

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY – DC45

ANNUAL BUDGET 2020-21





SCHEDULE A **ANNUAL BUDGETS AND SUPPORTING DOCUMENTATION OF** **JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY – DC45**

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PART 1 — FINAL ANNUAL BUDGET

1. MAYORAL OVERVIEW: 2020/21 FINAL INTEGRATED DEVELOPMENT PLAN (IDP) & THE FINAL 2020/21 MTREF/ BUDGET

The annual budget of the Municipality must be tabled in Council before 31 May for adoption.

As legislatively required, the Integrated Development Plan (IDP) of the municipality has been reviewed accordingly.

The stakeholder consultation processes conducted had to be done mainly through media, as a result of the National State of Disaster as pronounced by the President in March 2020. Inputs as received have been incorporated into the IDP as adopted.

All views from the Local Municipalities, National and Provincial Treasuries and other relevant provincial and national departments have been considered upon finalization of the planning documents of the municipality i.e. IDP and the Budget.

It is also legislatively required that the Municipality must adopt its Medium-Term Revenue and Expenditure Framework (MTREF) which we normally refer to as the Budget before the beginning of the financial year to which it relates. In this instance it is the 2020/21 MTREF.

As a district municipality, we follow an integrated budgeting process, by working with local municipalities and sector departments.

We have aligned our priorities to the 14 national outcomes in the (Medium Term Strategic Framework of the Government, further we aligned to these priorities to the 6 Key Performance Areas of Local Government namely:

- a. Basic Services and Infrastructure
- b. Good Governance and Public Participation
- c. Local Economic Development
- d. Financial Viability and Management
- e. Municipal Transformation and Institutional Development
- f. Strategic Planning and Organizational Performance

Further, the following Mayoral Programmes aimed at serving the community, has been prioritized over the MTREF:

- Promotion of interest and rights of targeted groups
- Public Participation
- Civil Society Meetings for HIV/AIDS
- District and Local Municipalities Aids Council and
- To govern municipal affairs

The John Taolo Gaetsewe District Municipality faces huge developmental challenges, which revolve around finding ways to obtain additional funding sources to meet basic, social and economic needs of the people of John Taolo Gaetsewe District.

The municipality continues to operate under strenuous financial conditions and thereby has to do more with limited resources.

We are to remain focused on the effective delivery of the core municipal services, through the application of efficient and effective service delivery mechanisms.

LINKAGES BETWEEN FINAL ANNUAL BUDGET, IDP AND THE POLITICAL PRIORITIES AT THE NATIONAL, PROVINCIAL, DISTRICT AND LOCAL MUNICIPALITIES

The participation process in the District Municipality depends on the participation of the Local Municipalities and sector departments. This is recognized in the Process Plan of each local municipality, which decide on its own process and where necessary the District Municipality provided assistance through its planning department. The municipality has aligned its priorities with the 14 national outcomes in the MTSF of the Government as based on the NSDP. Priorities are further aligned to the six KPA's for local government.

SUMMARY OF ANY MATERIAL AMENDMENTS MADE TO THE FINAL 2020/21 MTREF/BUDGET AFTER CONSULTATION PROCESS

There were no **material** changes made to the final budget after consultation with the community through public participation programme.

The budget is zero-based meaning there is no deficit for the annual budget 2020/21. The surplus amount of R 618 470 is to fund the purchase of movable assets (Computer equipment, furniture and disaster management equipment).

Costs on the non-essential services (S&T, catering services, forums etc. have been minimized in the annual budget 2020/21 with the aim to reduce expenditure.

The reduction on non-essential services were done to comply with Circular 82 from National Treasury on cost containment measures.

1. No changes were made to our Priorities, Vision, Mission and Values
2. Employee related costs had a significant impact on the overall Annual Budget and cost containment measures have been put in place.
3. The Final Budget is aligned to be mSCOA reforms compliant
4. Grant Management are being emphasized to spent fully and allocate funds as per DORA requirements
5. Limited initiatives have been brought into the budget due to grant dependency
6. introduction of the District Municipal Environmental Health Services tariffs
7. Rental of investment properties at market value.

The following Mayoral Programs have been brought into the budget to serve the community as follows:

- Promotion of interest and rights of targeted groups
- Public Participation Programs
- Civil Society Meetings for HIV/AIDS
- District Aids Council and Local Municipalities
- To govern municipal affairs

RESOLUTIONS

Council resolved as per resolution no 6.2.28/05/2020 as follows:

1. That in terms of section 24(1) of the MFMA the final draft budget for the 2020/21 and indicative of the two projected years 2021/22 and 2022/23; and the capital appropriations be approved as set out in the Annual Budget tables A1 – A10 and supporting tables as contained in Annexure A
2. That in terms of section 24(2)(c)(v) of the MFMA, the following budget related policies for the budget year 2020/21 be reaffirmed:
 - a. 3G Data Card Policy
 - b. Accounting Policy
 - c. Asset Management Policy
 - d. Budget Policy
 - e. Cash and Investment Policy
 - f. Cellphone Policy for Officials
 - g. Cost Containment Policy
 - h. Debt Collection and Credit Control Policy
 - i. Expenditure Management Policy
 - j. Funding and Reserves Policy
 - k. Impairment Policy
 - l. Infrastructure Procurement Policy
 - m. Petty Cash Policy
 - n. Supply Chain Management Policy
 - o. Tariff Policy
 - p. Telephone Policy
 - q. Travel and Subsistence Policy
 - r. Virement Policy
3. That a copy of the approved budget in the prescribed format be submitted to National and Provincial Treasury
4. That the approved budget for the 2020/21 MTREF be made public

*(*Annexure A refers to the FINAL ANNUAL BUDGET Tables)*

EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the John Taolo District Municipality budget is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

In compiling this financial plan, priority was given to the service delivery departments namely Basic Services, Community Development Services and Local Economic Development (LED). The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes.

All views from the Local Municipalities, National and Provincial Treasuries and other relevant provincial and national departments has been considered and the municipality will also follow the requirements of Section 16 of the MFMA in compilation of this budget in order to present the final budget to all relevant stakeholders.

DEVELOPMENTAL CHALLENGES

The John Taolo Gaetsewe District Municipality faces huge developmental challenges, which revolve around finding ways to obtain additional funding sources to meet basic, social and economic needs of the people of John Taolo Gaetsewe District.

The main challenges experienced during the compilation of the 2020/21 MTREF can be summarized as follows:

1. To allocate limited funding to achieve a balance between the needs and requirements of the various strategic focus areas relevant to the Municipality's powers and functions as identified in the IDP consultative process. The municipality continues to be grant dependent with 95% of its budget being funded from grants and subsidies and the remainder revenue sources being expected from investments and the Local Municipalities (Audit and Risk Shared Services).
2. Wage increases for municipal staff that continue to exceed the wage bill limitation and inflation, as well as the need to fill critical vacancies;
3. Ability to provide support to Local Municipalities within the District, given limited capacity/resources in terms of funding
4. The increase in total expenditure on salaries which continue to exceed the norm of 32% of the total budget
5. Grant dependency
6. mSCOA MTREF is a challenge to all stakeholders due to change management and budgeting formats with chart versions updated on an annual basis e.g. 2019/20 MTREF being on version 6.3 and 2020/21 MTREF being version 6.4.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2020/21 Annual Budget:

DC45 John Taolo Gaetsewe - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	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
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	269	211	878	705	1,113	1,113	1,113	1,120	1,186	1,260
Transfers recognised - operational	74,824	80,535	97,866	98,657	101,251	101,251	101,251	101,883	106,199	109,840
Other own revenue	4,330	3,933	4,259	4,670	3,855	3,855	3,855	4,092	5,622	4,653
Total Revenue (excluding capital transfers and contributions)	79,423	84,678	103,003	104,032	106,219	106,219	106,219	107,095	113,008	115,753
Employee costs	49,724	55,502	56,654	64,185	63,299	63,299	63,299	71,343	74,958	76,895
Remuneration of councillors	4,014	4,837	4,944	4,388	4,723	4,723	4,723	4,837	5,122	5,440
Depreciation & asset impairment	3,200	3,139	3,343	3,575	3,739	3,739	3,739	3,486	3,133	3,327
Finance charges	706	896	744	-	9	9	9	8	8	9
Materials and bulk purchases	-	-	-	1,606	1,247	1,247	1,247	1,692	1,325	1,407
Transfers and grants	-	1,849	199	319	175	175	175	200	212	225
Other expenditure	26,046	25,990	30,032	28,008	31,289	31,289	31,289	24,911	27,596	27,883
Total Expenditure	83,690	92,214	95,917	102,082	104,482	104,482	104,482	106,477	112,354	115,187
Surplus/(Deficit)	(4,267)	(7,536)	7,086	1,950	1,737	1,737	1,737	618	654	566
Transfers and subsidies - capital (monetary allocations) (Na)	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	346	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(4,267)	(7,536)	7,432	1,950	1,737	1,737	1,737	618	654	566
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(4,267)	(7,536)	7,432	1,950	1,737	1,737	1,737	618	654	566
Capital expenditure & funds sources										
Capital expenditure	2,033	2,866	3,123	1,951	1,737	1,737	1,737	618	654	566
Transfers recognised - capital	257	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1,776	2,866	3,123	1,951	1,737	1,737	1,737	618	654	566
Total sources of capital funds	2,033	2,866	3,123	1,951	1,737	1,737	1,737	618	654	566
Financial position										
Total current assets	24,227	21,090	22,699	7,461	24,771	24,771	24,771	26,393	27,424	30,190
Total non current assets	88,400	88,692	85,263	4,351	86,007	86,007	86,007	85,369	90,404	96,128
Total current liabilities	17,114	19,398	10,689	5,982	6,758	6,758	6,758	6,758	7,157	7,601
Total non current liabilities	5,330	5,632	5,781	-	10,818	10,818	10,818	10,818	3,257	3,459
Community wealth/Equity	90,183	84,752	91,493	(3,878)	93,202	93,202	93,202	94,185	107,414	115,258
Cash flows										
Net cash from (used) operating	312	2,618	5,486	6,072	5,356	5,356	5,356	3,016	1,832	3,453
Net cash from (used) investing	(802)	(1,475)	(2,777)	1,951	1,737	1,737	1,737	(618)	(654)	(566)
Net cash from (used) financing	(285)	(1,193)	(439)	-	776	776	776	(776)	(822)	(873)
Cash/cash equivalents at the year end	148	97	2,367	8,023	7,870	7,870	7,870	9,492	9,848	11,862
Cash backing/surplus reconciliation										
Cash and investments available	148	97	2,367	7,020	7,870	7,870	7,870	9,492	9,848	11,862
Application of cash and investments	(2,570)	(371)	1,200	5,585	5,369	5,369	5,369	(924)	(891)	(742)
Balance - surplus (shortfall)	2,718	469	1,167	1,435	2,501	2,501	2,501	10,416	10,739	12,604
Asset management										
Asset register summary (WDV)	88,400	88,692	85,263	4,351	86,007	86,007	86,007	85,369	90,404	96,128
Depreciation	3,200	3,139	3,343	3,575	3,739	3,739	3,739	3,486	3,133	3,327
Renewal and Upgrading of Existing Assets	-	-	-	15	15	15	15	15	40	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Total surplus of R 618 470 will be used to fund the capital expenditure for 2020/21 for the purchase of movable assets (computer equipment, furniture and disaster management equipment).

OPERATING REVENUE FRAMEWORK

Section 18 of the MFMA i.e. for funding of expenditure states that:

"1. A FINAL ANNUAL BUDGET may only be funded from:

- (a) realistically anticipated revenues to be collected;*
- (b) cash-backed accumulated funds from previous years' surpluses not committed*
- (c) borrowed funds, but only for the capital budget referred to in section 17(2)*

2. Revenue projections in the budget must be realistic taking into account:

- (a) projected revenue for the current year based on collection levels to date; and*

(b) actual revenue collected in previous financial years."

For John Taolo Gaetsewe District Municipality to continue improving the quality of services provided to its citizens, it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

It is evident from the below table that the municipality continues to be grant dependent, with all revenue sources that is mainly from the allocations as per DORA. The municipality experiencing challenges with regard to revenue enhancement as we do not direct services to the communities. Aggressive funding strategies needs to be developed in order to turn the situation around.

DC45 John Taolo Gaetsewe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		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	1										
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		90	106	119	128	88	88	88	128	134	148
Interest earned - external investments		269	211	878	705	1,113	1,113	1,113	1,120	1,186	1,260
Interest earned - outstanding debtors		1,540	1,143	1,004	461	871	871	871	460	487	517
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		74,824	80,535	97,866	98,657	101,251	101,251	101,251	101,883	106,199	109,840
Other revenue	2	2,700	2,684	3,137	4,081	2,896	2,896	2,896	2,804	3,456	3,988
Gains on disposal of PPE		-	-	-	-	-	-	-	700	1,545	-
Total Revenue (excluding capital transfers and contributions)		79,423	84,678	103,003	104,032	106,219	106,219	106,219	107,095	113,008	115,753
Expenditure By Type											
Employee related costs	2	49,724	55,502	56,654	64,185	63,299	63,299	63,299	71,343	74,958	76,895
Remuneration of councillors		4,014	4,837	4,944	4,388	4,723	4,723	4,723	4,837	5,122	5,440
Debt impairment	3	920	142	949	229	229	229	229	200	212	225
Depreciation & asset impairment	2	3,200	3,139	3,343	3,575	3,739	3,739	3,739	3,486	3,133	3,327
Finance charges		706	896	744	-	9	9	9	8	8	9
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	-	-	-	1,606	1,247	1,247	1,247	1,692	1,325	1,407
Contracted services		199	-	-	10,513	10,893	10,893	10,893	9,793	12,115	11,452
Transfers and subsidies		-	1,849	199	319	175	175	175	200	212	225
Other expenditure	4, 5	24,858	25,587	29,083	17,266	20,166	20,166	20,166	14,918	15,269	16,206
Loss on disposal of PPE		69	261	-	-	-	-	-	-	-	-
Total Expenditure		83,690	92,214	95,917	102,082	104,482	104,482	104,482	106,477	112,354	115,187
Surplus/(Deficit)		(4,267)	(7,536)	7,086	1,950	1,737	1,737	1,737	618	654	566

Provision has been made in the 2020/21 final SDBIP for the municipality to develop and implement the revenue enhancement strategy, which will take into consideration the following key components:

1. National Treasury's guidelines and macroeconomic policy
2. Municipality growth and continued economic development
3. Determining the tariff escalation rate by establishing/calculating the revenue requirements for each service
4. Increase ability to extend new services and recover costs
5. Tariff policies of the Municipality

KEY AMENDMENTS TO BUDGET-RELATED POLICIES;

The following are budget related policies that were tabled and approved in council:

1. 3G Data Card Policy
2. Accounting Policy
3. Asset Management Policy
4. Budget Policy
5. Cash and Investment Policy
6. Cellphone Policy for Officials
7. Cost Containment Policy
8. Debt Collection and Credit Control Policy
9. Expenditure Management Policy
10. Funding and Reserves Policy
11. Impairment Policy
12. Infrastructure Procurement Policy
13. Petty Cash Policy
14. Supply Chain Management Policy
15. Tariff Policy
16. Telephone Policy
17. Travel and Subsistence Policy
18. Virement Policy

1. **FINAL ANNUAL BUDGET TABLES – *(Attached hereto)***

PART 2 — SUPPORTING DOCUMENTATION

2.1. OVERVIEW OF ANNUAL BUDGET PROCESS

The table below is a detailed further breakdown of the processes that unfolded during the 2020/2021 financial year in preparation of budget and related documents for the 2020/21 financial year. It is both complimenting and detailing processes already provided for in the IDP/Budget and PMS Framework.

STAGES IN THE IDP/BUDGET/PMS PROCESS		PROCESS RESPONSIBILITY	TIME FRAME	PROGRESS
1.		ANALYSIS/PLANNING		
1.	Re-establishment of the Budget Steering Committee and Technical Committee	Executive Mayor	1 – 31 August 2019	Completed
Assessment:				
2.	Assessment of the previous IDP/Budget performance, level of development, backlogs & disaster; Review previous year's processes, what worked well, what didn't, where to improve and issues to address for legislative compliance and completion of the Budget Evaluation Checklist (BEC); Human resources challenges & gaps.	IDP Office/Budget Steering Committee	03 October 2019	Completed
2.		STRATEGY/ STRATEGISING		
3.	Review budget related policies e.g. Tariff; Credit & Debtors control management, Rates, Indigent.	Senior Management	December 2019 - February 2020	Completed
3		PROJECTS & INTEGRATION/ PREPARATION		
4.	Revision of the 2019/2020 approved MTREF (operating and capital budget) for adjustments.	Chief Financial Officer	November 2019 – 30 January 2020	Completed

5.	Consolidation, integration and prioritization of projects submitted in accordance with the IDP priorities.	Chief Financial Officer	13 – 28 February 2020	Completed
6.	Prepare draft budget for the ensuing year 2020/2021 and the projections for the two outer years (MTREF).	All Departments	1 – 31 March 2020	Completed
7.	Report on current year's budget implementation Mid-year budget and performance assessment sec 72 of the MFMA. (Second Quarter review).	Municipal Manager / mSCOA Technical Committee	24 January 2020	Completed
4.	APPROVAL/TABLING			
8.	Tabling of 2019/20adjustmen ts budget before Mayoral Committee.	Executive Mayor	February 2020	Completed
9.	Tabling of the 2020/21 draft Budget to IDP/Budget Steering Committee	Municipal Manager /CFO	March 2020	Completed
10.	Workshop for Councilors on 2020/21 Draft Budget	Budget Steering Committee	March 2020	Completed
11.	Tabling of the 2019/20 draft Budget to Mayor's committee	Municipal Manager /CFO	March 2020	Completed
12.	Tabling of the 2020/21 draft operating and capital budget. Sec 16 (2) MFMA	Executive Mayor	30 March 2020	Completed

	together with draft resolution and related policies before Council.			
13.	Make public the 2020/21 tabled draft budget in local newspapers, libraries, municipal offices and invite public representations.	Municipal Manager /CFO	1 - 30 April 2020	Completed
5.	APPROVAL - BUDGET PROCESS			
14.	Consolidation of feedback from public participation process and incorporation thereon into the final budget.	Budget Office/ mSCOA Technical Committee	1 April – 17 May 2020	Completed
15.	Present the consolidated Budget to the IDP/Budget Steering Committee	Budget Office/ mSCOA Technical Committee	11 May 2020	Completed
16.	Workshop for Councillors on final Budget	Executive Mayor / Municipal Manager	15 May 2020	Completed
17.	Presentation of final Budget to stakeholders	Budget Steering Committee	19 May 2020	Completed
18.	Tabling of final budget to Mayoral Committee.	Municipal Manager	21 May 2020	Completed
19.	Council to consider approval of the operating and capital budget for the 2020/2021 – 2022/2023 financial years (MTREF) in terms of section 24 of the MFMA with council resolution.	Executive Mayor	26 May 2020	Completed
20.	Submit the approved operating and	Municipal Manager	26 May – 10 June 2020	Completed

	capital to National and Provincial Treasuries in both printed and electronic copies and publish the documents in the website of the municipality.			
21.	Finalizing of all plans and budget working paper files to implement the approved budget.	CFO / MM	15 – 26 June 2020	Completed

2.2. THE OVERVIEW OF THE ALIGNMENT OF THE FINAL ANNUAL BUDGET WITH THE INTEGRATED DEVELOPMENT PLAN

The Executive Mayor tabled in August 2019, the time schedule of key deadlines, progress on which is summarized on the table below:

Phases	Target/Activity	Approach	Time Frames	Progress to date	Comments
Preparation	Review and drafting of the 2020/21 IDP Framework and process plans in accordance with the relevant legislation	Inputs from departmental heads of both the district and local municipalities, then submission to council for adoption	Aug 2019	Complete	
	Consultations on the Review and adoption of the 2019/20 process plans	Consultations and adoption of the IDP framework/ process plans	Aug 2019	Complete	
		Consultations and adoption of the IDP framework/ process plans	27 Aug 2019	Complete	
		Consultations and adoption of the IDP framework/ process plans	29 Aug 2019	Complete	
	Consultations on the IDP Framework and Process Plans	District Planning Forum	Aug 2019	Complete	Meeting took place in September 2018
	Compilation and submission of Draft	Desktop	Aug 2019	Complete	

Phases	Target/Activity	Approach	Time Frames	Progress to date	Comments
	Annual and Performance Reports and Annual Financial Statements				
	Re-establishment of the Budget Steering Committee and Technical Committee		Aug 2019	Complete	
Analysis	<i>Status quo analysis: Community needs as submitted by the locals to the District</i>	<i>Needs analysis sessions with communities at wards. Local IDP Managers to submit the consolidated community needs/issues to inform the district situational analysis</i>	Sept- Oct 2019	Complete	
	IDP Context and Process	Desktop	Sept 2019	Complete	
	Cluster collaboration and analysis (Key Performance Areas)	Consultative meetings	Oct 2019	Complete	
		Basic Services and Infrastructure	21 Oct 2019	Complete	
		Community Development Services	21 Oct 2019	Complete	
		Economic Development Services	22 Oct 2019	Complete	
		Financial Viability	22 Oct 2019	Complete	
		Governance	23 Oct 2019	Complete	
		Institutional Transformation and Development	23 Oct 2019	Complete	
	Assessment of the previous IDP/Budget performance, level of development, backlogs & disaster	Review previous year's processes, what worked well, what didn't, where to improve and issues to address for legislative compliance and completion of the Budget Evaluation Checklist (BEC); Human resources challenges & gaps.	03 Oct 2019	Complete	
	Quarterly Performance Review for 1 st	Desktop	31 Oct 2019	Complete	

Phases	Target/Activity	Approach	Time Frames	Progress to date	Comments
	Quarter 2018/19				
	District Planning and IDP Representative Forum meetings	Consultative meetings	Oct 2019		
		Gamagara IDP Representative Forum	03 Oct 2019	Complete	
		Joe Morolong IDP Representative Forum	09 Oct 2019	Complete	
		Ga-Segonyana IDP Representative Forum	26 Sept 2019	Complete	
		District Planning Forum	24 Oct 2019	Complete	
		District IGR	31 Oct 2019	Complete	
Analysis	Presentation of the status quo to the various stakeholders/ structures involved in the IDP process	IDP Lekgotla	12-13 Nov 2019		
Programmes & Strategies	Mid Term Budget and Performance Review and 2 nd Quarter Performance Review	Desktop	23 Jan 2020	Complete	
Strategies	Review/development of strategic priorities & objectives; Review/confirmation of municipal Vision & Mission; Alignment of LMs' priorities with those of DM.	Strategic Planning Sessions for all municipalities (LMs/ DM)	Nov 2019 – Jan 2020	Complete	
	Policy reviews	Review budget related policies e.g. Tariff; Credit & Debtors control management, Rates, Indigent.	December 2019 - February 2020	Complete	
	Cluster collaboration and Strategy formulation (Key Performance Areas)	Consultative meetings	Jan 2020	Complete	
		Basic Services and Infrastructure	13 Jan 2020	Complete	
		Community Development Services	14 Jan 2020	Complete	

Phases	Target/Activity	Approach	Time Frames	Progress to date	Comments
		Development and Planning	15 Jan 2020	Complete	
		Financial Viability	16 Jan 2020	Complete	
		Governance	17 Jan 2020	Complete	
		Institutional Transformation and Development	20 Jan 2020	Complete	
	District Planning and IDP Representative Forum meetings (dealing with strategies and performance reporting)	Consultative meetings	Jan 2020	Complete	
		Gamagara IDP Representative Forum	21 Jan 2020	Complete	
		Joe Morolong IDP Representative Forum	24 Jan 2020	Complete	
		Ga-Segonyana IDP Representative Forum	21 Dec 2019	Complete	
		District Planning Forum	31 Jan 2020	Complete	
Projects	Review or identification of the projects in line with reviewed objectives and priorities, as well as reviewed/new sector plans	Departmental sessions to identify projects	Nov 2019 – Jan 2020	Complete	
		Revision of the 2018/2019 approved MTREF (operating and capital budget) for adjustments.	Nov 2019 – Jan 2020	Complete	
		Submit Demand Management Plans (Business Plans, including feasibility, and costing) to Budget and Treasury Office	Jan 2020	Complete	
	Presentation of municipal priorities to Departments Presentation of JTGD projects by sector departments	District IGR	04 Feb 2020	Complete	
Integration	Draft Municipal Plans	Consolidation & confirmation of programmes/projects from departments (internal)	Feb 2020	Complete	
		Prepare draft budget for the ensuing year 2019/2020 and the projections for the two outer years (MTREF).	Mar 2020	Complete	
		Issue notice of Council meeting to consider proposed IDP/Budget.	Mar 2020	Complete	

Phases	Target/Activity	Approach	Time Frames	Progress to date	Comments
		Tabling of draft IDP/Budget to council. The tabled documents are sent to prescribed organs of state.			
		Table Draft IDP, Budget, SDBIP in Council	Mar 2020	Complete	
		Adoption of Draft IDP, Budget, SDBIP	Mar 2020	Complete	
Integration	Draft Municipal Plans	Consultations on the drafts (both IDP & Budgets) to various stakeholders	April 2020		
			April 2020		
	Quarterly Performance Review for 3 rd Quarter 2018/19	Desktop	6 April 2020	N/A	
	District Planning and IDP Representative Forum meetings (dealing with integration and performance reporting)	Consultative meetings and IDP Roadshows	April 2020	N/A	
		Gamagara IDP Representative Forum	02 April 2020	N/A	
		Joe Morolong IDP Representative Forum	06 April 2020	N/A	
		Ga-Segonyana IDP Representative Forum	12 March 2020	N/A	
		District Planning Forum	16 April 2020	N/A	
		District IGR	22 April 2020	N/A	
Approval	Final drafts to Political principals (structures)	Political inputs on the final draft Public comments and comments from other organs of state are taken into consideration and where necessary, amendments are made to the IDP/Budget. Draft Service Delivery and Budget Implementation Plans (SDBIP's) are compiled and submitted with Budget.	April 2020	N/A	
	Final drafts to individual Councils for approval	Final Adoption of the IDP's, SDBIP's and Budgets.	May 2020	N/A	
Submission	Submit final IDPs	Printed and electronic	June 2020	N/A	

Phases	Target/Activity	Approach	Time Frames	Progress to date	Comments
to prescribed institutions	to prescribed institutions (Provincial and National Treasury, COGHSTA and SALGA) and make IDP's public.	copies of the IDP, SDBIP and Budget to be submitted to prescribed institutions. Final IDPs Budgets and SDBIPs to be published in printed media and on respective municipal websites. Copies will also be availed to libraries in the District	(within 10 days of adoption)		

2.3. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Attached hereto as Annexure A.

2.4. OVERVIEW OF BUDGET—RELATED POLICIES

The following policies were tabled in Council and the consultation process is to unfold:

1. **ASSET MANAGEMENT POLICY**
2. **BUDGET POLICY**
3. **TRAVEL & SUBSISTENCE POLICY**
4. **TARIFF POLICY**
5. **CREDIT CONTROL AND DEBT COLLECTION POLICY**
6. **IMPAIRMENT POLICY**
7. **SUPPLY CHAIN MANAGEMENT POLICY**
8. **ACTING AND SECONDMENT POLICY**
9. **LEAVE POLICY**
10. **STUDY ASSISTANCE POLICY**
11. **PETTY CASH POLICY**

These policies will be available on the municipal website www.taologatsewe.gov.za

2.5. OVERVIEW OF BUDGET ASSUMPTIONS

Great strides have been made to ensure alignment of the budget with the IDP, national and provincial priorities. The budget for the current MTREF aims to address strategic focus areas and primary objectives within the available resources as contained in the IDP.

1. Recently released Budget Circulars No. 98 and 99 for 2020/21 MTREF dated 6 December 2018 and 9 March 2020 were also considered.
2. MFMA: Municipal Budget and Reporting Regulations (MBRR) and MFMA: Regulations on Municipal Standard Chart of Accounts (mSCOA) were considered as the legislative framework
3. No provisions for rates, taxes and surcharges were made as the municipality is not providing services directly to the community, **except for** those on the services provided by community and planning and development services.

The current cash flow, inclusive of the outstanding commitments and investments have been taken into account to compile the A7 - Cash Flow Statement.

2.6. OVERVIEW OF BUDGET FUNDING

A narrative summary of the funding of operating and capital expenditure:

DC45 John Taolo Gaetsewe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		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
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		90	106	119	128	88	88	88	128	134	148
Interest earned - external investments		269	211	878	705	1,113	1,113	1,113	1,120	1,186	1,260
Interest earned - outstanding debtors		1,540	1,143	1,004	461	871	871	871	460	487	517
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		74,824	80,535	97,866	98,657	101,251	101,251	101,251	101,883	106,199	109,840
Other revenue	2	2,700	2,684	3,137	4,081	2,896	2,896	2,896	2,804	3,456	3,988
Gains on disposal of PPE		-	-	-	-	-	-	-	700	1,545	-
Total Revenue (excluding capital transfers and contributions)		79,423	84,678	103,003	104,032	106,219	106,219	106,219	107,095	113,008	115,753

From the above it is evident that 95% of the budgeted revenue is constituted by grant funding.

Projected as other revenue, are management fees expected from the Audit and Risk Shared services to Gasegonyana and Joe Morolong Local municipalities. Given the challenges faced by the municipality in the past, which led to the municipality being faced with serious cash flow constraints, Council resolved to adopt a different approach towards this service, such as:

1. Only those municipalities that have entered into the service level agreement will enjoy the benefits of the shared services
2. Municipalities participating in the shared services are to first equally contribute towards the related expenditures, prior incurring same.

Also included are the newly introduced Municipal Health Services. Only the realistically anticipated projected revenue for these services has been provided for in the budget.

3. Particulars of the municipality's monetary investments

The municipality's investment portfolio consists mainly of call accounts, due to the nature of the anticipated revenue i.e. conditional grants. Continued cash flow management processes will be implemented to ensure that cash reserves are maintained.

1. Particulars of planned proceeds from the sale of assets;

Plans are currently unfolding, aimed at disposing the biological assets for purposes of generating revenue.

2. Particulars of planned proceeds from the lease of assets, where the period of the lease is three years or more;

The municipality has revised its lease rental tariffs for its investment properties and projected to generate revenue amounting to R 128 098.00

3. Particulars of budgeted allocations and grants to the municipality, distinguishing between operating and capital, from the national government,

DC45 John Taolo Gaetsewe - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		73,394	73,651	84,379	96,021	99,021	–	101,624	105,926	19,094
Local Government Equitable Share		64,383	66,326	74,971	89,567	89,567		93,279	97,316	10,082
Finance Management		1,351	1,250	1,250	1,465	1,465		1,000		
EPWP Incentive		1,975	1,252	1,000	1,088	1,088		1,000	1,000	1,000
Municipal Systems Improvement		930		1,979						
Other transfers/grants [insert descriptionRRAMS,ISDG &]		4,755	4,823	5,179	3,901	6,901		6,345	7,610	8,012
Provincial Government:		4,043	1,173	1,050	946	2,021	–	259	273	–
Housing		820	700	700	700	900				
Disaster Management and Emergency Services		512	210	350	246	246		259	273	
HIV/AIDS Grant		348	204	–		875				
Other transfers/grants [insert descriptionRRAMS,ISDG &]		2,363	59	–						
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	77,437	74,824	85,429	96,967	101,042	–	101,883	106,199	19,094
Capital Transfers and Grants										
National Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	–	–	–	–	–	–	–	–	–
TOTAL RECEIPTS OF TRANSFERS & GRANTS		77,437	74,824	85,429	96,967	101,042	–	101,883	106,199	19,094

The municipality, being a District Municipality, continues to be fully grant dependent, with 95% of its revenue being from grants and subsidies as indicated on the table above.

National Allocations

Unconditional Grants

Equitable Share (EQS)

The unconditional grant allocation has increased by 3.0% for the 2020/21 financial year and is to slightly increase by 4.3% and 3.6% respectively for the two outer years.

Conditional grants

Finance Management Grant (FMG)

There is a decrease on the grant allocation.

Infrastructure Skills Development Grant (ISDG)

There is an increase of R 2 400 000 for the 2020/21 financial year, from the R 1 800 000 in 2019/20.

Rural Road and Asset Management Systems Grant (RRAMS)

The allocation has increased by a mere 11% for the 2020/21 financial year and 5.5% and 5.8% for the two outer years.

Provincial Allocations

Housing Accreditation Grant

There is no allocation as yet.

NEAR

There is no allocation as yet.

2.7. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

The disclosure on expenditure on allocations and grant programs must provide particulars of planned expenditure against each allocation and grant in the same format as the information on allocations and grant receipts and a reconciliation of allocations, receipts and unspent funds.

2.8. COUNCILLORS' ALLOWANCES AND EMPLOYEE BENEFITS

DC45 John Taolo Gaetsewe - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	1	–	5,484	3,465	3,465	3,739	3,739	3,850	4,077	4,330
Pension and UIF Contributions		–	766	310	310	313	313	473	501	532
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		–	710	280	280	386	386	326	346	367
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	511	333	333	285	285	187	198	211
Sub Total - Councillors		–	7,471	4,388	4,388	4,723	4,723	4,837	5,122	5,440
% increase	4	–	–	(41.3%)	–	7.6%	–	2.4%	5.9%	6.2%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	–	2,735	5,931	5,931	5,572	5,572	6,338	6,712	7,128
Pension and UIF Contributions		–	299	137	137	11	11	11	9	10
Medical Aid Contributions		–	149	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	794	275	275	522	522	38	–	–
Motor Vehicle Allowance	3	–	229	703	703	801	801	799	844	895
Cellphone Allowance	3	–	22	115	115	115	115	115	115	115
Housing Allowances	3	–	73	37	37	–	–	–	–	–
Other benefits and allowances	3	–	63	419	419	443	443	425	450	478
Payments in lieu of leave		–	54	35	35	199	199	–	–	–
Long service awards		–	–	–	–	–	–	7	7	8
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		–	4,418	7,652	7,652	7,662	7,662	7,733	8,138	8,634
% increase	4	–	–	73.2%	–	0.1%	–	0.9%	5.2%	6.1%
Other Municipal Staff										
Basic Salaries and Wages		–	32,417	40,845	40,845	38,778	38,778	43,497	45,776	45,935
Pension and UIF Contributions		–	4,922	5,329	5,329	6,246	6,246	7,579	8,026	8,523
Medical Aid Contributions		–	2,896	2,647	2,647	2,836	2,836	3,866	4,082	4,323
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	2,045	2,237	2,237	2,609	2,609	3,414	3,601	3,814
Motor Vehicle Allowance	3	–	1,815	1,109	1,109	759	759	797	844	896
Cellphone Allowance	3	–	93	158	158	142	142	132	140	148
Housing Allowances	3	–	1,546	1,630	1,630	1,699	1,699	1,936	2,050	2,177
Other benefits and allowances	3	–	590	368	368	931	931	1,101	1,166	1,239
Payments in lieu of leave		–	1,462	1,474	1,474	1,198	1,198	778	824	875
Long service awards		–	241	501	501	198	198	261	47	50
Post-retirement benefit obligations	6	–	–	235	235	241	241	250	265	281
Sub Total - Other Municipal Staff		–	48,027	56,534	56,534	55,637	55,637	63,611	66,820	68,262
% increase	4	–	–	17.7%	–	(1.6%)	–	14.3%	5.0%	2.2%
Total Parent Municipality		–	59,916	68,574	68,574	68,022	68,022	76,180	80,080	82,335
		–	–	14.4%	–	(0.8%)	–	12.0%	5.1%	2.8%
Board Members of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–	–	–
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Board Fees		–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Board Members of Entities		–	–	–	–	–	–	–	–	–
% increase	4	–	–	–	–	–	–	–	–	–
Senior Managers of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–	–	–
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	–	–	–
% increase	4	–	–	–	–	–	–	–	–	–
Other Staff of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–	–	–
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4	–	–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		–	59,916	68,574	68,574	68,022	68,022	76,180	80,080	82,335
% increase	4	–	–	14.4%	–	(0.8%)	–	12.0%	5.1%	2.8%
TOTAL MANAGERS AND STAFF	5,7	–	52,445	64,185	64,185	63,299	63,299	71,343	74,958	76,895

Councillors

Remuneration of the Section 79 committee is now included as part of the councillor's allowances in terms of version.6.4 of mSCOA.

Senior Managers

Provision has been made for the full complement of the senior managers' positions.

Other municipal staff

Included is provision the non-cash item i.e. provision for post-retirement benefit obligation

2.9. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

DC45 John Taolo Gaetsewe - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	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
R thousand																
Revenue By Source																
Property rates		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - water revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		11	11	11	11	11	11	11	11	11	11	11	11	128	134	148
Interest earned - external investments		93	93	93	93	93	93	93	93	93	93	93	93	1,120	1,186	1,260
Interest earned - outstanding debtors		38	38	38	38	38	38	38	38	38	38	38	38	460	487	517
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Licences and permits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Agency services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies		8,490	8,490	8,490	8,490	8,490	8,490	8,490	8,490	8,490	8,490	8,490	8,490	101,883	106,199	109,840
Other revenue		234	234	234	234	234	234	234	234	234	234	234	234	2,804	3,456	3,988
Gains on disposal of PPE		58	58	58	58	58	58	58	58	58	58	58	58	700	1,545	—
Total Revenue (excluding capital transfers and contributions)		8,925	8,925	8,925	8,925	8,925	8,925	8,925	8,925	8,925	8,925	8,925	8,925	107,095	113,008	115,753
Expenditure By Type																
Employee related costs		5,945	5,945	5,945	5,945	5,945	5,945	5,945	5,945	5,945	5,945	5,945	5,945	71,343	74,958	76,895
Remuneration of councillors		403	403	403	403	403	403	403	403	403	403	403	403	4,837	5,122	5,440
Debt impairment		17	17	17	17	17	17	17	17	17	17	17	17	200	212	225
Depreciation & asset impairment		290	290	290	290	290	290	290	290	290	290	290	290	3,486	3,133	3,327
Finance charges		1	1	1	1	1	1	1	1	1	1	1	1	8	8	9
Bulk purchases		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials		141	141	141	141	141	141	141	141	141	141	141	141	1,692	1,325	1,407
Contracted services		816	816	816	816	816	816	816	816	816	816	816	816	9,793	12,115	11,452
Transfers and subsidies		17	17	17	17	17	17	17	17	17	17	17	17	200	212	225
Other expenditure		1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243	14,918	15,269	16,206
Loss on disposal of PPE		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure		8,873	8,873	8,873	8,873	8,873	8,873	8,873	8,873	8,873	8,873	8,873	8,873	106,477	112,354	115,187
Surplus/(Deficit)		52	52	52	52	52	52	52	52	52	52	52	52	618	654	566
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		52	52	52	52	52	52	52	52	52	52	52	52	618	654	566
Taxation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	52	52	52	52	52	52	52	52	52	52	52	52	618	654	566

2.10. FINAL ANNUAL BUDGET S AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS —

Attached is the Service Delivery and Budget Implementation Plan (SDBIP) for the 2020/21 financial year – *Annexure B*.

This can also be obtained on the municipal website www.taologaetsewe.gov.za

2.13. LEGISLATION COMPLIANCE STATUS

Attached hereto as Annexure C.

1. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I **DISANG HUMPHREY MOLAOLE**, Municipal Manager of **JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY – DC45**, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

DH MOLAOLE

Municipal manager of **JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY – DC45**

Signature

Date