



MAKHADO MUNICIPALITY DRAFT ANNUAL BUDGET 2020/21- 2022/23

MTREF-2020-2023

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PART 1 – ANNUAL BUDGET

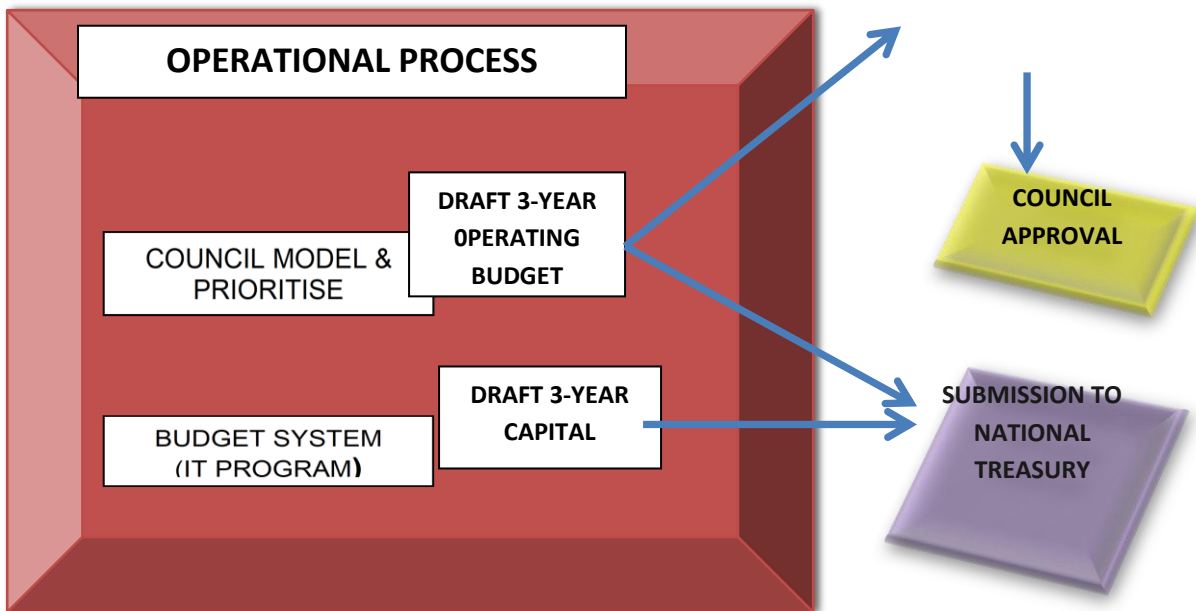
1.1. Mayor's Report

The mayor's report will be furnished after the Budget Speech.

1.2. Recommendations (administrative management)

1. THAT the Draft Capital and Operational Estimates for the 2020/2021 financial year as more fully recorded in **Annexure A** attached to the report in this regard be tabled and that the Accounting Officer proceeds with the publication of the Draft Annual Budget as purposed in section 22 of the Municipal Finance Management Act 56 of 2003
2. THAT the following 2020/2021 to 2022/2023 financial year's budget related policies be tabled as more fully set out in **Annexure B1 to B20** attached to the report in this regard-
3. Draft 2019/2020 tariff listing for municipal service be tabled as set out in Annexure C
4. THAT it be noted that the Draft 2019/2020 Estimates after tabling by the Council in terms of section 22 of the Municipal Finance Management Act, be submitted to National Treasury and the Provincial Treasury attached being the quality certificate approved by the accounting officer.

1.3. Executive summary and consultative process



1.3.1. Alignment with national, provincial and district priorities

The National, provincial and district priorities will be gathered during consultative process and be integrated in the IDP of both Makhado Local Municipality and Vhembe District Municipality.

1.3.2. Alignment with National and Provincial Government

Information sharing will take place between the municipality, provincial and national governments in order to ensure integration

1.3.3. Proposed tariff increments

Proposed tariff increase on other services are as follows:

SERVICE	2020/2021	2021/2022	2022/2023
Electricity	8.1%	5.20%	8.9%
Property rates	4.60%	4.60%	4.80%
Other services	4.60%	4.60%	4.80%
Sundry tariffs	4.60%	4.60%	4.80%

1.3.4. Situational Analysis

1.3.4.1. Demography

According to community survey 2016 conducted by Statistics South Africa the estimated total population of Makhado Local Municipality has decreased from 516 031 to 416 728 with about 225 059 registered voters.

Makhado Local Municipality comprises of 4 formal towns, which are: Makhado, Vleifontein, Waterval and Dzanani and lubvuvhu

The main administrative office is situated in Makhado town with three supporting regional administrative offices, which are situated in the following areas: Dzanani, and Waterval and lubvuvhu

Makhado Local Municipality has 38 ward councillors and 37 proportional councillors. There are 14 traditional leaders who are ex-officio members of the municipal council and 10 councillors who are members of the executive committee. The Municipality also has 38 established and fully functional ward committees.

Political Office Bearers and Municipal Manager	
Mayor	Cllr N MUNYAI
Speaker	Cllr Mogale LB
Chief Whip	Cllr MBOYI M D
Municipal Manager	Mr N F Tshivhengwa

1.4. Budget overview

The budget has been compiled on a three-year basis, which is a requirement of National Treasury, Standards of Generally Recognised Accounting Practices (GRAP) and MFMA. The budget process of compiling a three-year budget commenced in August 2019.

The Makhado Local Municipality was faced with various challenges during the compilation of the budget and reviewing of the IDP such as the formulation of measurable objectives for the different functions, the financial implications of the organisational structure, capital costs, input costs to deliver services and increasing maintenance costs.

According to National Treasury MFMA Circular No. 98 & 99 , it is submitted that the draft budget documentation must be tabled to council not later than 31st March (i.e. 90 days before the start of the budget year) and final budget to be adopted on or before the 31st of May.

- The projected overall spending envelope for the 2020/2021 MTREF amounts to R 923 964 million whereas, the operating revenue for the 2020/2021 MTREF amounts to R 961 793 million and R 258 506 million in the capital budget.
- The 2020/2021 MTREF has been prepared within the context of reducing expenditure due to the municipality's weighty cash constraints and taking into consideration the implications of the increasing global costs thus to ensure that the financial sustainability of the council is sustained.
- A strategic should also have a positive effect on increased collection rates and the continue implementing of revenue enhancement strategy.
- MFMA Circular No. 98 & 99 of the National Treasury provides some guidelines as to how municipalities may respond to the economic crisis in their budget preparations.
- Given the constraints on the revenue side, the municipality will expedite spending on capital projects that are funded by conditional grants but maintaining fiscal sustainability, the commitment to deliver quality services. Maintaining all assets at a level adequate to protect the capital investment and minimize future maintenance future maintenance and replacement costs.
- The municipality targeted at achieving an unqualified audit report in 2019/2020 and 2020/21, reflecting the drive towards financial management excellence in the region and increasing spending on conditional grants.
- The IDP review was prepared in alignment with budget and performance management plan objectives of the municipality, resulting in the development and approval of the Service Delivery and Budget Implementation Plan (SDBIP).

1.5. Overview of the alignment of annual budget with integrated development plan 2020-2023 and public consultation process:

- A three (3) year capital budget has been prepared and built on the IDP document to be tabled in Council in March 2020
- This budget compiled in line with the Municipal Budgeting and Reporting Regulation (MBRR) notice no. 31804 of 2009, which provides the comparative financial information over a systematic number of years.
- The extent of the indigent support granted by Council to indigent households within the Municipal area will be determined based on budgetary allocation for a particular financial year and the tariff charges.
- The key focal point of the municipality is ensuring that its budget complies with the following three criteria:

- ✓ **Sustainability** - to ensure that the municipality has sufficient revenue and adequate corporate and financial stability to fund and deliver on its budget.
- ✓ **Credibility** - to ensure that the municipality, with its ability and capacity to spend, deliver in terms of its budget.
- ✓ **Governance** - that the Municipality has appropriate capacity and stability to ensure the long-term sustainability of service delivery.

Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:

- ✓ Economic Development
- ✓ LED support and implementation
- ✓ Integrated Land Use Management System
- ✓ Implementation and monitoring of Performance Management System (PMS)
- ✓ Environmental Management
- ✓ Optimize tourism potential
- ✓ Rural Development
- ✓ Poverty alleviation, particularly in rural areas
- ✓ Service backlogs (water, sanitation, electricity, roads, storm water, solid waste, cleansing) needs to be addressed
- ✓ Upgrading, maintenance of roads and storm water, electricity, water, sewer and purification networks
- ✓ Improve access and linkages between towns, informal and rural settlements
- ✓ Public transportation should be improved. Bus and taxi ranks must be upgraded and the railway line should be better utilized. Improve solid waste management
- ✓ Broaden Revenue Base
- ✓ Implementation of the HIV/AIDS plan
- ✓ Crime prevention (Safety and Security)
- ✓ Construction of new and upgrading of existing educational facilities on all levels
- ✓ Development, however the lack of timely suitable engineering services have limited development at this point in time, however the municipality has embarked on the formulation of a development Strategic plan for accelerating infrastructure including development of a landfill site

Water supply

Vhembe District Municipality is the water service authority for Makhado Local Municipality.

To ensure sustainable governance practices within the Municipality, the following should be adhered to:

- Corporate governance practices (legal compliance)
- Business leadership / management (planning, structuring, culture, performance management, stakeholder relations management, communication)

- Resource management (people management, financial management, ICT management, asset management)

1.6. Overview of budget related policies

The municipality has various policies, which relate to budgeting and financial management in the municipality. These Financial policies comply with the MFMA and its promulgated regulations. The following budget related policies have been amended:

- Credit Control and Debt Collection Policy
- Debt write-off Policy
- Asset Management Policy
- Rates Policy
- Tariff Policy
- Travelling allowance
- Expenditure Management policy

1.7. Overview of budget funding

The operating expenditure budget for 2020/2021 amounts to **R 923 964 million** as compared to the previous revised budget of **R 909 331 million** in the 2019/2020 financial year.

1.7.1. Income

The operating income for 2020/2021 is budgeted at **R 961 793 million** which leaves a marginal operating surplus of **R 37 829 million** which after deduction of non-cash items such as **depreciation and impairment of assets amounting to R 137 089 million and R 51 136 million for debt impairment**

LIM344 Makhado - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source										
Property rates	58 979	60 193	73 343	70 363	79 417	79 417	79 417	83 070	86 891	91 062
Service charges - electricity revenue	273 348	285 494	333 647	373 218	342 879	342 879	342 879	370 652	389 926	424 630
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	8 822	9 235	11 359	9 824	11 100	11 100	11 100	11 611	12 145	12 728
Rental of facilities and equipment	368	769	835	346	253	253	253	361	379	397
Interest earned - external investments	9 729	9 339	6 061	54	6 401	6 401	6 401	6 695	7 003	7 340
Interest earned - outstanding debtors	12 089	15 960	19 777	20 345	20 674	20 674	20 674	22 690	24 902	27 329
Dividends received	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	6 659	5 819	7 742	1 848	2 672	2 672	2 672	2 795	2 923	3 064
Licences and permits	17 144	8 541	7 425	13 922	7 189	7 189	7 189	7 520	7 866	8 243
Agency services	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies	426 915	443 008	426 916	361 091	412 043	412 043	412 043	389 004	416 691	442 745
Other revenue	47 257	36 484	26 019	109 883	31 788	31 788	31 788	67 395	70 494	73 879
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	861 310	874 843	913 124	960 894	914 416	914 416	914 416	961 793	1 019 220	1 091 417
Expenditure By Type										
Employee related costs	230 313	249 835	255 157	284 371	262 015	262 015	262 015	287 567	306 258	326 166
Remuneration of councillors	23 076	25 306	26 316	28 554	28 554	28 554	28 554	30 410	32 386	34 491
Debt impairment	73 353	132 237	46 868	45 000	48 886	48 886	48 886	51 135	53 487	56 054
Depreciation & asset impairment	83 996	124 471	131 600	100 000	131 060	131 060	131 060	137 089	143 395	150 278
Finance charges	–	12 159	10 692	6 752	7 811	7 811	7 811	8 170	8 546	8 956
Bulk purchases	198 262	212 654	235 313	242 406	252 406	252 406	252 406	272 851	287 039	312 586
Other materials	12 724	–	–	38 935	28 029	28 029	28 029	29 318	30 667	32 139
Contracted services	194 789	189 091	138 187	68 183	64 713	64 713	64 713	67 690	70 804	74 202
Transfers and subsidies	–	–	–	–	–	–	–	–	–	–
Other expenditure	110 494	94 211	74 345	144 773	85 857	85 857	85 857	39 733	41 561	43 556
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Expenditure	927 008	1 039 964	918 478	958 974	909 331	909 331	909 331	923 964	974 144	1 038 429
Surplus/(Deficit)	(65 698)	(165 121)	(5 354)	1 920	5 085	5 085	5 085	37 829	45 076	52 988
(National / Provincial and District)	–	–	–	109 577	58 624	58 624	58 624	104 308	111 838	117 597
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public)	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
contributions	(65 698)	(165 121)	(5 354)	111 497	63 709	63 709	63 709	142 137	156 914	170 585
Taxation	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	(65 698)	(165 121)	(5 354)	111 497	63 709	63 709	63 709	142 137	156 914	170 585
Attributable to minorities	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(65 698)	(165 121)	(5 354)	111 497	63 709	63 709	63 709	142 137	156 914	170 585
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(65 698)	(165 121)	(5 354)	111 497	63 709	63 709	63 709	142 137	156 914	170 585

1.7.2. Expenditure

The projected electricity increases in tariffs will be capped currently at 8.10% increase.

Funding of the budget is mainly from the Equitable share allocation, MIG operating subsidy grant and partial own income.

The municipality is currently reviewing the budget related processes to support the implementation of the Service Delivery and Budget Implementation Plan.

Salaries increased from **R 262 015 million** for the 2019/2020 financial year's revised budget to an amount of **R 287 567 million** for the 2019/2018 financial year (excluding councilors). For councilors the budgeted expenditure increased from **R 28 554 to R 30 410 million** which is due to the fact that some critical vacancies will be filled in order to sustain service delivery and sustainable financial reporting. The total salary package of the Council amounts to 2.00 % of the Total Operating expenditure

R thousands	Adjusted Budget 2019/2020	Budget Year 2020/2021	Variance in cost increase /decrease
Employee costs	R 262 015	R 287 567	R 25 552
Remuneration of councilors	R 28 554	R 30 410	R 1 856
Depreciation & asset impairment	R 131 060	R 137 089	R 6 029
Finance charges	R 7 811	R 8 170	R 359
Materials and bulk purchases	R 252 406	R 272 851	R 20 455
Other expenditure	R 227 485	R 187 876	(R39 609)
Total Expenditure	R 909 331	R 923 964	R 14 633

Proposed tariff increase on other services are as follows:

SERVICES	2020/21	2021/2022	2022/2023
Electricity	8.10%	5,20%	8,90%
Property rates	4,60%	4 ,60%	4,80%
Other services	4,60%	4,60%	4,80%
Sundry tariffs	4,46%	4,46%	4,80%

1.8. Overview of budget assumptions

Introduction

This section of the budget report provide comprehensive summary of all the assumption used in the budget proposal. Budgets are prepared in an environment of uncertainty and assumptions need to be made about both internal and external factors that could affect the budget during the course of the financial year.

National Treasury MFMA Circular 98 & 99 estimate inflation rate of 4.60% in 2020/2021 respectively. Inflation rate is expected to come within the targeted range of 4.60 % in 2021 - 2023

Price increases on various items on the budget were assumed as follows:

- Price movements on **bulk purchases**: Based on the application response awaiting from NERSA for the proposed electricity tariff increase of 8.10% also in line with the National Treasury guidance
- **Employee costs**: Was increased by 6.50%, which is also guided by National Treasury MFMA Circular 99 general employee costs increased.

- **Overtime and leave payment:** It was assumed that leave would be paid only on termination due to resignation or death. It was assumed that the municipality will not purchase any leave in cash during the year.
- **Depreciation & debt impairment Expenses:** Depreciation expense reduced provisionally however during adjustment after the assessment has being done it will be increased to avoid unauthorized expenditure.
- **Collection rate:** collection rate of 90% was assumed during 2020/21 budget period. This was based on the current collection rate..

PART 2 – ANNUAL BUDGET TABLES

2.1. Capital budget

The capital required for 2020/2021 amounts to **R 258 506 million** of which **R 154 198 million** should be funded out of internally generated income.

Many of the capital projects required by the Managers were reduced due to a lack of funds and the increasing maintenance costs and fund availability in the light of the municipality's financial constraints.

The composition of the Capital Budget is made up as follows:

FUNDING SOURCE	2020/2021 R'000	2021/2022 R'000	2022/2023 R'000
INCOME	R 154 198	R 159 622	R 166 941
MIG	R 88 968	R 96 838	R 102 597
INEP	R 15 340	R 15 000	R 15 000
TOTAL	R 258 506	R 271 460	R 284 538

The growth in the expenditure budget is mainly attributed to:

- Increased spending to address maintenance backlogs in infrastructure
- Increased spending on employee related costs

- Increased spending attributable to bulk purchasing costs for electricity
- On-going issues requiring monitoring and evaluation, consequently, they should carefully be monitored and evaluated:
- Maintenance backlogs in respect of Council's assets – adequacy of budgetary provisions
- Maintenance of current collection rates
- Effectiveness of debt collection

2.1.1. Funding source for the Capital Budget:

Confirmed to date Capital Budget is funded largely from government grants, mainly from MIG and INEP, which amounts to R 88 968 million, and **R 15 340 million** respectively in 2020/21. The own funded projects is proposed to be funded from own funding to the value of **R 154 198 million**.

2.1.2 The following is the summary of grants allocations as per provisional DORA gazette

MUNICIPAL GRANTS FOR 2020/2021			
Description	Grants in 2020/2021 R '000	Grants in 2021/22 R '000	Grants in 2022/23 R '000
EQUITABLE SHARE	R 385 034	R 414 791	R 440 745
MIG	R 88 968	R 96 538	R 102 597
FMG	R 1 700	R 1 900	R 2 000
EPWP	R 2 270		
INEP	R 15 340	R 15 000	R 15 000
TOTAL	R 493 312	R 528 529	R 560 342

2.2. CASH FLOW PROJECTION

- Makhado Local Municipality projected to start the financial year with positive balance cash / cash equivalents and project an average collection rate for the coming financial year of 84-92%. Based on these assumptions the projected income for the year will exceed the projected expenditure.
- It is therefore important that the impact of increased expenditures for each service delivery area be carefully considered within the next budget cycle to ensure that each service remains financially sustainable over the medium term with the least impact on the communities.
- The average collection rate for main tariffs for the current financial year to date is 89%

LIM344 Makhado - Table A7 Budgeted Cash Flows										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	60 272	43 021	49 376	51 943	53 846	53 846	53 846	56 322	58 913	61 740
Service charges	261 706	233 253	334 168	356 920	312 247	312 247	312 247	337 185	354 654	385 765
Other revenue	98 534	57 501	52 598	51 861	57 150	57 150	57 150	85 326	88 818	92 640
Government - operating	307 005	311 919	322 812	412 043	412 043	412 043	412 043	389 004	416 691	442 745
Government - capital	81 257	131 179	104 677	58 625	58 625	58 625	58 625	104 308	111 838	117 597
Interest	5 379	6 470	12 415	13 483	13 483	13 483	13 483	14 103	14 752	15 460
Total Revenue	814 153	783 344	876 047	944 875	907 394	907 394	907 394	986 248	1 045 666	1 115 947
Payments										
Suppliers and employees	(747 723)	(740 813)	(637 062)	(731 723)	(721 574)	(721 574)	(721 574)	(718 605)	(759 339)	(813 314)
Finance charges	(12 724)	(606)	(67)	(6 752)	(100)	(100)	(100)	(105)	(109)	(114)
Total Expenditure	(760 447)	(741 419)	(637 130)	(738 475)	(721 674)	(721 674)	(721 674)	(718 710)	(759 448)	(813 428)
NET CASH FROM/(USED) OPERATING ACTIVITIES	53 706	41 925	238 917	206 400	185 720	185 720	185 720	267 538	286 218	302 519

CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE					3 500	3 500	3 500	4 000	5 000	6 000
Decrease (Increase) in non-current debtors								-	-	-
Decrease (increase) other non-current receivables								-	-	-
Decrease (increase) in non-current investments								-	-	-
Payments										
Capital assets	(192 403)	(119 684)	(162 033)	(203 378)	(179 015)	(179 015)	(179 015)	(258 506)	(271 460)	(284 538)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(192 403)	(119 684)	(162 033)	(203 378)	(175 515)	(175 515)	(175 515)	(254 506)	(266 460)	(278 538)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-	-	-
Borrowing long term/refinancing	(1 540)	(1 677)						-	-	-
Increase (decrease) in consumer deposits	(3 744)	(4 866)	(4 076)					-	-	-
Payments										
Repayment of borrowing								-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	(5 285)	(6 543)	(4 076)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	(143 981)	(84 302)	72 808	3 022	10 205	10 205	10 205	13 032	19 759	23 981
Cash/cash equivalents at the year begin:	247 311	103 329	19 027	91 835	91 835	91 835	91 835	102 040	115 072	134 831
Cash/cash equivalents at the year end:	103 330	19 027	91 835	94 857	102 040	102 040	102 040	115 072	134 831	158 812

2.3. Budget process and key stakeholder relations

August	<ul style="list-style-type: none"> The Mayor tables at Council for approval the IDP and Budget Process Plan in terms of Section 21 of the Municipal Systems Act and Section 34 of the Municipal Finance Management Act.
September	<ul style="list-style-type: none"> Distribution of the Council approved IDP and Budget Process Plan to all relevant stakeholders. Strategic Planning Session to review the current strategic plan of the Municipality, review of past service delivery performance and determine future multiyear political priorities, KPAs, KPIs and Programmes.
October	<ul style="list-style-type: none"> The Budget Office prepares an initial Medium Term Financial Forecast (MTFF) and indicates the likely level of resources to be available. Public Consultation Process with the community, and other key stakeholders on service delivery performance for the prior year and current year-to-date. Share information on the political priorities and Programmes planned for the year/s ahead. Confirmation of ward based priority needs for the year/s ahead.
November	<ul style="list-style-type: none"> Compile report on the needs for the year/s ahead obtained from the community and other key stakeholders. Prioritization process of community needs and projects
December-January	<ul style="list-style-type: none"> Second Strategic IDP/Budget Workshops for Mayoral Committee members and Senior Management Team: outcomes <ul style="list-style-type: none"> ✓ IDP proposals and Budget alignment ✓ Agreement of any changes the Mayor should propose to the IDP for 2019/20. Finalize the review of the Municipal Situational Analysis Chapter (Chapter 2) of the IDP. Senior Management start reviewing the stage one IDP/Budget/SDBIP process input forms (IDP changes, capital project proposals, and operational budget growth requests).

January	<p>The Mayor tables at Council:</p> <ul style="list-style-type: none"> • the 2019/20 mid-year performance and budget assessment reports • Review of the draft mid-year performance and budget monitoring reports. • The 2018/19 Annual Report
February	<ul style="list-style-type: none"> • Agreement of the 2019/20 Adjustments Budget Report to be tabled at Council • Executive Management Team meets to: <ul style="list-style-type: none"> ✓ prepare for Strategic IDP/Budget/SDBIP Workshop ✓ discuss the draft 2020/2021 IDP inputs ✓ discuss the 2020/2021 budget proposals
March	<p>Third Strategic IDP/Budget Workshop for Mayoral Committee members and Senior Management Team: outcomes</p> <ul style="list-style-type: none"> • Agreement of the proposed changes to be made to the IDP to be included in the March Council Report. • Agreement of the 2018/19 budget proposals to be included in the March Council Budget Report. <p>The IDP, Budget Report, and draft SDBIP tabled at all relevant Portfolio Committees and Mayoral Committee prior to tabling at Council.</p> <p>The Executive Mayor tables the Municipality's Draft 2020/21 Budget Report and IDP at Council.</p>
April and May	<p>Statutory public participation process undertaken on the tabled Draft IDP and Budget for 2020/21. Council obtains the views of the local community, National Treasury, Provincial Treasury, other district, provincial and national organs of state and municipalities.</p> <p>Finalization of 201/2020 budget and IDP</p> <p>The IDP, Budget Report, and draft SDBIP tabled at all relevant Portfolio Committees and Mayoral Committee prior to tabling at Council.</p> <p>The Executive Mayor tables the Municipality's 2020/21 Budget Report, IDP, and draft SDBIP at Council for final approval on 31 May 2020</p>

June	<p>The IDP and Budget Reports are placed on the municipality's website and sent to National and Provincial Treasury.</p> <p>The Executive Mayor must review and approve the 2020/2021 SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with section 57(2) of the Municipal Systems Act. The Executive Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The Executive Mayor submits the approved 2020/2021 SDBIP and performance agreements to Council, MEC for local government, and makes it public within 14 days after approval.</p>
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Special Council Meeting; Executive Mayor tables budget (pre-community consultation) to Council:

- Draft Budget Made available on the municipality's website, municipal offices and notice placed in all major newspapers informing members of the public about the draft budget and inviting written submissions/representations.
- Budget discussions Ward committees/Stakeholders.
- Community consultation to present and discuss the draft budget proposals
- and receive inputs/ submissions/comment
- Closing of Public and internal Submissions to close on end of Mid - April 2020.
- Special Council Meeting Mayor delivers budget speech and submits final budget to Council for consideration and approval.

Process to record and integrate inputs from the community

- After consideration of all budget submissions, the Executive Mayor will be given the opportunity to respond, if necessary revise the budget and table amendments for consideration.
- To ensure that all community inputs are recorded and integrated, throughout the consultation period, a system were initiated to ensure that:
- All written submissions were required to be directed to the main municipal offices for further reprocessing department, who would maintain a record of lodgments and direct submissions to the appropriate department for comment and recommendation.
- All verbal questions at community consultation meetings would be recorded, together with the answer provided at the meeting or referred an appropriate representative to the appropriate department for comment and recommendation.
- Where possible, the submissions and presentations received during the community consultation process and additional information regarding revenue and expenditure will be addressed before tabling of the final budget.

2.4. Recommendations (administrative management)

- 2.4.1. THAT the draft Capital and Operational Estimates for the 2020/2021 financial year as more fully recorded in **Annexure A** attached to the report in this regard be tabled to council and that the Accounting Officer proceeds with the publication of the final Annual Budget as purposed in section 22 of the Local Government: Municipal Finance Management Act, No 56 of 2003, and the Regulations promulgated in terms thereof.
- 2.4.2. THAT the following 2020/2021 budget related policies be tabled to council as more fully set out in **Annexures 1 to Annexure 20** attached to the report in this regard:

Policies

- 2.4.1. Virement Policy
 - 2.4.2. Credit Control and Debt Collection Policy
 - 2.4.3. Tariff policy free basic services/indigent policy
 - 2.4.4. Borrowing policy
 - 2.4.5. Expenditure Management Policy
 - 2.4.6. Funding and Reserves Policy
 - 2.4.7. Budget Policy
 - 2.4.8. Framework for cash flow management
 - 2.4.9. Asset management policy
 - 2.4.10. Subsidy for indigent household policy
 - 2.4.11. Uniform Credit Control Policy
 - 2.4.12. Debt written off policy
 - 2.4.13. Supply Chain Management Policy
 - 2.4.14. Revenue Management Policy
 - 2.4.15. Travel and Subsistence Policy
 - 2.4.16. Acquisition and use of Cellular phones Policy
 - 2.4.17. Petty cash policy
 - 2.4.18. Car allowance policy
 - 2.4.19. Tariff Policy
 - 2.4.20. Customer Care Policy
- 2.4.3. THAT note be taken of any amendments to the contents of the budget related policies.
- 2.4.4. THAT it be noted that the 2020/2021 Estimates will after tabling to the Council in terms of section 22 of the Municipal Finance Management Act, be submitted to National Treasury and the Provincial Treasury.
- 2.4.5. Draft 2020/2021 tariff listing for municipal service be tabled to council as attached in **Annexure C**

PART 3 – ANNUAL BUDGET TABLES

C1	CAPEX detailed breakdown of projects listing Annexure	
A1	Budget Summary	
A4	Budgeted Financial Performance (revenue and expenditure)	
A6	Budgeted Financial Position	
SA 30	Budgeted Cash Flows	
A7	Budgeted Cash Flows	

LIM344 Makhado - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance										
Property rates	58 979	60 193	73 343	70 363	79 417	79 417	79 417	83 070	86 891	91 062
Service charges	282 170	294 729	345 006	383 042	353 979	353 979	353 979	382 263	402 071	437 358
Investment revenue	9 729	9 339	6 061	54	6 401	6 401	6 401	6 695	7 003	7 340
Transfers recognised - operational	426 915	443 008	426 916	361 091	412 043	412 043	412 043	389 004	416 691	442 745
Other own revenue	83 517	67 575	61 798	146 344	62 576	62 576	62 576	100 761	106 564	112 912
Total Revenue (excluding capital transfers and contributions)	861 310	874 843	913 124	960 894	914 416	914 416	914 416	961 793	1 019 220	1 091 417
Employee costs	230 313	249 835	255 157	284 371	262 015	262 015	262 015	287 567	306 258	326 166
Remuneration of councillors	23 076	25 306	26 316	28 554	28 554	28 554	28 554	30 410	32 386	34 491
Depreciation & asset impairment	83 996	124 471	131 600	100 000	131 060	131 060	131 060	137 089	143 395	150 278
Finance charges	–	12 159	10 692	6 752	7 811	7 811	7 811	8 170	8 546	8 956
Materials and bulk purchases	210 986	212 654	235 313	281 341	280 435	280 435	280 435	302 169	317 706	344 725
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	378 636	415 539	259 400	257 956	199 456	199 456	199 456	158 558	165 852	173 813
Total Expenditure	927 008	1 039 964	918 478	958 974	909 331	909 331	909 331	923 964	974 144	1 038 429

Surplus/(Deficit)	(65 698)	(165 121)	(5 354)	1 920	5 085	5 085	5 085	37 829	45 076	52 988
Transfers and subsidies - capital (monetary allocations) (—	—	—	109 577	58 624	58 624	58 624	104 308	111 838	117 597
Contributions recognised - capital & contributed assets	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(65 698)	(165 121)	(5 354)	111 497	63 709	63 709	63 709	142 137	156 914	170 585
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	(65 698)	(165 121)	(5 354)	111 497	63 709	63 709	63 709	142 137	156 914	170 585
Capital expenditure & funds sources										
Capital expenditure	122 678	143 760	163 488	203 378	179 015	179 015	179 015	258 506	271 460	284 538
Transfers recognised - capital	85 965	96 570	104 645	68 625	58 625	58 625	58 625	104 308	111 838	117 597
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	36 713	47 190	58 843	134 753	120 390	120 390	120 390	154 198	159 622	166 941
Total sources of capital funds	122 678	143 760	163 488	203 378	179 015	179 015	179 015	258 506	271 460	284 538
Financial position										
Total current assets	316 517	213 075	291 665	439 985	363 149	363 149	363 149	351 228	370 543	385 078
Total non current assets	1 682 885	1 657 437	1 599 266	2 422 157	1 592 008	1 589 361	1 589 942	1 849 133	2 121 455	2 406 504
Total current liabilities	185 675	200 452	237 602	20 000	101 373	101 373	101 373	93 817	86 469	84 147
Total non current liabilities	118 594	108 481	106 456	64	106 273	106 273	106 273	111 586	118 282	121 789
Community wealth/Equity	1 698 330	1 565 256	1 547 613	2 839 690	1 745 445	1 745 445	1 745 445	2 754 981	2 903 563	3 062 024
Cash flows										
Net cash from (used) operating	53 706	41 925	238 917	206 400	185 720	185 720	185 720	267 538	286 218	302 519
Net cash from (used) investing	(192 403)	(119 684)	(162 033)	(203 378)	(175 515)	(175 515)	(175 515)	(254 506)	(266 460)	(278 538)
Net cash from (used) financing	(5 285)	(6 543)	(4 076)	—	—	—	—	—	—	—
Cash/cash equivalents at the year end	103 330	19 027	91 835	94 857	102 040	102 040	102 040	115 072	134 831	158 812
Cash backing/surplus reconciliation										
Cash and investments available	103 329	19 027	91 835	131 541	102 040	102 040	102 040	66 651	70 256	73 999
Application of cash and investments	67 775	109 580	135 214	(120 629)	(46 595)	(46 595)	(46 595)	(67 022)	(82 130)	(92 462)
Balance - surplus (shortfall)	35 554	(90 553)	(43 379)	252 170	148 635	148 635	148 635	133 673	152 386	166 461
Asset management										
Asset register summary (WDV)	1 667 685	1 640 641	1 579 722	2 386 979	1 574 367	1 574 367	1 574 367	1 832 873	2 104 332	2 388 869
Depreciation	83 996	124 471	131 600	100 000	131 060	131 060	131 060	131 060	137 089	143 395
Renewal and Upgrading of Existing Assets	122 678	143 760	163 488	203 378	179 015	179 015	179 015	258 506	271 460	284 538
Repairs and Maintenance	27 890	34 761	22 787	20 073	37 253	37 253	37 253	38 935	41 037	43 254
Free services										
Cost of Free Basic Services provided	1 279	1 810	2 449	3 998	3 998	3 998	3 998	4 205	4 433	4 433
Revenue cost of free services provided	6 470	7 689	8 215	10 179	10 179	10 179	10 179	10 724	11 303	11 846
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	2 190	2 441	1 809	4 413	4 413	4 413	4 413	4 545	4 657	4 701
Refuse:	49	49	49	49	49	49	49	49	49	49

LIM344 Makhado - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Receipts By Source													1		
Property rates	5 864	5 250	2 670	5 552	5 924		5 441	5 987	5 908	5 900	6 071	1 755	56 322	58 913	61 740
Service charges - electricity revenue	28 937	20 007	28 745	29 461	29 740	28 945	27 987	30 001	32 000	31 000	29 001	10 768	326 592	343 574	374 153
Service charges - water revenue												-	-	-	-
Service charges - sanitation revenue												-	-	-	-
Service charges - refuse revenue	970	890	852	870	819	822	801	825	817	701	600	1 625	10 593	11 080	11 612
Rental of facilities and equipment	26	24	26	20	26	28	25	25	29	29	35	40	332	349	365
Interest earned - external investments	7	4	2	5	8	2	5	3	2	1	2	6 117	6 159	6 443	6 753
Interest earned - outstanding debtors	570	490	252	870	819	822	801	825				2 494	7 944	8 309	8 707
Dividends received												-	-	-	-
Fines, penalties and forfeits	120	132	127	220	199	107	110	170	158	167	180	881	2 571	2 689	2 819
Licences and permits	456	234	160	157	450	650	340	1 021	1 160	669	1 152	469	6 918	7 236	7 583
Agency services												-	-	-	-
Transfer receipts - operational	120 365	-	-	-	-	120 363	-	-	148 276	-	-	-	389 004	416 691	442 745
Other revenue	5 369	5 523	5 437	4 578	5 123	5 237	5 522	5 699	5 001	5 500	5 784	16 732	75 505	78 544	81 873
Cash Receipts by Source	162 684	32 555	38 271	41 733	43 108	156 976	41 032	44 556	193 351	43 967	42 825	40 883	881 940	933 828	998 350

Other Cash Flows by Source															
Transfer receipts - capital	39 080				29 090				36 138			0	104 308	111 838	117 597
Proceeds on disposal of PPE												4 000	4 000	5 000	6 000
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits												-			
Decrease (Increase) in non-current debtors												-			
Decrease (increase) other non-current receivables												-			
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	201 764	32 555	38 271	41 733	72 198	156 976	41 032	44 556	229 489	43 967	42 825	44 883	990 248	1 050 666	1 121 947
Cash Payments by Type															
Employee related costs	22 000	23 697	21 300	22 745	21 745	32 000	22 332	21 854	22 674	24 000	23 300	29 920	287 567	306 258	326 166
Remuneration of councillors	2 379	2 379	2 379	2 379	2 379	2 379	2 379	2 379	2 141	2 379	2 379	4 479	30 410	32 386	34 491
Finance charges	8	8	8	8	8	8	8	8	8	8	8	17	105	109	114
Bulk purchases - Electricity	27 890	27 890	19 851	19 851	19 851	19 851	19 851	19 851	19 851	19 851	19 851	38 412	272 851	287 039	312 586
Bulk purchases - Water & Sewer												-			
Other materials	2 443	2 443	2 443	2 443	2 443	2 443	2 443	2 443	2 443	2 443	2 443		29 318	30 667	32 139
Contracted services	8 974	8 745	7 815	6 570	5 800	4 840	6 541	5 640	4 800	2 700	2 781	2 484	67 690	70 804	74 202
Transfers and grants - other municipalities												-			
Transfers and grants - other												-			
Other expenditure	2 564	2 564	2 564	2 564	2 564	2 564	2 564	2 564	2 564	2 564	2 564	2 565	30 769	32 184	33 729
Cash Payments by Type	66 258	67 726	56 360	56 560	54 790	64 085	56 118	54 739	54 481	53 945	53 326	80 322	718 710	759 448	813 428
Other Cash Flows/Payments by Type															
Capital assets	21 542	21 542	21 542	21 542	21 542	21 542	21 542	21 542	21 542	21 542	21 542	21 544	258 506	271 460	284 538
Repayment of borrowing												-			
Other Cash Flows/Payments												-			
Total Cash Payments by Type	87 800	89 268	77 902	78 102	76 332	85 627	77 660	76 281	76 023	75 487	74 868	101 866	977 216	1 030 907	1 097 966
NET INCREASE/(DECREASE) IN CASH HELD	113 964	(56 713)	(39 631)	(36 369)	(4 134)	71 349	(36 628)	(31 725)	153 466	(31 520)	(32 043)	(56 984)	13 032	19 759	23 981
Cash/cash equivalents at the month/year beginning	102 040	216 004	159 291	119 660	83 291	79 156	150 506	113 878	82 153	235 619	204 099	172 056	102 040	115 072	134 831
Cash/cash equivalents at the month/year end	216 004	159 291	119 660	83 291	79 156	150 506	113 878	82 153	235 619	204 099	172 056	115 072	115 072	134 831	158 812

LIM344 Makhado - Table A7 Budgeted Cash Flows										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	60 272	43 021	49 376	51 943	53 846	53 846	53 846	56 322	58 913	61 740
Service charges	261 706	233 253	334 168	356 920	312 247	312 247	312 247	337 185	354 654	385 765
Other revenue	98 534	57 501	52 598	51 861	57 150	57 150	57 150	85 326	88 818	92 640
Government - operating	307 005	311 919	322 812	412 043	412 043	412 043	412 043	389 004	416 691	442 745
Government - capital	81 257	131 179	104 677	58 625	58 625	58 625	58 625	104 308	111 838	117 597
Interest	5 379	6 470	12 415	13 483	13 483	13 483	13 483	14 103	14 752	15 460
Dividends								–	–	–
Payments										
Suppliers and employees	(747 723)	(740 813)	(637 062)	(731 723)	(721 574)	(721 574)	(721 574)	(718 605)	(759 339)	(813 314)
Finance charges	(12 724)	(606)	(67)	(6 752)	(100)	(100)	(100)	(105)	(109)	(114)
Transfers and Grants								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	53 706	41 925	238 917	206 400	185 720	185 720	185 720	267 538	286 218	302 519
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE					3 500	3 500	3 500	4 000	5 000	6 000
Decrease (Increase) in non-current debtors								–	–	–
Decrease (increase) other non-current receivables								–	–	–
Decrease (increase) in non-current investments								–	–	–
Payments										
Capital assets	(192 403)	(119 684)	(162 033)	(203 378)	(179 015)	(179 015)	(179 015)	(258 506)	(271 460)	(284 538)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(192 403)	(119 684)	(162 033)	(203 378)	(175 515)	(175 515)	(175 515)	(254 506)	(266 460)	(278 538)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–	–	–
Borrowing long term/refinancing	(1 540)	(1 677)						–	–	–
Increase (decrease) in consumer deposits	(3 744)	(4 866)	(4 076)					–	–	–
Payments										
Repayment of borrowing								–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	(5 285)	(6 543)	(4 076)	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	(143 981)	(84 302)	72 808	3 022	10 205	10 205	10 205	13 032	19 759	23 981
Cash/cash equivalents at the year begin:	247 311	103 329	19 027	91 835	91 835	91 835	91 835	102 040	115 072	134 831
Cash/cash equivalents at the year end:	103 330	19 027	91 835	94 857	102 040	102 040	102 040	115 072	134 831	158 812

LIM344 Makhado - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source										
Property rates	58 979	60 193	73 343	70 363	79 417	79 417	79 417	83 070	86 891	91 062
Service charges - electricity revenue	273 348	285 494	333 647	373 218	342 879	342 879	342 879	370 652	389 926	424 630
Service charges - water revenue	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue	8 822	9 235	11 359	9 824	11 100	11 100	11 100	11 611	12 145	12 728
Rental of facilities and equipment	368	769	835	346	253	253	253	361	379	397
Interest earned - external investments	9 729	9 339	6 061	54	6 401	6 401	6 401	6 695	7 003	7 340
Interest earned - outstanding debtors	12 089	15 960	19 777	20 345	20 674	20 674	20 674	22 690	24 902	27 329
Dividends received	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits	6 659	5 819	7 742	1 848	2 672	2 672	2 672	2 795	2 923	3 064
Licences and permits	17 144	8 541	7 425	13 922	7 189	7 189	7 189	7 520	7 866	8 243
Agency services	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies	426 915	443 008	426 916	361 091	412 043	412 043	412 043	389 004	416 691	442 745
Other revenue	47 257	36 484	26 019	109 883	31 788	31 788	31 788	67 395	70 494	73 879
Gains on disposal of PPE	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)	861 310	874 843	913 124	960 894	914 416	914 416	914 416	961 793	1 019 220	1 091 417
Expenditure By Type										
Employee related costs	230 313	249 835	255 157	284 371	262 015	262 015	262 015	287 567	306 258	326 166
Remuneration of councillors	23 076	25 306	26 316	28 554	28 554	28 554	28 554	30 410	32 386	34 491
Debt impairment	73 353	132 237	46 868	45 000	48 886	48 886	48 886	51 135	53 487	56 054
Depreciation & asset impairment	83 996	124 471	131 600	100 000	131 060	131 060	131 060	137 089	143 395	150 278
Finance charges	—	12 159	10 692	6 752	7 811	7 811	7 811	8 170	8 546	8 956
Bulk purchases	198 262	212 654	235 313	242 406	252 406	252 406	252 406	272 851	287 039	312 586
Other materials	12 724	—	—	38 935	28 029	28 029	28 029	29 318	30 667	32 139
Contracted services	194 789	189 091	138 187	68 183	64 713	64 713	64 713	67 690	70 804	74 202
Transfers and subsidies	—	—	—	—	—	—	—	—	—	—
Other expenditure	110 494	94 211	74 345	144 773	85 857	85 857	85 857	39 733	41 561	43 556
Loss on disposal of PPE	—	—	—	—	—	—	—	—	—	—
Total Expenditure	927 008	1 039 964	918 478	958 974	909 331	909 331	909 331	923 964	974 144	1 038 429
Surplus/(Deficit)	(65 698)	(165 121)	(5 354)	1 920	5 085	5 085	5 085	37 829	45 076	52 988
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	—	—	—	109 577	58 624	58 624	58 624	104 308	111 838	117 597
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(65 698)	(165 121)	(5 354)	111 497	63 709	63 709	63 709	142 137	156 914	170 585
Taxation	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation	(65 698)	(165 121)	(5 354)	111 497	63 709	63 709	63 709	142 137	156 914	170 585
Attributable to minorities	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality	(65 698)	(165 121)	(5 354)	111 497	63 709	63 709	63 709	142 137	156 914	170 585
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	(65 698)	(165 121)	(5 354)	111 497	63 709	63 709	63 709	142 137	156 914	170 585

LIM344 Makhado - Table A6 Budgeted Financial Position

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS										
Current assets										
Cash	103 329	19 027	91 835	65 720	101 153	101 153	101 153	65 720	69 269	73 009
Call investment deposits	–	–	–	65 821	887	887	887	931	987	990
Consumer debtors	61 014	74 982	80 408	65 890	33 573	33 573	33 573	35 252	37 367	38 365
Other debtors	34 530	600	122	117 175	104 000	104 000	104 000	117 175	123 502	130 295
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–	–
Inventory	117 643	118 466	119 300	125 379	123 537	123 537	123 537	132 150	139 418	142 419
Total current assets	316 517	213 075	291 665	439 985	363 149	363 149	363 149	351 228	370 543	385 078
Non current assets										
Long-term receivables	–	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–	–
Investment property	15 200	16 797	16 347	31 500	13 704	13 704	13 704	14 389	15 253	16 345
Investment in Associate	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	1 667 685	1 640 641	1 579 722	2 386 979	1 574 367	1 574 367	1 574 367	1 832 873	2 104 332	2 388 869
Biological	–	–	–	–	–	–	–	–	–	–
Intangible	1 036	1 517	1 777	1 290	1 871	1 871	1 871	1 290	1 360	1 435
Other non-current assets	2 160	2 160	2 160	–	–	–	–	–	–	–
Total non current assets	1 682 885	1 657 437	1 599 266	2 422 157	1 592 008	1 589 361	1 589 942	1 849 133	2 121 455	2 406 504
TOTAL ASSETS	1 999 402	1 870 512	1 890 931	2 862 142	1 955 157	1 952 511	1 953 091	2 200 361	2 491 998	2 791 582
LIABILITIES										
Current liabilities										
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Borrowing	1 677	–	–	–	–	–	–	–	–	–
Consumer deposits	–	–	–	–	–	–	–	–	–	–
Trade and other payables	183 998	200 452	237 602	20 000	101 373	101 373	101 373	93 817	86 469	84 147
Provisions	–	–	–	–	–	–	–	–	–	–
Total current liabilities	185 675	200 452	237 602	20 000	101 373	101 373	101 373	93 817	86 469	84 147
Non current liabilities										
Borrowing	2 583	697	183	–	–	–	–	–	–	–
Provisions	116 012	107 785	106 273	64	106 273	106 273	106 273	111 586	118 282	121 789
Total non current liabilities	118 594	108 481	106 456	64	106 273	106 273	106 273	111 586	118 282	121 789
TOTAL LIABILITIES	304 269	308 933	344 058	20 064	207 646	207 646	207 646	205 403	204 751	205 936
NET ASSETS	1 695 133	1 561 578	1 546 873	2 842 078	1 747 511	1 744 865	1 745 445	1 994 957	2 287 248	2 585 646
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	1 698 330	1 565 256	1 547 613	2 839 690	1 745 445	1 745 445	1 745 445	2 754 981	2 903 563	3 062 024
Reserves	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	1 698 330	1 565 256	1 547 613	2 839 690	1 745 445	1 745 445	1 745 445	2 754 981	2 903 563	3 062 024

