

AGENDA: VIRTUAL SPECIAL COUNCIL: 23 FEBRUARY 2021

35. TABLING OF THE ADJUSTMENT BUDGET: 2020/2021

(Budget and Treasury Office)

(MD)

1. STRATEGIC THRUST

The Rustenburg Local Municipality has adopted as a key priority amongst others: “To ensure sustainable municipal financial viability and management including good governance and public participation.”

2. PURPOSE OF THE REPORT

The purpose of the report is to make recommendations on the possible adjustment to the approved budget.

3. BACKGROUND

3.1 The MTREF 2020/2021 was approved on the 30th June 2020 as per council item 95 and Special Adjustment Budget approved by Council of the 29th September 2020, per Council Item 194

3.2 In terms of section 28(1) and (2) of the Municipal Finance Management Act (MFMA), Act number 56 of 2003:

3.2.1 A Municipality may revise an approved annual Budget through Adjustments Budget.

3.2.2 An Adjustment Budget

a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;

b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

c) may, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the Mayor of the municipality;

d) may correct any errors in the annual budget, and

e) may provide for any other expenditure within a prescribed framework.

3.2.3 the mayor may table an adjustments budget.

3.2.4 Municipal tax and tariffs may not be increased during a financial year.

4. DISCUSSIONS

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

Where it is appropriate, funds were transferred from low to high priority programmes, so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure with zero, under and over spending and the revenue with zero, under and over recovery.

The budget adjustment process resulted in;

- Total revenue being adjusted downward from **R5, 290 billion** to **R5, 230 billion** showing an decrease of **R 59.7 million**. The net decrease include reduction in

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electricity revenue and and increase of Operation Conditional Grants Rollover from Provincial Government (CATA)

- Total expenditure being adjusted upward from **R4, 408 billion** to **R4, 942 billion** showing an increase of **R534 million**.
- Surplus has decreased from **R881 million** to **R287 million**.
- Capital Budget was adjusted upward from **R571 million** to **R578 million** to account for approved Conditional Grant Rollover of 2019/20.

CONSOLIDATED OVERVIEW OF ADJUSTMENT BUDGET OF THE 2020/2021

| NW373 Rustenburg - Table B4 Consolidated Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2021 | | | | | | | | | | | |
|--|---------------------|----------------|------------------|--------------------|------------------|--------------------|----------------|------------------|-----------------|------------------------|------------------------|
| Description | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | | |
| R thousands | A | A1 | B | C | D | E | F | G | H | | |
| Total Revenue (excluding capital transfers and contributions) | 5 190 749 | 5 290 015 | (60 000) | - | - | 266 | - | (59 734) | 5 230 281 | 5 525 327 | 5 837 463 |
| Total Expenditure | 4 326 090 | 4 408 741 | 533 670 | - | - | 266 | - | 533 936 | 4 942 678 | 4 496 299 | 4 667 013 |
| | | | | | | | | | | | |
| Surplus/(Deficit) | 864 659 | 881 274 | (593 670) | - | - | - | - | (593 670) | 287 604 | 1 029 027 | 1 170 450 |
| | | | | | | | | | | | |
| Capital | 611 404 | 571 804 | (333) | - | - | 7 335 | - | 7 002 | 578 806 | 621 652 | 675 674 |

The reported financial performance include the performance of the Rustenburg Water Service Trust (RWST). The budget of the RWST was not adjusted, through consultation with the Board.

Adjusted revenue of **R5 230 billion** and expenditure of **R4 408 billion** including non-cash items are proposed, resulting in a surplus of **R287 million..**

Capital Budget was adjusted from **R571 million** to **R578 million**.

-
- Details of the adjustment budget are demonstrated in the adjustment budget book, referenced as *Annexure A* and the detailed budget is in the prescribed adjustment format (B Schedule) referenced as *Annexure B*.

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This item served before the Special Mayoral Committee: 16 February 2021 and the following recommendations were made:

| RECOMMENDED: | <u>ACTION</u> |
|---|----------------------|
| 1. The adjustment budget be approved; | ALL |
| 2. The B1 to B10 of adjustment budget be approved; | ALL |
| 3. That revenue and expenditure be adjusted accordingly; | ALL |
| 4. That the Adjustment Budget has a surplus of R287.6 million ; | ALL |
| 5. That spending of capital project be accelerated on grants funded projects; | Directors |
| 6. That the cash flow projections, procurement plan be revised and be aligned to the grant funding payment schedule; | Directors |
| 7. That the SDBIP be amended subsequent to the approval of the Adjustment Budget; | ALL |
| 8. That a revised Top Layer SDBIP be tabled to Council at the end of March 2021; | ALL |
| 9. That the Adjustment Budget be submitted to National and Provincial Treasury; | BTO |
| 10. That within ten working days after the approval of the budget, the Directorate Budget and Treasury Office in accordance with section 21A of the Municipal Systems Act makes public the approved Adjustment Budget and supporting documentation; | BTO |
| 11. That expenditure on maintenance on the assets of the Municipality be specifically monitored and highlighted via the monthly Sec 71 reports. | BTO |

**RUSTENBURG LOCAL
MUNICIPALITY**



**“A WORLD CLASS CITY WHERE ALL COMMUNITIES ENJOY THE HIGH QUALITY OF
LIFE”**

2020/2021

Adjustment budget

**Compiled in terms of Section 28 of the Local Government: Municipal
Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and Schedule
B (In-Year Reports of Municipalities) of the Municipal Budget and
Reporting Regulation**

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Acronyms and abbreviations

| | |
|-------|---|
| BSC | Budget Steering Committee |
| CFO | Chief Financial Officer |
| MM | Municipal Manager |
| CPI | Consumer Price Index |
| CRRF | Capital Replacement Reserve Fund |
| DoRA | Division of Revenue Act |
| FBS | Free basic services |
| GVA | Gross Value Added |
| GFS | Government Financial Statistics |
| GRAP | General Recognised Accounting Practice |
| IBT | Inclining Block Tariff |
| IDP | Integrated Development Plan |
| kℓ | kilolitre |
| km | kilometre |
| KPA | Key Performance Area |
| KPI | Key Performance Indicator |
| kWh | kilowatt hour |
| ℓ | litre |
| LED | Local Economic Development |
| MEC | Member of the Executive Committee |
| MFMA | Municipal Financial Management Act (56 of 2003) |
| MIG | Municipal Infrastructure Grant |
| EXCO | Executive Committee |
| MPRA | Municipal Properties Rates Act |
| MSA | Municipal Systems Act |
| MTREF | Medium-term Revenue and Expenditure Framework |
| NERSA | National Electricity Regulator of South Africa |
| PBO | Public Benefit Organisations |
| PMS | Performance Management System |
| PPE | Property Plant and Equipment |
| PPP | Public Private Partnership |
| RLM | Rustenburg Local Municipality |
| SALGA | South African Local Government Association |
| SDBIP | Service Delivery and Budget Implementation Plan |

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Part 1 – Annual Adjustment Budget

1.1 Council Resolutions

The Council of Rustenburg Local Municipality, acting in terms of section 28 of the Municipal Finance Management Act, (Act 56 of 2003):-

Approves and adopts the adjustment budget of the municipality for the financial year 2020/21 and the multi-year and single-year capital appropriations as set out in the following tables:

TABLE 2: Budgeted Financial Performance (revenue and expenditure by functional classification)

TABLE 3: Budgeted Financial Performance (revenue and expenditure by municipal vote)

TABLE 4: Budgeted Financial Performance (revenue and expenditure by standard classification)

TABLE 5: Budgeted Capital Expenditure (by municipal vote and funding)

TABLE 6: Budgeted Financial Performance (revenue by source and expenditure by type), and

TABLE 7: Budgeted Cash Flow

Directs that the Accounting Officer adheres to section 22 of the Municipal Finance Management Act, read with paragraph 24(1) of the Municipal Budget and Reporting Regulations. The regulations require the municipal manager to submit the adjustment budget and supporting documentation to National Treasury and the Provincial Treasury within ten (10) working days after tabling to Council, in both printed and electronic copies.

Notes that municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan. As such no increases in taxes and tariffs have been factored in this adjustment budget.

1.2 Executive Summary

This adjustment budget has been compiled in line with section 28 of the MFMA, read with Part 4 of the Municipal Budget and Reporting Regulations which deal with adjustment budgets of municipalities.

Section 28 (1) (2) of the MFMA states that:-

(1) a municipality may revise an approved annual budget through an adjustments budget.

(2) An adjustments budget -

- (i) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- (ii) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- (iii) may, within a prescribed framework, authorise unforeseen and unavoidable expenditure by the mayor of the municipality;
- (iv) may authorise the utilisation of projected savings in one vote towards spending under another vote;

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- (v) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
- (vi) may correct any errors in the annual budget; and
- (vii) may provide for any other expenditure within a prescribed framework.

The following key factors were taken into consideration when preparing and compiling the 2020/21 adjustments budget;

- The Medium Term Budget Policy Statement (MTBPS) and national adjusted estimates.
- The mid-year budget and performance assessment report compiled in terms of section 72 of the MFMA;
- The comments received from the National Treasury on the 2020/21 approved budget.
- The restructuring of votes. Votes were restructured in line with mSCOA budget alignment.
- Necessary reprioritisation of some programmes to address COVID 19 pandemic and financial performance of the municipality
- That the increased expenditure does not jeopardize the financial viability of the municipality i.e. ensures that the financial position is maintained within generally accepted prudent limits and that obligations can be met in the short, medium and long term;

The main challenges experienced during the compilation of the 2020/2021 adjustments budget can be summarised as follows:

- The need to re-prioritise projects and expenditure within the existing resource given the cash flow commitments and realities of the municipality.
- The ongoing difficulties in the national and local economy, particularly the affordability by our residents to pay for services, due to loss or low income as result of the COVID -19 Pandemic.

The 2020/21 adjustments budget will be distributed to National Treasury, Provincial Treasury and Auditor General, and published on the municipality's website and hard copies will be made available at municipal offices.

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

Where appropriate, funds were transferred from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken on both the revenue and expenditure of the municipality.

Revenue enhancement measures are in place to ensure that all residents, businesses and government are billed for the services consumed. Credit control drive was enforced to ensure that the municipality collection is within the budgeted percentage with shortfall of 1%. Efforts will be maximised in the last quarter of the financial period through the capacity of the appointed service provider to improve on meter readings, credit control actions and indigent registration process. As results revenue collection assumptions were revised.

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CONSOLIDATED OVERVIEW OF ADJUSTMENT BUDGET OF THE 2020/2021

| NW373 Rustenburg - Table B4 Consolidated Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2021 | | | | | | | | | | | |
|--|---------------------|----------------|------------------|--------------------|------------------|--------------------|----------------|------------------|-----------------|------------------------|------------------------|
| Description | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| R thousands | A | A1 | B | C | D | E | F | G | H | | |
| Total Revenue (excluding capital transfers and contributions) | 5 190 749 | 5 290 015 | (60 000) | - | - | 266 | - | (59 734) | 5 230 281 | 5 525 327 | 5 837 463 |
| Total Expenditure | 4 326 090 | 4 408 741 | 533 670 | - | - | 266 | - | 533 936 | 4 942 678 | 4 496 299 | 4 667 013 |
| Surplus/(Deficit) | 864 659 | 881 274 | (593 670) | - | - | - | - | (593 670) | 287 604 | 1 029 027 | 1 170 450 |
| Capital | 611 404 | 571 804 | (333) | - | - | 7 335 | - | 7 002 | 578 806 | 621 652 | 675 674 |

The budget adjustment process resulted in total revenue being adjusted downward by **R59,7 million**. Expenditure has been adjusted upward from **R4,4 billion** to **R4,9 billion** showing an increase of **R534 million**. Surplus has decreased from **R881 million** to **R287 million**. Capital Budget was adjusted upward from **R571 million** to **R578 million**.

The reported financial performance include the performance of the Rustenburg Water Service Trust (RWST). The budget of the RWST was not adjusted, through consultation with the Board.

OPERATIONAL REVENUE FRAMEWORK

The decrease of **R59,7 million** on revenue is due the adjustment made on electricity revenue to account for the shortfall as the result of COVID-19 lockdown restriction implication on operations by business and mines. It also include upward adjustment of **R266 thousands** on transfers and subsidies as result of approved rollover amount from the 2020/21 Unspent Conditional Grants from Provincial Government Department of Culture, Arts and Traditional Affairs (CATA) programme.

Table B4 Summary of revenue classified by main revenue source as adjusted

NW373 Rustenburg - Table B4 Consolidated Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2021

| Description | Ref | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|---|-----|---------------------|----------------|--------------|--------------------|------------------|--------------------|----------------|----------------|-----------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| R thousands | 1 | A | A1 | B | C | D | E | F | G | H | | |
| Revenue By Source | | | | | | | | | | | | |
| Property rates | 2 | 398 240 | 398 240 | - | - | - | - | - | - | 398 240 | 424 524 | 444 052 |
| Service charges - electricity revenue | 2 | 2 312 534 | 2 312 534 | (60 000) | - | - | - | - | (60 000) | 2 252 534 | 2 442 035 | 2 554 369 |
| Service charges - water revenue | 2 | 499 244 | 499 244 | - | - | - | - | - | - | 499 244 | 527 202 | 551 453 |
| Service charges - sanitation revenue | 2 | 378 176 | 378 176 | - | - | - | - | - | - | 378 176 | 399 354 | 417 724 |
| Service charges - refuse revenue | 2 | 150 032 | 150 032 | - | - | - | - | - | - | 150 032 | 158 434 | 165 722 |
| Rental of facilities and equipment | | 10 498 | 10 498 | | | | | | - | 10 498 | 10 981 | 11 486 |
| Interest earned - external investments | | 27 312 | 27 312 | | | | | | - | 27 312 | 35 632 | 40 016 |
| Interest earned - outstanding debtors | | 395 409 | 395 409 | | | | | | - | 395 409 | 406 534 | 422 490 |
| Dividends received | | - | - | | | | | | - | - | - | - |
| Fines, penalties and forfeits | | 9 000 | 9 000 | | | | | | - | 9 000 | 9 414 | 9 847 |
| Licences and permits | | 11 913 | 11 913 | | | | | | - | 11 913 | 12 461 | 13 034 |
| Agency services | | 100 849 | 100 849 | | | | | | - | 100 849 | 105 488 | 110 340 |
| Transfers and subsidies | | 868 506 | 967 772 | | | | 266 | | 266 | 968 038 | 962 896 | 1 065 161 |
| Other revenue | 2 | 15 001 | 15 001 | - | - | - | - | - | - | 15 001 | 15 691 | 16 413 |
| Gains | | 14 035 | 14 035 | | | | | | - | 14 035 | 14 680 | 15 356 |
| Total Revenue (excluding capital transfers and contributions) | | 5 190 749 | 5 290 015 | (60 000) | - | - | 266 | - | (59 734) | 5 230 281 | 5 525 327 | 5 837 463 |

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Mid year performance and Adjustment

- Property rates is favourable by R7,4 million (4%) which is indicative of positive exercise in ensuring completeness of rateable properties. No adjustment proposed.
- Billed revenue from service charges are below the budgeted revenue by R152,2 million (28%) as at 31 December 2020. Electricity revenue is the main contributor with billed revenue at 90% when compared to budgeted revenue. Electricity Billed revenue has been adjusted downward by R60 million to account for the projected shortfall as at end of financial period.
- Other revenue streams (Fines, penalties and licence, agency fees, etc) are above the budgeted revenue by average R6,1 million mainly due to favourable collections on Agency Services.
- Transfers and subsidies are favourable by R194,5 million. This is due to the allocations of the first and second tranches of Equitable share received in the July and December. It should be noted that from the R332,2 million recognised as Equitable share in the month of December, R156,8 million has been rejected and withheld by National Treasury as a roll-over, which will have an impact on individual grants which rollover requests were rejected.
- Interest on long outstanding debtors is favourable by 8%. Due to increase of receivables balance and low collection on long outstanding arrears, no adjustment is proposed.
- Gain on disposal of PPE is unfavourable as sale of identified properties has not progressed well. No adjustment proposed.

OPERATIONAL EXPENDITURE FRAMEWORK

The increase of **R534 million** in operating expenditure was due to the reprioritisation of the municipal programmes from identified savings, recognition of anticipated expenditure, mainly on Bulk Purchases. Details of major affected expenditure line items are explained below.

Table B4 Adjustment Budget Financial Performance (Expenditure)

| Description | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|---------------------------------|---------------------|------------------|----------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | 792 398 | 797 820 | 1 422 | - | - | 66 | - | 1 488 | 799 309 | 828 848 | 866 975 |
| Remuneration of councillors | 64 306 | 64 306 | | | | | | - | 64 306 | 67 265 | 70 359 |
| Debt impairment | 898 087 | 898 087 | | | | | | - | 898 087 | 890 769 | 870 004 |
| Depreciation & asset impairment | 507 217 | 507 217 | - | - | - | - | - | - | 507 217 | 530 549 | 554 955 |
| Finance charges | 43 444 | 43 444 | 515 | | | | | 515 | 43 959 | 45 443 | 47 533 |
| Bulk purchases | 1 358 419 | 1 421 627 | 501 709 | - | - | - | - | 501 709 | 1 923 336 | 1 431 855 | 1 509 175 |
| Other materials | 18 070 | 17 892 | | | | | | - | 17 892 | 19 041 | 19 979 |
| Contracted services | 394 970 | 410 169 | 27 594 | - | - | 1 700 | - | 29 294 | 439 462 | 421 883 | 455 392 |
| Transfers and subsidies | 18 684 | 18 734 | | | | | | - | 18 734 | 19 543 | 20 442 |
| Other expenditure | 230 495 | 229 445 | 2 431 | - | - | (1 500) | - | 931 | 230 375 | 241 103 | 252 199 |
| Losses | | | | | | | | - | - | | |
| Total Expenditure | 4 326 090 | 4 408 741 | 533 670 | - | - | 266 | - | 533 936 | 4 942 678 | 4 496 299 | 4 667 013 |

Mid year performance and Adjustment

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- Employee relates cost is adjusted upward by R1,5 million. Corrections on the item have been made to correct where expenditure was paid for new mSCOA reallocation of expenditure line items without budget, e.g Leave payment, skills development levy, etc. Management of overtime and acting allowance has improved in the last months of the period.
- Remuneration of councillors is within the budget. No adjustment proposed.
- Impairment of debtors, is within the budget as it is straight lined to budget. Actual impairment will be assessed at year end based on year end collection rate and collectability of receivables. No adjustment proposed.
- Depreciation processed on assets for the period is less than projected depreciation by 20% due to programmed calculation that does not take into account the conditions of assets on month to month basis. Reliable calculation of depreciation is performed at year end. No adjustment proposed.
- Bulk purchases is unfavorable by R214,2 million (30%) when compared to the budget. This line item will need to be augmented accordingly during the Adjustment budget to cater for the over expenditure. Adjustment of R502 million has been proposed.
- Contracted services will need to be adjusted upwards to avoid potential unauthorised expenditure on Waste Collection and Management of Landfill Site, Security Management, Legal Fees, Discontinuation of Services, etc. An upward adjustment of R29 million has been proposed.

CAPITAL EXPENDITURE

The increase of **R7 million** in capital expenditure is mainly due to additional funding from approved rollover for Integrated National Electrification Programme and Department of Culture, Arts and Traditional Affairs.

The following table provides a breakdown of budgeted capital expenditure by vote:
vote:

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Table B5 2020/2021 adjustment budget, capital budget per vote:

NW373 Rustenburg - Table B5 Consolidated Adjustments Capital Expenditure Budget by vote and funding - 28 February 2021

| Description | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|---|---------------------|----------------|--------------|--------------------|------------------|--------------------|----------------|----------------|-----------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | A | A1 | B | C | D | E | F | G | H | | |
| Capital Expenditure - Functional | | | | | | | | | | | |
| <i>Governance and administration</i> | 50 989 | 21 369 | 2 067 | - | - | (6 000) | - | (3 933) | 17 435 | 23 300 | 23 298 |
| Executive and council | 13 155 | 13 155 | 1 475 | | | (6 000) | - | (4 525) | 8 630 | 13 000 | 13 138 |
| Finance and administration | 37 550 | 7 950 | 592 | | | | | 592 | 8 542 | 10 300 | 10 160 |
| Internal audit | 264 | 264 | | | | - | - | - | 264 | - | - |
| <i>Community and public safety</i> | 11 320 | 6 900 | (2 500) | - | - | (385) | - | (2 885) | 4 015 | 17 734 | 17 213 |
| Community and social services | 6 770 | 2 350 | (1 500) | | | (385) | | (1 885) | 465 | 1 730 | 1 000 |
| Sport and recreation | 100 | 100 | | | | | - | - | 100 | 1 060 | 1 150 |
| Public safety | 2 950 | 2 950 | (1 000) | | | | - | (1 000) | 1 950 | 11 944 | 12 063 |
| Housing | 1 500 | 1 500 | | | | | - | - | 1 500 | 3 000 | 3 000 |
| Health | | | | | | - | - | - | - | | |
| <i>Economic and environmental services</i> | 259 376 | 247 396 | 100 | - | - | 16 500 | - | 16 600 | 263 996 | 201 493 | 212 157 |
| Planning and development | 2 650 | 2 650 | 100 | | | | - | 100 | 2 750 | 15 427 | 15 666 |
| Road transport | 256 726 | 244 746 | | | | 16 500 | | 16 500 | 261 246 | 185 997 | 196 411 |
| Environmental protection | | | | | | | - | - | - | 69 | 80 |
| <i>Trading services</i> | 289 740 | 296 140 | - | - | - | (2 780) | - | (2 780) | 293 360 | 379 125 | 423 006 |
| Energy sources | 68 800 | 129 300 | | | | 1 220 | | 1 220 | 130 520 | 92 600 | 99 578 |
| Water management | 151 500 | 104 500 | | | | (3 000) | | (3 000) | 101 500 | 173 132 | 197 844 |
| Waste water management | 62 100 | 59 340 | | | | 1 000 | - | 1 000 | 60 340 | 113 226 | 125 409 |
| Waste management | 7 340 | 3 000 | | | | (2 000) | - | (2 000) | 1 000 | 167 | 176 |
| <i>Other</i> | | | | | | | | - | - | | |
| Total Capital Expenditure - Functional | 611 404 | 571 804 | (333) | - | - | 7 335 | - | 7 002 | 578 806 | 621 652 | 675 674 |

Funding of Adjustment to Capital Budget

NW373 Rustenburg - Table B5 Consolidated Adjustments Capital Expenditure Budget by vote and funding - 28 February 2021

| Description | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|---|---------------------|----------------|--------------|--------------------|------------------|--------------------|----------------|----------------|-----------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | A | A1 | B | C | D | E | F | G | H | | |
| Funded by: | | | | | | | | | | | |
| National Government | 459 086 | 419 486 | | | | 6 720 | - | 6 720 | 426 206 | 510 356 | 563 630 |
| Provincial Government | - | - | | | | 615 | | 615 | 615 | 730 | - |
| District Municipality | | | | | | | | - | - | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit | | | | | | | | - | - | | |
| Transfers recognised - capital | 459 086 | 419 486 | - | - | - | 7 335 | - | 7 335 | 426 821 | 511 086 | 563 630 |
| Borrowing | 125 000 | 125 000 | | | | | | - | 125 000 | 25 000 | 25 000 |
| Internally generated funds | 27 319 | 27 319 | (333) | | | | | (333) | 26 985 | 85 567 | 87 044 |
| Total Capital Funding | 611 404 | 571 804 | (333) | - | - | 7 335 | - | 7 002 | 578 806 | 621 652 | 675 674 |

Capital expenditure adjustment are due to:

Own funding:

Capital projects funded from own revenue has been reduced by R333 thousands, for allocation to augment operational programmes

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Grants funding:

National Treasury communicated the approval of unspent conditional grants rollover for 2019/20 financial year as follows and they were processed to the budget through an adjustment budget:

- Integrated National Electrification Programme Grant (R6.7 million)

Provincial Treasury communicated the approval of CATA grant rollover as follows:

- Department of Culture, Arts and Traditional Affairs (R615 thousands)

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1.3 ADJUSTMENT BUDGET TABLES

Table: B1

NW373 Rustenburg - Table B1 Consolidated Adjustments Budget Summary - 28 February 2021

| Description | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|--|---------------------|------------------------|----------------------|----------------------------|--------------------------|----------------------------|------------------------|---------------------|-------------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted 1 | Accum. Funds 2 | Multi-year capital 3 | Unfore. Unavoid. 4 | Nat. or Prov. Govt 5 | Other Adjusts. 6 | Total Adjusts. 7 | Adjusted Budget 8 | Adjusted Budget | Adjusted Budget |
| R thousands | A | A1 | B | C | D | E | F | G | H | | |
| Financial Performance | | | | | | | | | | | |
| Property rates | 398 240 | 398 240 | - | - | - | - | - | - | 398 240 | 424 524 | 444 052 |
| Service charges | 3 339 986 | 3 339 986 | (60 000) | - | - | - | - | (60 000) | 3 279 986 | 3 527 025 | 3 689 268 |
| Investment revenue | 27 312 | 27 312 | - | - | - | - | - | - | 27 312 | 35 632 | 40 016 |
| Transfers recognised - operational | 868 506 | 967 772 | - | - | - | 266 | - | 266 | 968 038 | 962 896 | 1 065 161 |
| Other own revenue | 556 705 | 556 705 | - | - | - | - | - | - | 556 705 | 575 249 | 598 965 |
| Total Revenue (excluding capital transfers and contributions) | 5 190 749 | 5 290 015 | (60 000) | - | - | 266 | - | (59 734) | 5 230 281 | 5 525 327 | 5 837 463 |
| Employee costs | 792 398 | 797 820 | 1 422 | - | - | 66 | - | 1 488 | 799 309 | 828 848 | 866 975 |
| Remuneration of councillors | 64 306 | 64 306 | - | - | - | - | - | - | 64 306 | 67 265 | 70 359 |
| Depreciation & asset impairment | 507 217 | 507 217 | - | - | - | - | - | - | 507 217 | 530 549 | 554 955 |
| Finance charges | 43 444 | 43 444 | 515 | - | - | - | - | 515 | 43 959 | 45 443 | 47 533 |
| Materials and bulk purchases | 1 376 489 | 1 439 519 | 501 709 | - | - | - | - | 501 709 | 1 941 228 | 1 450 896 | 1 529 154 |
| Transfers and grants | 18 684 | 18 734 | - | - | - | - | - | - | 18 734 | 19 543 | 20 442 |
| Other expenditure | 1 523 551 | 1 537 700 | 30 024 | - | - | 200 | - | 30 224 | 1 567 925 | 1 553 755 | 1 577 595 |
| Total Expenditure | 4 326 090 | 4 408 741 | 533 670 | - | - | 266 | - | 533 936 | 4 942 678 | 4 496 299 | 4 667 013 |
| Surplus/(Deficit) | 864 659 | 881 274 | (593 670) | - | - | - | - | (593 670) | 287 604 | 1 029 027 | 1 170 450 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 459 086 | 419 486 | - | - | - | 7 335 | - | 7 335 | 426 821 | 511 086 | 563 630 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all) | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 1 323 745 | 1 300 759 | (593 670) | - | - | 7 335 | - | (586 334) | 714 425 | 1 540 113 | 1 734 080 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | 1 323 745 | 1 300 759 | (593 670) | - | - | 7 335 | - | (586 334) | 714 425 | 1 540 113 | 1 734 080 |
| Capital expenditure & funds sources | | | | | | | | | | | |
| Capital expenditure | 611 404 | 571 804 | 6 387 | - | - | 615 | - | 7 002 | 578 806 | 621 652 | 675 674 |
| Transfers recognised - capital | 459 086 | 419 486 | - | - | - | 7 335 | - | 7 335 | 426 821 | 511 086 | 563 630 |
| Borrowing | 125 000 | 125 000 | - | - | - | - | - | - | 125 000 | 25 000 | 25 000 |
| Internally generated funds | 27 319 | 27 319 | (333) | - | - | - | - | (333) | 26 985 | 85 567 | 87 044 |
| Total sources of capital funds | 611 404 | 571 804 | (333) | - | - | 7 335 | - | 7 002 | 578 806 | 621 652 | 675 674 |
| Financial position | | | | | | | | | | | |
| Total current assets | 2 047 729 | 2 063 944 | (302 702) | - | - | - | - | (302 702) | 1 761 241 | 3 610 020 | 5 439 913 |
| Total non current assets | 10 585 949 | 10 545 949 | - | - | - | 427 | - | 427 | 10 546 376 | 11 247 806 | 11 941 582 |
| Total current liabilities | 1 533 038 | 1 533 038 | - | - | - | - | - | - | 1 533 038 | 1 343 959 | 1 292 151 |
| Total non current liabilities | 1 150 356 | 1 150 356 | - | - | - | - | - | - | 1 150 356 | 1 215 424 | 1 200 047 |
| Community wealth/Equity | 9 950 284 | 9 926 499 | (302 702) | - | - | 427 | - | (302 275) | 9 624 224 | 12 298 442 | 14 889 296 |
| Cash flows | | | | | | | | | | | |
| Net cash from (used) operating | 2 080 914 | 2 057 529 | (533 670) | - | - | 7 335 | - | (526 334) | 1 531 194 | 2 338 371 | 2 574 083 |
| Net cash from (used) investing | (597 370) | (557 770) | 333 | - | - | (7 335) | - | (7 002) | (564 772) | (606 972) | (660 319) |
| Net cash from (used) financing | 22 025 | 22 025 | - | - | - | - | - | - | 22 025 | (82 712) | (87 666) |
| Cash/cash equivalents at the year end | 1 736 203 | 1 752 418 | (302 702) | - | - | - | - | (302 702) | 1 449 716 | 3 385 264 | 5 211 362 |
| Cash backing/surplus reconciliation | | | | | | | | | | | |
| Cash and investments available | 1 737 120 | 1 753 335 | (302 702) | - | - | - | - | (302 702) | 1 450 633 | 3 386 222 | 5 212 365 |
| Application of cash and investments | 1 267 042 | 1 267 042 | - | - | - | - | (3 134) | (3 134) | 1 263 908 | 1 136 451 | 1 073 102 |
| Balance - surplus (shortfall) | 470 078 | 486 293 | (302 702) | - | - | - | 3 134 | (299 568) | 186 724 | 2 249 772 | 4 139 263 |
| Asset Management | | | | | | | | | | | |
| Asset register summary (WDV) | 10 584 890 | 10 544 890 | - | - | - | 427 | - | 427 | 10 545 318 | 11 246 699 | 11 940 424 |
| Depreciation & asset impairment | 507 217 | 507 217 | - | - | - | - | - | - | 507 217 | 530 549 | 554 955 |
| Renewal and Upgrading of Existing Assets | 431 662 | 589 028 | (28 792) | - | - | (147 000) | - | (175 792) | 413 236 | 331 178 | 364 533 |
| Repairs and Maintenance | 89 328 | 89 328 | (510) | - | - | 2 635 | - | 2 124 | 91 452 | 19 041 | 19 979 |
| Free services | | | | | | | | | | | |
| Cost of Free Basic Services provided | - | - | - | - | - | - | - | - | - | - | - |
| Revenue cost of free services provided | 109 811 | 109 811 | - | - | - | - | - | - | 109 811 | 112 771 | 115 868 |
| Households below minimum service level | | | | | | | | | | | |
| Water: | 22 | 22 | - | - | - | - | - | - | 22 | 23 | 24 |
| Sanitation/sewerage: | 18 | 18 | - | - | - | - | - | - | 18 | 23 | 30 |
| Energy: | - | - | - | - | - | - | - | - | - | - | - |
| Refuse: | 87 | 87 | - | - | - | - | - | - | 87 | 87 | 87 |

References

AGENDA: VIRTUAL SPECIAL COUNCIL: 23 FEBRUARY 2021

Explanatory notes to MBRR Table B1 - Budget Summary

1. Table B1 is the adjustments budget summary and provides a concise overview of the municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance);
2. Adjusted budget depicts a surplus of R287 million which is an decrease of R593 million from original budget.
3. Financial management reforms emphasis the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard

Table: B2

NW373 Rustenburg - Table B2 Consolidated Adjustments Budget Financial Performance (functional classification) - 28 February 2021

| Standard Description | Ref | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|-------------------------------------|------|---------------------|------------------------------|---------------------------|---------------------------------|-------------------------------|---------------------------------|------------------------------|---------------------------|-------------------------------|---------------------------|---------------------------|
| | | Original Budget | Prior Adjusted 5 A1 | Accum. Funds 6 B | Multi-year capital 7 C | Unfore. Unavoid. 8 D | Nat. or Prov. Govt 9 E | Other Adjusts. 10 F | Total Adjusts. 11 G | Adjusted Budget 12 H | Adjusted Budget | Adjusted Budget |
| R thousands | 1, 4 | A | A1 | B | C | D | E | F | G | H | | |
| Revenue - Functional | | | | | | | | | | | | |
| Governance and administration | | 851 008 | 857 608 | – | – | – | – | – | – | 857 608 | 896 704 | 944 162 |
| Executive and council | | 20 282 | 20 282 | – | – | – | – | – | – | 20 282 | 28 215 | 32 191 |
| Finance and administration | | 830 725 | 837 325 | – | – | – | – | – | – | 837 325 | 868 489 | 911 971 |
| Internal audit | | – | – | – | – | – | – | – | – | – | – | – |
| Community and public safety | | 28 627 | 28 242 | – | – | – | 266 | – | 266 | 28 508 | 29 958 | 31 261 |
| Community and social services | | 4 383 | 3 998 | – | – | – | 266 | – | 266 | 4 265 | 4 599 | 4 735 |
| Sport and recreation | | 510 | 510 | – | – | – | – | – | – | 510 | 533 | 558 |
| Public safety | | 20 152 | 20 152 | – | – | – | – | – | – | 20 152 | 21 079 | 22 049 |
| Housing | | 3 581 | 3 581 | – | – | – | – | – | – | 3 581 | 3 746 | 3 918 |
| Health | | – | – | – | – | – | – | – | – | – | – | – |
| Economic and environmental services | | 122 558 | 117 901 | – | – | – | – | – | – | 117 901 | 123 166 | 129 680 |
| Planning and development | | 37 332 | 37 332 | – | – | – | – | – | – | 37 332 | 33 188 | 34 766 |
| Road transport | | 85 226 | 80 569 | – | – | – | – | – | – | 80 569 | 89 978 | 94 914 |
| Environmental protection | | – | – | – | – | – | – | – | – | – | – | – |
| Trading services | | 4 546 778 | 4 604 886 | (60 000) | – | – | 7 335 | – | (52 665) | 4 552 221 | 4 881 080 | 5 185 634 |
| Energy sources | | 2 435 325 | 2 484 825 | (60 000) | – | – | – | – | (60 000) | 2 424 825 | 2 589 112 | 2 740 500 |
| Water management | | 941 132 | 969 340 | – | – | – | – | – | – | 969 340 | 1 010 263 | 1 064 972 |
| Waste water management | | 923 317 | 893 717 | – | – | – | 7 335 | – | 7 335 | 901 052 | 1 011 118 | 1 092 068 |
| Waste management | | 247 004 | 257 004 | – | – | – | – | – | – | 257 004 | 270 587 | 288 094 |
| Other | | 100 864 | 100 864 | – | – | – | – | – | – | 100 864 | 105 504 | 110 357 |
| Total Revenue - Functional | 2 | 5 649 835 | 5 709 501 | (60 000) | – | – | 7 602 | – | (52 398) | 5 657 103 | 6 036 412 | 6 401 093 |
| Expenditure - Functional | | | | | | | | | | | | |
| Governance and administration | | 768 081 | 767 389 | 10 907 | – | – | – | – | 10 907 | 778 296 | 781 731 | 862 479 |
| Executive and council | | 261 038 | 260 919 | 1 439 | – | – | – | – | 1 439 | 262 358 | 274 141 | 285 880 |
| Finance and administration | | 505 839 | 505 361 | 9 468 | – | – | – | – | 9 468 | 514 829 | 506 319 | 575 259 |
| Internal audit | | 1 205 | 1 109 | – | – | – | – | – | – | 1 109 | 1 271 | 1 340 |
| Community and public safety | | 482 986 | 488 499 | 11 045 | – | – | 266 | – | 11 311 | 499 810 | 506 979 | 529 741 |
| Community and social services | | 76 210 | 76 943 | (4 990) | – | – | 266 | – | (4 724) | 72 220 | 80 933 | 86 662 |
| Sport and recreation | | 103 224 | 102 789 | (170) | – | – | – | – | (170) | 102 619 | 109 331 | 115 646 |
| Public safety | | 280 222 | 285 437 | 16 658 | – | – | – | – | 16 658 | 302 095 | 292 033 | 301 336 |
| Housing | | 23 330 | 23 330 | (453) | – | – | – | – | (453) | 22 877 | 24 681 | 26 096 |
| Health | | – | – | – | – | – | – | – | – | – | – | – |
| Economic and environmental services | | 174 171 | 169 294 | 2 398 | – | – | – | – | 2 398 | 171 692 | 190 071 | 203 046 |
| Planning and development | | 73 567 | 73 567 | 398 | – | – | – | – | 398 | 73 965 | 83 381 | 90 632 |
| Road transport | | 94 931 | 90 274 | 2 000 | – | – | – | – | 2 000 | 92 274 | 100 617 | 105 983 |
| Environmental protection | | 5 674 | 5 454 | – | – | – | – | – | – | 5 454 | 6 073 | 6 431 |
| Trading services | | 2 899 912 | 2 982 620 | 509 320 | – | – | – | – | 509 320 | 3 491 941 | 3 016 527 | 3 070 703 |
| Energy sources | | 1 471 428 | 1 520 928 | 393 555 | – | – | – | – | 393 555 | 1 914 483 | 1 546 392 | 1 578 788 |
| Water management | | 885 482 | 908 690 | 106 594 | – | – | – | – | 106 594 | 1 015 284 | 930 351 | 943 748 |
| Waste water management | | 264 230 | 264 230 | (1 959) | – | – | – | – | (1 959) | 262 272 | 246 054 | 239 630 |
| Waste management | | 278 773 | 288 773 | 11 129 | – | – | – | – | 11 129 | 299 902 | 293 730 | 308 537 |
| Other | | 939 | 939 | – | – | – | – | – | – | 939 | 991 | 1 045 |
| Total Expenditure - Functional | 3 | 4 326 090 | 4 408 742 | 533 670 | – | – | 266 | – | 533 936 | 4 942 678 | 4 496 299 | 4 667 013 |
| Surplus/ (Deficit) for the year | | 1 323 745 | 1 300 759 | (593 670) | – | – | 7 335 | – | (586 334) | 714 425 | 1 540 113 | 1 734 080 |

Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

AGENDA: VIRTUAL SPECIAL COUNCIL: 23 FEBRUARY 2021

Table: 3

NW373 Rustenburg - Table B3 Consolidated Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28 February 2021

| Vote Description <i>[Insert departmental structure etc]</i> | Ref | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|--|-----|---------------------|------------------------|----------------------|----------------------------|--------------------------|----------------------------|------------------------|---------------------|--------------------------|---------------------------|---------------------------|
| | | Original Budget | Prior Adjusted 3 | Accum. Funds 4 | Multi-year capital 5 | Unfore. Unavoid. 6 | Nat. or Prov. Govt 7 | Other Adjusts. 8 | Total Adjusts. 9 | Adjusted Budget 10 | Adjusted Budget | Adjusted Budget |
| | | A | A1 | B | C | D | E | F | G | H | | |
| R thousands | | | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | | | |
| Vote 1 - Vote 1 - EXECUTIVE MAYOR | | 415 635 | 415 635 | - | - | - | - | - | - | 415 635 | 434 690 | 454 618 |
| Vote 2 - Vote 2 - MUNICIPAL MANAGER | | 19 949 | 19 949 | - | - | - | - | - | - | 19 949 | 15 006 | 15 747 |
| Vote 3 - Vote 3 - CORPORATE SUPPORT SERVICES | | 487 | 487 | - | - | - | - | - | - | 487 | 510 | 533 |
| Vote 4 - Vote 4 - BUDGET AND TREASURY | | 433 702 | 440 301 | - | - | - | - | - | - | 440 301 | 460 265 | 487 714 |
| Vote 5 - Vote 5 - PUBLIC SAFETY | | 121 017 | 121 017 | - | - | - | - | - | - | 121 017 | 126 583 | 132 406 |
| Vote 6 - Vote 6 - PLANNING AND HUMAN SETTLEMENT | | 19 329 | 19 329 | - | - | - | - | - | - | 19 329 | 20 218 | 21 148 |
| Vote 7 - Vote 7 - LOCAL ECONOMIC DEVELOPMENT | | 3 696 | 3 696 | - | - | - | - | - | - | 3 696 | 3 866 | 4 044 |
| Vote 8 - Vote 8 - COMMUNITY DEVELOPMENT | | 251 177 | 260 792 | - | - | - | 266 | - | 266 | 261 058 | 274 966 | 292 599 |
| Vote 9 - Vote 9 - TECHNICAL AND INFRASTRUCTURE | | 4 084 664 | 4 132 772 | (60 000) | - | - | 7 335 | - | (52 665) | 4 080 108 | 4 383 555 | 4 658 122 |
| Vote 10 - Vote 10 - ROADS AND TRANSPORT | | 85 227 | 80 570 | - | - | - | - | - | - | 80 570 | 89 978 | 94 914 |
| Vote 11 - [NAME OF VOTE 11] | | 214 952 | 214 952 | - | - | - | - | - | - | 214 952 | 226 774 | 239 247 |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 5 649 835 | 5 709 501 | (60 000) | - | - | 7 602 | - | (52 398) | 5 657 102 | 6 036 412 | 6 401 093 |
| Expenditure by Vote | 1 | | | | | | | | | | | |
| Vote 1 - Vote 1 - EXECUTIVE MAYOR | | 95 833 | 131 069 | 3 032 | - | - | - | - | 3 032 | 134 101 | 99 809 | 111 010 |
| Vote 2 - Vote 2 - MUNICIPAL MANAGER | | 91 172 | 91 166 | 5 954 | - | - | - | - | 5 954 | 97 120 | 89 439 | 92 643 |
| Vote 3 - Vote 3 - CORPORATE SUPPORT SERVICES | | 79 541 | 87 108 | (592) | - | - | - | - | (592) | 86 516 | 83 680 | 88 054 |
| Vote 4 - Vote 4 - BUDGET AND TREASURY | | 221 994 | 214 026 | 3 070 | - | - | - | - | 3 070 | 217 096 | 228 150 | 261 427 |
| Vote 5 - Vote 5 - PUBLIC SAFETY | | 279 432 | 284 432 | 16 658 | - | - | - | - | 16 658 | 301 090 | 291 279 | 300 621 |
| Vote 6 - Vote 6 - PLANNING AND HUMAN SETTLEMENT | | 63 862 | 63 862 | 2 000 | - | - | - | - | 2 000 | 65 862 | 65 829 | 69 394 |
| Vote 7 - Vote 7 - LOCAL ECONOMIC DEVELOPMENT | | 27 596 | 27 596 | (1 602) | - | - | - | - | (1 602) | 25 994 | 42 216 | 47 316 |
| Vote 8 - Vote 8 - COMMUNITY DEVELOPMENT | | 524 038 | 516 603 | 5 959 | - | - | 266 | - | 6 226 | 522 829 | 550 561 | 573 559 |
| Vote 9 - Vote 9 - TECHNICAL AND INFRASTRUCTURE | | 2 469 821 | 2 568 376 | 498 191 | - | - | - | - | 498 191 | 3 066 567 | 2 568 886 | 2 592 141 |
| Vote 10 - Vote 10 - ROADS AND TRANSPORT | | 307 554 | 300 897 | 1 000 | - | - | - | - | 1 000 | 301 897 | 304 543 | 340 519 |
| Vote 11 - [NAME OF VOTE 11] | | 165 247 | 123 606 | - | - | - | - | - | - | 123 606 | 171 907 | 190 329 |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 4 326 090 | 4 408 742 | 533 670 | - | - | 266 | - | 533 936 | 4 942 678 | 4 496 299 | 4 667 013 |
| Surplus/ (Deficit) for the year | 2 | 1 323 745 | 1 300 759 | (593 670) | - | - | 7 335 | - | (586 334) | 714 424 | 1 540 113 | 1 734 080 |

Table B3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

AGENDA: VIRTUAL SPECIAL COUNCIL: 23 FEBRUARY 2021

Table: B4

NW373 Rustenburg - Table B4 Consolidated Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2021

| Description | Ref | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|--|-----|---------------------|------------------|------------------|-----------------------|---------------------|-----------------------|-------------------|------------------|--------------------|---------------------------|---------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | | |
| R thousands | 1 | A | A1 | B | C | D | E | F | G | H | | |
| Revenue By Source | | | | | | | | | | | | |
| Property rates | 2 | 398 240 | 398 240 | – | – | – | – | – | – | 398 240 | 424 524 | 444 052 |
| Service charges - electricity revenue | 2 | 2 312 534 | 2 312 534 | (60 000) | – | – | – | – | (60 000) | 2 252 534 | 2 442 035 | 2 554 369 |
| Service charges - water revenue | 2 | 499 244 | 499 244 | – | – | – | – | – | – | 499 244 | 527 202 | 551 453 |
| Service charges - sanitation revenue | 2 | 378 176 | 378 176 | – | – | – | – | – | – | 378 176 | 399 354 | 417 724 |
| Service charges - refuse revenue | 2 | 150 032 | 150 032 | – | – | – | – | – | – | 150 032 | 158 434 | 165 722 |
| Rental of facilities and equipment | | 10 498 | 10 498 | – | – | – | – | – | – | 10 498 | 10 981 | 11 486 |
| Interest earned - external investments | | 27 312 | 27 312 | – | – | – | – | – | – | 27 312 | 35 632 | 40 016 |
| Interest earned - outstanding debtors | | 395 409 | 395 409 | – | – | – | – | – | – | 395 409 | 406 534 | 422 490 |
| Dividends received | | – | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | | 9 000 | 9 000 | – | – | – | – | – | – | 9 000 | 9 414 | 9 847 |
| Licences and permits | | 11 913 | 11 913 | – | – | – | – | – | – | 11 913 | 12 461 | 13 034 |
| Agency services | | 100 849 | 100 849 | – | – | – | – | – | – | 100 849 | 105 488 | 110 340 |
| Transfers and subsidies | | 868 506 | 967 772 | – | – | – | 266 | – | 266 | 968 038 | 962 896 | 1 065 161 |
| Other revenue | 2 | 15 001 | 15 001 | – | – | – | – | – | – | 15 001 | 15 691 | 16 413 |
| Gains | | 14 035 | 14 035 | – | – | – | – | – | – | 14 035 | 14 680 | 15 356 |
| Total Revenue (excluding capital transfers and contributions) | | 5 190 749 | 5 290 015 | (60 000) | – | – | 266 | – | (59 734) | 5 230 281 | 5 525 327 | 5 837 463 |
| Expenditure By Type | | | | | | | | | | | | |
| Employee related costs | | 792 398 | 797 820 | 1 422 | – | – | 66 | – | 1 488 | 799 309 | 828 848 | 866 975 |
| Remuneration of councillors | | 64 306 | 64 306 | – | – | – | – | – | – | 64 306 | 67 265 | 70 359 |
| Debt impairment | | 898 087 | 898 087 | – | – | – | – | – | – | 898 087 | 890 769 | 870 004 |
| Depreciation & asset impairment | | 507 217 | 507 217 | – | – | – | – | – | – | 507 217 | 530 549 | 554 955 |
| Finance charges | | 43 444 | 43 444 | 515 | – | – | – | – | 515 | 43 959 | 45 443 | 47 533 |
| Bulk purchases | | 1 358 419 | 1 421 627 | 501 709 | – | – | – | – | 501 709 | 1 923 336 | 1 431 855 | 1 509 175 |
| Other materials | | 18 070 | 17 892 | – | – | – | – | – | – | 17 892 | 19 041 | 19 979 |
| Contracted services | | 394 970 | 410 169 | 27 594 | – | – | 1 700 | – | 29 294 | 439 462 | 421 883 | 455 392 |
| Transfers and subsidies | | 18 684 | 18 734 | – | – | – | – | – | – | 18 734 | 19 543 | 20 442 |
| Other expenditure | | 230 495 | 229 445 | 2 431 | – | – | (1 500) | – | 931 | 230 375 | 241 103 | 252 199 |
| Losses | | – | – | – | – | – | – | – | – | – | – | – |
| Total Expenditure | | 4 326 090 | 4 408 741 | 533 670 | – | – | 266 | – | 533 936 | 4 942 678 | 4 496 299 | 4 667 013 |
| Surplus/(Deficit) | | 864 659 | 881 274 | (593 670) | – | – | – | – | (593 670) | 287 604 | 1 029 027 | 1 170 450 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 459 086 | 419 486 | – | – | – | 7 335 | – | 7 335 | 426 821 | 511 086 | 563 630 |
| 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) before taxation | | 1 323 745 | 1 300 759 | (593 670) | – | – | 7 335 | – | (586 334) | 714 425 | 1 540 113 | 1 734 080 |
| Taxation | | – | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) after taxation | | 1 323 745 | 1 300 759 | (593 670) | – | – | 7 335 | – | (586 334) | 714 425 | 1 540 113 | 1 734 080 |
| Attributable to minorities | | – | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) attributable to municipality | | 1 323 745 | 1 300 759 | (593 670) | – | – | 7 335 | – | (586 334) | 714 425 | 1 540 113 | 1 734 080 |
| Share of surplus/ (deficit) of associate | | – | – | – | – | – | – | – | – | – | – | – |
| Surplus/ (Deficit) for the year | | 1 323 745 | 1 300 759 | (593 670) | – | – | 7 335 | – | (586 334) | 714 425 | 1 540 113 | 1 734 080 |

Total revenue as per original budget was set at R5 290 billion and adjusted downwards to R5 230 billion during adjustment budget for 2020/2021 financial year. Total Expenditure has increased to R4 942 billion from R4 408 billion in the 2020/2021 financial year.

AGENDA: VIRTUAL SPECIAL COUNCIL: 23 FEBRUARY 2021

Table B5

NW373 Rustenburg - Table B5 Consolidated Adjustments Capital Expenditure Budget by vote and funding - 28 February 2021

| Description | Ref | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|---|-----|---------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|---------------------------|---------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | A | 5 A1 | 6 B | 7 C | 8 D | 9 E | 10 F | 11 G | 12 H | | |
| Capital expenditure - Vote | | | | | | | | | | | | |
| Multi-year expenditure to be adjusted | 2 | | | | | | | | | | | |
| Vote 1 - Vote 1 - EXECUTIVE MAYOR | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Vote 2 - MUNICIPAL MANAGER | | 12 419 | 12 419 | 1 475 | - | - | (6 000) | - | (4 525) | 7 893 | 13 000 | 13 138 |
| Vote 3 - Vote 3 - CORPORATE SUPPORT SERVICES | | 1 000 | 1 000 | 592 | - | - | - | - | 592 | 1 592 | 1 600 | 1 360 |
| Vote 4 - Vote 4 - BUDGET AND TREASURY | | 550 | 950 | - | - | - | - | - | - | 950 | - | - |
| Vote 5 - Vote 5 - PUBLIC SAFETY | | 2 950 | 2 950 | (1 000) | - | - | - | - | (1 000) | 1 950 | 11 944 | 12 063 |
| Vote 6 - Vote 6 - PLANNING AND HUMAN SETTLEMENT | | 3 500 | 3 500 | - | - | - | - | - | - | 3 500 | 9 527 | 9 555 |
| Vote 7 - Vote 7 - LOCAL ECONOMIC DEVELOPMENT | | 650 | 650 | 100 | - | - | - | - | 100 | 750 | 8 900 | 9 110 |
| Vote 8 - Vote 8 - COMMUNITY DEVELOPMENT | | 21 210 | 12 450 | (1 500) | - | - | (2 385) | - | (3 885) | 8 565 | 11 726 | 11 206 |
| Vote 9 - Vote 9 - TECHNICAL AND INFRASTRUCTURE | | 312 400 | 293 140 | 6 720 | - | - | (7 500) | - | (780) | 292 360 | 378 958 | 422 831 |
| Vote 10 - Vote 10 - ROADS AND TRANSPORT | | 256 726 | 244 746 | - | - | - | 16 500 | - | 16 500 | 261 246 | 185 997 | 196 411 |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 3 | 611 404 | 571 804 | 6 387 | - | - | 615 | - | 7 002 | 578 806 | 621 652 | 675 674 |
| Single-year expenditure to be adjusted | 2 | | | | | | | | | | | |
| Vote 1 - Vote 1 - EXECUTIVE MAYOR | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Vote 2 - MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - Vote 3 - CORPORATE SUPPORT SERVICES | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Vote 4 - BUDGET AND TREASURY | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Vote 5 - PUBLIC SAFETY | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - Vote 6 - PLANNING AND HUMAN SETTLEMENT | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - Vote 7 - LOCAL ECONOMIC DEVELOPMENT | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Vote 8 - COMMUNITY DEVELOPMENT | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - Vote 9 - TECHNICAL AND INFRASTRUCTURE | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - Vote 10 - ROADS AND TRANSPORT | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Vote | | 611 404 | 571 804 | 6 387 | - | - | 615 | - | 7 002 | 578 806 | 621 652 | 675 674 |
| Capital Expenditure - Functional | | | | | | | | | | | | |
| Governance and administration | | 50 969 | 21 369 | 2 067 | - | - | (6 000) | - | (3 933) | 17 435 | 23 300 | 23 298 |
| Executive and council | | 13 155 | 13 155 | 1 475 | - | - | (6 000) | - | (4 525) | 8 630 | 13 000 | 13 138 |
| Finance and administration | | 37 550 | 7 950 | 592 | - | - | - | - | 592 | 8 542 | 10 300 | 10 160 |
| Internal audit | | 264 | 264 | - | - | - | - | - | - | 264 | - | - |
| Community and public safety | | 11 320 | 6 900 | (2 500) | - | - | (385) | - | (2 885) | 4 015 | 17 734 | 17 213 |
| Community and social services | | 6 770 | 2 350 | (1 500) | - | - | (385) | - | (1 885) | 465 | 1 730 | 1 000 |
| Sport and recreation | | 100 | 100 | - | - | - | - | - | - | 100 | 1 060 | 1 150 |
| Public safety | | 2 950 | 2 950 | (1 000) | - | - | - | - | (1 000) | 1 950 | 11 944 | 12 063 |
| Housing | | 1 500 | 1 500 | - | - | - | - | - | - | 1 500 | 3 000 | 3 000 |
| Health | | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 259 376 | 247 396 | 100 | - | - | 16 500 | - | 16 600 | 263 996 | 201 493 | 212 157 |
| Planning and development | | 2 650 | 2 650 | 100 | - | - | - | - | 100 | 2 750 | 15 427 | 15 666 |
| Road transport | | 256 726 | 244 746 | - | - | - | 16 500 | - | 16 500 | 261 246 | 185 997 | 196 411 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | 69 | 80 |
| Trading services | | 289 740 | 296 140 | - | - | - | (2 780) | - | (2 780) | 293 360 | 379 125 | 423 006 |
| Energy sources | | 68 800 | 129 300 | - | - | - | 1 220 | - | 1 220 | 130 520 | 92 600 | 99 578 |
| Water management | | 151 500 | 104 500 | - | - | - | (3 000) | - | (3 000) | 101 500 | 173 132 | 197 844 |
| Waste water management | | 62 100 | 59 340 | - | - | - | 1 000 | - | 1 000 | 60 340 | 113 226 | 125 409 |
| Waste management | | 7 340 | 3 000 | - | - | - | (2 000) | - | (2 000) | 1 000 | 167 | 176 |
| Other | | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 3 | 611 404 | 571 804 | (333) | - | - | 7 335 | - | 7 002 | 578 806 | 621 652 | 675 674 |
| Funded by: | | | | | | | | | | | | |
| National Government | | 459 086 | 419 486 | - | - | - | 6 720 | - | 6 720 | 426 206 | 510 356 | 563 630 |
| Provincial Government | | - | - | - | - | - | 615 | - | 615 | 615 | 730 | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) | | - | - | - | - | - | - | - | - | - | - | - |
| (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 459 086 | 419 486 | - | - | - | 7 335 | - | 7 335 | 426 821 | 511 086 | 563 630 |
| Borrowing | | 125 000 | 125 000 | - | - | - | - | - | - | 125 000 | 25 000 | 25 000 |
| Internally generated funds | | 27 319 | 27 319 | (333) | - | - | - | - | (333) | 26 985 | 85 567 | 87 044 |
| Total Capital Funding | | 611 404 | 571 804 | (333) | - | - | 7 335 | - | 7 002 | 578 806 | 621 652 | 675 674 |

Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

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Table: B6

NW373 Rustenburg - Table B6 Consolidated Adjustments Budget Financial Position - 28 February 2021

| Description | Ref | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|--|----------|---------------------|------------------------------|---------------------------|---------------------------------|-------------------------------|---------------------------------|-----------------------------|--------------------------|-------------------------------|---------------------------|---------------------------|
| | | Original Budget | Prior Adjusted 3 A1 | Accum. Funds 4 B | Multi-year capital 5 C | Unfore. Unavoid. 6 D | Nat. or Prov. Govt 7 E | Other Adjusts. 8 F | Total Adjusts. 9 G | Adjusted Budget 10 H | Adjusted Budget | Adjusted Budget |
| R thousands | | A | A1 | B | C | D | E | F | G | H | | |
| ASSETS | | | | | | | | | | | | |
| Current assets | | | | | | | | | | | | |
| Cash | | 704 207 | 704 207 | | | | | | - | 704 207 | 1 278 297 | 1 875 058 |
| Call investment deposits | 1 | 1 031 996 | 1 048 211 | (302 702) | - | - | - | - | (302 702) | 745 509 | 2 106 966 | 3 336 304 |
| Consumer debtors | 1 | 183 283 | 183 283 | - | - | - | - | - | - | 183 283 | 90 615 | 88 239 |
| Other debtors | | 107 001 | 107 001 | | | | | | - | 107 001 | 111 923 | 117 072 |
| Current portion of long-term receivables | | 1 015 | 1 015 | | | | | | - | 1 015 | 1 061 | 1 110 |
| Inventory | | 20 227 | 20 227 | | | | | | - | 20 227 | 21 157 | 22 130 |
| Total current assets | | 2 047 729 | 2 063 944 | (302 702) | - | - | - | - | (302 702) | 1 761 241 | 3 610 020 | 5 439 913 |
| Non current assets | | | | | | | | | | | | |
| Long-term receivables | | | | | | | | | - | - | | |
| Investments | | 917 | 917 | | | | | | - | 917 | 959 | 1 003 |
| Investment property | | 374 321 | 374 321 | | | | | | - | 374 321 | 391 540 | 409 551 |
| Investment in Associate | | | | | | | | | - | - | | |
| Property, plant and equipment | 1 | 10 209 729 | 10 169 729 | - | - | - | 427 | - | 427 | 10 170 156 | 10 854 280 | 11 529 954 |
| Biological | | | | | | | | | - | - | | |
| Intangible | | 840 | 840 | | | | | | - | 840 | 879 | 919 |
| Other non-current assets | | 142 | 142 | | | | | | - | 142 | 148 | 155 |
| Total non current assets | | 10 585 949 | 10 545 949 | - | - | - | 427 | - | 427 | 10 546 376 | 11 247 806 | 11 941 582 |
| TOTAL ASSETS | | 12 633 678 | 12 609 893 | (302 702) | - | - | 427 | - | (302 275) | 12 307 618 | 14 857 826 | 17 381 495 |
| LIABILITIES | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | |
| Bank overdraft | | | | | | | | | - | - | | |
| Borrowing | | 92 496 | 92 496 | - | - | - | - | - | - | 92 496 | 96 751 | 101 201 |
| Consumer deposits | | 50 808 | 50 808 | | | | | | - | 50 808 | 53 145 | 55 590 |
| Trade and other payables | | 1 364 838 | 1 364 838 | - | - | - | - | - | - | 1 364 838 | 1 168 022 | 1 108 121 |
| Provisions | | 24 896 | 24 896 | | | | | | - | 24 896 | 26 042 | 27 239 |
| Total current liabilities | | 1 533 038 | 1 533 038 | - | - | - | - | - | - | 1 533 038 | 1 343 959 | 1 292 151 |
| Non current liabilities | | | | | | | | | | | | |
| Borrowing | 1 | 888 000 | 888 000 | - | - | - | - | - | - | 888 000 | 941 000 | 913 000 |
| Provisions | 1 | 262 356 | 262 356 | - | - | - | - | - | - | 262 356 | 274 424 | 287 047 |
| Total non current liabilities | | 1 150 356 | 1 150 356 | - | - | - | - | - | - | 1 150 356 | 1 215 424 | 1 200 047 |
| TOTAL LIABILITIES | | 2 683 393 | 2 683 393 | - | - | - | - | - | - | 2 683 393 | 2 559 383 | 2 492 199 |
| NET ASSETS | 2 | 9 950 284 | 9 926 499 | (302 702) | - | - | 427 | - | (302 275) | 9 624 224 | 12 298 442 | 14 889 296 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 9 681 304 | 9 657 519 | (302 702) | - | - | 427 | - | (302 275) | 9 355 244 | 12 021 100 | 14 603 206 |
| Reserves | | 268 980 | 268 980 | - | - | - | - | - | - | 268 980 | 277 343 | 286 090 |
| TOTAL COMMUNITY WEALTH/EQUITY | | 9 950 284 | 9 926 499 | (302 702) | - | - | 427 | - | (302 275) | 9 624 224 | 12 298 442 | 14 889 296 |

Table B6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

Table B6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:

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- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non current;
- Changes in net assets; and
- Reserves

The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

Table: B7

CASH FLOW FROM OPERATING ACTIVITIES

| Description | Ref | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|--|-----|---------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|---------------------------|---------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | A | 3 A1 | 4 B | 5 C | 6 D | 7 E | 8 F | 9 G | 10 H | | |
| R thousands | | | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Property rates | | 309 140 | 309 140 | | | | | | – | 309 140 | 334 243 | 360 052 |
| Service charges | | 2 794 986 | 2 794 986 | | | | | | – | 2 794 986 | 3 008 925 | 3 203 668 |
| Other revenue | | 147 260 | 147 260 | | | | | | – | 147 260 | 154 034 | 161 120 |
| Transfers and Subsidies - Operational | 1 | 868 506 | 967 772 | | | | 266 | | 266 | 968 038 | 962 896 | 1 065 161 |
| Transfers and Subsidies - Capital | 1 | 459 086 | 419 486 | | | | 7 335 | | 7 335 | 426 821 | 511 086 | 563 630 |
| Interest | | 422 721 | 422 721 | | | | | | – | 422 721 | 442 166 | 462 506 |
| Dividends | | – | – | | | | | | – | – | – | – |
| Payments | | | | | | | | | | | | |
| Suppliers and employees | | (2 858 658) | (2 941 659) | (533 670) | – | – | (266) | | (533 936) | (3 475 596) | (3 009 994) | (3 174 080) |
| Finance charges | | (43 444) | (43 444) | | | | | | – | (43 444) | (45 443) | (47 533) |
| Transfers and Grants | 1 | (18 684) | (18 734) | | | | | | – | (18 734) | (19 543) | (20 442) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 2 080 914 | 2 057 529 | (533 670) | – | – | 7 335 | – | (526 334) | 1 531 194 | 2 338 371 | 2 574 083 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Proceeds on disposal of PPE | | 14 035 | 14 035 | | | | | | – | 14 035 | 14 680 | 15 356 |
| Decrease (increase) in non-current receivables | | | | | | | | | – | – | | |
| Decrease (increase) in non-current investments | | | | | | | | | – | – | | |
| Payments | | | | | | | | | | | | |
| Capital assets | | (611 404) | (571 804) | 333 | – | – | (7 335) | | (7 002) | (578 806) | (621 652) | (675 674) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (597 370) | (557 770) | 333 | – | – | (7 335) | – | (7 002) | (564 772) | (606 972) | (660 319) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Short term loans | | | | | | | | | – | – | | |
| Borrowing long term/refinancing | | 125 000 | 125 000 | | | | | | – | 125 000 | 25 000 | 25 000 |
| Increase (decrease) in consumer deposits | | 2 398 | 2 398 | | | | | | – | 2 398 | 2 508 | 2 624 |
| Payments | | | | | | | | | | | | |
| Repayment of borrowing | | (105 373) | (105 373) | | | | | | – | (105 373) | (110 220) | (115 290) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 22 025 | 22 025 | – | – | – | – | – | – | 22 025 | (82 712) | (87 666) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 1 505 569 | 1 521 784 | (533 336) | – | – | – | – | (533 336) | 988 448 | 1 648 687 | 1 826 098 |
| Cash/cash equivalents at the year begin: | 2 | 230 634 | 230 634 | 230 634 | | | | | 230 634 | 461 268 | 1 736 576 | 3 385 264 |
| Cash/cash equivalents at the year end: | 2 | 1 736 203 | 1 752 418 | (302 702) | – | – | – | – | (302 702) | 1 449 716 | 3 385 264 | 5 211 362 |

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget

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Table: B8

NW373 Rustenburg - Table B8 Consolidated Cash backed reserves/accumulated surplus reconciliation - 28 February 2021

| Description | Ref | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|---|-----|---------------------|---------------------------|------------------------|---------------------------------|-------------------------------|---------------------------------|--------------------------|--------------------------|-------------------------------|---------------------------|---------------------------|
| | | Original Budget | Prior Adjusted 3 A1 | Accum. Funds 4 B | Multi-year capital 5 C | Unfore. Unavoid. 6 D | Nat. or Prov. Govt 7 E | Other Adjusts. 8 F | Total Adjusts. 9 G | Adjusted Budget 10 H | Adjusted Budget | Adjusted Budget |
| R thousands | | A | | B | C | D | E | F | G | H | | |
| Cash and investments available | | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 1 736 203 | 1 752 418 | (302 702) | – | – | – | – | (302 702) | 1 449 716 | 3 385 264 | 5 211 362 |
| Other current investments > 90 days | | – | – | – | – | – | – | – | – | – | 0 | – |
| Non current assets - Investments | 1 | 917 | 917 | – | – | – | – | – | – | 917 | 959 | 1 003 |
| Cash and investments available: | | 1 737 120 | 1 753 335 | (302 702) | – | – | – | – | (302 702) | 1 450 633 | 3 386 222 | 5 212 365 |
| Applications of cash and investments | | | | | | | | | | | | |
| Unspent conditional transfers | | 145 371 | 145 371 | – | – | – | – | – | – | 145 371 | 125 000 | 100 000 |
| Unspent borrowing | | – | – | – | – | – | – | – | – | – | – | – |
| Statutory requirements | | (14 321) | (14 321) | – | – | – | – | – | – | (14 321) | (13 882) | (14 578) |
| Other working capital requirements | 2 | 979 526 | 979 526 | – | – | – | – | – | – | 979 526 | 865 679 | 824 694 |
| Other provisions | | 24 896 | 24 896 | – | – | – | – | – | – | 24 896 | 26 042 | 27 239 |
| Long term investments committed | | – | – | – | – | – | – | – | – | – | – | – |
| Reserves to be backed by cash/investments | | 131 570 | 131 570 | – | – | – | – | – | – | 131 570 | 133 611 | 135 747 |
| Total Application of cash and investments: | | 1 267 042 | 1 267 042 | – | – | – | – | – | – | 1 267 042 | 1 136 451 | 1 073 102 |
| Surplus(shortfall) | | 470 078 | 486 293 | (302 702) | – | – | – | – | (302 702) | 183 590 | 2 249 772 | 4 139 263 |

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded". The budgeted cash flow statement is the first measurement in determining if the budget is funded.

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Table: B9

| NW373 Rustenburg - Table B9 Consolidated Asset Management - 28 February 2021 | | | | | | | | | | | | |
|--|-----|---------------------|----------------|--------------|--------------------|------------------|--------------------|----------------|----------------|-----------------|------------------------|------------------------|
| Description | Ref | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | A | A1 | B | C | D | E | F | G | H | | |
| R thousands | | | | | | | | | | | | |
| ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 10 584 890 | 10 544 890 | - | - | - | 427 | - | 427 | 10 545 318 | 11 246 699 | 11 940 424 |
| Roads Infrastructure | | 2 625 694 | 2 613 714 | | | | 10 500 | | 10 500 | 2 624 214 | 2 838 804 | 2 925 531 |
| Electrical Infrastructure | | 1 909 125 | 1 919 625 | | | | (4 780) | | (4 780) | 1 914 845 | 1 816 452 | 2 098 549 |
| Water Supply Infrastructure | | 1 970 789 | 1 993 789 | - | | | (3 000) | | (3 000) | 1 990 789 | 2 193 801 | 2 287 377 |
| Sanitation Infrastructure | | 1 691 081 | 1 668 321 | - | | | 1 000 | | 1 000 | 1 669 321 | 1 880 204 | 1 991 530 |
| Solid Waste Infrastructure | | 1 582 380 | 1 578 040 | | | | (2 000) | | (2 000) | 1 576 040 | 1 679 699 | 1 776 873 |
| Infrastructure | | 9 779 070 | 9 773 490 | - | - | - | 1 720 | - | 1 720 | 9 775 210 | 10 408 960 | 11 079 860 |
| Community Assets | | 40 867 | 36 447 | 1 275 | | | (385) | | 890 | 37 337 | 57 591 | 68 974 |
| Heritage Assets | | | | | | | | | - | - | | |
| Investment properties | | 303 898 | 303 898 | | | | | | - | 303 898 | 311 803 | 319 357 |
| Other Assets | | 82 499 | 82 499 | 50 | | | (1 500) | | (1 450) | 81 049 | 51 876 | 19 278 |
| Biological or Cultivated Assets | | | | | | | | | - | - | | |
| Intangible Assets | | 970 | 970 | 200 | | | - | | 200 | 1 170 | 970 | 970 |
| Computer Equipment | | 45 512 | 45 512 | | | | | | - | 45 512 | 48 082 | 50 677 |
| Furniture and Office Equipment | | 94 140 | 94 140 | (1 525) | | | | | (1 525) | 92 615 | 100 247 | 106 898 |
| Machinery and Equipment | | 85 054 | 85 054 | | | | 592 | | 592 | 85 646 | 87 225 | 89 266 |
| Transport Assets | | 146 882 | 116 882 | - | | | | | - | 116 882 | 167 946 | 187 146 |
| Land | | 6 000 | 6 000 | | | | | | - | 6 000 | 12 000 | 18 000 |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | - | - | | |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 10 584 890 | 10 544 890 | - | - | - | 427 | - | 427 | 10 545 318 | 11 246 699 | 11 940 424 |

Table B9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class. The table shows that all of the capital allocation is for new assets.

National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

AGENDA: VIRTUAL SPECIAL COUNCIL: 23 FEBRUARY 2021

Table: B10

NW373 Rustenburg - Table B10 Consolidated Basic service delivery measurement - 28 February 2021

| Description | Ref | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|---|-----|---------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|---------------------------|---------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | A | 7 A1 | 8 B | 9 C | 10 D | 11 E | 12 F | 13 G | 14 H | | |
| Household service targets | 1 | | | | | | | | | | | |
| Water: | | | | | | | | | | | | |
| Piped water inside dwelling | | 105000 | 105000 | | | | | | - | 105 | 109200 | 113568 |
| Piped water inside yard (but not in dwelling) | | 175000 | 175000 | | | | | | - | 175 | 182000 | 189280 |
| Using public tap (at least min.service level) | 2 | 16000 | 16000 | | | | | | - | 16 | 16640 | 17306 |
| Other water supply (at least min.service level) | | 25000 | 25000 | | | | | | - | 25 | 26 | 27 |
| Minimum Service Level and Above sub-total | | 321 | 321 | - | - | - | - | - | - | 321 | 334 | 347 |
| Using public tap (< min.service level) | 3 | 0 | 0 | | | | | | - | - | 0 | 0 |
| Other water supply (< min.service level) | 3,4 | 22000 | 22000 | | | | | | - | 22 | 22880 | 23795 |
| No water supply | | 0 | 0 | | | | | | - | - | 0 | 0 |
| Below Minimum Service Level sub-total | | 22 | 22 | - | - | - | - | - | - | 22 | 23 | 24 |
| Total number of households | 5 | 343 | 343 | - | - | - | - | - | - | 343 | 357 | 371 |
| Sanitation/sewerage: | | | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | 180432 | 180432 | | | | | | - | 180 432 | 234562 | 304930 |
| Flush toilet (with septic tank) | | 16353 | 16353 | | | | | | - | 16 353 | 21259 | 27636 |
| Chemical toilet | | 3449 | 3449 | | | | | | - | 3 449 | 4484 | 5829 |
| Pit toilet (ventilated) | | 41146 | 41146 | | | | | | - | 41 146 | 53490 | 69537 |
| Other toilet provisions (> min.service level) | | 81935 | 81935 | | | | | | - | 81 935 | 106516 | 138470 |
| Minimum Service Level and Above sub-total | | 323 315 | 323 315 | - | - | - | - | - | - | 323 315 | 420 311 | 546 402 |
| Bucket toilet | | 2423 | 2423 | | | | | | - | 2 423 | 3150 | 4095 |
| Other toilet provisions (< min.service level) | | 5450 | 5450 | | | | | | - | 5 450 | 7084 | 9210 |
| No toilet provisions | | 10160 | 10160 | | | | | | - | 10 160 | 13207 | 17170 |
| Below Minimum Service Level sub-total | | 18 033 | 18 033 | - | - | - | - | - | - | 18 033 | 23 441 | 30 475 |
| Total number of households | 5 | 341 348 | 341 348 | - | - | - | - | - | - | 341 348 | 443 752 | 576 877 |
| Energy: | | | | | | | | | | | | |
| Electricity (at least min. service level) | | 13000 | 13000 | | | | | | - | 13 000 | 13520 | 14061 |
| Electricity - prepaid (> min.service level) | | 56000 | 56000 | | | | | | - | 56 000 | 58240 | 60570 |
| Minimum Service Level and Above sub-total | | 69 000 | 69 000 | - | - | - | - | - | - | 69 000 | 71 760 | 74 631 |
| Electricity (< min.service level) | | | | | | | | | - | - | | |
| Electricity - prepaid (< min. service level) | | | | | | | | | - | - | | |
| Other energy sources | | | | | | | | | - | - | | |
| Below Minimum Service Level sub-total | | - | - | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | 69 000 | 69 000 | - | - | - | - | - | - | 69 000 | 71 760 | 74 631 |
| Refuse: | | | | | | | | | | | | |
| Removed at least once a week (min.service) | | 176441 | 176441 | | | | | | - | 176 441 | 176794 | 178147 |
| Minimum Service Level and Above sub-total | | 176 441 | 176 441 | - | - | - | - | - | - | 176 441 | 176 794 | 178 147 |
| Removed less frequently than once a week | | 13645 | 13645 | | | | | | - | 13 645 | 13672 | 13699 |
| Using communal refuse dump | | 8484 | 8484 | | | | | | - | 8 484 | 8501 | 8518 |
| Using own refuse dump | | 42802 | 42802 | | | | | | - | 42 802 | 42887 | 42972 |
| Other rubbish disposal | | 6695 | 6695 | | | | | | - | 6 695 | 6708 | 6721 |
| No rubbish disposal | | 15032 | 15032 | | | | | | - | 15 032 | 15062 | 15092 |
| Below Minimum Service Level sub-total | | 86 658 | 86 658 | - | - | - | - | - | - | 86 658 | 86 830 | 87 002 |
| Total number of households | 5 | 263 099 | 263 099 | - | - | - | - | - | - | 263 099 | 263 624 | 265 149 |
| Households receiving Free Basic Service | 15 | | | | | | | | | | | |
| Water (6 kilolitres per household per month) | | 6 997 | 6 997 | - | - | - | - | - | - | 6 997 | 7 319 | 7 655 |
| Sanitation (free minimum level service) | | 5 411 | 5 411 | - | - | - | - | - | - | 5 411 | 5 660 | 5 921 |
| Electricity/other energy (50kwh per household per month) | | 1 729 | 1 729 | - | - | - | - | - | - | 1 729 | 1 809 | 1 892 |
| Refuse (removed at least once a week) | | 4 030 | 4 030 | - | - | - | - | - | - | 4 030 | 4 215 | 4 409 |
| Cost of Free Basic Services provided (R'000) | 16 | | | | | | | | | | | |
| Water (6 kilolitres per indigent household per month) | | - | - | - | - | - | - | - | - | - | - | - |
| Sanitation (free sanitation service to indigent households) | | - | - | - | - | - | - | - | - | - | - | - |
| Refuse (removed once a week for indigent households) | | - | - | - | - | - | - | - | - | - | - | - |
| Cost of Free Basic Services provided - Informal Formal Settlements (R'000) | | | | | | | | | | | | |
| Total cost of FBS provided | | - | - | - | - | - | - | - | - | - | - | - |
| Highest level of free service provided | | | | | | | | | | | | |
| Property rates (R'000 value threshold) | | 100000 | 100000 | | | | | | - | 100 000 | 100000 | 100000 |
| Water (kilolitres per household per month) | | 6 | 6 | | | | | | - | 6 | 6 | 6 |
| Sanitation (kilolitres per household per month) | | 0 | 0 | | | | | | - | - | 0 | 0 |
| Sanitation (Rand per household per month) | | 122 | 122 | | | | | | - | 122 | 122 | 122 |
| Electricity (kw per household per month) | | 50 | 50 | | | | | | - | 50 | 50 | 50 |
| Refuse (average litres per week) | | 240 | 240 | | | | | | - | 240 | 240 | 240 |
| Revenue cost of free services provided (R'000) | 17 | | | | | | | | | | | |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | | 45 449 | 45 449 | | | | | | - | 45 449 | 45 449 | 45 449 |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA) | | 46 195 | 46 195 | - | - | - | - | - | - | 46 195 | 48 320 | 50 543 |
| Water (in excess of 6 kilolitres per indigent household per month) | | 6 997 | 6 997 | - | - | - | - | - | - | 6 997 | 7 319 | 7 655 |
| Sanitation (in excess of free sanitation service to indigent households) | | 5 411 | 5 411 | - | - | - | - | - | - | 5 411 | 5 660 | 5 921 |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | | 1 729 | 1 729 | - | - | - | - | - | - | 1 729 | 1 809 | 1 892 |
| Refuse (in excess of free refuse removal service to indigent households) | | 4 030 | 4 030 | - | - | - | - | - | - | 4 030 | 4 215 | 4 409 |
| Municipal Housing - rental rebates | | | | | | | | | - | - | | |
| Housing - top structure subsidies | | | | | | | | | - | - | | |
| Other | | | | | | | | | - | - | | |
| Total revenue cost of subsidised services provided | 6 | 109 811 | 109 811 | - | - | - | - | - | - | 109 811 | 112 771 | 115 868 |

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Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. The municipality continues to make good progress with eradication of backlogs.

Part 2 – Supporting Documentation

2.1. Adjustments to budget assumptions

Except for the factors outlined in the adjustments per revenue and expenditure source above, all the other assumptions that underlined the approved 2020/21 MTREF are still relevant.

The municipality has been improving the quality of services that it provides to the community of Rustenburg. The need to generate required revenue collection is fundamental to meet all service delivery needs, at required speed and standard. The expenditure required to meet service delivery needs had to be balanced against realistically anticipated revenues.

2.2. Adjustments to budget funding

NW373 Rustenburg - Table B8 Consolidated Cash backed reserves/accumulated surplus reconciliation - 28 February 2021

| Description | Ref | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|---|-----|---------------------|------------------|------------------|--------------------|------------------|--------------------|----------------|------------------|------------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | A | 3 A1 | 4 B | 5 C | 6 D | 7 E | 8 F | 9 G | 10 H | | |
| Cash and investments available | | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 1 736 203 | 1 752 418 | (302 702) | - | - | - | - | (302 702) | 1 449 716 | 3 385 264 | 5 211 362 |
| Other current investments > 90 days | | - | - | - | - | - | - | - | - | - | 0 | - |
| Non current assets - Investments | 1 | 917 | 917 | - | - | - | - | - | - | 917 | 959 | 1 003 |
| Cash and investments available: | | 1 737 120 | 1 753 335 | (302 702) | - | - | - | - | (302 702) | 1 450 633 | 3 386 222 | 5 212 365 |
| Applications of cash and investments | | | | | | | | | | | | |
| Unspent conditional transfers | | 145 371 | 145 371 | - | - | - | - | - | - | 145 371 | 125 000 | 100 000 |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | | (14 321) | (14 321) | - | - | - | - | - | - | (14 321) | (13 882) | (14 578) |
| Other working capital requirements | 2 | 979 526 | 979 526 | - | - | - | - | - | - | 979 526 | 865 679 | 824 694 |
| Other provisions | | 24 896 | 24 896 | - | - | - | - | - | - | 24 896 | 26 042 | 27 239 |
| Long term investments committed | | - | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | | 131 570 | 131 570 | - | - | - | - | - | - | 131 570 | 133 611 | 135 747 |
| Total Application of cash and investments: | | 1 267 042 | 1 267 042 | - | - | - | - | - | - | 1 267 042 | 1 136 451 | 1 073 102 |
| Surplus(shortfall) | | 470 078 | 486 293 | (302 702) | - | - | - | - | (302 702) | 183 590 | 2 249 772 | 4 139 263 |

This sheet indicate the whether the Adjusted budget will be funded or not. With the surplus of R183 million, the projection indicates that the Adjustment Budget will be funded but that will be dependent on whether Council will collect fully what it projected as revenue and will also spend in accordance with the approved budget.

Credit Control and Debt Collection

The municipality has appointed the service provider to assist with effective and efficient implementation of the credit control process to enhance revenue collection. Debt collection process is performed internally while external process is still explored. The current Aged Debtors book as at end of December 2020 was standing at around R6, 199 billion.

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Creditors analysis

Creditors should be paid within 30 days as stipulated by the MFMA except where there are disputes between the municipality and the creditor. Outstanding sundry creditors as at 31st December 2020 is R566 million. This creditors is minly made of disputed and current eskom debt of over R294 million and RWST outstanding dep with payment arrangement of R194 million, water boards of R36 million and other creditors.



Mscoa system

The municipality appointed CCG Sage to implement the Mscoa. Various shortcomings are experieenced on the functionality of the system. Municipality and the service provider are working together on addressing all the shortcomings. Remedial action plan has been developed and all resolved issues are to be signed off by both the municipality and the service provider.

Investment Register

Investment made with the various financial institutions are strictly in compliance with Municipal Finance Management Act and in terms of the Investment Framework Policy and Guidelines.

The total value of investments for the Parent Municipality as at 31st December 2020 is approximately R135 million.

|  Investment Register as at 31 December 2020  | | | | | | | | | | |
|---|--------------------|----------------|--------|---------------|---------------|----------------------|---------------------------|--|---------------------------------|-----------------------|
| Name of Institution | Type of Investment | Account Number | Rate % | Invested Date | Maturity Date | Opening Balance | Invested During the month | Actual Interest Received / Capitalised / Accrued | Investment / Interest Withdrawn | Closing Balance |
| Short-Term Investments | | | | | | | | | | |
| ABSA: Call Account | Call Savings | 40-7850-3088 | | | Monthly | 743 750.42 | 111 903 134.59 | 193 535.75 | | 112 840 420.76 |
| ABSA: Investment Acc | Flexible Deposit | 90-6393-0063 | 2.90 | | Monthly | 590 000.00 | | 1 115.34 | 1 115.34 | 590 000.00 |
| ABSA: Investment Acc | Fixed Deposit | 20-7642-7525 | 5.3 | | | 5 102 515.91 | | 129 659.82 | 129 659.82 | 5 102 515.91 |
| ABSA: Investment Acc | Fixed Deposit | 20-7676-3430 | 5.2 | | | 419 142.69 | | 11 046.99 | 11 046.99 | 419 142.69 |
| Standard Bank | Call Deposit | 2288-18613-062 | 6.70 | | Monthly | 454 862.83 | - | 502.22 | | 455 365.05 |
| Standard Bank | Call Deposit | 2288-18613-063 | 6.70 | | Monthly | 123 835.56 | - | 136.73 | | 123 972.29 |
| Kagiso Asset Management | Money Market Ass | 550/827 | N/A | | Monthly | 6 552 818.22 | - | 15 324.23 | | 6 568 142.45 |
| Sanlam | Money Market Fur | RUSTEN | N/A | | Monthly | 8 681 690.05 | - | 58 855.00 | | 8 740 545.05 |
| Sub-Total | | | | | | 22 668 615.68 | 111 903 134.59 | 410 176.08 | 141 822.15 | 134 840 104.20 |
| Long-Term Investments | | | | | | Opening | | Movement | | Closing |
| Sanlam Shares | Ordinary - 12 948 | U0063386178 | 57.87 | 58.75 | Monthly | 749 300.76 | | 11 394.24 | | 760 695.00 |
| Sanlam Shares | Ordinary - 323 | U0053871618 | 57.87 | 58.75 | Monthly | 18 692.01 | | 284.24 | | 18 976.25 |
| Total | | | | | | 23 436 608.45 | 111 903 134.59 | 421 854.56 | 141 822.15 | 135 619 775.45 |

2.3. Adjustments to service delivery and budget implementation plan

The 2020/21 SDBIP Adjustment will be prepared in the context of the approved 2020/21 Adjustment Budget. In a sense, the report must also highlight areas where targets have been adjusted due to the influence of the decisions on the budget adjustment side. Most importantly, the budget adjustment as well as any adjustment to the SDBIP is done in total alignment to the goals of the municipality as set out in the IDP. Any unavoidable deviation from the adjusted SDBIP will be dealt with during the revision of the IDP, taking into consideration all necessary legislative requirements. In addition, the report will

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also capture changes that have occurred during the past 2 Quarters of the year, such as structural changes that have brought about relocation of certain KPIs/targets among and/or within department/divisions.

The following generic principles will be followed with the drafting of the SDBIP adjustment.

Directorate will be requested to review their targets:

- to ensure where obvious errors in judgement in target setting occurred could be corrected
- to deal decisively with indicators that directorate are required to report on, on a monthly basis that are not reflective of their core business, or which cannot be accurately measured
- to reflect the amendments to resource allocation as captured in the Adjusted MTREF submission prepared by the Budget & Treasury Directorate
- to appropriately accommodate and plan for the amendments that are necessitated by external funding increases and/or decreases
- with a view to evaluate the amount of target capability that will not be realised as a result of the reduced funds
- to evaluate if funds can be diverted from another source internally within agreed financial transfer mechanisms.

2.4. Municipal Manager's quality certificate

I, Mr. Sello Victor Makona, the Municipal Manager of Rustenburg Local Municipality, hereby certify that the 2020/21 Adjustment 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 Draft Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name : Municipal Manager of Rustenburg Local Municipality (NW373)

Signature : _____

Date : _____

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NW373 Rustenburg - Table B4 Consolidated Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2021

| Description | Ref | Budget Year 2020/21 | | | | | | | | | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
|--|-----|---------------------|------------------|------------------|-----------------------|---------------------|-----------------------|----------------|------------------|--------------------|---------------------------|---------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| R thousands | 1 | A | A1 | B | C | D | E | F | G | H | | |
| Revenue By Source | | | | | | | | | | | | |
| Property rates | 2 | 398,240 | 398,240 | – | – | – | – | – | – | 398,240 | 424,524 | 444,052 |
| Service charges - electricity revenue | 2 | 2,312,534 | 2,312,534 | (60,000) | – | – | – | – | (60,000) | 2,252,534 | 2,442,035 | 2,554,369 |
| Service charges - water revenue | 2 | 499,244 | 499,244 | – | – | – | – | – | – | 499,244 | 527,202 | 551,453 |
| Service charges - sanitation revenue | 2 | 378,176 | 378,176 | – | – | – | – | – | – | 378,176 | 399,354 | 417,724 |
| Service charges - refuse revenue | 2 | 150,032 | 150,032 | – | – | – | – | – | – | 150,032 | 158,434 | 165,722 |
| Rental of facilities and equipment | | 10,498 | 10,498 | – | – | – | – | – | – | 10,498 | 10,981 | 11,486 |
| Interest earned - external investments | | 27,312 | 27,312 | – | – | – | – | – | – | 27,312 | 35,632 | 40,016 |
| Interest earned - outstanding debtors | | 395,409 | 395,409 | – | – | – | – | – | – | 395,409 | 406,534 | 422,490 |
| Dividends received | | – | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | | 9,000 | 9,000 | – | – | – | – | – | – | 9,000 | 9,414 | 9,847 |
| Licences and permits | | 11,913 | 11,913 | – | – | – | – | – | – | 11,913 | 12,461 | 13,034 |
| Agency services | | 100,849 | 100,849 | – | – | – | – | – | – | 100,849 | 105,488 | 110,340 |
| Transfers and subsidies | | 868,506 | 967,772 | – | – | – | 266 | – | 266 | 968,038 | 962,896 | 1,065,161 |
| Other revenue | 2 | 15,001 | 15,001 | – | – | – | – | – | – | 15,001 | 15,691 | 16,413 |
| Gains | | 14,035 | 14,035 | – | – | – | – | – | – | 14,035 | 14,680 | 15,356 |
| Total Revenue (excluding capital transfers and contributions) | | 5,190,749 | 5,290,015 | (60,000) | – | – | 266 | – | (59,734) | 5,230,281 | 5,525,327 | 5,837,463 |
| Expenditure By Type | | | | | | | | | | | | |
| Employee related costs | | 792,398 | 797,820 | 1,422 | – | – | 66 | – | 1,488 | 799,309 | 828,848 | 866,975 |
| Remuneration of councillors | | 64,306 | 64,306 | – | – | – | – | – | – | 64,306 | 67,265 | 70,359 |
| Debt impairment | | 898,087 | 898,087 | – | – | – | – | – | – | 898,087 | 890,769 | 870,004 |
| Depreciation & asset impairment | | 507,217 | 507,217 | – | – | – | – | – | – | 507,217 | 530,549 | 554,955 |
| Finance charges | | 43,444 | 43,444 | 515 | – | – | – | – | 515 | 43,959 | 45,443 | 47,533 |
| Bulk purchases | | 1,358,419 | 1,421,627 | 501,709 | – | – | – | – | 501,709 | 1,923,336 | 1,431,855 | 1,509,175 |
| Other materials | | 18,070 | 17,892 | – | – | – | – | – | – | 17,892 | 19,041 | 19,979 |
| Contracted services | | 394,970 | 410,169 | 27,594 | – | – | 1,700 | – | 29,294 | 439,462 | 421,883 | 455,392 |
| Transfers and subsidies | | 18,684 | 18,734 | – | – | – | – | – | – | 18,734 | 19,543 | 20,442 |
| Other expenditure | | 230,495 | 229,445 | 2,431 | – | – | (1,500) | – | 931 | 230,375 | 241,103 | 252,199 |
| Losses | | – | – | – | – | – | – | – | – | – | – | – |
| Total Expenditure | | 4,326,090 | 4,408,741 | 533,670 | – | – | 266 | – | 533,936 | 4,942,678 | 4,496,299 | 4,667,013 |
| Surplus/(Deficit) | | 864,659 | 881,274 | (593,670) | – | – | – | – | (593,670) | 287,604 | 1,029,027 | 1,170,450 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 459,086 | 419,486 | – | – | – | 7,335 | – | 7,335 | 426,821 | 511,086 | 563,630 |
| 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) before taxation | | 1,323,745 | 1,300,759 | (593,670) | – | – | 7,335 | – | (586,334) | 714,425 | 1,540,113 | 1,734,080 |
| Taxation | | – | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) after taxation | | 1,323,745 | 1,300,759 | (593,670) | – | – | 7,335 | – | (586,334) | 714,425 | 1,540,113 | 1,734,080 |
| Attributable to minorities | | – | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) attributable to municipality | | 1,323,745 | 1,300,759 | (593,670) | – | – | 7,335 | – | (586,334) | 714,425 | 1,540,113 | 1,734,080 |
| Share of surplus/ (deficit) of associate | | – | – | – | – | – | – | – | – | – | – | – |
| Surplus/ (Deficit) for the year | | 1,323,745 | 1,300,759 | (593,670) | – | – | 7,335 | – | (586,334) | 714,425 | 1,540,113 | 1,734,080 |

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SB1
3. Only complete if a previous adjusted budget has been approved in the same financial year. Reflect most recent adjusted budget.
4. Additional cash-backed accumulated funds/unspent funds (MFMA section 18(1)(b) and section 28(2)(e)) identified after the Original Budget approved and after annual financial statements audited (note: only where underspending could not reasonably have been foreseen)
5. Increases of funds approved under MFMA section 31
6. Adjustments approved in accordance with MFMA section 29
7. Adjustments to transfers from National or Provincial Government
8. Adjusts = 'Other' Adjustments proposed to be approved; including revenue under-collection (MFMA section 28(2)(a)); additional revenue appropriation on existing programmes (section 28(2)(b)); projected savings (section 28(2)(d)); error correction (section 28(2)(f))
9. $G = B + C + D + E + F$
10. Adjusted Budget $H = (A \text{ or } A1/2 \text{ etc}) + G$