

THEMBISILE HANI LOCAL MUNICIPALITY



ANNUAL BUDGET 2021/2022



**MEMORANDUM
CORPORATE SUPPORT SERVICES**

TO : CHIEF FINANCIAL OFFICER
FROM : MUNICIPAL MANAGER
SUBJECT : IMPLEMENTATION OF COUNCIL RESOLUTIONS
DATE : 31/05/2021

At its Ordinary Council meeting held on the 31st May 2021, council resolved among others the following:

**TH-NDC 158/05/2021 ANNUAL BUDGET REPORT FOR 2021/22 & 2023/24
FINANCIAL YEARS**

RESOLVED

1. **THAT** the annual budget of the municipality for the financial year 2021/2022; and indicative for the two projected outer years 2022/23 and 2023/24 as outline **ANNEXURE "O" 581-640** be approved:
2. **THAT** the Tariff structure for 2021/22 financial year as attached in Annexure "R" pages 352 to 655 be approved.
3. **THAT** following policies relating to budget as attached in Annexure "S" be approved:
 - o Tariff Policy
 - o Investment Policy
 - o Cash Management Policy
 - o Credit Control and Collection Policy
 - o Property Rates Policy
 - o Revenue Enhancement Strategy and Debt Collection Plan
 - o Indigent Subsidy and Free Basic Services Provision Policy
 - o Budget Policy
 - o Virement Policy
 - o Supply Chain Management Policy
 - o Asset Management Policy
 - o Travelling and Subsistence allowance Policy
 - o Unauthorised Irregular or fruitless and wasteful Expenditure Policy and Procedures
 - o Petty Cash Policy

4. THAT the following by-laws: Tariff by-law; Indigent by-law; Debt Collection and credit Control by-law; Property Rates by-law as approved by council under resolution no TH-NDC 106/03/2021 are still valid for 2021/2022 financial year.
5. THAT the recommendations of the PT based on the municipal Annual Budget of 2021/22 Financial Year attached hereto as ANNEXURE "P" pages 641 to 644 be noted
6. THAT the Uniform Financial Ratios and Norms for 2019/20 Financial Year be noted
7. THAT the Accounting Officer be authorized to submit the approved annual budget to the National Treasury and the relevant provincial treasury.
8. THAT circular No: 108 issued by National Treasury as a guideline for the preparation of annual budget for 2021/22 – 2023/24 Financial Year be noted

Hope that you find the above in order

ON NKOSI
MUNICIPAL MANAGER

REPORT OF THE MANAGER FINANCE

1 In terms of Section 152(1) of the Constitution of the Republic of South Africa, Act 108 of 1996, outlines the objects of the local Government. The objects of the local government are:-

- (a) to provide democratic and accountable government for local Communities to ensure the provision of services to communities in a Sustainable manner;
- (b) to ensure the provision of services to communities in a sustainable manner
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and
- (e) to encourage the involvement of communities and community organizations in the matter of local government.

1.2 Section 153 of the Constitution of the Republic of South Africa provides that a municipality must;-

- (a) Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- (b) Participate in national and provincial development programmers.

1.3 In terms of section 17(1) of the MFMA, act 56 of 2003 provide that:

an annual budget of a municipality must be a scheduled in the prescribed format -

- (a) setting out realistically anticipated revenue for the budget year from each revenue source;
 - (b) appropriating expenditure for the budget year under the different votes of the municipality.
 - (c) Setting out indicative revenue per revenue source and projected expenditure by vote (function) for the two financial years following the budget year
 - (d) Setting out-
 - (i) estimated revenue and expenditure by vote (function) for the current year; and
 - (ii) actual revenue and expenditure by vote for the financial year preceding the current year; and
 - (e) a statement containing any other information required by section 215 (3) of the constitution or as may be prescribed.
- (2) an annual budget must generally be divided into a capital and an operational budget in accordance with international best practice, as may be prescribed

1.4 In terms of Section 24 (1) of the MFMA the council of a municipality must at least 30 days before the start of the budget year consider approval of the annual budget.

(2) An annual Budget-

- (a) Must be approved before the start of the budget year;
- (b) Is approved by the adoption by the council of a resolution referred to in section 17(3) (a)(i); and
- (c) Must be approved together with the adoption of resolution as may be necessary –
 - (i) Imposing any municipal tax for the budget year;
 - (ii) Setting any municipal tariffs for the budget year

- (iii) Approving measurable performance objectives for revenue from each source and for each vote in the budget
- (iv) Approving any changes to the municipality's integrated Development plan; and
- (v) Approving any changes to the municipality's budget related policies

The National Treasury issued some guidelines on preparation of 2021/22 MTREF Budgets which are as follows

- There are two circulars issued by National Treasury which are Circular No: 98 and Circular No: 99 which are to be read together in order for the preparation of 2021/22 Medium Term Revenue and Expenditure Framework (MTREF), which are attached hereto as ANNEXURE "" page – to – are the circulars 108 issued by National Treasury.

The South African economy and inflation targets

- The municipalities are directed that it is important to ensure that a realistic funded 2021/22 MTREF budgets are adopted, through collection of debts owed to them and also pay their creditors within 30 days of receipt of invoice.

The following macro – economic forecast are considered when preparing the 2021/22 MTREF budget.

Table 1 Macro- economic Performance and Projections

Percentage change	2019/20 Estimates	2020/21	2021/22 Forecast	2022/23	2023/24
CPI Inflation	4.1%	3.3%	3.9%	4.2%	4.4%

The Revenue Budget

The tariff must be in excess of the 3.9 percent projected inflation target, and according to the letter from DWA water tariff will be increased 8.5 percent of which the municipality must add a markup from the above mentioned tariff which will be 1.00 per cent of which the tariff to be charged by the municipality will be 9.5 percent. The other tariffs charged will be increased by 3.9 per cent as per the projected CPI from circular 108.

Local Government Grants and Municipal Revenue Strength

The conditional grants allocated to the municipality has been decreased by an amount of (R 50 633 000) refer to the below revenue summary this is as a result of limiting the government expenditure and also to ensure that public debt is sustainable.

Change to Local Government Allocations

Unconditional Grant.

The municipal Equitable Share Grant is increased by an amount of (R 61 043 000) refer to the below revenue summary.

Budgeting Issues

Employee related costs as per Circular 108

The salary and Wages Collective Agreement for the period 01 July 2018 to 31 June has come to an end and a new agreement is under consultation, which we hope will take into account the current fiscal constraints faced by government. Currently there is no information in place in this regard from the South African Local Government Bargaining Council (SALGBC). The municipality has budgeted 5% salary and wages increase for 2021/22 Financial Year.

Remuneration of Councillors

As municipalities we are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper limits of Salaries, Allowances and Benefits of different member of municipal councils published annually between December and January by the Department of Cooperative Governance.

REVENUE/INCOME PER VOTE

Attached hereto as ANNEXURE “” page to is the annual budget indicating the revenue projections and expenditure for 2019/20 – 2021/2022 financial years for the various line-items

1 SUMMARY OF OWN REVENUE & GRANTS AND SUBSIDIES

1.1 The actual Revenue Projected for 2021/22 financial year amounts to **R 904 313 358** which include the following grants:

1.2 In terms Table A4 Budgeted Financial Performance (Revenue and Expenditure) of A schedule.

1.2.1 Grant

Description	Budget 2020/21	Budget 2021/22	Variance	Percentage
1. Grants and Subsidies				
Equitable Share Grant	519 243 000	458 200 000	-	-13,32%
WSIG	50 000 000	51 000 000	1 000 000	1,96%
MIG	122 575 000	130 698 000	8 123 000	6,22%
FMG	1 700 000	1 720 000	20 000	1,16%
EPWP	1 760 000	2 127 000	367 000	17,25%
EEDMSG	3 600 000	4 500 000	900 000	20,00%
Roll - Over	1 618 226	-	-	0,00%
Total	700 496 226	648 245 000	-	-7,81%

Description	Budget 2020/21	Budget 2021/22	Variance
2. Own Revenue (Accrual Basis)			
Property Rates	42 395 350	44 048 768	1 653 418
Waste Remova Charges	29 341 398	30 485 713	1 144 315
Water Charges	84 499 542	100 191 529	15 691 987
Sanitation Charges	492 100	538 850	46 750
Interest on investments	3 584 886	3 724 697	139 811
Other Revenue	237 738 760	207 776 801	29 961 959
Total Own Revenue	398 052 036	386 766 358	11 285 678
Total Own Revenue + Grant and Subsidies	975 973 262	904 313 358	70 041 678

The actual Revenue Projected for 2021/22 financial year amounts to **R 904 313 358** which include the grants as mentioned on the above grant summary.

- 50.67% of the total revenue is from Equitable Share Grant
- 0.19% of the total revenue is from FMG
- 0.24% of the total revenue is from EPWP
- 14.45% of the total revenue is from MIG
- 5.64% of the total revenue is from WSIG
- 0.50% of the total revenue is from EEDSMG
- 28.31% of the total revenue is from Own Revenue

Property Rates	15 820 985	16 037 253 -	216 268
Waste Remova Charges	1 189 298	841 883	347 415
Water Charges	1 737 967	1 183 835	554 132
Sanitation Charges	492 100	108 166	383 934
Interest on investments	3 584 886	4 000 000 -	415 114
Other Revenue	49 624 567	22 240 764	27 383 803
Total Own Revenue	72 449 803	44 411 901	28 037 902
Total Own Revenue + Grant and Subsidies	772 946 029	692 656 901 -	22 595 098

In terms Table A7 Budgeted Cash Flow of A schedule

The actual Revenue Projected for 2021/22 financial year amounts to **R 692 656 901** which include the grants as mentioned on the above grant summary.

- 66.75% of the total revenue is from Equitable Share Grant
- 0.25% of the total revenue is from FMG
- 0.26% of the total revenue is from EPWP
- 19.04% of the total revenue is from MIG
- 7.43 of the total revenue is from WSIG
- 0.66% of the total revenue is from EEDSMG
- 6.27% of the total revenue is from Own Revenue (Projected revenue to be collected)

Revenue in – kind allocated to the municipality as per the Division of Revenue Bill of 2021 is as follows:-

Description	Budget 2020/21	Budget 2021/22
INEP Allocated to ESKOM	R 93 524 000	R 47 559 000
Regional Bulk Infrastructure Grant	R 32 498 Million	R 5 000 000
MSIG	R 0	R 0
Total	R 126 022 000	R 52 559 000

1.3 Accrual Basis in Terms of the General Accepted Accounting Practice (GRAP)

In terms of GRAP 24 the budget of the municipality must be informed by the twelve months actual of various sources of revenue, which means the projected Budget should be equal to the actual Year to Date.

The municipality under Property Rates has projected to collect an amount of **R 16 037 253** against the projected billing amount to **R 44 048 768** which is 36.40 percent, and 63.60 percent is treated as impairment which amount to **R 27 610 765 million**.

The projected revenue to be collected under service charges amount to **R 2 133 884** against the projected billing amount to **R 131 216 092** which is 1.62 percent and 98.38 percent is treated as impairment which amount to **R 128 030 587**.

The total revenue budget under accrual basis amount to **R 904 313 358 million** against the total revenue budget of **R 975 973 262** for 2020/21 financial year Which shows a 7.92 percent increase.

1.4 Cash Basis in Terms of the MFMA 56 of 2003

The budget of the municipality is prepared in terms of the MFMA 56 of 2003, in terms of section 18 and 19 of the MFMA 56 of 2003 the budget of the municipality may only be funded from realistically anticipated revenue to be collected from various source of revenue of the municipality.

The Cash basis budgeting for 2021/22 financial year realistically projected revenue amount to **R 692 656 901** as per the above summary for various sources of revenue

SUMMARY OF OPERATIONAL EXPENDITURE WHICH IS DIVIDED AS FOLLOWS:-

Accrual Basis

The operational expenditure committed to the projected revenue for 2021/22 amounts to R 923 157 600 including non – cash back items amount to R 408 528 712 which is divided as follows:

Property Rates	R 27 048 157
Bad Debt Written Off On Property Rates	R 562 608
Service Charges	R 265 898 825
Bad debt written off	R 2 439 889
Landfill Site	R 12 830 088
Depreciation	R 84 896 411
Traffic Fines	R 8 137 371
Provisions: Bonus, Leave & Actuaries	R 5 250 000
Total	R 408 528 712

Description	Budget 2020/21	Budget 2021/21	Variance
Staff benefits	R 161 229 647	R 166 375 140	R 5 145 493
Councillors allowances	R 27 774 780	R 28 228 584	R 453 804
Material and Bulk Purchases	R 164 551 115	R 160 647 372	(R 3 903 743)
Finance Charges	R 1 300 000	R 1 300 000	R 0
Depreciation	R 84 896 411	R 84 896 411	R 0
Other Operational Expenditure	R 473 846 256	R 481 710 096	7 863 840
Total – Operational Budget (Accrual Basis Budgeting)	R 913 598 209	R 923 157 600	(R 9 559 391)
Non – Cash Back Items	(R 408 508 720)	(R 408 508 720)	R 0
Total – Operational Budget (Cash Basis Budgeting)	R 505 089 489	R 532 455 940	(R 27 366 451)
Capital Expenditure – MIG, WSIG, EEDMSG	R 167 107 238	R 179 663 100	R 12 555 862

Internally Generated Funds	R 71 066 000	R 5 850 000	(R 65 216 000)
Total Capital Expenditure	R 238 173 238	R 185 813 100	(R 52 360 138)
Total Budget (Accrual Basis Budgeting)	R 1 151 772 047	R 1 094 801 505	(R 56 970 542)
Total Budget (Cash Basis Budgeting)	R 743 262 727	R 686 292 185	(R 56 970 542)

SUPPORTING SCHEDULES

MP315 Thembeisile Hani - Table A1 Budget Summary

R thousands	Description	Current Year 2020/21			Financial Framework			
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Financial Performance								
	Property rates	52 059	41 359	41 359	32 118	42 972	44 777	46 747
	Service charges	112 680	115 444	115 444	245 136	125 466	130 736	136 488
	Investment revenue	4 436	3 585	3 585	3 038	4 000	4 168	4 351
	Transfers recognised - operational	447 881	533 389	533 389	518 990	468 582	495 635	492 702
	Other own revenue	71 751	115 089	115 089	106 300	83 631	86 735	90 550
		688 808	808 866	808 866	905 582	724 650	762 051	770 838
	Total Revenue (excluding capital transfers and contributions)							
	Employee costs	160 422	160 479	160 479	99 482	166 375	171 512	179 233
	Remuneration of councillors	27 554	27 554	27 554	16 617	28 229	29 414	30 708
	Depreciation & asset impairment	84 896	84 896	84 896	-	84 896	88 462	92 354
	Finance charges	1 300	1 300	1 300	-	1 300	1 355	1 414
	Inventory consumed and bulk purchases	157 578	164 501	164 501	110 656	160 647	166 894	174 238
	Transfers and grants	250	1 250	1 250	-	250	261	272
	Other expenditure	347 571	468 784	468 784	225 130	481 460	492 508	514 243
	Total Expenditure	779 571	908 764	908 764	451 885	923 158	950 405	992 463
	Surplus/(Deficit)	(90 763)	(99 898)	(99 898)	453 697	(198 507)	(188 354)	(221 625)
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	170 446	167 107	167 107	-	179 663	169 425	171 693
	Surplus/(Deficit) after capital transfers & contributions	79 683	67 209	67 209	453 697	(18 844)	(18 930)	(49 931)
	Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
	Surplus/(Deficit) for the year	79 683	67 209	67 209	453 697	(18 844)	(18 930)	(49 931)
Capital expenditure & funds sources								
	Capital expenditure	174 846	242 673	242 673	(280 604)	185 513	169 425	171 693
	Transfers recognised - capital	170 446	171 607	171 607	583 884	179 663	169 425	171 693
	Borrowing	-	-	-	-	-	-	-
	Internally generated funds	4 400	71 066	71 066	47 578	5 850	-	-
	Total sources of capital funds	174 846	242 673	242 673	631 462	185 513	169 425	171 693
Financial position								
	Total current assets	218 353	221 961	221 961	1 506 511	178 441	180 631	158 121
	Total non current assets	2 220 630	2 288 457	2 288 457	2 281 485	2 249 387	2 321 168	2 417 958
	Total current liabilities	55 742	90 192	90 192	1 146 290	43 147	44 959	46 937
	Total non current liabilities	92 650	92 650	92 650	33 933	80 000	83 360	87 028
	Community wealth/Equity	2 290 592	2 327 576	2 327 576	2 607 773	2 304 691	2 373 481	2 442 114
Cash flows								
	Net cash from (used) operating	178 601	232 000	232 000	586 884	160 201	167 632	144 839

Net cash from (used) investing	(174 846)	(198 573)	(198 573)	(207 070)	(185 513)	(169 425)	(171 893)
Net cash from (used) financing	-	-	-	24	-	-	-
Cash/cash equivalents at the year end	73 760	152 891	152 891	770 578	83 688	81 895	55 041
Cash backing/surplus reconciliation							
Cash and investments available	75 827	152 891	152 891	288 707	83 688	81 895	55 041
Application of cash and investments	34 847	80 440	80 440	733 721	28 960	30 234	31 565
Balance - surplus (shortfall)	40 980	72 451	72 451	(445 014)	54 728	51 661	23 477
Asset management							
Asset register summary (WDV)	2 054 184	2 077 385	2 077 385	2 077 385	2 067 734	2 161 744	2 251 585
Depreciation:	84 896	84 896	84 896	84 896	84 896	88 462	92 354
Renewal and Upgrading of Existing Assets	165 446	211 980	211 980	211 980	167 099	149 127	131 776
Repairs and Maintenance	12 849	22 207	22 207	22 207	18 707	15 325	16 090

MP315 Thembisile Hani - Table A4 Budgeted Financial Performance (revenue and expenditure)

R thousands	Description	Current Year 2020/21			Pre-audit outcome	Framework		
		Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year+2 2023/24
	Revenue By Source							
	Property rates	52 059	41 359	41 359	32 118	42 972	44 777	46 747
	Service charges - electricity revenue	-	-	-	-	-	-	-
	Service charges - water revenue	79 763	84 620	84 620	184 698	93 356	97 277	101 557
	Service charges - sanitation revenue	1 288	1 483	1 483	2 352	1 824	1 692	1 786
	Service charges - refuse revenue	31 629	29 341	29 341	58 087	30 487	31 767	33 165
	Rental of facilities and equipment	1 047	1 083	1 083	1 315	1 125	1 172	1 224
	Interest earned - external investments	4 436	3 585	3 585	3 038	4 000	4 168	4 351
	Interest earned - outstanding debtors	50 885	56 888	56 888	40 272	61 390	63 968	66 783
	Dividends received	-	-	-	-	-	-	-
	Fines, penalties and forfeits	9 201	10 344	10 344	1 778	10 553	10 553	11 017
	Licences and permits	185	169	169	117	176	183	191
	Agency services	8 779	8 779	8 779	-	9 182	9 605	10 027
	Transfers and subsidies	447 881	533 389	533 389	518 980	468 582	485 635	492 702
	Other revenue	1 655	37 827	37 827	62 817	1 205	1 254	1 308
	Gains	-	-	-	-	-	-	-
	Total Revenue (excluding capital transfers and contributions)	688 808	808 866	808 866	905 582	724 650	762 051	770 838
	Expenditure By Type							
	Employee related costs	160 422	160 479	160 479	99 482	166 375	171 512	179 233
	Remuneration of councillors	27 554	27 554	27 554	16 617	28 229	29 414	30 708
	Debt impairment	204 689	285 659	285 659	3 637	305 555	318 385	332 384
	Depreciation & asset impairment	84 896	84 896	84 896	-	84 896	88 462	92 354
	Finance charges	1 300	1 300	1 300	-	1 300	1 355	1 414
	Bulk purchases - electricity	144 192	147 779	147 779	101 414	-	-	-
	Inventory consumed	13 386	16 722	16 722	9 241	160 647	166 884	174 238
	Contracted services	78 524	111 151	111 151	87 019	92 047	87 125	91 024
	Transfers and subsidies	250	1 250	1 250	-	250	281	272
	Other expenditure	64 359	71 973	71 973	134 475	83 858	86 997	90 825
	Losses	-	-	-	-	-	-	-
	Total Expenditure	779 571	908 764	908 764	451 885	923 158	950 405	992 463
	Surplus/(Deficit)	(90 763)	(99 898)	(99 898)	453 697	(198 507)	(188 354)	(221 625)
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	170 446	167 107	167 107	-	179 683	169 425	171 693
	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 (fn-kind - all)	-	-	-	-	-	-	-
	Surplus/(Deficit) after capital transfers & contributions	79 683	67 209	67 209	453 697	(18 844)	(18 930)	(49 931)
	Taxation	-	-	-	-	-	-	-
	Surplus/(Deficit) after taxation	79 683	67 209	67 209	453 697	(18 844)	(18 930)	(49 931)
	Attributable to minorities	-	-	-	-	-	-	-
	Surplus/(Deficit) attributable to municipality	79 683	67 209	67 209	453 697	(18 844)	(18 930)	(49 931)
	Share of surplus/(deficit) of associate	-	-	-	-	-	-	-
	Surplus/(Deficit) for the year	79 683	67 209	67 209	453 697	(18 844)	(18 930)	(49 931)

R thousand	Vote Description	Current Year 2020/21			Pre-audit outcome	Framework		
		Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
	Capital Expenditure - Functional							
	Governance and administration							
	Executive and council	4 300	5 800	5 800	(389 391)	5 850	-	-
	Finance and administration	-	1 300	1 300	-	-	-	-
	Internal audit	4 300	4 500	4 500	(389 391)	5 850	-	-
	Community and public safety							
	Community and social services	15 000	24 108	24 108	(12 932)	13 359	-	12 000
	Sport and recreation	5 000	2 094	2 094	1 417	-	-	1 000
	Public safety	10 000	22 015	22 015	(14 349)	13 359	-	11 000
	Housing	-	-	-	-	-	-	-
	Health	-	-	-	-	-	-	-
	Economic and environmental services							
	Planning and development	51 226	75 258	75 258	66 075	55 673	45 040	25 256
	Road transport	-	2 500	2 500	5 424	-	-	-
	Environmental protection	51 226	72 758	72 758	60 651	55 673	45 040	25 256
	Trading services							
	Energy sources	104 321	137 507	137 507	55 644	110 631	124 384	134 437
	Water management	4 000	3 600	3 600	2 661	4 500	4 000	-
	Waste water management	79 321	102 672	102 672	(8 392)	90 465	84 891	63 841
	Waste management	16 000	12 235	12 235	14 944	5 000	34 298	70 596
	Other	5 000	19 000	19 000	46 430	10 666	1 196	-
	Total Capital Expenditure - Functional	174 846	242 673	242 673	(280 604)	185 513	169 425	171 693
	Funded by:							
	National Government	170 446	171 607	171 607	581 996	179 663	169 425	171 693
	Provincial Government	-	-	-	5 905	-	-	-
	District Municipality	-	-	-	(4 018)	-	-	-
	Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-
	Transfers recognised - capital	170 446	171 607	171 607	583 884	179 663	169 425	171 693
	Borrowing							
	Internally generated funds	4 400	71 066	71 066	47 578	5 850	-	-
	Total Capital Funding	174 846	242 673	242 673	631 462	185 513	169 425	171 693

MP315 Thembisile Hani - Table A6 Budgeted Financial Position

R thousand	Description	Current Year 2020/21			Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
ASSETS							
	Current assets						
	Cash	55 827	111 896	111 896	51 635	48 496	20 172
	Call investment deposits	20 000	40 995	40 995	32 053	33 399	34 869
	Consumer debtors	85 487	4 355	4 355	27 217	28 363	29 611
	Other debtors	(2 353)	5 323	5 323	15 739	16 400	17 121
	Current portion of long-term receivables	-	-	-	-	-	-
	Inventory	59 393	59 393	59 393	51 798	53 973	56 348
	Total current assets	218 353	221 961	221 961	178 441	180 631	158 121
	Non current assets						
	Long-term receivables	-	-	-	-	-	-
	Investments	-	-	-	-	-	-
	Investment property	-	-	-	-	-	-
	Investment in Associate	-	-	-	-	-	-
	Property, plant and equipment	2 219 552	2 287 379	2 287 379	2 248 319	2 320 045	2 416 785
	Biological	-	-	-	-	-	-
	Intangible	1 078	1 078	1 078	1 078	1 123	1 173
	Other non-current assets	-	-	-	-	-	-
	Total non current assets	2 220 630	2 288 457	2 288 457	2 249 397	2 321 168	2 417 958
	TOTAL ASSETS	2 438 983	2 510 418	2 510 418	2 427 838	2 501 799	2 576 079
LIABILITIES							
	Current liabilities						
	Bank overdraft	-	-	-	-	-	-
	Borrowing	4 000	4 000	4 000	4 000	4 168	4 351
	Consumer deposits	-	-	-	-	-	-
	Trade and other payables	48 442	82 892	82 892	36 847	37 352	38 996
	Provisions	3 300	3 300	3 300	3 300	3 439	3 590
	Total current liabilities	55 742	90 192	90 192	43 147	44 959	46 937
	Non current liabilities						
	Borrowing	8 000	8 000	8 000	8 000	8 336	8 703
	Provisions	84 650	84 650	84 650	72 000	75 024	78 325
	Total non current liabilities	92 650	92 650	92 650	80 000	83 360	87 028
	TOTAL LIABILITIES	148 392	182 842	182 842	123 147	128 319	133 965
	NET ASSETS	2 290 592	2 327 576	2 327 576	2 304 691	2 373 481	2 442 114
COMMUNITY WEALTH/EQUITY							
	Accumulated Surplus/(Deficit)	2 290 592	2 327 576	2 327 576	2 304 691	2 373 481	2 442 114
	Reserves	-	-	-	-	-	-
	TOTAL COMMUNITY WEALTH/EQUITY	2 290 592	2 327 576	2 327 576	2 304 691	2 373 481	2 442 114

MP315 Thembisile Hani - Table A7 Budgeted Cash Flows

R thousand	Description	Current Year 2020/21			Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
	Property rates	15 821	15 820	15 820	16 037	16 711	17 446
	Service charges	2 144	2 995	2 995	2 134	2 224	2 321
	Other revenue	20 708	50 063	50 063	22 241	22 767	23 767
	Transfers and Subsidies - Operational	447 881	533 389	533 389	468 582	495 635	492 702
	Transfers and Subsidies - Capital	170 446	167 107	167 107	179 663	169 425	171 693
	Interest	4 436	3 585	3 585	4 000	4 168	4 351
Payments							
	Suppliers and employees	(481 536)	(539 658)	(539 658)	(531 156)	(541 943)	(566 028)
	Finance charges	(1 300)	(1 300)	(1 300)	(1 300)	(1 355)	(1 414)
	NET CASH FROM/(USED) OPERATING ACTIVITIES	178 601	232 000	232 000	160 201	167 632	144 839
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
	Capital assets	(174 846)	(198 573)	(198 573)	(185 513)	(169 425)	(171 693)
	NET CASH FROM/(USED) INVESTING ACTIVITIES	(174 846)	(198 573)	(198 573)	(185 513)	(169 425)	(171 693)
CASH FLOWS FROM FINANCING ACTIVITIES							
NET CASH FROM/(USED) FINANCING ACTIVITIES							
		-	-	-	-	-	-
	NET INCREASE/(DECREASE) IN CASH HELD	3 755	33 427	33 427	(25 312)	(1 793)	(26 854)
	Cash/cash equivalents at the year begin:	70 005	119 464	119 464	109 000	83 688	81 895
	Cash/cash equivalents at the year end:	73 760	152 891	152 891	83 688	81 895	55 041

SAUTLIZE MECIAMINI TEBHISILE REVENUE & EXPENDITURE

MP315 Thembisile Hani - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Current Year 2020/21			Full Year Forecast	Framework		
	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash and investments available							
Cash/cash equivalents at the year end	73 760	152 891	152 891	83 688	81 895	55 041	
Other current investments > 90 days	2 067	(0)	(0)	-	(0)	(0)	
Non current assets - Investments	-	-	-	-	-	-	
Cash and investments available:	75 827	152 891	152 891	83 688	81 895	55 041	
Application of cash and investments							
Unspent conditional transfers	(250)	-	-	-	-	-	
Statutory requirements							
Other working capital requirements	35 097	80 440	80 440	28 960	30 234	31 565	
Total Application of cash and investments:	34 847	80 440	80 440	28 960	30 234	31 565	
Surplus(shortfall)	40 980	72 451	72 451	54 728	51 661	23 477	

4021122 Income from Revenue & Expenditure

MP315 Thembisile Hani - Supporting Table SA25 Budgeted monthly revenue and expenditure

R thousand	Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework						
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24				
	Revenue By Source		3 581	3 581	3 581	3 581	3 581	3 581	3 581	3 581	3 581	3 581	3 581	3 581	3 581	3 581	3 581	42 972	44 777	46 747	
	Property rates		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Service charges - electricity revenue		7 780	7 780	7 780	7 780	7 780	7 780	7 780	7 780	7 780	7 780	7 780	7 780	7 780	7 780	7 780	93 356	97 277	101 557	
	Service charges - water revenue		135	135	135	135	135	135	135	135	135	135	135	135	135	135	135	1 624	1 692	1 766	
	Service charges - sanitation revenue		2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	30 487	31 767	33 165	
	Service charges - refuse revenue		94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	1 125	1 172	1 224	
	Rental of facilities and equipment		333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	4 000	4 168	4 351	
	Interest earned - external investments		5 116	5 116	5 116	5 116	5 116	5 116	5 116	5 116	5 116	5 116	5 116	5 116	5 116	5 116	5 116	61 390	63 968	66 783	
	Interest earned - outstanding debtors		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Dividends received		879	879	879	879	879	879	879	879	879	879	879	879	879	879	879	10 553	10 553	11 017	
	Fines, penalties and forfeits		15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	176	183	191	
	Licences and permits		765	765	765	765	765	765	765	765	765	765	765	765	765	765	765	9 182	9 605	10 027	
	Agency services		39 048	39 048	39 048	39 048	39 048	39 048	39 048	39 048	39 048	39 048	39 048	39 048	39 048	39 048	39 048	468 582	495 635	492 702	
	Transfers and subsidies		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	1 205	1 254	1 308	
	Other revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Gains		60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	724 650	762 051	770 838	
	Total Revenue (excluding capital transfers and contribution)		60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	60 388	724 650	762 051	770 838	
	Expenditure By Type		13 865	13 865	13 865	13 865	13 865	13 865	13 865	13 865	13 865	13 865	13 865	13 865	13 865	13 865	13 865	166 375	171 512	179 233	
	Employee related costs		2 352	2 352	2 352	2 352	2 352	2 352	2 352	2 352	2 352	2 352	2 352	2 352	2 352	2 352	2 352	28 229	29 414	30 708	
	Remuneration of councillors		25 463	25 463	25 463	25 463	25 463	25 463	25 463	25 463	25 463	25 463	25 463	25 463	25 463	25 463	25 463	305 555	318 385	332 394	
	Debt impairment		7 075	7 075	7 075	7 075	7 075	7 075	7 075	7 075	7 075	7 075	7 075	7 075	7 075	7 075	7 075	84 896	88 462	92 354	
	Depreciation & asset impairment		108	108	108	108	108	108	108	108	108	108	108	108	108	108	108	1 300	1 355	1 414	
	Finance charges		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Bulk purchases - electricity		13 387	13 387	13 387	13 387	13 387	13 387	13 387	13 387	13 387	13 387	13 387	13 387	13 387	13 387	13 387	160 647	166 894	174 238	
	Inventory consumed		7 671	7 671	7 671	7 671	7 671	7 671	7 671	7 671	7 671	7 671	7 671	7 671	7 671	7 671	7 671	92 047	87 125	91 024	
	Contracted services		21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	250	261	272	
	Transfers and subsidies		6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	83 658	86 997	90 825	
	Other expenditure		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Losses		76 930	76 930	76 930	76 930	76 930	76 930	76 930	76 930	76 930	76 930	76 930	76 930	76 930	76 930	76 930	923 158	950 405	992 463	
	Total Expenditure		(16 542)	(16 542)	(16 542)	(16 542)	(16 542)	(16 542)	(16 542)	(16 542)	(16 542)	(16 542)	(16 542)	(16 542)	(16 542)	(16 542)	(16 542)	(198 507)	(188 354)	(221 625)	
	Surplus/(Deficit)		14 972	14 972	14 972	14 972	14 972	14 972	14 972	14 972	14 972	14 972	14 972	14 972	14 972	14 972	14 972	179 663	169 425	171 693	
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	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		(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(18 844)	(18 930)	(49 931)	
	Taxation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Attributable to minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Share of surplus/(deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Surplus/(Deficit)	1	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(1 570)	(18 844)	(18 930)	(49 931)	

MP315 Thembiile Hani - Supporting Table SA30 Budgeted monthly cash flow

R thousand	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	+1 2022/23	Budget Year +2 2023/24
Cash Receipts By Source															
Property rates	1 336	1 336	1 336	1 336	1 336	1 336	1 336	1 336	1 336	1 336	1 336	1 336	16 037	16 711	17 446
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	99	99	99	99	99	99	99	99	99	99	99	99	1 184	1 234	1 289
Service charges - sanitation revenue	9	9	9	9	9	9	9	9	9	9	9	9	108	113	118
Service charges - refuse revenue	70	70	70	70	70	70	70	70	70	70	70	70	842	877	916
Rental of facilities and equipment	94	94	94	94	94	94	94	94	94	94	94	94	1 125	1 172	1 224
Interest earned - external investments	333	333	333	333	333	333	333	333	333	333	333	333	4 000	4 168	4 351
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	879	879	879	879	879	879	879	879	879	879	879	879	10 553	10 553	11 017
Licences and permits	15	15	15	15	15	15	15	15	15	15	15	15	176	183	191
Agency services	765	765	765	765	765	765	765	765	765	765	765	765	9 162	9 605	10 027
Transfers and Subsidies - Operational	39 048	39 048	39 048	39 048	39 048	39 048	39 048	39 048	39 048	39 048	39 048	39 048	468 582	495 635	492 702
Other revenue	100	100	100	100	100	100	100	100	100	100	100	100	1 205	1 254	1 309
Cash Receipts by Source	42 748	42 748	42 748	42 748	42 748	42 748	42 748	42 748	42 748	42 748	42 748	42 748	512 894	541 505	540 588
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	14 972	14 972	14 972	14 972	14 972	14 972	14 972	14 972	14 972	14 972	14 972	14 972	179 663	169 425	171 693
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	57 721	57 721	57 721	57 721	57 721	57 721	57 721	57 721	57 721	57 721	57 721	57 721	692 657	710 929	712 281
Cash Payments by Type															
Employee related costs	16 217	16 217	16 217	16 217	16 217	16 217	16 217	16 217	16 217	16 217	16 217	16 217	194 604	200 926	209 941
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	108	108	108	108	108	108	108	108	108	108	108	108	1 300	1 355	1 414
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory	13 457	13 457	13 457	13 457	13 457	13 457	13 457	13 457	13 457	13 457	13 457	13 457	160 647	166 894	174 238
Contracted services	7 698	7 698	7 698	7 698	7 698	7 698	7 698	7 698	7 698	7 698	7 698	7 698	92 047	87 125	91 024
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	83 858	86 997	90 825
Cash Payments by Type	44 468	44 468	44 468	44 468	44 468	44 468	44 468	44 468	44 468	44 468	44 468	44 468	532 456	543 297	567 442
Other Cash Flows/Payments by Type															
Capital assets	(15 457)	(15 457)	(15 457)	(15 457)	(15 457)	(15 457)	(15 457)	(15 457)	(15 457)	(15 457)	(15 457)	(15 457)	185 513	169 425	171 693
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	29 011	29 011	29 011	29 011	29 011	29 011	29 011	29 011	29 011	29 011	29 011	29 011	717 969	712 722	739 135
NET INCREASE/(DECREASE) IN CASH HELD	28 711	28 711	28 711	28 711	28 711	28 711	28 711	28 711	28 711	28 711	28 711	28 711	(25 312)	(1 793)	(26 854)
Cash/cash equivalents at the month/year begin:	109 000	137 711	166 421	195 132	223 842	252 553	281 263	309 974	338 684	367 395	396 106	424 816	463 528	492 733	521 887
Cash/cash equivalents at the month/year end:	137 711	166 421	195 132	223 842	252 553	281 263	309 974	338 684	367 395	396 106	424 816	463 528	512 216	540 940	567 033

MP315 Thembele Hani - Supporting Table SA34c Repairs and maintenance expenditure by asset class

R thousand	Description	Ref	Current Year 2020/21		Full Year Forecast	Framework		
			Original Budget	Adjusted Budget		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Repairs and maintenance expenditure by Asset Class/Sub-class								
	Infrastructure		3 094	8 153	8 153	6 653	2 764	2 886
	Roads Infrastructure		2 553	4 600	4 600	2 600	2 709	2 828
	Roads		1 600	2 600	2 600	2 600	2 709	2 828
	Road Structures		953	2 000	2 000	-	-	-
	Storm water Infrastructure		-	1 500	1 500	1 500	-	-
	Storm water Conveyance		-	1 500	1 500	1 500	-	-
	Water Supply Infrastructure		53	2 053	2 053	2 553	55	57
	Reservoirs		53	53	53	53	55	57
	Water Treatment Works		-	2 000	2 000	2 500	-	-
	Capital Spares		-	-	-	-	-	-
	Community Assets		261	261	261	261	272	284
	Community Facilities		261	261	261	261	272	284
	Halls		200	200	200	200	208	218
	Stalls		61	61	61	61	63	66
	Other assets		842	2 492	2 492	492	513	536
	Operational Buildings		842	2 492	2 492	492	513	536
	Municipal Offices		842	2 492	2 492	492	513	536
	Computer Equipment		277	277	277	277	289	302
	Computer Equipment		277	277	277	277	289	302
	Furniture and Office Equipment		250	250	250	250	260	272
	Furniture and Office Equipment		250	250	250	250	260	272
	Machinery and Equipment		6 122	8 772	8 772	8 772	9 140	9 542
	Machinery and Equipment		6 122	8 772	8 772	8 772	9 140	9 542
	Transport Assets		2 002	2 002	2 002	2 002	2 086	2 269
	Transport Assets		2 002	2 002	2 002	2 002	2 086	2 269
	Total Repairs and Maintenance Expenditure	1	12 849	22 207	22 207	18 707	15 325	16 090
	R&M as a % of PPE		0.6%	1.0%	1.0%	0.8%	0.7%	0.7%
	R&M as % Operating Expenditure		1.6%	2.4%	2.4%	4.1%	1.7%	1.7%