3 Process of Assessment of Budgets by National and Provincial Treasuries



#### 4.4 Socio – Economic Impact

4.4.1 The lockdown had devastating effect on economic activity as non-essential business were forced to shut down completely resulting in a reduction of overall economic output and job losses. National Government, in conjunction with prominent private sector role-players, has introduced various forms of relief programmes to aid small businesses and employees during the period of the lockdown to compensate for loss of income and wages.

4.4.2 Mogale City Local Municipality has been impacted negatively due to loss of revenue streams as businesses, households and communities reel from the economic fallout caused by COVID-19.

The COVID – 19 pandemic effects have forced the municipality to expand their scope of basic services and free basic services to respond directly to the socio-economic impacts of the pandemic and prevent further transmission of communicable diseases.

4.4.3 Responding to the impact of the COVID-19 pandemic on the budget and to correct unfunded budget without compromising service delivery have proven to be a difficult process that needs all stakeholders to co-operate.



## **4.5 Funding of budget**

- 4.5.1 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.
- 4.5.2 The proposed special adjustment cash and cash equivalents is projecting a surplus of R17 million at a collection rate of 91% and gradually increase to R23 million over MTREF.
- 4.5.3 Revenue patterns relating to collection rate has drastically declined during the last 3 months of the 2019/2020 financial year and the first 3 months of the current financial year, due to effects of COVID-19 pandemic. MCLM put measures in place to reduce expenditure in order to address the unsustainable cash position the municipality had endured over the years.

## **5. FINANCIAL IMPLICATIONS**

### **5.1 Proposed Special Operating Adjustment Budget**

As at 31 October 2020 of the 2020/2021 financial year brought with it a set of mixed results and the following can be summarised as salient features:

#### **5.1.1 Operating Revenue**

- a) Average collection rate as at 31 October 2020 was 88% compared to the targeted 87%;
- b) Total operating revenue excluding capital grants is at 29% of the original approved budget as at 31 October 2020;
- c) Cash and cash equivalents as at 31 October 2020 was R39 million;
- d) Debtors owing to the municipality as at 31 October 2020 was R 2,1 billion, the total outstanding debt has increased from R 1, 2 billion to R2,1 billion in approximately four years. On average, this indicates an increase of about R 235 million per year.

#### **5.1.2 Operating Expenditure**

- a) Total operating expenditure was at 25% of the original approved budget as at 31 October 2020, these exclude non-cash items such as debt impairment and depreciation.
- b) Creditors outstanding are R 548 million, the amount owing at the beginning of the year was R 743 million for trade payables, signalling a decrease of 26% or R195 million.

## **5.2 Capital Expenditure**

Capital expenditure is at 26% of the original approved budget as at 31 October 2020, noting the following:

- a) Own funding at 27%.
- b) Integrated Urban Development Grant (IUDG) at 31%
- c) Neighbourhood Development Programme Grant (NDPG) at 0%
- d) Water and Sanitation Infrastructure Grant(WSIG) at 21%
- e) Integrated National Electrification Programme at 25%
- f) Financial Management Grant at 0%
- g) Sports, Recreation and Arts Grant at 0%

**5.3 In view of the aforementioned, the following table is a consolidated overview of the proposed special 2020/2021 Adjustment budget:**

**5.3.1 PROPOSED OPERATING ADJUSTMENT BUDGET**

**Table 1: Proposed Revenue Adjustments**

DESCRIPTION	2019/2020 Unaudited Outcome	4 months Actuals: 31 October 2020	2020/2021 Original Approved Budget	Nat. or Prov. / District Govt	Approved Roll- Overs	Total Proposed Adjustment	% increase / (Decrease)	2020-2021 Proposed Special Adjustment Budget	2021-2022 Proposed Budget	2022-2023 Proposed Budget
<b>Revenue By Source</b>										
Property Rates	563 272 028	168 113 182	578 156 378	-	-	-63 439 428	-11,0%	514 716 950	541 735 990	567 739 317
Service charges - electricity revenue	919 889 631	336 286 207	1 132 769 224	-	-	-119 950 111	-10,6%	1 012 819 113	1 065 485 710	1 116 629 026
Service charges - water revenue	383 631 465	124 975 248	439 435 660	-	-	-92 334 495	-21,0%	347 101 165	365 150 425	382 677 643
Service charges - sanitation	212 042 437	67 860 280	241 442 306	-	-	-20 476 809	-8,5%	220 965 497	232 455 705	243 613 577
Service charges - refuse removal	123 086 883	38 093 401	127 253 082	-	-	-23 972 290	-18,8%	103 280 792	108 651 393	113 866 661
<b>total main tariffs - Property rates &amp; service charges</b>	<b>2 201 922 444</b>	<b>735 328 317</b>	<b>2 519 056 650</b>	<b>-</b>	<b>-</b>	<b>-320 173 133</b>	<b>-12,7%</b>	<b>2 198 883 517</b>	<b>2 313 479 223</b>	<b>2 424 526 224</b>
Fines & Penalties Imposed	38 415 862	3 704 380	59 604 225	-	-	-21 188 372	-35,5%	38 415 853	55 259 814	72 912 284
Rental of facilities and equipment	7 470 851	1 640 803	9 274 999	-	-	-1 804 174	-19,5%	7 470 825	7 829 425	8 205 237
Interest earned - outstanding debtors	46 723 223	9 859 785	67 850 165	-	-	-21 126 942	-31,1%	46 723 223	48 965 938	51 316 303
Interest earned - external investment	2 537 207	1 038 714	7 833 302	-	-	-6 078 037	-77,6%	1 755 265	1 839 518	1 927 815
Dividends received	26 079	-	-	-	-	-	0%	-	-	-
Licences and permits	8 813	12 662	48 671	-	-	-39 858	-81,9%	8 813	9 236	9 679
Income from Agency Services	20 178 045	10 501 458	30 567 449	-	-	-	0,0%	30 567 449	32 034 686	33 572 351
Transfer recognised - operational	444 622 986	213 615 713	540 205 075	-600 000	4 627 464	8 075 464	1,5%	548 280 539	518 240 936	566 393 600
Other revenue	75 517 172	9 593 629	91 221 333	-	-	-62 831 084	-68,9%	28 390 249	38 952 979	48 865 119
Investment Property Fair value adjustment	40 103 599	-	20 357 012	-	-	-20 357 012	-100,0%	-	-	-
Gains on disposal of PPE	-	-	-	-	-	-	0,0%	-	-	-
<b>Total Revenue (excluding capital transfers)</b>	<b>2 877 526 281</b>	<b>985 295 461</b>	<b>3 346 018 881</b>	<b>-600 000</b>	<b>4 627 464</b>	<b>-445 523 147</b>	<b>-13,3%</b>	<b>2 900 495 734</b>	<b>3 016 611 755</b>	<b>3 207 728 612</b>
Transfer recognised - capital grants	208 168 509	47 455 620	186 700 925	-900 000	1 101 268	-3 846 732	-2,1%	182 854 193	197 490 064	210 519 400
<b>Total Revenue (including capital transfers and contributions)</b>	<b>3 085 694 790</b>	<b>1 032 751 081</b>	<b>3 532 719 806</b>	<b>-1 500 000</b>	<b>5 728 732</b>	<b>-449 369 879</b>	<b>-12,7%</b>	<b>3 083 349 927</b>	<b>3 214 101 819</b>	<b>3 418 248 012</b>

### 5.3.2 Proposed Special Revenue Budget

- a) The proposed special revenue adjustment budget including capital transfers has been adjusted downwards by R 449 million or 12, 7%. The main decrease of R320 million is from the five (5) main tariffs,
- b) R133 million is from other internal revenue, operating grants increased by R8 million and capital grants decreased by R4 million.
- c) The Municipal Budget and Reporting Regulations (MBRR), section 10 (b) states that “the funding of an annual budget must be consistent with the trends, current and past, of actual funding collected or received”. Therefore, it is imperative for Mogale City to be prudent in projecting the revenue to be billed or expected to receive.

**The following are key main areas of decrease; however, the decrease of these revenue sources is mainly in line with the current declining economic growth and high unemployment rate during this unprecedented time of COVID-19 worldwide.**

**1. Property rates – decreases by R63 million due to the following reasons:**

- a) Introduction of 10% special rebate for COVID-19 relief,
- b) Property rates tariffs not being increased to provide some relief to consumers in the current financial.

**2. Electricity revenue – decreases by R120 million**, this is based on 2019/2020 unaudited billed revenue and the past 4 months’ performance.

**3. Water revenue - decreased by R92 million** from R439 million to R347 million this is based on the 2019/2020 unaudited billed revenue and the past 4 months’ performance.

**4. Sanitation revenue - decreased by R20 million** from R241 million to R221 million this is based on the 2019/2020 unaudited billed revenue and the 4 months past performance.

**5. Refuse removal – decreased by R24 million** from R127 million to R103 million based on 2019/2020 unaudited billed revenue and the 4 months past performance.

**6. Fines & Penalties Imposed – has decreased by R 21 million** this is due to under collection on reconnection fees the projected budget was reduced by R17 million and traffic fines projection was reduced by R 4 million as the budgeted revenue was not realised as anticipated during the previous financial year and the first 4 months of the current year.

**7. Interest received – outstanding debtors - decreased by R21 million** from R68 million to R47 million the decrease is based on the past performance of 2019/20 unaudited outcome.

**8. Other revenue streams – net decrease of R 71 million**, the major decrease is mainly from VAT refundable that will be realised as cash and cash equivalent amounting to R42 million and actuarial gains of R20 million no actual revenue will be received (non-cash revenue).

**9. Investment Property Fair value adjustment – decreased by R20 million** this is a non-cash revenue no income will be realised it is just a book entry.

**10. Operational grants indicating a net increase of R8 million due to the following:**

- a) R4 million increase that was transferred to operating budget from capital budget to fund consultant fees to fund Road Master Plan amounting to R3 million and R560k for EPWP labourers that will work in Doctor Martinez Drive Road and Helena Street & Storm water projects funded by IUDG.
- b) R600k is reduction of library funding from SRAC as per the latest Provincial Gazette;
- c) R3, 9 million is approved rollover for Integrated Urban Development Grant (IUDG) to fund the emergency maintenance for Krugersdorp Game Reserve that was earmarked to be utilized as quarantine facilities for COVID-19 that was reprioritisation of conditional grant to support the response to the disaster as per Annexure to MFMA Circular No.99, and;
- d) R750k is approved rollover for Performance Management System Grant for change management training.

**11. Capital grants & subsidies indicate a net decrease of R3, 8 million due to the following:**

- a) R4 million was transferred to operating budget to fund consultant fees and EPWP labourers that will work in Doctor Martinez Drive Road and Helena Street & Storm water projects.
- b) Reduction of R900k for library funding from SRAC as per the latest Provincial Gazette. In overall library, funding grant has been reduced by R1, 5 million.
- c) R1, 1 million is approved rollover for Integrated Urban Development Grant (IUDG) to fund the lion enclosure upgrade that was earmarked to be utilized as quarantine facilities for COVID-19 that was reprioritisation of conditional grant to support the response to the disaster as per Annexure to MFMA Circular No.99. Total approved rollover for IUDG is R4, 9 million.

### 5.3.3 Proposed Special Operating Expenditure Adjustments

**Table 2: Proposed Operating Expenditure**

Description	2019/2020 Unaudited Outcome	4 months Actuals: 31 October 2020	2020/2021 Original Approved Budget	Cost Containment Proposed reduction	Departmental Inputs	Nat. or Prov. / District Govt	Approved Roll- Overs	Total Proposed Adjustment	% Increase / (Decrease)	2020-2021 Proposed Special Adjustment Budget	2021-2022 Proposed Budget	2022-2023 Proposed Budget
<b>Expenditure Categories</b>												
Employee related costs	833 393 586	270 762 109	910 616 151	(18 325 448)	35 000	899 963	-	(17 390 485)	-1,91%	893 225 666	893 225 666	893 225 666
Remuneration of councillors	33 585 529	11 419 150	36 126 051	-	-	-	-	-	0%	36 126 051	36 126 051	36 126 051
Finance Costs	49 378 337	10 400 917	52 249 364	-	-	-	-	-	0%	52 249 364	55 906 819	47 846 655
Bulk Purchases	1 079 891 068	388 146 529	1 216 585 396	(70 982 153)	-	-	-	(70 982 153)	94%	1 145 603 243	1 165 330 224	1 227 076 735
Collection Costs	38 378 640	5 754 381	36 261 927	-	-	-	-	-	0%	36 261 927	36 261 927	36 261 927
Contract Services	402 241 823	112 237 005	335 665 470	(12 939 567)	(2 462 229)	(1 916 547)	3 877 464	(13 440 879)	-4%	322 224 591	279 150 194	265 428 192
Other General Expenses	151 437 700	30 293 907	213 732 843	(71 399 443)	(3 276 519)	416 584	750 000	(73 509 378)	-34%	140 223 465	139 272 810	140 445 840
Depreciations & Assets Impairment	248 730 151	-	306 585 170	(48 042 500)	(8 000 000)	-	-	(56 042 500)	-18%	250 542 670	250 542 670	250 542 670
Debt Impairment	243 916 223	-	182 299 251	(3 625 015)	-	-	-	(3 625 015)	-2%	178 674 235	220 706 555	207 055 207
<b>TOTAL OPERATING EXPENDITURES</b>	<b>3 080 953 057</b>	<b>829 013 998</b>	<b>3 290 121 623</b>	<b>(225 314 127)</b>	<b>(13 703 748)</b>	<b>(600 000)</b>	<b>4 627 464</b>	<b>(234 990 411)</b>	<b>-7%</b>	<b>3 055 131 212</b>	<b>3 076 522 916</b>	<b>3 104 008 944</b>

### 5.3.4 Proposed Expenditure Budget

- a) Total proposed special operating expenditure budget including non-cash items has been adjusted downwards by R 235 million or 7% from R3, 3 billion to R 3, 1 billion.
- b) Total proposed revenue including capital grants & subsidies is R3, 1 billion and total expenditure including capital budget is R3, 3 billion projecting operating deficit of R167 millions of which R183 million is conditional capital grants and R16 million is own funded capital projects. The operating deficit is mainly due to non-cash items such as depreciation, debt impairment and year-end provisions.

***Key reasons or explanations on proposed increase or decreased of expenditure amounting to a net decrease of R235 million is as follows:***

#### **1. Cost Containment Reductions**

As part of implementing cost containment policy & regulations with the aim to reduce the cash flow deficit and to move towards funded budget, MCML had no option to **reduce expenditure by 7% or R234, 990,411, the following are proposed to be reduced:**

- 1.1 **Employee related costs was reduced by R18, 325,448**, normal overtime and emergency services was reduced by **R16, 767,565 or 50%.**
- 1.2 **Bulk purchases: Electricity & Water was reduced by a net of R70, 982,153 made up by the following:**
  - a) **R62, 445,000** to fund rental of water tanks and chemical toilets in informal settlements; this was additional funding on equitable share announced by Minister of Finance on the 24 June 2020 that would fund purchasing of water to prevent the spread of coronavirus when Council approved original budget on the 30 June 2020. However, MFMA Circular 9 that was issued on 9 June 2020 states that, funding and expenditure that pertain to COVID-19 must be recorded and ring fenced through Municipal Standard Chart of Accounts (mSCOA) and create COVID-19 project.
  - b) **R8, 537,153** reductions on the electricity bulk purchases based on the unaudited actuals multiple by 5% of increased consumption and 6, 22% of NERSA approved tariffs.
- 1.3 **Contracted Services indicate a decrease of R12, 939,567 however; the net decrease is R13, 440,879 including rollover** due to the following line items:
  - a) Rental of water tanks and chemical toilets to informal settlements increased by R328,678,621 to be funded from additional R62,445,000 for equitable shares;
  - b) Service connections for electricity from developers for bulk contributions increased by R6,790,026;
  - c) Other major contract services decreased by **R46,396,614** on the below table:

Row Labels	Approved Final 2020/2021 Budget	Cost Containment Proposed Reduction	Departmental Inputs	Nat. or Prov. / District Govt	Approved Rollovers	Total Adjustments	%Increase/ Decrease	Proposed Special Adj 2020/2021 Budget
AFS TECHNICAL REVIEW	97 532	-	-		-	-	0%	97 532
AUDIT COMMITTEE REMUNERATION	359 560	-	-		-	-	0%	359 560
BANKING SERVICES: SECURITY COMPANY	572 754	-	-		-	-	0%	572 754
CIVIL MAINTENANCE	7 484 174	- 1 388 268	339 338	- 1 931 104	-	- 2 980 034	-40%	4 504 141
CLEANING SERVICES	94 830	- 23 708	-		-	- 23 708	-25%	71 123
CLEANING SERVICES: OTHER	19 552	- 4 888	-		-	- 4 888	-25%	14 664
COMPUTER EQUIPMENT	70 916	- 17 729	-		-	- 17 729	-25%	53 187
CONSULTANT FEES	4 112 171	- 946 514	3 688 000	33 885	-	- 2 775 371	67%	6 887 542
DEBT COLLECTORS	2 098 000	- 524 500	-		-	- 524 500	-25%	1 573 500
DISCIPLINARY HEARINGS	157 458	- 39 365	- 22 000		-	- 61 365	-39%	96 094
DISPOSAL OF HAZARDOUS SUBSTANCES	1 808	- 452	-		-	- 452	-25%	1 356
ELECTRICAL BULK CONNECTIONS (RECOVERABLE)	1 090 959	- 693 369	-		-	- 693 369	64%	1 784 328
ELECTRICAL INFRASTRUCTURE: UNCONTROLABLE VANDALISM	2 098 000	-	-		-	-	0%	2 098 000
ELECTRICAL PREPAID CONNECTIONS(RECOVERABLE)	654 576	- 2 192 230	-		-	- 2 192 230	335%	2 846 806
ELECTRICAL SERVICE CONNECTIONS (MUNSIEVILLE X4)	1 636 440	- 3 904 427	-		-	- 3 904 427	239%	5 540 867
ELECTRICAL SMALL CONNECTIONS(RECOVERABLE)	1 963 728	- 522 047	-		-	- 522 047	-27%	1 441 681
EMERGENCY MAINTENANCE GAME RESERVE	-				3 877 464	3 877 464	100%	3 877 464
EXECUTIVE MANAGER:CDS-CELLPHONES	53 945	- 13 486	-		-	- 13 486	-25%	40 459
FIRE ARMS	27 278	- 6 820	-		-	- 6 820	-25%	20 459
FURNITURE & OFFICE EQUIPMENT	21 821	- 5 455	-		-	- 5 455	-25%	16 366
FURNITURE AND OFFICE EQUIPMENT	4 366	- 1 092	-		-	- 1 092	-25%	3 275
GRASS CUTTING	5 997 257	- 1 499 314	-		-	- 1 499 314	-25%	4 497 943
INSTALLATION AND MAINTENANCE OF SWITCHES & NETWORK	1 426 912	- 356 728	-		-	- 356 728	-25%	1 070 184
LEASE: REFUSE COMPACTORS	6 174 695	-	-		-	-	0%	6 174 695
LEGAL COST	8 437 838	- 2 109 460	-		-	- 2 109 460	-25%	6 328 379
MACHINERY AND EQUIPMENT	1 252 506	- 272 217	- 163 641		-	- 435 858	-35%	816 649
MAINTENANCE BUILDINGS & LAND	1 388 029	- 347 007	-		-	- 347 007	-25%	1 041 022
MAINTENANCE OF ASSET REGISTER	6 518 448	- 1 629 612	- 75 000		-	- 1 704 612	-26%	4 813 836
MAINTENANCE OF FINANCIAL SYSTEM	10 067 181	- 2 516 795	-		-	- 2 516 795	-25%	7 550 386
MANAGEMENT: LUIPAARDSVLEI LANDFILL SITE	1 850 435	- 462 609	-		-	- 462 609	-25%	1 387 826
MECHANICAL REPAIRS	2 151 304	- 429 932	- 71 576		-	- 501 508	-23%	1 649 796
NETWORK: MATERIAL	72 404 040	-	- 500 000		-	- 500 000	-1%	71 904 040
NETWORK: METER REPLACEMENT - ELECTRICITY	1 649 760	-	-		-	-	0%	1 649 760
PLANT & EQUIPMENT MAINTENANCE	1	- 0	-		-	- 0	-25%	-
PLAY EQUIPMENT	16 369	- 1 364	- 10 000		-	- 11 364	-69%	5 005
POOLS	28 365	- 7 091	-		-	- 7 091	-25%	21 274
PROFESSIONAL FEES: ACTURIES	64 888	- 16 222	-		-	- 16 222	-25%	48 666
REFUSE REMOVAL	20 141 420	- 7 049 497	-		-	- 7 049 497	-35%	13 091 923
RENTAL : WATER TANKS	19 943 349	- 16 361 205	- 2 100 000		-	- 14 261 205	72%	36 304 554
RENTAL :OFFICE SPACE	2 984 436	- 746 109	-		-	- 746 109	-25%	2 238 327
RENTAL: EARTHMOVING EQUIPMENT	6 652 797	- 1 663 199	- 100 000		-	- 1 763 199	-27%	4 889 598
RENTAL: TOILETS	12 159 749	- 14 308 236	-		-	- 14 308 236	118%	26 467 985
RENTAL: VACUUM TANKERS	4 720 500	-	-		-	-	0%	4 720 500
RENTAL: WARD OFFICES	412 384	-	-		-	-	0%	412 384
RENTAL:EQUIPMENT	3 660 572	-	-	- 19 328	-	- 19 328	-1%	3 641 244
RENTAL:TRAFFIC SPEED CAMERAS	2 109 514	-	-		-	-	0%	2 109 514
ROAD SIGNS	1 025 505	- 253 648	- 10 000		-	- 263 648	-26%	761 857
SECURITY SERVICES	69 876 428	- 16 611 761	- 3 429 383		-	- 20 041 144	-29%	49 835 284
SECURITY SERVICES-UNPLANNED	23 849 234	- 5 962 309	-		-	- 5 962 309	-25%	17 886 926
TRAFFIC LIGHTS	900 000	- 225 000	-		-	- 225 000	-25%	675 000
TREES	209 800	- 52 450	-		-	- 52 450	-25%	157 350
TYRES	32 732	- 8 183	- 150 000		-	- 141 817	433%	174 549
UPGRADING OF FINANCIAL SYSTEM	157 953	-	-		-	-	0%	157 953
VALUATION: APPEAL TRIBUNAL	157 350	- 39 338	-		-	- 39 338	-25%	118 013
VEHICLE LEASES	24 025 920	- 4 495 385	-		-	- 4 495 385	-19%	19 530 535
WASTE MANAGEMENT AUDIT	209 800	- 52 450	-		-	- 52 450	-25%	157 350
WASTE RECYCLING	388 130	- 97 033	- 202 967		-	- 300 000	-77%	88 131
<b>Grand Total</b>	<b>335 665 470</b>	<b>- 12 939 567</b>	<b>- 2 462 229</b>	<b>- 1 916 547</b>	<b>3 877 464</b>	<b>- 13 440 879</b>	<b>-4%</b>	<b>322 224 591</b>

d) The following must be noted as major decrease on the above table and all departments must spend within the available budget:

- i) Security services was reduced by R26 million or 28%;
- ii) Refuse removal was reduced by R7 million or 35%, the department must spend within the available budget;
- iii) Legal Cost was reduced by R2 million;
- iv) Maintenance of asset register was reduced by R2 million;
- v) Maintenance of financial system was reduced by R2,5 million;
- vi) Grass cutting was reduced by R1,4 million or 25%

1.4 **Other expenditure decreased by R71, 399,443** as part of curbing non-essential expenditure.

1.5 Depreciation was reduced by R47, 882,500 based on 2019/20 unaudited actuals;

1.6 Debt impairment was decreased by R3, 625,015 the provision was determined based on the projected collection rate of 91%.

## **2. Departmental Inputs (increase or decrease)**

2.1 General expenses were reduced overall by **R13, 703,748** on the following departments:

- a) R2, 100,000 increase is for relocation and settlement of residents of Makhulugama Informal Settlement.
- b) Public Safety about R3, 500,000 (safety equipment/protective clothing);
- c) R600,000 from DIEM (oil & fuel) and;
- d) R500, 000 (purchase & distribution of 240 litre bins).
- e) Impairment of assets decreased by R8,000,000 based on the 2019/2020 unaudited actuals

## **3. National or Province Gazette decrease**

A total of R600, 000 is a decrease for library funding from SRAC as per the latest Provincial Gazette.

## **4. Approved rollover by National and Provincial Treasury**

A total of R4, 627,464 is approved rollover from IUDG and Performance Management System.



## 5. 4 PROPOSED SPECIAL CAPITAL ADJUSTMENT BUDGET

**Table 3: Proposed Overall Capital Adjustment Budget**

Description	2019/2020 Unaudited Outcome	2020/21 Approved Original Budget	Increase/Decrease	%Increase/ Decrease	2020/2021 Proposed Special Adjustment Budget	2021/2022 Proposed Budget	2022/2023 Proposed Budget
Total Capital Budget Expenditure	225 412 649	199 325 785	-4 066 732	-2%	195 259 053	210 563 431	278 789 922

The Proposed Special Adjustment Capital Budget indicates overall decrease of R 4 million this is made up of:

- a) R4,048 million reduction transferred to operating budget from IUDG to fund Road Master Plan (R3,4 million) and R560 thousand to fund EPWP labourers;
- b) IUDG approved rollover amounting to R1,1 million;
- c) SRAC for library funding have decreased by R900 thousand; and
- d) Own funded projects have decreased by R220 thousand.

The details and an in depth analysis of this adjustment follows below.

**Table 4: Proposed Capital Adjustment Budget per municipal votes**

Departments	2020/2021 Approved Original Budget	Cost Containment Proposed Reduction	Departmental Inputs	Nat. Prov /District	Approved Rollover	Total Adjustment	%Increase/Decrease	2020/2021 Proposed Special Adjustment	2021/2022 Proposed Budget	2022/2023 Proposed Budget
Municipal Manager's Office	-	-	-	-	-	-	0%	-	-	-
Internal Audit	-	-	80 000	-	-	80 000	100%	80 000	-	-
Strategic Management Support	700 000	-	-	-	-	-	0%	700 000	-	-
Corporate Support Services	-	-	-	-	-	-	100%	-	-	-
Financial Management Services	243 015	-	-	-	-	-	0%	243 015	-	-
Intergrated Environmental Management	43 100 000	-	-3 541 267	-	1 101 268	-2 439 999	-6%	40 660 001	29 667 800	47 623 950
Economic Development Services	646 835	-	-	-	-	-	0%	646 835	-	-
Community Development Services	22 370 000	-	-800 000	-900 000	-	-1 700 000	-8%	20 670 000	20 000 000	23 500 000
Public Works, Roads & Transport	55 937 910	-	293 267	-	-	293 267	1%	56 231 177	76 229 264	55 033 450
Utilities Management Services	76 328 025	-	-300 000	-	-	-300 000	0%	76 028 025	84 666 367	152 632 522
<b>TOTAL CAPITAL BUDGET</b>	<b>199 325 785</b>	<b>-</b>	<b>-4 268 000</b>	<b>-900 000</b>	<b>1 101 268</b>	<b>-4 066 732</b>	<b>-2%</b>	<b>195 259 053</b>	<b>210 563 431</b>	<b>278 789 922</b>

**The following Departments budget was increased or decreased:**

- a) **Internal Audit** budget increases by R80 thousand, the source of funding on this project is own funding to purchase office furniture.
- b) **Integrated Environmental Management** indicate a net decrease of R2,4 million, from projects funded by Integrated Urban Development Grant (IUDG) decreased by R2,4 million including approved rollover of R1,1 million.

*The following projects funded by IUDG funds were reduced or shifted to other projects:*

- i) Luipaardsvlei Landfill Site (Phase 5): reason being that the project is not yet ready to continue with tendering stage as the designs are still with sector departments (DWS and GDARD) for approval.
  - ii) Development of Westheaven Cemetery: reason being that project is not, moving GAUTRANS is delaying approval of alternative access road to the cemetery.
- c) **Community Development Services** capital increased overall by R250 thousand on the following:
    - i) R900 thousand reduction on projects funded by SRAC for library funding;
    - ii) Rietvallei ext. 2&3 Sport Complex funded by IUDG was reduced by R800 thousand as the project has been completed;
  - d) **Public Works Roads & Transport** proposed a net increase of R293 thousand, projects funded by IUDG decreased by R2, 499 million.

*The following projects funded by IUDG funds were reduced or shifted to other projects:*

- i) Kagiso Stormwater Upgrade reduced by R1, 5 million reason that the progress is slow due to survey commencing late.
  - ii) Robin Road Extension reduced by R500 thousand, funds transferred to Widening of Robert Broom project to prioritise committed projects.
  - iii) Upgrade Lanwen Hostel reduced by R299 thousand.
  - iv) Chamdor Yard Fencing reduced by R200 thousand.
- e) **Utilities Management Services** capital projects has decreased by R300 thousand on the following:
    - i) R100 000 was transferred for acquisition of laptops, R300 000 was reduced as an adjustment to the budget.

**Table 4: Proposed Sources of Capital Funding**

Financing Source	2020/21 Approved Original Budget	Increase/Decrease	% Increase/Decrease	2020/21 Proposed Special Adjustment Budget	2021/22 Proposed Budget	2022/23 Proposed Budget
<b>National Government Grants</b>	<b>179 200 925</b>	<b>-2 946 732</b>	<b>-2%</b>	<b>176 254 193</b>	<b>189 490 064</b>	<b>202 019 400</b>
<i>Integrated Urban Development Grant</i>	<i>113 837 910</i>	<i>-2 946 732</i>	<i>-3%</i>	<i>110 891 178</i>	<i>120 397 064</i>	<i>127 657 400</i>
<i>Neighbourhood Development Partnership Grant</i>	<i>10 000 000</i>	<i>-</i>	<i>0%</i>	<i>10 000 000</i>	<i>13 500 000</i>	<i>15 000 000</i>
<i>Financial Management Grant</i>	<i>243 015</i>	<i>-</i>	<i>0%</i>	<i>243 015</i>	<i>-</i>	<i>-</i>
<i>Expanded Public Works Programme (5%)</i>	<i>120 000</i>	<i>-</i>	<i>0%</i>	<i>120 000</i>	<i>-</i>	<i>-</i>
<i>Integrated National Electrification Programme</i>	<i>12 800 000</i>	<i>-</i>	<i>0%</i>	<i>12 800 000</i>	<i>10 593 000</i>	<i>12 202 000</i>
<i>Water And Services Infrastructure Grant</i>	<i>42 200 000</i>	<i>-</i>	<i>0%</i>	<i>42 200 000</i>	<i>45 000 000</i>	<i>47 160 000</i>
<b>total national government grants</b>	<b>179 200 925</b>	<b>-2 946 732</b>	<b>-2%</b>	<b>176 254 193</b>	<b>189 490 064</b>	<b>202 019 400</b>
<b>Provincial Governments Grants</b>	<b>7 500 000</b>	<b>(900 000)</b>	<b>-12%</b>	<b>6 600 000</b>	<b>8 000 000</b>	<b>8 500 000</b>
<i>Sports, Recreation, Arts &amp; Culture</i>	<i>7 500 000</i>	<i>(900 000)</i>	<i>-12%</i>	<i>6 600 000</i>	<i>8 000 000</i>	<i>8 500 000</i>
<b>total provincial government grants</b>	<b>7 500 000</b>	<b>-900 000</b>	<b>-12%</b>	<b>6 600 000</b>	<b>8 000 000</b>	<b>8 500 000</b>
<b>Council's Own Funding</b>	<b>12 624 860</b>	<b>-220 000</b>	<b>-2%</b>	<b>12 404 860</b>	<b>13 073 367</b>	<b>68 270 522</b>
<i>Own Funds</i>	<i>12 624 860</i>	<i>-220 000</i>	<i>-2%</i>	<i>12 404 860</i>	<i>13 073 367</i>	<i>68 270 522</i>
<b>total own funding</b>	<b>12 624 860</b>	<b>-220 000</b>	<b>-2%</b>	<b>12 404 860</b>	<b>13 073 367</b>	<b>68 270 522</b>
<b>Total Funding</b>	<b>199 325 785</b>	<b>-4 066 732</b>	<b>-2%</b>	<b>195 259 053</b>	<b>210 563 431</b>	<b>278 789 922</b>

## 5.5 Own Funded Projects

Projects funded by own revenue has decreased by R 220 million or 2% as part of cost containment measures.

## 5.6 National Grants

National grants only IUDG decreased by R2, 9 million.

## 5.7 Provincial Grants

Provincial Grants decreased by R900 thousand

# 6. OVERVIEW OF BUDGET ASSUMPTIONS

- 6.1** The lockdown had a devastating effect on economic activity as non-essential business were forced to shut down completely, resulting in a reduction in the overall economic output and job losses. National Government, in conjunction with prominent private sector role-players, has introduced various forms of relief programmes to aid small businesses and employees alike during the period of the lockdown to compensate for a loss of income and wages, etc.
- 6.2** Mogale City Local Municipality has been impacted negatively due to a loss of revenue streams as businesses, households and communities reel from the economic fallout caused by COVID-19. This has a potential downside risk on the size of fiscal resources at Mogale City's disposal and the general health of the economy. The country is experiencing alarming levels of unemployment in particular the youth
- 6.3** The continued restructuring and closure of businesses, which lead to job losses, have far-reaching effects for municipalities including Mogale City. To mitigate the declining revenue base Mogale City has adopted a conservative approach to determine a

collection rate of 88% for this special adjustment. The collection rate calculation has considered the impact of COVID-19 where Mogale City as at 31 October has lost revenue of approximately R86 million.

**6.4** The calculation for collection rate is in line with MFMA Circular No.71, which deals with Uniform Financial Ratios and Norms.

**Table 5: Monthly Collection rate as at 31 October 2020**

Financial Year 2020/2021	Billed	Actual income	Variance	Collection rate
JULY	178,545,955	153,383,747	-25,162,208	86%
AUGUST	179,709,557	143,353,317	-36,356,240	80%
SEPTEMBER	194,861,751	172,020,752	-22,840,999	88%
OCTOBER	185,841,718	184,313,189	-1,528,529	99%
TOTAL	738,958,981	653,071,005	-85,887,975	88%

- 6.5** Mogale City projected cash and cash equivalent surplus of R17 million at year-end and gradually increased over MTREF to R23 million.
- 6.6** Mogale City has developed Budget Funding Plan that will assist the Council to move from an unfunded position to a funded position over the MTREF. The plan is focusing in revenue enhancement and implementation of cost containment measures.
- 6.7** The effects of the implementation of Budget Funding Plan will be realized from team effort, that is Leadership and the entire staff.

## 7. PROPOSED CASH FLOW PROJECTIONS

**Table 6: Proposed Special Adjustment Cash Flow**

GT481 Mogale City - Table B7 Adjustments Budget Cash Flows - 27 November												
Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjts.	Total Adjts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	D	E	F	G	H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		502 996						(34 604)	(34 604)	468 392	492 980	516 643
Service charges		1 688 583						(155 992)	(155 992)	1 532 592	1 612 286	1 689 676
Other revenue		435 717						(23 032)	(23 032)	412 684	446 821	482 565
Transfers and Subsidies - Operational	1	540 205						8 075	8 075	548 281	518 241	566 394
Transfers and Subsidies - Capital	1	186 701						(3 847)	(3 847)	182 854	197 490	210 519
Interest		68 573						(20 095)	(20 095)	48 478	50 805	53 244
Dividends		–							–	–	–	–
Payments												
Suppliers and employees		(3 151 524)						153 164	153 164	(2 998 360)	(3 029 274)	(3 173 415)
Finance charges		(52 249)						14 241	14 241	(38 008)	(40 669)	(31 878)
Transfers and Grants	1	(5 376)						(1 071)	(1 071)	(6 448)	(3 420)	(3 420)
NET CASH FROM/(USED) OPERATING ACTIVITIES		213 625	–	–	–	–	–	(63 160)	(63 160)	150 466	245 261	310 329
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		(199 256)						3 997	3 997	(195 259)	(210 563)	(278 790)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(199 256)	–	–	–	–	–	3 997	3 997	(195 259)	(210 563)	(278 790)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		–							–	–	–	–
Borrowing long term/refinancing		–							–	–	–	–
Increase (decrease) in consumer deposits		–							–	–	–	–
Payments												
Repayment of borrowing		(36 173)							–	(36 173)	(30 112)	(30 696)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(36 173)	–	–	–	–	–	–	–	(36 173)	(30 112)	(30 696)
NET INCREASE/ (DECREASE) IN CASH HELD		(21 803)	–	–	–	–	–	(59 163)	(59 163)	(80 966)	4 585	843
Cash/cash equivalents at the year begin:	2	60 674						37 662	37 662	98 336	17 370	21 955
Cash/cash equivalents at the year end:	2	38 871	–	–	–	–	–	(21 501)	(21 501)	17 370	21 955	22 798

The budgeted cash flow statement is the first measurement in determining if the budget is funded or unfunded. Mogale City's cash and cash equivalents projected a surplus of R17 million, which increases over MTREF to R23 million at year-end.

## 8. Legislative Implications

- Municipal Finance Management Act;
- Spatial Planning and Land Use Management Act, Act Nr 16 of 2013;
- National Environmental Management Act, Act 107 of 1998;
- Land Acquisition and Disposal Policy as well as the gazetted Land Acquisition and Disposal By- Law;
- The Constitution of the Republic of South Africa, Act Nr. 108 of 1996;
- Supply Chain Management Policy

## 9. Business Risks Implications

- Meeting financial obligations and service delivery mandate.
- Illegal occupation of properties.

- c) Vandalism and theft of infrastructure;
- d) Hub for criminals
- e) Loss of income;
- f) Under-development

## 10. Stakeholders Consulted

Accounting Officer

Executive Committee Management

Finance Portfolio Committee

Human Settlement & Real Estate Portfolio Committee

Budget Steering Committee

Mayoral Committee

## 11. COUNCIL RESOLUTIONS

11.1 That cognizance be taken on the following:

- 11.1.1 Of the report tabling proposed special adjustment budget of Mogale City Local Municipality for the financial year 2020/2021 and the indicative estimates for the two projected outer years 2021/2022 and 2022/2023, as set out in the tables attached below: **MBRR Table B1 to Table B10.**
- 11.1.2 Of the Adjusted Operating revenue, expenditure, and Capital Budget of the Municipality for the financial year 2020/2021 MTREF be adopted and approved as set out in the following tables:
  - a) Adjustment Budget Summary as contained in (**MBRR Table B1**).
  - b) Adjustments Budget Financial Performance (functional classification) in (**MBRR Table B2**).
  - c) Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) in (**MBRR Table B3**).
  - d) Adjustments Budget Financial Performance (revenue and expenditure) (**MBRR Table B4**).
  - e) Adjustments Capital Expenditure Budget by vote and funding in (**MBRR Table B5**).
  - f) Adjustments Budget Financial Position as contained in (**MBRR Table B6**).
  - g) Adjustments Budget Cash Flows as contained in (**MBRR Table B7**).

- h) Cash backed reserves and accumulated surplus reconciliation as contained in **(MBRR Table B8)**
- i) Asset management as contained in **(MBRR Table B9)**; and
- j) Basic service delivery measurement as contained in **(MBRR Table B10)**.

- 11.2** That the additional funding will increase the proposed capital budget by R48,500 million, that is from R195,259 million to R243,759 million.
- 11.3** That all departments reduce the occurrence of overtime and where feasible the municipality to proceed with service delivery without incurring overtime costs.
- 11.4** That the VIP Allowance and use of municipal trucks to transport employees be investigated by Corporate Support Services and Public Works Transport & Roads to advise the Council on reducing the associated costs on or before 31 January 2021.
- 11.5** That Council approve additional funding from Human Settlements Development Grant (HSDG) of R48,500 million for Brickvalle, Dr Motlana, Dr Sefularo and Leratong Housing Development.
- 11.6** That the additional funding will increase total proposed revenue including capital grants by R48, 500 million, that is from R3, 083 billion to R3, 132 billion.
- 11.7** That Municipal Council approves the proposed special adjustment on the approved 2020/2021 Original Operational and Capital Budget and the two outer years as required in terms of Municipal Budget and Reporting Regulations (MBRR) section 23 (3) and Government Gazette No. 43181.
- 11.8** that Council approves the Proposed Budget Funding Plan 2020/21 MTREF and its supporting documents;
- 11.9** that Council approves the Disposal of Land done in accordance with Land Acquisition and Disposal Policy and Supply Chain Management Policy;

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**CLLR F M MAKGATHO**  
**EXECUTIVE MAYOR**

**DATE**\_\_\_\_\_



## 12. ADJUSTED BUDGET TABLES

The following pages present ten main adjusted budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/2021 adjusted budget and outer years as approved by the Council.

**Table 11 MBRR Table B1 – Adjustments Budget Summary**

GT481 Mogale City - Table B1 Adjustments Budget Summary - 27 November

Description	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
<b>Financial Performance</b>											
Property rates	578 156	–	–	–	–	–	(63 439)	(63 439)	514 717	541 736	567 739
Service charges	1 940 900	–	–	–	–	–	(256 734)	(256 734)	1 684 167	1 771 743	1 856 787
Investment revenue	7 833	–	–	–	–	–	(6 078)	(6 078)	1 755	1 840	1 928
Transfers recognised - operational	540 205	–	4 627	–	–	(600)	4 048	8 075	548 281	518 241	566 394
Other own revenue	278 924	–	–	–	–	–	(127 347)	(127 347)	151 576	183 052	214 881
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>3 346 019</b>	<b>–</b>	<b>4 627</b>	<b>–</b>	<b>–</b>	<b>(600)</b>	<b>(449 551)</b>	<b>(445 523)</b>	<b>2 900 496</b>	<b>3 016 612</b>	<b>3 207 729</b>
Employee costs	910 616	–	–	–	–	900	(18 290)	(17 390)	893 226	893 226	893 226
Remuneration of councillors	36 126	–	–	–	–	–	–	–	36 126	36 126	36 126
Depreciation & asset impairment	306 585	–	–	–	–	–	(56 043)	(56 043)	250 543	250 543	250 543
Finance charges	52 249	–	–	–	–	–	–	–	52 249	55 907	47 847
Materials and bulk purchases	1 225 586	–	–	–	–	(28)	(73 737)	(73 765)	1 151 821	1 171 552	1 233 298
Transfers and grants	5 376	–	–	–	–	–	(1 957)	(1 957)	3 420	3 420	3 420
Other expenditure	753 583	–	4 627	–	–	(1 472)	(88 991)	(85 836)	667 747	665 750	639 550
<b>Total Expenditure</b>	<b>3 290 122</b>	<b>–</b>	<b>4 627</b>	<b>–</b>	<b>–</b>	<b>(600)</b>	<b>(239 018)</b>	<b>(234 990)</b>	<b>3 055 131</b>	<b>3 076 523</b>	<b>3 104 009</b>
<b>Surplus/(Deficit)</b>	<b>55 897</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(210 533)</b>	<b>(210 533)</b>	<b>(154 635)</b>	<b>(59 911)</b>	<b>103 720</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	186 701	–	1 101	–	–	(900)	(4 048)	(3 847)	182 854	197 490	210 519
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)	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>242 598</b>	<b>–</b>	<b>1 101</b>	<b>–</b>	<b>–</b>	<b>(900)</b>	<b>(214 581)</b>	<b>(214 379)</b>	<b>28 219</b>	<b>137 579</b>	<b>314 239</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>242 598</b>	<b>–</b>	<b>1 101</b>	<b>–</b>	<b>–</b>	<b>(900)</b>	<b>(214 581)</b>	<b>(214 379)</b>	<b>28 219</b>	<b>137 579</b>	<b>314 239</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>199 326</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(3 847)</b>	<b>(220)</b>	<b>(4 067)</b>	<b>195 259</b>	<b>210 563</b>	<b>278 790</b>
Transfers recognised - capital	186 701	–	–	–	–	(3 847)	–	(3 847)	182 854	197 490	210 519
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	12 625	–	–	–	–	–	(220)	(220)	12 405	13 073	68 271
<b>Total sources of capital funds</b>	<b>199 326</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(3 847)</b>	<b>(220)</b>	<b>(4 067)</b>	<b>195 259</b>	<b>210 563</b>	<b>278 790</b>
<b>Financial position</b>											
Total current assets	698 260	–	–	–	–	–	(2 232)	(2 232)	696 028	713 596	727 689
Total non current assets	6 337 082	–	–	–	–	(3 847)	(220)	(4 067)	6 333 015	6 244 808	6 246 569
Total current liabilities	934 383	–	–	–	–	–	175 059	175 059	1 109 442	958 938	991 527
Total non current liabilities	626 188	–	–	–	–	–	–	–	626 188	603 503	553 732
<b>Community wealth/Equity</b>	<b>5 474 771</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(3 847)</b>	<b>(177 511)</b>	<b>(181 357)</b>	<b>5 293 413</b>	<b>5 395 964</b>	<b>5 429 000</b>
<b>Cash flows</b>											
Net cash from (used) operating	213 625	–	–	–	–	–	(63 160)	(63 160)	150 466	245 261	310 329
Net cash from (used) investing	(199 256)	–	–	–	–	–	3 997	3 997	(195 259)	(210 563)	(278 790)
Net cash from (used) financing	(36 173)	–	–	–	–	–	–	–	(36 173)	(30 112)	(30 696)
<b>Cash/cash equivalents at the year end</b>	<b>38 871</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(21 501)</b>	<b>(21 501)</b>	<b>17 370</b>	<b>21 955</b>	<b>22 798</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	20 326	–	–	–	–	–	(2 232)	(2 232)	18 094	22 713	23 590
Application of cash and investments	119 779	–	–	–	–	–	(53 778)	(53 778)	66 000	81 203	100 971
<b>Balance - surplus (shortfall)</b>	<b>(99 452)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>51 547</b>	<b>51 547</b>	<b>(47 906)</b>	<b>(58 490)</b>	<b>(77 380)</b>
<b>Asset Management</b>											
Asset register summary (WDV)	6 336 358	–	–	–	–	(3 847)	(220)	(4 067)	6 332 291	6 244 050	6 245 777
Depreciation & asset impairment	306 585	–	–	–	–	–	–	–	306 585	306 585	306 585
Renewal and Upgrading of Existing Assets	66 400	–	–	–	–	(6 399)	–	(6 399)	60 001	60 978	103 474
Repairs and Maintenance	511 307	–	–	–	–	–	(57 350)	(57 350)	453 958	526 911	539 531
<b>Free services</b>											
Cost of Free Basic Services provided	39 034	–	–	–	–	–	(14 654)	(14 654)	24 380	25 647	26 878
Revenue cost of free services provided	342 927	–	–	–	–	–	63 439	63 439	406 367	360 730	378 044
<b>Households below minimum service level</b>											
Water:	10	–	–	–	–	–	–	–	10	10	10
Sanitation/sewerage:	10	–	–	–	–	–	–	–	10	10	10
Energy:	20	–	–	–	–	–	–	–	20	20	20
Refuse:	18	–	–	–	–	–	–	–	18	18	19

## Table 12 MBRR Table B2 – Adjustments Budget Financial Performance (functional classification)

GT481 Mogale City - Table B2 Adjustments Budget Financial Performance (functional classification) - 27 November

Standard Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
<b>Revenue - Functional</b>												
<i>Governance and administration</i>		770 866	–	750	–	–	–	(192 700)	(191 950)	578 916	604 658	640 538
Executive and council		2 073	–	–	–	–	–	–	–	2 073	2 169	2 273
Finance and administration		768 793	–	750	–	–	–	(192 700)	(191 950)	576 843	602 489	638 265
Internal audit		–	–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		246 368	–	–	–	–	(1 500)	(4 156)	(5 656)	240 712	248 932	301 923
Community and social services		21 525	–	–	–	–	(1 500)	(4)	(1 504)	20 021	22 333	19 157
Sport and recreation		3 944	–	–	–	–	–	3	3	3 947	7 157	6 823
Public safety		32 741	–	–	–	–	–	(4 155)	(4 155)	28 586	44 958	62 116
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		188 158	–	–	–	–	–	–	–	188 158	174 484	213 827
<i>Economic and environmental services</i>		112 248	–	4 979	–	–	–	–	4 979	117 227	145 633	128 862
Planning and development		28 266	–	3 877	–	–	–	–	3 877	32 144	36 021	39 899
Road transport		83 982	–	1 101	–	–	–	–	1 101	85 083	109 612	88 963
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		2 402 840	–	–	–	–	–	(256 720)	(256 720)	2 146 120	2 214 487	2 346 515
Energy sources		1 254 100	–	–	–	–	–	(119 950)	(119 950)	1 134 150	1 178 752	1 236 433
Water management		536 582	–	–	–	–	–	(92 321)	(92 321)	444 262	466 531	496 305
Waste water management		315 385	–	–	–	–	–	(20 477)	(20 477)	294 908	299 924	314 321
Waste management		296 773	–	–	–	–	–	(23 972)	(23 972)	272 801	269 279	299 457
<i>Other</i>		397	–	–	–	–	–	(23)	(23)	374	392	411
<b>Total Revenue - Functional</b>	2	3 532 720	–	5 729	–	–	(1 500)	(453 599)	(449 370)	3 083 350	3 214 102	3 418 248
<b>Expenditure - Functional</b>												
<i>Governance and administration</i>		830 947	–	750	–	–	–	(67 492)	(66 742)	764 205	834 928	825 750
Executive and council		80 647	–	–	–	–	–	(5 548)	(5 548)	75 100	78 176	78 373
Finance and administration		735 040	–	750	–	–	–	(60 649)	(59 899)	675 141	742 198	732 790
Internal audit		15 260	–	–	–	–	–	(1 295)	(1 295)	13 965	14 553	14 587
<i>Community and public safety</i>		336 893	–	–	–	–	(600)	(29 646)	(30 246)	306 647	285 161	286 249
Community and social services		44 280	–	–	–	–	(600)	(2 569)	(3 169)	41 111	51 296	51 469
Sport and recreation		123 720	–	–	–	–	–	(15 538)	(15 538)	108 182	108 021	108 026
Public safety		116 279	–	–	–	–	–	(8 659)	(8 659)	107 620	88 623	89 289
Housing		16 392	–	–	–	–	–	1 786	1 786	18 179	13 173	13 290
Health		36 221	–	–	–	–	–	(4 666)	(4 666)	31 555	24 048	24 175
<i>Economic and environmental services</i>		248 496	–	–	–	–	–	(21 439)	(21 439)	227 058	213 085	213 287
Planning and development		92 503	–	–	–	–	–	(4 064)	(4 064)	88 439	83 247	83 344
Road transport		143 683	–	–	–	–	–	(16 608)	(16 608)	127 076	119 168	119 244
Environmental protection		12 310	–	–	–	–	–	(767)	(767)	11 543	10 669	10 698
<i>Trading services</i>		1 867 452	–	–	–	–	–	(123 796)	(123 796)	1 743 657	1 735 880	1 771 242
Energy sources		1 083 046	–	–	–	–	–	(25 236)	(25 236)	1 057 810	1 075 416	1 112 815
Water management		551 078	–	–	–	–	–	(50 196)	(50 196)	500 882	481 691	481 487
Waste water management		97 651	–	–	–	–	–	(5 684)	(5 684)	91 967	97 533	96 860
Waste management		135 677	–	–	–	–	–	(42 680)	(42 680)	92 997	81 239	80 080
<i>Other</i>		6 333	–	3 877	–	–	–	3 354	7 231	13 564	7 469	7 481
<b>Total Expenditure - Functional</b>	3	3 290 122	–	4 627	–	–	(600)	(239 018)	(234 990)	3 055 131	3 076 523	3 104 009
<b>Surplus/ (Deficit) for the year</b>		242 598	–	1 101	–	–	(900)	(214 581)	(214 379)	28 219	137 579	314 239

## Table 13 MBRR Table B3 - Adjustments Budget Financial Performance (revenue and expenditure by municipal votes)

GT481 Mogale City - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 27 November

Vote Description  <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Revenue by Vote</b>	1											
Vote 1 - MUNICIPAL COUNCIL		2 073	—	—	—	—	—	—	—	2 073	2 169	2 273
Vote 2 - MUNICIPAL MANAGER'S OFFICE		—	—	—	—	—	—	—	—	—	—	—
Vote 3 - INTERNAL AUDIT		—	—	—	—	—	—	—	—	—	—	—
Vote 4 - STRATEGIC MANAGEMENT SERVICES		45	—	—	—	—	—	—	—	45	47	49
Vote 5 - CORPORATE SUPPORT SERVICES		2 993	—	750	—	—	—	(1 973)	(1 223)	1 770	1 810	1 897
Vote 6 - FINANCIAL MANAGEMENT SERVICES		765 368	—	—	—	—	—	(189 856)	(189 856)	575 512	605 362	634 495
Vote 7 - INTEGRATED ENVIRONMENTAL MANAGEMENT		312 420	—	—	—	—	—	(23 972)	(23 972)	288 448	286 199	302 559
Vote 8 - Vote 8 - COMMUNITY DEVELOPMENT SERVICES		261 011	—	—	—	—	(1 500)	(3 626)	(5 126)	255 886	263 826	332 161
Vote 9 - ECONOMIC DEVELOPMENT SERVICES		24 694	—	—	—	—	—	(1 425)	(1 425)	23 270	26 994	37 142
Vote 10 - [NAME OF VOTE 10]		2 106 067	—	—	—	—	—	(232 748)	(232 748)	1 873 320	1 945 208	2 047 058
Vote 11 - PUBLIC WORKS, ROADS & TRANSPORT		58 048	—	4 979	—	—	—	—	4 979	63 027	82 488	60 614
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue by Vote</b>	2	<b>3 532 720</b>	<b>—</b>	<b>5 729</b>	<b>—</b>	<b>—</b>	<b>(1 500)</b>	<b>(453 599)</b>	<b>(449 370)</b>	<b>3 083 350</b>	<b>3 214 102</b>	<b>3 418 248</b>
<b>Expenditure by Vote</b>	1											
Vote 1 - MUNICIPAL COUNCIL		62 605	—	—	—	—	—	(13 557)	(13 557)	49 048	48 434	48 519
Vote 2 - MUNICIPAL MANAGER'S OFFICE		6 443	—	—	—	—	—	636	636	7 080	7 063	7 080
Vote 3 - INTERNAL AUDIT		15 260	—	—	—	—	—	(741)	(741)	14 519	14 553	14 587
Vote 4 - STRATEGIC MANAGEMENT SERVICES		58 078	—	—	—	—	—	4 777	4 777	62 855	62 623	62 765
Vote 5 - CORPORATE SUPPORT SERVICES		132 795	—	750	—	—	—	(2 585)	(1 835)	130 959	129 135	129 484
Vote 6 - FINANCIAL MANAGEMENT SERVICES		356 905	—	—	—	—	—	(23 040)	(23 040)	333 865	340 351	328 968
Vote 7 - INTEGRATED ENVIRONMENTAL MANAGEMENT		221 647	—	3 877	—	—	—	(63 888)	(60 010)	161 637	159 125	157 971
Vote 8 - Vote 8 - COMMUNITY DEVELOPMENT SERVICES		384 930	—	—	—	—	(600)	(55 369)	(55 969)	328 961	322 186	323 246
Vote 9 - ECONOMIC DEVELOPMENT SERVICES		81 505	—	—	—	—	—	425	425	81 930	81 953	82 146
Vote 10 - [NAME OF VOTE 10]		1 736 752	—	—	—	—	—	(73 904)	(73 904)	1 662 849	1 692 074	1 728 596
Vote 11 - PUBLIC WORKS, ROADS & TRANSPORT		233 202	—	—	—	—	—	(11 774)	(11 774)	221 428	219 025	220 649
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure by Vote</b>	2	<b>3 290 122</b>	<b>—</b>	<b>4 627</b>	<b>—</b>	<b>—</b>	<b>(600)</b>	<b>(239 018)</b>	<b>(234 990)</b>	<b>3 055 131</b>	<b>3 076 523</b>	<b>3 104 009</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>242 598</b>	<b>—</b>	<b>1 101</b>	<b>—</b>	<b>—</b>	<b>(900)</b>	<b>(214 581)</b>	<b>(214 379)</b>	<b>28 219</b>	<b>137 579</b>	<b>314 239</b>

## Table 14 MBRR Table B4 - Adjustments Budget Financial Performance (revenue and expenditure)

GT481 Mogale City - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 27 November

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Revenue By Source</b>												
Property rates	2	578 156	-	-	-	-	-	(63 439)	(63 439)	514 717	541 736	567 739
Service charges - electricity revenue	2	1 132 769	-	-	-	-	-	(119 950)	(119 950)	1 012 819	1 065 486	1 116 629
Service charges - water revenue	2	439 436	-	-	-	-	-	(92 334)	(92 334)	347 101	365 150	382 678
Service charges - sanitation revenue	2	241 442	-	-	-	-	-	(20 477)	(20 477)	220 965	232 456	243 614
Service charges - refuse revenue	2	127 253	-	-	-	-	-	(23 972)	(23 972)	103 281	108 651	113 867
Rental of facilities and equipment		9 275						(1 804)	(1 804)	7 471	7 829	8 205
Interest earned - external investments		7 833						(6 078)	(6 078)	1 755	1 840	1 928
Interest earned - outstanding debtors		67 850						(21 127)	(21 127)	46 723	48 966	51 316
Dividends received		-						-	-	-	-	-
Fines, penalties and forfeits		59 604						(21 188)	(21 188)	38 416	55 260	72 912
Licences and permits		49						(40)	(40)	9	9	10
Agency services		30 567						-	-	30 567	32 035	33 572
Transfers and subsidies		540 205		4 627			(600)	4 048	8 075	548 281	518 241	566 394
Other revenue	2	111 578	-	-	-	-	-	(83 188)	(83 188)	28 390	38 953	48 865
<b>Gains</b>									-	-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>3 346 019</b>	<b>-</b>	<b>4 627</b>	<b>-</b>	<b>-</b>	<b>(600)</b>	<b>(449 551)</b>	<b>(445 523)</b>	<b>2 900 496</b>	<b>3 016 612</b>	<b>3 207 729</b>
<b>Expenditure By Type</b>												
Employee related costs		910 616	-	-	-	-	900	(18 290)	(17 390)	893 226	893 226	893 226
Remuneration of councillors		36 126							-	36 126	36 126	36 126
Debt impairment		182 299						(3 625)	(3 625)	178 674	220 707	207 055
Depreciation & asset impairment		306 585	-	-	-	-	-	(56 043)	(56 043)	250 543	250 543	250 543
Finance charges		52 249						-	-	52 249	55 907	47 847
Bulk purchases		1 216 585	-	-	-	-	-	(70 982)	(70 982)	1 145 603	1 165 330	1 227 077
Other materials		9 000					(28)	(2 755)	(2 783)	6 218	6 222	6 222
Contracted services		335 665	-	3 877	-	-	(1 917)	(15 549)	(13 588)	322 078	279 150	265 428
Transfers and subsidies		5 376						(1 957)	(1 957)	3 420	3 420	3 420
Other expenditure		235 618	-	750	-	-	444	(69 817)	(68 623)	166 995	165 893	167 066
<b>Losses</b>									-	-		
<b>Total Expenditure</b>		<b>3 290 122</b>	<b>-</b>	<b>4 627</b>	<b>-</b>	<b>-</b>	<b>(600)</b>	<b>(239 018)</b>	<b>(234 990)</b>	<b>3 055 131</b>	<b>3 076 523</b>	<b>3 104 009</b>
<b>Surplus/(Deficit)</b>		<b>55 897</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(210 533)</b>	<b>(210 533)</b>	<b>(154 635)</b>	<b>(59 911)</b>	<b>103 720</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		186 701		1 101			(900)	(4 048)	(3 847)	182 854	197 490	210 519
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)									-	-		
<b>Surplus/(Deficit) before taxation</b>		<b>242 598</b>	<b>-</b>	<b>1 101</b>	<b>-</b>	<b>-</b>	<b>(900)</b>	<b>(214 581)</b>	<b>(214 379)</b>	<b>28 219</b>	<b>137 579</b>	<b>314 239</b>
Taxation									-	-		
<b>Surplus/(Deficit) after taxation</b>		<b>242 598</b>	<b>-</b>	<b>1 101</b>	<b>-</b>	<b>-</b>	<b>(900)</b>	<b>(214 581)</b>	<b>(214 379)</b>	<b>28 219</b>	<b>137 579</b>	<b>314 239</b>
Attributable to minorities									-	-		
<b>Surplus/(Deficit) attributable to municipality</b>		<b>242 598</b>	<b>-</b>	<b>1 101</b>	<b>-</b>	<b>-</b>	<b>(900)</b>	<b>(214 581)</b>	<b>(214 379)</b>	<b>28 219</b>	<b>137 579</b>	<b>314 239</b>
Share of surplus/ (deficit) of associate									-	-		
<b>Surplus/ (Deficit) for the year</b>		<b>242 598</b>	<b>-</b>	<b>1 101</b>	<b>-</b>	<b>-</b>	<b>(900)</b>	<b>(214 581)</b>	<b>(214 379)</b>	<b>28 219</b>	<b>137 579</b>	<b>314 239</b>

# Table 15 MBRR Table B5 – Adjustments Capital Expenditure by vote and funding

GT481 Mogale City - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 27 November

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Capital expenditure - Vote</b>												
<b>Multi-year expenditure to be adjusted</b>	2											
Vote 1 - MUNICIPAL COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER'S OFFICE		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - INTERNAL AUDIT		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - STRATEGIC MANAGEMENT SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - CORPORATE SUPPORT SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - FINANCIAL MANAGEMENT SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - INTEGRATED ENVIRONMENTAL MANAGEMENT		18 500	-	-	-	-	(7 500)	-	(7 500)	11 000	29 668	47 624
Vote 8 - Vote 8 - COMMUNITY DEVELOPMENT SERVICES		7 500	-	-	-	-	(900)	-	(900)	6 600	18 000	23 500
Vote 9 - ECONOMIC DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		58 776	-	-	-	-	-	-	-	58 776	73 127	88 862
Vote 11 - PUBLIC WORKS, ROADS & TRANSPORT		22 918	-	-	-	-	(3 657)	-	(3 657)	19 261	68 224	43 023
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	3	107 694	-	-	-	-	(12 057)	-	(12 057)	95 637	189 019	203 009
<b>Single-year expenditure to be adjusted</b>	2											
Vote 1 - MUNICIPAL COUNCIL		700	-	-	-	-	-	-	-	700	-	-
Vote 2 - MUNICIPAL MANAGER'S OFFICE		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - INTERNAL AUDIT		-	-	-	-	-	-	80	80	80	-	-
Vote 4 - STRATEGIC MANAGEMENT SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - CORPORATE SUPPORT SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - FINANCIAL MANAGEMENT SERVICES		243	-	-	-	-	-	-	-	243	-	-
Vote 7 - INTEGRATED ENVIRONMENTAL MANAGEMENT		24 600	-	-	-	-	5 060	-	5 060	29 660	-	-
Vote 8 - Vote 8 - COMMUNITY DEVELOPMENT SERVICES		14 990	-	-	-	-	(800)	-	(800)	14 190	2 000	-
Vote 9 - ECONOMIC DEVELOPMENT SERVICES		527	-	-	-	-	-	-	-	527	-	-
Vote 10 - [NAME OF VOTE 10]		17 552	-	-	-	-	-	(300)	(300)	17 252	11 539	63 771
Vote 11 - PUBLIC WORKS, ROADS & TRANSPORT		33 020	-	-	-	-	3 950	-	3 950	36 970	8 005	12 010
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		91 632	-	-	-	-	8 210	(220)	7 990	99 622	21 544	75 781
<b>Total Capital Expenditure - Vote</b>		199 326	-	-	-	-	(3 847)	(220)	(4 067)	195 259	210 563	278 790
<b>Capital Expenditure - Functional</b>												
<b>Governance and administration</b>		943	-	-	-	-	-	80	80	1 023	-	-
Executive and council		700	-	-	-	-	-	-	-	700	-	-
Finance and administration		243	-	-	-	-	-	-	-	243	-	-
Internal audit		-	-	-	-	-	-	80	80	80	-	-
<b>Community and public safety</b>		35 490	-	-	-	-	(2 640)	-	(2 640)	32 850	35 000	38 500
Community and social services		25 490	-	-	-	-	(4 800)	-	(4 800)	20 690	20 000	23 500
Sport and recreation		10 000	-	-	-	-	2 160	-	2 160	12 160	15 000	15 000
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		46 687	-	-	-	-	3 930	-	3 930	50 617	52 524	25 033
Planning and development		587	-	-	-	-	180	-	180	767	24	33
Road transport		46 100	-	-	-	-	3 750	-	3 750	49 850	52 500	25 000
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		113 206	-	-	-	-	(4 838)	(300)	(5 138)	108 068	117 334	185 256
Energy sources		27 552	-	-	-	-	-	(300)	(300)	27 252	32 732	95 473
Water management		48 776	-	-	-	-	-	-	-	48 776	51 934	57 160
Waste water management		6 778	-	-	-	-	(3 338)	-	(3 338)	3 440	18 000	-
Waste management		30 100	-	-	-	-	(1 500)	-	(1 500)	28 600	14 668	32 624
<b>Other</b>		3 000	-	-	-	-	(299)	-	(299)	2 701	5 705	30 000
<b>Total Capital Expenditure - Functional</b>	3	199 326	-	-	-	-	(3 847)	(220)	(4 067)	195 259	210 563	278 790
<b>Funded by:</b>												
National Government		179 201	-	-	-	-	(2 947)	-	(2 947)	176 254	189 490	202 019
Provincial Government		7 500	-	-	-	-	(900)	-	(900)	6 600	8 000	8 500
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	186 701	-	-	-	-	(3 847)	-	(3 847)	182 854	197 490	210 519
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		12 625	-	-	-	-	-	(220)	(220)	12 405	13 073	68 271
<b>Total Capital Funding</b>		199 326	-	-	-	-	(3 847)	(220)	(4 067)	195 259	210 563	278 790

## Table 16 MBRR Table B6 – Adjustments Budget Financial Position

GT481 Mogale City - Table B6 Adjustments Budget Financial Position - 27 November

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>ASSETS</b>												
<b>Current assets</b>												
Cash		19 602						(2 232)	(2 232)	17 370	21 955	22 798
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	633 479	-	-	-	-	-	-	-	633 479	646 148	659 071
Other debtors		25 453							-	25 453	25 570	25 697
Current portion of long-term receivables		-							-	-	-	-
Inventory		19 726							-	19 726	19 924	20 123
<b>Total current assets</b>		<b>698 260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 232)</b>	<b>(2 232)</b>	<b>696 028</b>	<b>713 596</b>	<b>727 689</b>
<b>Non current assets</b>												
Long-term receivables		-							-	-	-	-
Investments		724							-	724	758	792
Investment property		676 422							-	676 422	676 422	676 422
Investment in Associate		-							-	-	-	-
Property, plant and equipment	1	5 658 149	-	-	-	-	(3 847)	(220)	(4 067)	5 654 083	5 566 142	5 567 007
Biological		-							-	-	-	-
Intangible		1 786							-	1 786	1 486	2 347
Other non-current assets		-							-	-	-	-
<b>Total non current assets</b>		<b>6 337 082</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 847)</b>	<b>(220)</b>	<b>(4 067)</b>	<b>6 333 015</b>	<b>6 244 808</b>	<b>6 246 569</b>
<b>TOTAL ASSETS</b>		<b>7 035 341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 847)</b>	<b>(2 452)</b>	<b>(6 299)</b>	<b>7 029 043</b>	<b>6 958 404</b>	<b>6 974 259</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft		-							-	-	-	-
Borrowing		36 173	-	-	-	-	-	-	-	36 173	30 112	30 696
Consumer deposits		75 201							-	75 201	75 577	75 955
Trade and other payables		815 908	-	-	-	-	-	175 059	175 059	990 967	845 651	876 747
Provisions		7 101							-	7 101	7 598	8 130
<b>Total current liabilities</b>		<b>934 383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175 059</b>	<b>175 059</b>	<b>1 109 442</b>	<b>958 938</b>	<b>991 527</b>
<b>Non current liabilities</b>												
Borrowing	1	278 886	-	-	-	-	-	-	-	278 886	247 774	189 333
Provisions	1	347 301	-	-	-	-	-	-	-	347 301	355 729	364 399
<b>Total non current liabilities</b>		<b>626 188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>626 188</b>	<b>603 503</b>	<b>553 732</b>
<b>TOTAL LIABILITIES</b>		<b>1 560 571</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175 059</b>	<b>175 059</b>	<b>1 735 630</b>	<b>1 562 441</b>	<b>1 545 259</b>
<b>NET ASSETS</b>	2	<b>5 474 771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 847)</b>	<b>(177 511)</b>	<b>(181 357)</b>	<b>5 293 413</b>	<b>5 395 964</b>	<b>5 429 000</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		5 474 771	-	-	-	-	(3 847)	(177 511)	(181 357)	5 293 413	5 395 964	5 429 000
Reserves		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>5 474 771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 847)</b>	<b>(177 511)</b>	<b>(181 357)</b>	<b>5 293 413</b>	<b>5 395 964</b>	<b>5 429 000</b>

**Table 17 MBRR Table B7 – Adjustments Budget Cash Flow**

GT481 Mogale City - Table B7 Adjustments Budget Cash Flows - 27 November												
Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>R thousands</b>												
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates		502 996						(34 604)	(34 604)	468 392	492 980	516 643
Service charges		1 688 583						(155 992)	(155 992)	1 532 592	1 612 286	1 689 676
Other revenue		435 717						(23 032)	(23 032)	412 684	446 821	482 565
Transfers and Subsidies - Operational	1	540 205						8 075	8 075	548 281	518 241	566 394
Transfers and Subsidies - Capital	1	186 701						(3 847)	(3 847)	182 854	197 490	210 519
Interest		68 573						(20 095)	(20 095)	48 478	50 805	53 244
Dividends		-							-	-	-	-
<b>Payments</b>												
Suppliers and employees		(3 151 524)						153 164	153 164	(2 998 360)	(3 029 274)	(3 173 415)
Finance charges		(52 249)						14 241	14 241	(38 008)	(40 669)	(31 878)
Transfers and Grants	1	(5 376)						(1 071)	(1 071)	(6 448)	(3 420)	(3 420)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>213 625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(63 160)</b>	<b>(63 160)</b>	<b>150 466</b>	<b>245 261</b>	<b>310 329</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		-							-	-	-	-
Decrease (increase) in non-current receivables		-							-	-	-	-
Decrease (increase) in non-current investments		-							-	-	-	-
<b>Payments</b>												
Capital assets		(199 256)						3 997	3 997	(195 259)	(210 563)	(278 790)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(199 256)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 997</b>	<b>3 997</b>	<b>(195 259)</b>	<b>(210 563)</b>	<b>(278 790)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans		-							-	-	-	-
Borrowing long term/refinancing		-							-	-	-	-
Increase (decrease) in consumer deposits		-							-	-	-	-
<b>Payments</b>												
Repayment of borrowing		(36 173)							-	(36 173)	(30 112)	(30 696)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(36 173)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36 173)</b>	<b>(30 112)</b>	<b>(30 696)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(21 803)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(59 163)</b>	<b>(59 163)</b>	<b>(80 966)</b>	<b>4 585</b>	<b>843</b>
Cash/cash equivalents at the year begin:	2	60 674						37 662	37 662	98 336	17 370	21 955
Cash/cash equivalents at the year end:	2	38 871	-	-	-	-	-	(21 501)	(21 501)	17 370	21 955	22 798

## Table 18 MBRR Table B8 – Cash backed reserves/accumulated surplus reconciliation

GT481 Mogale City - Table B8 Cash backed reserves/accumulated surplus reconciliation - 27 November

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
											+1 2021/22	+2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	38 871	–	–	–	–	–	(21 501)	(21 501)	17 370	21 955	22 798
Other current investments > 90 days		(19 269)	–	–	–	–	–	19 269	19 269	(0)	–	–
Non current assets - Investments	1	724	–	–	–	–	–	–	–	724	758	792
<b>Cash and investments available:</b>		<b>20 326</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2 232)</b>	<b>(2 232)</b>	<b>18 094</b>	<b>22 713</b>	<b>23 590</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		112	–	–	–	–	–	–	–	112	101	91
Unspent borrowing		–							–	–	–	–
Statutory requirements									–	–		
Other working capital requirements	2	119 666	–					(53 778)	(53 778)	65 888	81 102	100 880
Other provisions									–	–		
Long term investments committed		–	–					–	–	–	–	–
Reserves to be backed by cash/investments		–	–					–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>119 779</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(53 778)</b>	<b>(53 778)</b>	<b>66 000</b>	<b>81 203</b>	<b>100 971</b>
<b>Surplus(shortfall)</b>		<b>(99 452)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>51 547</b>	<b>51 547</b>	<b>(47 906)</b>	<b>(58 490)</b>	<b>(77 380)</b>



# Table 19 MBRR Table B9 – Asset Management

GT481 Mogale City - Table B9 Asset Management - 27 November

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total Adjusts.	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.		Budget	Budget	Budget
			7	8	9	10	11	12	13	14		
R thousands		A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	132 926	–	–	–	–	2 552	(220)	2 332	135 258	149 586	175 316
Roads Infrastructure		36 778	–	–	–	–	(4 888)	–	(4 888)	31 890	60 500	16 000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		17 552	–	–	–	–	–	(400)	(400)	17 152	12 127	73 623
Water Supply Infrastructure		49 214	–	–	–	–	–	(135)	(135)	49 079	51 934	57 160
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		10 600	–	–	–	–	6 000	–	6 000	16 600	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		114 144	–	–	–	–	1 112	(535)	577	114 721	124 561	146 783
Community Facilities		7 500	–	–	–	–	(900)	–	(900)	6 600	10 000	8 500
Sport and Recreation Facilities		10 000	–	–	–	–	1 910	–	1 910	11 910	15 000	15 000
Community Assets		17 500	–	–	–	–	1 010	–	1 010	18 510	25 000	23 500
Heritage Assets		–	–	–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Operational Buildings		120	–	–	–	–	–	–	–	120	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Other Assets	6	120	–	–	–	–	–	–	–	120	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–	–	5 000
Intangible Assets		–	–	–	–	–	–	–	–	–	–	5 000
Computer Equipment		332	–	–	–	–	100	235	335	667	19	23
Furniture and Office Equipment		130	–	–	–	–	330	80	410	540	5	10
Machinery and Equipment		–	–	–	–	–	–	–	–	–	–	–
Transport Assets		700	–	–	–	–	–	–	–	700	–	–
Land		–	–	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets to be adjusted	2	23 800	–	–	–	–	5 300	–	5 300	29 100	7 105	9 000
Roads Infrastructure		5 000	–	–	–	–	5 500	–	5 500	10 500	–	9 000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–	7 105	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		5 000	–	–	–	–	5 500	–	5 500	10 500	7 105	9 000
Community Facilities		13 800	–	–	–	–	–	–	–	13 800	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–	–	–
Community Assets		13 800	–	–	–	–	–	–	–	13 800	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Operational Buildings		5 000	–	–	–	–	(200)	–	(200)	4 800	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Other Assets	6	5 000	–	–	–	–	(200)	–	(200)	4 800	–	–
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		–	–	–	–	–	–	–	–	–	–	–

**Table 19 MBRR Table B9 – Asset Management (cont)**

**GT481 Mogale City - Table B9 Asset Management - 27 November**

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore- Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7	8	9	10	11	12	13	14		
<b>R thousands</b>		<b>A</b>	<b>A1</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>		
<b>Total Upgrading of Existing Assets to be adjusted</b>	<b>2a</b>	<b>42 800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11 699)</b>	<b>-</b>	<b>(11 699)</b>	<b>30 901</b>	<b>53 873</b>	<b>94 474</b>
Roads Infrastructure		6 100	-	-	-	-	-	-	-	6 100	10 000	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		10 000	-	-	-	-	-	-	-	10 000	13 500	16 850
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		19 500	-	-	-	-	(7 500)	-	(7 500)	12 000	14 668	32 624
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		35 600	-	-	-	-	(7 500)	-	(7 500)	28 100	38 168	49 474
Community Facilities		4 000	-	-	-	-	(3 900)	-	(3 900)	100	10 000	15 000
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		4 000	-	-	-	-	(3 900)	-	(3 900)	100	10 000	15 000
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		3 000	-	-	-	-	(299)	-	(299)	2 701	5 705	30 000
Other Assets	6	3 000	-	-	-	-	(299)	-	(299)	2 701	5 705	30 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to be adjusted</b>	<b>4</b>	<b>199 326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 847)</b>	<b>(220)</b>	<b>(4 067)</b>	<b>195 259</b>	<b>210 563</b>	<b>278 790</b>
Roads Infrastructure		47 878	-	-	-	-	612	-	612	48 490	70 500	25 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		27 552	-	-	-	-	-	(400)	(400)	27 152	32 732	90 473
Water Supply Infrastructure		49 214	-	-	-	-	-	(135)	(135)	49 079	51 934	57 160
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		30 100	-	-	-	-	(1 500)	-	(1 500)	28 600	14 668	32 624
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		154 744	-	-	-	-	(888)	(535)	(1 423)	153 321	169 834	205 256
Community Facilities		25 300	-	-	-	-	(4 800)	-	(4 800)	20 500	20 000	23 500
Sport and Recreation Facilities		10 000	-	-	-	-	1 910	-	1 910	11 910	15 000	15 000
Community Assets		35 300	-	-	-	-	(2 890)	-	(2 890)	32 410	35 000	38 500
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		5 120	-	-	-	-	(200)	-	(200)	4 920	-	-
Housing		3 000	-	-	-	-	(299)	-	(299)	2 701	5 705	30 000
Other Assets		8 120	-	-	-	-	(499)	-	(499)	7 621	5 705	30 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	5 000
Intangible Assets		-	-	-	-	-	-	-	-	-	-	5 000
Computer Equipment		332	-	-	-	-	100	235	335	667	19	23
Furniture and Office Equipment		130	-	-	-	-	330	80	410	540	5	10
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		700	-	-	-	-	-	-	-	700	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-

**Table 19 MBRR Table B9 – Asset Management (cont)**

GT481 Mogale City - Table B9 Asset Management - 27 November

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore- Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	4	199 328	–	–	–	–	(3 847)	(220)	(4 067)	195 259	210 583	278 790
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	6 336 358	–	–	–	–	(3 847)	(220)	(4 067)	6 332 291	6 244 050	6 245 777
Electrical Infrastructure		1 012 724						(400)	(400)	1 012 324	963 651	984 723
Water Supply Infrastructure		597 439								597 439	608 413	616 600
Rail Infrastructure												
Infrastructure		4 359 736	–	–	–	–	(6 838)	(400)	(7 238)	4 352 499	4 323 359	4 312 321
Heritage Assets		2 495								2 495	2 495	2 495
Investment properties		676 422								676 422	676 422	676 422
Other Assets		244 134					(200)		(200)	243 934	188 215	152 276
Biological or Cultivated Assets												
Intangible Assets		1 786								1 786	1 486	2 347
Computer Equipment		4 731					50	235	285	5 016	3 050	2 726
Furniture and Office Equipment		12 042					(978)	80	(898)	11 145	4 806	8 383
Machinery and Equipment		2 045								2 045	1 714	2 183
Transport Assets		5 273								5 273	4 421	4 235
Land		–								–	–	–
Zoo's, Marine, and Non-biological Animals												
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	6 336 358	–	–	–	–	(3 847)	(220)	(4 067)	6 332 291	6 244 050	6 245 777
<b>EXPENDITURE OTHER ITEMS</b>												
<b>Depreciation &amp; asset impairment</b>		306 585	–	–	–	–	–	–	–	306 585	306 585	306 585
<b>Repairs and Maintenance by asset class</b>	3	511 307	–	–	–	–	–	(57 350)	(57 350)	453 958	526 911	539 531
Roads Infrastructure		115 949	–	–	–	–	–	(14 759)	(14 759)	101 189	117 975	119 605
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		176 534	–	–	–	–	–	(17 973)	(17 973)	158 561	182 637	187 593
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		97 912	–	–	–	–	–	(10 057)	(10 057)	87 855	100 158	102 095
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		390 395	–	–	–	–	–	(42 789)	(42 789)	347 606	400 770	409 293
Community Facilities		49 078	–	–	–	–	–	(3 830)	(3 830)	45 248	52 307	54 813
Sport and Recreation Facilities		11 354	–	–	–	–	–	(410)	(410)	10 944	12 146	12 753
Community Assets		60 432	–	–	–	–	–	(4 240)	(4 240)	56 192	64 453	67 565
Heritage Assets		–	–	–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Operational Buildings		55 728	–	–	–	–	–	(8 647)	(8 647)	47 080	56 681	57 457
Housing		–	–	–	–	–	–	–	–	–	–	–
Other Assets		55 728	–	–	–	–	–	(8 647)	(8 647)	47 080	56 681	57 457
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–	–	–
Patents and Rights		–	–	–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–	–	–
Land		4 753	–	–	–	–	–	(1 673)	(1 673)	3 080	5 007	5 216
Zoo's, Marine, and Non-biological Animals	6	–	–	–	–	–	–	–	–	–	–	–
<b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>		817 892	–	–	–	–	–	(57 350)	(57 350)	760 543	833 496	846 116
Renewal and upgrading of Existing Assets as % of total capex		33.3%	0.0%							30.7%	29.0%	37.1%
Renewal and upgrading of Existing Assets as % of deprec		21.7%	0.0%							19.6%	19.9%	33.8%
R&M as a % of PPE		8.1%	0.0%							7.2%	8.4%	8.6%
Renewal and upgrading and R&M as a % of PPE		9.1%	0.0%							8.1%	9.4%	10.3%

**Table 19 MBRR Table B9 – Asset Management (cont)**

EXPENDITURE OTHER ITEMS											
<u>Depreciation &amp; asset impairment</u>	292 574	292 574	-	-	-	-	-	-	292 574	315 302	330 436
<u>Repairs and Maintenance by asset class</u>	<b>489 344</b>	<b>461 975</b>	-	-	-	-	<b>32 731</b>	<b>32 731</b>	<b>494 706</b>	<b>484 358</b>	<b>507 609</b>
Roads Infrastructure	117 198	112 324	-	-	-	-	-	-	112 324	117 828	123 484
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	180 438	155 783	-	-	-	-	15 063	15 063	170 846	163 416	171 260
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	97 776	85 786	-	-	-	-	8 649	8 649	94 435	89 989	94 309
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	395 412	353 893	-	-	-	-	23 712	23 712	377 605	371 234	389 053
Community Facilities	50 735	46 075	-	-	-	-	-	-	46 075	48 333	50 653
Sport and Recreation Facilities	11 034	10 623	-	-	-	-	-	-	10 623	11 143	11 678
Community Assets	61 769	56 698	-	-	-	-	-	-	56 698	59 476	62 331
Heritage Assets	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-
Operational Buildings	29 471	48 310	-	-	-	-	7 464	7 464	55 774	50 677	53 110
Housing	-	-	-	-	-	-	-	-	-	-	-
Other Assets	29 471	48 310	-	-	-	-	7 464	7 464	55 774	50 677	53 110
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-	-
Land	2 692	3 074	-	-	-	-	1 555	1 555	4 629	2 971	3 116
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>	<b>781 918</b>	<b>754 549</b>	-	-	-	-	<b>32 731</b>	<b>32 731</b>	<b>787 279</b>	<b>799 660</b>	<b>838 046</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	23,7%	22,2%							22,4%	30,4%	25,8%
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>	27,8%	20,0%							17,6%	21,3%	16,3%
<i>R&amp;M as a % of PPE</i>	7,7%	7,4%							7,9%	7,6%	8,0%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>	9,0%	8,3%							8,7%	8,7%	8,9%

# Table 20 MBRR Table B10 – Basic Service Delivery Measurement

GT481 Mogale City - Table B10 Basic service delivery measurement - 27 November												
Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>Household service targets</b>	1											
<b>Water:</b>												
Piped water inside dwelling		203								203	205	206
Piped water inside yard (but not in dwelling)												
Using public tap (at least min.service level)	2											
Other water supply (at least min.service level)												
Minimum Service Level and Above sub-total		203								203	205	206
Using public tap (< min.service level)	3	10								10	10	10
Other water supply (< min.service level)	3,4											
No water supply												
Below Minimum Service Level sub-total		10								10	10	10
<b>Total number of households</b>	5	213								213	215	216
<b>Sanitation/sewerage:</b>												
Flush toilet (connected to sewerage)		14 902								14 902	15 730	16 512
Flush toilet (with septic tank)												
Chemical toilet		17								17	17	17
Pit toilet (ventilated)												
Other toilet provisions (> min.service level)												
Minimum Service Level and Above sub-total		14 919								14 919	15 747	16 529
Bucket toilet												
Other toilet provisions (< min.service level)		10								10	10	10
No toilet provisions												
Below Minimum Service Level sub-total		10								10	10	10
<b>Total number of households</b>	5	14 928								14 928	15 757	16 539
<b>Energy:</b>												
Electricity (at least min. service level)		129								129	130	132
Electricity - prepaid (> min.service level)												
Minimum Service Level and Above sub-total		129								129	130	132
Electricity (< min.service level)		20								20	20	20
Electricity - prepaid (< min. service level)												
Other energy sources												
Below Minimum Service Level sub-total		20								20	20	20
<b>Total number of households</b>	5	149								149	150	152
<b>Refuse:</b>												
Removed at least once a week (min.service)		203								203	204	205
Minimum Service Level and Above sub-total		203								203	204	205
Removed less frequently than once a week												
Using communal refuse dump												
Using own refuse dump												
Other rubbish disposal		18								18	18	19
No rubbish disposal												
Below Minimum Service Level sub-total		18								18	18	19
<b>Total number of households</b>	5	221								221	222	224
<b>Households receiving Free Basic Service</b>	15											
Water (6 kilolitres per household per month)		9								9	9	9
Sanitation (free minimum level service)		9								9	9	9
Electricity/other energy (50kwh per household per month)								9	9	9	9	9
Refuse (removed at least once a week)		9								9	9	9
<b>Cost of Free Basic Services provided (R'000)</b>	16											
Water (6 kilolitres per indigent household per month)		719								719	756	793
Sanitation (free sanitation service to indigent households)		2 141								2 141	2 253	2 361
month)		14 816						(14 032)	(14 032)	784	825	864
Refuse (removed once a week for indigent households)		21 358						(623)	(623)	20 735	21 814	22 861
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>												
<b>Total cost of FBS provided</b>		39 034						(14 654)	(14 654)	24 380	25 647	26 878
<b>Highest level of free service provided</b>												
Property rates (R'000 value threshold)		50								50	50	50
Water (kilolitres per household per month)								6	6	6	6	6
Sanitation (kilolitres per household per month)								6	6	6	6	6
Sanitation (Rand per household per month)		13 913								13 913	14 831	15 810
Electricity (kw per household per month)								50	50	50	50	50
Refuse (average litres per week)								240	240	240	240	240
<b>Revenue cost of free services provided (R'000)</b>	17											
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)		15								15	15	15
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		342 912						63 439	63 439	406 352	360 715	378 029
Water (in excess of 6 kilolitres per indigent household per month)												
Sanitation (in excess of free sanitation service to indigent households)												
Electricity/other energy (in excess of 50 kwh per indigent household per month)												
Refuse (in excess of one removal a week for indigent households)												
Municipal Housing - rental rebates												
Housing - top structure subsidies	6											
Other												
<b>Total revenue cost of subsidised services provided</b>		342 927						63 439	63 439	406 367	360 730	378 044



# Mogale City

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P O BOX 94  
KRUGERSDORP  
1740

**MCLM: GT481**

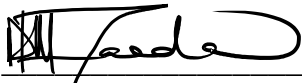
**Proposed Special Adjustment Budget 2020/21 MTREF**

Municipal Manager's quality certificate

I Pringle Maanda Raedani, Municipal Manager of Mogale City, hereby certify that the Proposed Special Adjustment Budget 2020/2021 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Proposed Special Adjustment Budget 2020/21 MTREF and supporting documents are consistent with the Integrated Development Plan of the Municipality.

**Print Name: Pringle Raedani**

**Municipal manager of Mogale City (GT481)**

Signature: 

Date: 23/11/2020