

SCHEDULE A
ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF MOSES KOTANE LOCAL MUNICIPALITY
2023/24 TO 2025/2026

Adopted by Council on 31/05/2023

Council Resolution No.: 158/05/2023

ANNUAL BUDGET OF
MOSES KOTANE LOCAL MUNICIPALITY
NW 375

2023/24 TO 2025/26

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR	Automated Meter Reading	LED	Local Economic Development
ASGISA	Accelerated and Shared Growth Initiative	MEC	Member of the Executive Committee
BPC	Budget Planning Committee	MFMA	Municipal Financial Management Act Programme
CBD	Central Business District	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
MM	Municipal Manager	MSA	Municipal Systems Act
CPI	Consumer Price Index	MTEF	Medium-term Expenditure Framework
CRRF	Capital Replacement Reserve Fund	MTREF	Medium-term Revenue and Expenditure Framework
DBSA	Development Bank of South Africa	NERSA	National Electricity Regulator South Africa
DoRA	Division of Revenue Act	NGO	Non-Governmental organisations
DWA	Department of Water Affairs	NKPIs	National Key Performance Indicators
EE	Employment Equity	OHS	Occupational Health and Safety
EEDSM	Energy Efficiency Demand Side Management	OP	Operational Plan
FBS	Free basic services	PBO	Public Benefit Organisations
GAMAP	Generally Accepted Municipal Accounting Practice	PHC	Provincial Health Care
GDP	Gross domestic product	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Plan	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		

Part 1 – Annual Budget

Budget Speech for 2023/2024 financial year as presented by MKLM Mayor, Clr Nketu Nkotsoe

Attached separately.

Overview of the Budget:

Total budget for the 2023/24 financial year amount to R1,3 billion, comprising of operating revenue budget of R1,077 484 billion and capital revenue budget of R236 841 million.

The total anticipated operating revenue budget amounts to R1,077,484 billion, comprising of the following items: -

- Property rates of R154,525 million
- Services charges of R240,833 million
- Interest investment of R6.2 million
- Interest on outstanding debtors R88.1 million
- Traffic fines of R 2 million
- License and Permits of R2 million
- Grants and subsidies of R581,763 million, and
- Other revenue of R1,9 million such as sale of stands, sale of tender documents, clearance certificate, etc.

The operating grants of R581, 763 stated above comprises of the following;

- Equitable Share of R 566,7 million
- Finance Management Grant of R1.9 million
- Extended Public Works Programme Grant of R 1,6 million
- Municipal Infrastructure Grant for Project Management Unit of R8 million
- Energy Efficiency Demand Side Management Grant – R4 million

The total operating expenditure amounts to R1, 212, 358 billion for 2023/24 financial year. The estimated expenditure budget has increased by R122 million which is an increase of 10% when compared to the 2022/23 adjustment budget. Operating expenditure budget is further estimated to increase by R59.8 million (5%) in 2024/25 and R52.9 million (4%) in 2025/26 financial year.

The total operating expenditure budget amounts to R1, 212, 358 billion comprises of the following:

- | | |
|--|-------------------|
| • Employee related cost | R296, 872 million |
| • Remuneration of councillors | R27, 597 million |
| • Depreciation | R155, 041 million |
| • Debt Impairment | R328,721 million |
| • Finance Cost (Interest) | R5, 600 million |
| • Bulk Purchase - electricity | R25, 000 million |
| • Inventory Consumed (water purchases) | R150, 155 million |
| • Contracted services | R140, 090 million |
| • Operational Costs | R83, 281 million |

The 2023/24 financial year budget summary:

The anticipated operating revenue budget for the 2023/24 financial year is estimated at R1, 077, 484 billion. This is an increase of R68,1 million or 6% when compared to the 2022/23 adjustment budget. Operating revenue is further projected to increase by R62.5 million (5%) and R26.2 million (2%) for the 2024/25 and 2025/26 financial years respectively.

Capital Projects

The following are the some of the proposed main projects to be implemented in 2023/24 financial year

MIG

- | | |
|--|---------------|
| • Oudekkers Road | R20.5 million |
| • Rehabilitation of Matau Internal roads | R18.2 million |
| • Rehabilitation of Mabele a podi internal roads and storm water | R14.7 million |
| • Lerome Water Supply Internal Reticulation -Thabeng Section | R14.8 million |
| • Ledig Water Supply (Various Sections) | R28.8 million |
| • Manamakgotheng Water Reticulation | R17 million |

WSIG

Mahobiesskraal Bulk Water Supply and Reticulation	R12.7 million
Mabeskraal to Uitkyk Bulk Water Pipeline	R23.9 million
Rural Sanitation Programme – Supply and installation of VIDP Toilets in Segakwaneng, Davidkatnagel, Leruleng, Makoshong Phalane and Manamakgotheng	R16.3 million

The total capital projects will be funded from the following sources:

MIG	R171,841 million
WSIG	R65,000 million
Own Funds	R7, 750 million
Total Capital Projects	R244, 591 million

The following projected capital expenditure totaling R7, 750 million will be funded from own funding:

- R 500 thousand - Office equipment Mogwase
- R 1, 500 million - ICT equipment
- R 1, 500 million - Renovation of testing centre
- R 1,250 million - Brush cutters
- R 2, 000 million – Vehicle Pounding Station
- R 1, 000 million – Mobile Offices

The provision for the total capital budget for 2023/24 financial year amount to R244, 591 million.

The 2023/2024 Division of Revenue Bill has allocated total **MIG** of R179, 938 million. Of the total allocated MIG, an amount of R80, 097 million has been allocated to finance PMU operations which results in a balance of R171, 841 million for capital projects.

Rural municipalities were to and extend more affected by the economic slowdown as their revenue base are very limited. Our municipality is predominately rural in nature with a very limited revenue base. The infrastructure inherited from previous service providers presents a serious challenge to this municipality. The water assets transferred from the Department of Water Affairs are aging and not up to standard. Most of the 109 villages in the municipality receive water at RDP level or even below. Although millions of rands are spent annually to upgrade water schemes to at least RDP standards to improve the living conditions of our people, it does not provide additional income for the municipality but increase the cost of free basic services.

The announcement by Magalies Water that bulk tariffs will be increased from July 2023 will place further pressure on water tariffs. The council decided not to increase water this financial year since the municipality has been billing consumers more than what they are supposed to charge.

Municipality has engaged with Provincial Treasury to assist on the methodology for Water Tariff Setting.

Municipality is currently a loss on water revenue due to non- payment of water services by consumers.

As previously mentioned the municipality have a very limited tax base and must control the cost of its administration to affordable levels without seriously affecting service delivery.

The cost of human resources as provided for in the 2022-2023 budget represents 31% of the total expenditure budget. The cost of human resource is still within the limit of between 30 and 35%

It is also of importance that departments spend external funds (grant funding) received on a project first before internal funds provided by the municipality in order to prevent own funds generated from revenue being used as bridging finance affecting the cash-flow negatively.

The compilation of the 2023-2024 Budget posed many challenges and obstacles, owing to limited financial resources. Restrained expenditure was and is still encouraged to ensure that spending remains within the affordability parameters of the MKLM's finances, to ensure that the council deliver on its core mandate and achieve the development goals.

Owing to prudent financial management little capacity for additional financing existed, and priority community issues will have to be prioritised within every department's allocated budget. Services will have to be rendered responsibly with innovation and determination, as expected from responsible municipal officials in terms of the MFMA.

The budget principles that informed the compilation of the 2023/2024 Budget are in line with Section 21 of the MFMA and the following additional principals needs to be highlighted;

The inclusion of funding requests is subject to;
Any savings identified departmentally;

Additional revenue generation;
Reprioritisation of services and priorities; and
Value for money, benefits to the municipality and affordability.

It should be noted that there is unlimited needs but limited resources and affordability within the context of sustainability must be considered and maintained.

Departments have concentrate on core functions, proactively review the operational budget and identify savings that can be affected if necessary to assist with the cash-flow position.

The principals applied in compilation of the budget was if no expenditure or less expenditure than the budget amount realised over the first half of the 2023/24 financial year the budget amount will be reduced or removed. If the expenditure trend indicates an over expenditure or expected over expenditure the budgeted amount will be aligned with the estimated revenue. This process was also applied to the collection trend of revenue over the mentioned period. If and under collection is indicated on a specific account, the budget will be decreased according to the actual revenue to be collected.

The collection rate at this stage is challenge due community unrest and water issues regarding the availability of water, as well as the non -payment due to COVID pandemic impact

The municipality has addressed this issue with the service provider.

The municipality is also in the process of implementing the credit control policy to increase the collecting rates for services rendered to a satisfaction rate.

The submitting of a funded budget still poses a challenge but with the vigorously implementation of the credit policy this matter will be solved.

The actual performance for the 2022/2023 financial year regarding cash collection for property rates and other services were used, as far as possible, to determine the provision for bad debts to enable the budget to be cash funded.

The municipality is embarking of a revenue enhancement project where data cleansing is taking place to ensure that all debtors are receiving accounts for services rendered.

The same principle is applied for the outer years.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the Moses Kotane Local municipality. Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

1.1 Council Resolutions

On 31 March 2023 the Council of Moses Kotane local Municipality met in the Moses Kotane Civic Centre to consider the Final annual budget of the municipality for the financial year 2023/24. The Council approved and adopted the following resolutions:

1. The Moses Kotane Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
2. The Council Moses Kotane Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2023:
 - 2.1. the tariffs for property rates – as set out in Annexure B
 - 2.2. the tariffs for the supply of water – as set out in Annexure A
 - 2.3. the tariffs for sanitation services – as set out in Annexure A
 - 2.4. the tariffs for solid waste services – as set out in Annexure A
 - 2.5. the revised tariff policy- as set out in annexure C
 - 2.6. The revised credit control and debt collection policy – as set in Annexure
3. The Moses Kotane Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2022 the tariffs for other services, as set out in Annexure A.
4. To give proper effect to the municipality's annual budget, the Council Moses Kotane Local Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
 - 4.2. That the salaries for officials be adjusted with effect from 1st July 2023 based on the percentage as approved by the South African Local Government Bargaining Council (Excluding Section 56 Mangers).
 - 4.3. That budget for the increase of salaries of senior managers be kept at the percentage aligned to that of other employees as approved by the bargaining council but payable once the council have resolved on the increase
 - 4.4. That the salaries and allowances of councillors be adjusted as approved by the Minister for Cooperative Governance and Traditional Affairs in terms of the Remuneration of Public Office Bearers Act, 1998 after concurrence of the responsible MEC have been obtained.
 - 4.5. That the amendments to the Budget related policies be approved as discussed in paragraph 2 and indicated in the policy documents hereto attached.

1.2 Executive Summary

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

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. The 2023/2024 annual budget focussed on saving measures and reprioritising of projects and the increase in recovery of outstand debt.

National Treasury's MFMA Circulars No. 122 and 123 were used to guide the compilation of the 2023/24 MTREF which is attached hereto.

Circular 82 which deals with cost containing measures were also used for the compilation of the 2023/2024 MTREF.

The main challenges experienced during the compilation of the 2023/2024 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and community infrastructure;
- The need to reprioritise projects and expenditure within the existing resource, given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water (due to tariff increases from Magalies Water), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Availability of affordable capital/borrowing.
- Decrease in the equitable shares.
- Implementation of MSCOA version 6.7
- Non-payment of services by users due to the effect of COVID 19 and current economic status

The following budget principles and guidelines directly informed the compilation of the 2023/2024 to 2025/2026 MTREF:

- The 2022/23 budget priorities and targets, as well as the base line allocations contained in that budget were adopted as the upper limits for the new baselines for the 2023/2024 annual draft budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

- Heads of departments as well as political offices should exercise strict control over the under mentioned expenditure:
 - Special Projects;
 - Consultant Fees;
 - Special Events;
 - Refreshments and entertainment;
 - Ad-hoc travelling;
 - Subsistence, Travelling & Conference fees (national & international) and
 - Telephone expenses.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2023/2024 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2023/2024 MTREF

OPERATING REVENUE & EXPENDITURE				
Description	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand				
Total Revenue	1 009 317	1 077 484	1 140 080	1 166 296
Total Expenditure	1 090 326	1 212 358	1 272 151	1 325 244
Surplus/(Deficit)	(81 008)	(134 874)	(132 070)	(158 949)
Capital Grants	248 107	244 591	269 958	282 412

Total operating revenue has increased by R68, 167 million or 6%, translating to R1, 077 484 billion for the 2023/2024 financial year when compared to the 2022/2023 Adjustments Budget. Operating revenue further increase to R1,140, 080 billion for 2024/2025 and R1,166, 295 billion for 2025/2026.

The increase on the operating mainly occurred due to the following line items:

Equitable share has increased by R38, 102 million.

Property rates has increased by R30, 382 million.

Service charges has decreased by R2, 385 million due to the inconsistent water supply. The projection is also reduced to align with the audited performance.

Total capital budget is projected at R244, 590 million in 2023/2024, increasing to R278, 087 million in 2024/2025 and R282, 412 million in 2025/2026.

Total operating expenditure for the 2023/2024 financial year has projected R1, 212, 357 billion which is an increase of R122, 032 million compared to the 2022/23 Adjustment budget. Operating expenditure is further projected at R1, 272, 151 billion in 2024/2025 and R1, 325, 244 billion in 2025/2026.

The increase on operating expenditure is mainly due to the following line items:

Increment of Employee related costs by 5.4% (SALGA Guideline) and the filling of vacancies.

Increment of Remuneration of Councillors by 5.3% (SALGA Guideline).

Debt Impairment increased by R51, 764 million. The increase is based on the previous year payment rate by debtors and the increase in the outstanding debtors' book.

Water Bulk Purchase increased by R30, 000 million.

Contracted Services increase by R7, 392 million. This is due to the increased of Water Chemicals and Quality Control.

The Municipality has a projected Budget Deficit of R134,8 million as indicated in the consolidated overview of the budget above. This is an operating deficit on the financial performance which occurred from the municipality's inability to fund the depreciation and low revenue collection which results from increase in bad debts written off. The deficit is further projected at R132.1 million for 2024/25 and R158.9 for 2025/26 financial year.

1.3 Operating Revenue Framework

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

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in MKLM and continued economic development;
- Efficient revenue management, which aims to ensure that the collection rate for services is maintained as provided in the budget.
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and the implementation of a new valuation roll on 1st July 2021;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2023/2024 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

OPERATING REVENUE								
Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework			% Increase		
	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	2023/24	2024/25	2025/26
R thousand								
Exchange Revenue								
Service charges - Water	225,928	225,928	222,520	233,424	244,394	-2%	5%	4%
Service charges - Waste Water Management	5,733	5,733	6,036	6,332	6,630	5%	5%	4%
Service charges - Waste Management	11,558	11,558	12,277	12,878	13,483	6%	5%	4%
Sale of Goods and Rendering of Services	987	987	520	545	571	-90%	5%	4%
Interest earned from Receivables	58,182	58,182	60,636	63,607	66,597	4%	5%	4%
Interest earned from Current and Non Current	5,438	5,438	6,251	6,582	6,931	13%	5%	5%
Rental from Fixed Assets	127	127	188	197	206	33%	5%	4%
Licence and permits	2,000	2,000	2,000	2,090	2,184	0%	4%	4%
Operational Revenue	1,127	1,127	1,205	1,235	1,294	7%	2%	5%
Non-Exchange Revenue								
Property rates	124,143	124,143	154,525	162,096	169,714	20%	5%	4%
Fines, penalties and forfeits	2,000	2,000	2,000	2,090	2,184	0%	4%	4%
Transfer and subsidies - Operational	538,131	544,684	581,763	620,091	621,835	6%	6%	0%
Interest	27,413	27,413	27,562	28,913	30,272	1%	5%	4%
Total Revenue (excluding capital transfers and contributions)	1,002,765	1,009,317	1,077,484	1,140,080	1,166,296	6%	5%	2%

Table 3 Percentage growth in revenue by main revenue source

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit. Operating revenue projections are based on the audited and current years' performance as well as CPI forecast.

Revenue generated from rates and services charges forms a relatively small portion of the municipality's revenue mix. Local revenue such as property rates and service charges contribute only 37% to the municipality's revenue basket.

Water sales is the largest revenue source of the municipality totalling R222.5 million and increase steadily to R233.4 million in 2024/25 and R244.3 in the outer year. Water sales projected a decline of 2%, this is due to inconsistent water supply in Mogwase Area. It must however be noted that water revenue has estimated an average increase of 5% in the outer years. Water sales accounts for 21% of the total operating revenue.

Revenue anticipated from Sanitation service charges is projected to increase by 5% in 2023/2024 while refuse service is estimated to increase by 5%. Revenue growth on waste management is based on the audited and current year's performance which has billed 85% as at 30 April 2023.

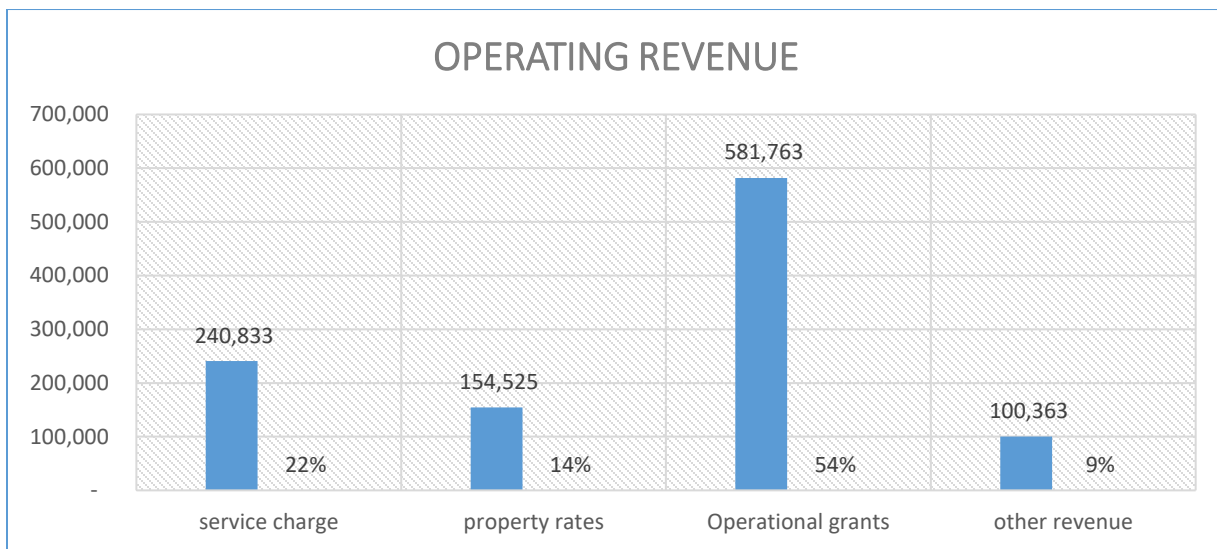
Property rates is the second largest revenue source estimated at R154,5 million in 2023/24, which is an increase of R30.3 million when compared to the 2022/23 adjustment budget. The increase

in property occurred as a result of implementation of supplementary valuation and change in property categories, e.g. property rezoning, inclusion of new properties.

The table below reflects proposed tariff increases for 2023/2024 financial year. The projected increase is aligned with forecasted CPI as guided by Treasury Budget Circular issued in March 2023.

2023/2024 Tariff Increase		
Revenue Source	2022/23	2023/2024
Property Rates	4.8%	5.3%
Water	4.8%	5.3%
Sanitation	4.8%	5.3%
Refuse	4.8%	5.3%

Below is the graphical illustration of the operating revenue per source;



The above graph indicates that the national grants contribute 54% to the projected operating revenue for 2023/24.

Table 4 Operating Transfers and Grant Receipts**NW375 Moses Kotane - Supporting Table SA18 Transfers and grant receipts**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		433,799	549,333	484,853	538,131	542,514	542,514	581,763	620,091	621,835
Local Government Equitable Share		426,929	542,634	476,801	528,602	527,985	527,985	566,087	604,662	610,870
Energy Efficiency and Demand Side Management Grant		-	-	-	-	5,000	5,000	4,000	5,000	-
Expanded Public Works Programme Integrated Grant		1,559	1,905	1,699	1,652	1,652	1,652	1,629	-	-
Local Government Financial Management Grant		1,700	1,700	1,849	1,950	1,950	1,950	1,950	1,950	2,088
Municipal Disaster Relief Grant		268	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		3,343	3,094	4,504	5,927	5,927	5,927	8,097	8,479	8,877
Provincial Government:		-	568	440	-	2,170	2,170	-	-	-
Capacity Building and Other Grants		-	568	440	-	2,170	2,170	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		646	-	-	-	-	-	-	-	-
National Library South Africa		646	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	434,445	549,901	485,293	538,131	544,684	544,684	581,763	620,091	621,835
Capital Transfers and Grants										
National Government:		68,076	201,319	190,577	231,040	242,529	242,529	236,841	269,958	282,412
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		27,965	129,610	146,774	166,040	175,126	175,126	171,841	179,943	188,387
Water Services Infrastructure Grant		40,110	71,709	43,802	65,000	67,403	67,403	65,000	90,015	94,025
Provincial Government:		-	12,284	9,613	-	-	-	-	-	-
Infrastructure Grant		-	12,284	9,613	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		96,552	-	983	-	-	-	-	-	-
Municipal Infrastructure Investment Unit		91,811	-	983	-	-	-	-	-	-
National Small Business Council		4,741	-	-	-	-	-	-	-	-
Registration of Deeds Trade Account		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	164,628	213,603	201,173	231,040	242,529	242,529	236,841	269,958	282,412
TOTAL RECEIPTS OF TRANSFERS & GRANTS		599,073	763,504	686,466	769,171	787,213	787,213	818,604	890,049	904,247

Revenue anticipated from transfers and subsidies amount to R581,7 million in the 2023/2024 financial year, increasing to R620 million in 2024/2025, and R621,8 million in 2025/2026. Operating grants projected an average percentage increase of 6% for 2023/24 and 2024/25, while the outer year (2025/26) is estimated increase by 0.3%. This is due to EPWP and EEDSM grants that are only allocated for the first two years.

Other revenue consists of various items such as income received from permits and licenses tenders, building plan fees, photocopies, traffic fines and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of both Magalies Water and Eskom bulk tariffs are far beyond the mentioned inflation target. Magalies Water has increased bulk water tariff by 14.9% for 2023/2024 budget year.

Although MKLM is not the service provider of electricity in the municipality the Eskom increases above inflation targets affects the operating budget negatively as the water operations are largely dependent on electricity for water purification and distribution. Given that these tariff increases are determined by external agencies, the impacts they have on the tariffs structure are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

It must also be noted that the consumer price index, as measured by inflation, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

1.3.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R17 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;

- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 100 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are not fully cost-reflective – Municipality cannot afford the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion due to non-payment by consumers.
- The municipality has increased water Tariffs for 2023/24 with 5.3%
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective.

National Treasury has appointed a Team to assist Municipality with the determination of cost reflective Tariffs.

The municipality is still waiting for the feedback.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Magalies Water has indicated the increase in the bulk tariffs from 1 July 2023.

Registered indigents will receive the first 6 kilolitres free whereas all other consumers will be charged from the first kilolitre consumed.

Determination of Tariff structure is attached to show the increment of water tariff

Table 8 Comparison between current sanitation charges and increases:

Determination of Tariff structure is attached to show the increment of sanitation tariff

1.3.2 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The service was implemented in 2003 on initiative of the district municipality with the support of the European Union. Cost recovery was only applied in the two formal towns of Mogwase and Madikwe due to the fact that no data was available on the residents in the traditional areas. With the transfer of water services more data became available and place the council in the position to commence with cost recovery in rural areas from those households with yard connections. Households without yard connections is regarded as indigents and will continue to receive the service free of charge until such time as the full survey on all properties in the municipality is completed. The municipality will be investigating the possibility to implement a flat rate during the 2023/24 financial year in the areas where no service accounts are delivered.

1.3.3 Overall impact of tariff increases on households

Note that in all instances the overall impact of the tariff increases on household’s bills has been kept under 6 per cent in accordance.

Table 10 MBRR Table SA14 – Household bill

NW375 Moses Kotane - Supporting Table SA14 Household bills

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Rand/cent											
Monthly Account for Household - 'Middle Income Range'											
Rates and services charges:											
Property rates		-	0.80	-	1.00	1.00	1.00	(98.5%)	1.05	1.12	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	21.40	21.40	21.40	(95.2%)	22.40	23.36	-
Sanitation		-	45.45	-	47.40	47.40	47.40	31.5%	49.50	50.46	-
Refuse removal		-	-	-	51.30	51.30	51.30	37.2%	53.60	54.56	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	46.25	-	121.10	121.10	121.10	4.5%	126.55	129.50	-
VAT on Services		-	74.10	-	82.56	82.56	82.56	-	94.94	95.90	-
Total large household bill:		-	120.35	-	203.66	203.66	203.66	8.8%	221.49	225.40	-
% increase/-decrease		-	-	(100.0%)	-	-	-	-	8.8%	1.8%	(100.0%)
Monthly Account for Household - 'Affordable Range'											
Rates and services charges:											
Property rates		-	23.54	-	24.60	24.60	24.60	(44.1%)	25.70	26.66	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	23.54	-	24.60	24.60	24.60	(93.1%)	25.70	26.66	-
Sanitation		-	38.02	-	39.92	39.92	39.92	-	41.92	42.88	-
Refuse removal		-	38.48	-	41.41	41.41	41.41	-	43.48	44.44	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	123.58	-	130.53	130.53	130.53	4.8%	136.80	140.64	-
VAT on Services		-	66.82	-	77.95	77.95	77.95	-	89.64	90.60	-
Total small household bill:		-	190.40	-	208.48	208.48	208.48	8.6%	226.44	231.24	-
% increase/-decrease		-	-	(100.0%)	-	-	-	-	8.6%	2.1%	(100.0%)
Monthly Account for Household - 'Indigent' Household receiving free basic services											
Rates and services charges:											
Property rates		-	20.63	-	21.66	21.66	21.66	-	22.74	23.70	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	(100.0%)	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	38.02	-	39.92	39.92	39.92	-	41.91	42.87	-
Refuse removal		35.86	36.82	-	41.41	41.41	41.41	-	43.48	44.44	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		35.86	95.47	-	102.99	102.99	102.99	5.0%	108.13	111.01	-
VAT on Services		56.04	57.00	-	70.89	70.89	70.89	-	81.52	83.48	-
Total small household bill:		91.90	152.47	-	173.88	173.88	173.88	9.1%	189.65	194.49	-
% increase/-decrease		-	65.9%	(100.0%)	-	-	-	-	9.1%	2.6%	(100.0%)

1.4 Operating Expenditure Framework

The municipality’s expenditure framework for the 2022/23 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;

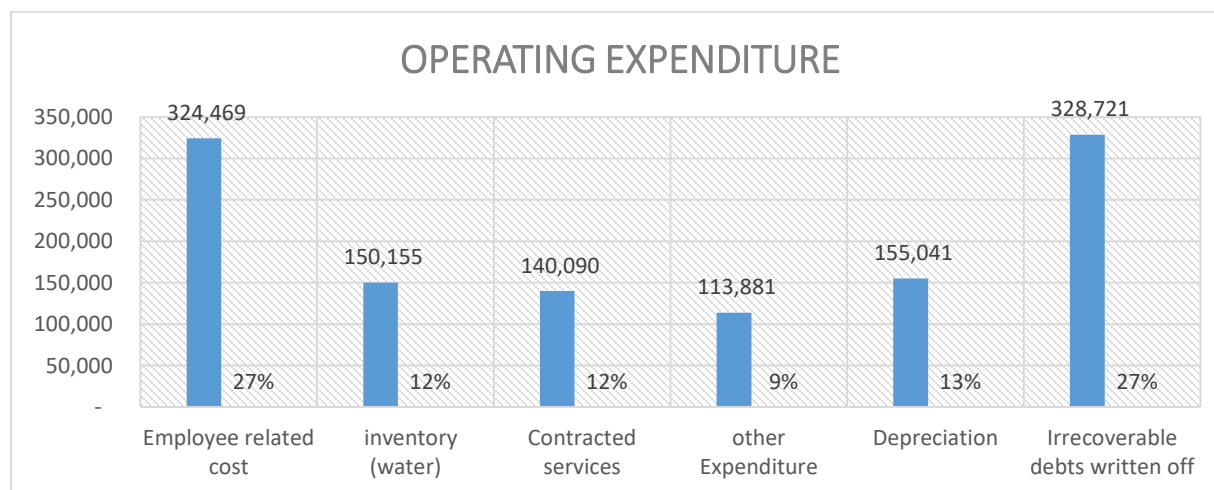
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2023/2024 MTREF budget (classified per main type of operating expenditure):

Table 11 Summary of operating expenditure by standard classification item

OPERATING EXPENDITURE							
Description	Current Year	2023/24 Medium Term Revenue & Expenditure Framework			% Increase		
	2022/23	Budget Year	Budget Year	Budget Year	2023/24	2024/25	2025/26
R thousand	Adjusted Budget	2023/24	+1 2024/25	+2 2025/26			
Employee related costs	276,009	296,872	309,546	322,613	7%	4%	4%
Remuneration of councillors	26,922	27,597	28,949	30,309	2%	5%	4%
Bulk purchases - electricity	21,261	25,000	26,225	27,458	15%	5%	4%
Inventory consumed	109,720	150,155	157,512	164,915	27%	5%	4%
Debt impairment	-	328,721	344,984	361,198	16%	5%	4%
Depreciation and amortisation	150,878	155,041	162,638	170,282	3%	5%	4%
Interest	3,687	5,600	5,874	6,150	34%	5%	4%
Contracted services	132,699	140,090	147,496	149,144	5%	5%	1%
Transfers and subsidies	-	-	-	-			
Irrecoverable debts written off	276,957	-	-	-			
Operational costs	92,192	83,281	88,926	93,175	-11%	6%	5%
Losses on disposal of Assets	-	-	-	-			
Other Losses	-	-	-	-			
Total Expenditure	1,090,326	1,212,358	1,272,151	1,325,244	10%	5%	4%

Below is the graphical illustration of the operating expenditure, indicating the main cost drivers for 2023/24 financial year.



Employee Related Costs

The budgeted employee related costs for the 2023/24 financial year amount to R296.8 million

Which equates 24% of the total operating expenditure budget. Based on the estimated inflation rate and tendencies in the labour market, salary increases have been factored into this budget at a percentage increase of 5.4 per cent for the 2023/24 financial year. The outer years projected an average increase of 4%.

Including the remuneration of Councillors, the employee related costs accounts for 27%, which is within the recommended norm. It must be noted that provision has been made to fill vacant positions during the year. Increment of Employee related cost by 5.4% as per SALGA Guideline.

Remuneration of Councillors

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). An increase 5.4 percent has been provided in the 2023/24 budget.

Debt Impairment

The provision of debt impairment was determined based on an annual collection rate per service and the Debt Write-off Policy of the municipality. Debt impairment has projected R328.7 million for 2023/2024, increasing to R344.9 million and R361.1 million for the two outer years respectively. Debt impairment has increased by 16% from the 2022/23 adjustment, this occurred due to understated projection in the current year.

While this expenditure is considered a non-cash flow item, it however indicates that the municipality collection rate is lower than the norm. Debt Impairment is based on the collection rate of 32%. The lower collection rate emanates from rural nature of the municipality, current economic status, unemployment. Total debt impairment accounts for 27% the total operating expenditure budget.

Depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriation for 2023/24 totals to R155 million which is an increase of 3% when compared to the 2022/23 adjustment budget. Of the total operating expenditure, depreciation accounts for 13%. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register.

According to Circular 115 Depreciation charges must be funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates.

When deprecation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves. Depreciation is the method to provide for the replacement of the assets.

The above statement as per circular 115 is not yet fully implemented due to the financial status of the municipality

The municipality will use the projected surplus in the cash flow as the cash back to fund the depreciation.

Interest - Finance Charges

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance costs is estimated at R5.6 million, excluding annual redemption for 2023/24, with a slight increase to R5.8 million and R6.1 million in the two outer years respectively. Finance costs has increased by 34% from the current financial year, this is due to the acquired new vehicle lease agreement. The acquisition of lease of vehicles is aimed to improve service delivery as the fleet of the municipality is in bad condition.

Inventory Consumed - Water Bulk Purchases

Bulk purchases are directly informed by the purchase of water from Magalies Water. The annual price increases have been factored into the budget appropriations. In line with the municipality's repairs and maintenance plan, the municipality has prioritised the expenditure, far as possible, on the maintenance of the assets of the municipality to ensure sustainability of the infrastructure.

Water purchases has projected R150.1 million for 2023/24 financial year, which equates a growth of 27% when compared to the 2022/23 adjustment budget. The total increase for 2023/24 amount to R40.4 million. In addition to the Magalies Water increment, an adjustment to correct the understatement was also considered. The expenditure is further estimated to increase by an average 5% for 2024/25 and 2025/26 financial years. Magalies water has increased bulk water purchases by 14.9%.

Water bulk purchases are now classified as inventory in terms of MSCOA .

Bulk Purchase: Electricity

Bulk Electricity has projected to increase by R3.7 million or 15% for 2023/24, remained to increase by an average of 5% for the outer years. This projection refers to the electricity used for boreholes, streetlights, free basic services and internal usage.

Contracted Services

Contracted Services has increase by R7.3 million or 5% for 2023/24. This is due to the increased of Water maintenance, Water Chemicals and Quality Control. Repair and maintenance of infrastructure assets are now classified under contracted services and operational costs in accordance with MSCOA.

Operational costs - Other Expenditure

Included in the other expenditure is all operational costs all items mentioned above, however this include ward committee's stipend.

1.4.1 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register

in terms of the municipality’s Indigent Policy. The municipality has indigent register that is reviewed annually to assess the indigency status. The effects of covid19 and Country’s economic status have contributed immensely to the increase of indigents. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 22 MBRR A10 (Basic Service Delivery Measurement. The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.5 Capital expenditure

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

Table 13 2022/23 Medium-term capital budget per vote

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		42	-	-	1 000	1 000	1 000	-	3 000	-	-
Vote 04 - Corporate Services		130	54	188	1 000	3 000	3 000	-	3 000	-	-
Vote 05 - Community Services		(2 220)	17 826	(3 650)	16 387	20 695	20 695	13 795	8 011	20 125	40 000
Vote 06 - Planning & Development		-	-	-	2 736	1 352	1 352	1 175	-	-	-
Vote 07 - Infrastructure & Technical Services		24 958	29 204	15 836	213 417	222 061	222 061	134 347	230 580	249 833	242 412
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	22 911	47 085	12 373	234 540	248 107	248 107	149 317	244 591	269 958	282 412
Single-year expenditure to be appropriated	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		22 911	47 085	12 373	234 540	248 107	248 107	149 317	244 591	269 958	282 412

For 2023/24 an amount of R244.5 million has been appropriated for the development of infrastructure. Capital expenditure is further projected to increase to R269.9 million and R282.4 million for 2024/25 and 2025/26 financial years respectively.

Further details relating to asset classes and proposed capital expenditure is contained in Table 21 MBRR A9 (Asset Management In addition to the MBRR Table A9, MBRR Tables SA34 A, B, C and E provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class. Additional details of the capital programme is disclosed on SA36. The capital budget is mainly directed to the water projects.

The following table provides a breakdown of the capital budget to be spend on infrastructure related projects over the MTREF.

Figure 2 Capital Infrastructure Programme

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional											
Governance and administration		172	54	188	2 000	4 000	4 000	-	6 000	-	-
Executive and council											
Finance and administration		172	54	188	2 000	4 000	4 000	-	6 000	-	-
Internal audit											
Community and public safety		-	13 347	(0)	13 310	20 695	20 695	13 795	1 750	11 385	19 115
Community and social services		-	13 347	(0)	-	-	-	-	-	11 385	19 115
Sport and recreation		-	-	-	12 310	19 695	19 695	13 795	750	-	-
Public safety		-	-	-	1 000	1 000	1 000	-	1 000	-	-
Housing											
Health											
Economic and environmental services		1 862	16 270	5 410	59 336	54 784	54 784	36 538	60 826	50 524	101 500
Planning and development		-	-	-	2 736	1 352	1 352	1 175	-	-	-
Road transport		1 862	16 270	5 410	56 600	53 432	53 432	35 362	60 826	50 524	101 500
Environmental protection											
Trading services		20 876	17 414	6 775	159 894	168 628	168 628	98 985	176 015	208 049	161 797
Energy sources		-	-	(0)	12 919	17 676	17 676	10 225	4 000	5 000	6 000
Water management		23 096	12 934	10 426	119 668	129 995	129 995	71 283	155 754	186 902	86 912
Waste water management		-	(0)	0	24 230	20 958	20 958	17 477	10 000	7 407	48 000
Waste management		(2 220)	4 480	(3 650)	3 077	-	-	-	6 261	8 739	20 885
Other											

The above table reflects municipality's projected capital expenditure by functional classification.

The capital budget is mainly allocated to the following;

Water projects	- R156.7 million (64%)
Waste water management (Sanitation)	- R10 million (4%)
Roads	- R60.8 million (25%)
Waste Management	- R6.2 million (3%)
Energy (Electricity)	- R4 million (2%)

1.6 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2023/24 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

NW375 Moses Kotane - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands										
Financial Performance										
Property rates	141,420	144,972	130,570	124,143	124,143	124,143	85,760	154,525	162,096	169,714
Service charges	177,042	174,316	216,019	243,218	243,218	243,218	128,220	240,833	252,634	264,508
Investment revenue	5,587	4,171	2,479	5,438	5,438	5,438	5,628	6,251	6,582	6,931
Transfer and subsidies - Operational	434,445	549,901	485,293	538,131	544,684	544,684	385,757	581,763	620,091	621,835
Other own revenue	72,406	73,986	96,367	91,834	91,834	91,834	69,225	94,111	98,677	103,308
Total Revenue (excluding capital transfers and contributions)	830,899	947,347	930,729	1,002,765	1,009,317	1,009,317	674,590	1,077,484	1,140,080	1,166,296
Employee costs	236,925	256,653	270,066	275,251	276,009	276,009	186,182	296,872	309,546	322,613
Remuneration of councillors	24,128	25,027	25,344	26,922	26,922	26,922	17,472	27,597	28,949	30,309
Depreciation and amortisation	150,615	139,517	131,765	150,878	150,878	150,878	97,827	155,041	162,638	170,282
Finance charges	5,347	4,242	4,036	3,687	3,687	3,687	815	5,600	5,874	6,150
Inventory consumed and bulk purchases	27,681	26,354	25,794	129,720	130,981	130,981	24,913	175,155	183,373	192,373
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	446,489	447,019	551,747	499,592	501,847	501,847	283,336	552,093	581,511	603,446
Total Expenditure	891,185	898,811	1,008,752	1,086,051	1,090,326	1,090,326	610,545	1,212,358	1,272,255	1,325,174
Surplus/(Deficit)	(60,286)	48,535	(78,023)	(83,286)	(81,008)	(81,008)	64,045	(134,874)	(132,175)	(158,879)
Transfers and subsidies - capital (monetary allocations)	164,628	213,603	201,173	231,040	242,529	242,529	122,099	236,841	269,958	306,527
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	104,342	262,138	123,150	147,754	161,521	161,521	186,145	101,967	137,783	147,648
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	104,342	262,138	123,150	147,754	161,521	161,521	186,145	101,967	137,783	147,648
Capital expenditure & funds sources										
Capital expenditure	22,911	47,085	12,373	234,540	248,107	248,107	111,856	244,591	278,088	315,039
Transfers recognised - capital	22,738	47,031	12,186	231,040	242,607	242,607	111,347	236,841	269,958	306,527
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	172	54	188	3,500	5,500	5,500	509	7,750	8,130	8,512
Total sources of capital funds	22,911	47,085	12,373	234,540	248,107	248,107	111,856	244,591	278,088	315,039
Financial position										
Total current assets	184,399	385,100	211,727	(286,384)	(286,384)	(286,384)	382,240	180,578	205,805	202,990
Total non current assets	3,088,038	3,108,069	3,117,339	3,507,327	3,520,894	3,520,894	3,131,194	3,619,431	3,874,725	4,157,406
Total current liabilities	373,747	526,310	353,940	280,117	280,117	280,117	363,245	381,751	391,080	294,757
Total non current liabilities	30,726	36,413	34,703	36,813	36,813	36,813	35,153	72,328	60,343	45,635
Community wealth/Equity	2,979,832	3,120,544	3,128,195	2,901,587	2,909,812	2,909,812	3,196,905	3,346,910	3,627,752	4,325,270
Cash flows										
Net cash from (used) operating	-	269,264	497,631	255,702	255,702	255,702	679,885	677,100	681,527	698,010
Net cash from (used) investing	-	(21,611)	(12,373)	(234,540)	(234,540)	(234,540)	(103,220)	(244,591)	(278,088)	(315,039)
Net cash from (used) financing	-	-	(5,045)	(15,000)	(15,000)	(15,000)	(2,865)	(58,433)	(42,211)	(142,889)
Cash/cash equivalents at the year end	64,673	296,434	541,809	103,606	103,606	103,606	573,799	382,554	743,783	983,864
Cash backing/surplus reconciliation										
Cash and investments available	2,997,949	3,181,686	3,051,548	2,308,212	2,319,780	2,319,780	3,108,858	3,533,908	3,802,298	4,070,270
Application of cash and investments	215,216	283,890	135,610	(50,814)	(50,814)	(50,814)	(17,386)	277,385	288,335	278,533
Balance - surplus (shortfall)	2,782,733	2,897,796	2,915,939	2,359,026	2,370,593	2,370,593	3,126,244	3,256,523	3,513,962	3,791,737
Asset management										
Asset register summary (WDV)	2,886,771	2,928,164	2,894,937	3,093,617	3,107,184	3,107,184	3,279,111	3,534,404	4,157,406	-
Depreciation	150,615	139,517	131,765	150,878	150,878	150,878	155,041	162,638	170,282	-
Renewal and Upgrading of Existing Assets	11,177	29,617	5,410	88,233	76,526	76,526	68,881	100,758	170,660	-
Repairs and Maintenance	45,805	53,508	45,275	53,985	56,985	56,985	57,155	62,550	60,161	-
Free services										
Cost of Free Basic Services provided	26,296	220	399	35,625	35,625	35,625	27,903	11,091	11,612	-
Revenue cost of free services provided	3,942	1,564	147	5,981	5,981	5,981	5,568	2,583	2,705	-
Households below minimum service level										
Water:	12	-	-	12	12	12	12	-	-	-
Sanitation/sewerage:	39	-	-	40	40	40	40	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises 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:
 - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF This is due to the provision for depreciation. Should depreciation being brought in to account the year will end on a surplus.
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. These places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Basic Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality is still a priority of the municipality. In addition, the municipality continues to make progress in addressing service delivery backlogs

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

NW375 Moses Kotane - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional	1									
Governance and administration		482 518	552 355	477 898	513 861	513 244	513 244	567 889	599 905	615 890
Executive and council		1 559	5 905	5 699	20 422	20 422	20 422	22 852	22 669	22 901
Finance and administration		480 959	546 450	472 198	493 439	492 822	492 822	545 038	577 237	592 988
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		35 941	16 572	31 609	19 046	27 216	27 216	4 000	15 565	4 368
Community and social services		30 322	4 388	11 817	2 736	3 521	3 521	-	11 385	-
Sport and recreation		6	10 975	16 054	12 310	19 695	19 695	-	-	-
Public safety		5 613	1 209	3 738	4 000	4 000	4 000	4 000	4 180	4 368
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		55 466	72 363	61 218	62 627	59 460	59 460	68 923	59 003	115 377
Planning and development		3 477	3 208	4 576	6 027	6 027	6 027	8 097	8 479	8 877
Road transport		51 990	69 155	56 642	56 600	53 432	53 432	60 826	50 524	106 500
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		421 602	519 659	561 178	638 270	651 927	651 927	673 513	735 565	713 073
Energy sources		15 484	10 395	18 676	12 919	22 676	22 676	8 000	10 000	6 000
Water management		312 818	370 442	423 012	476 828	487 078	487 078	428 759	474 302	490 832
Waste water management		28 295	59 141	34 691	52 499	49 226	49 226	130 953	136 436	83 591
Waste management		65 004	79 682	84 798	96 024	92 948	92 948	105 800	114 827	132 650
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	995 527	1 160 949	1 131 902	1 233 805	1 251 847	1 251 847	1 314 325	1 410 038	1 448 708
Expenditure - Functional										
Governance and administration		337 491	291 861	351 109	307 189	293 258	293 258	375 428	391 838	408 969
Executive and council		87 479	78 543	80 699	95 323	93 392	93 392	101 393	104 649	109 635
Finance and administration		246 463	206 763	266 897	208 494	196 494	196 494	269 233	282 152	294 060
Internal audit		3 549	6 555	3 513	3 372	3 372	3 372	4 802	5 037	5 274
Community and public safety		101 993	99 818	107 523	108 615	111 284	111 284	121 102	128 706	134 595
Community and social services		22 021	30 596	24 763	30 245	32 914	32 914	33 814	35 408	37 061
Sport and recreation		44 598	42 912	49 257	46 036	46 036	46 036	51 959	54 471	56 999
Public safety		35 374	26 309	33 503	32 334	32 334	32 334	35 329	38 827	40 536
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		88 578	78 304	74 657	93 832	93 107	93 107	89 084	93 315	97 796
Planning and development		20 422	18 007	19 928	23 817	23 092	23 092	29 621	30 952	32 516
Road transport		68 156	60 297	54 729	70 015	70 015	70 015	59 463	62 362	65 279
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		468 063	532 671	589 760	573 609	589 870	589 870	623 594	654 988	680 425
Energy sources		32 191	32 120	31 229	29 247	35 508	35 508	38 507	41 184	37 871
Water management		354 705	393 491	462 253	462 074	472 074	472 074	492 993	517 231	541 470
Waste water management		26 820	50 882	38 649	24 596	24 596	24 596	29 949	31 395	32 849
Waste management		54 347	56 177	57 630	57 692	57 692	57 692	62 144	65 178	68 235
Other	4	-	837	2 645	2 806	2 806	2 806	3 150	3 304	3 459
Total Expenditure - Functional	3	996 124	1 003 490	1 125 694	1 086 051	1 090 326	1 090 326	1 212 358	1 272 151	1 325 244
Surplus/(Deficit) for the year		(598)	157 459	6 208	147 754	161 521	161 521	101 967	137 888	123 463

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 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 7 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.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Governance and Administration.

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

NW375 Moses Kotane - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote	1									
Vote 01 - Municipal Council		1 559	5 905	5 699	20 422	20 422	20 422	22 852	22 669	22 901
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		480 029	546 143	470 779	492 839	492 222	492 222	544 438	576 637	592 388
Vote 04 - Corporate Services		640	292	1 420	600	600	600	600	600	600
Vote 05 - Community Services		101 235	96 269	116 407	115 071	120 163	120 163	109 800	130 392	137 018
Vote 06 - Planning & Development		134	114	72	100	100	100	-	-	-
Vote 07 - Infrastructure & Technical Services		411 930	512 227	537 526	604 773	618 339	618 339	636 636	679 741	695 800
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	995 527	1 160 949	1 131 902	1 233 805	1 251 847	1 251 847	1 314 325	1 410 038	1 448 708
Expenditure by Vote to be appropriated	1									
Vote 01 - Municipal Council		69 362	63 820	66 544	83 217	81 286	81 286	87 446	90 019	94 317
Vote 02 - Office Of The Accounting Officer		21 667	22 797	22 275	19 856	19 856	19 856	23 610	24 767	25 931
Vote 03 - Budget And Treasury Office		111 788	117 380	169 825	91 576	91 576	91 576	158 731	166 403	174 260
Vote 04 - Corporate Services		118 223	69 878	77 574	75 860	73 860	73 860	86 645	90 732	93 617
Vote 05 - Community Services		170 571	166 530	176 480	198 251	190 921	190 921	195 701	206 938	216 488
Vote 06 - Planning & Development		17 223	20 836	18 408	21 413	21 413	21 413	26 906	28 119	29 551
Vote 07 - Infrastructure & Technical Services		487 291	542 249	594 587	595 877	611 414	611 414	633 320	665 172	691 079
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	996 124	1 003 490	1 125 694	1 086 051	1 090 326	1 090 326	1 212 358	1 272 151	1 325 244
Surplus/(Deficit) for the year	2	(598)	157 459	6 208	147 754	161 521	161 521	101 967	137 888	123 463

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 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. The following table is an analysis of the surplus or deficit for the water trading services.

Table Surplus/ (Deficit) Calculations for the Trading Services

TRADING SERVICES			
	2023/24	2024/25	2025/26
REVENUE (A4)			
Service charges - Water	222 520 040	233 423 522	244 394 428
Service charges - Waste Water Management	6 036 429	6 332 214	6 629 828
Service charges - Waste Management	12 276 619	12 878 173	13 483 447
EXPENDITURE (A2)			
Water management	428 759 248	474 302 228	490 832 035
Waste water management	130 952 932	136 435 511	83 591 140
Waste management	105 800 417	114 827 097	132 649 978
SURPLUS / (DEFICIT)			
Water management	(206 239 208)	(240 878 706)	(246 437 607)
Waste water management	(124 916 503)	(130 103 297)	(76 961 312)
Waste management	(93 523 798)	(101 948 924)	(119 166 531)

Attached above is the surplus and deficit as per trading service, Municipality is making a loss in all services, i.e. water, sanitation and refuse.

Municipality will be communicating with Provincial treasury for assistance with the determination of Tariff.

The water account is subsidised with a portion of the equitable share as the majority of household receive water at RDP level or lower.

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

NW375 Moses Kotane - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	164,373	160,572	199,384	225,928	225,928	225,928	159,755	222,520	233,424	244,394
Service charges - Waste Water Management	2	2,665	2,921	5,259	5,733	5,733	5,733	3,483	6,036	6,332	6,630
Service charges - Waste Management	2	10,004	10,823	11,376	11,558	11,558	11,558	10,895	12,277	12,878	13,483
Sale of Goods and Rendering of Services		690	849	817	987	987	987	677	520	545	571
Agency services											
Interest											
Interest earned from Receivables		41,156	45,929	58,096	58,182	58,182	58,182	65,186	60,636	63,607	66,597
Interest earned from Current and Non Current Assets		5,587	4,171	2,479	5,438	5,438	5,438	9,051	6,251	6,582	6,931
Dividends		-	-	3,187	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets		84	74	234	127	127	127	144	188	197	206
Licence and permits		13	-	2,430	2,000	2,000	2,000	199	2,000	2,090	2,184
Operational Revenue		1,639	384	769	1,127	1,127	1,127	1,586	1,205	1,235	1,294
Non-Exchange Revenue											
Property rates	2	141,420	144,972	130,570	124,143	124,143	124,143	112,043	154,525	162,096	169,714
Surcharges and Taxes											
Fines, penalties and forfeits		5,600	1,209	1,308	2,000	2,000	2,000	-	2,000	2,090	2,184
Licences or permits											
Transfer and subsidies - Operational		434,445	549,901	485,293	538,131	544,684	544,684	534,957	581,763	620,091	621,835
Interest		21,242	21,641	26,839	27,413	27,413	27,413	29,610	27,562	28,913	30,272
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		850	3,838	2,611	-	-	-	-	-	-	-
Other Gains		1,131	62	77	-	-	-	0	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		830,899	947,347	930,729	1,002,765	1,009,317	1,009,317	927,586	1,077,484	1,140,080	1,166,296
Expenditure											
Employee related costs	2	236,925	256,653	270,066	275,251	276,009	276,009	242,338	296,872	309,546	322,613
Remuneration of councillors		24,128	25,027	25,344	26,922	26,922	26,922	23,773	27,597	28,949	30,309
Bulk purchases - electricity	2	24,542	23,524	20,890	20,000	21,261	21,261	27,596	25,000	26,225	27,458
Inventory consumed	8	3,139	2,830	4,904	109,720	109,720	109,720	4,281	150,155	157,512	164,915
Debt impairment	3	-	(216)	-	-	-	-	-	328,721	344,984	361,198
Depreciation and amortisation		150,615	139,517	131,765	150,878	150,878	150,878	122,408	155,041	162,638	170,282
Interest		5,347	4,242	4,036	3,687	3,687	3,687	1,314	5,600	5,874	6,150
Contracted services		123,389	145,007	125,412	127,587	132,699	132,699	129,912	140,090	147,496	149,144
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		201,036	204,695	321,005	276,957	276,957	276,957	114,373	-	-	-
Operational costs		113,325	88,798	88,805	95,048	92,192	92,192	79,753	83,281	88,926	93,175
Losses on disposal of Assets		7,554	8,217	16,461	-	-	-	-	-	-	-
Other Losses		1,184	517	65	-	-	-	-	-	-	-
Total Expenditure		891,185	898,811	1,008,752	1,086,051	1,090,326	1,090,326	745,749	1,212,358	1,272,151	1,325,244
Surplus/(Deficit)		(60,286)	48,535	(78,023)	(83,286)	(81,008)	(81,008)	181,837	(134,874)	(132,070)	(158,949)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total operating revenue projected for 2023/24 amounts to R1, 077, 484 billion, estimated to escalate by 5% to R1, 140, 080 in 2024/25. The outer year, 2025/26 revenue is estimated at R1, 166, 296 billion which is an increase of 4% from the preceding year.
2. Revenue anticipated from property rates amount to R154,525 million 2023/24 financial year, expected to increase R162,096 million by 2024/25 which represents 14% of the operating revenue base of the municipality. It further anticipated at average increase of 5% in the outer years.
3. Service charges relating to, water, sanitation and refuse removal constitutes 22% of the revenue basket of the municipality totalling R240 ,833 million for the 2023/24 financial year and increasing. Services charges are the main revenue component to the municipality's own revenue. Due to the reduction of water revenue, the service charges estimated an average increase of 3% from the 2022/23 adjustment budget.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It must be noted that the anticipated grants from national government as tabled by the Minister of Finance, have increased by 6% in 2023/24, with average increase of 3% for the outer years. The equitable share remains the most important part of the municipality's revenue base, as it assists with poverty relief in the form of free basic service to the indigents. Amongst others, this include, equitable share, finance management grant, expanded public works programme, energy efficiency demand side management grant, MIG portion for PMU operations. Total operating grants accounts for 54% of the total revenue.

Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		42	-	-	1 000	1 000	1 000	-	3 000	-	-
Vote 04 - Corporate Services		130	54	188	1 000	3 000	3 000	-	3 000	-	-
Vote 05 - Community Services		(2 220)	17 826	(3 650)	16 387	20 695	20 695	13 795	8 011	20 125	40 000
Vote 06 - Planning & Development		-	-	-	2 736	1 352	1 352	1 175	-	-	-
Vote 07 - Infrastructure & Technical Services		24 958	29 204	15 836	213 417	222 061	222 061	134 347	230 580	249 833	242 412
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	22 911	47 085	12 373	234 540	248 107	248 107	149 317	244 591	269 958	282 412
Single-year expenditure to be appropriated	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		22 911	47 085	12 373	234 540	248 107	248 107	149 317	244 591	269 958	282 412
Capital Expenditure - Functional											
Governance and administration		172	54	188	2 000	4 000	4 000	-	6 000	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		172	54	188	2 000	4 000	4 000	-	6 000	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	13 347	(0)	13 310	20 695	20 695	13 795	1 750	11 385	19 115
Community and social services		-	13 347	(0)	-	-	-	-	-	11 385	19 115
Sport and recreation		-	-	-	12 310	19 695	19 695	13 795	750	-	-
Public safety		-	-	-	1 000	1 000	1 000	-	1 000	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		1 862	16 270	5 410	59 336	54 784	54 784	36 538	60 826	50 524	101 500
Planning and development		-	-	-	2 736	1 352	1 352	1 175	-	-	-
Road transport		1 862	16 270	5 410	56 600	53 432	53 432	35 362	60 826	50 524	101 500
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		20 876	17 414	6 775	159 894	168 628	168 628	98 985	176 015	208 049	161 797
Energy sources		-	-	(0)	12 919	17 676	17 676	10 225	4 000	5 000	6 000
Water management		23 096	12 934	10 426	119 668	129 995	129 995	71 283	155 754	186 902	86 912
Waste water management		-	(0)	0	24 230	20 958	20 958	17 477	10 000	7 407	48 000
Waste management		(2 220)	4 480	(3 650)	3 077	-	-	-	6 261	8 739	20 885
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	22 911	47 085	12 373	234 540	248 107	248 107	149 317	244 591	269 958	282 412
Funded by:											
National Government		22 738	47 031	9 259	231 040	242 607	242 607	148 808	236 841	269 958	282 412
Provincial Government		-	(0)	2 927	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	22 738	47 031	12 186	231 040	242 607	242 607	148 808	236 841	269 958	282 412
Borrowing	6										
Internally generated funds		172	54	188	3 500	5 500	5 500	509	7 750	-	-
Total Capital Funding	7	22 911	47 085	12 373	234 540	248 107	248 107	149 317	244 591	269 958	282 412

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

1. Table A5 is a breakdown of the capital programmed 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.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. No multi-year appropriations have been done.
3. Single-year capital expenditure has been appropriated at R244, 591 million for the 2023/24 financial year, estimated to increase to R269, 958 million and R282, 412 million in 2024/25 and 2025/26.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from national and own funds at 97% and 3% respectively.

The following table reflects the capital expenditure and how it will be funded over the MTREF.

2023/2024 CAPITAL BUDGET			
Description (R'000)	2023/2024	2024/2025	2025/2026
MIG	171 841	179 943	188 387
WSIG	65 000	90 015	94 025
OWN FUNDING	7 750	-	-
TOTAL	244 591	269 958	282 412

Total capital grants for 2023/24 amount to R236.8 million, increasing to R269.9 million and R282.4 for the outer years respectively.

Table 18 MBRR Table A6 - Budgeted Financial Position

NW375 Moses Kotane - Table A6 Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		48,781	185,535	36,880	(415,623)	(415,623)	(415,623)	114,291	63,040	28,711	32,327
Trade and other receivables from exchange transactions	1	29,877	52,991	61,422	(616,165)	(616,165)	(616,165)	113,124	66,260	72,710	79,735
Receivables from non-exchange transactions	1	23,000	37,763	(12,991)	730,059	730,059	730,059	135,887	66,260	72,710	79,735
Current portion of non-current receivables											
Inventory	2	9,751	11,814	14,250	11,352	11,352	11,352	18,910	13,686	16,782	20,100
VAT		67,621	91,554	105,884	(1,959)	(1,959)	(1,959)	118,177	12,635	13,583	14,601
Other current assets		5,369	5,444	6,281	5,952	5,952	5,952	6,496	6,214	6,214	6,214
Total current assets		184,399	385,100	211,727	(286,384)	(286,384)	(286,384)	506,885	228,095	210,710	232,712
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		154,834	151,431	#####	154,834	154,834	154,834	150,684	151,438	152,952	153,482
Property, plant and equipment	3	2,919,291	2,943,160	2,953,246	3,340,001	3,351,568	3,351,568	3,006,579	3,452,125	3,700,274	3,958,049
Biological assets											
Living and non-living resources											
Heritage assets		14	14	14	14	14	14	14	14	14	14
Intangible assets		13,899	13,463	13,394	12,478	14,478	14,478	11,717	15,854	13,354	13,235
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions											
Other non-current assets											
Total non current assets		3,088,038	3,108,069	3,117,339	3,507,327	3,520,894	3,520,894	3,168,994	3,619,431	3,866,595	4,124,779
TOTAL ASSETS		3,272,437	3,493,169	3,329,066	3,220,942	3,234,510	3,234,510	3,675,878	3,847,526	4,077,305	4,357,491
LIABILITIES											
Current liabilities											
Bank overdraft											
Financial liabilities		35,988	22,699	14,629	25,864	25,864	25,864	11,204	12,820	13,027	13,510
Consumer deposits		16	24	1,070	-	-	-	1,077	-	-	-
Trade and other payables from exchange transactions	4	215,216	368,274	190,097	57,056	57,056	57,056	133,494	177,266	182,796	(57,221)
Trade and other payables from non-exchange transactions	5	42,148	27,327	12,544	153,611	153,611	153,611	105,972	-	-	-
Provision		34,935	45,253	46,777	43,585	43,585	43,585	36,228	2,040	2,061	2,081
VAT		45,444	62,733	88,823	-	-	-	111,612	-	-	-
Other current liabilities											
Total current liabilities		373,747	526,310	353,940	280,117	280,117	280,117	399,586	192,126	197,884	(41,629)
Non current liabilities											
Financial liabilities	6	-	-	-	-	-	-	9,087	33,895	20,868	7,358
Provision	7	30,726	36,413	34,703	36,813	36,813	36,813	35,253	38,433	41,638	43,595
Long term portion of trade payables											
Other non-current liabilities											
Total non current liabilities		30,726	36,413	34,703	36,813	36,813	36,813	44,340	72,328	62,505	50,952
TOTAL LIABILITIES		404,473	562,723	388,643	316,930	316,930	316,930	443,926	264,454	260,389	9,323
NET ASSETS		2,867,964	2,930,445	2,940,423	2,904,012	2,917,580	2,917,580	3,231,952	3,583,072	3,816,916	4,348,169
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	2,979,832	3,120,544	3,128,195	2,901,587	2,909,812	2,909,812	3,314,560	3,584,052	3,815,562	4,653,433
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other											
TOTAL COMMUNITY WEALTH/EQUITY	10	2,979,832	3,120,544	3,128,195	2,901,587	2,909,812	2,909,812	3,314,560	3,584,052	3,815,562	4,653,433

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 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).
2. 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.
3. Table 58 is supported by an extensive table of notes (SA3 which can be found on page 129) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;

- Property, plant and equipment;
 - Trade and other payables;
 - Provisions noncurrent;
 - Changes in net assets; and
 - Reserves
4. 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.
 5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 19 MBRR Table A7 - Budgeted Cash Flow Statement

NW375 Moses Kotane - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	73,778	69,500	64,555	64,555	64,555	78,356	80,353	84,290	88,252
Service charges		-	58,737	110,905	69,779	69,779	69,779	136,085	69,811	73,298	76,744
Other revenue		-	363,923	239,351	6,040	6,040	6,040	464,473	5,913	6,157	37,013
Transfers and Subsidies - Operational	1	-	766	7,743	538,131	538,131	538,131	163,055	581,763	620,091	621,835
Transfers and Subsidies - Capital	1	-	172,836	195,801	231,040	231,040	231,040	207,273	236,841	269,958	282,412
Interest		-	3,547	2,479	4,372	4,372	4,372	6,816	6,251	6,582	6,931
Dividends		-	-	3,187	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	(404,322)	(131,335)	(658,215)	(658,215)	(658,215)	91,117	(728,596)	(764,529)	(793,764)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	269,264	497,631	255,702	255,702	255,702	1,147,175	252,337	295,849	319,423
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	387	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	(21,611)	(12,373)	(234,540)	(234,540)	(234,540)	(140,325)	(244,591)	(269,958)	(282,412)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(21,611)	(12,373)	(234,540)	(234,540)	(234,540)	(139,938)	(244,591)	(269,958)	(282,412)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	(5,045)	(15,000)	(15,000)	(15,000)	(3,082)	(12,820)	(13,027)	(13,510)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	(5,045)	(15,000)	(15,000)	(15,000)	(3,082)	(12,820)	(13,027)	(13,510)
NET INCREASE/ (DECREASE) IN CASH HELD		-	247,653	480,212	6,162	6,162	6,162	1,004,156	(5,074)	12,864	23,501
Cash/cash equivalents at the year begin:	2	64,673	48,781	61,597	97,444	97,444	97,444	-	5,728	654	13,518
Cash/cash equivalents at the year end:	2	64,673	296,434	541,809	103,606	103,606	103,606	1,004,156	654	13,518	37,018

The municipality has prepared the cash flow on the system, however some figures are pulling correctly, e.g. other revenue and repayment of borrowing and that was manually corrected to reflect an accurate cash flow projection. All the discrepancies will be corrected before adoption of the final budget

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

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

Property Rates

- R154.5 million is projected for billing and R80.3 million (52%) projected for collection

Water Revenue

- R222.5 million is projected for billing and R66.6 million (15%) projected for collection

Sanitation Revenue

- R6 million is projected for billing and R1.8 million (30%) projected for collection

Refuse Revenue

- R12.2 million is projected for billing and R1.3 million (15%) projected for collection

Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NW375 Moses Kotane - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available											
Cash/cash equivalents at the year end	1	64,673	296,434	541,809	103,606	103,606	103,606	1,004,156	654	13,518	37,018
Other current investments > 90 days		(15,893)	(110,898)	(504,929)	(519,229)	(519,229)	(519,229)	(889,865)	62,386	15,193	(4,691)
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		48,781	185,535	36,880	(415,623)	(415,623)	(415,623)	114,291	63,040	28,711	32,327
Application of cash and investments											
Unspent conditional transfers		42,148	27,327	12,544	153,611	153,611	153,611	105,972	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	215,216	325,551	170,308	41,379	41,379	41,379	(63,593)	160,026	163,871	(81,675)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		257,364	352,878	182,852	194,990	194,990	194,990	42,379	160,026	163,871	(81,675)
Surplus(shortfall)		(208,584)	(167,343)	(145,971)	(610,613)	(610,613)	(610,613)	71,912	(96,986)	(135,160)	114,002

Due to challenges detailed on the cash flow, the accumulated surplus reconciliation could not balance. This will be also be corrected in the final budget. It is however acknowledged that the 2023/24 budget is unfunded and the financial plan is currently implemented and monitored to improve the financial status of the municipality.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. 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.
3. 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”.

Table 21 MBRR Table A9 - Asset Management

Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	172	-	188	1 500	1 500	1 500	3 500	-	-
Machinery and Equipment	-	54	-	-	-	-	750	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	9 315	13 347	(0)	18 897	27 571	27 571	22 793	46 562	45 316
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	9 315	-	-	5 087	4 376	4 376	19 293	35 177	26 201
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	9 315	-	-	5 087	4 376	4 376	19 293	35 177	26 201
Community Facilities	-	-	(0)	13 310	20 695	20 695	1 000	11 385	19 115
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	-	-	(0)	13 310	20 695	20 695	1 000	11 385	19 115
Heritage Assets	-	-	-	-	-	-	-	-	-

NW375 Moses Kotane - Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	11 734	17 468	6 963	146 307	171 581	171 581	175 710	172 872	135 596
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	5 829	5 829	14 738	-	-
Electrical Infrastructure		-	-	(0)	12 919	17 676	17 676	4 000	5 000	6 000
Water Supply Infrastructure		13 781	12 934	10 426	104 581	125 619	125 619	136 461	151 725	60 711
Sanitation Infrastructure		-	(0)	0	24 230	20 958	20 958	10 000	7 407	48 000
Solid Waste Infrastructure		(2 220)	4 480	(3 650)	3 077	-	-	6 261	8 739	20 885
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		11 561	17 414	6 775	144 807	170 081	170 081	171 460	172 872	135 596

Operational Buildings		-	13 347	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	13 347	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	500	2 500	2 500	2 500	-	-
Intangible Assets		-	-	-	500	2 500	2 500	2 500	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	1 862	16 270	5 410	69 336	48 955	48 955	46 088	50 524	101 500
Roads Infrastructure		1 862	16 270	5 410	56 600	47 604	47 604	46 088	50 524	101 500
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	10 000	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		1 862	16 270	5 410	66 600	47 604	47 604	46 088	50 524	101 500
Community Facilities		-	-	-	2 736	1 352	1 352	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-

Community Assets		-	-	-	2 736	1 352	1 352	-	-	-
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Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	22 911	47 085	12 373	234 540	248 107	248 107	244 591	269 958	282 412
Roads Infrastructure		1 862	16 270	5 410	56 600	47 604	47 604	46 088	50 524	101 500
Storm water Infrastructure		-	-	-	-	5 829	5 829	14 738	-	-
Electrical Infrastructure		-	-	(0)	12 919	17 676	17 676	4 000	5 000	6 000
Water Supply Infrastructure		23 096	12 934	10 426	109 668	129 995	129 995	155 754	186 902	86 912
Sanitation Infrastructure		-	(0)	0	34 230	20 958	20 958	10 000	7 407	48 000
Solid Waste Infrastructure		(2 220)	4 480	(3 650)	3 077	-	-	6 261	8 739	20 885
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		22 738	33 684	12 186	216 493	222 061	222 061	236 841	258 573	263 297
Community Facilities		-	-	(0)	16 046	22 046	22 046	1 000	11 385	19 115
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	(0)	16 046	22 046	22 046	1 000	11 385	19 115
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	13 347	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	13 347	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	500	2 500	2 500	2 500	-	-
Intangible Assets		-	-	-	500	2 500	2 500	2 500	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		172	-	188	1 500	1 500	1 500	3 500	-	-
Machinery and Equipment		-	54	-	-	-	-	750	-	-
Transport Assets		-	-	-	-	-	-	-	-	-

TOTAL CAPITAL EXPENDITURE - Asset class		22 911	47 085	12 373	234 540	248 107	248 107	244 591	269 958	282 412
ASSET REGISTER SUMMARY - PPE (WDV)	5	2 886 771	2 928 164	2 894 937	3 093 617	3 107 184	3 107 184	3 279 111	3 526 274	4 124 779
Roads Infrastructure		668 144	678 750	674 100	766 689	757 693	757 693	1 409 658	1 414 094	101 500
Storm water Infrastructure		61 574	59 134	58 116	56 340	62 169	62 169	14 738	-	-
Electrical Infrastructure		74 167	78 445	89 078	102 988	107 744	107 744	163 949	164 949	6 000
Water Supply Infrastructure		1 355 251	1 409 058	1 401 236	1 540 635	1 560 962	1 560 962	350 964	382 112	86 912
Sanitation Infrastructure		83 045	80 273	77 090	(9 188)	(22 461)	(22 461)	(33 403)	(35 996)	48 000
Solid Waste Infrastructure		17 651	21 335	16 550	26 729	23 652	23 652	48 390	50 869	20 885
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		30 088	26 505	17 443	24 116	24 116	24 116	-	-	-
Infrastructure		2 289 918	2 353 499	2 333 613	2 508 307	2 513 875	2 513 875	1 954 297	1 976 029	263 297
Community Assets		394 366	372 933	377 185	383 998	389 998	389 998	1 153 258	1 383 925	3 694 752
Heritage Assets		14	14	14	14	14	14	14	14	14
Investment properties		154 834	151 431	150 684	154 834	154 834	154 834	151 438	152 952	153 482
Other Assets		-	13 347	(0)	13 347	13 347	13 347	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		13 899	13 463	13 394	12 478	14 478	14 478	15 854	13 354	13 235
Computer Equipment		2 336	371	371	371	371	371	-	-	-
Furniture and Office Equipment		14 384	10 566	8 786	9 402	9 402	9 402	3 500	-	-
Machinery and Equipment		1 704	1 325	965	1 103	1 103	1 103	750	-	-
Transport Assets		15 317	11 214	9 924	9 763	9 763	9 763	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2 886 771	2 928 164	2 894 937	3 093 617	3 107 184	3 107 184	3 279 111	3 526 274	4 124 779

EXPENDITURE OTHER ITEMS		196 420	193 024	177 041	204 864	207 864	207 864	212 196	225 188	230 992
Depreciation	7	150 615	139 517	131 765	150 878	150 878	150 878	155 041	162 638	170 282
Repairs and Maintenance by Asset Class	3	45 805	53 508	45 275	53 985	56 985	56 985	57 155	62 550	60 710
Roads Infrastructure		415	1 140	204	4 100	4 100	4 100	5 200	7 245	7 492
Storm water Infrastructure		33	62	-	-	-	-	-	-	-
Electrical Infrastructure		245	999	1 790	1 000	6 000	6 000	4 200	5 210	220
Water Supply Infrastructure		69	1 060	-	500	500	500	1 000	1 049	1 098
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		28 700	35 057	29 841	30 581	30 581	30 581	13 400	14 057	14 717
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		29 460	38 317	31 835	36 181	41 181	41 181	23 800	27 560	23 527
Community Facilities		-	-	1	50	50	50	5	5	5
Sport and Recreation Facilities		24	56	52	200	200	200	250	262	275
Community Assets		24	56	53	250	250	250	255	267	280
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		4 176	4 130	2 163	2 305	2 305	2 305	3 800	3 986	4 174
Housing		-	-	-	-	-	-	-	-	-
Other Assets		4 176	4 130	2 163	2 305	2 305	2 305	3 800	3 986	4 174
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		758	2	767	2 000	-	-	2 000	2 098	2 197
Intangible Assets		758	2	767	2 000	-	-	2 000	2 098	2 197
Computer Equipment		4	8	13	50	50	50	50	52	604
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		11 382	10 994	10 444	13 200	13 200	13 200	27 250	28 585	29 929
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		196 420	193 024	177 041	204 864	207 864	207 864	212 196	225 188	230 992

Explanatory notes to Table A9 - Asset Management

1. Table A9 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.
2. The municipality uses a different system for Assets Register, which has a negative impact on the A9.
3. The amount appears in the A9 is the amount abstracted directly from the main financial system. That means municipality will have to capture the A9 manually so that it can be the same as the Assets register.
4. Municipality is worried that the Manual Capturing might affect the Data strings.
5. 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. The municipality is not in a position to meet the requirements due to its limited revenue base.
6. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the municipality's strategy to address the maintenance backlog.

Table 22 MBRR Table A10 - Basic Service Delivery Measurement

NW375 Moses Kotane - Table A10 Basic service delivery measurement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	7 000	7 000	7 000	7 000	7 000	-
Piped water inside yard (but not in dwelling)		10 000	-	-	10 000	10 000	10 000	10 000	-	-
Using public tap (at least min.service level)	2	52 000	-	-	52 000	52 000	52 000	52 000	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		62 000	-	-	69 000	69 000	69 000	69 000	7 000	-
Using public tap (< min.service level)	3	12 000	-	-	12 000	12 000	12 000	12 000	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		12 000	-	-	12 000	12 000	12 000	12 000	-	-
Total number of households	5	74 000	-	-	81 000	81 000	81 000	81 000	7 000	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		7 000	-	-	8 000	8 000	8 000	8 000	-	-
Flush toilet (with septic tank)		-	-	-	5 500	5 500	5 500	5 000	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		7 000	-	-	13 500	13 500	13 500	13 000	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		39 000	-	-	40 000	40 000	40 000	40 000	-	-
<i>Below Minimum Service Level sub-total</i>		39 000	-	-	40 000	40 000	40 000	40 000	-	-
Total number of households	5	46 000	-	-	53 500	53 500	53 500	53 000	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	75 500	75 500	75 500	75 500	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	75 500	75 500	75 500	75 500	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	75 500	75 500	75 500	75 500	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	25 000	25 000	25 000	25 000	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		30 000	-	-	30 000	30 000	30 000	30 000	-	-
Refuse (removed at least once a week)		-	-	-	58 300	58 300	58 300	58 300	-	-
<i>Informal Settlements</i>		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		1 020	178	67	10 000	10 000	10 000	9 850	10 333	10 818
Sanitation (free sanitation service to indigent households)		306	13	146	400	400	400	430	452	473
Electricity/other energy (50kwh per indigent household per month)		-	-	-	8 400	8 400	8 400	8 500	8 917	9 336
Refuse (removed once a week for indigent households)		460	28	186	250	250	250	293	307	321
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		24 510	-	-	16 575	16 575	16 575	17 330	-	-
Total cost of FBS provided	8	26 296	220	399	35 625	35 625	35 625	36 403	20 008	20 948

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. **Strategy – the more the municipality gives away, the less there is available to fund other services.**

Part 2 – Supporting Documentation

1.7 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the MMC for Finance and senior officials of the municipality meeting under the chairpersonship of the Municipal Manager.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1.7.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2022) a time schedule that sets out the process to revise the IDP and prepare the budget.

1.7.2 IDP and Service Delivery and Budget Implementation Plan

The municipality reviewed its IDP in accordance with Municipal Systems Act.

1.7.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2023/24 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2023/24 MTREF:

- Municipal growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2022/23 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 122 and 123 has been taken into consideration in the planning and prioritisation process.

1.7.4 Community Consultation

The draft 2023/24 MTREF will be tabled on 31st March 2023 and the community consultation will be published on the municipality's website, and hard copies will be made available at customer care offices, municipal notice boards and various libraries. The opportunity to give electronic feedback will be communicated on the municipality's website, and the municipality's call centre will be engaged in collecting inputs via e-mail, fax and SMS.

All documents in the appropriate format (electronic) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

1.8 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the

resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The implementation of the NDP through the RRR (rebranding, repositioning and renewal) approach, anchored on a new approach of the five (5) concretes has also been considered and budgeted under the Operating and Capital Budget.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2023/24 MTREF and further planning refinements that have directly informed the compilation of the budget:

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide public transport;
 - Provide municipal planning services; and
 - Maintaining the infrastructure of the municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective municipal cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
 - Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the municipality;
 - Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
 - Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
 - Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2023/24 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 23 MBRR Table SA4-Reconciliation between the IDP strategic objectives and budgeted revenue

NW375 Moses Kotane - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
BASIC SERVICES AND INFRASTRUCTURE				348 537	394 893	453 743	488 804	495 973	495 973	509 595	540 175	550 406
LOCAL ECONOMIC DEVELOPMENT				134	114	72	100	100	100	-	-	-
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION				1 559	5 905	5 699	20 422	20 422	20 422	22 852	22 669	22 901
FINANCIAL VIABILITY				480 029	546 143	470 779	492 839	492 222	492 222	544 438	576 637	592 388
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				640	292	437	600	600	600	600	600	600
Allocations to other priorities												
Total Revenue (excluding capital transfers and contributions)				830 899	947 347	930 729	1 002 765	1 009 317	1 009 317	1 077 484	1 140 080	1 166 296

Table 24 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

NW375 Moses Kotane - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
BASIC SERVICES AND INFRASTRUCTURE				657 862	708 780	771 067	794 129	802 335	802 335	829 020	872 110	907 568
LOCAL ECONOMIC DEVELOPMENT				17 223	20 836	18 408	21 413	21 413	21 413	26 906	28 119	29 551
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION				92 190	90 318	98 243	112 801	110 871	110 871	121 072	125 292	131 248
FINANCIAL VIABILITY				111 788	116 029	165 242	86 703	86 703	86 703	153 398	160 808	168 403
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				117 061	67 528	72 734	71 005	69 005	69 005	81 963	85 820	88 475
Allocations to other priorities												
Total Expenditure				996 124	1 003 490	1 125 694	1 086 051	1 090 326	1 090 326	1 212 358	1 272 151	1 325 244

Table 25 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

NW375 Moses Kotane - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
BASIC SERVICES AND INFRASTRUCTURE				22 738	47 031	12 186	229 804	242 756	242 756	238 591	269 958	282 412
LOCAL ECONOMIC DEVELOPMENT				-	-	-	2 736	1 352	1 352	-	-	-
FINANCIAL VIABILITY				42	-	-	1 000	1 000	1 000	3 000	-	-
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL				130	54	188	1 000	3 000	3 000	3 000	-	-
Allocations to other priorities			3									
Total Capital Expenditure			1	22 911	47 085	12 373	234 540	248 107	248 107	244 591	269 958	282 412

1.9 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

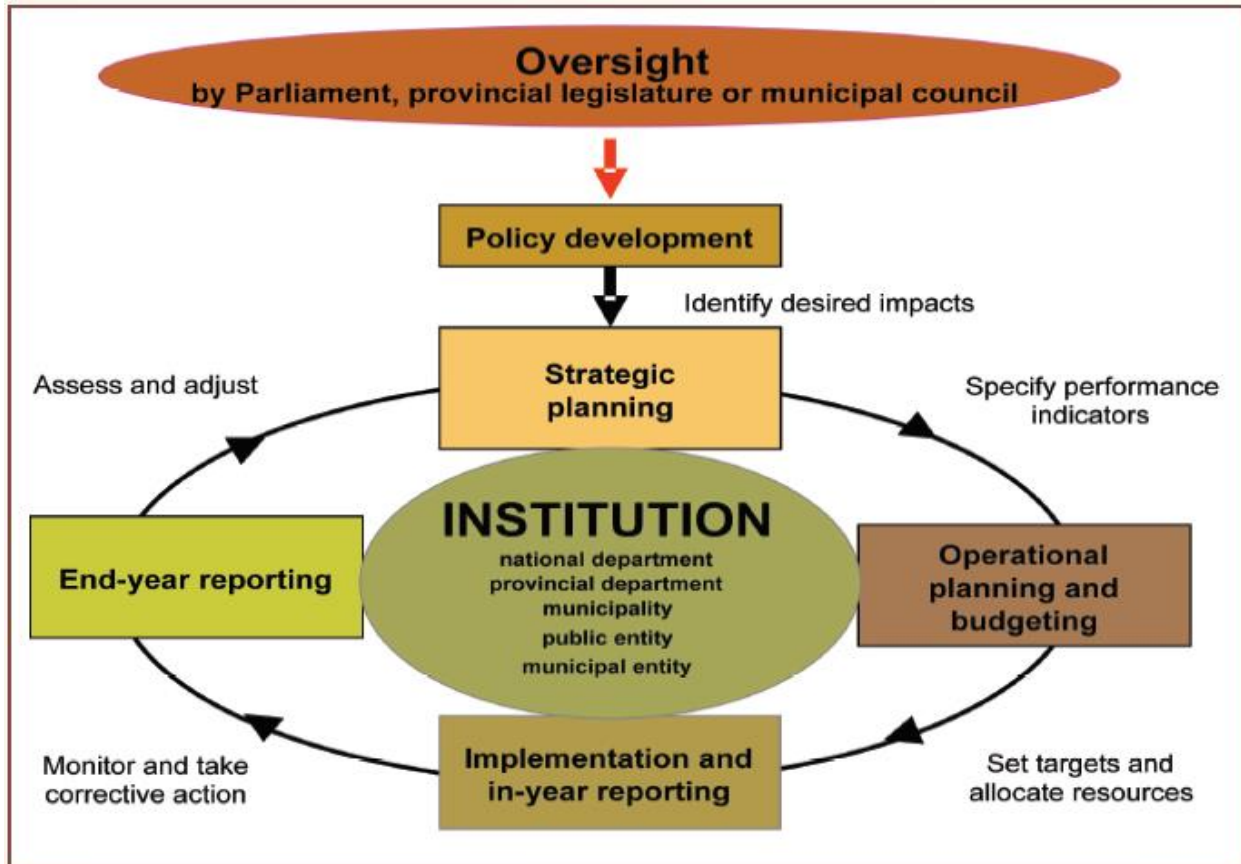


Figure 3 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Moses Kotane Local Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by MKLM in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

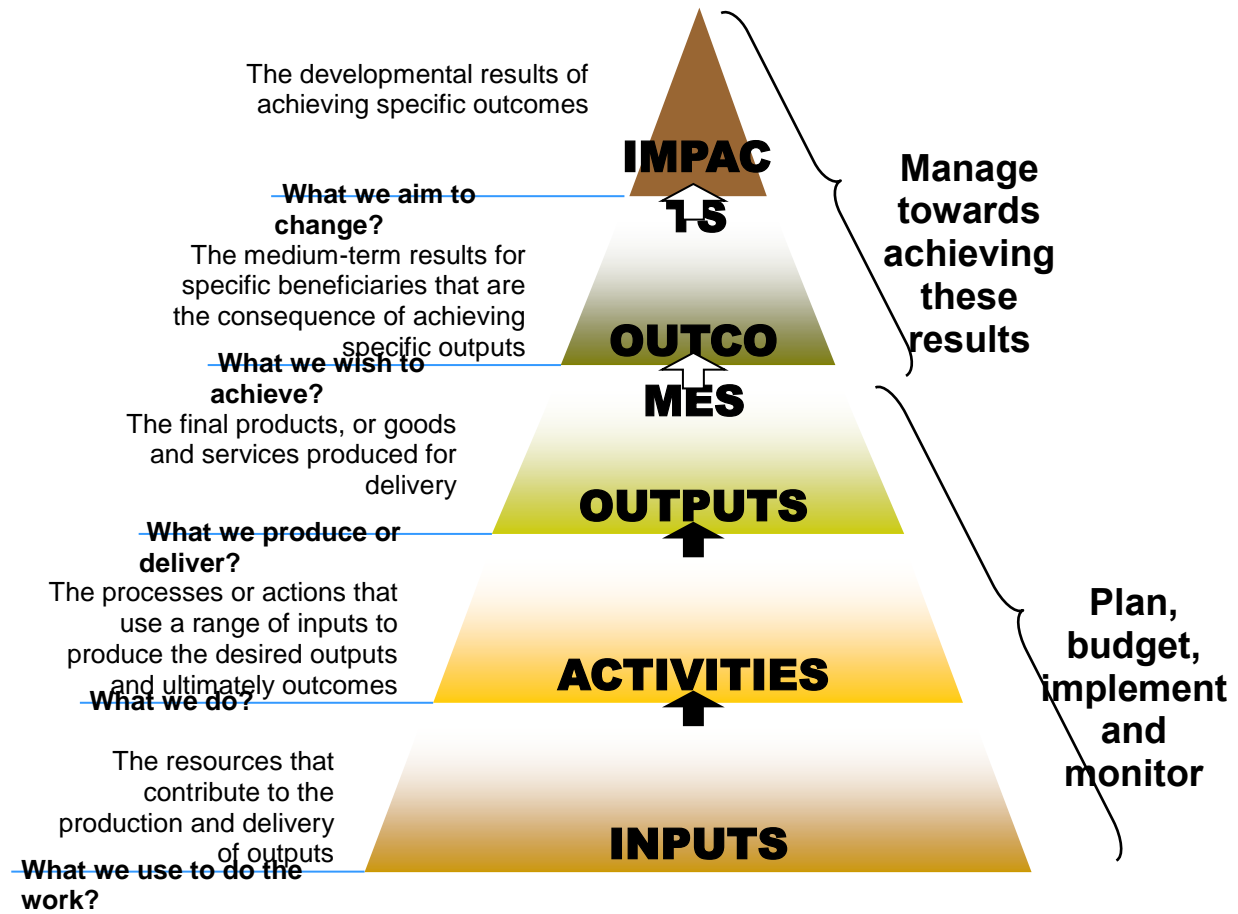


Figure 4 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 26 MBRR Table SA7 - Measurable performance objectives

NW375 Moses Kotane - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
07 - Infrastructure & Technical Services										
Energy Sources										
Electricity										
Formal Settlement Households Receiving	Households	30 000	-	-	30 000	30 000	30 000	30 000	-	-
Informal Settlements (R000)	Rand Value	4000 000	-	-	4200 000	4200 000	4200 000	4410 000	-	-
Waste Water Management										
Sewerage										
Flush Toilet (Connected To Sewerage)	Households	7 000	-	-	8 000	8 000	8 000	8 000	-	-
Flush Toilet (With Septic Tank)	Households	-	-	-	5 500	5 500	5 500	5 000	-	-
Formal Settlement Households	Households	-	-	-	-	-	-	-	-	-
Informal Settlements (R000)	Rand Value	500 000	-	-	405 000	405 000	405 000	423 000	-	-
No Toilet Provisions	Households	39 000	-	-	40 000	40 000	40 000	40 000	-	-
Water Management										
Water Distribution										
Formal Settlement Households	Households	-	-	-	25 000	25 000	25 000	25 000	-	-
Informal Settlements (R000)	Rand Value	10 000	-	-	11565 000	11565 000	11565 000	12074 000	-	-
Piped Water Inside Dwelling	Households	-	-	-	7 000	7 000	7 000	7 000	7 000	-
Piped Water Inside Yard (But Not In Using Public Tap (< Min. Service Level)	Households	10 000	-	-	10 000	10 000	10 000	10 000	-	-
Using Public Tap (At Least Min. Service	Households	12 000	-	-	12 000	12 000	12 000	12 000	-	-
	Households	52 000	-	-	52 000	52 000	52 000	52 000	-	-

The following table sets out the municipalities main performance objectives and benchmarks for the 2023/2024 MTREF.

Table 27 MBRR Table SA8 - Performance indicators and benchmarks

NW375 Moses Kotane - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,6%	0,5%	0,9%	1,7%	1,7%	1,7%	0,6%	5,3%	3,8%	11,2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,6%	0,4%	1,0%	1,9%	1,9%	1,9%	0,5%	5,9%	4,2%	12,8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity											
Current Ratio	Current assets/current liabilities	0,5	0,7	0,6	(1,0)	(1,0)	(1,0)	1,2	0,5	0,5	0,7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0,5	0,7	0,6	(1,0)	(1,0)	(1,0)	1,2	0,5	0,5	0,7
Liquidity Ratio	Monetary Assets/Current Liabilities	0,2	0,5	0,3	(3,7)	(3,7)	(3,7)	0,6	0,2	0,2	0,3
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0,0%	75,7%	83,2%	55,0%	55,0%	55,0%	135,0%	62,2%	62,2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0,0%	75,7%	83,2%	55,0%	55,0%	55,0%	135,0%	62,2%	62,2%	62,2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	30,7%	30,9%	27,7%	89,2%	88,6%	88,6%	47,3%	22,6%	22,5%	23,0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		332,8%	124,2%	35,1%	55,1%	55,1%	55,1%	17,2%	98,6%	50,9%	36,5%
Other Indicators											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Bulk Purchase										
	Water treatment works										
	Natural sources										
Water Volumes :System input	Total Volume Losses (kℓ)	–	2 600	–	2 840	2 840	2 840	–	3 124	3 437	–
	Total Cost of Losses (Rand '000)	0	19265861	0	18500000	18500000	18500000	0	17500000	16500000	0
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										

1.9.1 Performance indicators and benchmarks

1.9.2 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Moses Kotane Municipality’s borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the municipality’s debt portfolio is dominated by annuity loans. The

following financial performance indicators have formed part of the compilation of the 2023/2024 MTREF.

The municipality's debt profile provides some interesting insights on the future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

The municipality has raised mainly amortising loans over the past five years, hence effectively 'front-loading' its debt service costs. This is reflected in the municipality's debt service profile, which predicts large debt service costs between 2024 and 2026.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2023/24 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

1.9.2.1

Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2023/24 MTREF the current ratio is 2.1 in the 2023/24 financial year, 1.9 and 1.5 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. The municipality's current ratio is below 1 and is addressed on a urgent basis by the municipality to get it at least at 1. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

1.9.2.2

Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

1.9.2.3

Creditors Management

The municipality has not managed to ensure that creditors are settled within the legislated 30 days of invoice. This is mainly due to the late receive of invoices from suppliers. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the

municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

1.9.2.4

Other Indicators

The water distribution losses are of serious concern and provision has been made in the capital budget for a water feasibility study to address the water issues.

Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.

Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the municipality's strategy to ensure the management of its asset base.

1.9.3 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality. With the exception of water and refuse in the rural areas only registered indigents qualify for the free basic services.

For the 2022/23 financial year 30 000 registered indigents have been provided for in the budget with this figured increasing to 34 000 by 2023/2024. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 Kwh of electricity, free sanitation and free waste removal equivalent to one removal once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 22 MBRR A10 (Basic Service Delivery Measurement) on page 51.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

1.9.4 Providing clean water and managing waste water

The municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 71 per cent of the municipality's bulk water needs are provided directly by Magalies Water in the form of purified water. The remaining 29 per cent is generated from the municipality's own water sources, such as boreholes and small dams.

The following is briefly the main challenges facing the municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme, especially for operational personnel;
- Eskom is to install dedicated power supply lines to the plants; and
- The Division is working in consultation with the Department of Water Affairs to address catchment management.

1.10 Overview of budget related-policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

1.10.1 Review of credit control and debt collection procedures/policies

The Credit Control and Debt Collection Policy was approved by Council in May 2022 are currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the funds provided in the EPWP should aim to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2023/24 MTREF has been prepared on the basis of actual payments received for services rendered. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels.

The threshold for indigent households and pensioners has been determined at double the amount payable for old age pension.

1.10.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a

significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

1.10.3 Budget Approval Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

1.10.4 Supply Chain Management Policy

The Supply Chain Management Policy was amended and approved by Council in January 2023. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on. A Standard Operating Procedure Manual on SCM has been developed and implemented.

1.10.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was approved by Council in May 2022.

1.10.6 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy were approved in May 2022. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

1.10.7 Tariff Policies

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

The policy has been revised and is submitted for approval. Provision for a 100 per cent subsidy for indigents and pensioners has been provided.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Budget Policy; and
- Indigent Policy.

1.11 Overview of budget assumptions

1.11.1 External factors

The official unemployment rate rose to 29/35.31 percent of the labour force.

The total number of unemployed people stood at 6, 7 million

It is expected that recovery from this deterioration will be slow and uneven.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

1.11.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2023/24 MTREF:

- National Government macro economic targets;
The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
The increase in the cost of remuneration. Employee related costs comprise 31(Excluding depreciation) of total operating expenditure in the 2023/24 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. Credit rating outlook

Table 28 Credit rating outlook

The municipality does not have a credit rating

1.11.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2023/24 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2023/24 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

1.11.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is based on actual payments on billings. Cash flow is assumed to be in line with the provision plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

1.11.5 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

It is important to note that Moses Kotane is a predominately rural municipality with 107 of the 109 towns and villages under traditional management with limited revenue derived from the informal villages. Formalisation of these rural villages should be addressed as a high priority to broaden the municipality's revenue base.

1.11.6 Salary increases

Provision has been made for a 5.3% salary increase in 2023/24.

1.11.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

1.11.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2023/24 MTREF of which performance has been factored into the cash flow budget.

1.12 Overview of budget funding

1.12.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

NW375 Moses Kotane - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	164,373	160,572	199,384	225,928	225,928	225,928	159,755	222,520	233,424	244,394
Service charges - Waste Water Management	2	2,665	2,921	5,259	5,733	5,733	5,733	3,483	6,036	6,332	6,630
Service charges - Waste Management	2	10,004	10,823	11,376	11,558	11,558	11,558	10,895	12,277	12,878	13,483
Sale of Goods and Rendering of Services		690	849	817	987	987	987	677	520	545	571
Agency services											
Interest											
Interest earned from Receivables		41,156	45,929	58,096	58,182	58,182	58,182	65,186	60,636	63,607	66,597
Interest earned from Current and Non Current Assets		5,587	4,171	2,479	5,438	5,438	5,438	9,051	6,251	6,582	6,931
Dividends		-	-	3,187	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets		84	74	234	127	127	127	144	188	197	206
Licence and permits		13	-	2,430	2,000	2,000	2,000	199	2,000	2,090	2,184
Operational Revenue		1,639	384	769	1,127	1,127	1,127	1,586	1,205	1,235	1,294
Non-Exchange Revenue											
Property rates	2	141,420	144,972	130,570	124,143	124,143	124,143	112,043	154,525	162,096	169,714
Surcharges and Taxes											
Fines, penalties and forfeits		5,600	1,209	1,308	2,000	2,000	2,000	-	2,000	2,090	2,184
Licences or permits											
Transfer and subsidies - Operational		434,445	549,901	485,293	538,131	544,684	544,684	534,957	581,763	620,091	621,835
Interest		21,242	21,641	26,839	27,413	27,413	27,413	29,610	27,562	28,913	30,272
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		850	3,838	2,611	-	-	-	-	-	-	-
Other Gains		1,131	62	77	-	-	-	0	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		830,899	947,347	930,729	1,002,765	1,009,317	1,009,317	927,586	1,077,484	1,140,080	1,166,296
Expenditure											
Employee related costs	2	236,925	256,653	270,066	275,251	276,009	276,009	242,338	296,872	309,546	322,613
Remuneration of councillors		24,128	25,027	25,344	26,922	26,922	26,922	23,773	27,597	28,949	30,309
Bulk purchases - electricity	2	24,542	23,524	20,890	20,000	21,261	21,261	27,596	25,000	26,225	27,458
Inventory consumed	8	3,139	2,830	4,904	109,720	109,720	109,720	4,281	150,155	157,512	164,915
Debt impairment	3	-	(216)	-	-	-	-	-	328,721	344,984	361,198
Depreciation and amortisation		150,615	139,517	131,765	150,878	150,878	150,878	122,408	155,041	162,638	170,282
Interest		5,347	4,242	4,036	3,687	3,687	3,687	1,314	5,600	5,874	6,150
Contracted services		123,389	145,007	125,412	127,587	132,699	132,699	129,912	140,090	147,496	149,144
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		201,036	204,695	321,005	276,957	276,957	276,957	114,373	-	-	-
Operational costs		113,325	88,798	88,805	95,048	92,192	92,192	79,753	83,281	88,926	93,175
Losses on disposal of Assets		7,554	8,217	16,461	-	-	-	-	-	-	-
Other Losses		1,184	517	65	-	-	-	-	-	-	-
Total Expenditure		891,185	898,811	1,008,752	1,086,051	1,090,326	1,090,326	745,749	1,212,358	1,272,151	1,325,244
Surplus/(Deficit)		(60,286)	48,535	(78,023)	(83,286)	(81,008)	(81,008)	181,837	(134,874)	(132,070)	(158,949)

Table breakdown of the municipality's funding of the budget

NW375 Moses Kotane - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	73,778	69,500	64,555	64,555	64,555	78,356	80,353	84,290	88,252
Service charges		–	58,737	110,905	69,779	69,779	69,779	136,085	69,811	73,298	76,744
Other revenue		–	363,923	239,351	6,040	6,040	6,040	464,473	5,913	6,157	37,013
Transfers and Subsidies - Operational	1	–	766	7,743	538,131	538,131	538,131	163,055	581,763	620,091	621,835
Transfers and Subsidies - Capital	1	–	172,836	195,801	231,040	231,040	231,040	207,273	236,841	269,958	282,412
Interest		–	3,547	2,479	4,372	4,372	4,372	6,816	6,251	6,582	6,931
Dividends		–	–	3,187	–	–	–	–	–	–	–
Payments											
Suppliers and employees		–	(404,322)	(131,335)	(658,215)	(658,215)	(658,215)	91,117	(728,596)	(764,529)	(793,764)
Interest		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	269,264	497,631	255,702	255,702	255,702	1,147,175	252,337	295,849	319,423
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	387	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	(21,611)	(12,373)	(234,540)	(234,540)	(234,540)	(140,325)	(244,591)	(269,958)	(282,412)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	(21,611)	(12,373)	(234,540)	(234,540)	(234,540)	(139,938)	(244,591)	(269,958)	(282,412)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	(5,045)	(15,000)	(15,000)	(15,000)	(3,082)	(12,820)	(13,027)	(13,510)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	(5,045)	(15,000)	(15,000)	(15,000)	(3,082)	(12,820)	(13,027)	(13,510)
NET INCREASE/ (DECREASE) IN CASH HELD		–	247,653	480,212	6,162	6,162	6,162	1,004,156	(5,074)	12,864	23,501
Cash/cash equivalents at the year begin:	2	64,673	48,781	61,597	97,444	97,444	97,444	–	5,728	654	13,518
Cash/cash equivalents at the year end:	2	64,673	296,434	541,809	103,606	103,606	103,606	1,004,156	654	13,518	37,018

Figure 7 Breakdown of operating revenue over the 2023/24 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a collection rate as budgeted for for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

Table 29 tariff increases over the 2023/24 medium-term

2023/2024 Tariff Increase		
Revenue Source	2022/23	2023/2024
Property Rates	4,8%	5,3%
Water	4,8%	5,3%
Sanitation	4,8%	5,3%
Refuse	4,8%	5,3%

3. Total operating revenue projected for 2023/24 amounts to R1, 077, 484 billion, estimated to escalate by 5% to R1, 140, 080 in 2024/25. The outer year, 2025/26 revenue is estimated at R1, 166, 296 billion which is an increase of 4% from the preceding year.
4. Revenue anticipated from property rates amount to R154,525 million 2023/24 financial year, expected to increase R162,096 million by 2024/25 which represents 14% of the operating revenue base of the municipality. It further anticipated at average increase of 5% in the outer years.
5. Service charges relating to, water, sanitation and refuse removal constitutes 22% of the revenue basket of the municipality totalling R240 ,833 million for the 2023/24 financial year and increasing. Services charges are the main revenue component to the municipality's own revenue. Due to the reduction of water revenue, the service charges estimated an average increase of 3% from the 2022/23 adjustment budget.
6. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It must be noted that the anticipated grants from national government as tabled by the Minister of Finance, have increased by 6% in 2023/24, with average increase of 3% for the outer years. The equitable share remains the most important part of the municipality's revenue base, as it assists with poverty relief in the form of free basic service to the indigents. Amongst others, this include, equitable share, finance management grant, expanded public works programme, energy efficiency demand side management grant, MIG portion for PMU operations. Total operating grants accounts for 54% of the total revenue.

The tables below provide detail investment information and investment particulars by maturity.

Table 30 MBRR SA15 – Detail Investment Information

NW375 Moses Kotane - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits		44,765	(464,449)	(525,805)	58,805	58,805	58,805	85,989	96,126	133,107
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	44,765	(464,449)	(525,805)	58,805	58,805	58,805	85,989	96,126	133,107
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		44,765	(464,449)	(525,805)	58,805	58,805	58,805	85,989	96,126	133,107

Table 31 MBRR SA16 – Investment particulars by maturity

NW375 Moses Kotane - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
Municipality sub-total										#REF!		#REF!	#REF!	#REF!
Entities														
N/A														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									#REF!		#REF!	#REF!	#REF!

The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

Figure 8 Sources of capital revenue for the 2023/24 financial year

2023/2024 CAPITAL BUDGET			
Description (R'000)	2023/2024	2024/2025	2025/2026
MIG	171 841	179 943	188 387
WSIG	65 000	90 015	94 025
OWN FUNDING	7 750	-	-
TOTAL	244 591	269 958	282 412

The capital budget will be funded as the table above.

As explained earlier, the borrowing capacity of the municipality has essentially reached its limits and going forward borrowing limits will remain nominal if any.

The following table is a detailed analysis of the municipality's borrowing liability.

Table 33 MBRR Table SA 17 - Detail of borrowings

The following table illustrates the decrease in borrowing from 2023/24 to 2025/26 financial year.

NW375 Moses Kotane - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		-	-	-	-	-	-	33,895	20,868	7,358
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	33,895	20,868	7,358

Growth in outstanding borrowing (long term liabilities)

The above graph indicates that the municipality's borrowing will decline over the MTREF

Table 34 MBRR Table SA 18 - Capital transfers and grant receipts

NW375 Moses Kotane - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		433 799	549 333	484 853	538 131	542 514	542 514	581 763	620 091	621 835
Local Government Equitable Share		426 929	542 634	476 801	528 602	527 985	527 985	566 087	604 662	610 870
Energy Efficiency and Demand Side Management		-	-	-	-	5 000	5 000	4 000	5 000	-
Expanded Public Works Programme Integrated		1 559	1 905	1 699	1 652	1 652	1 652	1 629	-	-
Local Government Financial Management Grants		1 700	1 700	1 849	1 950	1 950	1 950	1 950	1 950	2 088
Municipal Disaster Relief Grant		268	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		3 343	3 094	4 504	5 927	5 927	5 927	8 097	8 479	8 877
Provincial Government:		-	568	440	-	2 170	2 170	-	-	-
Capacity Building and Other Grants		-	568	440	-	2 170	2 170	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		646	-	-	-	-	-	-	-	-
National Library South Africa		646	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	434 445	549 901	485 293	538 131	544 684	544 684	581 763	620 091	621 835
Capital Transfers and Grants										
National Government:		68 076	201 319	190 577	231 040	242 529	242 529	236 841	269 958	282 412
Energy Efficiency and Demand Side Management		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		27 965	129 610	146 774	166 040	175 126	175 126	171 841	179 943	188 387
Water Services Infrastructure Grant		40 110	71 709	43 802	65 000	67 403	67 403	65 000	90 015	94 025
Provincial Government:		-	12 284	9 613	-	-	-	-	-	-
Infrastructure Grant		-	12 284	9 613	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		96 552	-	983	-	-	-	-	-	-
Municipal Infrastructure Investment Unit		91 811	-	983	-	-	-	-	-	-
National Small Business Council		4 741	-	-	-	-	-	-	-	-
Registration of Deeds Trade Account		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	164 628	213 603	201 173	231 040	242 529	242 529	236 841	269 958	282 412
TOTAL RECEIPTS OF TRANSFERS & GRANTS		599 073	763 504	686 466	769 171	787 213	787 213	818 604	890 049	904 247

1.12.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 35 MBRR Table A7 - Budget cash flow statement

NW375 Moses Kotane - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	73,778	69,500	64,555	64,555	64,555	78,356	80,353	84,290	88,252
Service charges		-	58,737	110,905	69,779	69,779	69,779	136,085	69,811	73,298	76,744
Other revenue		-	363,923	239,351	6,040	6,040	6,040	464,473	5,913	6,157	37,013
Transfers and Subsidies - Operational	1	-	766	7,743	538,131	538,131	538,131	163,055	581,763	620,091	621,835
Transfers and Subsidies - Capital	1	-	172,836	195,801	231,040	231,040	231,040	207,273	236,841	269,958	282,412
Interest		-	3,547	2,479	4,372	4,372	4,372	6,816	6,251	6,582	6,931
Dividends		-	-	3,187	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	(404,322)	(131,335)	(658,215)	(658,215)	(658,215)	91,117	(728,596)	(764,529)	(793,764)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	269,264	497,631	255,702	255,702	255,702	1,147,175	252,337	295,849	319,423
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	387	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	(21,611)	(12,373)	(234,540)	(234,540)	(234,540)	(140,325)	(244,591)	(269,958)	(282,412)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(21,611)	(12,373)	(234,540)	(234,540)	(234,540)	(139,938)	(244,591)	(269,958)	(282,412)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	(5,045)	(15,000)	(15,000)	(15,000)	(3,082)	(12,820)	(13,027)	(13,510)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	(5,045)	(15,000)	(15,000)	(15,000)	(3,082)	(12,820)	(13,027)	(13,510)
NET INCREASE/ (DECREASE) IN CASH HELD		-	247,653	480,212	6,162	6,162	6,162	1,004,156	(5,074)	12,864	23,501
Cash/cash equivalents at the year begin:	2	64,673	48,781	61,597	97,444	97,444	97,444	-	5,728	654	13,518
Cash/cash equivalents at the year end:	2	64,673	296,434	541,809	103,606	103,606	103,606	1,004,156	654	13,518	37,018

the above table shows that the cash and cash equivalents of the municipality were largely depleted but will increase with the strict revenue collection that will be implement as from 1 July 2023.

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality’s budget must be ‘funded’. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 36 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

NW375 Moses Kotane - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	64,673	296,434	541,809	103,606	103,606	103,606	1,004,156	654	13,518	37,018
Other current investments > 90 days		(15,893)	(110,898)	(504,929)	(519,229)	(519,229)	(519,229)	(889,865)	62,386	15,193	(4,691)
Non current investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		48,781	185,535	36,880	(415,623)	(415,623)	(415,623)	114,291	63,040	28,711	32,327
Application of cash and investments											
Unspent conditional transfers		42,148	27,327	12,544	153,611	153,611	153,611	105,972	-	-	-
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	215,216	325,551	170,308	41,379	41,379	41,379	(63,593)	160,026	163,871	(81,675)
Other provisions	4										
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		257,364	352,878	182,852	194,990	194,990	194,990	42,379	160,026	163,871	(81,675)
Surplus(shortfall)		(208,584)	(167,343)	(145,971)	(610,613)	(610,613)	(610,613)	71,912	(96,986)	(135,160)	114,002

The above table is the accumulated surplus reconciliation. This will be corrected during the final budget.

Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 37 MBRR SA10 – Funding compliance measurement

NW375 Moses Kotane Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	64,673	296,434	541,809	103,606	103,606	103,606	1,004,156	654	13,518	37,018
Cash + investments at the yr end less applications - R'000	18(1)b	2	(208,584)	(167,343)	(145,971)	(610,613)	(610,613)	(610,613)	71,912	(96,986)	(135,160)	114,002
Cash year end/monthly employee/supplier payments	18(1)b	3	1.7	7.2	13.6	2.4	2.4	2.4	26.5	0.0	0.2	0.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	104,342	262,138	123,150	147,754	161,521	161,521	303,937	101,967	137,888	123,463
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(5.7%)	2.6%	(0.0%)	(6.0%)	(6.0%)	(28.1%)	1.6%	(1.1%)	(1.3%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	47.1%	40.9%	13.8%	13.8%	13.8%	79.1%	13.0%	13.0%	15.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7		(0.1%)	0.0%	0.0%	0.0%	0.0%	0.0%	83.1%	83.2%	83.2%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.4%	101.0%	0.0%
Current consumer debtors % change - incr/(decr)	18(1)a	11	N.A.	71.6%	(46.6%)	135.2%	0.0%	0.0%	118.6%	(46.8%)	9.7%	9.7%
Long term receivables % change - incr/(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.6%	1.8%	1.5%	1.6%	1.7%	1.7%	1.9%	1.8%	1.6%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	40.7%	28.3%	(0.0%)	8.1%	11.1%	11.1%	0.0%	9.3%	17.2%	16.0%

1.12.2.1

Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

1.12.2.2

Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 19, on page 47. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

1.12.2.3

Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. As indicated above the municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

1.12.2.4

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2023/24 MTREF the indicative outcome is a relative small surplus and turns negative when depreciation is set of against revenue.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

1.12.2.5

Cash receipts as a percentage of ratepayer and other revenue

Given that the assumed collection rate was based on a 60 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also

taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly?

1.12.2.6

Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 37,5 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

1.12.2.7

Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100% payment of capital expenditure is provided for.

1.12.2.8

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 0 per cent of own funded capital for the 2019/2020 financial year and stays at zero in the two outer years. Further details relating to the borrowing strategy of the municipality can be found on 66.

1.12.2.9

Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for as per the Division of Revenue Act (DoRA). The municipality has budgeted for all transfers.

1.12.2.10

Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance is contained in Table 60 MBRR SA34C on page 90.

1.12.2.11

Asset renewal/rehabilitation
expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 52 MBRR SA34b on page 110.

1.13 Expenditure on grants and reconciliations of unspent funds

Table 38 MBRR SA19 - Expenditure on transfers and grant programmes

NW375 Moses Kotane - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		109,411	108,563	116,859	4,033	9,002	9,002	581,763	620,091	621,835
Local Government Equitable Share		106,262	104,945	113,420	500	500	500	566,087	604,662	610,870
Energy Efficiency and Demand Side Management Grant		-	-	-	-	5,000	5,000	4,000	5,000	-
Expanded Public Works Programme Integrated Grant		595	1,905	1,699	1,583	1,552	1,552	1,629	-	-
Local Government Financial Management Grant		2,291	1,713	1,740	1,950	1,950	1,950	1,950	1,950	2,088
Municipal Disaster Relief Grant		263	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	8,097	8,479	8,877
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
North West Provincial Arts and Culture Council		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		109,411	108,563	116,859	4,033	9,002	9,002	581,763	620,091	621,835
Capital expenditure of Transfers and Grants										
National Government:		22,738	47,031	9,259	231,040	242,607	242,607	236,841	269,958	282,412
Municipal Infrastructure Grant		22,738	34,096	8,625	164,540	175,204	175,204	171,841	179,943	188,387
Water Services Infrastructure Grant		-	12,934	633	66,500	67,403	67,403	65,000	90,015	94,025
Provincial Government:		-	(0)	2,927	-	-	-	-	-	-
Infrastructure Grant		-	(0)	2,927	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Investment Unit		-	-	-	-	-	-	-	-	-
National Small Business Council		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		22,738	47,031	12,186	231,040	242,607	242,607	236,841	269,958	282,412
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		132,149	155,593	129,045	235,073	251,609	251,609	818,604	890,049	904,247

Table 39 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

NW375 Moses Kotane - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Operating transfers and grants:	1,3									
National Government:		(816)	(1,014)	(1,440)	-	-	-	-	-	-
Balance unspent at beginning of the year		0	347	347	-	-	-	-	-	-
Current year receipts		(1,968)	(1,700)	(6,877)	(9,529)	(9,529)	(9,529)	(15,676)	(15,429)	(10,965)
Conditions met - transferred to revenue		1,968	1,700	1,849	9,529	9,529	9,529	15,676	15,429	10,965
Conditions still to be met - transferred to liabilities		(347)	347	(4,681)	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		1,968	1,700	1,849	9,529	9,529	9,529	15,676	15,429	10,965
Total operating transfers and grants - CTBM	2	(347)	347	(4,681)	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:		(60,262)	(30,488)	(26,660)	(153,611)	(153,611)	(153,611)	-	-	-
Balance unspent at beginning of the year		(204,692)	(189,850)	(187,544)	(231,040)	(231,040)	(231,040)	(236,841)	(269,958)	(282,412)
Current year receipts		163,229	193,438	195,081	231,040	231,040	231,040	236,841	269,958	282,412
Conditions met - transferred to revenue		163,229	193,438	195,081	231,040	231,040	231,040	236,841	269,958	282,412
Conditions still to be met - transferred to liabilities		(161,987)	(27,140)	(31,823)	(153,611)	(153,611)	(153,611)	-	-	-
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		-	(216)	-	-	-	-	-	-	-
Current year receipts		(4,957)	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		4,741	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		(216)	(433)	-	-	-	-	-	-	-
Total capital transfers and grants revenue		167,970	193,438	195,081	231,040	231,040	231,040	236,841	269,958	282,412
Total capital transfers and grants - CTBM	2	(162,203)	(27,573)	(31,823)	(153,611)	(153,611)	(153,611)	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		169,938	195,138	196,930	240,569	240,569	240,569	252,517	285,387	293,377
TOTAL TRANSFERS AND GRANTS - CTBM		(162,551)	(27,225)	(36,504)	(153,611)	(153,611)	(153,611)	-	-	-

1.14 Councillor and employee benefits

Table 40 MBRR SA22 - Summary of councillor and staff benefits

NW375 Moses Kotane - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		15,988	17,092	19,801	19,207	19,207	19,207	23,211	24,349	25,493
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2,946	2,940	3,029	3,171	3,171	3,171	3,174	3,329	3,486
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		5,194	4,995	2,514	4,545	4,545	4,545	1,211	1,271	1,331
Sub Total - Councillors		24,128	25,027	25,344	26,922	26,922	26,922	27,597	28,949	30,309
% increase	4		3.7%	1.3%	6.2%	-	-	2.5%	4.9%	4.7%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		2,473	4,946	5,365	8,992	8,992	8,992	9,559	10,028	10,499
Pension and UIF Contributions		319	324	187	650	650	650	683	717	750
Medical Aid Contributions		99	83	47	108	108	108	114	119	125
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		184	220	197	349	349	349	367	385	403
Motor Vehicle Allowance	3	979	1,059	979	1,159	1,159	1,159	1,225	1,285	1,346
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	0	0	0	1	1	1	1	1	1
Payments in lieu of leave	3	-	-	-	-	-	-	-	-	-
Long service awards	3	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4,054	6,632	6,775	11,258	11,258	11,258	11,949	12,535	13,124
% increase	4		63.6%	2.2%	66.2%	-	-	6.1%	4.9%	4.7%
Other Municipal Staff										
Basic Salaries and Wages		161,087	165,165	176,222	189,010	189,764	189,764	202,516	210,880	219,557
Pension and UIF Contributions		30,168	32,912	35,018	37,079	37,083	37,083	40,740	42,724	44,720
Medical Aid Contributions		11,960	13,326	14,332	15,514	15,514	15,514	16,572	17,384	18,202
Overtime		8,008	11,150	13,765	4,322	4,322	4,322	5,856	5,842	5,881
Performance Bonus		9,708	20,926	14,350	13,478	13,478	13,478	14,192	14,888	15,587
Motor Vehicle Allowance	3	640	520	420	504	504	504	669	701	734
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	478	537	553	575	575	575	629	660	691
Other benefits and allowances	3	2,119	2,460	2,905	3,511	3,511	3,511	3,558	3,731	3,905
Payments in lieu of leave	3	6,080	-	2,385	-	-	-	-	-	-
Long service awards	3	2,623	3,026	3,341	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	192	201	211
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		232,871	250,021	263,291	263,993	264,751	264,751	284,731	296,810	309,278
% increase	4		7.4%	5.3%	0.3%	0.3%	-	7.5%	4.2%	4.2%
Total Parent Municipality		261,053	281,680	295,409	302,173	302,932	302,932	324,277	338,294	352,712
TOTAL SALARY, ALLOWANCES & BENEFITS		261,053	281,680	295,409	302,173	302,932	302,932	324,277	338,294	352,712
% increase	4		7.9%	4.9%	2.3%	0.3%	-	7.0%	4.3%	4.3%
TOTAL MANAGERS AND STAFF	5,7	236,925	256,653	270,066	275,251	276,009	276,009	296,681	309,345	322,402

Table 41 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

NW375 Moses Kotane - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
<u>Councillors</u>							
Speaker	3	690,717	-	652,661			1,343,378
Chief Whip	4	614,893	-	-			614,893
Executive Mayor		821,042	-	-			821,042
Deputy Executive Mayor		-	-	-			-
Executive Committee		5,762,295	-	-			5,762,295
Total for all other councillors		15,322,208	-	3,732,771			19,054,979
Total Councillors	8	-	-	4,385,432			27,596,587
<u>Senior Managers of the Municipality</u>							
Municipal Manager (MM)	5	1,361,178	305,327	234,527	112,053		2,013,085
Chief Finance Officer		1,244,302	278,284	227,585	97,150		1,847,321
SM		-	-	-	-		-
SM AO		863,391	-	163,239	-		1,026,630
SM D05		510,844	839	94,821	31,590		638,094
SM DCH		1,052,269	208,356	189,677	63,180		1,513,482
SM DCS		1,572,035	2,033	63,317	-		1,637,385
SM DPS		1,315,071	2,033	252,857	63,180		1,633,141
SM DTS		1,640,297	-	-	-		1,640,297
<i>List of each official with packages >= senior manager</i>							
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
Total Senior Managers of the Municipality	8,10	-	796,872	1,226,023	367,153		11,949,435
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	796,872	5,611,455	367,153		39,546,022

Table 42 MBRR SA24 – Summary of personnel numbers

NW375 Moses Kotane - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		68	–	68	68	–	68	68	–	68
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	7	–	6	7	–	6	7	–	6
Other Managers	7	30	6	9	28	27	1	28	27	1
Professionals		–	–	–	–	–	–	–	–	–
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Technicians		148	40	–	136	144	–	145	–	–
<i>Finance</i>		148	40	–	136	144	–	145	–	–
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Clerks (Clerical and administrative)		173	95	–	213	204	9	213	204	9
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations		39	49	–	42	42	–	42	42	–
TOTAL PERSONNEL NUMBERS	9	465	190	83	494	417	84	503	273	84
% increase					6.2%	119.5%	1.2%	1.8%	(34.5%)	–
Total municipal employees headcount	6, 10	539	243	83	625	548	84	634	404	84
Finance personnel headcount	8, 10	74	53	–	131	131	–	131	131	–
Human Resources personnel headcount	8, 10									

1.15 Monthly targets for revenue, expenditure and cash flow

Table 43 MBRR SA25 - Budgeted monthly revenue and expenditure

NW375 Moses Kotane - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
Revenue																	
Exchange Revenue																	
Service charges - Electricity		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	-	-	-	
Service charges - Water		18,543	18,543	18,543	18,543	18,543	18,543	18,543	18,543	18,543	18,543	18,543	18,543	222,520	233,424	244,394	
Service charges - Waste Water Management		503	503	503	503	503	503	503	503	503	503	503	503	6,036	6,332	6,630	
Service charges - Waste Management		1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	12,277	12,878	13,483	
Sale of Goods and Rendering of Services		43	43	43	43	43	43	43	43	43	43	43	43	520	545	571	
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest earned from Receivables		5,053	5,053	5,053	5,053	5,053	5,053	5,053	5,053	5,053	5,053	5,053	5,053	60,636	63,607	66,597	
Interest earned from Current and Non Current Assets		521	521	521	521	521	521	521	521	521	521	521	521	6,251	6,582	6,931	
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental from Fixed Assets		16	16	16	16	16	16	16	16	16	16	16	16	188	197	206	
Licence and permits		167	167	167	167	167	167	167	167	167	167	167	167	2,000	2,090	2,184	
Operational Revenue		100	100	100	100	100	100	100	100	100	100	100	100	1,205	1,235	1,294	
Non-Exchange Revenue																	
Property rates		12,877	12,877	12,877	12,877	12,877	12,877	12,877	12,877	12,877	12,877	12,877	12,877	154,525	162,096	169,714	
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		167	167	167	167	167	167	167	167	167	167	167	167	2,000	2,090	2,184	
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer and subsidies - Operational		48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	581,763	620,091	621,835	
Interest		2,297	2,297	2,297	2,297	2,297	2,297	2,297	2,297	2,297	2,297	2,297	2,297	27,562	28,913	30,272	
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and cont)		89,790	89,790	89,790	89,790	89,790	89,790	89,790	89,790	89,790	89,790	89,790	89,791	1,077,484	1,140,080	1,166,296	
Expenditure																	
Employee related costs		24,740	24,740	24,740	24,740	24,740	24,740	24,740	24,740	24,740	24,740	24,740	24,737	296,872	309,546	322,613	
Remuneration of councillors		2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	27,597	28,949	30,399	
Bulk purchases - electricity		2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000	26,225	27,458	
Inventory consumed		12,513	12,513	12,513	12,513	12,513	12,513	12,513	12,513	12,513	12,513	12,513	12,513	150,155	157,512	164,915	
Debt impairment		27,393	27,393	27,393	27,393	27,393	27,393	27,393	27,393	27,393	27,393	27,393	27,393	328,721	344,984	361,198	
Depreciation and amortisation		12,920	12,920	12,920	12,920	12,920	12,920	12,920	12,920	12,920	12,920	12,920	12,920	155,041	162,638	170,282	
Interest		467	467	467	467	467	467	467	467	467	467	467	467	5,600	5,874	6,150	
Contracted services		11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	11,674	140,090	147,496	149,144	
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational costs		6,940	6,940	6,940	6,940	6,940	6,940	6,940	6,940	6,940	6,940	6,940	6,940	83,281	88,926	93,175	
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		101,030	101,030	101,030	101,030	101,030	101,030	101,030	101,030	101,030	101,030	101,030	101,027	1,212,358	1,272,151	1,325,244	
Surplus/(Deficit)		(11,240)	(11,240)	(11,240)	(11,240)	(11,240)	(11,240)	(11,240)	(11,240)	(11,240)	(11,240)	(11,240)	(11,237)	(134,874)	(132,070)	(158,949)	
Transfers and subsidies - capital (monetary allocations)		19,737	19,737	19,737	19,737	19,737	19,737	19,737	19,737	19,737	19,737	19,737	19,737	236,841	269,958	282,412	
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,500	101,967	137,888	123,463	
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after income tax		8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,500	101,967	137,888	123,463	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality		8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,500	101,967	137,888	123,463	
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	1	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,497	8,500	101,967	137,888	123,463	

Table 44 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

NW375 Moses Kotane - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
Revenue by Vote																	
Vote 01 - Municipal Council		1 904	1 904	1 904	1 904	1 904	1 904	1 904	1 904	1 904	1 904	1 904	1 904	22 852	22 669	22 901	
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 03 - Budget And Treasury Office		45 370	45 370	45 370	45 370	45 370	45 370	45 370	45 370	45 370	45 370	45 370	45 370	544 438	576 637	592 388	
Vote 04 - Corporate Services		50	50	50	50	50	50	50	50	50	50	50	50	600	600	600	
Vote 05 - Community Services		9 150	9 150	9 150	9 150	9 150	9 150	9 150	9 150	9 150	9 150	9 150	9 150	109 800	130 392	137 018	
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 07 - Infrastructure & Technical Services		53 053	53 053	53 053	53 053	53 053	53 053	53 053	53 053	53 053	53 053	53 053	53 053	636 636	679 741	695 800	
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue by Vote		109 527	109 527	109 527	109 527	109 527	109 527	109 527	109 527	109 527	109 527	109 527	109 527	1 314 325	1 410 038	1 448 708	
Expenditure by Vote to be appropriated																	
Vote 01 - Municipal Council		7 287	7 287	7 287	7 287	7 287	7 287	7 287	7 287	7 287	7 287	7 287	7 287	87 446	90 019	94 317	
Vote 02 - Office Of The Accounting Officer		1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 968	1 967	23 610	24 767	25 931	
Vote 03 - Budget And Treasury Office		13 228	13 228	13 228	13 228	13 228	13 228	13 228	13 228	13 228	13 228	13 228	13 227	158 731	166 403	174 260	
Vote 04 - Corporate Services		7 220	7 220	7 220	7 220	7 220	7 220	7 220	7 220	7 220	7 220	7 220	7 220	86 645	90 732	93 617	
Vote 05 - Community Services		16 308	16 308	16 308	16 308	16 308	16 308	16 308	16 308	16 308	16 308	16 308	16 308	195 701	206 938	216 488	
Vote 06 - Planning & Development		2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	26 906	28 119	29 551	
Vote 07 - Infrastructure & Technical Services		52 777	52 777	52 777	52 777	52 777	52 777	52 777	52 777	52 777	52 777	52 777	52 776	633 320	665 172	691 079	
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure by Vote		101 030	101 030	101 030	101 030	101 030	101 030	101 030	101 030	101 030	101 030	101 030	101 027	1 212 358	1 272 151	1 325 244	
Surplus/(Deficit) before assoc.		8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 500	101 967	137 888	123 463	
Income Tax														-	-	-	
Share of Surplus/Deficit attributable to Minorities														-	-	-	
Intercountry/Parent subsidiary transactions														-	-	-	
Surplus/(Deficit)	1	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 500	101 967	137 888	123 463	

Table 45 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

NW375 Moses Kotane - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional																
Governance and administration		47 324	47 324	47 324	47 324	47 324	47 324	47 324	47 324	47 324	47 324	47 324	47 324	567 889	599 905	615 890
Executive and council		1 904	1 904	1 904	1 904	1 904	1 904	1 904	1 904	1 904	1 904	1 904	1 904	22 852	22 669	22 901
Finance and administration		45 420	45 420	45 420	45 420	45 420	45 420	45 420	45 420	45 420	45 420	45 420	45 420	545 038	577 237	592 988
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		333	333	333	333	333	333	333	333	333	333	333	333	4 000	15 565	4 368
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	11 385	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		333	333	333	333	333	333	333	333	333	333	333	333	4 000	4 180	4 368
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		5 744	5 744	5 744	5 744	5 744	5 744	5 744	5 744	5 744	5 744	5 744	5 744	68 923	59 003	115 377
Planning and development		675	675	675	675	675	675	675	675	675	675	675	675	8 097	8 479	8 877
Road transport		5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	60 826	50 524	106 500
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		56 126	56 126	56 126	56 126	56 126	56 126	56 126	56 126	56 126	56 126	56 126	56 126	673 513	735 565	713 073
Energy sources		667	667	667	667	667	667	667	667	667	667	667	667	8 000	10 000	6 000
Water management		35 730	35 730	35 730	35 730	35 730	35 730	35 730	35 730	35 730	35 730	35 730	35 730	428 759	474 302	490 832
Waste water management		10 913	10 913	10 913	10 913	10 913	10 913	10 913	10 913	10 913	10 913	10 913	10 913	130 953	136 436	83 591
Waste management		8 817	8 817	8 817	8 817	8 817	8 817	8 817	8 817	8 817	8 817	8 817	8 817	105 800	114 827	132 650
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		109 527	109 527	109 527	109 527	109 527	109 527	109 527	109 527	109 527	109 527	109 527	109 527	1 314 325	1 410 038	1 448 708
Expenditure - Functional																
Governance and administration		31 286	31 286	31 286	31 286	31 286	31 286	31 286	31 286	31 286	31 286	31 286	31 286	375 428	391 838	408 969
Executive and council		8 449	8 449	8 449	8 449	8 449	8 449	8 449	8 449	8 449	8 449	8 449	8 449	101 393	104 649	109 635
Finance and administration		22 436	22 436	22 436	22 436	22 436	22 436	22 436	22 436	22 436	22 436	22 436	22 436	269 233	282 152	294 060
Internal audit		400	400	400	400	400	400	400	400	400	400	400	400	4 802	5 037	5 274
Community and public safety		10 092	10 092	10 092	10 092	10 092	10 092	10 092	10 092	10 092	10 092	10 092	10 092	121 102	128 706	134 595
Community and social services		2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	33 814	35 408	37 061
Sport and recreation		4 330	4 330	4 330	4 330	4 330	4 330	4 330	4 330	4 330	4 330	4 330	4 330	51 959	54 471	56 999
Public safety		2 944	2 944	2 944	2 944	2 944	2 944	2 944	2 944	2 944	2 944	2 944	2 944	35 329	38 827	40 536
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		7 424	7 424	7 424	7 424	7 424	7 424	7 424	7 424	7 424	7 424	7 424	7 424	89 084	93 315	97 796
Planning and development		2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	29 621	30 952	32 516
Road transport		4 955	4 955	4 955	4 955	4 955	4 955	4 955	4 955	4 955	4 955	4 955	4 955	59 463	62 362	65 279
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		51 966	51 966	51 966	51 966	51 966	51 966	51 966	51 966	51 966	51 966	51 966	51 966	623 594	654 988	680 425
Energy sources		3 209	3 209	3 209	3 209	3 209	3 209	3 209	3 209	3 209	3 209	3 209	3 209	38 507	41 184	37 871
Water management		41 083	41 083	41 083	41 083	41 083	41 083	41 083	41 083	41 083	41 083	41 083	41 083	492 993	517 231	541 470
Waste water management		2 496	2 496	2 496	2 496	2 496	2 496	2 496	2 496	2 496	2 496	2 496	2 496	29 949	31 395	32 849
Waste management		5 179	5 179	5 179	5 179	5 179	5 179	5 179	5 179	5 179	5 179	5 179	5 179	62 144	65 178	68 235
Other		262	262	262	262	262	262	262	262	262	262	262	262	3 150	3 304	3 459
Total Expenditure - Functional		101 030	101 030	101 030	101 030	101 030	101 030	101 030	101 030	101 030	101 030	101 030	101 030	1 212 358	1 272 151	1 325 244
Surplus/(Deficit) before assoc.		8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 500	101 967	137 888	123 463
Intercountry/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 497	8 500	101 967	137 888	123 463

References

Table 46 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

NW375 Moses Kotane - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Multi-year expenditure to be appropriated	1															
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		250	250	250	250	250	250	250	250	250	250	250	250	3 000	-	-
Vote 04 - Corporate Services		250	250	250	250	250	250	250	250	250	250	250	250	3 000	-	-
Vote 05 - Community Services		668	668	668	668	668	668	668	668	668	668	668	668	8 011	20 125	40 000
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		19 215	19 215	19 215	19 215	19 215	19 215	19 215	19 215	19 215	19 215	19 215	19 215	230 580	249 833	242 412
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 382	244 591	269 958	282 412
Single-year expenditure to be appropriated																
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	2	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 382	244 591	269 958	282 412

Table 47 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

NW375 Moses Kotane - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional	1															
Governance and administration		500	500	500	500	500	500	500	500	500	500	500	500	6 000	-	-
Executive and council														-	-	-
Finance and administration		500	500	500	500	500	500	500	500	500	500	500	500	6 000	-	-
Internal audit														-	-	-
Community and public safety		146	146	146	146	146	146	146	146	146	146	146	146	1 750	11 385	19 115
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	11 385	19 115
Sport and recreation		63	63	63	63	63	63	63	63	63	63	63	62	750	-	-
Public safety		83	83	83	83	83	83	83	83	83	83	83	83	1 000	-	-
Housing														-	-	-
Health														-	-	-
Economic and environmental services		5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	60 826	50 524	101 500
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	60 826	50 524	101 500
Environmental protection														-	-	-
Trading services		14 668	14 668	14 668	14 668	14 668	14 668	14 668	14 668	14 668	14 668	14 668	14 668	176 015	208 049	161 797
Energy sources		333	333	333	333	333	333	333	333	333	333	333	333	4 000	5 000	6 000
Water management		12 980	12 980	12 980	12 980	12 980	12 980	12 980	12 980	12 980	12 980	12 980	12 979	155 754	186 902	86 912
Waste water management		833	833	833	833	833	833	833	833	833	833	833	833	10 000	7 407	48 000
Waste management		522	522	522	522	522	522	522	522	522	522	522	522	6 261	8 739	20 885
Other														-	-	-
Total Capital Expenditure - Functional	2	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 382	244 591	269 958	282 412
Funded by:																
National Government		19 737	19 737	19 737	19 737	19 737	19 737	19 737	19 737	19 737	19 737	19 737	19 737	236 841	269 958	282 412
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality														-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		19 737	19 737	19 737	19 737	19 737	19 737	19 737	19 737	19 737	19 737	19 737	19 737	236 841	269 958	282 412
Borrowing														-	-	-
Internally generated funds		646	646	646	646	646	646	646	646	646	646	646	646	7 750	-	-
Total Capital Funding		20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 383	20 382	244 591	269 958	282 412

Table 48 MBRR SA30 - Budgeted monthly cash flow

NW375 Moses Kotane - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Cash Receipts By Source															
Property rates	6,696	6,696	6,696	6,696	6,696	6,696	6,696	6,696	6,696	6,696	6,696	6,696	80,353	84,290	88,252
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	66,693	70,027	73,318
Service charges - sanitation revenue	151	151	151	151	151	151	151	151	151	151	151	151	1,811	1,900	1,989
Service charges - refuse revenue	109	109	109	109	109	109	109	109	109	109	109	109	1,308	1,372	1,436
Rental of facilities and equipment	16	16	16	16	16	16	16	16	16	16	16	16	188	197	206
Interest earned - external investments	521	521	521	521	521	521	521	521	521	521	521	521	6,251	6,582	6,931
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	167	167	167	167	167	167	167	167	167	167	167	167	2,000	2,000	2,094
Licences and permits	167	167	167	167	167	167	167	167	167	167	167	167	2,000	2,090	2,184
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	581,763	620,091	621,835
Other revenue	144	144	144	144	144	144	144	144	144	144	144	144	1,725	1,870	32,529
Cash Receipts by Source	62,008	62,008	62,008	62,008	62,008	62,008	62,008	62,008	62,008	62,008	62,008	62,008	744,092	790,419	830,775
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	19,737	19,737	19,737	19,737	19,737	19,737	19,737	19,737	19,737	19,737	19,737	19,737	236,841	269,958	282,412
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	81,744	81,744	81,744	81,744	81,744	81,744	81,744	81,744	81,744	81,744	81,744	81,745	980,933	1,060,377	1,113,187
Cash Payments by Type															
Employee related costs	24,740	24,740	24,740	24,740	24,740	24,740	24,740	24,740	24,740	24,740	24,740	24,738	296,872	309,546	322,613
Remuneration of councillors	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	27,597	28,949	30,309
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000	26,225	27,458
Acquisitions - water & other inventory	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	130,000	136,370	142,779
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	20,761	20,761	20,761	20,761	20,761	20,761	20,761	20,761	20,761	20,761	20,761	20,760	249,127	263,439	270,605
Cash Payments by Type	60,716	60,716	60,716	60,716	60,716	60,716	60,716	60,716	60,716	60,716	60,716	60,714	728,596	764,529	793,764
Other Cash Flows/Payments by Type															
Capital assets	20,383	20,383	20,383	20,383	20,383	20,383	20,383	20,383	20,383	20,383	20,383	20,382	244,591	269,958	282,412
Repayment of borrowing	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	12,820	13,027	13,510
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	82,167	82,167	82,167	82,167	82,167	82,167	82,167	82,167	82,167	82,167	82,167	82,165	986,006	1,047,514	1,089,686
NET INCREASE/(DECREASE) IN CASH HELD	(423)	(423)	(423)	(423)	(423)	(423)	(423)	(423)	(423)	(423)	(423)	(420)	(5,074)	12,864	23,501
Cash/cash equivalents at the month/year begin:	5,728	5,305	4,882	4,459	4,036	3,613	3,190	2,766	2,343	1,920	1,497	1,074	5,728	654	13,518
Cash/cash equivalents at the month/year end:	5,305	4,882	4,459	4,036	3,613	3,190	2,766	2,343	1,920	1,497	1,074	654	654	13,518	37,018

2.9 Annual budgets and SDBIPs – internal

1.15.1 Water Services Department – Vote 7

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

Table 49 Water Services Department - operating revenue by source, expenditure by type and total capital expenditure

NW375 Moses Kotane - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	164 373	160 572	199 384	225 928	225 928	225 928	145 277	222 520	233 424	244 394
Service charges - Waste Water Management	2	2 665	2 921	5 259	5 733	5 733	5 733	3 114	6 036	6 332	6 630
Service charges - Waste Management	2	10 004	10 823	11 376	11 558	11 558	11 558	9 918	12 277	12 878	13 483
Sale of Goods and Rendering of Services		690	849	817	987	987	987	533	520	545	571
Agency services											
Interest											
Interest earned from Receivables		41 156	45 929	58 096	58 182	58 182	58 182	58 891	60 636	63 607	66 597
Interest earned from Current and Non Current Assets		5 587	4 171	2 479	5 438	5 438	5 438	6 816	6 251	6 582	6 931
Dividends		-	-	3 187	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets		84	74	234	127	127	127	144	188	197	206
Licence and permits		13	-	2 430	2 000	2 000	2 000	120	2 000	2 090	2 184
Operational Revenue		1 639	384	769	1 127	1 127	1 127	1 586	1 205	1 235	1 294
Non-Exchange Revenue											
Property rates	2	141 420	144 972	130 570	124 143	124 143	124 143	100 118	154 525	162 096	169 714
Surcharges and Taxes											
Fines, penalties and forfeits		5 600	1 209	1 308	2 000	2 000	2 000	-	2 000	2 090	2 184
Licences or permits											
Transfer and subsidies - Operational		434 445	549 901	485 293	538 131	544 684	544 684	534 948	581 763	620 091	621 835
Interest		21 242	21 641	26 839	27 413	27 413	27 413	26 737	27 562	28 913	30 272
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		850	3 838	2 611	-	-	-	-	-	-	-
Other Gains		1 131	62	77	-	-	-	0	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contribution)		830 899	947 347	930 729	1 002 765	1 009 317	1 009 317	888 203	1 077 484	1 140 080	1 166 296

There are currently several unfilled positions in the structure of the Water Services Unit. The top management structure consists of the Head of Department Infrastructure and Technical Services and five Heads of Units. As part of the performance objectives for the 2023/24 financial year, certain crucial positions will be filled.

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained.

The departmental revenue base is primarily informed by the sale of water of which budget appropriation for the 2023/24 financial year is R222.5 million and increases to R233.4 million by 2024/25 and has been informed by a collection rate of 15 per cent.

The reduction of distribution losses is considered a priority and hence the departmental objectives and targets provide for a 5 per cent efficiency gain per for the first year and two per cent for the outer years. About 60 percent of the consumers are indigent household at RDP level. The water schemes transferred from the Department of Water affairs are aging and water losses as well as water unaccounted for is a serious problem. This will receive attention in future financial years.

Table 50 2.11 Contracts having future budgetary implications

2.12 Capital expenditure details

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 51 MBRR SA 34a - Capital expenditure on new assets by asset class

NW375 Moses Kotane - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		11,561	17,414	6,775	144,807	170,081	170,081	172,460	173,921	136,695
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	5,829	5,829	14,738	-	-
Drainage Collection		-	-	-	-	5,829	5,829	14,738	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	(0)	12,919	17,676	17,676	4,000	5,000	6,000
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	(0)	12,919	17,676	17,676	4,000	5,000	6,000
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		13,781	12,934	10,426	104,581	125,619	125,619	137,461	152,774	61,810
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	500	500	500	1,000	1,049	1,098
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	1,500	4,780	4,780	17,000	23,058	-
Bulk Mains		-	-	0	10,040	19,083	19,083	14,702	18,000	24,025
Distribution		13,781	12,934	10,426	91,342	101,257	101,257	102,560	103,468	36,686
Distribution Points		-	-	-	1,200	-	-	2,200	7,200	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	(0)	0	24,230	20,958	20,958	10,000	7,407	48,000
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	2,000	48,000
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	(0)	0	24,230	20,958	20,958	10,000	5,407	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		(2,220)	4,480	(3,650)	3,077	-	-	6,261	8,739	20,885
Landfill Sites		(2,220)	4,480	(3,650)	3,077	-	-	6,261	8,739	20,885
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		172	-	188	1,500	1,500	1,500	2,500	2,623	2,746
Furniture and Office Equipment		172	-	188	1,500	1,500	1,500	2,500	2,623	2,746
Machinery and Equipment		-	54	-	-	-	-	750	787	824
Machinery and Equipment		-	54	-	-	-	-	750	787	824
Total Capital Expenditure on new assets	1	11,734	17,468	6,963	146,307	171,581	171,581	175,710	177,330	140,264

Table 52 MBRR SA 34b - Capital expenditure on existing assets by asset class

NW375 Moses Kotane - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		9,315	-	-	5,087	4,376	4,376	19,293	35,177	26,201
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		9,315	-	-	5,087	4,376	4,376	19,293	35,177	26,201
Dams and Weirs										
Boreholes		9,315	-	-	5,087	4,376	4,376	19,293	35,177	26,201
Reservoirs										
Community Assets		-	-	(0)	13,310	20,695	20,695	1,000	12,434	20,213
Community Facilities		-	-	(0)	13,310	20,695	20,695	1,000	12,434	20,213
Halls		-	-	(0)	12,310	19,695	19,695	-	2,400	17,100
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations		-	-	-	1,000	1,000	1,000	1,000	1,049	1,098
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria		-	-	-	-	-	-	-	8,985	2,015
Intangible Assets		-	-	-	500	2,500	2,500	2,500	2,623	2,746
Servitudes										
Licences and Rights		-	-	-	500	2,500	2,500	2,500	2,623	2,746
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		-	-	-	500	2,500	2,500	2,500	2,623	2,746
Load Settlement Software Applications										
Unspecified										
Computer Equipment		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing asset	1	9,315	13,347	(0)	18,897	27,571	27,571	22,793	50,234	49,160

Table 53 MBRR SA 34e - Capital expenditure on existing assets by asset class

NW375 Moses Kotane - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		1,862	16,270	5,410	66,600	47,604	47,604	46,088	50,524	101,500
Roads Infrastructure		1,862	16,270	5,410	56,600	47,604	47,604	46,088	50,524	101,500
Roads		1,862	16,270	5,410	56,600	47,604	47,604	46,088	50,524	101,500
Road Structures										
Road Furniture										
Total Capital Expenditure on upgrading of existing assets	1	1,862	16,270	5,410	69,336	48,955	48,955	46,088	50,524	101,500
<i>Upgrading of Existing Assets as % of total capex</i>		8.1%	34.6%	43.7%	29.6%	19.7%	19.7%	18.8%	18.2%	34.9%
<i>Upgrading of Existing Assets as % of deprecn"</i>		1.2%	11.7%	4.1%	46.0%	32.4%	32.4%	29.7%	31.1%	59.6%

Table 54 MBRR SA35 - Future financial implications of the capital budget

NW375 Moses Kotane - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
R thousand								
Capital expenditure	1							
Vote 01 - Municipal Council		-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		2,000	2,098	2,197	-	-	-	-
Vote 04 - Corporate Services		3,000	3,147	3,295	-	-	-	-
Vote 05 - Community Services		8,011	21,960	41,922	-	-	-	-
Vote 06 - Planning & Development		-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		231,580	250,882	243,510	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>								
Total Capital Expenditure		244,591	278,088	290,924	-	-	-	-
Future operational costs by vote	2							
Vote 01 - Municipal Council								
Vote 02 - Office Of The Accounting Officer								
Vote 03 - Budget And Treasury Office								
Vote 04 - Corporate Services								
Vote 05 - Community Services								
Vote 06 - Planning & Development								
Vote 07 - Infrastructure & Technical Services								
Vote 08 -								
Vote 09 -								
Vote 10 -								
Vote 11 -								
Vote 12 -								
Vote 13 -								
Vote 14 -								
Vote 15 - Other								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Exchange Revenue		70,800	74,257	77,783				
Service charges - Electricity								
Service charges - Water		-	-	-				
Service charges - Waste Water Management		222,520	233,424	244,394				
Service charges - Waste Management		6,036	6,332	6,630				
Agency services								
<i>List other revenues sources if applicable</i>		1,002,691	1,083,148	1,130,532				
<i>List entity summary if applicable</i>								
Total future revenue		1,302,048	1,397,160	1,459,339	-	-	-	-
Net Financial Implications		(1,057,458)	(1,119,072)	(1,168,415)	-	-	-	-

Table 55 MBRR SA36 - Detailed capital budget per municipal vote

Attached Separate

2.13 Legislation compliance status

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

1. In year reporting Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.
2. Internship programme
The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the first intake in 2005 three were employed permanently. Two of the three left the service for greener pastures. The remaining one has recently been promoted to more senior position. The contract of interns ended in December 2022, the municipality is in the process of appointing new interns.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established.
5. Service Delivery and Implementation Plan
6. The detailed SDBIP document is at a draft stage and will be finalised during finalisation of the budget and is directly aligned and informed by the 2023/24 MTREF.
7. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
8. MFMA Training
The MFMA training module in electronic format is available to all financial staff.
9. Policies
All budget related policies are reviewed on an annual basis or whenever the need arises and submitted with the budget for adoption by council.

2.14 Other supporting documents
Table 56 MBRR Table SA1 - Supporting detail to budgeted financial performance

NW375 Moses Kotane - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
REVENUE ITEMS:											
<u>Non-exchange revenue by source</u>											
<u>Exchange Revenue</u>											
Total Property Rates	6	143 768	146 537	130 717	127 150	127 150	127 150	102 419	156 988	164 680	172 419
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		2 349	1 564	147	3 007	3 007	3 007	2 301	2 463	2 583	2 705
Net Property Rates		141 420	144 972	130 570	124 143	124 143	124 143	100 118	154 525	162 096	169 714
<u>Exchange revenue service charges</u>											
<u>Service charges - Electricity</u>											
Total Service charges - Electricity	6				8 400	8 400	8 400		8 500	8 917	9 336
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	8 400	8 400	8 400		8 500	8 917	9 336
Net Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
<u>Service charges - Water</u>											
Total Service charges - Water	6	165 393	160 750	199 451	235 928	235 928	235 928	145 335	232 370	243 756	255 213
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		1 020	178	67	10 000	10 000	10 000	58	9 850	10 333	10 818
Net Service charges - Water		164 373	160 572	199 384	225 928	225 928	225 928	145 277	222 520	233 424	244 394
<u>Service charges - Waste Water Management</u>											
Total Service charges - Waste Water Management		2 971	2 934	5 405	6 133	6 133	6 133	3 325	6 467	6 784	7 103
Less Revenue Foregone (in excess of free sanitation service to indigent households)											
Less Cost of Free Basis Services (free sanitation service to indigent households)		306	13	146	400	400	400	211	430	452	473
Net Service charges - Waste Water Management		2 665	2 921	5 259	5 733	5 733	5 733	3 114	6 036	6 332	6 630
<u>Service charges - Waste Management</u>											
Total refuse removal revenue	6	10 464	10 851	11 562	11 808	11 808	11 808	10 153	12 569	13 185	13 805
Total landfill revenue											
Less Revenue Foregone (in excess of one removal a week to indigent households)											
Less Cost of Free Basis Services (removed once a week to indigent households)		460	28	186	250	250	250	236	293	307	321
Net Service charges - Waste Management		10 004	10 823	11 376	11 558	11 558	11 558	9 918	12 277	12 878	13 483
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	162 739	169 609	180 784	197 623	198 377	198 377	154 789	211 885	220 708	229 848
Pension and UIF Contributions		30 487	33 236	35 205	37 730	37 734	37 734	31 856	41 423	43 441	45 471
Medical Aid Contributions		12 059	13 408	14 379	15 622	15 622	15 622	12 788	16 686	17 504	18 326
Overtime		8 008	11 150	13 765	4 322	4 322	4 322	16 604	5 856	5 842	5 881
Performance Bonus		9 892	21 146	14 547	13 827	13 827	13 827	6 324	14 559	15 273	15 991
Motor Vehicle Allowance		1 619	1 579	1 399	1 663	1 663	1 663	1 237	1 894	1 987	2 080
Cellphone Allowance		-	-	-	-	-	-	-	-	-	-
Housing Allowances		478	537	553	575	575	575	521	629	660	691
Other benefits and allowances		2 119	2 461	2 906	3 511	3 512	3 512	2 365	3 558	3 731	3 906
Payments in lieu of leave		6 080	-	2 385	-	-	-	(8 285)	-	-	-
Long service awards		2 623	3 026	3 341	-	-	-	-	-	-	-
Post-retirement benefit obligations	4	-	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		821	502	802	379	379	379	1 174	382	400	419
In kind benefits		-	-	-	-	-	-	-	-	-	-
sub-total	5	236 925	256 653	270 066	275 251	276 009	276 009	219 373	296 872	309 546	322 613
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	236 925	256 653	270 066	275 251	276 009	276 009	219 373	296 872	309 546	322 613
<u>Depreciation and amortisation</u>											
Depreciation of Property, Plant & Equipment		142 572	137 047	129 462	145 244	145 244	145 244	108 780	149 066	156 370	163 719
Lease amortisation		5 215	2 469	2 304	5 634	5 634	5 634	1 677	5 975	6 268	6 563
Capital asset impairment		2 828	-	-	-	-	-	-	-	-	-
Total Depreciation and amortisation	1	150 615	139 517	131 765	150 878	150 878	150 878	110 458	155 041	162 638	170 282
<u>Bulk purchases - electricity</u>											
Electricity bulk purchases		24 542	23 524	20 890	20 000	21 261	21 261	25 834	25 000	26 225	27 458
Total bulk purchases	1	24 542	23 524	20 890	20 000	21 261	21 261	25 834	25 000	26 225	27 458

**Table 56 MBRR Table SA1 - Supporting detail to budgeted financial performance
(Continued)**

Transfers and grants											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-	-
Contracted Services											
<i>Outsourced Services</i>		55 920	61 195	55 185	58 700	63 531	63 531	50 179	66 293	70 083	68 092
<i>Consultants and Professional Services</i>		21 757	30 075	26 510	16 200	15 980	15 980	18 868	20 040	21 022	22 010
<i>Contractors</i>		45 713	53 737	43 717	52 687	53 187	53 187	54 365	53 757	56 391	59 041
Total contracted services		123 389	145 007	125 412	127 587	132 699	132 699	123 412	140 090	147 496	149 144
Operational Costs											
Collection costs		-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	600	600	600	500	100	105	110
Audit fees		4 580	5 485	3 204	3 500	3 500	3 500	4 581	4 000	4 196	4 393
<i>Other Operational Costs</i>		108 745	83 313	85 601	90 948	88 092	88 092	68 713	79 181	84 625	88 672
Total Operational Costs	1	113 325	88 798	88 805	95 048	92 192	92 192	73 794	83 281	88 926	93 175
Repairs and Maintenance by Expenditure Item											
Employee related costs	8	-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		4	60	924	-	-	-	-	-	-	-
Contracted Services		45 039	53 429	43 572	51 835	56 835	56 835	54 648	54 905	58 399	55 909
Other Expenditure		762	19	779	2 150	150	150	16	2 250	4 150	4 801
Total Repairs and Maintenance Expenditure	9	45 805	53 508	45 275	53 985	56 985	56 985	54 664	57 155	62 550	60 710
Inventory Consumed											
Inventory Consumed - Water		-	-	-	100 935	100 935	100 935	-	130 000	136 370	142 779
Inventory Consumed - Other		3 139	2 830	4 904	8 785	8 785	8 785	4 281	20 155	21 142	22 136
Total Inventory Consumed & Other Material		3 139	2 830	4 904	109 720	109 720	109 720	4 281	150 155	157 512	164 915

Table 57 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department

NW375 Moses Kotane - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 01 - Municipal Council	Vote 02 - Office Of The Accounting Officer	Vote 03 - Budget And Treasury Office	Vote 04 - Corporate Services	Vote 05 - Community Services	Vote 06 - Planning & Development	Vote 07 - Infrastructure & Technical Services	Vote 08 -	Vote 09 -	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 - Other	Total
R thousand	1																
Revenue																	
Exchange Revenue																	
Service charges - Electricity		-															-
Service charges - Water								222,520									222,520
Service charges - Waste Water Management								6,036									6,036
Service charges - Waste Management						12,277											12,277
Sale of Goods and Rendering of Services				520		-											520
Agency services																	-
Interest																	-
Interest earned from Receivables				60,636													60,636
Interest earned from Current and Non Current Assets				6,251													6,251
Dividends																	-
Rent on Land																	-
Rental from Fixed Assets				188													188
Licence and permits						2,000											2,000
Operational Revenue				605	600												1,205
Non-Exchange Revenue																	
Property rates				154,525													154,525
Surcharges and Taxes						2,000											2,000
Fines, penalties and forfeits																	-
Licences or permits																	-
Transfer and subsidies - Operational		22,852		294,150		87,263		177,499									581,763
Interest				27,562													27,562
Fuel Levy																	-
Operational Revenue																	-
Gains on disposal of Assets																	-
Other Gains																	-
Discontinued Operations																	-
Total Revenue (excluding capital transfers and contributions)		22,852	-	544,438	600	103,540	-	406,055	-	-	-	-	-	-	-	-	1,077,484
Expenditure																	
Employee related costs		22,499	16,910	42,506	53,248	51,455	19,760	90,493									296,872
Remuneration of councillors		27,597															27,597
Bulk purchases - electricity								25,000									25,000
Inventory consumed				20,155				130,000									150,155
Debt impairment				100,356		16,272		212,093									328,721
Depreciation and amortisation		391			5,975	33,353		115,322									155,041
Interest						3,000		2,600									5,600
Contracted services		7,900	400	15,333	2,650	73,805	6,200	33,802									140,090
Transfers and subsidies																	-
Irrecoverable debts written off																	-
Operational costs		29,060	6,300	535	21,971	17,810	595	7,010									83,281
Losses on disposal of Assets																	-
Other Losses																	-
Total Expenditure		87,446	23,610	178,886	83,845	195,696	26,556	616,320	-	-	-	-	-	-	-	-	1,212,358
Surplus/(Deficit)		(64,595)	(23,610)	365,552	(83,245)	(92,156)	(26,556)	(210,264)	-	-	-	-	-	-	-	-	(134,874)
Transfers and subsidies - capital (monetary allocations)																	-
Transfers and subsidies - capital (in-kind)																	-
Surplus/(Deficit) after capital transfers & contributions		(64,595)	(23,610)	365,552	(83,245)	(92,156)	(26,556)	(210,264)	-	-	-	-	-	-	-	-	(134,874)

Table 58 MBRR Table SA3 – Supporting detail to Statement of Financial Position

NW375 Moses Kotane - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
ASSETS											
<u>Trade and other receivables from exchange transactions</u>											
Electricity											
Water		728,272	918,587	1,140,119	244,522	244,522	244,522	1,255,040	965,716	1,016,570	1,075,030
Waste		92,892	108,579	124,906	124,582	124,582	124,582	137,898	130,066	130,006	(1,337)
Waste Water		18,231	20,566	24,223	27,625	27,625	27,625	26,412	27,918	27,938	462
Other trade receivables from exchange transactions		(4,360)	(4,703)	(4,680)	(6,323)	(6,323)	(6,323)	(4,479)	(6,578)	(6,578)	-
Gross: Trade and other receivables from exchange transactions		835,035	1,043,029	1,284,569	390,406	390,406	390,406	1,414,871	1,117,120	1,167,936	1,074,155
Less: Impairment for debt		(805,158)	(990,038)	(1,223,147)	(1,006,571)	(1,006,571)	(1,006,571)	(1,354,266)	(1,050,860)	(1,095,226)	(994,421)
Impairment for Electricity											
Impairment for Water		(695,704)	(862,405)	(1,076,792)	(862,405)	(862,405)	(862,405)	(1,190,619)	(900,351)	(944,468)	(988,858)
Impairment for Waste		(92,796)	(108,326)	(124,778)	(120,000)	(120,000)	(120,000)	(137,238)	(125,280)	(125,280)	-
Impairment for Waste Water		(16,658)	(18,705)	(21,128)	(23,556)	(23,556)	(23,556)	(25,733)	(24,592)	(24,840)	(5,562)
Impairment for other trade receivables from exchange transactions		-	(602)	(450)	(610)	(610)	(610)	(676)	(637)	(637)	-
Total net Trade and other receivables from Exchange Transactions		29,877	52,991	61,422	(616,165)	(616,165)	(616,165)	60,605	66,260	72,710	79,735
<u>Receivables from non-exchange transactions</u>											
Property rates		25,089	69,608	93,213	789,960	789,960	789,960	241,550	126,367	132,817	142,667
Less: Impairment of Property rates		-	(30,933)	(104,296)	(61,058)	(61,058)	(61,058)	(143,328)	(63,745)	(63,745)	(66,741)
Net Property rates		25,089	38,675	(11,083)	728,902	728,902	728,902	98,222	62,623	69,073	75,926
Other receivables from non-exchange transactions		13,213	12,760	13,511	7,200	7,200	7,200	13,422	7,396	7,396	7,744
Impairment for other receivables from non-exchange transactions		(15,302)	(13,672)	(15,418)	(6,043)	(6,043)	(6,043)	(15,418)	(3,758)	(3,758)	(3,935)
Net other receivables from non-exchange transactions		(2,089)	(912)	(1,908)	1,157	1,157	1,157	(1,996)	3,638	3,638	3,809
Total net Receivables from non-exchange transactions		23,000	37,763	(12,991)	730,059	730,059	730,059	96,226	66,260	72,710	79,735
Inventory											
Water											
Opening Balance		51	51	51	51	51	51	51	51	51	51
System Input Volume		-	-	-	100,935	100,935	100,935	-	130,000	136,370	142,779
Water Treatment Works		-	-	-	-	-	-	-	-	-	-
Bulk Purchases		-	-	-	100,935	100,935	100,935	-	130,000	136,370	142,779
Natural Sources		-	-	-	-	-	-	-	-	-	-
Authorised Consumption	6	-	-	-	(100,935)	(100,935)	(100,935)	-	(130,000)	(136,370)	(142,779)
Billed Authorised Consumption		-	-	-	(100,935)	(100,935)	(100,935)	-	(130,000)	(136,370)	(142,779)
Billed Metered Consumption		-	-	-	(100,935)	(100,935)	(100,935)	-	(130,000)	(136,370)	(142,779)
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	(100,935)	(100,935)	(100,935)	-	(130,000)	(136,370)	(142,779)
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Standard Rated											
Opening Balance		11,679	9,701	11,443	13,879	13,879	13,879	13,879	10,981	13,314	16,410
Acquisitions		1,423	5,082	7,398	5,887	5,887	5,887	7,588	20,155	21,142	22,136
Issues	7	(3,139)	(2,830)	(4,904)	(8,785)	(8,785)	(8,785)	(4,097)	(20,155)	(21,142)	(22,136)
Adjustments	8	879	-	0	-	-	-	-	2,333	3,096	3,319
Write-offs	9	(1,142)	(509)	(57)	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		9,701	11,443	13,879	10,981	10,981	10,981	17,370	13,314	16,410	19,729
Zero Rated											
Land											
Opening Balance		-	-	320	320	320	320	320	320	320	320
Acquisitions		-	542	-	-	-	-	-	-	-	-
Sales		-	(222)	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		-	320	320	320	320	320	320	320	320	320
Closing Balance - Inventory & Consumables		9,751	11,814	14,250	11,352	11,352	11,352	17,741	13,686	16,782	20,100
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		5,644,768	5,791,771	5,916,416	6,426,424	6,437,991	6,437,991	6,028,098	3,690,825	3,944,482	3,963,815
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		2,725,477	2,848,611	2,963,169	3,086,423	3,086,423	3,086,423	3,059,319	238,700	238,700	-
Total Property, plant and equipment (PPE)	2	2,919,291	2,943,160	2,953,246	3,340,001	3,351,568	3,351,568	2,968,779	3,452,125	3,705,782	3,963,815

LIABILITIES											
Current liabilities - Financial liabilities											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities	35,988	22,699	14,629	25,864	25,864	25,864	11,567	2,445	6,223	(81,330)	
Total Current liabilities - Financial liabilities	35,988	22,699	14,629	25,864	25,864	25,864	11,567	2,445	6,223	(81,330)	
Trade and other payables from exchange transactions											
Trade and other payables from exchange transactions	5	215,216	368,274	190,097	57,056	57,056	57,056	136,003	377,266	382,796	374,006
Other trade payables from exchange transactions											
Trade payables from Non-exchange transactions: Unspent conditional Grants		42,148	27,327	12,544	153,611	153,611	153,611	65,100	-	-	-
Trade payables from Non-exchange transactions: Other											
VAT		45,444	62,733	88,823	-	-	-	104,662	-	-	-
Total Trade and other payables from exchange transactions	2	302,808	458,334	291,463	210,667	210,667	210,667	305,765	377,266	382,796	374,006
Non current liabilities - Financial liabilities											
Borrowing	4	-	-	-	-	-	-	-	33,895	18,705	2,040
Other financial liabilities											
Total Non current liabilities - Financial liabilities		-	-	-	-	-	-	-	33,895	18,705	2,040
Provisions											
Retirement benefits											
Refuse landfill site rehabilitation		15,193	20,881	19,171	21,281	21,281	21,281	19,621	22,217	24,354	25,498
Other		15,533	15,533	15,533	15,533	15,533	15,533	15,533	16,216	17,284	18,096
Total Provisions		30,726	36,413	34,703	36,813	36,813	36,813	35,153	38,433	41,638	43,595
CHANGES IN NET ASSETS											
Accumulated surplus/(deficit)											
Accumulated surplus/(deficit) - opening balance		3,256,365	2,874,893	3,017,853	3,017,853	3,017,853	3,017,853	3,011,253	3,150,639	3,292,418	-
GRAP adjustments		5,106	-	-	-	-	-	-	-	-	-
Restated balance		3,261,471	2,874,893	3,017,853	3,017,853	3,017,853	3,017,853	3,011,253	3,150,639	3,292,418	-
Surplus/(Deficit)		104,342	262,138	123,150	147,754	161,521	161,521	186,145	101,967	137,783	147,648
Transfers to/from Reserves		-	-	-	(264,051)	(269,594)	(269,594)	-	94,271	197,518	4,153,506
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		(385,980)	(16,488)	(12,808)	31	31	31	(493)	32	34	-
Accumulated Surplus/(Deficit)	1	2,979,832	3,120,544	3,128,195	2,901,587	2,909,812	2,909,812	3,196,905	3,346,910	3,627,752	4,301,155
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2,979,832	3,120,544	3,128,195	2,901,587	2,909,812	2,909,812	3,196,905	3,346,910	3,627,752	4,301,155

Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

NW375 Moses Kotane - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			-	-	237,000	242,553	-	-	242,553	242,553	-	-
Females aged 5 - 14			-	-	24,000	3,510	-	-	35,099	35,099	-	-
Males aged 5 - 14			-	-	23,000	35,696	-	-	35,696	35,696	-	-
Females aged 15 - 34			-	-	41,000	75,483	-	-	75,483	75,483	-	-
Males aged 15 - 34			-	-	41,000	77,489	-	-	77,489	77,489	-	-
Unemployment			-	-	142,000	18,786	-	-	18,786	18,786	-	-
Monthly household income (no. of households)	1, 12											
No income			-	-	32,821	33	-	-	33,758	33,758	-	-
R1 - R1 600			-	-	12,532	12,532	-	-	12,532	12,532	-	-
R1 601 - R3 200			-	-	-	-	-	-	-	-	-	-
R3 201 - R6 400			-	-	-	-	-	-	-	-	-	-
R6 401 - R12 800			-	-	-	-	-	-	-	-	-	-
R12 801 - R25 600			-	-	-	-	-	-	-	-	-	-
R25 601 - R51 200			-	-	-	-	-	-	-	-	-	-
R52 201 - R102 400			-	-	-	-	-	-	-	-	-	-
R102 401 - R204 800			-	-	-	-	-	-	-	-	-	-
R204 801 - R409 600			-	-	-	-	-	-	-	-	-	-
R409 601 - R819 200			-	-	-	-	-	-	-	-	-	-
> R819 200			-	-	-	-	-	-	-	-	-	-
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			-	-	227,000,000	242,553	-	-	242,553	242,553	-	-
Number of poor people in municipal area			-	-	84,000	84	-	-	84	84	-	-
Number of households in municipal area			-	-	60,000	62	-	-	62	62	-	-
Number of poor households in municipal area			-	-	33,000	330	-	-	330	330	-	-
Deflation of poor household (R per month)			-	-	-	-	-	-	-	-	-	-
Housing statistics												
Formal	3											
Informal												
Total number of households												
Dwellings provided by municipality	4		-	-	52,571	54,162	-	-	54,162	54,162	-	-
Dwellings provided by province/s			-	-	7,596	8,059	-	-	8,059	8,059	-	-
Dwellings provided by private sector	5		-	-	-	-	-	-	-	-	-	-
Total new housing dwellings			-	-	60,167	62,221	-	-	62,221	62,221	-	-
Economic												
Inflation/inflation outlook (CPIX)	6					5.4%	0.0%	0.0%	5.4%	5.4%	0.0%	0.0%
Interest rate - borrowing						12.0%	0.0%	0.0%	12.0%	12.0%	0.0%	0.0%
Interest rate - investment						7.5%	0.0%	0.0%	7.5%	7.5%	0.0%	0.0%
Remuneration increases						7.5%	0.0%	0.0%	7.5%	7.5%	0.0%	0.0%
Consumption growth (electricity)						2.0%	0.0%	0.0%	2.0%	2.0%	0.0%	0.0%
Consumption growth (water)												
Collection rates	7											
Property tax/service charges						65.0%	0.0%	0.0%	970.0%	970.0%	0.0%	0.0%
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Other Supporting Documents

NW375 Moses Kotane - Supporting Table SA11 Property rates summary

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Valuation:	1									
Date of valuation:		1/1/2000	1/1/2000	1/1/2000	1/1/2000					
Financial year valuation used		2016	0	0	0			0		
Municipal by-laws s6 in place? (Y/N)	2									
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)		Yes			Yes	Yes	Yes	Yes		
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3									
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)										
Implementation time of new valuation roll (mths)										
No. of properties	5	8,188,000	-	-	8,188,000	8,188,000	8,188,000	8,188,000	-	-
No. of sectional title values	5	88,000	-	-	88,000	88,000	88,000	88,000	-	-
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations		1	-	-	1	1	1	1	-	-
No. of valuation roll amendments		840	-	-	840	840	840	840	-	-
No. of objections by rate payers										
No. of appeals by rate payers										
No. of successful objections	8									
No. of successful objections > 10%	8									
Supplementary valuation										
Public service infrastructure value (Rm)	5	29	-	-	29	29	29	29	-	-
Municipality owned property value (Rm)		0	-	-	0	0	0	0	-	-
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
Total valuation reductions:		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5	2	-	-	2	2	2	2	-	-
Total land value (Rm)	5	2	-	-	2	2	2	2	-	-
Total value of improvements (Rm)	5	1	-	-	1	1	1	1	-	-
Total market value (Rm)	5	3	-	-	3	3	3	3	-	-
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		Yes			No			No		
Differential rates used? (Y/N)	5	Yes			No			No		
Limit on annual rate increase (s20)? (Y/N)		Yes			Yes	Yes	Yes	Yes		
Special rating area used? (Y/N)		No			No			No		
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)		Yes			No			No		
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R'000)	6	-	-	-	69,720	69,720	69,720	69,720	-	-
Rate revenue expected to collect (R'000)	6	55,776	-	-	55,776	55,776	55,776	55,776	-	-
Expected cash collection rate (%)		0.0%	0.0%	0.0%	65.0%	65.0%	65.0%	65.0%	0.0%	0.0%
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)		4,400	-	-	4,400	4,400	4,400	4,400	-	-
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
Total rebates,exemptns,eductns,discs (R'000)		4,400	-	-	4,400	4,400	4,400	4,400	-	-

NW375 Moses Kotane - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
Cash Transfers to other municipalities <i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals <i>Hh Ssp Soc Ass: Care Dependency</i> <i>Hh Ssp Soc Ass: Grant In Aid</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other municipalities	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-

NW375 Moses Kotane - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		29,460	38,317	31,835	36,181	41,181	41,181	23,800	27,560	23,527
Roads Infrastructure		415	1,140	204	4,100	4,100	4,100	5,200	7,245	7,492
Roads		415	1,131	204	4,000	4,000	4,000	5,000	5,245	5,492
Road Structures										
Road Furniture		-	9	-	100	100	100	200	2,000	2,000
Capital Spares										
Storm water Infrastructure		33	62	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance		33	62	-	-	-	-	-	-	-
Attenuation										
Electrical Infrastructure		245	999	1,790	1,000	6,000	6,000	4,200	5,210	220
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks		245	999	1,790	1,000	6,000	6,000	4,200	5,210	220
Capital Spares										
Water Supply Infrastructure		69	1,060	-	500	500	500	1,000	1,045	1,098
Dams and Weirs										
Boreholes										
Reservoirs		69	1,060	-	500	500	500	1,000	1,045	1,098
Pump Stations										
Solid Waste Infrastructure		28,700	35,057	29,841	30,581	30,581	30,581	13,400	14,057	14,717
Landfill Sites		28,700	35,057	29,841	30,581	30,581	30,581	13,400	14,057	14,717
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities										
Other assets		4,176	4,130	2,163	2,305	2,305	2,305	3,800	3,986	4,174
Operational Buildings		4,176	4,130	2,163	2,305	2,305	2,305	3,800	3,986	4,174
Municipal Offices		4,176	4,130	2,163	2,305	2,305	2,305	3,800	3,986	4,174
Pay/Enquiry Points										
Intangible Assets		758	2	767	2,000	-	-	2,000	2,098	2,197
Servitudes										
Licences and Rights		758	2	767	2,000	-	-	2,000	2,098	2,197
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		758	2	767	2,000	-	-	2,000	2,098	2,197
Load Settlement Software Applications										
Unspecified										
Computer Equipment		4	8	13	50	50	50	50	52	55
Computer Equipment		4	8	13	50	50	50	50	52	55
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		11,382	10,994	10,444	13,200	13,200	13,200	27,250	28,585	29,929
Transport Assets		11,382	10,994	10,444	13,200	13,200	13,200	27,250	28,585	29,929
Total Repairs and Maintenance Expenditure	1	45,805	53,508	45,275	53,985	56,985	56,985	57,155	62,550	60,161

NW375 Moses Kotane - Supporting Table SA34d Depreciation by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		89,736	104,954	100,260	109,481	109,481	109,481	116,323	122,023	127,758
Roads Infrastructure		37,515	42,200	34,403	51,869	51,869	51,869	37,499	39,337	41,186
Roads		37,515	42,200	34,403	51,869	51,869	51,869	37,499	39,337	41,186
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		3,119	4,251	4,182	3,906	3,906	3,906	5,058	5,306	5,555
Drainage Collection		3,119	4,251	4,182	3,906	3,906	3,906	5,058	5,306	5,555
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2,922	3,084	3,388	3,500	3,500	3,500	4,206	4,412	4,620
Power Plants		2,922	3,084	3,388	3,500	3,500	3,500	4,206	4,412	4,620
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		42,465	51,852	54,394	45,758	45,758	45,758	65,312	68,512	71,732
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		42,465	51,852	54,394	45,758	45,758	45,758	65,312	68,512	71,732
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		2,754	2,771	2,750	3,299	3,299	3,299	3,246	3,406	3,566
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		2,754	2,771	2,750	3,299	3,299	3,299	3,246	3,406	3,566
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		960	796	1,141	1,149	1,149	1,149	1,001	1,051	1,100
Landfill Sites		960	796	1,141	1,149	1,149	1,149	1,001	1,051	1,100
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Community Assets		19,581	18,978	16,561	16,979	16,979	16,979	17,300	18,147	19,000
Community Facilities		19,581	18,978	16,561	16,979	16,979	16,979	17,300	18,147	19,000
Halls		15,998	15,395	13,993	15,166	15,166	15,166	15,452	16,209	16,971
Centres		3,583	3,583	2,568	1,814	1,814	1,814	1,848	1,938	2,029
Other assets		5,964	6,332	6,041	8,767	8,767	8,767	7,148	7,499	7,851
Operational Buildings		5,964	6,332	6,041	8,767	8,767	8,767	7,148	7,499	7,851
Municipal Offices		5,964	6,332	6,041	8,767	8,767	8,767	7,148	7,499	7,851

Biological or Cultivated Assets		6,183	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		6,183	-	-	-	-	-	-	-	-
Intangible Assets		5,215	2,469	2,304	5,634	5,634	5,634	5,975	6,268	6,563
Servitudes										
Licences and Rights		5,215	2,469	2,304	5,634	5,634	5,634	5,975	6,268	6,563
<i>Water Rights</i>										
<i>Effluent Licenses</i>										
<i>Solid Waste Licenses</i>										
<i>Computer Software and Applications</i>		5,215	2,469	2,304	5,634	5,634	5,634	5,975	6,268	6,563
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
Computer Equipment		13,212	-	-	-	-	-	-	-	-
Computer Equipment		13,212	-	-	-	-	-	-	-	-
Furniture and Office Equipment		6,207	4,082	4,092	4,209	4,209	4,209	5,178	5,432	5,687
Furniture and Office Equipment		6,207	4,082	4,092	4,209	4,209	4,209	5,178	5,432	5,687
Machinery and Equipment		449	362	330	1,454	1,454	1,454	391	410	429
Machinery and Equipment		449	362	330	1,454	1,454	1,454	391	410	429
Transport Assets		4,068	2,339	2,178	4,355	4,355	4,355	2,725	2,859	2,993
Transport Assets		4,068	2,339	2,178	4,355	4,355	4,355	2,725	2,859	2,993
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>										
<i>Zoological plants and animals</i>										
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>										
<i>Zoological plants and animals</i>										
Total Depreciation	1	150,615	139,517	131,765	150,878	150,878	150,878	155,041	162,638	170,282

2.15 Municipal manager's quality certificate

Attached separately.