

**SCHEDULE A**  
**ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF MOSES KOTANE LOCAL MUNICIPALITY**  
**2024/25 TO 2026/2027**

**Adopted by Council on 24/05/2024**

**Council Resolution No.: 139/052024**

**ANNUAL BUDGET OF**  
**MOSES KOTANE LOCAL MUNICIPALITY**  
**NW 375**

**2024/25 TO 2026/2027**

**MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

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- In the foyers of all municipal buildings
- All public libraries within the municipality
  - At [www.moseskotane.gov.za](http://www.moseskotane.gov.za)

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## Abbreviations and Acronyms

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

## Part 1 – Annual Budget

### **Budget Speech for 2024/2025 financial year as presented by MKLM Mayor, Clr Nketu Nkotsoe**

Attached separately.

#### Overview of the Budget:

NW375 Moses Kotane - 2024/2025 MTREF BUDGET					
Description	2023/2024		MTREF		
	Original Budget	Adjusted Budget	2024/2025	2025/2026	2026/2027
<b>R thousands</b>					
Operating Revenue	1 077 484	1 078 189	1 061 075	1 093 450	1 118 280
Operating Expenditure	1 212 358	1 223 683	1 346 501	1 403 812	1 457 883
<b>Operating Surplus (Deficit)</b>	<b>(134 874)</b>	<b>(145 494)</b>	<b>(285 427)</b>	<b>(310 362)</b>	<b>(339 602)</b>
Capital Expenditure	231 793	231 793	252 554	266 897	285 365

**Total revenue budget for the 2024/25 financial year amount to R1,3 billion**, comprising of operating revenue budget of R1, 061,075 billion and capital revenue budget of R247, 504 million.

#### **The 2024/25 financial year budget summary:**

The anticipated operating revenue budget for the 2024/25 financial year is estimated at R1, 061, 075 billion. This is a reduction of 2% when compared to the 2023/24 adjustment budget of R1, 078, 189. Operating revenue is further projected to increase by 2.96% and 2.22% for the 2025/26 and 2026/27 financial years respectively. The revenue growth is projected to increase at a rate below inflation which is disadvantageous to the financial sustainability of the municipality.

**The total anticipated operating revenue budget amounts to R1, 061,075 billion, comprising of the following items: -**

- Property rates of R144, 686 million
- Services charges of R213, 534 million
- Interest investment of R12, 500 million
- Interest on outstanding debtors R72, 803 million
- Traffic fines of R1.8 million
- License and Permits of R1.5 million
- Grants and subsidies of R611, 662 million, and
- Other revenue of R2,472 million such as sale of stands, sale of tender documents, clearance certificate, etc.

**The operating grants of R611, 662 stated above comprises of the following;**

• Equitable Shares	R600, 070 million
• Finance Management Grant	R2, 000 million
• EPWP	R1, 359 million
• MIG (PMU operating)	R6, 978 million
• Library	R1, 254 million

The total operating expenditure amounts to R1, 346 billion for 2024/25 financial year. The estimated expenditure budget has increased by R122.8 million which is an increase of 9% when compared to the 2023/24 adjustment budget. Operating expenditure budget is further estimated to increase by 4% in the two outer years respectively.

**The total operating expenditure budget amounts to R1, 368,457 billion comprises of the following:**

• Employee related cost	R396 069 792
• Remuneration of councillors	R31 802 862
• Depreciation	R162 638 301
• Debt Impairment	R194 641 596
• Finance Cost (Interest)	R2 252 093
• Bulk Purchase – electricity	R42 000 000
• Inventory Consumed	R198 055 000
• Contracted services	R205 879 621
• Operational Costs	R113 163 200

**Capital Projects**

The following are the some of the proposed main projects to be implemented in 2024/2025 financial year

**MIG**

• Rehabilitation of Matau Internal roads	R17.7 million
• Rehabilitation of Mabele a podi internal roads and storm water	R11.1 million
• Construction of Maeraneng Water Supply	R11.6 million
• Manamakgotheng Water Reticulation	R20.3 million
• Segakwaneng Water Supply	R26.1 million
• Replacement of Mogwase Asbestos Pipe	R15 million
• Upgrading Molatedi Water Treatment Plant	R8 million
• Rehabilitation of Kraalhoek Internal Roads	R7.8 million

**WSIG**

Mabeskraal to Uitkyk Bulk Water Pipeline Phase 1&2	R16.3 million
Greater Saulspoort Bulk Water Augmentation	R5 million
Tweelagter Water Supply Phase III	R8 million
Refurbishment of Mogwase Waste Water Treatment Plant	R25.6 million
Rural Sanitation Programme in Various Villages	R11 million

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

MIG	R167, 504 million
WSIG	R80,000 million
Own Funds	R5, 050 million
Total Capital Projects	R252, 554 million

**The following projected capital expenditure totaling R5, 050 million will be funded from own funding:**

Office equipment Mogwase - R2, 500 million  
Mogwase Furniture - R500, 000  
Vacuum Cleaners - R50, 000  
ICT equipment - R2, 000 million

**The provision for the total capital budget for 2024/25 financial year amount to R252, 554 million.**

**The 2024/25** Division of Revenue Bill has allocated total **MIG** of R174, 483 million. Of the total allocated MIG, an amount of R6 978 million has been allocated to finance PMU operations which results in a balance of R167, 504 million for capital projects.

Rural municipalities were to and extend more affected by the economic slowdown as there 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 spend 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 2024 will place further pressure on water tariffs.

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

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

The cost of human resources as provided for in the 2024/25 budget represents 32% of the total expenditure budget. The cost of human resource is still within the limit of between 25 and 40%

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 2024/2025 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 2024/2025 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  
Value for money, benefits to the municipality and affordability.

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

Departments have concentrated 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 principles applied in compilation of the budget was if no expenditure or less expenditure than the budget amount realised over the first halve of the 2024/25 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 realistic revenue to be collected.

The collection rate at this stage is challenge due to water challenges, as well as the non -payment due to high rate of unemployment.

The municipality is also in the process of implementing the credit control policy to increase the collection rates for services rendered to a satisfactory level.

The unfunded budget position remains a challenge but with the vigorous implementation of the credit measures, this matter will be resolved through implementation of a financial plan.

The actual performance for the 2024/25 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 24 May 2024 the Council of Moses Kotane local Municipality met in the Moses Kotane Civic Centre to consider the Annual Budget of the municipality for the financial year 2024/25. 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 2024:
  - 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 2024 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 1<sup>st</sup> July 2024 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. 126 and 128 were used to guide the compilation of the 2024/25 MTREF which is attached hereto.

Circular 82 which deals with cost containment measures were also used for the compilation of the 2024/2025 MTREF.

The main challenges experienced during the compilation of the 2024/2025 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.
- Non-payment of services by users due to the effect of current economic status.

The following budget principles and guidelines directly informed the compilation of the 2024/25 to 2026/27 MTREF:

- The 2024/25 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 2024/25 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 abovementioned, the following table is a consolidated overview of the proposed 2024/2025 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2024/2025 MTREF**

NW375 Moses Kotane - 2024/2025 MTREF BUDGET					
Description	2023/2024		MTREF		
	Original Budget	Adjusted Budget	2024/2025	2025/2026	2026/2027
<b>R thousands</b>					
Operating Revenue	1 077 484	1 078 189	1 061 075	1 093 450	1 118 280
Operating Expenditure	1 212 358	1 223 683	1 346 501	1 403 812	1 457 883
<b>Operating Surplus (Deficit)</b>	<b>(134 874)</b>	<b>(145 494)</b>	<b>(285 427)</b>	<b>(310 362)</b>	<b>(339 602)</b>
Capital Expenditure	231 793	231 793	252 554	266 897	285 365

Total operating revenue has decreased by R17.1 million or 2%, translating to R1, 061 billion for the 2024/2025 financial year when compared to the 2023/24 Adjustments Budget. Operating revenue further increase to R1, 140 billion for 2025/26 and R1,166 billion for 2026/2027.

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

**Property rates** has reduced by R9, 840 million.

**Service charges** has decreased by R27, 339 million, this is due to the inconsistent water supply.

The reduction occurred as a result of overstatement of revenue in 2023/24 financial year. performed to align the revenue projection with the audited performance. The reconciliations between the financial system and valuation roll to affirm the accuracy

Total capital budget is projected at R252, 554 million, increasing to R266, 897 million for 2025/2026 and R285, 365 million for 2026/2027.

Total operating expenditure for the 2024/2025 financial year has projected R1, 346 billion which is an increase of R122.8 million when compared to the 2023/24 Adjustment budget. Operating expenditure is further projected at R1, 1 403 billion in 2025/2026 and R1,1457 billion in 2026/2027.

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

Provision of 6% has been made for annual salary increase, pending finalisation of SALGA salary negotiations, Additionally, provision was made for filling of vacant positions.

Remuneration of Councillors has increased by 6% in order to accommodate upper limits for 2024/2025 financial year.

Water Bulk Purchase increased by R17 000 million or 40%. This is due to alignment with audited and current performance trend and incorporation of Magalies Water tariff increase.

Contracted Services increase by R68, 676 million. This is due to the increased of Water maintenance, water Chemicals and Quality Control.

The Municipality has a projected Budget Deficit of R285 427 million as indicated on the above budget consolidated overview. This is an operating deficit on the budgeted financial performance which occurred from the municipality's inability to fund the depreciation and high rate of debt impairment.

### 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 for 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 the valuation roll on 1<sup>st</sup> 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 2024/25 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

NW375 Moses Kotane - Operating Revenue									
Description	2023/2024		MTREF			Movement %			
	Original Budget	Adjusted Budget	2024/25	2025/26	2026/27	Movement	2024-25	2025-26	2026-27
<b>R thousands</b>									
Revenue									
Exchange Revenue									
Water	222 520	222 560	197 242	206 315	215 600	(25 318)	-13%	4.40%	4.31%
Sanitation	6 036	6 036	5 103	5 338	5 578	(933)	-18%	4.40%	4.31%
Waste Management	12 277	12 277	11 189	11 703	12 230	(1 088)	-10%	4.40%	4.31%
Interest earned from Receivables	88 199	88 199	72 803	76 152	79 578	(15 396)	-21%	4.40%	4.31%
Interest earned from Current and Non Current	6 251	6 251	12 500	13 075	13 663	6 249	50%	4.40%	4.31%
Rental of Facilities	188	188	118	123	129	(70)	-59%	4.40%	4.31%
Licence and permits	2 000	2 000	1 500	1 569	1 640	(500)	-33%	4.40%	4.31%
Non-Exchange Revenue						-			
Property rates	154 525	154 525	144 686	151 341	158 152	(9 840)	-7%	4.40%	4.31%
Fines, penalties and forfeits	2 000	2 000	1 800	1 883	1 968	(200)	-11%	4.40%	4.31%
Transfer and subsidies - Operational	581 763	582 428	611 662	623 364	627 041	29 234	5%	1.88%	0.59%
Operational Revenue	1 725	1 725	2 472	2 586	2 702	747	30%	4.40%	4.31%
						-			
<b>Total</b>	<b>1 077 484</b>	<b>1 078 189</b>	<b>1 061 075</b>	<b>1 093 450</b>	<b>1 118 280</b>	<b>(17 114)</b>	<b>-2%</b>	<b>2.96%</b>	<b>2.22%</b>

**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 34% to the municipality's revenue basket.

Water sales is the largest revenue source of the municipality's own revenue at R197.2 million and steadily increasing to R206.3 million in 2025/26 and R215.6 in the outer year. Water sales projected a decline of 13% from the adjustment budget due to reduced consumption as well as alignment to the audited performance. It must however be noted that water revenue has estimated an average increase of 4% in the outer years. Water sales accounts for 19% of the total operating revenue.

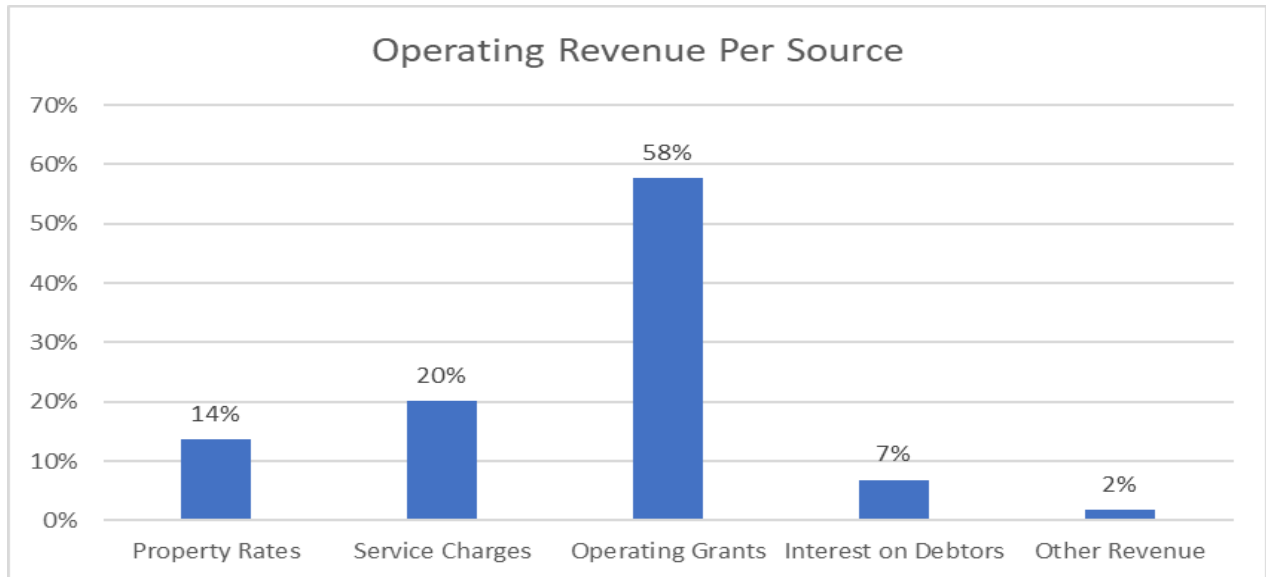
Revenue anticipated from Sanitation service charges is projected to decrease by 18% in 2024/2025 while refuse service estimated a decline of 10%. Revenue projections is based on the audited and current year's performance.

Property rates is the second largest revenue source estimated at R144.6 million in 2024/25, which is a decline of R9.8 million when compared to the 2023/24 adjustment budget. The property rates projection is based on valuation roll, SVR and change in property categories, e.g. property rezoning, inclusion of new properties and tariff increase. Property rates was reduced to correct the overstatement in 2023/2024 financial year.

The table below reflects proposed tariff increases for 2024/2025 financial year. The projected increase is aligned with forecasted CPI as guided by Treasury Budget Circulars.

2024/2025 TARIFF INCREASE					
Revenue Source	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Property Rates	48%	5.3%	4.9%	4.6%	4.5%
Water	48%	5.3%	4.9%	4.6%	4.5%
Sanitation	48%	5.3%	4.9%	4.6%	4.5%
Refuse	48%	5.3%	4.9%	4.6%	4.5%

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



The above graph indicates that the national grants contribute 58% to the projected operating revenue for 2024/25 financial year.

**Table 4 Operating Transfers and Grant Receipts**

## NW375 Moses Kotane - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		549 333	484 853	537 195	581 763	579 794	579 794	610 408	622 052	627 041
Local Government Equitable Share		542 634	476 801	528 602	566 087	566 087	566 087	600 070	613 320	617 941
Energy Efficiency and Demand Side Management		-	-	350	4 000	4 000	4 000	-	-	-
Expanded Public Works Programme Integrated		1 905	1 699	1 652	1 629	1 629	1 629	1 359	-	-
Local Government Financial Management Grant		1 700	1 849	1 950	1 950	1 950	1 950	2 000	2 000	2 100
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		3 094	4 504	4 642	8 097	6 128	6 128	6 979	6 732	7 000
<b>Provincial Government:</b>		568	440	735	-	2 634	2 634	1 254	1 312	-
Capacity Building and Other Grants		568	440	735	-	2 634	2 634	1 254	1 312	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
National Library South Africa		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	549 901	485 293	537 931	581 763	582 428	582 428	611 662	623 364	627 041
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		201 319	190 577	217 144	236 841	223 789	223 789	247 504	261 615	279 845
Energy Efficiency and Demand Side Management		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		129 610	146 774	157 450	171 841	161 955	161 955	167 504	176 615	192 845
Water Services Infrastructure Grant		71 709	43 802	59 694	65 000	61 835	61 835	80 000	85 000	87 000
<b>Provincial Government:</b>		12 284	9 613	242	-	-	-	-	-	-
Infrastructure Grant		12 284	9 613	242	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	983	-	-	-	-	-	-	-
Municipal Infrastructure Investment Unit		-	983	-	-	-	-	-	-	-
National Small Business Council		-	-	-	-	-	-	-	-	-
Registration of Deeds Trade Account		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	213 603	201 173	217 386	236 841	223 789	223 789	247 504	261 615	279 845
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		763 504	686 466	755 317	818 604	806 217	806 217	859 166	884 979	906 886

Revenue anticipated from transfers and subsidies amount to R611.6 million in the 2024/2025 financial year, increasing to R623.3 million in 2025/2026 and R627 million in 2026/2027. Operating grants projected an average percentage increase of 3% for 2024/25 and 2025/26, while the outer year (2026/27) is estimated to increase by 1%. This is due to EPWP grant that is only allocated for the budget year.

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 an average of 15% for 2024/2025 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 2024/25 with 4.9%
- 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 2024.

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25 % incr.	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>											
Rates and services charges:											
Property rates		0.80	–	1.05	1.05	1.05	1.05	(98.5%)	1.12	1.12	1.12
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		–	–	–	–	–	–	–	–	–	–
Water: Basic levy		–	–	–	22.40	22.40	22.40	(95.2%)	23.36	–	–
Water: Consumption		45.45	–	–	49.50	49.50	49.50	31.5%	50.46	–	–
Sanitation		–	–	–	53.60	53.60	53.60	37.2%	54.56	–	–
Refuse removal		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
sub-total		46.25	–	1.05	126.55	126.55	126.55	2.3%	129.50	1.12	1.12
VAT on Services		74.10	–	–	94.94	94.94	94.94	–	95.90	–	–
<b>Total large household bill:</b>		<b>120.35</b>	<b>–</b>	<b>1.05</b>	<b>221.49</b>	<b>221.49</b>	<b>221.49</b>	<b>1.8%</b>	<b>225.40</b>	<b>1.12</b>	<b>1.12</b>
<b>% increase/-decrease</b>		<b>–</b>	<b>(100.0%)</b>	<b>–</b>	<b>20 994.3%</b>	<b>–</b>	<b>–</b>	<b>(100.0%)</b>	<b>1.8%</b>	<b>(99.5%)</b>	<b>–</b>
<b>Monthly Account for Household - 'Affordable Range'</b>											
Rates and services charges:											
Property rates		23.54	–	–	25.70	25.70	25.70	(44.1%)	26.66	–	–
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		–	–	–	–	–	–	–	–	–	–
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		23.54	–	–	25.70	25.70	25.70	(93.1%)	26.66	–	–
Sanitation		38.02	–	–	41.92	41.92	41.92	–	42.88	–	–
Refuse removal		38.48	–	–	43.48	43.48	43.48	–	44.44	–	–
Other		–	–	–	–	–	–	–	–	–	–
sub-total		123.58	–	–	136.80	136.80	136.80	2.8%	140.64	–	–
VAT on Services		66.82	–	–	89.64	89.64	89.64	–	90.60	–	–
<b>Total small household bill:</b>		<b>190.40</b>	<b>–</b>	<b>–</b>	<b>226.44</b>	<b>226.44</b>	<b>226.44</b>	<b>2.1%</b>	<b>231.24</b>	<b>–</b>	<b>–</b>
<b>% increase/-decrease</b>		<b>–</b>	<b>(100.0%)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2.1%</b>	<b>(100.0%)</b>	<b>–</b>
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>											
Rates and services charges:											
Property rates		20.63	–	–	22.74	22.74	22.74	–	23.70	–	–
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		–	–	–	–	–	–	(100.0%)	–	–	–
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		–	–	–	–	–	–	–	–	–	–
Sanitation		38.02	–	–	41.91	41.91	41.91	–	42.87	–	–
Refuse removal		36.82	–	–	43.48	43.48	43.48	–	44.44	–	–
Other		–	–	–	–	–	–	–	–	–	–
sub-total		95.47	–	–	108.13	108.13	108.13	2.7%	111.01	–	–
VAT on Services		57.00	–	–	81.52	81.52	81.52	–	83.48	–	–
<b>Total small household bill:</b>		<b>152.47</b>	<b>–</b>	<b>–</b>	<b>189.65</b>	<b>189.65</b>	<b>189.65</b>	<b>2.6%</b>	<b>194.49</b>	<b>–</b>	<b>–</b>
<b>% increase/-decrease</b>		<b>–</b>	<b>(100.0%)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2.6%</b>	<b>(100.0%)</b>	<b>–</b>

### 1.4 Operating Expenditure Framework

The municipality’s expenditure framework for the 2024/2025 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;

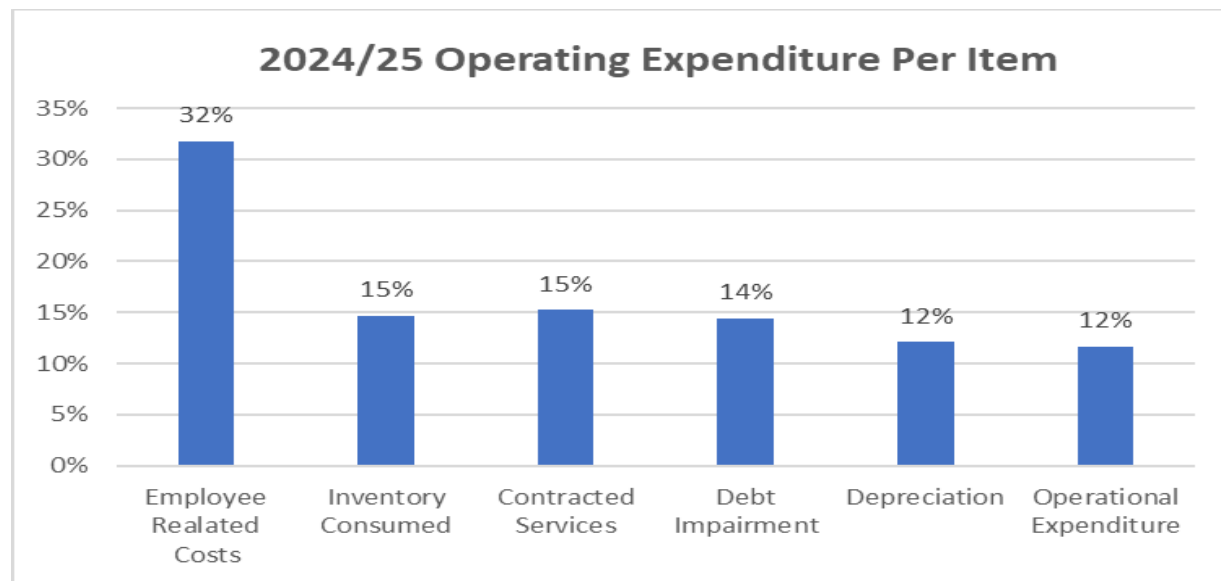
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2024/2025 MTREF budget (classified per main type of operating expenditure):

**Table 11 Summary of operating expenditure by standard classification item**

NW375 Moses Kotane - Operating Expenditure								
Description	2023/2024		MTREF			Movement %		
	Original Budget	Adjusted Budget	2024-25	2025-26	2026-27	2024-25	2025-26	2026-27
<b>R thousands</b>								
Employee related costs	296 872 275	294 602 798	396 069 792	412 777 614	431 434 328	26%	4%	4.32%
Remuneration of councillors	27 596 587	27 596 587	31 801 862	33 268 762	34 785 662	13%	4%	4.36%
Bulk purchases - electricity	25 000 000	25 000 000	42 000 000	43 932 000	45 908 940	40%	4%	4.31%
Inventory consumed	150 155 000	150 155 000	198 055 000	207 165 530	216 487 980	24%	4%	4.31%
Debt impairment	328 721 071	328 721 071	194 641 596	203 595 110	212 755 646	-69%	4%	4.31%
Depreciation and amortisation	155 041 279	155 041 279	162 638 301	170 119 663	177 775 048	5%	4%	4.31%
Interest	5 600 000	8 900 000	2 252 093	690 413	165 901	-295%	-226%	-316.16%
Contracted services	140 090 262	140 400 262	205 879 621	215 258 084	224 957 213	32%	4%	4.31%
Operational costs	83 281 400	93 265 607	113 163 200	117 004 766	113 612 044	18%	3%	-2.99%
<b>Total</b>	<b>1 212 358</b>	<b>1 223 683</b>	<b>1 346 501</b>	<b>1 403 812</b>	<b>1 457 883</b>	<b>9%</b>	<b>4%</b>	<b>3.71%</b>

Below is the graphical illustration of the operating expenditure, indicating the main cost drivers for operating expenditure for 2024/25 financial year.



**Employee Related Costs**

The projected budget for employee related costs for 2024/25 financial year amount to R396 million, which equates to 30% of the total operating expenditure budget. Based on the estimated consumer price index and inclinations in the labour market, salary increases have been factored into this budget at a percentage increase of 6 per cent for the 2024/2025 financial year. The outer

years projected an average increase of 4%. The employee related cost is the main cost driver for 2024/25 budget.

Including the remuneration of Councillors, the employee related costs accounts for 32%, which is within the recommended norm. It must be noted that provision have been made to fill vacant positions during the year.

### **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 6% percent has been provided in the 2024/25 budget to cater for upper limits during the financial year, pending the finalisation of Councillors upper limits.

### **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 R194.6 million for 2024/25, increasing to R203.5 million and R212.7 million for the two outer years respectively. Debt impairment has decreased by 69% from the adjustment adjustment, this item was reduced to align with the audited financial statement and the improved collection rate.

While the 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 42%. The lower collection rate emanates from rural nature of the municipality, current economic status, unemployment. Total debt impairment accounts for 14% 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 2024/25 totals to R162.6 million which is an increase of 5% when compared to the current year's budget. Of the total operating expenditure, depreciation accounts for 12%. Note that the implementation of GRAP 17 accounting standard has meant to bring a range of assets previously not included in the assets register into 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 unfavourable financial status of the municipality. The municipality will use the projected surplus in the cash flow as the cash back to fund the depreciation. Implementation of the

## **Interest - Finance Charges**

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance costs is estimated at R2.2 million for 2024/25. The projection is expected to decline as the loans are about to be paid over the MTREF. The acquisition of vehicle lease was aimed at improving service delivery as the fleet of the municipality is in bad condition and cost a lot for maintenance.

## **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 sustainable provision of water service.

Water purchases has projected R198 million for 2024/25 financial year, which equates a growth of 24% when compared to the 2024/25 adjustment budget. The total increase for 2024/25 amount to R47.9 million. In addition to the Magalies Water increment of 15%, an adjustment to correct the understatement was also considered. The expenditure is further estimated to increase by an average 4% for 2025/26 and 2026/27 financial years.

## **Bulk Purchase: Electricity**

Bulk Electricity has projected to increase by R17 million or 40% for 2024/25. The budget is projected to be R42 million. It is expected to increase by an average of 4% for the outer years. This projection includes the electricity used for boreholes, streetlights, internal usage of electricity. The item was increased to correct understatement in the current financial year.

## **Contracted Services**

Contracted Services is estimated at R205.8 million. 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 regulations.

## **Operational costs - Other Expenditure**

Included in the other expenditure is all operational costs all items not mentioned above, however this include ward committee's stipend and free basic electricity provided to indigents and other expenditure items relating to repairs and maintenance. The budget is estimated at R113.1 million, with estimated average increase of 3% in 2025/26.

### **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 2024/25 Medium-term capital budget per vote**

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	3 000	2 500	2 500	-	2 500	2 615	2 733
Vote 04 - Corporate Services		54	188	106	3 000	2 000	2 000	187	2 500	2 667	2 787
Vote 05 - Community Services		17 826	(3 650)	1 957	8 011	1 250	1 250	-	11 364	19 015	25 845
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		29 204	15 836	6 740	230 580	223 789	223 789	140 149	236 140	242 600	254 000
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	<b>47 085</b>	<b>12 373</b>	<b>8 803</b>	<b>244 591</b>	<b>229 539</b>	<b>229 539</b>	<b>140 336</b>	<b>252 554</b>	<b>266 897</b>	<b>285 365</b>
<b>Single-year expenditure to be appropriated</b>	2										
Vote 01 - Municipal Council		-	-	-	-	2 054	2 054	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	200	200	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>						<b>2 254</b>	<b>2 254</b>				
<b>Total Capital Expenditure - Vote</b>		<b>47 085</b>	<b>12 373</b>	<b>8 803</b>	<b>244 591</b>	<b>231 793</b>	<b>231 793</b>	<b>140 336</b>	<b>252 554</b>	<b>266 897</b>	<b>285 365</b>

For 2024/25 an amount of R252.5 million has been appropriated for the development of infrastructure. Capital expenditure is further projected to increase to R266.8 million and R285.3 million for 2025/26 and 2026/27 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		54	188	106	6 000	6 554	6 554	263	5 050	5 282	5 520
Executive and council		-	-	-	-	2 054	2 054	-	-	-	-
Finance and administration		54	188	106	6 000	4 500	4 500	263	5 050	5 282	5 520
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		13 347	(0)	2 816	1 750	1 450	1 450	-	9 400	14 015	5 845
Community and social services		13 347	(0)	-	-	-	-	-	9 400	14 015	5 845
Sport and recreation		-	-	2 816	750	1 250	1 250	-	-	-	-
Public safety		-	-	-	1 000	200	200	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		16 270	5 410	2 790	60 826	55 718	55 718	34 126	51 275	55 000	55 000
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		16 270	5 410	2 790	60 826	55 718	55 718	34 126	51 275	55 000	55 000
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		17 414	6 775	3 092	176 015	168 071	168 071	106 024	186 829	192 600	219 000
Energy sources		-	(0)	-	4 000	5 142	5 142	3 778	5 000	6 000	7 000
Water management		12 934	10 426	3 950	155 754	157 929	157 929	101 724	167 865	147 600	142 000
Waste water management		(0)	0	-	10 000	5 000	5 000	522	12 000	34 000	50 000
Waste management		4 480	(3 650)	(859)	6 261	-	-	-	1 964	5 000	20 000
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	47 085	12 373	8 803	244 591	231 793	231 793	140 412	252 554	266 897	285 365

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

The capital budget is mainly allocated as follows;

2024/2025 CAPITAL BUDGET		
Description	Amount	%
Water	167 865	66%
Sanitation	12 000	5%
Refuse	1 964	1%
Roads	51 275	20%
Community	9 400	4%
Energy Sources	5 000	2%
Other Assets Class	5 050	2%
<b>Tota Capital Budget</b>	<b>252 554</b>	<b>100%</b>

**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 2024/25 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

**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 emphasise 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue - Functional</b>	1									
<b>Governance and administration</b>		552 355	477 898	535 972	567 889	567 889	567 889	568 055	584 725	598 325
Executive and council		5 905	5 699	21 455	22 852	22 852	22 852	23 856	22 993	23 167
Finance and administration		546 450	472 198	514 517	545 038	545 038	545 038	544 199	561 732	575 159
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		16 572	31 609	23 827	4 000	6 634	6 634	13 954	18 779	9 452
Community and social services		4 388	11 817	1 612	-	2 634	2 634	1 254	1 312	-
Sport and recreation		10 975	16 054	20 851	-	-	-	9 400	14 015	5 845
Public safety		1 209	3 738	1 365	4 000	4 000	4 000	3 300	3 452	3 607
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		72 363	61 218	51 230	68 923	62 025	62 025	58 374	61 858	62 131
Planning and development		3 208	4 576	4 778	8 097	6 128	6 128	7 099	6 858	7 131
Road transport		69 155	56 642	46 452	60 826	55 897	55 897	51 275	55 000	55 000
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		519 659	561 178	581 362	673 513	665 430	665 430	668 196	689 703	728 217
Energy sources		10 395	18 676	16 357	8 000	8 963	8 963	5 000	6 000	7 000
Water management		370 442	423 012	424 392	428 759	526 728	526 728	526 825	540 939	561 776
Waste water management		59 141	34 691	47 406	130 953	30 199	30 199	30 716	31 517	31 954
Waste management		79 682	84 798	93 207	105 800	99 540	99 540	105 654	111 248	127 487
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	1 160 949	1 131 902	1 192 390	1 314 325	1 301 978	1 301 978	1 308 579	1 355 065	1 398 125
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		291 861	351 109	289 665	375 428	377 288	377 288	446 683	455 805	469 324
Executive and council		78 543	80 699	84 311	101 393	100 953	100 953	121 088	125 251	120 825
Finance and administration		206 763	266 897	200 450	269 233	271 533	271 533	318 906	323 558	341 188
Internal audit		6 555	3 513	4 903	4 802	4 802	4 802	6 689	6 996	7 311
<b>Community and public safety</b>		99 818	107 523	125 021	121 102	124 036	124 036	136 383	142 532	147 445
Community and social services		30 596	24 763	26 539	33 814	36 448	36 448	37 776	39 389	39 661
Sport and recreation		42 912	49 257	60 726	51 959	51 959	51 959	51 519	53 889	56 314
Public safety		26 309	33 503	37 756	35 329	35 629	35 629	47 088	49 254	51 470
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		78 304	74 657	77 589	89 084	87 114	87 114	105 598	109 910	114 797
Planning and development		18 007	19 928	21 391	29 621	27 651	27 651	53 245	55 148	57 572
Road transport		60 297	54 729	56 199	59 463	59 463	59 463	52 353	54 761	57 226
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		532 671	589 760	548 634	623 594	632 094	632 094	676 326	712 928	739 271
Energy sources		32 120	31 229	43 171	38 507	38 507	38 507	56 697	59 305	61 973
Water management		393 491	462 253	402 470	492 993	501 493	501 493	494 039	522 257	540 019
Waste water management		50 882	38 649	55 609	29 949	29 949	29 949	40 918	42 801	44 727
Waste management		56 177	57 630	47 385	62 144	62 144	62 144	84 671	88 566	92 552
<b>Other</b>	4	837	2 645	2 772	3 150	3 150	3 150	3 468	3 628	3 791
<b>Total Expenditure - Functional</b>	3	1 003 490	1 125 694	1 043 682	1 212 358	1 223 683	1 223 683	1 368 457	1 424 802	1 474 628
<b>Surplus/(Deficit) for the year</b>		157 459	6 208	148 708	101 967	78 296	78 296	(59 878)	(69 738)	(76 503)

**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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>										
Vote 01 - Municipal Council	1	5 905	5 699	21 455	22 852	22 852	22 852	23 856	22 993	23 167
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		546 143	470 779	514 088	544 438	544 438	544 438	543 699	561 209	574 612
Vote 04 - Corporate Services		292	1 420	429	600	600	600	500	523	547
Vote 05 - Community Services		96 269	116 407	117 034	109 800	106 174	106 174	119 608	130 026	136 939
Vote 06 - Planning & Development		114	72	136	-	-	-	120	126	131
Vote 07 - Infrastructure & Technical Services		512 227	537 526	539 249	636 636	627 915	627 915	620 796	640 188	662 730
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>1 160 949</b>	<b>1 131 902</b>	<b>1 192 390</b>	<b>1 314 325</b>	<b>1 301 978</b>	<b>1 301 978</b>	<b>1 308 579</b>	<b>1 355 065</b>	<b>1 398 125</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 01 - Municipal Council	1	63 820	66 544	71 931	87 446	87 006	87 006	103 337	106 684	101 422
Vote 02 - Office Of The Accounting Officer		22 797	22 275	22 319	23 610	23 610	23 610	30 687	32 099	33 543
Vote 03 - Budget And Treasury Office		117 380	169 825	95 828	158 731	158 731	158 731	145 371	153 655	158 800
Vote 04 - Corporate Services		69 878	77 574	80 922	86 645	86 645	86 645	116 216	122 377	125 777
Vote 05 - Community Services		166 530	176 480	187 203	195 701	200 935	200 935	232 803	241 847	250 803
Vote 06 - Planning & Development		20 836	18 408	20 725	26 906	26 906	26 906	47 793	50 014	52 242
Vote 07 - Infrastructure & Technical Services		542 249	594 587	564 753	633 320	639 850	639 850	692 250	718 127	752 041
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>1 003 490</b>	<b>1 125 694</b>	<b>1 043 682</b>	<b>1 212 358</b>	<b>1 223 683</b>	<b>1 223 683</b>	<b>1 368 457</b>	<b>1 424 802</b>	<b>1 474 628</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>157 459</b>	<b>6 208</b>	<b>148 708</b>	<b>101 967</b>	<b>78 296</b>	<b>78 296</b>	<b>(59 878)</b>	<b>(69 738)</b>	<b>(76 503)</b>

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

1. 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

<b>2024/2025 TRADING SERVICES</b>			
<b>R'000</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
<b>OPERATING REVENUE (A4)</b>			
Water	197 242	206 315	215 600
Sanitation	5 103	5 338	5 578
Refuse	11 189	11 703	12 230
<b>OPERATING EXPENDITURE (A2)</b>			
Water	494 039	522 257	540 019
Sanitation	40 918	42 801	44 727
Refuse	84 671	88 566	92 552
<b>SURPLUS / (DEFICIT)</b>			
Water	(296 797)	(315 941)	(324 420)
Sanitation	(35 815)	(37 463)	(39 148)
Refuse	(73 483)	(76 863)	(80 322)

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.

The Provincial treasury will be engaged for assistance with the determination of cost reflective tariffs.

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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	160 572	199 384	178 981	222 520	222 560	222 560	160 267	197 242	206 315	215 600
Service charges - Waste Water Management	2	2 921	5 259	3 864	6 036	6 036	6 036	4 073	5 103	5 338	5 578
Service charges - Waste Management	2	10 823	11 376	11 817	12 277	12 277	12 277	10 784	11 189	11 703	12 230
Sale of Goods and Rendering of Services		849	817	761	520	520	520	702	547	573	598
Agency services											
Interest											
Interest earned from Receivables		45 929	58 096	71 462	60 636	60 636	60 636	40 448	41 304	43 204	45 148
Interest earned from Current and Non Current Assets		4 171	2 479	9 745	6 251	6 251	6 251	12 094	12 500	13 075	13 663
Dividends		-	3 187	-	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets		74	234	152	188	188	188	97	118	123	129
Licence and permits		-	2 430	336	2 000	2 000	2 000	835	1 500	1 569	1 640
Operational Revenue		384	769	1 014	1 205	1 205	1 205	1 844	1 925	2 014	2 104
<b>Non-Exchange Revenue</b>											
Property rates	2	144 972	130 570	124 807	154 525	154 525	154 525	125 310	144 686	151 341	158 152
Surcharges and Taxes											
Fines, penalties and forfeits		1 209	1 308	1 028	2 000	2 000	2 000	1 062	1 800	1 883	1 968
Licences or permits											
Transfer and subsidies - Operational		549 901	485 293	537 931	581 763	582 428	582 428	568 743	611 662	623 364	627 041
Interest		21 641	26 839	32 268	27 562	27 562	27 562	30 344	31 498	32 947	34 430
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		3 838	2 611	838	-	-	-	-	-	-	-
Other Gains		62	77	0	-	-	-	-	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>947 347</b>	<b>930 729</b>	<b>975 004</b>	<b>1 077 484</b>	<b>1 078 189</b>	<b>1 078 189</b>	<b>956 604</b>	<b>1 061 075</b>	<b>1 093 450</b>	<b>1 118 280</b>
<b>Expenditure</b>											
Employee related costs	2	256 653	270 066	283 415	296 872	294 603	294 603	255 275	396 070	412 778	431 434
Remuneration of councillors		25 027	25 344	25 874	27 597	27 597	27 597	22 449	31 802	33 269	34 786
Bulk purchases - electricity	2	23 524	20 890	33 007	25 000	25 000	25 000	31 257	42 000	43 932	45 909
Inventory consumed	8	2 830	4 904	6 835	150 155	150 155	150 155	7 695	198 055	207 166	216 488
Debt impairment	3	(216)	-	-	328 721	328 721	328 721	301 049	194 642	203 595	212 756
Depreciation and amortisation		139 517	131 765	132 550	155 041	155 041	155 041	112 605	162 638	170 120	177 775
Interest		4 242	4 036	5 619	5 600	8 900	8 900	2 753	2 252	690	166
Contracted services		145 007	125 412	136 096	140 090	138 550	138 550	125 794	205 880	215 258	224 957
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		204 695	321 005	147 426	-	-	-	1 721	-	-	-
Operational costs		88 798	88 805	116 715	83 261	95 266	95 266	69 890	113 163	117 005	113 612
Losses on disposal of Assets		8 217	16 461	18 942	-	-	-	-	-	-	-
Other Losses		517	65	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>898 811</b>	<b>1 008 752</b>	<b>906 477</b>	<b>1 212 358</b>	<b>1 223 833</b>	<b>1 223 833</b>	<b>930 487</b>	<b>1 346 501</b>	<b>1 403 812</b>	<b>1 457 883</b>
<b>Surplus/(Deficit)</b>		<b>48 535</b>	<b>(78 023)</b>	<b>68 527</b>	<b>(134 874)</b>	<b>(145 644)</b>	<b>(145 644)</b>	<b>26 117</b>	<b>(285 427)</b>	<b>(310 362)</b>	<b>(339 602)</b>
Transfers and subsidies - capital (monetary allocations)	6	213 603	201 173	217 386	236 841	223 789	223 789	141 893	247 504	261 615	279 845
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>262 138</b>	<b>123 150</b>	<b>285 913</b>	<b>101 967</b>	<b>78 146</b>	<b>78 146</b>	<b>168 011</b>	<b>(37 923)</b>	<b>(48 747)</b>	<b>(59 757)</b>
Income Tax											
<b>Surplus/(Deficit) after income tax</b>		<b>262 138</b>	<b>123 150</b>	<b>285 913</b>	<b>101 967</b>	<b>78 146</b>	<b>78 146</b>	<b>168 011</b>	<b>(37 923)</b>	<b>(48 747)</b>	<b>(59 757)</b>
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>262 138</b>	<b>123 150</b>	<b>285 913</b>	<b>101 967</b>	<b>78 146</b>	<b>78 146</b>	<b>168 011</b>	<b>(37 923)</b>	<b>(48 747)</b>	<b>(59 757)</b>
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions											

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

<b>REVENUE Per Source</b>		
<b>Revenue Source</b>	<b>2024/2025</b>	<b>%</b>
Property Rates	144 685 665	14%
Service Charges	213 534 203	20%
Operating Grants	611 661 990	58%
Interest on Debtors	72 802 641	7%
Other Revenue	18 390 133	2%
<b>Total Revenue</b>	<b>1 061 074 632</b>	<b>100%</b>

1. Total operating revenue projected for 2024/25 amounts to R1,061 billion, estimated to escalate by an average of 2.6% in the two outer years.
2. Revenue anticipated from property rates amount to R144.6 million in 2024/25 financial year, which represents 14% of the total operating revenue base of the municipality. It further anticipated to increase at average increase of 4% in the outer years.
3. Service charges relating to, water, sanitation and refuse removal constitutes 20% of the revenue basket of the municipality totalling R213.5 million for the 2024/25 financial year. Services charges are the main revenue component of the municipality's own revenue. All service charges are estimated to decrease from the 2024/25 adjustment budget.
4. Interest charged of overdue accounts are projected at R72.8 million which constitute 7% of the total revenue.
5. 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 5% in 2024/25, with average increase of 1.2% 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 58% of the total revenue.

Total operating expenditure for the 2024/2025 financial year has projected R1,346 billion which is an increase of R122.8 million when compared to the 2023/24 Adjustment budget. Operating expenditure is further projected at R1, 403 billion in 2025/2026 and R1, 457 billion in 2026/2027.

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	3 000	2 500	2 500	-	2 500	2 615	2 733
Vote 04 - Corporate Services		54	188	106	3 000	2 000	2 000	263	2 550	2 667	2 787
Vote 05 - Community Services		17 826	(3 650)	1 957	8 011	1 250	1 250	-	11 364	19 015	25 845
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		29 204	15 836	6 740	230 580	223 789	223 789	140 149	236 140	242 600	254 000
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	<b>47 085</b>	<b>12 373</b>	<b>8 803</b>	<b>244 591</b>	<b>229 539</b>	<b>229 539</b>	<b>140 412</b>	<b>252 554</b>	<b>266 897</b>	<b>285 365</b>
<b>Single-year expenditure to be appropriated</b>	2										
Vote 01 - Municipal Council		-	-	-	-	2 054	2 054	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	200	200	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 254</b>	<b>2 254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Vote</b>		<b>47 085</b>	<b>12 373</b>	<b>8 803</b>	<b>244 591</b>	<b>231 793</b>	<b>231 793</b>	<b>140 412</b>	<b>252 554</b>	<b>266 897</b>	<b>285 365</b>



### 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 R252.5 million for the 2024/25 financial year, estimated to increase to R266.8 million and R285.3 million in 2025/26 and 2026/27.
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 98% and 2% respectively.

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

<b>2024/2025 CAPITAL BUDGET FUNDING MIX</b>			
<b>Funding Source</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
MIG	167 504	176 615	192 845
WSIG	80 000	85 000	87 000
<b>TOTAL GRANTS</b>	<b>247 504</b>	<b>261 615</b>	<b>279 845</b>
OWN FUNDING	5 050	5 282	5 520
<b>TOTAL CAPITAL BUDGET</b>	<b>252 554</b>	<b>266 897</b>	<b>285 365</b>

Total capital grants for 2024/25 amount to R247.5 million, increasing to R261.6 million and R279.8 million for the two outer years respectively.

**Table 18 MBRR Table A6 - Budgeted Financial Position**

NW375 Moses Kotane - Table A6 Budgeted Financial Position

R thousand	Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>ASSETS</b>												
<b>Current assets</b>												
	Cash and cash equivalents		185 535	1 122 547	1 902 658	63 040	63 040	63 040	155 741	38 450	19 365	18 895
	Trade and other receivables from exchange transactions	1	52 991	61 422	70 897	66 260	66 260	66 260	112 057	82 503	83 978	96 943
	Receivables from non-exchange transactions	1	37 763	(12 991)	172 477	66 260	66 260	66 260	62 248	112 848	112 710	124 609
	Current portion of non-current receivables											
	Inventory	2	11 825	14 262	16 495	18 828	18 828	18 828	18 856	19 496	20 295	21 131
	VAT		91 554	105 884	129 471	12 635	12 635	12 635	129 955	26 122	27 167	28 253
	Other current assets		5 444	6 281	23 214	6 214	6 214	6 214	23 350	2 049	2 149	2 254
	<b>Total current assets</b>		<b>385 112</b>	<b>1 297 405</b>	<b>2 315 212</b>	<b>233 237</b>	<b>233 237</b>	<b>233 237</b>	<b>502 208</b>	<b>281 467</b>	<b>265 663</b>	<b>292 085</b>
<b>Non current assets</b>												
	Investments		-	-	-	-	-	-	-	-	-	-
	Investment property		151 431	150 684	#####	151 438	151 438	151 438	150 664	152 952	153 482	153 635
	Property, plant and equipment	3	2 943 160	2 953 246	2 988 511	3 452 125	3 440 328	3 440 328	3 051 655	3 680 870	3 940 442	2 915 094
	Biological assets											
	Living and non-living resources											
	Heritage assets		14	14	14	14	14	14	14	14	14	14
	Intangible assets		13 463	13 394	13 393	15 854	14 854	14 854	11 260	15 354	15 327	15 586
	Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
	Non-current receivables from non-exchange transactions											
	Other non-current assets											
	<b>Total non current assets</b>		<b>3 108 069</b>	<b>3 117 339</b>	<b>3 152 582</b>	<b>3 619 431</b>	<b>3 606 634</b>	<b>3 606 634</b>	<b>3 213 593</b>	<b>3 849 191</b>	<b>4 109 264</b>	<b>3 084 329</b>
	<b>TOTAL ASSETS</b>		<b>3 493 180</b>	<b>4 414 744</b>	<b>5 467 794</b>	<b>3 852 669</b>	<b>3 839 871</b>	<b>3 839 871</b>	<b>3 715 801</b>	<b>4 130 658</b>	<b>4 374 928</b>	<b>3 376 414</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
	Bank overdraft											
	Financial liabilities		22 699	14 629	8 840	12 820	12 820	12 820	4 954	14 372	7 801	1 109
	Consumer deposits		24	1 070	1 823	-	-	-	1 830	600	610	620
	Trade and other payables from exchange transactions	4	368 274	190 097	210 314	177 266	177 266	177 266	174 454	204 741	209 050	210 582
	Trade and other payables from non-exchange transactions	5	27 327	12 544	8 156	-	(3 448)	(3 448)	102 528	-	-	-
	Provision		45 253	46 777	49 159	2 040	2 040	2 040	40 924	3 861	4 011	4 111
	VAT		62 733	88 823	99 997	-	-	-	126 284	-	-	-
	Other current liabilities											
	<b>Total current liabilities</b>		<b>526 310</b>	<b>353 940</b>	<b>378 290</b>	<b>192 126</b>	<b>188 678</b>	<b>188 678</b>	<b>450 975</b>	<b>223 573</b>	<b>221 472</b>	<b>216 422</b>
<b>Non current liabilities</b>												
	Financial liabilities	6	-	-	34 753	33 895	21 753	21 753	26 811	20 868	14 715	-
	Provision	7	36 413	34 703	35 996	38 433	38 433	38 433	36 079	41 638	43 595	44 095
	Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
	Other non-current liabilities											
	<b>Total non current liabilities</b>		<b>36 413</b>	<b>34 703</b>	<b>70 749</b>	<b>72 328</b>	<b>60 186</b>	<b>60 186</b>	<b>62 890</b>	<b>62 505</b>	<b>58 310</b>	<b>44 095</b>
	<b>TOTAL LIABILITIES</b>		<b>562 724</b>	<b>388 643</b>	<b>449 039</b>	<b>264 454</b>	<b>248 864</b>	<b>248 864</b>	<b>513 865</b>	<b>286 079</b>	<b>279 782</b>	<b>260 517</b>
	<b>NET ASSETS</b>		<b>2 930 456</b>	<b>4 026 101</b>	<b>5 018 755</b>	<b>3 588 215</b>	<b>3 591 007</b>	<b>3 591 007</b>	<b>3 201 936</b>	<b>3 844 579</b>	<b>4 095 146</b>	<b>3 115 898</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
	Accumulated surplus/(deficit)	8	3 120 544	3 128 195	3 292 135	3 584 052	3 586 694	3 586 694	3 320 227	3 902 253	4 464 797	3 155 070
	Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
	Other											
	<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>3 120 544</b>	<b>3 128 195</b>	<b>3 292 135</b>	<b>3 584 052</b>	<b>3 586 694</b>	<b>3 586 694</b>	<b>3 320 227</b>	<b>3 902 253</b>	<b>4 464 797</b>	<b>3 155 070</b>

**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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		73 778	69 500	100 014	80 353	80 353	80 353	69 567	75 237	76 816	82 237
Service charges		58 737	110 905	154 773	69 811	69 811	69 811	78 115	88 506	92 577	96 743
Other revenue		363 923	239 351	589 255	5 913	5 913	5 913	296 999	4 810	5 031	5 257
Transfers and Subsidies - Operational	1	766	7 743	161 779	581 763	581 763	581 763	567 216	611 662	623 364	620 041
Transfers and Subsidies - Capital	1	172 836	193 676	208 558	236 841	236 841	236 841	237 903	247 504	261 615	279 845
Interest		3 547	5 634	9 745	6 251	6 251	6 251	12 094	34 341	35 920	37 537
Dividends		-	3 187	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(404 322)	(131 335)	5 575	(728 596)	(728 596)	(728 596)	175 025	(989 222)	(1 030 097)	(1 067 352)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>269 264</b>	<b>498 661</b>	<b>1 229 699</b>	<b>252 337</b>	<b>252 337</b>	<b>252 337</b>	<b>1 436 919</b>	<b>72 838</b>	<b>65 227</b>	<b>54 308</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	(13)	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(21 611)	(12 373)	(8 803)	(244 591)	(244 591)	(244 591)	(168 975)	(252 554)	(266 897)	(285 365)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(21 611)</b>	<b>(12 373)</b>	<b>(8 817)</b>	<b>(244 591)</b>	<b>(244 591)</b>	<b>(244 591)</b>	<b>(168 975)</b>	<b>(252 554)</b>	<b>(266 897)</b>	<b>(285 365)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	(61)	-	-	-
Increase (decrease) in consumer deposits		-	2 125	-	-	-	-	5	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	(5 045)	(5 813)	(12 820)	(12 820)	(12 820)	(3 880)	(14 372)	(6 571)	(6 692)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>(2 920)</b>	<b>(5 813)</b>	<b>(12 820)</b>	<b>(12 820)</b>	<b>(12 820)</b>	<b>(3 936)</b>	<b>(14 372)</b>	<b>(6 571)</b>	<b>(6 692)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>											
Cash/cash equivalents at the year begin:	2	48 781	61 597	36 880	68 734	68 734	68 734	-	1 411	(192 677)	(400 918)
Cash/cash equivalents at the year end:	2	296 434	544 964	1 251 950	63 660	63 660	63 660	1 264 007	(192 677)	(400 918)	(638 667)

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. The above table indicate that the budget is unfunded. It must however be noted that there is financial plan in place to address the budget deficit.
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**

- R144.6 million is projected for property rates billing and R75.2 million (52%) projected for collection

**Water Revenue**

- R197.2 million is projected for water billing and R82.8 million (42%) projected for collection

**Sanitation Revenue**

- R5.1 million is projected for sanitation billing and R2.1 million (42%) projected for collection

**Refuse Revenue**

- R11.1 million is projected for refuse billing and R3.4 million (30%) 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	296 434	544 964	1 251 950	63 660	63 660	63 660	1 264 007	(192 677)	(400 918)	(638 667)
Other current investments > 90 days		(110 898)	577 582	650 709	(620)	(620)	(620)	(1 108 266)	231 127	420 282	754 651
Non current investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>185 535</b>	<b>1 122 547</b>	<b>1 902 658</b>	<b>63 040</b>	<b>63 040</b>	<b>63 040</b>	<b>155 741</b>	<b>38 450</b>	<b>19 365</b>	<b>115 985</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		27 327	12 544	8 156	-	(3 448)	(3 448)	102 528	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(28 820)	(17 061)	(29 474)	(12 635)	(12 635)	(12 635)	(3 672)	(26 122)	(27 167)	(28 253)
Other working capital requirements	3	325 551	170 308	(3 990)	160 026	160 027	160 027	92 876	114 281	118 942	107 990
Other provisions		45 253	46 777	49 159	2 040	2 040	2 040	40 924	3 861	4 011	4 111
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>369 311</b>	<b>212 567</b>	<b>23 851</b>	<b>149 431</b>	<b>145 984</b>	<b>145 984</b>	<b>232 657</b>	<b>92 020</b>	<b>95 786</b>	<b>83 848</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(183 776)</b>	<b>909 980</b>	<b>1 878 807</b>	<b>(86 391)</b>	<b>(82 944)</b>	<b>(82 944)</b>	<b>(76 916)</b>	<b>(53 570)</b>	<b>(76 421)</b>	<b>32 137</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(183 776)</b>	<b>909 980</b>	<b>1 878 807</b>	<b>(86 391)</b>	<b>(82 944)</b>	<b>(82 944)</b>	<b>(76 916)</b>	<b>(53 570)</b>	<b>(76 421)</b>	<b>32 137</b>

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 2024/2025 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

Table with multiple columns showing financial data for various asset categories like Roads Infrastructure, Storm water Infrastructure, Electrical Infrastructure, etc. Includes sub-totals for Total Upgrading of Existing Assets.

NW375 Moses Kotane - Table A9 Asset Management

Table with columns: Description, Ref, 2020/21, 2021/22, 2022/23, Current Year 2023/24 (Audited, Adjusted, Full Year), and 2024/25 Medium Term Revenue & Expenditure Framework (Budget Year 2024/25, +1 2025/26, +2 2026/27). Includes sub-totals for CAPITAL EXPENDITURE and Total New Assets.

<b>Total Capital Expenditure</b>	4	47 085	12 373	8 803	244 591	231 793	231 793	252 554	266 897	285 365
Roads Infrastructure		16 270	5 410	2 790	46 088	40 980	40 980	40 084	55 000	55 000
Storm water Infrastructure		-	-	-	14 738	14 738	14 738	11 191	-	-
Electrical Infrastructure		-	(0)	-	4 000	5 142	5 142	5 000	6 000	7 000
Water Supply Infrastructure		12 934	10 426	3 950	155 754	157 929	157 929	167 865	147 600	142 000
Sanitation Infrastructure		(0)	0	-	10 000	5 000	5 000	12 000	34 000	50 000
Solid Waste Infrastructure		4 480	(3 650)	(859)	6 261	-	-	1 964	5 000	20 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>33 684</b>	<b>12 186</b>	<b>5 882</b>	<b>236 841</b>	<b>223 789</b>	<b>223 789</b>	<b>238 104</b>	<b>247 600</b>	<b>274 000</b>
Community Facilities		-	(0)	2 816	1 000	-	-	7 000	2 015	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>(0)</b>	<b>2 816</b>	<b>1 000</b>	<b>-</b>	<b>-</b>	<b>7 000</b>	<b>2 015</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		13 347	-	-	-	-	-	2 400	12 000	5 845
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>13 347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 400</b>	<b>12 000</b>	<b>5 845</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	106	2 500	1 500	1 500	2 000	2 092	2 186
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>106</b>	<b>2 500</b>	<b>1 500</b>	<b>1 500</b>	<b>2 000</b>	<b>2 092</b>	<b>2 186</b>
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	188	-	3 500	3 200	3 200	3 000	3 138	3 279
Machinery and Equipment		54	-	-	750	1 250	1 250	50	52	55
Transport Assets		-	-	-	-	2 054	2 054	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>47 085</b>	<b>12 373</b>	<b>8 803</b>	<b>244 591</b>	<b>231 793</b>	<b>231 793</b>	<b>252 554</b>	<b>266 897</b>	<b>285 365</b>

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	2 928 164	2 894 937	2 900 827	3 279 111	3 266 313	3 266 313	3 508 870	4 109 264	285 365
Roads Infrastructure		678 750	674 100	679 632	1 409 658	1 404 550	1 404 550	1 403 654	55 000	55 000
Storm water Infrastructure		59 134	58 116	55 200	14 738	14 738	14 738	11 191	-	-
Electrical Infrastructure		78 445	89 078	86 808	163 949	165 091	165 091	164 949	6 000	7 000
Water Supply Infrastructure		1 409 058	1 401 236	1 403 326	350 964	353 139	353 139	363 075	147 600	142 000
Sanitation Infrastructure		80 273	77 090	67 587	(33 403)	(38 403)	(38 403)	(31 403)	34 000	50 000
Solid Waste Infrastructure		21 335	16 550	14 857	48 390	42 130	42 130	44 094	5 000	20 000
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure		26 505	17 443	14 875	-	-	-	-	-	-
<b>Infrastructure</b>		<b>2 353 499</b>	<b>2 333 613</b>	<b>2 322 285</b>	<b>1 954 297</b>	<b>1 941 245</b>	<b>1 941 245</b>	<b>1 955 560</b>	<b>247 600</b>	<b>274 000</b>
Community Assets		372 933	377 185	370 189	1 153 258	1 152 258	1 152 258	1 379 540	3 677 651	-
Heritage Assets		14	14	14	14	14	14	14	14	-
Investment properties		151 431	150 684	150 664	151 438	151 438	151 438	152 952	153 482	-
Other Assets		13 347	(0)	(0)	-	-	-	2 400	12 000	5 845
Biological or Cultivated Assets										
Intangible Assets		13 463	13 394	13 393	15 854	14 854	14 854	15 354	15 327	2 186
Computer Equipment		371	371	125	-	-	-	-	-	-
Furniture and Office Equipment		10 566	8 786	6 888	3 500	3 200	3 200	3 000	3 138	3 279
Machinery and Equipment		1 325	965	698	750	1 250	1 250	50	52	55
Transport Assets		11 214	9 924	36 570	-	2 054	2 054	-	-	-
Land										
Zoo's, Marine and Non-biological Animals										
<b>Living Resources</b>										
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>2 928 164</b>	<b>2 894 937</b>	<b>2 900 827</b>	<b>3 279 111</b>	<b>3 266 313</b>	<b>3 266 313</b>	<b>3 508 870</b>	<b>4 109 264</b>	<b>285 365</b>
<b>EXPENDITURE OTHER ITEMS</b>										
Depreciation	7	193 024	177 041	183 174	212 196	212 196	212 196	259 532	271 525	283 687
<b>Repairs and Maintenance by Asset Class</b>	3	53 508	45 275	50 624	57 155	57 155	57 155	96 894	101 406	105 911
Roads Infrastructure		1 140	204	1 640	5 200	5 200	5 200	5 300	5 544	5 793
Storm water Infrastructure		62	-	-	-	-	-	-	-	-
Electrical Infrastructure		999	1 790	1 398	4 200	4 200	4 200	100	105	109
Water Supply Infrastructure		1 060	-	324	1 000	1 000	1 000	1 500	1 569	1 640
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		35 057	29 841	26 886	13 400	13 400	13 400	33 757	35 310	36 899
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>38 317</b>	<b>31 835</b>	<b>30 248</b>	<b>23 800</b>	<b>23 800</b>	<b>23 800</b>	<b>40 657</b>	<b>42 527</b>	<b>44 441</b>
Community Facilities		-	1	-	5	5	5	-	-	-
Sport and Recreation Facilities		56	52	37	250	250	250	250	262	273
<b>Community Assets</b>		<b>56</b>	<b>53</b>	<b>37</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>250</b>	<b>262</b>	<b>273</b>
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		4 130	2 163	3 040	3 800	3 800	3 800	9 886	10 341	10 807
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>4 130</b>	<b>2 163</b>	<b>3 040</b>	<b>3 800</b>	<b>3 800</b>	<b>3 800</b>	<b>9 886</b>	<b>10 341</b>	<b>10 807</b>
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		2	767	(44)	2 000	2 000	2 000	7 500	7 845	8 198
<b>Intangible Assets</b>		<b>2</b>	<b>767</b>	<b>(44)</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>7 500</b>	<b>7 845</b>	<b>8 198</b>
Computer Equipment		8	13	13	50	50	50	50	107	55
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		10 994	10 444	17 330	27 250	27 250	27 250	38 550	40 323	42 138
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Mature</b>										
<b>Immature</b>										
<b>Living Resources</b>										
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>193 024</b>	<b>177 041</b>	<b>183 174</b>	<b>212 196</b>	<b>212 196</b>	<b>212 196</b>	<b>259 532</b>	<b>271 525</b>	<b>283 687</b>
Renewal and upgrading of Existing Assets as % of total capex		62.9%	43.7%	64.9%	28.2%	20.9%	20.9%	30.7%	47.6%	32.6%
Renewal and upgrading of Existing Assets as % of deprecn		21.2%	4.1%	4.3%	44.4%	31.2%	31.2%	47.6%	74.7%	52.3%
R&M as a % of PPE & Investment Property		1.8%	1.5%	1.8%	1.7%	1.7%	1.7%	2.6%	2.3%	34.5%
Renewal and upgrading and R&M as a % of PPE and Investment Property		2.9%	1.7%	2.0%	3.8%	3.2%	3.2%	4.8%	5.4%	67.4%



**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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		--	--	--	7 000	7 000	7 000	7 015	7 015	7 015
Piped water inside yard (but not in dwelling)		--	--	--	10 000	10 000	10 000	--	--	--
Using public tap (at least min.service level)	2	--	--	52 000	52 000	52 000	52 000	53 100	53 100	53 100
Other water supply (at least min.service level)	4	--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>					69 000	69 000	69 000	60 115	60 115	60 115
Using public tap (< min.service level)	3	--	--	12 000	12 000	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	12 000
<b>Total number of households</b>	5	--	--	<b>64 000</b>	<b>81 000</b>	<b>81 000</b>	<b>81 000</b>	<b>72 115</b>	<b>72 115</b>	<b>72 115</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		--	--	8 000	8 000	8 000	8 010	8 010	8 010	
Flush toilet (with septic tank)		--	--	5 000	5 000	5 000	5 250	5 250	5 250	
Chemical toilet		--	--	--	--	--	--	--	--	
Pit toilet (ventilated)		--	--	--	--	--	--	--	--	
Other toilet provisions (> min.service level)		--	--	--	--	--	--	--	--	
<i>Minimum Service Level and Above sub-total</i>					13 000	13 000	13 000	13 260	13 260	13 260
Bucket toilet		--	--	--	--	--	--	--	--	
Other toilet provisions (< min.service level)		--	--	--	--	--	--	--	--	
No toilet provisions		--	--	40 000	40 000	40 000	40 000	40 000	40 000	
<i>Below Minimum Service Level sub-total</i>					40 000	40 000	40 000	40 000	40 000	
<b>Total number of households</b>	5	--	--	<b>53 000</b>	<b>53 000</b>	<b>53 000</b>	<b>53 260</b>	<b>53 260</b>	<b>53 260</b>	
<b>Energy:</b>										
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>					--	--	--	--	--	
<b>Total number of households</b>	5	--	--	--	--	--	--	--	--	
<b>Refuse:</b>										
Removed at least once a week		--	--	75 500	75 500	75 500	75 500	75 600	75 600	75 600
<i>Minimum Service Level and Above sub-total</i>					75 500	75 500	75 500	75 600	75 600	
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>					--	--	--	--	--	
<b>Total number of households</b>	5	--	--	<b>75 500</b>	<b>75 500</b>	<b>75 500</b>	<b>75 600</b>	<b>75 600</b>	<b>75 600</b>	
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		--	--	41 000	25 000	25 000	25 000	41 000	41 000	41 000
Sanitation (free minimum level service)		--	--	41 000	--	--	--	41 000	41 000	41 000
Electricity/other energy (50kwh per household per month)		--	--	24 343	30 000	30 000	30 000	24 343	24 343	24 343
Refuse (removed at least once a week)		--	--	--	58 300	58 300	58 300	--	--	--
<i>Informal Settlements</i>					--	--	--	--	--	--
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		178	67	76	9 850	9 850	9 850	10 000	10 460	10 931
Sanitation (free sanitation service to indigent households)		13	146	256	430	430	430	279	292	306
Electricity/other energy (50kwh per indigent household per month)		--	--	--	8 500	8 500	8 500	9 200	9 623	10 056
Refuse (removed once a week for indigent households)		28	186	286	293	293	293	64	67	70
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
Total cost of FBS provided	8	220	399	619	36 403	36 403	36 403	19 543	20 442	21 362
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		--	--	17 000	--	--	--	17 000	17 000	17 000
Water (kilolitres per household per month)		--	--	6	--	--	--	6	6	6
Sanitation (kilolitres per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (Rand per household per month)		--	--	20	--	--	--	20	20	20
Electricity (kwh per household per month)		--	--	50	--	--	--	50	50	50
Refuse (average litres per week)		--	--	--	--	--	--	--	--	--
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)		--	--	--	3 105	3 105	3 105	--	--	--
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		1 564	147	2 399	2 463	2 463	2 463	2 613	2 733	2 856
Water (in excess of 6 kilolitres per indigent household per month)		--	--	--	--	--	--	--	--	--
Sanitation (in excess of free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--
Electricity/other energy (in excess of 50 kwh per indigent household per month)		--	--	--	--	--	--	--	--	--
Refuse (in excess of one removal a week for indigent households)		--	--	--	--	--	--	--	--	--
Municipal Housing - rental rebates		--	--	--	--	--	--	--	--	--
Housing - top structure subsidies	6	--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
<b>Total revenue cost of subsidised services provided</b>		1 564	147	2 399	5 568	5 568	5 568	2 613	2 733	2 856

**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 2023) a time schedule that outlines 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 2024/25 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 2024/25 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 126 and 128 has been taken into consideration in the planning and prioritisation process.

### **1.7.4 Community Consultation**

The draft 2024/25 MTREF will be tabled on 29<sup>th</sup> March 2024 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 2024/25 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 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
R thousand													
BASIC SERVICES AND INFRASTRUCTURE				394 893	453 743	438 897	509 595	510 300	510 300	492 900	508 599	519 824	
LOCAL ECONOMIC DEVELOPMENT				114	72	136	-	-	-	120	126	131	
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION				5 905	5 699	21 455	22 852	22 852	22 852	23 856	22 993	23 167	
FINANCIAL VIABILITY				546 143	470 779	514 088	544 438	544 438	544 438	543 699	561 209	574 612	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				292	437	429	600	600	600	500	523	547	
Allocations to other priorities			2										
<b>Total Revenue (excluding capital transfers and contributions)</b>				1	<b>947 347</b>	<b>930 729</b>	<b>975 004</b>	<b>1 077 484</b>	<b>1 078 189</b>	<b>1 078 189</b>	<b>1 061 075</b>	<b>1 093 450</b>	<b>1 118 280</b>

**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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
R thousand													
BASIC SERVICES AND INFRASTRUCTURE				708 780	771 067	751 956	829 020	840 785	840 785	910 050	955 171	990 453	
LOCAL ECONOMIC DEVELOPMENT				20 836	18 408	20 725	26 906	26 906	26 906	47 688	49 904	52 126	
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION				90 318	98 243	104 018	121 072	120 632	120 632	151 118	147 066	153 743	
FINANCIAL VIABILITY				116 029	165 242	90 742	153 398	153 398	153 398	136 956	144 861	151 477	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				67 528	72 734	76 240	81 963	81 963	81 963	100 389	106 497	109 755	
Allocations to other priorities													
<b>Total Expenditure</b>				1	<b>1 003 490</b>	<b>1 125 694</b>	<b>1 043 682</b>	<b>1 212 358</b>	<b>1 223 683</b>	<b>1 223 683</b>	<b>1 346 201</b>	<b>1 403 498</b>	<b>1 457 555</b>



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

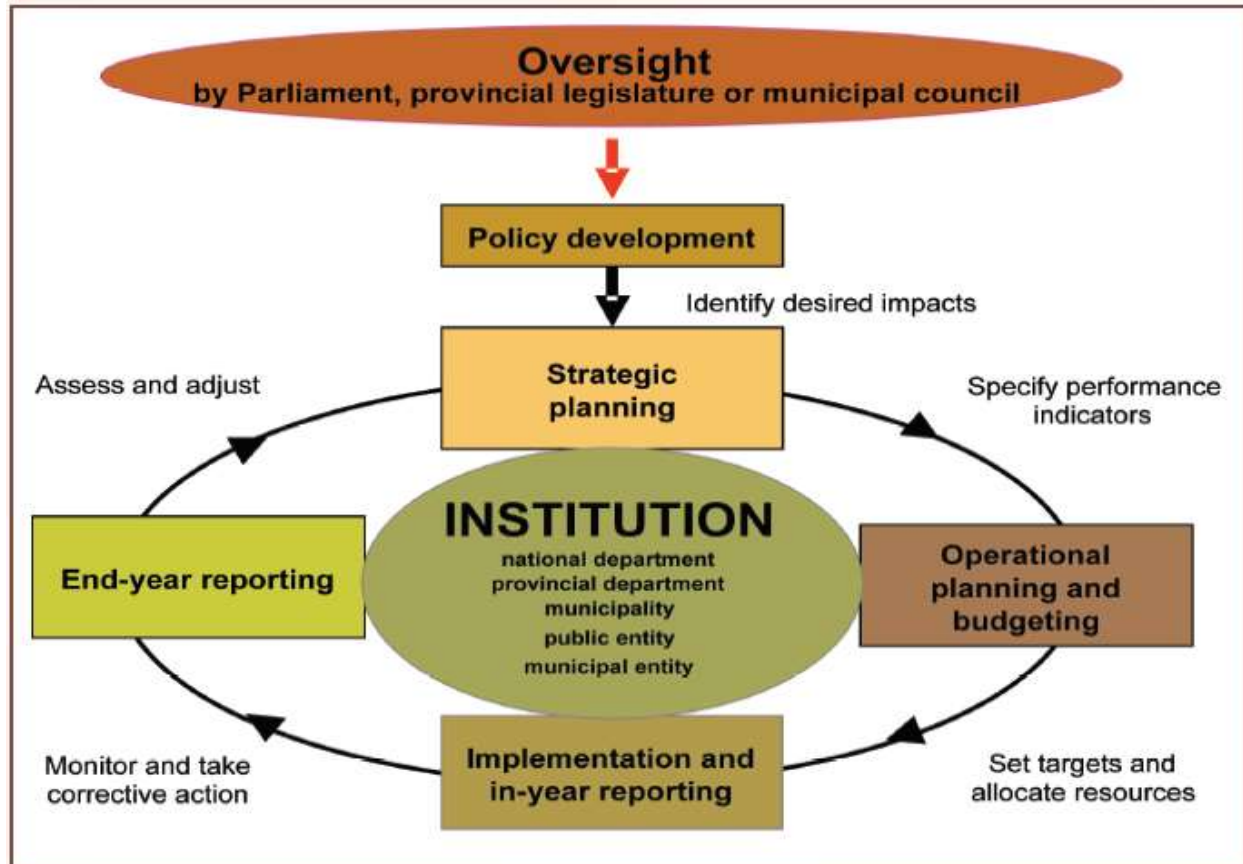
NW375 Moses Kotane - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
BASIC SERVICES AND INFRASTRUCTURE				47 031	12 186	8 697	238 591	225 239	225 239	247 504	261 615	279 845
LOCAL ECONOMIC DEVELOPMENT				-	-	-	-	-	-	-	-	-
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION				-	-	-	-	2 054	2 054	-	-	-
FINANCIAL VIABILITY				-	-	-	3 000	2 500	2 500	2 500	2 615	2 733
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL				54	188	106	3 000	2 000	2 000	2 550	2 667	2 787
Allocations to other priorities			3									
Total Capital Expenditure			1	47 085	12 373	8 803	244 591	231 793	231 793	252 554	266 897	285 365

**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:

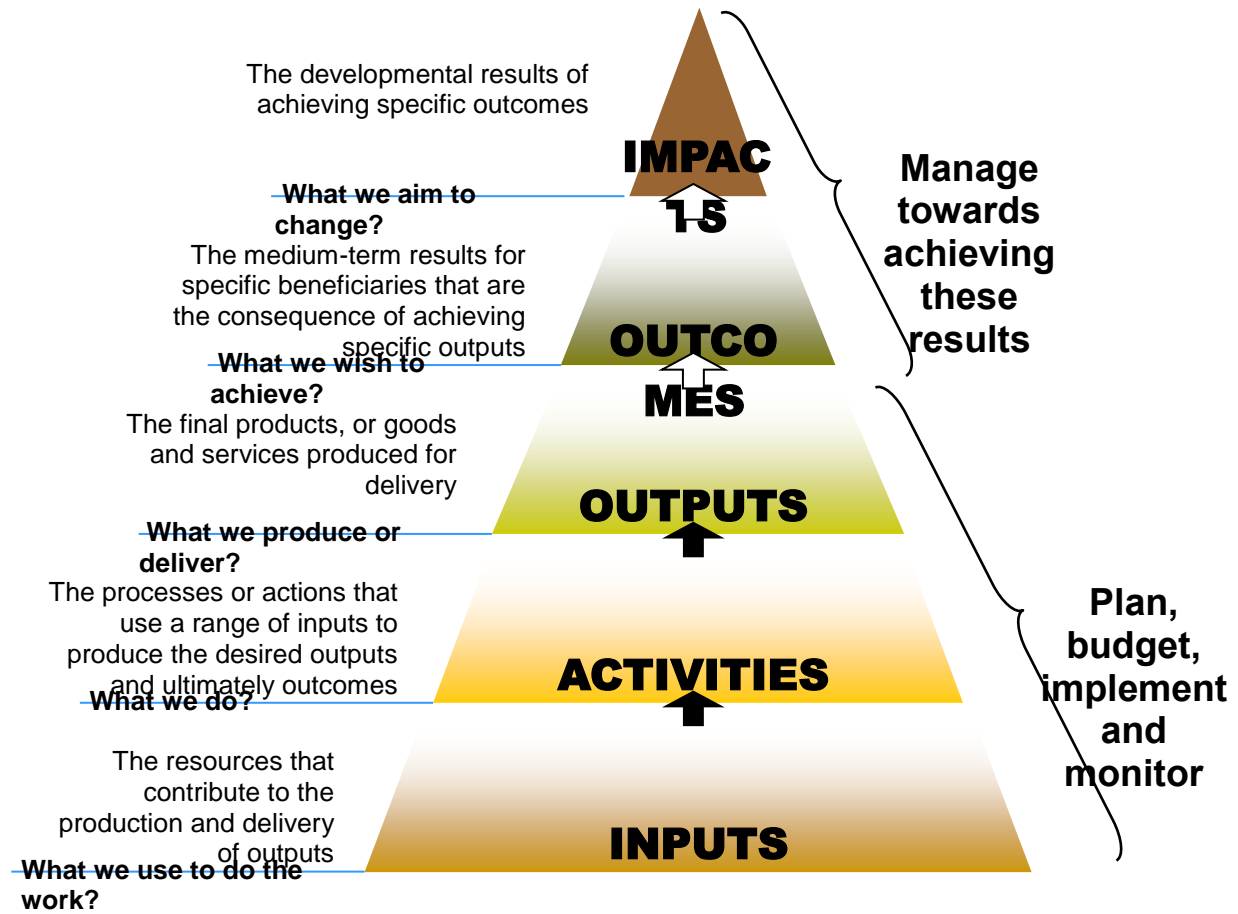


**Figure 3 Planning, budgeting and reporting cycle**

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 Measurable performance objectives

Description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>07 - Infrastructure &amp; Technical Services</b>										
<b>Energy Sources</b>										
<b>Electricity</b>										
Formal Settlement Households Receiving Electricity	Households			24 343	30 000	30 000	30 000	24 343	24 343	24 343
Informal Settlements (R000)	Rand Value				4410 000	4410 000	4410 000			
<b>Waste Water Management</b>										
<b>Sewerage</b>										
Flush Toilet (Connected To Sewerage)	Households			8 000	8 000	8 000	8 000	8 010	8 010	8 010
Flush Toilet (With Septic Tank)	Households			5 000	5 000	5 000	5 000	5 250	5 250	5 250
Sanitation	Households			41 000				41 000	41 000	41 000
Informal Settlements (R000)	Rand Value				423 000	423 000	423 000			
No Toilet Provisions	Households			40 000	40 000	40 000	40 000	40 000	40 000	40 000
<b>Water Management</b>										
<b>Water Distribution</b>										
Water	Households			41 000	25 000	25 000	25 000	41 000	41 000	41 000
Informal Settlements (R000)	Rand Value				12074 000	12074 000	12074 000			
No Water Supply	Households									
Piped Water Inside Dwelling	Households				7 000	7 000	7 000	7 015	7 015	7 015
Dwelling)	Households				10 000	10 000	10 000			
Using Public Tap (< Min.Service Level)	Households			12 000	12 000	12 000	12 000	12 000	12 000	12 000
Level)	Households			52 000	52 000	52 000	52 000	53 100	53 100	53 100

**Table 27 MBRR Table SA8 - Performance indicators and benchmarks**

The following table sets out the municipality’s main performance objectives and benchmarks for the 2024/2025 MTREF.

NW375 Moses Kotane - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	0.5%	0.9%	1.3%	1.5%	1.8%	1.8%	0.7%	-0.9%	-0.4%	-0.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing / Own Revenue	0.4%	1.0%	1.2%	1.7%	2.0%	2.0%	0.7%	-1.1%	-0.5%	-0.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-5.3%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
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%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	0.7	3.7	6.1	1.2	1.2	1.2	1.1	1.1	1.1	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.7	3.7	6.1	1.2	1.2	1.2	1.1	1.1	1.1	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	3.3	5.2	0.7	0.7	0.7	0.6	0.5	0.4	0.5
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	75.7%	83.2%	130.4%	62.2%	62.2%	62.2%	84.0%	76.5%	75.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		75.7%	83.2%	130.4%	62.2%	62.2%	62.2%	84.0%	76.5%	75.6%	76.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	30.9%	27.7%	48.1%	23.1%	23.1%	23.1%	37.7%	29.3%	28.7%	29.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		124.2%	34.9%	16.8%	278.5%	278.5%	278.5%	13.7%	-124.9%	-58.2%	-300.4%
<b>Other Indicators</b>											
	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										
Water Volumes : System input	Bulk Purchase Water treatment works Natural sources										
	Total Volume Losses (kℓ)	2 600	-	-	3 124	3 124	3 124	-	3 437	-	-
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	19265861	0	0	17500000	17500000	17500000	0	16500000	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.1%	29.0%	29.1%	27.6%	27.3%	27.3%	26.7%	37.3%	37.8%	38.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.7%	31.7%	31.7%	30.1%	29.9%	29.9%	44.7%	40.3%	40.8%	41.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.6%	4.9%	5.2%	5.3%	5.1%	5.1%	10.1%	9.1%	9.3%	9.5%
Finance charges & Depreciaton	FC&D/(Total Revenue - capital revenue)	15.2%	14.6%	14.2%	14.9%	15.2%	15.2%	12.1%	15.5%	15.6%	15.9%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	88.3	59.7	51.1	56.5	56.5	67.5	47.9	36.2	35.5	36.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	80.6%	49.4%	163.0%	40.5%	40.5%	40.5%	119.6%	74.0%	71.5%	74.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.2	13.7	28.5	0.8	0.8	0.8	19.8	(1.9)	(4.1)	(0.8)

**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.

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 2024/25 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

#### 1.9.2.1

#### *Liquidity*

*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 2024/25 financial year 30 000 registered indigents have been provided for in the budget.. 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 2023 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 2024/25 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 order to align with mSCOA guidelines.

### **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 2024/25 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 2024/25 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.

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.

#### **1.11.4 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.

#### **1.11.5 Salary increases**

Provision has been made for a 6% salary increase in 2024/25.

#### **1.11.6 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.

#### **1.11.7 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 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	160 572	199 384	178 981	222 520	222 560	222 560	160 267	197 242	206 315	215 600
Service charges - Waste Water Management	2	2 921	5 259	3 864	6 036	6 036	6 036	4 073	5 103	5 338	5 578
Service charges - Waste Management	2	10 823	11 376	11 817	12 277	12 277	12 277	10 784	11 189	11 703	12 230
Sale of Goods and Rendering of Services		849	817	761	520	520	520	702	547	573	598
Agency services											
Interest											
Interest earned from Receivables		45 929	58 096	71 462	60 636	60 636	60 636	40 448	41 304	43 204	45 148
Interest earned from Current and Non Current Assets		4 171	2 479	9 745	6 251	6 251	6 251	12 094	12 500	13 075	13 663
Dividends		-	3 187	-	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets		74	234	152	188	188	188	97	118	123	129
Licence and permits		-	2 430	336	2 000	2 000	2 000	835	1 500	1 569	1 640
Operational Revenue		384	769	1 014	1 205	1 205	1 205	1 844	1 925	2 014	2 104
<b>Non-Exchange Revenue</b>											
Property rates	2	144 972	130 570	124 807	154 525	154 525	154 525	125 310	144 686	151 341	158 152
Surcharges and Taxes											
Fines, penalties and forfeits		1 209	1 308	1 028	2 000	2 000	2 000	1 062	1 800	1 883	1 968
Licences or permits											
Transfer and subsidies - Operational		549 901	485 293	537 931	581 763	582 428	582 428	568 743	611 662	623 364	627 041
Interest		21 641	26 839	32 268	27 562	27 562	27 562	30 344	31 498	32 947	34 430
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		3 838	2 611	838	-	-	-	-	-	-	-
Other Gains		62	77	0	-	-	-	-	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>947 347</b>	<b>930 729</b>	<b>975 004</b>	<b>1 077 484</b>	<b>1 078 189</b>	<b>1 078 189</b>	<b>956 604</b>	<b>1 061 075</b>	<b>1 093 450</b>	<b>1 118 280</b>
<b>Expenditure</b>											
Employee related costs	2	256 653	270 066	283 415	296 872	294 603	294 603	255 275	396 070	412 778	431 434
Remuneration of councillors		25 027	25 344	25 874	27 597	27 597	27 597	22 449	31 802	33 269	34 786
Bulk purchases - electricity	2	23 524	20 890	33 007	25 000	25 000	25 000	31 257	42 000	43 932	45 909
Inventory consumed	8	2 830	4 904	6 835	150 155	150 155	150 155	7 695	198 055	207 166	216 488
Debt impairment		(216)	-	-	328 721	328 721	328 721	301 049	194 642	203 595	212 756
Depreciation and amortisation	3	139 517	131 765	132 550	155 041	155 041	155 041	112 605	162 638	170 120	177 775
Interest		4 242	4 036	5 619	5 600	8 900	8 900	2 753	2 252	690	166
Contracted services		145 007	125 412	136 096	140 090	138 550	138 550	125 794	205 880	215 258	224 957
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		204 695	321 005	147 426	-	-	-	1 721	-	-	-
Operational costs		88 798	88 805	116 715	83 281	95 266	95 266	69 890	113 163	117 005	113 612
Losses on disposal of Assets		8 217	16 461	18 942	-	-	-	-	-	-	-
Other Losses		517	65	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>898 811</b>	<b>1 008 752</b>	<b>906 477</b>	<b>1 212 358</b>	<b>1 223 833</b>	<b>1 223 833</b>	<b>930 487</b>	<b>1 346 501</b>	<b>1 403 812</b>	<b>1 457 883</b>
<b>Surplus/(Deficit)</b>		<b>48 535</b>	<b>(78 023)</b>	<b>68 527</b>	<b>(134 874)</b>	<b>(145 644)</b>	<b>(145 644)</b>	<b>26 117</b>	<b>(285 427)</b>	<b>(310 362)</b>	<b>(339 602)</b>
Transfers and subsidies - capital (monetary allocations)	6	213 603	201 173	217 386	236 841	223 789	223 789	141 893	247 504	261 615	279 845
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>262 138</b>	<b>123 150</b>	<b>285 913</b>	<b>101 967</b>	<b>78 146</b>	<b>78 146</b>	<b>168 011</b>	<b>(37 923)</b>	<b>(48 747)</b>	<b>(59 757)</b>
Income Tax											
<b>Surplus/(Deficit) after income tax</b>		<b>262 138</b>	<b>123 150</b>	<b>285 913</b>	<b>101 967</b>	<b>78 146</b>	<b>78 146</b>	<b>168 011</b>	<b>(37 923)</b>	<b>(48 747)</b>	<b>(59 757)</b>
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>262 138</b>	<b>123 150</b>	<b>285 913</b>	<b>101 967</b>	<b>78 146</b>	<b>78 146</b>	<b>168 011</b>	<b>(37 923)</b>	<b>(48 747)</b>	<b>(59 757)</b>
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions											
<b>Surplus/(Deficit) for the year</b>	1	<b>262 138</b>	<b>123 150</b>	<b>285 913</b>	<b>101 967</b>	<b>78 146</b>	<b>78 146</b>	<b>168 011</b>	<b>(37 923)</b>	<b>(48 747)</b>	<b>(59 757)</b>

### Table breakdown of the municipality’s funding of the budget

NW375 Moses Kotane - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		73 778	69 500	100 014	80 353	80 353	80 353	69 567	75 237	76 816	82 237
Service charges		58 737	110 905	154 773	69 811	69 811	69 811	78 115	88 506	92 577	96 743
Other revenue		363 923	239 351	589 255	5 913	5 913	5 913	296 999	4 810	5 031	5 257
Transfers and Subsidies - Operational	1	766	7 745	161 779	581 763	581 763	581 763	567 216	611 662	623 364	620 041
Transfers and Subsidies - Capital	1	172 836	193 676	208 558	236 841	236 841	236 841	237 903	247 504	261 615	279 845
Interest		3 547	5 634	9 745	6 251	6 251	6 251	12 094	34 341	35 920	37 537
Dividends		-	3 187	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(404 322)	(131 335)	5 575	(728 596)	(728 596)	(728 596)	175 025	(989 222)	(1 030 097)	(1 067 352)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>269 264</b>	<b>498 661</b>	<b>1 229 699</b>	<b>252 337</b>	<b>252 337</b>	<b>252 337</b>	<b>1 436 919</b>	<b>72 838</b>	<b>65 227</b>	<b>54 308</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	(13)	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(21 611)	(12 373)	(8 803)	(244 591)	(244 591)	(244 591)	(168 975)	(252 554)	(266 897)	(285 365)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(21 611)</b>	<b>(12 373)</b>	<b>(8 817)</b>	<b>(244 591)</b>	<b>(244 591)</b>	<b>(244 591)</b>	<b>(168 975)</b>	<b>(252 554)</b>	<b>(266 897)</b>	<b>(285 365)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	(61)	-	-	-
Increase (decrease) in consumer deposits		-	2 125	-	-	-	-	5	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	(5 045)	(5 813)	(12 820)	(12 820)	(12 820)	(3 880)	(14 372)	(6 571)	(6 692)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>(2 920)</b>	<b>(5 813)</b>	<b>(12 820)</b>	<b>(12 820)</b>	<b>(12 820)</b>	<b>(3 936)</b>	<b>(14 372)</b>	<b>(6 571)</b>	<b>(6 692)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>247 653</b>	<b>483 368</b>	<b>1 215 070</b>	<b>(5 074)</b>	<b>(5 074)</b>	<b>(5 074)</b>	<b>1 264 007</b>	<b>(194 088)</b>	<b>(208 241)</b>	<b>(237 749)</b>
Cash/cash equivalents at the year begin:	2	48 781	61 597	36 880	68 734	68 734	68 734	-	1 411	(192 677)	(400 918)
Cash/cash equivalents at the year end:	2	296 434	544 964	1 251 950	63 660	63 660	63 660	1 264 007	(192 677)	(400 918)	(638 667)

**Figure 7 Breakdown of operating revenue over the 2024/25 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 2024/25 medium-term**

2024/2025 TARIFF INCREASE					
Revenue Source	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Property Rates	48%	5.3%	4.9%	4.6%	4.5%
Water	48%	5.3%	4.9%	4.6%	4.5%
Sanitation	48%	5.3%	4.9%	4.6%	4.5%
Refuse	48%	5.3%	4.9%	4.6%	4.5%

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits		(464 449)	58 976	757 441	85 989	85 989	85 989	339 459	377 804	13 338
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
<b>Municipality sub-total</b>	1	<b>(464 449)</b>	<b>58 976</b>	<b>757 441</b>	<b>85 989</b>	<b>85 989</b>	<b>85 989</b>	<b>339 459</b>	<b>377 804</b>	<b>13 338</b>
<b>Entities</b>										
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										
<b>Entities sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>		<b>(464 449)</b>	<b>58 976</b>	<b>757 441</b>	<b>85 989</b>	<b>85 989</b>	<b>85 989</b>	<b>339 459</b>	<b>377 804</b>	<b>13 338</b>

**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 (Year 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 (€)	Investment Top Up	Closing Balance
		Yrs/Months												
Name of institution & investment ID	1													
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 2024/25 medium-term capital programme:

Figure 8 Sources of capital revenue for the 2024/25 financial year

2024/2025 CAPITAL BUDGET FUNDING MIX			
Funding Source	2024/2025	2025/2026	2026/2027
MIG	167 504	176 615	192 845
WSIG	80 000	85 000	87 000
<b>TOTAL GRANTS</b>	<b>247 504</b>	<b>261 615</b>	<b>279 845</b>
OWN FUNDING	5 050	5 282	5 520
<b>TOTAL CAPITAL BUDGET</b>	<b>252 554</b>	<b>266 897</b>	<b>285 365</b>

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 2024/25 to 2026/27 financial year.

**NW375 Moses Kotane - Supporting Table SA17 Borrowing**

Borrowing - Categorised by type  R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Parent municipality</b>										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		-	-	34 753	33 895	21 753	21 753	20 868	7 358	-
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	-	-	34 753	33 895	21 753	21 753	20 868	7 358	-
<b>Entities</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	-	-	34 753	33 895	21 753	21 753	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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		549 333	484 853	537 195	581 763	579 794	579 794	610 408	622 052	627 041
Local Government Equitable Share		542 634	476 801	528 602	566 087	566 087	566 087	600 070	613 320	617 941
Energy Efficiency and Demand Side Management		-	-	350	4 000	4 000	4 000	-	-	-
Expanded Public Works Programme Integrated		1 905	1 699	1 652	1 629	1 629	1 629	1 359	-	-
Local Government Financial Management Grant		1 700	1 849	1 950	1 950	1 950	1 950	2 000	2 000	2 100
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		3 094	4 504	4 642	8 097	6 128	6 128	6 979	6 732	7 000
<b>Provincial Government:</b>		568	440	735	-	2 634	2 634	1 254	1 312	-
Capacity Building and Other Grants		568	440	735	-	2 634	2 634	1 254	1 312	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
National Library South Africa		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	549 901	485 293	537 931	581 763	582 428	582 428	611 662	623 364	627 041
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		201 319	190 577	217 144	236 841	223 789	223 789	247 504	261 615	279 845
Energy Efficiency and Demand Side Management		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		129 610	146 774	157 450	171 841	161 955	161 955	167 504	176 615	192 845
Water Services Infrastructure Grant		71 709	43 802	59 694	65 000	61 835	61 835	80 000	85 000	87 000
<b>Provincial Government:</b>		12 284	9 613	242	-	-	-	-	-	-
Infrastructure Grant		12 284	9 613	242	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	983	-	-	-	-	-	-	-
Municipal Infrastructure Investment Unit		-	983	-	-	-	-	-	-	-
National Small Business Council		-	-	-	-	-	-	-	-	-
Registration of Deeds Trade Account		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	213 603	201 173	217 386	236 841	223 789	223 789	247 504	261 615	279 845
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		763 504	686 466	755 317	818 604	806 217	806 217	859 166	884 979	906 886

## 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 ability 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		73 778	69 500	100 014	80 353	80 353	80 353	69 567	75 237	76 816	82 237
Service charges		58 737	110 905	154 773	69 811	69 811	69 811	78 115	88 506	92 577	96 743
Other revenue		363 923	239 351	589 255	5 913	5 913	5 913	296 999	4 810	5 031	5 257
Transfers and Subsidies - Operational	1	766	7 743	161 779	581 763	581 763	581 763	567 216	611 662	623 364	620 041
Transfers and Subsidies - Capital	1	172 836	193 676	208 558	236 841	236 841	236 841	237 903	247 504	261 615	279 845
Interest		3 547	5 634	9 745	6 251	6 251	6 251	12 094	34 341	35 920	37 537
Dividends		-	3 187	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(404 322)	(131 335)	5 575	(728 596)	(728 596)	(728 596)	175 025	(989 222)	(1 030 097)	(1 067 352)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>269 264</b>	<b>498 661</b>	<b>1 229 699</b>	<b>252 337</b>	<b>252 337</b>	<b>252 337</b>	<b>1 436 919</b>	<b>72 838</b>	<b>65 227</b>	<b>54 308</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	(13)	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(21 611)	(12 373)	(8 803)	(244 591)	(244 591)	(244 591)	(168 975)	(252 554)	(266 897)	(285 365)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(21 611)</b>	<b>(12 373)</b>	<b>(8 817)</b>	<b>(244 591)</b>	<b>(244 591)</b>	<b>(244 591)</b>	<b>(168 975)</b>	<b>(252 554)</b>	<b>(266 897)</b>	<b>(285 365)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	(61)	-	-	-
Increase (decrease) in consumer deposits		-	2 125	-	-	-	-	5	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	(5 045)	(5 813)	(12 820)	(12 820)	(12 820)	(3 880)	(14 372)	(6 571)	(6 692)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>(2 920)</b>	<b>(5 813)</b>	<b>(12 820)</b>	<b>(12 820)</b>	<b>(12 820)</b>	<b>(3 936)</b>	<b>(14 372)</b>	<b>(6 571)</b>	<b>(6 692)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>247 653</b>	<b>483 368</b>	<b>1 215 070</b>	<b>(5 074)</b>	<b>(5 074)</b>	<b>(5 074)</b>	<b>1 264 007</b>	<b>(194 088)</b>	<b>(208 241)</b>	<b>(237 749)</b>
Cash/cash equivalents at the year begin:	2	48 781	61 597	36 880	68 734	68 734	68 734	-	1 411	(192 677)	(400 918)
Cash/cash equivalents at the year end:	2	296 434	544 964	1 251 950	63 660	63 660	63 660	1 264 007	(192 677)	(400 918)	(638 667)

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 2024.

**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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	296 434	544 964	1 251 950	63 660	63 660	63 660	1 264 007	(163 933)	(359 033)	(70 109)
Other current investments > 90 days		(110 898)	577 582	650 709	(620)	(620)	(620)	(1 102 468)	202 383	378 397	89 004
Non-current investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>185 535</b>	<b>1 122 547</b>	<b>1 902 658</b>	<b>63 040</b>	<b>63 040</b>	<b>63 040</b>	<b>161 539</b>	<b>38 450</b>	<b>19 365</b>	<b>18 895</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		27 327	12 544	8 156	-	(3 448)	(3 448)	102 528	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(28 820)	(17 061)	(29 474)	(12 635)	(12 635)	(12 635)	(2 878)	(26 122)	(27 167)	(28 253)
Other working capital requirements	3	325 551	170 308	(3 990)	160 026	160 027	160 027	92 069	114 281	118 942	(177 832)
Other provisions		45 253	46 777	49 159	2 040	2 040	2 040	40 924	3 861	4 011	4 111
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>369 311</b>	<b>212 567</b>	<b>23 851</b>	<b>149 431</b>	<b>145 984</b>	<b>145 984</b>	<b>232 643</b>	<b>92 020</b>	<b>95 786</b>	<b>(201 974)</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(183 776)</b>	<b>909 980</b>	<b>1 878 807</b>	<b>(86 391)</b>	<b>(82 944)</b>	<b>(82 944)</b>	<b>(71 105)</b>	<b>(53 570)</b>	<b>(76 421)</b>	<b>220 869</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(183 776)</b>	<b>909 980</b>	<b>1 878 807</b>	<b>(86 391)</b>	<b>(82 944)</b>	<b>(82 944)</b>	<b>(71 105)</b>	<b>(53 570)</b>	<b>(76 421)</b>	<b>220 869</b>

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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	296 434	544 964	1 251 950	63 660	63 660	63 660	1 264 007	(163 933)	(359 033)	(70 109)
Cash + investments at the yr end less applications - R'000	18(1)b	2	(183 776)	909 980	1 878 807	(86 391)	(82 944)	(82 944)	(71 105)	(53 570)	(76 421)	220 869
Cash year end/monthly employee/supplier payments	18(1)b	3	7.2	13.7	28.5	0.8	0.8	0.8	19.8	(1.9)	(4.1)	(0.8)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	262 138	123 150	285 913	101 967	78 146	78 146	168 011	(37 923)	(48 747)	(59 757)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	2.6%	(13.8%)	17.8%	(6.0%)	(6.0%)	(30.0%)	(15.4%)	(1.4%)	(1.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	47.1%	40.9%	88.1%	13.0%	13.0%	13.0%	46.8%	46.3%	45.8%	175.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	(0.1%)	0.0%	0.0%	83.1%	83.1%	83.1%	100.2%	54.3%	54.3%	54.3%
Capital payments % of capital expenditure	18(1)c,(19)	8	45.9%	100.0%	100.0%	100.0%	105.5%	105.5%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(5.3%)	-	-	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10	-	-	-	-	-	-	-	97.5%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(46.6%)	402.5%	(45.5%)	0.0%	0.0%	31.5%	12.1%	0.7%	12.6%
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	1.8%	1.5%	1.8%	1.7%	1.6%	1.6%	2.6%	2.3%	3.2%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	28.3%	(0.0%)	33.2%	9.3%	3.2%	3.2%	0.0%	10.8%	18.8%	2.8%

1.12.1.1

*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.

#### 1.12.1.2

#### *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.

#### 1.12.1.3

#### *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.

#### 1.12.1.4

#### *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.

#### 1.12.1.5

#### *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?

1.12.1.6

*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.

1.12.1.7

*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.

1.12.1.8

*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.

1.12.1.9

*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.

1.12.1.10

*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.

## 1.12.1.11

*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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>										
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		108 563	116 859	4 151	581 763	585 954	585 954	612 135	622 262	622 150
Local Government Equitable Share		104 945	113 420	176	566 087	572 247	572 247	601 587	613 320	613 050
Energy Efficiency and Demand Side Management Grant		-	-	573	4 000	4 000	4 000	-	-	-
Expanded Public Works Programme Integrated Grant		1 905	1 699	1 634	1 629	1 629	1 629	1 359	-	-
Local Government Financial Management Grant		1 713	1 740	1 769	1 950	1 950	1 950	2 210	2 210	2 100
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	8 097	6 128	6 128	6 979	6 732	7 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
North West Provincial Arts and Culture Council		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		108 563	116 859	4 151	581 763	585 954	585 954	612 135	622 262	622 150
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		47 031	9 259	8 697	236 841	223 789	223 789	247 504	261 615	279 845
Municipal Infrastructure Grant		34 096	8 625	4 747	171 841	161 955	161 955	167 504	176 615	192 845
Water Services Infrastructure Grant		12 934	633	3 950	65 000	61 835	61 835	80 000	85 000	87 000
<b>Provincial Government:</b>		(0)	2 927	-	-	-	-	-	-	-
Infrastructure Grant		(0)	2 927	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Investment Unit		-	-	-	-	-	-	-	-	-
National Small Business Council		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		47 031	12 186	8 697	236 841	223 789	223 789	247 504	261 615	279 845
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		155 593	129 045	12 848	818 604	809 743	809 743	859 639	883 877	901 995

**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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Operating transfers and grants:</b>										
<b>National Government:</b>										
Balance unspent at beginning of the year	1,3	347	347	(4 681)	-	-	-	-	-	-
Current year receipts		(1 700)	(6 877)	(12 005)	(15 676)	(13 707)	(13 707)	(10 338)	(8 732)	(9 100)
Repayment of grants		-	-	617	-	-	-	11 845	-	-
Conditions met - transferred to revenue		(3 053)	(8 379)	(24 245)	(31 352)	(27 413)	(27 413)	(37 521)	(17 465)	(18 200)
Conditions still to be met - transferred to liabilities		1 700	1 849	6 942	15 676	13 707	13 707	15 338	8 732	9 100
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>		<b>(3 053)</b>	<b>(8 379)</b>	<b>(24 245)</b>	<b>(31 352)</b>	<b>(27 413)</b>	<b>(27 413)</b>	<b>(37 521)</b>	<b>(17 465)</b>	<b>(18 200)</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>1 700</b>	<b>1 849</b>	<b>6 942</b>	<b>15 676</b>	<b>13 707</b>	<b>13 707</b>	<b>15 338</b>	<b>8 732</b>	<b>9 100</b>
<b>Capital transfers and grants:</b>										
<b>National Government:</b>										
Balance unspent at beginning of the year	1,3	(30 488)	(26 660)	(6 423)	-	-	-	-	-	-
Current year receipts		(189 850)	(187 544)	(208 316)	(236 841)	(221 775)	(221 775)	(247 504)	(261 615)	(279 845)
Conditions met - transferred to revenue		(413 775)	(409 284)	(431 883)	(473 682)	(445 564)	(445 564)	(495 008)	(523 229)	(559 690)
Conditions still to be met - transferred to liabilities		193 438	195 081	217 144	236 841	223 789	223 789	247 504	261 615	279 845
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		(216)	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		(216)	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		<b>(413 992)</b>	<b>(409 284)</b>	<b>(431 883)</b>	<b>(473 682)</b>	<b>(445 564)</b>	<b>(445 564)</b>	<b>(495 008)</b>	<b>(523 229)</b>	<b>(559 690)</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>193 438</b>	<b>195 081</b>	<b>217 144</b>	<b>236 841</b>	<b>223 789</b>	<b>223 789</b>	<b>247 504</b>	<b>261 615</b>	<b>279 845</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>(417 044)</b>	<b>(417 663)</b>	<b>(456 128)</b>	<b>(505 034)</b>	<b>(472 978)</b>	<b>(472 978)</b>	<b>(532 529)</b>	<b>(540 694)</b>	<b>(577 890)</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>195 138</b>	<b>196 930</b>	<b>224 086</b>	<b>252 517</b>	<b>237 496</b>	<b>237 496</b>	<b>262 842</b>	<b>270 347</b>	<b>288 945</b>

### 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		17 092	19 801	21 687	23 211	23 211	23 211	23 168	24 234	25 340
Pension and UIF Contributions		-	-	-	-	-	-	3 362	3 517	3 675
Medical Aid Contributions		-	-	-	-	-	-	311	325	340
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 940	3 029	3 017	3 174	3 174	3 174	3 329	3 486	3 646
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		4 995	2 514	1 170	1 211	1 211	1 211	1 631	1 707	1 784
<b>Sub Total - Councillors</b>		<b>25 027</b>	<b>25 344</b>	<b>25 874</b>	<b>27 597</b>	<b>27 597</b>	<b>27 597</b>	<b>31 802</b>	<b>33 269</b>	<b>34 786</b>
% increase	4		1.3%	2.1%	6.7%	-	-	15.2%	4.6%	4.6%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		4 946	5 365	3 731	9 559	9 559	9 559	10 125	10 591	11 069
Pension and UIF Contributions		324	187	213	683	683	683	1 016	1 063	1 111
Medical Aid Contributions		83	47	54	114	114	114	101	105	110
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		220	197	98	367	367	367	725	758	792
Motor Vehicle Allowance	3	1 059	979	556	1 225	1 225	1 225	1 172	1 226	1 282
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	6	-	-	-	-	-	-	-	-	-
Scarcity	6	-	-	-	-	-	-	-	-	-
Acting and post related allowance	6	-	-	93	-	-	-	-	-	-
In kind benefits	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>6 632</b>	<b>6 775</b>	<b>4 745</b>	<b>11 949</b>	<b>11 949</b>	<b>11 949</b>	<b>13 140</b>	<b>13 744</b>	<b>14 365</b>
% increase	4		2.2%	(30.0%)	151.8%	-	-	10.0%	4.6%	4.5%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		164 662	175 420	181 806	202 326	200 551	200 551	253 803	263 972	275 856
Pension and UIF Contributions		32 912	35 018	38 071	40 740	40 883	40 883	51 413	53 770	56 205
Medical Aid Contributions		13 326	14 332	15 403	16 572	16 659	16 659	28 843	30 170	31 532
Overtime		11 150	13 765	20 210	5 856	5 356	5 356	19 075	19 952	20 850
Performance Bonus		20 926	14 350	12 509	14 192	14 302	14 302	23 822	24 921	26 102
Motor Vehicle Allowance	3	520	420	1 078	669	509	509	498	521	545
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	537	553	631	629	647	647	724	757	786
Other benefits and allowances	3	2 460	2 905	2 876	3 558	3 558	3 558	4 732	4 949	5 172
Payments in lieu of leave	3	-	2 385	719	-	-	-	-	-	-
Long service awards	3	3 026	3 341	4 195	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment	6	-	-	-	-	-	-	-	-	-
Scarcity	6	-	-	-	-	-	-	-	-	-
Acting and post related allowance	6	502	802	1 171	382	190	190	20	21	22
In kind benefits	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>250 021</b>	<b>263 291</b>	<b>278 670</b>	<b>284 923</b>	<b>282 653</b>	<b>282 653</b>	<b>382 930</b>	<b>399 033</b>	<b>417 069</b>
% increase	4		5.3%	5.8%	2.2%	(0.8%)	-	35.5%	4.2%	4.5%
<b>Total Parent Municipality</b>		<b>281 680</b>	<b>295 409</b>	<b>309 289</b>	<b>324 469</b>	<b>322 199</b>	<b>322 199</b>	<b>427 872</b>	<b>446 046</b>	<b>466 220</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>281 680</b>	<b>295 409</b>	<b>309 289</b>	<b>324 469</b>	<b>322 199</b>	<b>322 199</b>	<b>427 872</b>	<b>446 046</b>	<b>466 220</b>
% increase	4		4.9%	4.7%	4.9%	(0.7%)	-	32.8%	4.2%	4.5%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>256 653</b>	<b>270 066</b>	<b>283 415</b>	<b>296 872</b>	<b>294 603</b>	<b>294 603</b>	<b>396 070</b>	<b>412 778</b>	<b>431 434</b>



**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
			1.				2.	
<b>Per annum</b>								
<b>Councillors</b>	3							
Speaker	4		793 109	17 280	684 641			1 495 030
Chief Whip			645 781	113 961	-			759 742
Executive Mayor			865 970	147 020	-			1 012 990
Deputy Executive Mayor								-
Executive Committee			5 306 422	910 410				6 216 832
Total for all other councillors			15 556 574	2 484 823	4 275 871			22 317 268
<b>Total Councillors</b>	8	-	23 167 856	3 673 494	4 960 512			31 801 862
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 500 902	272 415	265 141	125 075		2 163 533
Chief Finance Officer			1 376 595	250 040	216 145	114 716		1 957 496
SM			-	-	-	-		-
SM AO			-	-	-	-		-
SM D01			1 377 592					1 377 592
SM D02			1 429 132	2 253	240 145			1 671 530
SM D03			1 007 841	183 664	391 633	83 987		1 667 125
SM D04			1 683 532	2 253	60 145			1 745 930
SM D05			1 749 530	-	145	145 794		1 895 469
SM DCH			-	63 094				63 094
SM DCS			-			140 294		140 294
SM DPS			-					-
SM DTS			-	342 888	145	114 799		457 832
<i>List of each official with packages &gt;= senior manager</i>								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total Senior Managers of the Municipality</b>	8,10	-	10 125 124	1 116 607	1 173 499	724 665		13 139 895
<b>A Heading for Each Entity</b>	6,7							
List each member of board by designation								-
								-
								-
								-
								-
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								-
								-
								-
								-
<b>Total for municipal entities</b>	8,10	-	-	-	-	-		-
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	33 292 980	4 790 101	6 134 011	724 665		44 941 757

**Table 42 MBRR SA24 – Summary of personnel numbers**

**NW375 Moses Kotane - Supporting Table SA24 Summary of personnel numbers**

Summary of Personnel Numbers Number	Ref	2022/23			Current Year 2023/24			Budget Year 2024/25		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		68	-	68	68	-	68	68	-	68
Board Members of municipal entities	4									
<b>Municipal employees</b>	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	-
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>465</b>	<b>190</b>	<b>83</b>	<b>494</b>	<b>417</b>	<b>84</b>	<b>503</b>	<b>273</b>	<b>84</b>
% increase					6.2%	119.5%	1.2%	1.8%	(34.5%)	-
<b>Total municipal employees headcount</b>	6, 10	<b>539</b>	<b>243</b>	<b>83</b>	<b>625</b>	<b>548</b>	<b>84</b>	<b>634</b>	<b>404</b>	<b>84</b>
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 2024/25												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
<b>Revenue</b>																	
<b>Exchange Revenue</b>																	
Service charges - Electricity		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	-	-	-	
Service charges - Water		16 437	16 437	16 437	16 437	16 437	16 437	16 437	16 437	16 437	16 437	16 437	16 437	197 242	206 315	215 600	
Service charges - Waste Water Management		425	425	425	425	425	425	425	425	425	425	425	425	5 103	5 338	5 578	
Service charges - Waste Management		932	932	932	932	932	932	932	932	932	932	932	932	11 189	11 703	12 230	
Sale of Goods and Rendering of Services		46	46	46	46	46	46	46	46	46	46	46	46	547	573	598	
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest earned from Receivables		3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	41 304	43 204	45 148	
Interest earned from Current and Non Current Assets		1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	12 500	13 075	13 663	
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental from Fixed Assets		10	10	10	10	10	10	10	10	10	10	10	10	118	123	129	
Licence and permits		125	125	125	125	125	125	125	125	125	125	125	125	1 500	1 569	1 640	
Operational Revenue		160	160	160	160	160	160	160	160	160	160	160	160	1 925	2 014	2 104	
<b>Non-Exchange Revenue</b>																	
Property rates		12 057	12 057	12 057	12 057	12 057	12 057	12 057	12 057	12 057	12 057	12 057	12 057	144 686	151 341	158 152	
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		150	150	150	150	150	150	150	150	150	150	150	150	1 800	1 883	1 968	
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer and subsidies - Operational		50 972	50 972	50 972	50 972	50 972	50 972	50 972	50 972	50 972	50 972	50 972	50 972	611 662	623 364	627 041	
Interest		2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	31 498	32 947	34 430	
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Discontinued Operations</b>																	
<b>Total Revenue (excluding capital transfers and cont)</b>		<b>88 423</b>	<b>88 423</b>	<b>88 423</b>	<b>88 423</b>	<b>88 423</b>	<b>88 423</b>	<b>88 423</b>	<b>88 423</b>	<b>88 423</b>	<b>88 423</b>	<b>88 423</b>	<b>88 423</b>	<b>1 061 075</b>	<b>1 093 450</b>	<b>1 118 280</b>	
<b>Expenditure</b>																	
Employee related costs		33 006	33 006	33 006	33 006	33 006	33 006	33 006	33 006	33 006	33 006	33 006	33 006	396 070	412 778	431 434	
Remuneration of councillors		2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	31 802	33 269	34 786	
Bulk purchases - electricity		3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	42 000	43 932	45 909	
Inventory consumed		16 480	16 480	16 480	16 480	16 480	16 480	16 480	16 480	16 480	16 480	16 480	16 780	198 055	207 166	216 488	
Debt impairment		16 220	16 220	16 220	16 220	16 220	16 220	16 220	16 220	16 220	16 220	16 220	16 220	194 642	203 595	212 756	
Depreciation and amortisation		13 553	13 553	13 553	13 553	13 553	13 553	13 553	13 553	13 553	13 553	13 553	13 553	162 638	170 120	177 775	
Interest		188	188	188	188	188	188	188	188	188	188	188	188	2 252	690	166	
Contracted services		17 157	17 157	17 157	17 157	17 157	17 157	17 157	17 157	17 157	17 157	17 157	17 156	205 880	215 258	224 957	
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Irrecoverable debts written of		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational costs		9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	113 163	117 005	113 612	
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>		<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 481</b>	<b>1 346 501</b>	<b>1 403 812</b>	<b>1 457 883</b>	
<b>Surplus/(Deficit)</b>		<b>(23 761)</b>	<b>(23 761)</b>	<b>(23 761)</b>	<b>(23 761)</b>	<b>(23 761)</b>	<b>(23 761)</b>	<b>(23 761)</b>	<b>(23 761)</b>	<b>(23 761)</b>	<b>(23 761)</b>	<b>(23 761)</b>	<b>(24 058)</b>	<b>(285 427)</b>	<b>(310 362)</b>	<b>(339 602)</b>	
Transfers and subsidies - capital (monetary allocations)		20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	247 504	261 615	279 845	
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 432)</b>	<b>(37 923)</b>	<b>(48 747)</b>	<b>(59 757)</b>	
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after income tax</b>		<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 432)</b>	<b>(37 923)</b>	<b>(48 747)</b>	<b>(59 757)</b>	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 432)</b>	<b>(37 923)</b>	<b>(48 747)</b>	<b>(59 757)</b>	
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intracompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) for the year</b>	1	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 432)</b>	<b>(37 923)</b>	<b>(48 747)</b>	<b>(59 757)</b>	

**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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>																
Vote 01 - Municipal Council		1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	23 856	22 993	23 167
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		45 308	45 308	45 308	45 308	45 308	45 308	45 308	45 308	45 308	45 308	45 308	45 308	543 699	561 209	574 612
Vote 04 - Corporate Services		42	42	42	42	42	42	42	42	42	42	42	42	500	523	547
Vote 05 - Community Services		9 967	9 967	9 967	9 967	9 967	9 967	9 967	9 967	9 967	9 967	9 967	9 967	119 608	130 026	136 939
Vote 06 - Planning & Development		10	10	10	10	10	10	10	10	10	10	10	10	120	126	131
Vote 07 - Infrastructure & Technical Services		51 733	51 733	51 733	51 733	51 733	51 733	51 733	51 733	51 733	51 733	51 733	51 733	620 796	640 188	662 730
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>1 308 579</b>	<b>1 355 065</b>	<b>1 398 125</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 01 - Municipal Council		8 169	8 169	8 169	8 169	8 169	8 169	8 169	8 169	8 169	8 169	8 169	8 169	98 023	92 751	96 962
Vote 02 - Office Of The Accounting Officer		2 682	2 682	2 682	2 682	2 682	2 682	2 682	2 682	2 682	2 682	2 682	2 682	32 182	33 663	35 186
Vote 03 - Budget And Treasury Office		11 970	11 970	11 970	11 970	11 970	11 970	11 970	11 970	11 970	11 970	11 970	11 970	143 641	151 853	158 798
Vote 04 - Corporate Services		9 552	9 552	9 552	9 552	9 552	9 552	9 552	9 552	9 552	9 552	9 552	9 552	114 618	120 156	124 029
Vote 05 - Community Services		19 400	19 400	19 400	19 400	19 400	19 400	19 400	19 400	19 400	19 400	19 400	19 400	232 803	241 847	250 803
Vote 06 - Planning & Development		3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	47 688	49 904	52 126
Vote 07 - Infrastructure & Technical Services		56 437	56 437	56 437	56 437	56 437	56 437	56 437	56 437	56 437	56 437	56 437	56 437	677 247	713 324	739 650
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 181</b>	<b>1 346 201</b>	<b>1 403 498</b>	<b>1 457 555</b>	
<b>Surplus/(Deficit) before assoc.</b>		<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 132)</b>	<b>(37 623)</b>	<b>(48 434)</b>	<b>(59 429)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 132)</b>	<b>(37 623)</b>	<b>(48 434)</b>	<b>(59 429)</b>

**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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue - Functional</b>																
<i>Governance and administration</i>		47 338	47 338	47 338	47 338	47 338	47 338	47 338	47 338	47 338	47 338	47 338	47 338	568 055	584 725	598 325
Executive and council		1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	1 988	23 856	22 993	23 167
Finance and administration		45 350	45 350	45 350	45 350	45 350	45 350	45 350	45 350	45 350	45 350	45 350	45 350	544 199	561 732	575 159
Internal audit																
<i>Community and public safety</i>		1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	13 954	18 779	9 452
Community and social services		105	105	105	105	105	105	105	105	105	105	105	105	1 254	1 312	
Sport and recreation		783	783	783	783	783	783	783	783	783	783	783	783	9 400	14 015	5 845
Public safety		275	275	275	275	275	275	275	275	275	275	275	275	3 300	3 452	3 607
Housing																
Health																
<i>Economic and environmental services</i>		4 865	4 865	4 865	4 865	4 865	4 865	4 865	4 865	4 865	4 865	4 865	4 865	58 374	61 858	62 131
Planning and development		592	592	592	592	592	592	592	592	592	592	592	592	7 099	6 858	7 131
Road transport		4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	51 275	55 000	55 000
Environmental protection																
<i>Trading services</i>		55 683	55 683	55 683	55 683	55 683	55 683	55 683	55 683	55 683	55 683	55 683	55 683	668 196	689 703	728 217
Energy sources		417	417	417	417	417	417	417	417	417	417	417	417	5 000	6 000	7 000
Water management		43 902	43 902	43 902	43 902	43 902	43 902	43 902	43 902	43 902	43 902	43 902	43 902	526 825	540 939	561 776
Waste water management		2 560	2 560	2 560	2 560	2 560	2 560	2 560	2 560	2 560	2 560	2 560	2 560	30 716	31 517	31 954
Waste management		8 805	8 805	8 805	8 805	8 805	8 805	8 805	8 805	8 805	8 805	8 805	8 805	105 654	111 248	127 487
<i>Other</i>																
<b>Total Revenue - Functional</b>		<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>109 048</b>	<b>1 308 579</b>	<b>1 355 065</b>	<b>1 398 125</b>
<b>Expenditure - Functional</b>																
<i>Governance and administration</i>		35 378	35 378	35 378	35 378	35 378	35 378	35 378	35 378	35 378	35 378	35 378	35 378	424 533	434 611	452 366
Executive and council		9 772	9 772	9 772	9 772	9 772	9 772	9 772	9 772	9 772	9 772	9 772	9 772	117 269	112 882	118 008
Finance and administration		25 048	25 048	25 048	25 048	25 048	25 048	25 048	25 048	25 048	25 048	25 048	25 048	300 575	314 733	327 047
Internal audit		557	557	557	557	557	557	557	557	557	557	557	557	6 689	6 996	7 311
<i>Community and public safety</i>		11 365	11 365	11 365	11 365	11 365	11 365	11 365	11 365	11 365	11 365	11 365	11 365	136 383	142 532	147 445
Community and social services		3 148	3 148	3 148	3 148	3 148	3 148	3 148	3 148	3 148	3 148	3 148	3 148	37 776	39 389	39 661
Sport and recreation		4 293	4 293	4 293	4 293	4 293	4 293	4 293	4 293	4 293	4 293	4 293	4 293	51 519	53 889	56 314
Public safety		3 924	3 924	3 924	3 924	3 924	3 924	3 924	3 924	3 924	3 924	3 924	3 924	47 088	49 254	51 470
Housing																
Health																
<i>Economic and environmental services</i>		8 791	8 791	8 791	8 791	8 791	8 791	8 791	8 791	8 791	8 791	8 791	8 791	105 492	109 799	114 682
Planning and development		4 428	4 428	4 428	4 428	4 428	4 428	4 428	4 428	4 428	4 428	4 428	4 428	53 139	55 038	57 457
Road transport		4 363	4 363	4 363	4 363	4 363	4 363	4 363	4 363	4 363	4 363	4 363	4 363	52 353	54 761	57 226
Environmental protection																
<i>Trading services</i>		56 361	56 361	56 361	56 361	56 361	56 361	56 361	56 361	56 361	56 361	56 361	56 361	676 326	712 928	739 271
Energy sources		4 725	4 725	4 725	4 725	4 725	4 725	4 725	4 725	4 725	4 725	4 725	4 725	56 697	59 305	61 973
Water management		41 170	41 170	41 170	41 170	41 170	41 170	41 170	41 170	41 170	41 170	41 170	41 170	494 039	522 257	540 019
Waste water management		3 410	3 410	3 410	3 410	3 410	3 410	3 410	3 410	3 410	3 410	3 410	3 410	40 918	42 801	44 727
Waste management		7 056	7 056	7 056	7 056	7 056	7 056	7 056	7 056	7 056	7 056	7 056	7 056	84 671	88 566	92 552
<i>Other</i>		289	289	289	289	289	289	289	289	289	289	289	289	3 468	3 628	3 791
<b>Total Expenditure - Functional</b>		<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>112 184</b>	<b>1 346 201</b>	<b>1 403 498</b>	<b>1 457 555</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 132)</b>	<b>(37 623)</b>	<b>(48 434)</b>	<b>(59 429)</b>
Intercompany/Parent subsidiary transactions																
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 135)</b>	<b>(3 132)</b>	<b>(37 623)</b>	<b>(48 434)</b>	<b>(59 429)</b>

**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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		208	208	208	208	208	208	208	208	208	208	208	208	2 500	2 615	2 733
Vote 04 - Corporate Services		213	213	213	213	213	213	213	213	213	213	213	212	2 550	2 667	2 787
Vote 05 - Community Services		947	947	947	947	947	947	947	947	947	947	947	947	11 364	19 015	25 845
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		19 678	19 678	19 678	19 678	19 678	19 678	19 678	19 678	19 678	19 678	19 678	19 678	236 140	242 600	254 000
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	252 554	266 897	285 365
<b>Single-year expenditure to be appropriated</b>																
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	2	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	252 554	266 897	285 365

**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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		421	421	421	421	421	421	421	421	421	421	421	421	5 050	5 282	5 520
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		421	421	421	421	421	421	421	421	421	421	421	421	5 050	5 282	5 520
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		783	783	783	783	783	783	783	783	783	783	783	783	9 400	14 015	5 845
Community and social services		783	783	783	783	783	783	783	783	783	783	783	783	9 400	14 015	5 845
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	51 275	55 000	55 000
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273	51 275	55 000	55 000
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		15 569	15 569	15 569	15 569	15 569	15 569	15 569	15 569	15 569	15 569	15 569	15 569	186 829	192 600	219 000
Energy sources		417	417	417	417	417	417	417	417	417	417	417	417	5 000	6 000	7 000
Water management		13 989	13 989	13 989	13 989	13 989	13 989	13 989	13 989	13 989	13 989	13 989	13 989	167 865	147 600	142 000
Waste water management		1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	12 000	34 000	50 000
Waste management		164	164	164	164	164	164	164	164	164	164	164	164	1 964	5 000	20 000
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	252 554	266 897	285 365
<b>Funded by:</b>																
National Government		20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	247 504	261 615	279 845
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	247 504	261 615	279 845
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		421	421	421	421	421	421	421	421	421	421	421	421	5 050	5 282	5 520
<b>Total Capital Funding</b>		21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	252 554	266 897	285 365



**Table 48 MBRR SA30 - Budgeted monthly cash flow**

NW375 Moses Kotane - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													1		
Property rates	6 270	6 270	6 270	6 270	6 270	6 270	6 270	6 270	6 270	6 270	6 270	6 270	75 237	76 816	82 237
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	6 908	6 908	6 908	6 908	6 908	6 908	6 908	6 908	6 908	6 908	6 908	6 908	82 896	86 709	90 611
Service charges - sanitation revenue	179	179	179	179	179	179	179	179	179	179	179	179	2 143	2 242	2 343
Service charges - refuse revenue	289	289	289	289	289	289	289	289	289	289	289	289	3 467	3 626	3 789
Rental of facilities and equipment	10	10	10	10	10	10	10	10	10	10	10	10	118	123	129
Interest earned - external investments	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	12 500	13 075	13 663
Interest earned - outstanding debtors	1 820	1 820	1 820	1 820	1 820	1 820	1 820	1 820	1 820	1 820	1 820	1 820	21 841	22 845	23 874
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 094	-
Licences and permits	125	125	125	125	125	125	125	125	125	125	125	125	1 500	1 569	1 640
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	50 972	50 972	50 972	50 972	50 972	50 972	50 972	50 972	50 972	50 972	50 972	50 972	611 662	623 364	620 041
Other revenue	99	99	99	99	99	99	99	99	99	99	99	99	1 192	1 245	3 489
<b>Cash Receipts by Source</b>	<b>67 880</b>	<b>67 880</b>	<b>67 880</b>	<b>67 880</b>	<b>67 880</b>	<b>67 880</b>	<b>67 880</b>	<b>67 880</b>	<b>67 880</b>	<b>67 880</b>	<b>67 880</b>	<b>67 880</b>	<b>814 555</b>	<b>833 709</b>	<b>841 816</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	20 625	247 504	261 615	279 845
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>88 505</b>	<b>88 505</b>	<b>88 505</b>	<b>88 505</b>	<b>88 505</b>	<b>88 505</b>	<b>88 505</b>	<b>88 505</b>	<b>88 505</b>	<b>88 505</b>	<b>88 505</b>	<b>88 505</b>	<b>1 062 059</b>	<b>1 095 324</b>	<b>1 121 661</b>
<b>Cash Payments by Type</b>															
Employee related costs	33 006	33 006	33 006	33 006	33 006	33 006	33 006	33 006	33 006	33 006	33 006	33 004	396 070	412 778	431 434
Remuneration of councillors	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	31 802	33 269	34 786
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	42 000	43 932	45 909
Acquisitions - water & other inventory	14 442	14 442	14 442	14 442	14 442	14 442	14 442	14 442	14 442	14 442	14 442	14 442	173 300	181 272	189 429
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	28 838	28 838	28 838	28 838	28 838	28 838	28 838	28 838	28 838	28 838	28 838	28 837	346 050	358 847	365 794
<b>Cash Payments by Type</b>	<b>82 435</b>	<b>82 435</b>	<b>82 435</b>	<b>82 435</b>	<b>82 435</b>	<b>82 435</b>	<b>82 435</b>	<b>82 435</b>	<b>82 435</b>	<b>82 435</b>	<b>82 435</b>	<b>82 433</b>	<b>989 222</b>	<b>1 030 097</b>	<b>1 067 352</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	21 046	252 554	266 897	285 365
Repayment of borrowing	1 198	1 198	1 198	1 198	1 198	1 198	1 198	1 198	1 198	1 198	1 198	1 198	14 372	6 571	6 692
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>104 679</b>	<b>104 679</b>	<b>104 679</b>	<b>104 679</b>	<b>104 679</b>	<b>104 679</b>	<b>104 679</b>	<b>104 679</b>	<b>104 679</b>	<b>104 679</b>	<b>104 677</b>	<b>104 677</b>	<b>1 256 148</b>	<b>1 303 565</b>	<b>1 359 410</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(16 174)</b>	<b>(16 174)</b>	<b>(16 174)</b>	<b>(16 174)</b>	<b>(16 174)</b>	<b>(16 174)</b>	<b>(16 174)</b>	<b>(16 174)</b>	<b>(16 174)</b>	<b>(16 174)</b>	<b>(16 174)</b>	<b>(16 172)</b>	<b>(194 088)</b>	<b>(208 241)</b>	<b>(237 749)</b>
Cash/cash equivalents at the month/year begin:	1 411	(14 763)	(30 937)	(47 111)	(63 286)	(79 460)	(95 634)	(111 808)	(127 982)	(144 157)	(160 331)	(176 505)	1 411	(192 677)	(400 918)
Cash/cash equivalents at the month/year end:	(14 763)	(30 937)	(47 111)	(63 286)	(79 460)	(95 634)	(111 808)	(127 982)	(144 157)	(160 331)	(176 505)	(192 677)	(192 677)	(400 918)	(638 667)

## 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	160 572	199 384	178 981	222 520	222 560	222 560	124 165	197 242	206 315	215 600
Service charges - Waste Water Management	2	2 921	5 259	3 864	6 036	6 036	6 036	3 374	5 103	5 338	5 578
Service charges - Waste Management	2	10 823	11 376	11 817	12 277	12 277	12 277	8 458	11 189	11 703	12 230
Sale of Goods and Rendering of Services		849	817	761	520	520	520	660	547	573	598
Agency services											
Interest											
Interest earned from Receivables		45 929	58 096	71 462	60 636	60 636	60 636	31 737	41 304	43 204	45 148
Interest earned from Current and Non Current Assets		4 171	2 479	9 745	6 251	6 251	6 251	9 198	12 500	13 075	13 663
Dividends		-	3 187	-	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets		74	234	152	188	188	188	88	118	123	129
Licence and permits		-	2 430	336	2 000	2 000	2 000	731	1 500	1 569	1 640
Operational Revenue		384	769	1 014	1 205	1 205	1 205	1 336	1 925	2 014	2 104
<b>Non-Exchange Revenue</b>											
Property rates	2	144 972	130 570	124 807	154 525	154 525	154 525	99 963	144 686	151 341	158 152
Surcharges and Taxes											
Fines, penalties and forfeits		1 209	1 308	1 028	2 000	2 000	2 000	1 062	1 800	1 883	1 968
Licences or permits											
Transfer and subsidies - Operational		549 901	485 293	537 931	581 763	582 428	582 428	427 252	611 662	623 364	627 041
Interest		21 641	26 839	32 268	27 562	27 562	27 562	24 062	31 498	32 947	34 430
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		3 838	2 611	838	-	-	-	-	-	-	-
Other Gains		62	77	0	-	-	-	-	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>947 347</b>	<b>930 729</b>	<b>975 004</b>	<b>1 077 484</b>	<b>1 078 189</b>	<b>1 078 189</b>	<b>732 086</b>	<b>1 061 075</b>	<b>1 093 450</b>	<b>1 118 280</b>

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 2024/25 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 2024/25 financial year is R197.2 million and increases to R206 million by 2025/26 and has been informed by a collection rate of 42 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>	1	17 414	6 775	3 092	171 460	176 872	176 872	172 020	136 600	189 000
<b>Infrastructure</b>										
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	14 738	14 738	14 738	11 191	-	-
Drainage Collection		-	-	-	14 738	14 738	14 738	11 191	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	(0)	-	4 000	5 142	5 142	5 000	6 000	7 000
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	(0)	-	4 000	5 142	5 142	5 000	6 000	7 000
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		12 934	10 426	3 950	136 461	151 992	151 992	144 865	111 600	142 000
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	32 000
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	17 000	17 000	17 000	20 382	-	-
Bulk Mains		-	0	-	14 702	14 002	14 002	7 000	30 000	-
Distribution		12 934	10 426	3 950	102 560	120 991	120 991	115 483	66 600	110 000
Distribution Points		-	-	-	2 200	-	-	2 000	15 000	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		(0)	0	-	10 000	5 000	5 000	9 000	14 000	20 000
Pump Station		-	-	-	-	-	-	3 000	-	-
Reticulation		-	-	-	-	-	-	1 667	-	-
Waste Water Treatment Works		-	-	-	-	-	-	2 667	14 000	20 000
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		(0)	0	-	10 000	5 000	5 000	1 667	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		4 480	(3 650)	(859)	6 261	-	-	1 964	5 000	20 000
Landfill Sites		4 480	(3 650)	(859)	6 261	-	-	1 964	5 000	20 000
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	188	-	3 500	3 200	3 200	3 000	3 138	3 279
Furniture and Office Equipment		-	188	-	3 500	3 200	3 200	3 000	3 138	3 279
<b>Machinery and Equipment</b>		54	-	-	750	1 250	1 250	50	52	55
Machinery and Equipment		54	-	-	750	1 250	1 250	50	52	55
<b>Transport Assets</b>		-	-	-	-	2 054	2 054	-	-	-
Transport Assets		-	-	-	-	2 054	2 054	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	17 468	6 963	3 092	175 710	183 376	183 376	175 070	139 790	192 334

**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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>	1	-	-	-	19 293	5 937	5 937	23 000	36 000	-
<b>Infrastructure</b>										
Water Supply Infrastructure		-	-	-	19 293	5 937	5 937	23 000	36 000	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	19 293	5 937	5 937	23 000	36 000	-
Reservoirs		-	-	-	-	-	-	-	-	-

<b>Community Assets</b>	-	(0)	2 816	1 000	-	-	-	-	-	
Community Facilities	-	(0)	2 816	1 000	-	-	-	-	-	
Halls	-	(0)	2 816	-	-	-	-	-	-	
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations	-	-	-	1 000	-	-	-	-	-	
<b>Other assets</b>	13 347	-	-	-	-	-	2 400	12 000	5 845	
Operational Buildings	13 347	-	-	-	-	-	2 400	12 000	5 845	
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores	13 347	-	-	-	-	-	-	-	-	
Laboratories										
Training Centres	-	-	-	-	-	-	2 400	12 000	5 845	
<b>Intangible Assets</b>	-	-	106	2 500	1 500	1 500	2 000	2 092	2 186	
Servitudes										
Licences and Rights	-	-	106	2 500	1 500	1 500	2 000	2 092	2 186	
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications	-	-	106	2 500	1 500	1 500	2 000	2 092	2 186	
Load Settlement Software Applications										
Unspecified										
<b>Total Capital Expenditure on renewal of existing asset</b>	1	13 347	(0)	2 922	22 793	7 437	7 437	27 400	50 092	8 031

**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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>		16 270	5 410	2 790	46 088	40 980	40 980	43 084	75 000	85 000
Roads Infrastructure		16 270	5 410	2 790	46 088	40 980	40 980	40 084	55 000	55 000
Roads		16 270	5 410	2 790	46 088	40 980	40 980	40 084	55 000	55 000
Road Structures										
Sanitation Infrastructure		-	-	-	-	-	-	3 000	20 000	30 000
Pump Station										
Reticulation		-	-	-	-	-	-	3 000	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	20 000	30 000
<b>Community Assets</b>		-	-	-	-	-	-	7 000	2 015	-
Community Facilities		-	-	-	-	-	-	7 000	2 015	-
Cemeteries/Crematoria		-	-	-	-	-	-	7 000	2 015	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	1	16 270	5 410	2 790	46 088	40 980	40 980	50 084	77 015	85 000

**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
<b>R thousand</b>								
<b>Capital expenditure</b>	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>								
<b>Total Capital Expenditure</b>		<b>244,591</b>	<b>278,088</b>	<b>290,924</b>	-	-	-	-
<b>Future operational costs by vote</b>	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>								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	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>								
<b>Total future revenue</b>		<b>1,302,048</b>	<b>1,397,160</b>	<b>1,459,339</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>(1,057,458)</b>	<b>(1,119,072)</b>	<b>(1,168,415)</b>	-	-	-	-

**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**  
**(Continued)**

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<u>Non-exchange revenue by source</u>											
<u>Exchange Revenue</u>											
Total Property Rates	6	146 537	130 717	127 206	156 988	156 988	156 988	128 728	147 299	154 074	161 008
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		1 564	147	2 399	2 463	2 463	2 463	3 418	2 613	2 733	2 856
Net Property Rates		144 972	130 570	124 807	154 525	154 525	154 525	125 310	144 686	151 341	158 152
<u>Exchange revenue service charges</u>											
<u>Service charges - Electricity</u>											
Total Service charges - Electricity	6				8 500	8 500	8 500		9 200	9 623	10 056
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)		-	-	-	8 500	8 500	8 500		9 200	9 623	10 056
Net Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
<u>Service charges - Water</u>											
Total Service charges - Water	6	160 750	199 451	179 057	232 370	232 410	232 410	160 258	207 242	216 775	226 530
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)		178	67	76	9 850	9 850	9 850	(9)	10 000	10 460	10 931
Net Service charges - Water		160 572	199 384	178 981	222 520	222 560	222 560	160 267	197 242	206 315	215 600
<u>Service charges - Waste Water Management</u>											
Total Service charges - Waste Water Management		2 934	5 405	4 120	6 467	6 467	6 467	4 144	5 383	5 630	5 884
Less Revenue Foregone (in excess of free sanitation service to indigent households)											
Less Cost of Free Basis Services (free sanitation service to indigent households)		13	146	256	430	430	430	71	279	292	306
Net Service charges - Waste Water Management		2 921	5 259	3 864	6 036	6 036	6 036	4 073	5 103	5 338	5 578
<u>Service charges - Waste Management</u>											
Total refuse removal revenue	6	10 851	11 562	12 104	12 569	12 569	12 569	10 866	11 252	11 770	12 300
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)		28	186	286	293	293	293	81	64	67	70
Net Service charges - Waste Management		10 823	11 376	11 817	12 277	12 277	12 277	10 784	11 189	11 703	12 230
<b>EXPENDITURE ITEMS:</b>											



<b>Employee related costs</b>											
Basic Salaries and Wages	2	169 609	180 784	185 537	211 885	210 110	210 110	174 908	263 929	274 563	286 925
Pension and UIF Contributions		33 236	35 205	38 284	41 423	41 567	41 567	34 589	52 429	54 833	57 316
Medical Aid Contributions		13 408	14 379	15 457	16 686	16 772	16 772	13 774	28 943	30 275	31 642
Overtime		11 150	13 765	20 210	5 856	5 356	5 356	16 423	19 075	19 952	20 850
Performance Bonus		21 146	14 547	12 607	14 559	14 669	14 669	12 885	24 547	25 679	26 894
Motor Vehicle Allowance		1 579	1 399	1 634	1 894	1 734	1 734	1 352	1 670	1 747	1 826
Cellphone Allowance		-	-	-	-	-	-	-	-	-	-
Housing Allowances		537	553	631	629	647	647	768	724	757	786
Other benefits and allowances		2 461	2 906	2 876	3 558	3 559	3 559	3 460	4 733	4 950	5 173
Payments in lieu of leave		-	2 385	719	-	-	-	(3 872)	-	-	-
Long service awards		3 026	3 341	4 195	-	-	-	-	-	-	-
Post-retirement benefit obligations	4	-	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		502	802	1 264	382	190	190	987	20	21	22
In kind benefits		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	5	256 653	270 066	283 415	296 872	294 603	294 603	255 275	396 070	412 778	431 434
<b>Less: Employees costs capitalised to PPE</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Employee related costs</b>	1	256 653	270 066	283 415	296 872	294 603	294 603	255 275	396 070	412 778	431 434
<b>Depreciation and amortisation</b>											
Depreciation of Property, Plant & Equipment		137 047	129 462	130 190	149 066	149 066	149 066	110 449	156 370	163 563	170 923
Lease amortisation		2 469	2 304	2 361	5 975	5 975	5 975	2 156	6 268	6 557	6 852
Capital asset impairment		-	-	-	-	-	-	-	-	-	-
<b>Total Depreciation and amortisation</b>	1	139 517	131 765	132 550	155 041	155 041	155 041	112 605	162 638	170 120	177 775
<b>Bulk purchases - electricity</b>											
Electricity bulk purchases		23 524	20 890	33 007	25 000	25 000	25 000	31 257	42 000	43 932	45 909
<b>Total bulk purchases</b>	1	23 524	20 890	33 007	25 000	25 000	25 000	31 257	42 000	43 932	45 909
<b>Transfers and grants</b>											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	1	-	-	-	-	-	-	-	-	-	-
<b>Contracted Services</b>											
<i>Outsourced Services</i>		61 195	55 185	61 753	66 293	66 303	66 303	49 941	83 472	87 220	91 157
<i>Consultants and Professional Services</i>		30 075	26 510	24 126	20 040	20 340	20 340	22 792	32 112	33 589	35 100
<i>Contractors</i>		53 737	43 717	50 216	53 757	51 907	51 907	53 061	90 296	94 449	98 699
<b>Total contracted services</b>		145 007	125 412	136 096	140 090	138 550	138 550	125 794	205 880	215 258	224 957
<b>Operational Costs</b>											
Collection costs		-	-	-	100	100	100	83	100	105	109
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Audit fees		5 485	3 204	4 477	4 000	4 000	4 000	5 508	8 000	8 368	8 753
<i>Other Operational Costs</i>		83 313	85 601	112 238	79 181	91 166	91 166	64 299	105 063	108 532	104 750
<b>Total Operational Costs</b>	1	88 798	88 805	116 715	83 281	95 266	95 266	69 890	113 163	117 005	113 612
<b>Repairs and Maintenance by Expenditure Item</b>	8										
Employee related costs											
Inventory Consumed (Project Maintenance)		53 429	43 572	50 656	54 905	52 905	52 905	53 749	87 844	91 884	96 019
Contracted Services		19	779	(31)	2 250	2 250	2 250	1 926	7 850	8 266	8 581
<b>Total Repairs and Maintenance Expenditure</b>	9	53 448	44 351	50 624	57 155	55 155	55 155	55 675	95 694	100 150	104 600
<b>Inventory Consumed</b>											
Inventory Consumed - Water		-	-	-	130 000	130 000	130 000	-	173 300	181 272	189 429
Inventory Consumed - Other		2 830	4 904	6 835	20 155	20 155	20 155	7 695	24 755	25 894	27 059
<b>Total Inventory Consumed &amp; Other Material</b>		2 830	4 904	6 835	150 155	150 155	150 155	7 695	198 055	207 166	216 488

**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
<b>R thousand</b>	1																
<b>Revenue</b>																	
<b>Exchange Revenue</b>																	
Service charges - Electricity		-															-
Service charges - Water								197 242									197 242
Service charges - Waste Water Management								5 103									5 103
Service charges - Waste Management						11 189											11 189
Sale of Goods and Rendering of Services				427		-	120										547
Agency services																	-
Interest																	-
Interest earned from Receivables				41 304		-	-	-									41 304
Interest earned from Current and Non Current Assets				12 500													12 500
Dividends																	-
Rent on Land																	-
Rental from Fixed Assets				118													118
Licence and permits						1 500											1 500
Operational Revenue				1 425	500												1 925
<b>Non-Exchange Revenue</b>																	
Property rates				144 686													144 686
Surcharges and Taxes																	-
Fines, penalties and forfeits						1 800											1 800
Licences or permits																	-
Transfer and subsidies - Operational		23 856		311 741		93 756		182 310									611 662
Interest				31 498													31 498
Fuel Levy																	-
Operational Revenue																	-
Gains on disposal of Assets																	-
Other Gains																	-
Discontinued Operations																	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		23 856	-	543 699	500	108 244	120	384 656	-	-	-	-	-	-	-	-	1 061 075
<b>Expenditure</b>																	
Employee related costs		26 749	17 032	48 350	60 394	79 500	40 676	123 369									396 070
Remuneration of councillors		31 802															31 802
Bulk purchases - electricity								42 000									42 000
Inventory consumed				24 755				173 300									198 055
Debt impairment				69 449		7 832		117 360									194 642
Depreciation and amortisation		410			6 268	34 987		120 973									162 638
Interest						2 252											2 252
Contracted services		8 100	3 350	25 492	7 066	91 077	6 093	64 702									205 880
Transfers and subsidies																	-
Irrecoverable debts written off																	-
Operational costs		30 962	11 800	350	33 789	17 149	570	18 543									113 163
Losses on disposal of Assets																	-
Other Losses																	-
<b>Total Expenditure</b>		98 023	32 182	168 396	107 518	232 798	47 338	660 247	-	-	-	-	-	-	-	-	1 346 501
<b>Surplus/(Deficit)</b>		(74 167)	(32 182)	375 303	(107 018)	(124 553)	(47 218)	(275 592)									(285 427)
Transfers and subsidies - capital (monetary allocations)						11 364		236 140									247 504
Transfers and subsidies - capital (in-kind)																	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(74 167)	(32 182)	375 303	(107 018)	(113 189)	(47 218)	(39 452)									(37 923)

**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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>ASSETS</b>											
<u>Trade and other receivables from exchange transactions</u>											
Electricity											
Water		918 587	1 140 119	1 290 917	965 716	965 716	965 716	767 842	1 039 607	1 093 124	114 891
Waste		108 579	124 906	143 683	130 066	130 066	130 066	39 445	127 926	(3 511)	(3 669)
Waste Water		20 566	24 223	26 212	27 918	27 918	27 918	15 040	27 695	209	(2 343)
Other trade receivables from exchange transactions		(4 703)	(4 680)	(4 606)	(6 578)	(6 578)	(6 578)	1 316	(17 499)	(11 423)	(11 937)
<b>Gross: Trade and other receivables from exchange transactions</b>		<b>1 043 029</b>	<b>1 284 569</b>	<b>1 456 207</b>	<b>1 117 120</b>	<b>1 117 120</b>	<b>1 117 120</b>	<b>823 643</b>	<b>1 177 729</b>	<b>1 078 399</b>	<b>96 943</b>
<b>Less: Impairment for debt</b>		<b>(990 038)</b>	<b>(1 223 147)</b>	<b>(1 385 310)</b>	<b>(1 050 860)</b>	<b>(1 050 860)</b>	<b>(1 050 860)</b>	<b>(724 088)</b>	<b>(1 095 226)</b>	<b>(994 421)</b>	<b>-</b>
Impairment for Electricity											
Impairment for Water		(862 405)	(1 076 792)	(1 219 861)	(900 351)	(900 351)	(900 351)	(673 810)	(944 468)	(988 858)	-
Impairment for Waste		(108 326)	(124 778)	(143 015)	(125 280)	(125 280)	(125 280)	(37 683)	(125 280)	-	-
Impairment for Waste Water		(18 705)	(21 128)	(21 975)	(24 592)	(24 592)	(24 592)	(11 427)	(24 840)	(5 562)	-
Impairment for other trade receivables from exchange transactions		(602)	(450)	(459)	(637)	(637)	(637)	(1 167)	(637)	-	-
<b>Total net Trade and other receivables from Exchange Transactions</b>		<b>52 991</b>	<b>61 422</b>	<b>70 897</b>	<b>66 260</b>	<b>66 260</b>	<b>66 260</b>	<b>99 555</b>	<b>82 503</b>	<b>83 978</b>	<b>96 943</b>
<u>Receivables from non-exchange transactions</u>											
Property rates		69 608	93 213	273 654	126 367	126 367	126 367	620 625	172 955	175 642	124 609
Less: Impairment of Property rates		(30 933)	(104 296)	(98 850)	(63 745)	(63 745)	(63 745)	(566 092)	(63 745)	(66 741)	-
<b>Net Property rates</b>		<b>38 675</b>	<b>(11 083)</b>	<b>174 804</b>	<b>62 623</b>	<b>62 623</b>	<b>62 623</b>	<b>54 533</b>	<b>109 210</b>	<b>108 901</b>	<b>124 609</b>
Other receivables from non-exchange transactions		12 760	13 511	14 422	7 396	7 396	7 396	12 824	7 396	7 744	-
Impairment for other receivables from non-exchange transactions		(13 672)	(15 418)	(16 749)	(3 758)	(3 758)	(3 758)	(15 095)	(3 758)	(3 935)	-
<b>Net other receivables from non-exchange transactions</b>		<b>(912)</b>	<b>(1 908)</b>	<b>(2 327)</b>	<b>3 638</b>	<b>3 638</b>	<b>3 638</b>	<b>(2 271)</b>	<b>3 638</b>	<b>3 809</b>	<b>-</b>
<b>Total net Receivables from non-exchange transactions</b>		<b>37 763</b>	<b>(12 991)</b>	<b>172 477</b>	<b>66 260</b>	<b>66 260</b>	<b>66 260</b>	<b>52 262</b>	<b>112 848</b>	<b>112 710</b>	<b>124 609</b>
<b>Inventory</b>											
<b>Water</b>											
Opening Balance		62	62	62	74	74	74	74	74	74	74
System Input Volume		-	-	12	130 000	130 000	130 000	69	173 300	181 272	189 429
Water Treatment Works				12	-	-	-	69	-	-	-
Bulk Purchases					130 000	130 000	130 000	-	173 300	181 272	189 429
Natural Sources					-	-	-	-	-	-	-
Authorised Consumption	6	-	-	-	(130 000)	(130 000)	(130 000)	-	(173 300)	(181 272)	(189 429)
Billed Authorised Consumption		-	-	-	(130 000)	(130 000)	(130 000)	-	(173 300)	(181 272)	(189 429)
Billed Metered Consumption		-	-	-	(130 000)	(130 000)	(130 000)	-	(173 300)	(181 272)	(189 429)
Free Basic Water					-	-	-	-	-	-	-
Subsidised Water					-	-	-	-	-	-	-
Revenue Water					(130 000)	(130 000)	(130 000)	-	(173 300)	(181 272)	(189 429)
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water					-	-	-	-	-	-	-
Subsidised Water					-	-	-	-	-	-	-
Revenue Water					-	-	-	-	-	-	-
UnBilled Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Water Losses		-	-	-	-	-	-	-	-	-	-
Apparent losses		-	-	-	-	-	-	-	-	-	-
Unauthorised Consumption		-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
Real losses		-	-	-	-	-	-	-	-	-	-
Leakage on Transmission and Distribution Mains		-	-	-	-	-	-	-	-	-	-
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-
Leakage on Service Connections up to the point of Customer Meter		-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors		-	-	-	-	-	-	-	-	-	-
Unavoidable Annual Real Losses		-	-	-	-	-	-	-	-	-	-
Non-revenue Water		-	-	-	-	-	-	-	-	-	-
Closing Balance Water		62	62	74	74	74	74	143	74	74	74

<b>Agricultural</b>														
<b>Opening Balance</b>														
	Acquisitions													
7	Issues													
8	Adjustments													
9	Write-offs													
<b>Closing balance - Agricultural</b>														
<b>Consumables</b>														
<b>Standard Rated</b>														
<b>Opening Balance</b>		9 701	11 443	13 879	15 986	15 986	15 986	15 986	18 319	18 987	19 786			
	Acquisitions	5 082	7 398	8 941	20 155	20 155	20 155	7 695	24 755	25 894	27 059			
7	Issues	(2 830)	(4 904)	(6 835)	(20 155)	(20 155)	(20 155)	(6 945)	(24 755)	(25 894)	(27 059)			
8	Adjustments				2 333	2 333	2 333		668	799	836			
9	Write-offs	(509)	(57)											
<b>Closing balance - Consumables Standard Rated</b>		11 443	13 879	15 986	18 319	18 319	18 319	16 737	18 987	19 786	20 622			
<b>Zero Rated</b>														
<b>Opening Balance</b>														
	Acquisitions													
7	Issues													
8	Adjustments													
9	Write-offs													
<b>Closing balance - Consumables Zero Rated</b>														
<b>Finished Goods</b>														
<b>Opening Balance</b>														
	Acquisitions													
7	Issues													
8	Adjustments													
9	Write-offs													
<b>Closing balance - Finished Goods</b>														
<b>Materials and Supplies</b>														
<b>Opening Balance</b>														
	Acquisitions													
7	Issues													
8	Adjustments													
9	Write-offs													
<b>Closing balance - Materials and Supplies</b>														
<b>Work-in-progress</b>														
<b>Opening Balance</b>														
	Materials													
	Transfers													
<b>Closing balance - Work-in-progress</b>														
<b>Housing Stock</b>														
<b>Opening Balance</b>														
	Acquisitions													
	Transfers													
	Sales													
<b>Closing Balance - Housing Stock</b>														
<b>Land</b>														
<b>Opening Balance</b>			320	320	435	435	435	435	435	435	435			
	Acquisitions	542		665										
	Sales	(222)		(550)										
	Adjustments													
	Correction of Prior period errors													
	Transfers													
<b>Closing Balance - Land</b>		320	320	435	435	435	435	435	435	435	435			
<b>Closing Balance - Inventory &amp; Consumables</b>		11 825	14 262	16 495	18 828	18 828	18 828	17 315	19 496	20 295	21 131			
<b>Property, plant and equipment (PPE)</b>														
	PPE at cost/valuation (excl. finance leases)	5 791 771	5 916 416	6 043 007	3 690 825	3 679 028	3 679 028	6 192 075	3 919 570	3 940 442	4 133 179			
3	Leases recognised as PPE													
	Less: Accumulated depreciation	2 848 611	2 963 169	3 054 496	238 700	238 700	238 700	3 153 163	238 700	238 700				
2	<b>Total Property, plant and equipment (PPE)</b>	2 943 160	2 953 246	2 988 511	3 452 125	3 440 328	3 440 328	3 038 912	3 680 870	3 940 442	4 133 179			
<b>LIABILITIES</b>														
<b>Current liabilities - Financial liabilities</b>														
	Short term loans (other than bank overdraft)													
	Current portion of long-term liabilities	22 699	14 629	8 840	12 820	12 820	12 820	4 954	14 372	7 801	1 109			
	<b>Total Current liabilities - Financial liabilities</b>	22 699	14 629	8 840	12 820	12 820	12 820	4 954	14 372	7 801	1 109			
<b>Trade and other payables from exchange transactions</b>														
	Trade and other payables from exchange transactions	368 274	190 097	210 314	177 266	177 266	177 266	216 053	172 673	185 342	187 296			
	Other trade payables from exchange transactions													
	Trade payables from Non-exchange transactions: Unspent conditional Grants	27 327	12 544	8 156		(3 448)		71 858						
	Trade payables from Non-exchange transactions: Other													
	VAT	62 733	88 823	99 997				123 655						
2	<b>Total Trade and other payables from exchange transactions</b>	458 334	291 463	318 467	177 266	173 818	173 818	411 566	172 673	185 342	187 296			
<b>Non-current liabilities - Financial liabilities</b>														
	Borrowing			34 753	33 895	21 753	21 753	26 811	20 868	14 715				
4	Other financial liabilities													
	<b>Total Non-current liabilities - Financial liabilities</b>			34 753	33 895	21 753	21 753	26 811	20 868	14 715				
<b>Non-current liabilities - Long Term portion of trade payables</b>														
<b>Electricity Bulk Purchases</b>														
<b>Payables and Accruals - General</b>														
<b>Water Bulk Purchases</b>														
<b>Municipal Debt Relief</b>														
<b>Provisions</b>														
	Retirement benefits	20 881	19 171	20 464	22 217	22 217	22 217	20 539	24 354	25 498	44 095			
	Refuse landfill site rehabilitation	15 533	15 533	15 533	16 216	16 216	16 216	15 533	17 284	18 096				
	Other													
	<b>Total Provisions</b>	36 413	34 703	35 996	38 433	38 433	38 433	36 071	41 638	43 595	44 095			
<b>CHANGES IN NET ASSETS</b>														
<b>Accumulated surplus/(deficit)</b>														
	Accumulated surplus/(deficit) - opening balance	2 874 893	3 017 853	3 011 253	3 150 639	3 150 639	3 150 639	3 154 931	3 292 418					
	GRAP adjustments													
	Restated balance	2 874 893	3 017 853	3 011 253	3 150 639	3 150 639	3 150 639	3 154 931	3 292 418					
	Surplus/(Deficit)	262 138	123 150	285 913	101 967	78 296	78 296	55 995	(69 878)	(69 738)	(76 503)			
	Transfers to/from Reserves				331 413	357 878	357 878	0	469 318	4 320 466	4 492 814			
	Depreciation offsets													
	Other adjustments	(16 488)	(12 808)	(5 031)	32	32	32	9	34					
1	<b>Accumulated Surplus/(Deficit) Reserves</b>	3 120 544	3 128 195	3 292 135	3 584 052	3 586 844	3 586 844	3 210 935	3 701 891	4 250 728	4 416 311			
	<b>Reserves</b>													
	Housing Development Fund													
	Capital replacement													
	Self-insurance													
	Other reserves													
	Revaluation													
2	<b>Total Reserves</b>													
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		3 120 544	3 128 195	3 292 135	3 584 052	3 586 844	3 586 844	3 210 935	3 701 891	4 250 728	4 416 311			

**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
<b>Demographics</b>												
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	-	-
<b>Monthly household income (no. of households)</b>	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			-	-	-	-	-	-	-	-	-	-
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13											
Insert description	2											
<b>Household/demographics (000)</b>												
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)			-	-	-	-	-	-	-	-	-	-
<b>Housing statistics</b>												
Formal	3											
Informal												
<b>Total number of households</b>												
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		-	-	-	-	-	-	-	-	-	-
<b>Total new housing dwellings</b>			-	-	60,167	62,221	-	-	62,221	62,221	-	-
<b>Economic</b>												
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)												
<b>Collection rates</b>	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
<b>Valuation:</b>	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	-	-
<b>Valuation reductions:</b>										
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)										
<b>Total valuation reductions:</b>		-	-	-	-	-	-	-	-	-
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	-	-
<b>Rating:</b>										
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? (%)										
<b>Rate revenue:</b>										
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)										
<b>Total rebates,exemptns,eductns,discs (R'000)</b>		<b>4,400</b>	<b>-</b>	<b>-</b>	<b>4,400</b>	<b>4,400</b>	<b>4,400</b>	<b>4,400</b>	<b>-</b>	<b>-</b>

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
<b>Cash Transfers to other municipalities</b> <i>Insert description</i>	1										
<b>Total Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>	2										
<b>Total Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>	3										
<b>Total Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>											
<b>Total Cash Transfers To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Groups of Individuals</b> <i>Hh Ssp Soc Ass: Care Dependency</i> <i>Hh Ssp Soc Ass: Grant In Aid</i>		-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other municipalities</b>	1										
<b>Total Non-Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>	2										
<b>Total Non-Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>	3										
<b>Total Non-Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>	4										
<b>Total Non-Cash Grants To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>	5										
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS</b>	6	-	-	-	-	-	-	-	-	-	-

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>		38 317	31 835	30 248	23 800	23 800	23 800	74 657	78 091	81 606
Roads Infrastructure		1 140	204	1 640	5 200	5 200	5 200	5 300	5 544	5 793
Roads		1 131	204	1 640	5 000	5 000	5 000	5 000	5 230	5 465
Road Structures										
Road Furniture		9	-	-	200	200	200	300	314	328
Capital Spares										
Storm water Infrastructure		62	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance		62	-	-	-	-	-	-	-	-
Attenuation										
Electrical Infrastructure		999	1 790	1 398	4 200	4 200	4 200	100	105	109

LV Networks	999	1 790	1 398	4 200	4 200	4 200	100	105	109	
Capital Spares										
Water Supply Infrastructure	1 060	-	324	1 000	1 000	1 000	44 000	46 024	48 095	
Dams and Weirs										
Boreholes										
Reservoirs	1 060	-	324	1 000	1 000	1 000	-	-	-	
Pump Stations										
Water Treatment Works	-	-	-	-	-	-	44 000	46 024	48 095	
Sanitation Infrastructure	-	-	-	-	-	-	11 500	12 029	12 570	
Pump Station										
Reticulation										
Waste Water Treatment Works	-	-	-	-	-	-	11 500	12 029	12 570	
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure	35 057	29 841	26 886	13 400	13 400	13 400	13 757	14 390	15 038	
Landfill Sites	35 057	29 841	26 886	13 400	13 400	13 400	13 757	14 390	15 038	
Waste Transfer Stations	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	56	52	37	250	250	250	250	262	273	
Indoor Facilities										
Outdoor Facilities	56	52	37	250	250	250	250	262	273	
<b>Other assets</b>	<b>4 130</b>	<b>2 163</b>	<b>3 040</b>	<b>3 800</b>	<b>3 800</b>	<b>3 800</b>	<b>5 886</b>	<b>6 157</b>	<b>6 434</b>	
Operational Buildings	4 130	2 163	3 040	3 800	3 800	3 800	5 886	6 157	6 434	
Municipal Offices	4 130	2 163	3 040	3 800	3 800	3 800	5 886	6 157	6 434	
<b>Intangible Assets</b>	<b>2</b>	<b>767</b>	<b>(44)</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>7 500</b>	<b>7 845</b>	<b>8 198</b>	
Servitudes										
Licences and Rights	2	767	(44)	2 000	2 000	2 000	7 500	7 845	8 198	
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications	2	767	(44)	2 000	2 000	2 000	7 500	7 845	8 198	
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	<b>8</b>	<b>13</b>	<b>13</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>107</b>	<b>55</b>	
Computer Equipment	8	13	13	50	50	50	50	107	55	
<b>Transport Assets</b>	<b>10 994</b>	<b>10 444</b>	<b>17 330</b>	<b>27 250</b>	<b>27 250</b>	<b>27 250</b>	<b>8 550</b>	<b>8 943</b>	<b>9 346</b>	
Transport Assets	10 994	10 444	17 330	27 250	27 250	27 250	8 550	8 943	9 346	
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>53 508</b>	<b>45 275</b>	<b>50 624</b>	<b>57 155</b>	<b>57 155</b>	<b>57 155</b>	<b>96 894</b>	<b>101 406</b>	<b>105 911</b>



NW375 Moses Kotane - Supporting Table SA34d Depreciation by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	<b>1</b>									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>104 954</b>	<b>100 260</b>	<b>98 964</b>	<b>116 323</b>	<b>116 323</b>	<b>116 323</b>	<b>122 023</b>	<b>127 636</b>	<b>133 380</b>
Roads Infrastructure		42 200	34 403	32 163	37 499	37 499	37 499	39 337	41 146	42 998
Roads		42 200	34 403	32 163	37 499	37 499	37 499	39 337	41 146	42 998
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		4 251	4 182	4 512	5 058	5 058	5 058	5 306	5 550	5 800
Drainage Collection		4 251	4 182	4 512	5 058	5 058	5 058	5 306	5 550	5 800
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		3 084	3 388	3 479	4 206	4 206	4 206	4 412	4 615	4 823
Power Plants		3 084	3 388	3 479	4 206	4 206	4 206	4 412	4 615	4 823
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		51 852	54 394	55 241	65 312	65 312	65 312	68 512	71 663	74 888
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		51 852	54 394	55 241	65 312	65 312	65 312	68 512	71 663	74 888
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		2 771	2 750	2 734	3 246	3 246	3 246	3 406	3 562	3 722
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		2 771	2 750	2 734	3 246	3 246	3 246	3 406	3 562	3 722
Solid Waste Infrastructure		796	1 141	835	1 001	1 001	1 001	1 051	1 099	1 148
Landfill Sites		796	1 141	835	1 001	1 001	1 001	1 051	1 099	1 148
<b>Community Assets</b>		<b>18 978</b>	<b>16 561</b>	<b>16 754</b>	<b>17 300</b>	<b>17 300</b>	<b>17 300</b>	<b>18 147</b>	<b>18 982</b>	<b>19 836</b>
Community Facilities		18 978	16 561	16 754	17 300	17 300	17 300	18 147	18 982	19 836
Halls		15 395	13 993	14 185	15 452	15 452	15 452	16 209	16 955	17 718
Centres		3 583	2 568	2 568	1 848	1 848	1 848	1 938	2 027	2 119
<b>Other assets</b>		<b>6 332</b>	<b>6 041</b>	<b>6 514</b>	<b>7 148</b>	<b>7 148</b>	<b>7 148</b>	<b>7 499</b>	<b>7 843</b>	<b>8 196</b>
Operational Buildings		6 332	6 041	6 514	7 148	7 148	7 148	7 499	7 843	8 196
Municipal Offices		6 332	6 041	6 514	7 148	7 148	7 148	7 499	7 843	8 196

<b>Intangible Assets</b>		2 469	2 304	2 361	5 975	5 975	5 975	6 268	6 557	6 852
Servitudes										
Licences and Rights		2 469	2 304	2 361	5 975	5 975	5 975	6 268	6 557	6 852
<i>Water Rights</i>										
<i>Effluent Licenses</i>										
<i>Solid Waste Licenses</i>										
<i>Computer Software and Applications</i>		2 469	2 304	2 361	5 975	5 975	5 975	6 268	6 557	6 852
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		4 082	4 092	3 429	5 178	5 178	5 178	5 432	5 682	5 938
Furniture and Office Equipment		4 082	4 092	3 429	5 178	5 178	5 178	5 432	5 682	5 938
<b>Machinery and Equipment</b>		362	330	252	391	391	391	410	429	448
Machinery and Equipment		362	330	252	391	391	391	410	429	448
<b>Transport Assets</b>		2 339	2 178	4 278	2 725	2 725	2 725	2 859	2 990	3 125
Transport Assets		2 339	2 178	4 278	2 725	2 725	2 725	2 859	2 990	3 125
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>										
<i>Zoological plants and animals</i>										
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>										
<i>Zoological plants and animals</i>										
<b>Total Depreciation</b>	1	139 517	131 765	132 550	155 041	155 041	155 041	162 638	170 120	177 775

**2.15 Municipal manager's quality certificate**

Attached separately.