

DR JS MOROKA LOCAL MUNICIPALITY



DRAFT ANNUAL BUDGET

2019/2020

“WE DEVELOP AS WE GROW”

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1. EXECUTIVE MAYOR'S FOREWORD

The 2019/2020 draft annual budget is presented and tabled in terms of section 16(2) of the Municipal Finance management Act no. 56 of 2003 which prescribes that “the mayor of the municipality must table the annual budget at council municipal council must at least 90 days before the start of the budget year” The Act further provides that’s the municipality must take into account the national and provincial budget, the DORA as well as any other agreement reached in the relevant budget forum.

This draft budget is a culmination of the process of community consultation wherein the strategic IDP document was reviewed. All necessary precaution have been followed that this budget is appropriately aligned to the reviewed IDP. The draft budget aims to satisfy the constitutional obligation of the municipality as contained in Part B of schedule 4 and 5 of ACT 108 OF 1996. The tabling and publication of this draft budget is also aimed at soliciting the public to comment so as to ensure that that the budget truly represents the needs of the community.

The 2019/2020 draft budget has maintained our resolute approach of prioritizing water projects with 42% of the total capital budget has allocated for water provision within different areas of the municipality with the main aim of reducing the water infrastructure backlog.

The efforts of the municipality to extract itself from grant dependence will only be achieved if the municipality thoroughly implement all its revenue collection strategies and plans. The budget related policies which are concurrently being tabled with the draft budget gives the municipality the necessary legal standing to enforce the collection of rates and taxes.

Therefore this 2019/2020 draft annual budget is presented for public comments and inputs.

EXECUTIVE MAYOR
Cllr Thulare Madileng

2. DRAFT ANNUAL BUDGET RESOLUTION R343.03.2019 ND

RESOLVED

2.1 THAT, Council adopt Draft Annual Budget: Medium Term Revenue and Expenditure Framework for 2019/20 – 2021/22 with all budget tables; A1 to A10 Framework for 2019/20 – 2021/22.

2.2 THAT, the proposed tariff increase by 5.2% as per inflation rate

2.3 THAT, the 7% salary increase for employees be adopted as per collective agreement

2.4 THAT, the added amount of R40 979 000 budgeted on Council programmes and projects be implemented as and when they are cash backed.

2.5 THAT, the draft annual budget be publicised to consider views of the stakeholders as required by Section 23 of the Municipal Finance Management Act.

2.6 THAT, Council adopt the following budget related policies:

- 2.6.1 Budget Policy
- 2.6.2 Tariff policy and Tariff Structure
- 2.6.3 Credit Control and Debt Collection Policy
- 2.6.4 Property Rates Policy
- 2.6.5 Free Basic Services and Indigent Support
- 2.6.6 Impairment of Debt and Write-off Policy
- 2.6.7 Cash Management and Investment Policy
- 2.6.8 Supply Chain Management Policy
- 2.6.9 Asset Management Policy
- 2.6.10 Loss control policy

3. EXECUTIVE SUMMARY

National Treasury issued MFMA circular numbers 93 and 94 to guide the preparation of the 2019/2020 MTREF. The 2019/2020 budget is informed by low revenue base and lack of economic activity which has affected the anticipated revenue collection. The poor revenue collection in the previous financial year has prompted the municipality to continue doing the zero based budgeting.

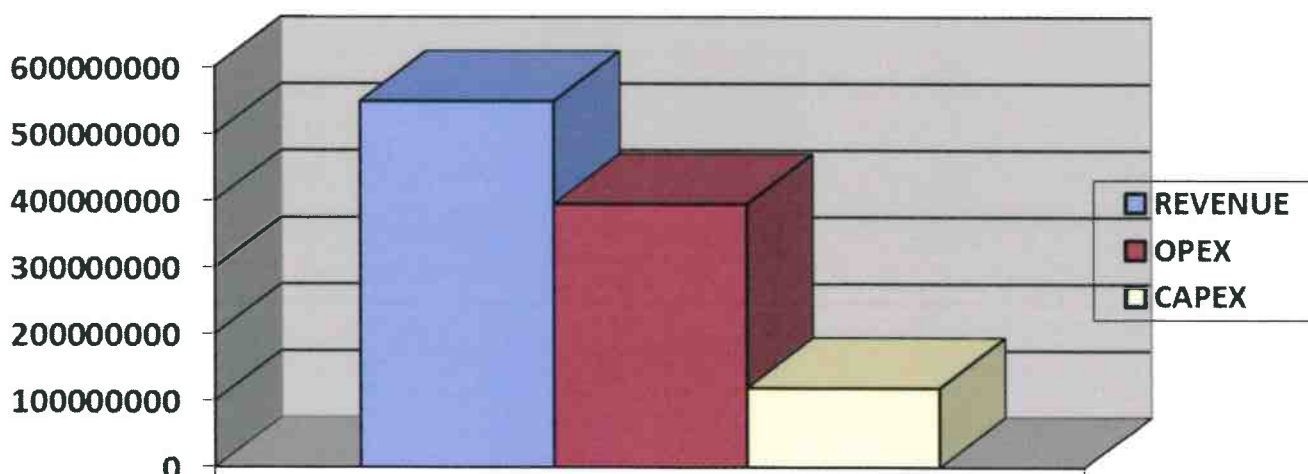
It is further critical to give special attention to revenue management, credit control and debt collection to ensure that the municipality's cash flow position is improved in within the short term.

The municipal budget is funded through National Government Grants. The purpose of Infrastructure government grants is to deliver on national government priorities relating to service delivery while the main purpose of the equitable share is to fund the provision of free basic services to the poor.

In view of the above mentioned, the following table is a consolidated overview of the 2019/20 draft Revenue and Expenditure budget

Table 1:

REVENUE & EXPENDITURE SUMMARY	ADJUSTED BUDGET	2019-2020 DRAFT BUDGET	2020-2021 BUDGET	2021-2022 BUDGET
Revenue	582 558 000	548 321 000	570 253 840	593 063 994
Operating Expenditure	-442 110 288	-429 321 000	-446 493 840	-464 353 594
Capital Expenditure	-140 391 000	-119 000 000	-125 742 950	-135 650 500
Surplus/(Deficit)	56 712	-	-1 982 950	-6 940 100



Total draft projected revenue for 2019/2020 financial year is at **R 548,321,000** which comprises of grants and subsidies and own revenue projected. It should be noted that the municipality has projected to collect R35,000,000 which is 6% of the total revenue budget, however there will be no project or programme that will be allocated to the own revenue projected as its not cash reserved but an anticipated revenue to be collected.

3.1 DRAFT OPERATING REVENUE

For the municipality to continue improving the quality of services provision to its community it needs to generate the required amount of revenue. In these tough economic times strong revenue management is essential to the financial sustainability of every municipality. The reality is that the municipality is faced with developmental backlogs. The expenditure required to address these challenges will always exceed available funds; hence drastic measures has to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The following table is a summary of the 2019/22 MTREF (classified by own revenue source):

The following table illustrate the own revenue by source:

OWN REVENUE BY SOURCE	2018/19 ADJUSTED BUDGET	2019/2020 DRAFT BUDGET	2020/2021 BUDGET	2021/2022 BUDGET
PROPERTY RATES	14 000 000	6 977 678	7 326 562	7 692 890
WATER	54 100 000	16 956 720	17 804 556	18 694 784
SANITATION	4 300 000	2 137 396	2 244 266	2 356 479
REFUSE	430 000	210 330	220 847	231 889
RENTAL DEPOSITS	70 000	33 437	35 109	36 864
INTEREST ON INVESTMENTS/ABSA	250 000	125 637	131 919	138 515
INTEREST ON INVESTMENTS /STD	500 000	378 031	396 933	416 779
INTEREST ON INVESTMENTS/FNB	500 000	265 187	278 446	292 369
INTEREST ON INVESTMENTS/NEDBAN	250 000	105 616	110 897	116 442
TRADING LICENCES	125 000	55 043	57 795	60 685
APPLIC FOR TRADING LICENCE	15 000	10 483	11 007	11 558
REGISTRATION PROPERTY TRANSFER	12 000	5 502	5 777	6 066
SUNDRY INCOME (STAFF RECOVERY)	80 000	51 841	54 433	57 155
ADVERTISING	70 000	35 298	37 063	38 916
INTEREST ON ARREARS	3 233 500	474 545	498 272	523 186
CLEARANCE CERTIFICATE	1 500	975	1 024	1 075
VALUATION CERTIFICATE	5 000	1 861	1 954	2 052
IEC RENTAL	15 000	15 000	15 750	16 538
INTEREST ON TRADING LICENSE	8 000	5 762	6 050	6 353
APPLIC FOR QUOTATION	50 000	25 000	26 250	27 563
APPLIC TENDER DEP	1 000 000	272 158	285 766	300 054
SALE OF STAND(CASH)	5 000 000	2 366 564	2 484 892	2 609 137
GRANT SDL	150 000	107 887	113 281	118 945
TRAFFIC FINES	100 000	48 470	50 894	53 438
MOTOR LICENSING	5 000 000	3 902 543	4 097 670	4 302 554
RENTAL: COMMUNITY HALL/ STADIUM	200 000	103 422	108 593	114 023
RENTAL OF MUNICIPAL BUILDINGS	50 000	23 940	25 137	26 394
CEMETERY	150 000	73 500	77 175	81 034
SALE OF SPACE IN THE GRAVE	5 000	5 000	5 250	5 513
HIRING OF TLB AND GRADERS	25 000	5 853	6 146	6 453
REZONING	150 000	68 000	71 400	74 970
CONSENT USED	5 000	1 683	1 767	1 856
BUILDING PLAN FEES	250 000	149 638	157 120	164 976
TOTAL	90 100 000	35 000 000	36 750 000	38 587 500

CONDITIONAL GRANTS AND SUBSIDIES

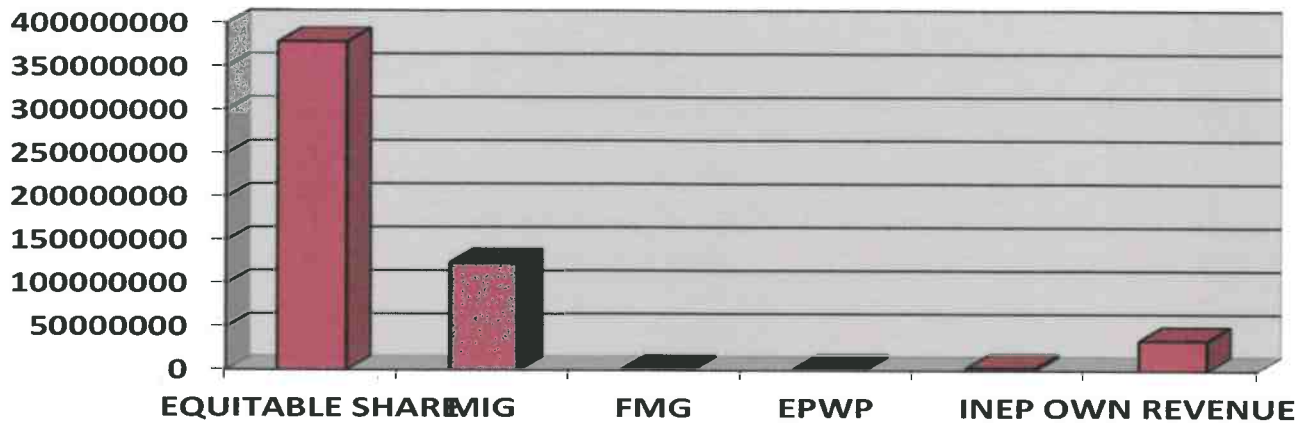
National Division of Revenue Bill allocations reflect the appropriation of Grants such as MIG, while there are strict conditions and processes for municipalities to access and retain the funding. The municipality should therefore ensure that it strives by all means to meet the conditions of the grant in order to ensure that service delivery is not disadvantaged.

The following table gives a breakdown of the various grants and subsidies allocated to the municipality over the medium term

GRANT AND SUBSIDIES	2018/2019 ADJUSTED BUDGET	2019/2020 DRAFT BUDGET	2020/2021 BUDGET	2021/2022 BUDGET
Municipal Infrastructure Grant (MIG)	122 491 000	125 111 000	132 361 000	142 790 000
Intergrated Electrification Programme (INEP)	1 550 000	3 500 000	-	-
Financial Management Grant (FMG)	1 770 000	2 235 000	2 667 000	2 666 000
Water Service Infrastructure Grant (WSIG)	18 000 000			
Expanded Public Works Programme (EPWP)	2 955 000	3 078 000	-	-
EQUITABLE SHARE	345 692 000	379 397 000	405 239 000	433 927 000
TOTAL	492 458 000	513 321 000	540 267 000	579 383 000

Overall grants and subsidies allocation has increased by **4%** from 2018/2019, of which Equitable Share alone has increased by **9%** and MIG has increased by **2%**.

The following graph gives a breakdown of the main revenue categories for 2019/2020 financial year.



3.2 OPERATING EXPENDITURE FRAMEWORK

The following table is a high level summary of the 2019/20 draft operating expenditure budget by type:

Summary of operating expenditure by type

TYPE	ADJUSTED BUDGET	2019-2020 DRAFT BUDGET	2020-2021 BUDGET	2021-2022 BUDGET
Employee Costs	200 524 867	260 000 000	278 200 000	297 674 000
Councillors Remuneration	24 814 104	25 600 000	26 880 000	28 224 000
General Expenses	182 921 317	135 785 000	141 216 400	146 865 056
Repairs & Maintenance	33 850 000	7 936 000	8 253 440	8 583 578
TOTAL	442 110 288	429 321 000	454 549 840	481 346 634

3.2.1 DETAIL OPERATIONAL BUDGET BY VOTE (FUNDED BY OPEX)

CORPORATE SERVICES

ADMIN AND CORPORATE SERVICE	2019-2020 DRAFT BUDGET	2020-2021 BUDGET	2021-2022 BUDGET
HUMAN RESOURCE			
REVENUE- HUMAN RESOURCE			
GRANT SDL	107 887	113 281	118 945
TOTAL REVENUE- HUMAN RESOURCE	107 887	113 281	118 945
EXPENDITURE- HUMAN RESOURCE			
TASK EVALUATION	200 000	210 000	220 500
HEALTH AND SAFETY	700 000	735 000	771 750
EAP	100 000	105 000	110 250
WCC	2 000 000	2 100 000	2 205 000
SKILLS DEVELOPMENT LEVY	1 500 000	1 575 000	1 653 750
TOTAL EXPENDITURE- HUMAN RESOURCE	4 500 000	4 725 000	4 961 250
ADMIN AND SECRETARIAT			
REVENUE- ADMIN AND SECRETARIAT			
	-	-	-
TOTAL REVENUE- ADMIN & SECRETARIAT	-	-	-
EXPENDITURE- ADMIN & SECRETARIAT			
PRINTING AND STATIONERY	1 000 000	1 050 000	1 102 500
RENTAL - OFFICE MACHINES	3 600 000	3 780 000	3 969 000
MATERIALS AND SUPPLIES	30 000	31 500	33 075
POSTAGE	1 000	1 050	1 103
MEMBERSHIP & SUBSCRIP FEE	2 300 000	2 415 000	2 535 750
TRAVEL & ACCOMMODATION	100 000	105 000	110 250
EDRMS	500 000	525 000	551 250
TOTAL EXPENDITURE- ADMIN & SECRETARIAT	7 531 000	7 907 550	8 302 928

LEGAL SERVICES			
REVENUE- LEGAL SERVICES			
	-	-	-
TOTAL REVENUE- LEGAL SERVICES	-	-	-
EXPENDITURE- LEGAL SERVICES			
LEGAL COSTS	1 500 000	1 575 000	1 653 750
TOTAL EXPENDITURE- LEGAL SERVICES	1 500 000	1 575 000	1 653 750
LABOUR RELATIONS			
REVENUE- LABOUR RELATIONS			
	-	-	-
TOTAL REVENUE- LABOUR RELATIONS	-	-	-
EXPENDITURE- LABOUR RELATIONS			
	-	-	-
TOTAL EXPENDITURE- LABOUR RELATIONS	-	-	-
INFORMATION COMMUNICATIONS TECHNOLOGY			
REVENUE- ICT			
	-	-	-
TOTAL REVENUE- ICT	-	-	-
EXPENDITURE- ICT			
REPAIRS IT EQUIPMENT	50 000	52 500	55 125
LICENCING	1 000 000	1 050 000	1 102 500
INTERNET ACCESS	1 000 000	1 050 000	1 102 500
ICT SUPPORT	1 500 000	1 575 000	1 653 750
ICT EQUIPMENTS	2 000 000	2 100 000	2 205 000
TOTAL EXPENDITURE- ICT	5 550 000	5 827 500	6 118 875

FLEET MANAGEMENT			
REVENUE- FLEET MANAGEMENT			
	-	-	
TOTAL REVENUE- FLEET MANAGEMENT	-	-	-
EXPENDITURE- FLEET MANAGEMENT			
REPAIRS & MAINTENANCE			
VEHICLE	800 000	840 000	882 000
GENERAL EXPENSES			
LICENSING	400 000	420 000	441 000
FUEL	1 500 000	1 575 000	1 653 750
FLEET MANAGEMENT	500 000	525 000	551 250
TOTAL EXPENDITURE- FLEET MANAGEMENT	3 200 000	3 360 000	3 528 000

COMMUNITY DEVELOPMENT SERVICES

COMMUNITY DEVELOPMENT SERVICE	2019-2020 DRAFT BUDGET	2020-2021 BUDGET	2021-2022 BUDGET
SPECIAL PROGRAMMES			
REVENUE- SPECIAL PROGRAMMES			
	-	-	-
TOTAL REVENUE- SPECIAL PROGRAMMES	-	-	-
EXPENDITURE- SPECIAL PROGRAMMES			
GENERAL EXPENSES			
HIV / AIDS	10 000	10 700	11 449
TRANSVERSAL	100 000	105 000	110 250
TOTAL EXPENDITURE- SPECIAL PROGRAMMES	110 000	115 700	121 699
PUBLIC SAFETY			
REVENUE- PUBLIC SAFETY			
TRAFFIC FINES	48 470	50 894	53 438
TOTAL REVENUE- PUBLIC SAFETY	48 470	50 894	53 438
EXPENDITURE- PUBLIC SAFETY			
GENERAL EXPENSES			
TRAVEL & ACCOMMODATION	100 000	105 000	110 250
SECURITY	17 000 000	17 850 000	18 742 500
		-	-
TOTAL EXPENDITURE- PUBLIC SAFETY	17 100 000	17 955 000	18 852 750
DISASTER MANAGEMENT			
REVENUE- DISASTER MANAGEMENT			
	-	-	-
TOTAL REVENUE- DISASTER MANAGEMENT	-	-	-
EXPENDITURE- DISASTER MANAGEMENT			
GENERAL EXPENSES			
DISASTER MANAGEMENT	50 000	52 500	55 125
TOTAL EXPENDITURE- DISASTER MANAGEMENT	50 000	52 500	55 125

FACILITIES			
REVENUE- FACILITIES			
RENTAL DEPOSITS	33 437	35 109	36 864
RENTAL: COMMUNITY HALL/ STADIUM	103 422	108 593	114 023
HIRING OF TLB AND GRADERS	5 853	6 146	6 453
RENTAL OF MUNICIPAL BUILDINGS	23 940	25 137	26 394
BUILDING PLAN FEES	149 638	157 120	164 976
TOTAL REVENUE- FACILITIES	316 290	332 105	348 710
EXPENDITURE- FACILITIES			
REPAIRS & MAINTENANCE			
BUILDINGS	500 000	525 000	551 250
GENERAL EXPENSES			
MATERIALS AND SUPPLIES	10 000	10 500	11 025
CLEANING SERVICES	600 000	630 000	661 500
TOTAL EXPENDITURE- FACILITIES	1 110 000	1 165 500	1 223 775
MOTOR LICENSING			
REVENUE- MOTOR LICENSING			
MOTOR LICENSING	3 902 543	4 097 670	4 302 554
TOTAL REVENUE- MOTOR LICENSING	3 902 543	4 097 670	4 302 554
EXPENDITURE- MOTOR LICENSING			
REPAIRS & MAINTENANCE			
MACHINERY CALIBRATION	15 000	15 750	16 538
MACHINERY MAINTANANCE	100 000	105 000	110 250
GENERAL EXPENSES			
DRIVERS LICENSE CARDS ACCOUNT	700 000	735 000	771 750
TOTAL EXPENDITURE- MOTOR LICENSING	815 000	855 750	898 538

WASTE MANAGEMENT & ENVIRONMENT			
REVENUE- WASTE MANAGEMENT			
CEMETERY	73 500	77 175	81 034
REFUSE	210 330	220 847	231 889
TOTAL REVENUE- WASTE MANAGEMENT	283 830	298 022	312 923
GENERAL EXPENSES			
EXPANDED P/W INCENTIVE GRANT	3 078 000	3 231 900	3 393 495
LANDFILL SITE EVALUATION	50 000	52 500	55 125
TOTAL EXPENDITURE- WASTE MANAGEMENT	3 128 000	3 284 400	3 448 620

PLANNING AND DEVELOPMENT

PLANNING AND DEVELOPMENT	2019-2020 DRAFT BUDGET	2020-2021 BUDGET	2021-2022 BUDGET
INTERGRATED DEVELOPMENT PLANNING			
REVENUE- IDP	-	-	-
TOTAL REVENUE- IDP	-	-	-
EXPENDITURE- IDP			
IDP	300 000	315 000	330 750
TOTAL EXPENDITURE- IDP	300 000	315 000	330 750
LOCAL DEVELOPMENT PLANNING			
REVENUE- LED			
TRADING LICENCES	55 043	57 795	60 685
APPLICATION FOR TRADING LICENCE	10 483	11 007	11 558
INTEREST ON TRADING LICENSE	5 762	6 050	6 353
TOTAL REVENUE- LED	65 526	68 802	72 242
EXPENDITURE- LED			
LED RELATED COSTS	10 000	10 500	11 025
BURSARY SCHEME	500 000	525 000	551 250
TOTAL EXPENDITURE- LED	510 000	535 500	562 275
LAND ADMIN & HUMAN SETTLEMENT			
REVENUE- LAND ADMIN & HUMAN SETTLEMENT			
SALE OF STAND	2 366 564	2 484 892	2 609 137
REGISTRATION PROPERTY TRANSFER	5 502	5 777	6 066
PROPERTY RATES	6 977 678	7 326 562	7 692 890
TOTAL REVENUE-LAND ADMIN & HUMAN SETTLEMENT	9 349 744	9 817 231	10 308 093
EXPENDITURE- LAND ADMIN & HUMAN SETTLEMENT			
LICENCE	2 000	2 100	2 205
LAND TENURE & SURVEYING	500 000	525 000	551 250
TOTAL EXPENDITURE- LAND ADMIN & HUMAN SETTLEMENT	502 000	527 100	553 455

TOWN & REGIONAL PLANNING			
REVENUE- TOWN & REGIONAL PLANNING			
REZONING	68 000	71 400	74 970
CONSENT USED	1 683	1 767	1 856
TOTAL REVENUE- TOWN & REGIONAL PLANNING	69 683	73 167	76 826
EXPENDITURE- TOWN & REGIONAL PLANNING			
MAINTENANCE OF GIS	200 000	210 000	220 500
LICENCE	40 000	42 000	44 100
PLANNING	500 000	525 000	551 250
TOTAL EXPENDITURE- TOWN & REGIONAL PLANNING	740 000	777 000	815 850

FINANCE

FINANCE	2019-2020 DRAFT BUDGET	2020-2021 BUDGET	2021-2022 BUDGET
ASSET MANAGEMENT			
REVENUE- ASSET MANAGEMENT	-	-	-
TOTAL REVENUE- ASSET MANAGEMENT	-	-	-
EXPENDITURE- ASSET MANAGEMENT			
GENERAL EXPENSES			
RE-VALUATION OF ASSETS	1 000 000	1 040 000	1 081 600
TOTAL EXPENDITURE- ASSET MANAGEMENT	1 000 000	1 040 000	1 081 600
BUDGET & REPORTING			
REVENUE- BUDGET & REPORTING	-	-	-
TOTAL REVENUE- BUDGET & REPORTING	-	-	-
EXPENDITURE- BUDGET & REPORTING			
GENERAL EXPENSES			
MSCOA IMPLEMENTATION	1 500 000	1 560 000	1 622 400
TOTAL EXPENDITURE- BUDGET & REPORTING	1 500 000	1 560 000	1 622 400
EXPENDITURE MANAGEMENT			
REVENUE- EXPENDITURE MANAGEMENT	-	-	-
TOTAL REVENUE- EXPENDITURE	-	-	-
EXPENDITURE-EXPENDITURE MANAGEMENT			
GENERAL EXPENSES			
FINANCE MANAGEMENT GRANT	2 235 000	2 346 750	2 464 088
FINANCIAL SYSTEMS	1 600 000	1 664 000	1 730 560
BANK CHARGES	300 000	312 000	324 480
TRAVEL & ACCOMMODATION	100 000	104 000	108 160
TOTAL EXPENDITURE- EXPENDITURE MANAGEMENT	4 235 000	4 426 750	4 627 288

REVENUE MANAGEMENT			
REVENUE- REVENUE MANAGEMENT			
INTEREST ON INVESTMENTS	874 471	918 195	964 104
APPLICATION FOR TENDER DEPOSIT	272 158	285 766	300 054
ADVERTISING	35 298	37 063	38 916
SUNDRY INCOME (STAFF RECOVERY)	51 841	54 433	57 155
CLEARANCE CERTIFICATE	975	1 024	1 075
VALUATION CERTIFICATE	1 861	1 954	2 052
TOTAL REVENUE- REVENUE MANAGEMENT	1 236 604	1 298 434	1 363 356
EXPENDITURE- REVENUE MANAGEMENT			
GENERAL EXPENSES			
CASH MANAGEMENT SERVICES	600 000	624 000	648 960
COMPILATION OF AFS	1 000 000	1 040 000	1 081 600
PAYMENT OF LASERCOM	150 000	156 000	162 240
ASSET FINANCING RESERVE	35 000 000	36 400 000	37 856 000
TOTAL EXPENDITURE- REVENUE MANAGEMENT	1 750 000	1 820 000	1 892 800
SUPPLY CHAIN MANAGEMENT			
REVENUE- SCM			
	-	-	-
TOTAL REVENUE- SCM	-	-	-
EXPENDITURE- SCM			
	-	-	-
TOTAL EXPENDITURE- SCM	-	-	-

MUNICIPAL MANAGER'S OFFICE

MUNICIPAL MANAGER'S OFFICE	2019-2020 DRAFT BUDGET	2020-2021 BUDGET	2021-2022 BUDGET
COUNCIL GENERAL			
REVENUE -COUNCIL GENERAL	-	-	-
TOTAL REVENUE COUNCIL GENERAL	-	-	-
EXPENDITURE COUNCIL GENERAL			
REFRESHMENTS	63 000	66 150	69 458
TRAVEL & ACCOMMODATION	200 000	210 000	220 500
TOTAL EXPENDITURE COUNCIL GENERAL	263 000	276 150	289 958
PUBLIC PARTICIPATION			
REVENUE- PUBLIC PARTICIPATION	-	-	-
TOTAL REVENUE- PUBLIC PARTICIPATION	-	-	-
EXPENDITURE- PUBLIC PARTICIPATION			
COMMUNITY PARTICIPATION	900 000	945 000	992 250
WARD COMMITTEE SUPPORT	3 720 000	3 906 000	4 101 300
TOTAL EXPENDITURE PUBLIC PARTICIPATION	4 620 000	4 851 000	5 093 550
YOUTH DEVELOPMENT			
REVENUE YOUTH	-	-	-
TOTAL REVENUE YOUTH	-	-	-
EXPENDITURE YOUTH DEVELOPMENT			
YOUTH INDABA	50 000	52 500	55 125
TOTAL EXPENDITURE - YOUTH DEVELOPMENT	50 000	52 500	55 125

COMMUNICATIONS			
REVENUE- COMMUNICATIONS	-	-	-
TOTAL REVENUE- COMMUNICATIONS	-	-	-
EXPENDITURE- COMMUNICATION			
PRINTING BRANDING & PUBLICITY	500 000	525 000	551 250
ADVERTISMENT	300 000	315 000	330 750
TOTAL EXPENDITURE- COMMUNICATIONS	800 000	840 000	882 000
PERFORMANCE MANAGEMENT SYSTEM			
REVENUE- PERFORMANCE MANAGEMENT SYSTEM	-	-	-
TOTAL REVENUE PERFORMANCE MANAGEMENT SYATEM	-	-	-
EXPENDITURE- PERFORMANCE MANAGEMENT SYSTEM			
TRAVEL & ACCOMMODATION	100 000	105 000	110 250
PMS	500 000	525 000	551 250
TOTAL EXPENDITURE PERFORMANCE MANAGEMENT SYSTEM	600 000	630 000	661 500
INTERNAL AUDIT			
REVENUE- INTERNAL AUDIT	-	-	-
TOTAL REVENUE- INTERNAL AUDIT	-	-	-
EXPENDITURE- INTERNAL AUDIT			
PERFORMANCE AUDIT COMMITTEE	120 000	126 000	132 300
OUTSOURCING	500 000	525 000	551 250
AUDITING FEES	3 076 000	3 229 800	3 391 290
TOTAL EXPENDITURE - INTERNAL AUDIT	3 696 000	3 880 800	4 074 840
RISK MANAGEMENT			
REVENUE- RISK MANAGEMENT	-	-	-
TOTAL REVENUE- RISK MANAGEMENT			
EXPENDITURE- RISK MANAGEMENT			
RISK MANAGEMENT COMMITTEE	50 000	52 500	55 125
FRAUD HOTLINE	200 000	-	-
TOTAL EXPENDITURE- RISK MANAGEMENT	250 000	52 500	55 125

TECHNICAL SERVICES

TECHNICAL SERVICES	2019-2020 DRAFT BUDGET	2020-2021 BUDGET	2021-2022 BUDGET
ROADS AND STORMWATER			
REVENUE- ROADS & STORMWATER	-	-	-
TOTAL REVENUE	-	-	-
EXPENDITURE ROADS & STORMWATER			
REPAIRS & MAINTENANCE			
ROADS STORMWATER PAVEMENTS	500 000	525 000	551 250
ROAD MARKINGS	250 000	262 500	275 625
STREETSURFACE SEALING	500 000	525 000	551 250
TRAFFIC SIGNS	300 000	315 000	330 750
MATERIALS AND SUPPLIES	500 000	525 000	551 250
TOTAL EXPENDITURE- ROADS & STORMWATER	2 050 000	2 152 500	2 260 125
ELECTRICAL & MECHANICAL			
REVENUE- ELECTRICAL & MECHANICAL	-	-	-
TOTAL REVENUE ELECTRICAL & MECHANICAL	-	-	-
EXPENDITURE- ELECTRICAL & MECHANICAL			
REPAIRS & MAINTENANCE			
PUMPSTATIONS	1 000 000	1 050 000	1 102 500
MATERIAL & SUPPLIERS	61 000	64 050	67 253
HIGHMAST LIGHT REPAIRS	500 000	525 000	551 250
BACK-UP GENERATOR-GAMORWE STATDIUM	250 000		
GENERAL EXPENSES			
MUNICIPAL SERVICES	27 430 000	28 801 500	30 241 575
HOUSEHOLD ELECTRIFICATION	3 500 000	3 675 000	3 858 750
TOTAL EXPENDITURE ELECTRICAL & MECHANICAL	32 741 000	34 115 550	35 821 328

WATER			
REVENUE- WATER			
SERVICE CHARGE	17 539 497	18 416 472	19 337 295
TOTAL REVENUE WATER	17 539 497	18 416 472	19 337 295
WATER - EXPENDITURE			
REPAIRS & MAINTENANCE			
BOREHOLES REPAIRS	200 000	210 000	224 700
RESERVOIRS	1 000 000	1 050 000	1 102 500
BULK WATER MAIN	500 000	525 000	551 250
GENERAL EXPENSES			
TRAVEL & ACCOMMODATION	100 000	105 000	110 250
WATER CHEMICALS	5 000 000	5 250 000	5 512 500
WATER SERVICE PROMOTION	10 000	10 500	11 025
PORTABLE WATER TANKS	300 000	315 000	330 750
TOTAL WATER EXPENDITURE	7 110 000	7 465 500	7 842 975
SANITATION			
REVENUE - SANITATION			
SERVICE CHARGES	2 137 396	2 244 266	2 356 479
TOTAL REVENUE -SANITATION	2 137 396	2 244 266	2 356 479
SANITATION- EXPENDITURE			
REPAIRS & MAINTANANCE			
REPAIRS MANHOLES & UNBLOCKING	300 000	315 000	330 750
SUPPLY OF SEWER PIPES	150 000	157 500	165 375
CHEMICALS SUPPLY FOR THE MAINTENANCE OF CWB/VP	100 000	105 000	110 250
MECHANICAL SREEN / PUMPS	150 000	157 500	165 375
GENERAL EXPENSES			
FENCING OF PLANT/PONDS	200 000	210 000	220 500
TOTAL EXPENDITURE - SANITATION	900 000	945 000	992 250

PROJECT MANAGEMENT UNIT			
REVENUE- PMU			
	-	-	-
TOTAL REVENUE- PMU	-	-	-
EXPENDITURE- PMU			
	-	-	-
TOTAL EXPENDITURE- PMU	-	-	-

3.2.2 DETAIL OPERATIONAL UNFUNDED BUDGET BY VOTE (COUNCIL PROGRAMMES AND PROJECTS)

CORPORATE SERVICES

ADMIN AND CORPORATE SERVICE	2019-2020 DRAFT BUDGET	2020-2021 BUDGET	2021-2022 BUDGET
HUMAN RESOURCE			
EXPENDITURE- HUMAN RESOURCE			
TRAINING	3 000 000	3 150 000	3 307 500
TOTAL EXPENDITURE- HUMAN RESOURCE	3 000 000	3 150 000	3 307 500
RECORDS MANAGEMENT			
EXPENDITURE- RECORDS MANAGEMENT			
EDRMS	800 000	840 000	882 000
TOTAL EXPENDITURE- RECORDS MANAGEMENT	800 000	840 000	882 000
LEGAL SERVICES			
EXPENDITURE- LEGAL SERVICES			
LEGAL COSTS	1 000 000	1 050 000	1 102 500
TOTAL EXPENDITURE- LEGAL SERVICES	1 000 000	1 050 000	1 102 500

LABOUR RELATIONS			
EXPENDITURE- LABOUR RELATIONS			
INTERNAL SPORT (EMPLOYEE WELLNESS)	850 000	-	-
TOTAL EXPENDITURE- LABOUR RELATIONS	850 000	-	-
INFORMATION COMMUNICATIONS TECHNOLOGY			
EXPENDITURE- ICT			
DISASTER RECOVERY SITE	9 000 000	9 450 000	9 922 500
TOTAL EXPENDITURE- ICT	9 000 000	9 450 000	9 922 500
FLEET MANAGEMENT			
EXPENDITURE- FLEET MANAGEMENT			
REPAIRS & MAINTENANCE			
VEHICLE	7 200 000	7 560 000	7 938 000
TOTAL EXPENDITURE- FLEET MANAGEMENT	7 200 000	7 560 000	7 938 000

DEVELOPMENT & PLANNING

PLANNING AND DEVELOPMENT	2019-2020 DRAFT BUDGET	2020-2021 BUDGET	2021-2022 BUDGET
LOCAL DEVELOPMENT PLANNING			
EXPENDITURE- LED			
BURSARY SCHEME	500 000	525 000	551 250
TOTAL EXPENDITURE- LED	500 000	525 000	551 250

COMMUNITY DEVELOPMENT SERVICES

COMMUNITY DEVELOPMENT SERVICE	2019-2020 DRAFT BUDGET	2020-2021 BUDGET	2021-2022 BUDGET
SPORTS, RECREATION & FACILITIES			
HERITAGE	510 000	535 500	562 275
MAYORAL CUP	400 000	420 000	441 000
TOTAL EXPENDITURE- SPORTS, REC. & FACILITIES	910 000	955 500	1 003 275
SPECIAL PROGRAMMES			
EXPENDITURE- SPECIAL PROGRAMMES			
GENERAL EXPENSES			
HIV / AIDS	390 000	417 300	446 511
TRANSVERSAL	300 000	315 000	330 750
TOTAL EXPENDITURE- SPECIAL PROGRAMMES	690 000	732 300	777 261
DISASTER MANAGEMENT			
EXPENDITURE- DISASTER MANAGEMENT			
GENERAL EXPENSES			
DISASTER MANAGEMENT	1 450 000	1 522 500	1 598 625
TOTAL EXPENDITURE- DISASTER MANAGEMENT	1 450 000	1 522 500	1 598 625

MUNICIPAL MANAGER'S OFFICE

	2019-2020 DRAFT BUDGET	2020-2021 BUDGET	2021-2022 BUDGET
MUNICIPAL MANAGER'S OFFICE			
EXPENDITURE- COUNCIL GENERAL			
SECTION 79 COMMITTEES OVERSIGHT	1 000 000	1 050 000	1 102 500
TOTAL EXPENDITURE- COUNCIL GENERAL	1 000 000	1 050 000	1 102 500
PUBLIC PARTICIPATION			
EXPENDITURE- PUBLIC PARTCIPATION			
COMMUNITY PARTICIPATION	1 000 000	1 050 000	1 102 500
TOTAL EXPENDITURE PUBLIC PARTICIPATION	1 000 000	1 050 000	1 102 500
COMMUNICATIONS			
EXPENDITURE- COMMUNICATION			
PRINTING BRANDING & PUBLICITY	300 000	315 000	330 750
TOTAL EXPENDITURE- COMMUNICATIONS	300 000	315 000	330 750
PERFORMANCE MANAGEMENT SYSTEM			
EXPENDITURE- PERFORMANCE MANAGEMENT SYSTEM			
PMS	800 000	840 000	882 000
TOTAL EXPENDITURE PERFORMANCE MANAGEMENT SYSTEM	800 000	840 000	882 000

TECHNICAL SERVICES

TECHNICAL SERVICES	2019-2020 DRAFT BUDGET	2020-2021 BUDGET	2021-2022 BUDGET
ROADS AND STORMWATER			
EXPENDITURE ROADS & STORMWATER			
REPAIRS & MAINTENANCE			
ROADS STORMWATER PAVEMENTS	6 950 000	7 297 500	7 662 375
TOTAL EXPENDITURE- ROADS & STORMWATER	6 950 000	7 297 500	7 662 375
ELECTRICAL & MECHANICAL			
EXPENDITURE- ELECTRICAL & MECHANICAL			
REPAIRS & MAINTENANCE			
MATERIAL & SUPPLIERS	939 000	985 950	1 035 248
GENERAL EXPENSES			
BACK-UP GENERATOR (ICT)	400 000	420 000	441 000
TOTAL EXPENDITURE ELECTRICAL & MECHANICAL	1 339 000	1 405 950	1 476 248
SANITATION			
SANITATION- EXPENDITURE			
REPAIRS & MAINTANANCE			
REPAIRS MANHOLES & UNBLOCKING	5 100 000	5 355 000	5 622 750
TOTAL EXPENDITURE - SANITATION	5 100 000	5 355 000	5 622 750

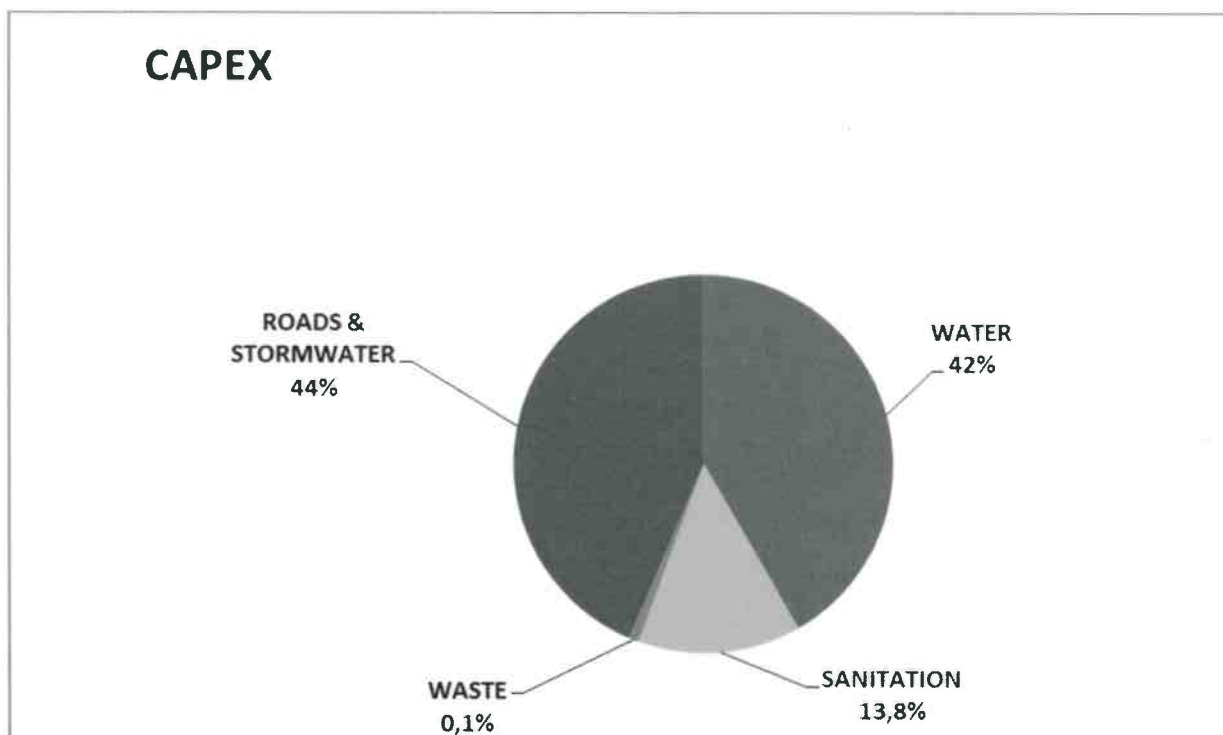
3.3 DRAFT CAPITAL EXPENDITURE

Capital budget is financed through MIG. The capital budget for 2019/2020 financial year amounts to R 119,000,000

The following table illustrates the Capital Expenditure by vote

	2018/19 ADJUSTED BUDGET	2019/2020 DRAFT BUDGET	2020/2021 BUDGET	2021/2022 BUDGET
WATER	70 875 041	49 625 000	58 372 325	63 563 931
SANITATION	18 300 901	16 500 000	17 325 000	18 537 750
FACILITIES	8 052 612	-	-	-
WASTE	-	1 000 000	1 050 000	1 123 500
ROADS & STORMWATER	42 162 446	51 875 000	54 468 750	58 281 563
TOTAL	139 391 000	119 000 000	131 216 075	141 506 744

Below chart illustrates the 2019/2020 capital expenditure



The budgetary allocations for draft capital expenditure have been undertaken in a manner that will not only ensure that the IDP outcomes are achieved but also lead to the municipality's vision being realized.

DETAIL LIST OF 2019/2020 TO 2021/2022 CAPITAL PROJECTS FUNDED BY MUNICIPAL INFRASTRUCTURAL GRANT

WATER PROJECTS	WARD	SOURCE OF FUNDING	DRAFT BUDGET 2019/2020	BUDGET 2020/2021	BUDGET 2021/2022
Mrhetjha Water Reticulation	8	MIG	5 000 000	5 250 000	5 617 500
Mbhongo Water Reticulation	17	MIG	5 000 000	5 250 000	5 617 500
Mtshelapata Water Reticulation	12	MIG	5 000 000	5 250 000	5 617 500
Senotlelo Water Reticulation	20	MIG	9 625 000	10 899 200	12 767 147
Itsoseng Water Reticulation	25	MIG	5 000 000	5 250 000	5 617 500
Setateng Water Reticulation	25	MIG	5 000 000	5 250 000	5 617 500
Magareng Water Reticulation	28	MIG	5 000 000	5 250 000	5 617 500
Dieriefeng Water Reticulation	28	MIG	5 000 000	5 250 000	5 617 500
Maphotla Water Reticulation	14	MIG	5 000 000	5 250 000	5 617 500
SUB-TOTAL			49 625 000	52 899 200	57 707 147

SANITATION PROJECTS	WARD	SOURCE OF FUNDING	FINAL BUDGET 2019/2020	BUDGET 2020/2021	BUDGET 2021/2022
Mashadi CWB toilets	4	MIG	600 000	630 000	674 100
Makopanong CWB toilets	2	MIG	2 000 000	2 100 000	2 247 000
Borolo CWB toilets	13	MIG	1 500 000	1 575 000	1 685 250
Maphotla CWB toilets	14	MIG	1 700 000	1 785 000	1 909 950
Ukukhanya CWB toilets	19	MIG	1 700 000	1 785 000	1 909 950
Marapyane CWB toilets	24	MIG	1 700 000	1 785 000	1 909 950
Loding/Sehoko/ Semohlatse/ Moletji/ Ramantsho CWB toilets	26	MIG	1 700 000	1 785 000	1 909 950
Leseleseleng CWB toilets	27	MIG	1 700 000	1 785 000	1 909 950
Phake(Thabeng/Ratlagane/ Rankaila) CWB toilets	29/30	MIG	2 000 000	2 100 000	2 247 000
Masobye CWB toilets	31	MIG	1 900 000	1 995 000	2 134 650
SUB-TOTAL			16 500 000	17 325 000	18 537 750

ROADS PROJECTS	WARD	SOURCE OF FUNDING	FINAL BUDGET 2019/2020	BUDGET 2020/2021	BUDGET 2021/2022
Seabe (Itsoeng) Roads and Stormwater	25	MIG	5 000 000	5 250 000	5 617 500
Siyabuswa B Roads and Stormwater	5	MIG	7 500 000	7 875 000	8 426 250
Katjibane Bus Route	27	MIG	8 500 000	8 925 000	9 549 750
Nokaneng Bus Route	28	MIG	7 900 000	8 295 000	8 875 650
Digwale Bus Route	15	MIG	3 793 750	3 983 438	4 262 278
Ga-Morwe Bus Route	9/10	MIG	3 793 750	3 983 438	4 262 278
Ga-phaahla Bus Route	1	MIG	7 800 000	8 190 000	8 763 300
Maphanga Bus Route	18	MIG	3 793 750	3 983 438	4 262 278
Siyabuswa A Bus Route	3/4	MIG	3 793 750	3 983 438	4 262 278
SUB-TOTAL			51 875 000	54 468 750	58 281 563

WASTE PROJECTS	WARD	SOURCE OF FUNDING	FINAL BUDGET 2019/2020	BUDGET 2020/2021	BUDGET 2021/2022
Mamethake Landfill Site	28/29	MIG	1 000 000		
SUB-TOTAL			1 000 000	-	-

PART 2 - SUPPORTING DOCUMENTATION

4. BUDGET PROCESS OVERVIEW

MFMA, Chapter 4, as well as Circular 93 and 94 provide guidance on the steps in the annual budget process. Critical to the development of a credible budget are:

Consultation with the community and other stakeholders, as summarized below:

1. Political oversight and management of the budget process
2. Time schedule relating to the budget process
3. Process for tabling of budget and community consultations

4.1 Political oversight of the budget process

The Council and Management convened various planning sessions to discuss political and strategic priorities that would inform the IDP/Budget review. Formal and Informal meetings were also convened with managers to discuss issues relevant to the budget.

4.2 Schedule of Key Deadlines relating to budget process [MFMA s 21(1)(b)]

The process schedule of key deadlines for the preparation of the budget for the 2019/2020 medium term budget was approved by Council in August 2018 which is 10 months before the start of the budget year.

4.3 Process for tabling of budget and community consultation

In terms of section 23 of the MFMA, after the budget is tabled, the municipal council must consider any views of the local community, National Treasury, relevant provincial treasury and any provincial or national organ of state or municipalities which made submissions on the budget.

5. OVERVIEW OF BUDGET RELATED POLICIES

This section provides an overview of the budget related policies to be approved by council resolution.

The following indicates the names of the existing budget related policies which are also attached as annexures:

POLICY	AMENDMENTS
Asset Management Policy	No changes
Budget Policy	No change
Cash management and investment policy	<p>Policy to include Section 4 sub-section (c) (iii) (bb) of the MFMA Regulation- “the list of approved institution were or through which investment may be made.”</p> <p>Section 6 (a-j) of the MFMA Regulation</p>
Credit Control and Debt collection policy	<p>Section 8.1.2 remove estimations and replace with average.</p> <p>Section 10 remove “prevailing prime rate” to 12%</p> <p>Section 6.5, 11 and 17.2 removed</p> <p>Section 16.4 The Accounting Officer should recommend such writes-off to Council for consideration and condonation. This transaction will only be valid as a once-off exercise and such consumer will not graded writes-off again in future and</p> <p>Section 17.3 Where a debtor willing to settle his/her account through once off payment for outstanding balance between R2 500 to R5 000 including interest, all interest amount should be written off.</p> <p>The Chief Financial Officer should recommend such writes-off to Council for consideration and condonation. This transaction will only be valid as a once-off exercise and such consumer will not graded writes-off again in future</p>
Debt Impairment and writing off policy	<p>Section 9.1 removed and replaced with Chief financial Officer is authorised by this policy to writes-off the total amount not exceeding R50 000 and report such transaction to the Council for consideration and condonation</p> <p>Section 10 replace “150 day” by “90 days”</p>
Indigent policy	<p>Section 5.1 remove “social worker” and “representative from home based care”</p> <p>Section 7.1 (a) remove the latest municipal account in his/her position and replaced by “municipal account statement if applicable”</p> <p>Section 7.1 (d) remove Listed gross monthly income of all adults (over 18), with proof (pay slip, grant proof, etc)</p> <p>(f) Section 7.1 (f) remove statement of monthly income/affidavit for income earners and be replaced by Validation report from a councillor or ward committee member for any information that could not be supported.</p> <p>Section 12.1 remove “varied” replace by verified</p> <p>14.2 Section 14.2 Council will consider, on an annual basis, the writing off of arrears accounts at the time of enrolment as an indigent household. The Chief Financial Officer should recommend such writing-off to Council. This submission will only be valid as a once-off exercise after approval and will not be applicable for future consumption in excess of the approved subsidy accumulated.</p>

Indigent policy	<p>Section 5.1 remove “social worker” and “representative from home based care”</p> <p>Section 7.1 (a) remove the latest municipal account in his/her position and replaced by “municipal account statement if applicable”</p> <p>Section 7.1 (d) remove Listed gross monthly income of all adults (over 18), with proof (pay slip, grant proof, etc)</p> <p>(g) Section 7.1 (f) remove statement of monthly income/affidavit for income earners and be replaced by Validation report from a councillor or ward committee member for any information that could not be supported.</p> <p>Section 12.1 remove “varied” replace by verified</p> <p>4.3 Section 14.2 Council will consider, on an annual basis, the writing off of arrears accounts at the time of enrolment as an indigent household. The Chief Financial Officer should recommend such writing-off to Council. This submission will only be valid as a once-off exercise after approval and will not be applicable for future consumption in excess of the approved subsidy accumulated.</p>
Property Rates policy	Section 11 addition of differential rating
Loss control policy	No changes
Supply Chain Management policy	Refer to Section 14 amended with the inclusion of CSD, Section 26 is amended with inclusion OF Section 81 sub-section 1(b) of the MFMA Section 28 sub-section 2(a) it is amended with the removal of the paragraph stipulating “only assistant managers” replaced with “all officials” Section 53 and 54 to be removed and be replaced by contract management and local content.
Tariff Policy	<p>Section 7.3 The tariff levied by Dr JS Moroka Municipality is based on the type and category of user, unless indicated differently.</p> <p>Section 7.5 Property rates is a non-exchange services and tariff calculation is based on market values of the properties in the valuation roll. In applying its rates policy the council shall adhere to all the requirements of the Property Rates Act, 2004, including any regulations promulgated in terms of that Act.</p> <p>Section 9 and in the case of non-metering a flat rate in accordance with the cost structure must be implemented</p> <p>Section 13 of “interest charge”</p> <p>Propose tariff increase by 5.2% as per inflation rate</p>

6. Overview of Budget Assumptions

6.1 Expenditure

Salaries and Allowances

Salaries are at 47% of the total budget and the councilor's remuneration at 5%.

General expenditure

General expenditure is at 25% of the total budget

Repairs and Maintenance

The total repairs and maintenance is 1% of the total budget.

Capital projects

Capital projects are 22% of the total budget

5.2 Revenue

Households

It is assumed that the total number of households in the municipal area (the tax base) will increase during the financial year.

Collection rate for municipal services

It is assumed that the collection rate for the financial year 2019/2020 will increase.

Grants

It is assumed that the National grants as per Division of Revenue Act (DORA) which has been included in the budget will be received during the 2019/20 financial year.

Indigents

It is assumed that the indigents will increase during the financial year as the municipality is busy with the process of data cleansing.

7. OVERVIEW OF BUDGET FUNDING

In terms of Section 18 of Municipal Finance Management Act, an annual budget may be funded from:

- ✓ Realistically anticipated revenues to be collected
- ✓ Cash backed accumulated funds from previous years surpluses not committed for other purposes
- ✓ Borrowed funds but only for the capital budget referred to in Section 17

On the basis of the above it should be noted that the municipal budget is funded mainly from:

- ✓ **Equitable Share** which is constitute **69%** of the total revenue which is to fund the day to day running of the municipality and fund the services consumed by the indigent section of the community.
- ✓ **Conditional Grants** (MIG, EPWP, FMG and INEP) constitute **24%** and the grant is used to fund the infrastructure backlog as well as capacitating financial officials and interns.
- ✓ **Own revenue** constitutes **6%** of the budget. (Relates to realistically anticipated revenue to be collected) This portion of the budget depend on the municipal ability to raise and collect revenue so that it can be able to fund its operations

8. COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

MP316 Dr J.S. Moroka - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		10 869	21 205		14 505	17 119	17 119	17 119	17 804	18 516
Pension and UIF Contributions		1 578			2 298	2 298	2 298	2 298	2 390	2 486
Medical Aid Contributions		686			764	764	764	764	795	826
Motor Vehicle Allowance		4 377			4 634	4 634	4 634	4 634	4 819	5 012
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		17 510	21 205	-	22 200	24 814	24 814	24 814	25 807	26 839
% increase	4		21,1%	(100,0%)	-	11,8%	-	-	4,0%	4,0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 679	4 067		5 977	5 977	5 977	5 977	6 216	6 465
Pension and UIF Contributions		704	833		516	516	516	916	952	991
Medical Aid Contributions					268	268	268	868	903	939
Overtime					80	80	80	80	83	87
Performance Bonus		77	36		316	316	316	316	329	342
Motor Vehicle Allowance	3				174	174	174	2 174	2 261	2 352
Cellphone Allowance	3				89	89	89	89	93	96
Housing Allowances	3				9	9	9	9	9	10
Other benefits and allowances	3	552	258		13	13	13	13	14	14
Payments in lieu of leave			215							
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		5 010	5 409	-	7 442	7 442	7 442	10 442	10 860	11 294
% increase	4		8,0%	(100,0%)	-	-	-	40,3%	4,0%	4,0%
Other Municipal Staff										
Basic Salaries and Wages		107 190	110 399		135 223	138 106	138 106	169 571	176 354	183 408
Pension and UIF Contributions		20 708	22 691		25 692	25 692	25 692	36 776	38 247	39 777
Medical Aid Contributions		7 790	8 829		10 142	10 142	10 142	16 912	17 588	18 292
Overtime		7 309	3 359		1 997	1 997	1 997	1 917	1 994	2 073
Performance Bonus		8 718	8 608		10 496	10 496	10 496	17 318	18 010	18 731
Motor Vehicle Allowance	3	3 145	4 380		4 530	4 530	4 530	5 530	5 751	5 981
Cellphone Allowance	3	816	931		779	779	779	979	1 018	1 059
Housing Allowances	3	1 556	2 099		1 296	1 296	1 296	1 296	1 347	1 401
Other benefits and allowances	3	4 412	298		45	45	45	45	47	49
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		161 645	161 594	-	190 199	193 082	193 082	250 343	260 357	270 771
% increase	4		(0,0%)	(100,0%)	-	1,5%	-	29,7%	4,0%	4,0%
Total Parent Municipality		184 165	188 208	-	219 841	225 338	225 338	285 600	297 024	308 905

9. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MP316 Dr J.S. Moroka - Supporting Table SA30 Budgeted monthly cash flow

R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Cash Receipts By Source																
Property rates	582	582	582	582	582	582	582	582	582	582	582	581	6 978	7 327	7 693	
Service charges - electricity revenue	1 638	1 638	1 638	1 638	1 638	1 638	1 638	1 638	1 638	1 638	1 638	—	—	—	—	
Service charges - water revenue	178	178	178	178	178	178	178	178	178	178	178	1 638	19 651	20 634	21 665	
Service charges - sanitation revenue	18	18	18	18	18	18	18	18	18	18	18	178	2 137	2 244	2 356	
Service charges - refuse revenue	3	3	3	3	3	3	3	3	3	3	3	18	210	221	232	
Rental of facilities and equipment	73	73	73	73	73	73	73	73	73	73	73	3	33	35	37	
Interest earned - external investments	40	40	40	40	40	40	40	40	40	40	40	874	874	918	964	
Interest earned - outstanding debtors	4	4	4	4	4	4	4	4	4	4	4	39	475	498	523	
Dividends received	329	329	329	329	329	329	329	329	329	329	329	—	—	—	—	
Fines, penalties and forfeits	4	4	4	4	4	4	4	4	4	4	4	4	48	51	53	
Licences and permits	329	329	329	329	329	329	329	329	329	329	329	329	3 948	4 145	4 352	
Agency services	301	301	301	301	301	301	301	301	301	301	301	388 210	388 210	407 906	436 594	
Transfer receipts - operational	301	301	301	301	301	301	301	301	301	301	301	301	3 609	3 790	3 980	
Other revenue	3 164	3 164	3 164	3 164	3 164	3 164	3 164	3 164	3 164	3 164	3 164	391 375	426 174	447 768	478 450	
Cash Receipts by Source																
Transfer receipts - capital	31 278	31 278	31 278	31 278	31 278	31 278	31 278	31 278	31 278	31 278	31 278	—	125 111	132 361	142 790	
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 - a))																
Proceeds on disposal of PPE																
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	34 441	34 441	34 441	34 441	34 441	34 441	34 441	34 441	34 441	34 441	34 441	391 375	551 285	580 129	621 240	
Cash Payments by Type																
Employee related costs	21 667	21 667	21 667	21 667	21 667	21 667	21 667	21 667	21 667	21 667	21 667	21 667	260 000	270 400	281 216	
Remuneration of councillors	2 133	2 133	2 133	2 133	2 133	2 133	2 133	2 133	2 133	2 133	2 133	2 133	25 600	312	324	
Finance charges	25	25	25	25	25	25	25	25	25	25	25	—	300	—	—	
Bulk purchases - Electricity	661	661	661	661	661	661	661	661	661	661	661	—	—	—	—	
Bulk purchases - Water & Sewer	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	—	—	—	—	
Other materials	661	661	661	661	661	661	661	661	661	661	661	—	—	—	—	
Contracted services	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	—	—	—	—	
Transfers and grants - other municipalities	6 315	6 315	6 315	6 315	6 315	6 315	6 315	6 315	6 315	6 315	6 315	—	—	—	—	
Transfers and grants - other	32 860	32 860	32 860	32 860	32 860	32 860	32 860	32 860	32 860	32 860	32 860	—	—	—	—	
Other expenditure	9 917	9 917	9 917	9 917	9 917	9 917	9 917	9 917	9 917	9 917	9 917	—	—	—	—	
Cash Payments by Type	32 860	32 860	32 860	32 860	32 860	32 860	32 860	32 860	32 860	32 860	32 860	32 860	394 321	384 081	398 833	
Other Cash Flows/Payments by Type																
Capital assets	9 917	9 917	9 917	9 917	9 917	9 917	9 917	9 917	9 917	9 917	9 917	9 917	119 000	125 743	135 651	
Repayment of borrowing																
Other Cash Flows/Payments																
Total Cash Payments by Type	42 777	42 777	42 777	42 777	42 777	42 777	42 777	42 777	42 777	42 777	42 777	42 777	513 321	509 824	534 484	
NET INCREASE/(DECREASE) IN CASH HELD	(8 335)	(8 335)	(8 335)	(8 335)	(8 335)	(8 335)	(8 335)	(8 335)	(8 335)	(8 335)	(8 335)	(8 335)	(39 613)	(39 613)	(39 613)	
Cash/cash equivalents at the month/year begin:	1 799	(6 536)	(46 150)	(54 485)	(94 098)	(102 434)	(142 047)	(181 660)	(221 273)	(269 222)	(308 935)	1 799	3 790	39 763	110 069	
Cash/cash equivalents at the month/year end:	(6 536)	(46 150)	(54 485)	(94 098)	(102 434)	(142 047)	(181 660)	(221 273)	(269 609)	(308 935)	(39 763)	39 763	110 069	110 069	196 825	

10. LEGISLATION COMPLIANCE STATUS

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

10.1 In year reporting

Reporting to National Treasury in electronic format was complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has been adhered to.

10.2 Internship programme

Dr JS Moroka Local municipality is participating in the Municipal Financial Management Internship programme, currently employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the municipality has successfully employed and trained interns through this programme.

10.3 Budget and Treasury Office

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

10.4 Audit Committee

An Audit Committee has been established and is functional.

11. Conclusion

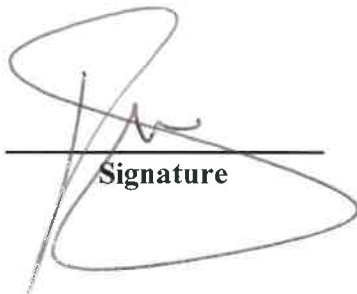
In terms of section 16(2) of the MFMA, the mayor must table the draft annual budget at least 90 days before the start of the budget year. After tabling the Draft Annual Budget to council the following is the Programmed for community consultation in terms of Section 23 of the Municipal Finance Management Act

12. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I N.T.G Kubheka, Municipal Manager of Dr JS Moroka Local Municipality, hereby certify that the 2019/2020 draft annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name NTG KUBHEKA

Municipal manager of Dr JS Moroka Local Municipality (MP316)


Signature