

SCHEDULE A
ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF MOSES KOTANE LOCAL MUNICIPALITY
2025/2026 TO 2027/2028

Adopted by Council on 31/03/2025

Council Resolution No.: 107/03/2025

ANNUAL BUDGET OF
MOSES KOTANE LOCAL MUNICIPALITY
NW 375

2025/2026 TO 2027/28
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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 - **At 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 2025/2026 financial year as presented by MKLM Mayor, Clr Nketu Nkotsoe

Attached separately.

Overview of the Budget:

NW375 Moses Kotane - 2025-2026 MTREF BUDGET					
Description	2024-2025		MTREF		
	Original Budget	Adjusted Budget	2025/2026	2026/2027	2027/2028
R thousands					
Operating Revenue	1 061 075	1 080 046	1 136 908	1 168 133	1 213 586
Operating Expenditure	1 346 501	1 420 427	1 457 224	1 523 315	1 589 577
Operating Surplus (Deficit)	(285 427)	(340 381)	(320 316)	(355 182)	(375 991)
Capital Expenditure	252 554	255 327	242 418	246 493	258 896

Total budget for 2025/26 financial year is projected at R1,3 billion, comprising of operating revenue budget of R1.136 billion and capital revenue budget of R225 million.

The 2025/26 financial year budget summary:

The anticipated operating revenue budget for the 2025/26 financial year is estimated at R1.136 billion. This is a projected increase of 5% when compared to the 2024/25 adjustment budget of R1 080 billion. Operating revenue is further estimated to increase by 2.67% and 3.75% for the 2026/27 and 2027/28 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. 136 billion, comprising of the following items: -

- Property rates of R174 million
- Services charges of R217.4 million
- Interest investment of R13 million
- Interest on outstanding debtors R96 million
- Traffic fines of R1.8 million
- License and Permits of R3.3 million
- Grants and subsidies of R627.4 million, and
- Other revenue of R3.5 million such as sale of stands, sale of tender documents, clearance certificate, skills development levy etc.

The operating grants of R627.4 stated above consists of the following;

- Equitable Shares R615.4 million
- Finance Management Grant R2 million
- EPWP R1.8 million
- MIG (PMU operating) R7 million

- Library R1.1 million

The total operating expenditure amounts to R1.457 billion for 2025/26 financial year. The estimated expenditure budget has increased by R36.4 million which is an increase of 3% when compared to the 2024/25 adjustment budget. Operating expenditure budget is further estimated to increase by an average of 4% in the outer years.

The total operating expenditure budget amounts to R1.457 billion comprises of the following:

- Employee related cost R387.2 million
- Remuneration of councillors R32 million
- Depreciation R186.5 million
- Debt Impairment R274.8 million
- Finance Cost (Interest) R2.5 million
- Bulk Purchase - electricity R46.6 million
- Inventory Consumed R200.6 million
- Contracted services R214.3 million
- Operational Costs R112.2 million

Capital Projects

Attached separately.

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

MIG	R175 million
WSIG	R50 million
Own Funds	R17.3 million
Total Capital Projects	R242.4 million

The following are the projects funded from MIG and WSIG over the 2025-26 MTREF

MIG - WSIG PROJECTS			
PROJECT DESCRIPTION	2025-26	2026-27	2027-28
REFURBISHMENT OF TLOKWENG CEMETERY	14 000	15 000	-
DESIGN OF DISASTER MANAGEMENT CENTRE	2 000	8 200	25 000
MADIKWE LAND FILL REHABILITATION	2 000	20 000	-
INTERNAL ROADS_ TLOKWENG	15 000	16 000	-
INTERNAL ROADS_ MORULENG	1 500	9 000	16 000
REHABILITATION OF MOGWASE INTERNAL ROADS	15 000	11 000	29 000
REHABILITATION OF KRAALHOEK INTER ROADS	17 000	-	-
GOEDE AND LOSMY INTERNAL R AND S WATER	18 000	7 000	30 000
MABES INT ROADS AND STORM WATER W23&24	2 000	11 000	15 000
REHABILITATION OF WELVERDIENT INTER ROADS	15 000	16 000	
CONSTRUCTIO OF INTERNAL ROADS - WELGEVAL	1 500	12 000	13 000
ENERGIZING OF HML AND CUMM HALLS	7 000	7 000	9 446
DESIGN-TWEELAGTE WATER SU P4- NEW STANDS	15 000	-	-
REPLACEMENT OF MOGWASE ASBESTOS P1	20 000	9 000	-
CONST SANDFONTEIN WATER SUPPLY -BOIK P2	20 000	18 000	-
MOUBANE WATER SUPPLY	2 800	12 000	19 000
MABALSTAND WATER SUPPLY	2 800	10 000	18 000
UPGRADING WATER TREATMENT PLANT MOLATEDI	4 468	10 000	-
UPGRADE OF PELLA SPORTS FACILITY	-	-	1 000
UPGRADE OF MABESKRAAL SPORTS FACILITY	-	-	1 000
UPGRADING MADIKWE LANDFILL SITE	-	-	23 000
TOTAL	175 068	191 200	199 446

The following projected capital expenditure totaling R17.3 million will be funded from own funding: (figure are in R'000) This is mainly to provision of basic services

Walk Behind Roller Potholes Patching	R500
Concrete Stone Cutter Machine	R250
Mobile Generator	R3 000
Mobile Sky Jack	R500
Jet Cleaners Sanitation	R2 000
Bulk And Zonal Meter	R3 000
Office Equipment Mogwase	R1 000
Furniture _Mogwase	R1 000
Camera/Video Camera/Tripod Stand	R500
IT Office Furniture	R500
Backup Generator Diesel Bowser	R100
Call Centre System Software	R2 500
ICT Equipment Mogwase	R 3 000

The provision for the total capital budget for 2025/26 financial year amount to R242.4 million.

The 2025/26 Division of Revenue Bill has allocated total **MIG** of R182 million. Of the total allocated MIG, an amount of R7 million has been allocated to finance PMU operations which results in a balance of R175 million for capital projects.

Rural municipalities were to and extend more affected by the economic slowdown as the 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 2025 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 mentioned 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 2025/26 budget represents 29% 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 2025/26 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 2025/26 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 half 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 and audited performance regarding cash collection for property rates and other services were used, as far as possible, to determine the provision for bad debts to enable the budget to be cash funded.

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

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

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

1.1 Council Resolutions

On 31 March 2025 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 2025/26. The budget was tabled before Council with 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) note the following with effect from 1 July 2025:
 - 2.1. the tariffs for property rates
 - 2.2. the tariffs for the supply of water
 - 2.3. the tariffs for sanitation services
 - 2.4. the tariffs for solid waste services
 - 2.5. Budget related policies
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 1st July 2025 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 2025/2026 annual budget focussed on saving measures and reprioritising of projects and the increase in recovery of outstand debt.

National Treasury's MFMA Budget Circulars No. 129 was used to guide the compilation of the 2025/26 MTREF which is attached hereto.

Circular 82 which deals with cost containment measures were also used for the compilation of the 2025/26 MTREF.

The main challenges experienced during the compilation of the 2025/2026 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 2025/26 to 2027/2028 MTREF:

- The 2025/26 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.
- 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 above mentioned, the following table is a consolidated overview of the proposed 2025/2026 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2025/2026 MTREF

NW375 Moses Kotane - 2025-2026 MTREF BUDGET					
Description	2024-2025		MTREF		
	Original Budget	Adjusted Budget	2025/2026	2026/2027	2027/2028
R thousands					
Operating Revenue	1 061 075	1 080 046	1 136 908	1 168 133	1 213 586
Operating Expenditure	1 346 501	1 420 427	1 457 224	1 523 315	1 589 577
Operating Surplus (Deficit)	(285 427)	(340 381)	(320 316)	(355 182)	(375 991)
Capital Expenditure	252 554	255 327	242 418	246 493	258 896

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 1st July 2021.
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2025/26 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

NW375 Moses Kotane - Operating Revenue									
Description	2024/25		2025/26 MTREF			Movement %			
	Original Budget	Adjusted Budget	2025/26	2026/27	2027/28	Movement Amount	2025-26	2026-27	2027/28
R thousands									
Revenue									
Exchange Revenue									
Water	197 242	197 242	198 188	201 492	205 230	946	0.48%	1.64%	1.82%
Sanitation	5 103	5 103	5 180	5 253	5 329	77	1.48%	1.38%	1.43%
Waste Management	11 189	13 042	14 109	14 736	15 105	1 067	7.56%	4.25%	2.45%
Interest earned from Receivables	72 803	89 133	96 057	100 379	102 889	6 924	7.21%	4.31%	2.44%
Interest earned from Current and Non	12 500	12 500	13 097	13 482	13 921	597	4.56%	2.85%	3.16%
Rental of Facilities	118	118	101	103	103	(17)	-16.61%	1.46%	0.40%
Licence and permits	1 500	1 500	3 328	3 478	3 628	1 828	54.93%	4.31%	4.13%
Non-Exchange Revenue						-			
Property rates	144 686	144 686	174 056	182 311	190 436	29 370	17%	4.53%	4.27%
Fines, penalties and forfeits	1 800	1 800	1 899	1 984	2 034	99	5%	4.31%	2.44%
Transfer and subsidies - Operational	611 662	612 449	627 463	641 339	671 243	15 014	2%	2.16%	4.46%
Operational Revenue	2 472	2 472	3 431	3 578	3 669	959	28%	4.11%	2.46%
Total	1 061 075	1 080 046	1 136 908	1 168 133	1 213 586	56 863	5%	2.67%	3.75%

NB All revenue items, excluding transfers and subsidies budget projections were based on the audited performance and current year's performance trends.

Table 3 Percentage growth in revenue by main revenue source

OPERATING REVENUE Per Source		
Revenue Source	2025/26	%
Property Rates	174 056	15%
Service Charges	217 477	19%
Operating Grants	627 463	55%
Interest on Debtors	96 057	8%
Other Revenue	21 856	2%
Total Revenue	1 136 908	100%

The above table reflects that the municipality mainly relies on Government grants to fund. 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 R198.1 million and steadily increasing to R201.4 million in 2026/27 and R205.2 million in 2027/2028. Water sales projected an increase of 0.48% from the adjustment budget, with further estimated growth of an average of 1.7% for the outer years. Water revenue projection was based on audited performance and consumption trends in the current financial year.

Revenue anticipated from Sanitation service charges is projected to increase by 1.4% in 2025/26 while refuse service is expected a growth 7.5%. Revenue projections is based on the audited and current year’s performance.

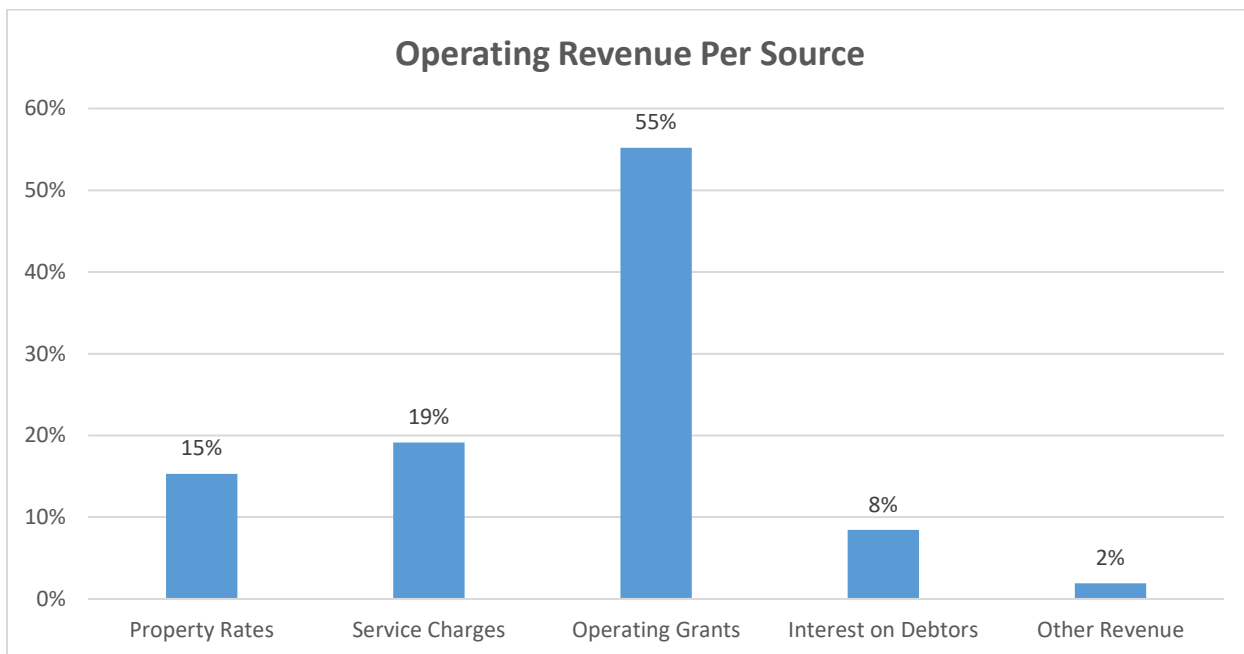
Property rates is the second largest revenue source estimated at R174 million in 2025/26, which is an increase of 17% when compared to the 2024/25 adjustment budget. The high increase occurred from the understatement recorded in the current financial year. The property rates projection is also based on valuation roll, supplementary valuation roll which amongst others include, change in property categories, property rezoning, inclusion of new properties and tariff increase.

The table below reflects proposed tariff increases for 2025/26 financial year. The projected increase is aligned with forecasted CPI as guided by Treasury Budget Circulars.

2025/2026 PROJECTED TARIFF INCREASE					
Revenue Source	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Property Rates	5.3%	4.9%	4.4%	4.5%	2.5%
Water	5.3%	4.9%	4.4%	4.5%	2.5%
Sanitation	5.3%	4.9%	4.4%	4.5%	2.5%
Refuse	5.3%	4.9%	4.4%	4.5%	2.5%

A proposed tariff increase of 4.4% was applied to property rates, water, sanitations as well as refuse services.

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



The above graph indicates that the national grants contribute 55% to the projected operating revenue for 2025/26 financial year, followed by service charges and property rates at 19% and 15% respectively.

Table 4 Operating Transfers and Grant Receipts

NW375 Moses Kotane - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		484 853	537 195	576 015	610 408	610 408	610 408	626 305	640 128	669 984
Local Government Equitable Share		476 801	528 602	566 087	600 070	600 070	600 070	615 410	630 781	659 284
Energy Efficiency and Demand Side Management Grant		-	350	1 000	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		1 699	1 652	1 577	1 359	1 359	1 359	1 895	-	-
Local Government Financial Management Grant		1 849	1 950	1 951	2 000	2 000	2 000	2 000	2 100	2 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		4 504	4 642	5 400	6 979	6 979	6 979	7 000	7 247	8 500
Provincial Government:		440	735	1 139	1 254	2 041	2 041	1 158	1 211	1 259
Capacity Building and Other Grants		440	735	1 139	1 254	2 041	2 041	1 158	1 211	1 259
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	7 535	-	-	-	-	-	-
National Library South Africa		-	-	7 535	-	-	-	-	-	-
Total Operating Transfers and Grants	5	485 293	537 931	584 689	611 662	612 449	612 449	627 463	641 339	671 243
Capital Transfers and Grants										
National Government:		190 577	217 144	232 306	247 504	249 557	249 557	225 068	243 443	255 796
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		146 774	157 450	162 524	167 504	167 504	167 504	175 068	191 200	199 446
Water Services Infrastructure Grant		43 802	59 694	69 782	80 000	82 053	82 053	50 000	52 243	56 350
Provincial Government:		9 613	242	-	-	-	-	-	-	-
Infrastructure Grant		9 613	242	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		983	-	-	-	-	-	-	-	-
Municipal Infrastructure Investment Unit		983	-	-	-	-	-	-	-	-
National Small Business Council		-	-	-	-	-	-	-	-	-
Registration of Deeds Trade Account		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	201 173	217 386	232 306	247 504	249 557	249 557	225 068	243 443	255 796
TOTAL RECEIPTS OF TRANSFERS & GRANTS		686 466	755 317	816 995	859 166	862 006	862 006	852 531	884 782	927 039

Revenue anticipated from transfers and subsidies amount to R627.4 million in the 2025/26 financial year, increasing to R641.3 million and R671.2 million in the outer years. Operating grants projected an average percentage increase of 2% for 2025/26, while the outer years is estimated to increase by 3%. This is due to EPWP grant that is only allocated for the single 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 CPI of 4.4%. 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 13.5% for 2025/26 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 2025/26 with 4.4% in line with inflation guidelines.
- 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 2025.

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 is assessing the possibility to implement a flat rate during the 2025/26 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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26 % incr.	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Rand/cent											
Monthly Account for Household - 'Middle Income Range'											
1											
Rates and services charges:											
Property rates		–	1.05	1.12	1.12	1.12	1.12	(98.5%)	1.12	1.12	1.12
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption		–	–	23.36	23.36	23.36	23.36	–	23.36	23.36	23.36
Sanitation		–	–	50.46	50.46	50.46	50.46	–	50.46	50.46	50.46
Refuse removal		–	–	54.56	54.56	54.56	54.56	–	54.56	54.56	54.56
Other											
sub-total		–	1.05	129.50	129.50	129.50	129.50	–	129.50	129.50	129.50
VAT on Services		–	–	95.90	95.90	95.90	95.90	–	95.90	95.90	95.90
Total large household bill:		–	1.05	225.40	225.40	225.40	225.40	–	225.40	225.40	225.40
% increase/-decrease		–	–	21 366.7%	–	–	–	–	–	–	–
Monthly Account for Household - 'Affordable Range'											
2											
Rates and services charges:											
Property rates		–	–	26.66	26.66	26.66	26.66	–	26.66	26.66	26.66
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption		–	–	26.66	26.66	26.66	26.66	–	26.66	26.66	26.66
Sanitation		–	–	42.88	42.88	42.88	42.88	–	42.88	42.88	42.88
Refuse removal		–	–	44.44	44.44	44.44	44.44	(90.0%)	4.44	44.44	44.44
Other											
sub-total		–	–	140.64	140.64	140.64	140.64	(28.4%)	100.64	140.64	140.64
VAT on Services		–	–	90.60	90.60	90.60	90.60	–	90.60	90.60	90.60
Total small household bill:		–	–	231.24	231.24	231.24	231.24	(17.3%)	191.24	231.24	231.24
% increase/-decrease		–	–	–	–	–	–	–	(17.3%)	20.9%	–
Monthly Account for Household - 'Indigent' Household receiving free basic services											
3											
Rates and services charges:											
Property rates		–	–	23.70	23.70	23.70	23.70	–	23.70	23.70	23.70
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption		–	–	–	–	–	–	(100.0%)	–	–	–
Sanitation		–	–	42.87	42.87	42.87	42.87	–	42.87	42.87	42.87
Refuse removal		–	–	44.44	44.44	44.44	44.44	–	44.44	44.44	44.44
Other											
sub-total		–	–	111.01	111.01	111.01	111.01	–	111.01	111.01	111.01
VAT on Services		–	–	83.48	83.48	83.48	83.48	–	83.48	83.48	83.48
Total small household bill:		–	–	194.49	194.49	194.49	194.49	–	194.49	194.49	194.49
% increase/-decrease		–	–	–	–	–	–	–	–	–	–

1.4 Operating Expenditure Framework

The municipality’s expenditure framework for the 2025/26 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;

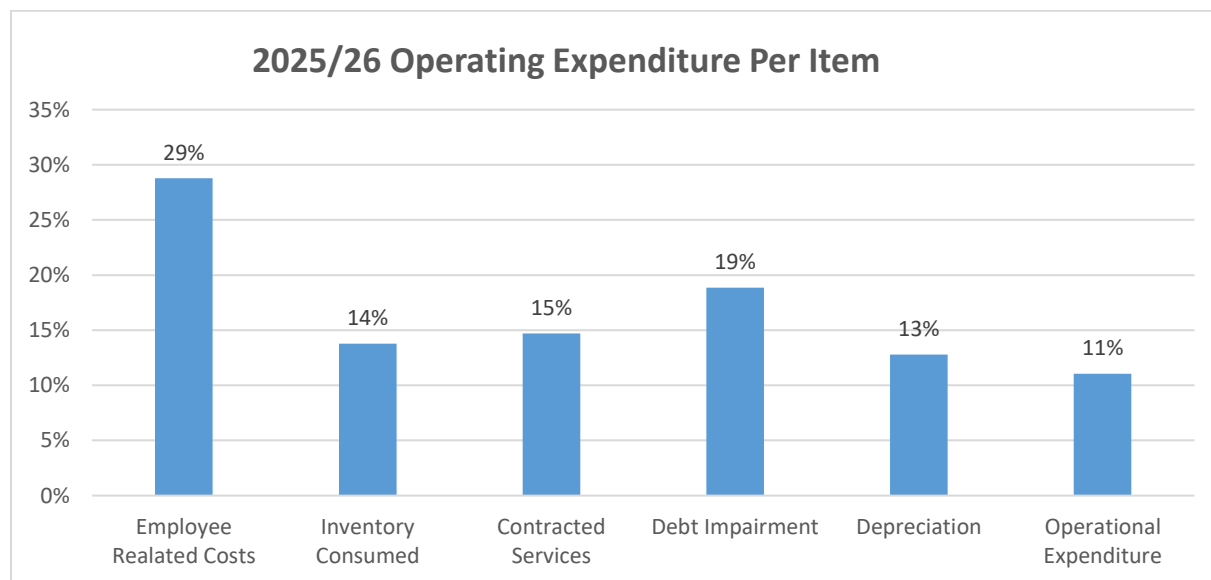
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2025/26 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	2024-25		MTREF		
	Original Budget	Adjusted Budget	2025-26	2026-27	2027-28
R thousands					
Employee related costs	396 069 792	395 849 792	387 294 867.00	401 696 918.00	416 414 515.00
Remuneration of councillors	31 801 862	31 801 862	32 098 418.00	33 407 846.00	34 768 042.00
Bulk purchases - electricity	42 000 000	42 000 000	46 620 000	48 251 700	49 457 993
Inventory consumed	198 055 000	198 055 000	200 603 241	221 703 879	246 190 164
Debt impairment	194 641 596	268 499 259	274 844 405	283 752 050	289 609 262
Depreciation and amortisation	162 638 301	162 638 301	186 560 981	196 039 825	205 069 929
Interest	2 252 093	2 252 093	2 597 372	166 088	34 899
Contracted services	205 879 621	204 929 621	214 332 497	221 917 769	227 380 677
Operational costs	113 163 200	114 400 686	112 272 462	116 378 922	120 651 584
Total	1 346 501	1 420 427	1 457 224	1 523 315	1 589 577

Below is the graphical illustration of the operating expenditure, indicating the main cost drivers for operating expenditure for 2025/26 financial year.



Employee Related Costs

The projected budget for employee related costs for 2025/26 financial year amount to R287.2 million, which equates to 27% 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 5.35% per cent for the 2025/26 financial year. The employee has declined as the 2024-25 projection was overstated. The outer years projected a growth of 3.5%. The employee related cost is the main cost driver for 2025/26 budget.

The employee related costs, including councillor remuneration accounts for 29%, 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 provision of 4.4% have been made in the 2025/26 budget to cater for upper limits for Councillors.

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 R274.8 million for 2025/26, increasing to R283.7 million and R212.7 million for the two outer years respectively. Debt impairment has further increased by 2% from the adjustment budget, this item calculated based on the 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 19% 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 2025/26 totals to R186.5 million which is an increase of 13% when compared to the current year's budget. Of the total operating expenditure, depreciation accounts for 12%. 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 R2.5 million for 2025/26. The projection is expected to decline as the loans are about to be paid, lease contract is ending in 2025/26 and other borrowing will be paid off in 2027/28. The acquisition of vehicle lease was aimed at improving service delivery as the fleet of the municipality was in bad condition with high demand in 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 inventory, which includes water bulk and other inventory material, has projected an increase of 1% to a total budget of R200.6 million. Water purchases have projected R170.1 million while other material items are estimated at R30.4 million for 2025/26 financial year.

Bulk water average tariff increase of 13.5% have been incorporated in the budget.

Bulk Purchase: Electricity

Projected expenditure for electricity consumption amounts to R46.6 million. This item includes the electricity utilised for boreholes, streetlights and internal usage. The expenditure is projected to increase by an average of 5% for the outer years.

Contracted Services

Contracted Services is estimated at R214.3 million. This is due to the increased demand 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 includes 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 R112.2 million, with estimated average increase of 1% for the outer years.

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 an 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 2025-26 Medium-term capital budget per vote

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	2 500	2 500	2 500	678	1 000	1 150	1 200
Vote 04 - Corporate Services		188	106	187	2 550	2 550	2 550	-	7 100	1 900	1 900
Vote 05 - Community Services		(3 650)	1 957	497	11 364	2 720	2 720	-	18 000	43 200	50 000
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		15 836	6 740	25 720	236 140	247 557	247 557	110 126	216 318	200 243	205 796
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	12 373	8 803	26 404	252 554	255 327	255 327	110 804	242 418	246 493	258 896
Single-year expenditure to be appropriated	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		12 373	8 803	26 404	252 554	255 327	255 327	110 804	242 418	246 493	258 896

For 2025/26 an amount of R242.4 million has been appropriated for the development of infrastructure. Capital expenditure is further projected to increase to R246.4 million in 2026/27. 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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional	1										
Governance and administration		188	106	187	5 050	5 050	5 050	678	7 600	3 050	3 100
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		188	106	187	5 050	5 050	5 050	678	7 600	3 050	3 100
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		(0)	2 816	1 493	9 400	2 720	2 720	-	16 500	23 200	27 000
Community and social services		(0)	-	1 438	9 400	2 720	2 720	-	16 500	23 200	25 000
Sport and recreation		-	2 816	55	-	-	-	-	-	-	2 000
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		5 410	2 790	246	51 275	57 555	57 555	29 719	85 750	82 000	103 000
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		5 410	2 790	246	51 275	57 555	57 555	29 719	85 750	82 000	103 000
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		6 775	3 092	24 478	186 829	190 001	190 001	80 406	132 568	138 243	125 796
Energy sources		(0)	-	-	5 000	6 064	6 064	3 722	10 500	7 000	9 446
Water management		10 426	3 950	25 474	167 865	165 029	165 029	67 575	91 068	76 243	64 350
Waste water management		0	-	-	12 000	18 908	18 908	9 109	29 000	35 000	29 000
Waste management		(3 650)	(859)	(996)	1 964	-	-	-	2 000	20 000	23 000
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	12 373	8 803	26 404	252 554	255 327	255 327	110 804	242 418	246 493	258 896
Funded by:											
National Government		9 259	8 697	24 725	247 504	249 557	249 557	110 126	225 068	243 443	255 796
Provincial Government		2 927	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	12 186	8 697	24 725	247 504	249 557	249 557	110 126	225 068	243 443	255 796
Borrowing	6										
Internally generated funds		188	106	1 679	5 050	5 770	5 770	678	17 350	3 050	3 100
Total Capital Funding	7	12 373	8 803	26 404	252 554	255 327	255 327	110 804	242 418	246 493	258 896

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

The capital budget is mainly allocated as follows;

2025/2026 CAPITAL BUDGET		
Description	Amount	%
Water & Sanitation	120 068	50%
Refuse	2 000	1%
Roads	85 750	35%
Community	16 500	7%
Energy Sources	10 500	4%
Other Assets Class	7 600	3%
Tota Capital Budget	242 418	100%

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 2025-26 MTREF budget as tabled in Council. Each table is accompanied by *explanatory notes* on the facing page.

Explanatory notes to MBRR Table A1 - Budget Summary

North West: Moses Kotane (NW375) - Table A1 Budget Summary

Description	2021/22	2022/23	2023/24	Current year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
Financial Performance										
Property rates	130 570	124 807	150 272	144 686	144 686	144 686	100 087	174 056	182 311	190 436
Service charges	216 019	194 662	207 969	213 534	215 388	215 388	136 943	217 477	221 480	225 664
Investment revenue	2 479	9 745	13 500	12 500	12 500	12 500	9 949	13 097	13 482	13 921
Transfer and subsidies - Operational	485 293	537 931	584 689	611 662	612 449	612 449	456 373	627 463	641 339	671 243
Other own revenue	96 367	107 859	94 143	78 693	95 023	95 023	64 880	104 816	109 522	112 322
Total Revenue (excluding capital transfers and contributions)	930 729	975 004	1 050 573	1 061 075	1 080 046	1 080 046	768 233	1 136 908	1 168 133	1 213 586
Employee costs	270 066	283 415	322 761	396 070	395 850	395 850	209 165	387 295	401 697	416 415
Remuneration of councillors	25 344	25 874	26 872	31 802	31 802	31 802	16 704	32 098	33 408	34 768
Depreciation and amortisation	131 765	132 550	121 308	162 638	162 638	162 638	115 995	186 561	196 040	205 070
Finance charges	4 036	5 619	6 434	2 252	2 252	2 252	1 688	2 597	166	35
Inventory consumed and bulk purchases	142 736	177 046	210 602	239 755	239 755	239 755	99 956	247 223	269 956	295 648
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	551 747	419 178	542 463	513 684	587 830	587 830	363 343	601 449	622 049	637 642
Total Expenditure	1 125 694	1 043 682	1 230 440	1 346 201	1 420 127	1 420 127	806 851	1 457 224	1 523 315	1 589 577
Surplus/(Deficit)	(194 965)	(68 678)	(179 867)	(285 127)	(340 081)	(340 081)	(38 618)	(320 316)	(355 182)	(375 991)
Transfers and subsidies - capital (monetary allocations)	201 173	217 386	232 306	247 504	249 557	249 557	115 668	225 068	243 443	255 796
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	6 208	148 708	52 439	(37 623)	(90 524)	(90 524)	77 050	(95 248)	(111 739)	(120 195)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	6 208	148 708	52 439	(37 623)	(90 524)	(90 524)	77 050	(95 248)	(111 739)	(120 195)
Capital expenditure & funds sources										
Capital expenditure	12 373	8 803	26 404	252 554	255 327	255 327	102 245	242 418	246 493	258 896
Transfers recognised - capital	12 186	8 697	24 725	247 504	249 557	249 557	-	225 068	243 443	255 796
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	188	106	1 679	5 050	5 770	5 770	-	17 350	3 050	3 100
Total sources of capital funds	12 373	8 803	26 404	252 554	255 327	255 327	-	242 418	246 493	258 896
Financial position										
Total current assets	282 913	451 408	420 083	279 341	279 341	279 341	512 463	264 535	269 037	277 655
Total non current assets	3 117 339	3 152 582	3 263 067	3 849 191	3 851 963	3 851 963	3 250 254	3 506 903	3 628 994	3 725 022
Total current liabilities	354 296	378 234	412 262	223 573	220 479	220 479	423 868	269 824	268 712	269 435
Total non current liabilities	34 703	70 825	60 409	62 505	62 505	62 505	51 320	47 989	49 519	51 494
Community wealth/Equity	2 942 583	3 154 931	3 275 387	3 940 176	3 998 944	3 998 944	3 318 428	3 548 873	3 580 165	3 801 943
Cash flows										
Net cash from (used) operating	500 786	1 223 384	1 497 510	72 838	72 838	72 838	585 494	161 755	160 436	164 839
Net cash from (used) investing	(12 373)	(8 817)	(24 476)	(252 554)	(252 554)	(252 554)	(102 245)	(278 781)	(283 467)	(297 730)
Net cash from (used) financing	(5 045)	(5 813)	(5 330)	(14 372)	(14 372)	(14 372)	(9 549)	(9 987)	(1 109)	(603)
Cash/cash equivalents at the year end	544 964	1 245 634	1 506 560	(177 151)	(177 151)	(177 151)	556 143	341 262	379 470	375 516
Cash backing/surplus reconciliation										
Cash and investments available	36 880	38 855	43 587	38 450	38 450	38 450	124 706	35 891	36 128	37 402
Application of cash and investments	90 046	(397 605)	(39 587)	92 019	89 384	89 384	456 942	132 012	127 344	122 683
Balance - surplus (shortfall)	(53 166)	436 460	83 174	(53 569)	(50 934)	(50 934)	(332 236)	(96 121)	(91 216)	(85 281)
Asset management										
Asset register summary (WDV)	2 894 937	2 900 827	2 940 786	3 508 870	3 511 643	3 511 643	2 927 973	3 506 903	3 628 994	3 725 022
Depreciation	131 765	132 550	121 308	162 638	162 638	162 638	115 995	186 561	196 040	205 070
Renewal and Upgrading of Existing Assets	5 410	5 712	1 684	77 484	77 893	77 893	37 155	144 468	133 600	127 400
Repairs and Maintenance	45 275	50 624	53 063	96 894	98 601	98 601	74 524	107 679	110 557	113 283
Free services										
Cost of Free Basic Services provided	399	619	231	19 543	19 543	19 543	120	16 407	17 719	19 036
Revenue cost of free services provided	147	2 399	4 108	2 613	2 613	2 613	2 566	4 288	4 481	4 550
Households below minimum service level	-	-	-	-	-	-	-	-	-	-
Water:	-	-	-	12 000	12 000	12 000	12 000	-	-	-
Sanitation/sewerage:	-	-	-	40 000	40 000	40 000	40 000	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional	1									
Governance and administration		477 898	535 972	820 436	568 055	584 385	584 385	629 847	643 682	658 342
Executive and council		5 699	21 455	1 577	23 856	23 856	23 856	24 888	23 167	23 398
Finance and administration		472 198	514 517	818 860	544 199	560 529	560 529	604 959	620 515	634 944
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		31 609	23 827	15 253	13 954	7 341	7 341	24 435	49 926	6 975
Community and social services		11 817	1 612	10 365	1 254	2 041	2 041	1 208	1 264	1 313
Sport and recreation		16 054	20 851	1	9 400	2 000	2 000	18 000	43 200	-
Public safety		3 738	1 365	4 887	3 300	3 300	3 300	5 227	5 462	5 662
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		61 218	51 230	54 298	58 374	64 654	64 654	92 312	77 597	8 874
Planning and development		4 576	4 778	5 664	7 099	7 099	7 099	7 312	7 597	8 874
Road transport		56 642	46 452	48 635	51 275	57 555	57 555	85 000	70 000	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		561 178	581 362	392 892	668 196	673 222	673 222	615 382	640 372	595 745
Energy sources		18 676	16 357	5 690	5 000	6 064	6 064	7 000	7 000	-
Water management		423 012	424 392	369 552	526 825	530 898	530 898	468 370	491 751	452 463
Waste water management		34 691	47 406	4 786	30 716	30 716	30 716	31 358	31 628	31 968
Waste management		84 798	93 207	12 864	105 654	105 544	105 544	108 653	109 992	111 314
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 131 902	1 192 390	1 282 879	1 308 579	1 329 602	1 329 602	1 361 976	1 411 576	1 269 936
Expenditure - Functional										
Governance and administration		351 109	289 665	457 897	424 533	425 583	425 583	455 932	473 485	492 274
Executive and council		80 699	84 311	115 908	117 269	119 069	119 069	114 796	119 699	124 229
Finance and administration		266 897	200 450	336 515	300 575	299 825	299 825	333 550	345 821	359 683
Internal audit		3 513	4 903	5 474	6 689	6 689	6 689	7 586	7 965	8 362
Community and public safety		107 523	125 021	119 898	136 383	136 900	136 900	142 970	150 737	157 543
Community and social services		24 763	26 539	29 315	37 776	38 694	38 694	31 511	33 567	35 652
Sport and recreation		49 257	60 726	52 405	51 519	51 119	51 119	60 151	63 474	66 373
Public safety		33 503	37 756	38 177	47 088	47 088	47 088	51 309	53 696	55 518
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		74 657	77 589	63 245	105 492	103 992	103 992	123 797	129 543	135 846
Planning and development		19 928	21 391	25 178	53 139	51 639	51 639	49 748	51 998	55 441
Road transport		54 729	56 199	38 067	52 353	52 353	52 353	74 048	77 544	80 405
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		589 760	548 634	586 166	676 326	750 183	750 183	731 107	765 957	800 120
Energy sources		31 229	43 171	52 928	56 697	56 697	56 697	62 949	66 090	69 033
Water management		462 253	402 470	448 081	494 039	562 946	562 946	566 593	594 012	621 356
Waste water management		38 649	55 609	28 747	40 918	41 048	41 048	37 146	38 695	40 366
Waste management		57 630	47 385	56 411	84 671	89 492	89 492	64 419	67 161	69 364
Other	4	2 645	2 772	3 235	3 468	3 468	3 468	3 419	3 594	3 794
Total Expenditure - Functional	3	1 125 694	1 043 682	1 230 440	1 346 201	1 420 127	1 420 127	1 457 224	1 523 315	1 589 577
Surplus/(Deficit) for the year		6 208	148 708	52 439	(37 623)	(90 524)	(90 524)	(95 248)	(111 739)	(319 641)

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 01 - Municipal Council		5 699	21 455	1 577	23 856	23 856	23 856	24 888	23 167	23 398
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		470 779	514 088	818 217	543 699	560 029	560 029	604 309	619 849	634 269
Vote 04 - Corporate Services		1 420	429	643	500	500	500	650	666	675
Vote 05 - Community Services		116 407	117 034	28 117	119 608	112 885	112 885	133 089	159 918	118 289
Vote 06 - Planning & Development		72	136	264	120	120	120	312	350	374
Vote 07 - Infrastructure & Technical Services		537 526	539 249	434 062	620 796	632 212	632 212	598 728	607 627	492 931
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 131 902	1 192 390	1 282 879	1 308 579	1 329 602	1 329 602	1 361 976	1 411 576	1 269 936
Expenditure by Vote to be appropriated	1									
Vote 01 - Municipal Council		66 544	71 931	92 542	98 023	99 823	99 823	96 177	100 212	104 042
Vote 02 - Office Of The Accounting Officer		22 275	22 319	34 109	32 182	32 182	32 182	32 428	33 991	35 442
Vote 03 - Budget And Treasury Office		169 825	95 828	226 212	143 641	145 541	145 541	182 441	191 143	198 394
Vote 04 - Corporate Services		77 574	80 922	84 751	114 618	112 368	112 368	122 079	126 839	132 192
Vote 05 - Community Services		176 480	187 203	187 747	232 803	237 741	237 741	224 343	232 872	242 254
Vote 06 - Planning & Development		18 408	20 725	25 335	47 688	46 188	46 188	41 428	43 536	45 838
Vote 07 - Infrastructure & Technical Services		594 587	564 753	579 745	677 247	746 284	746 284	758 328	794 722	831 415
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 125 694	1 043 682	1 230 440	1 346 201	1 420 127	1 420 127	1 457 224	1 523 315	1 589 577
Surplus/(Deficit) for the year	2	6 208	148 708	52 439	(37 623)	(90 524)	(90 524)	(95 248)	(111 739)	(319 641)

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

2025/2026 TRADING SERVICES			
R'000	2025/2026	2026/2027	2027/2028
OPERATING REVENUE (A4)			
Water	198 188	201 492	205 230
Sanitation	5 180	5 253	5 329
Refuse	14 109	14 736	15 105
OPERATING EXPENDITURE (A2)			
Water	556 593	589 012	624 356
Sanitation	37 146	38 695	40 366
Refuse	62 510	65 154	67 243
SURPLUS / (DEFICIT)			
Water	(358 405)	(387 521)	(419 126)
Sanitation	(31 966)	(33 442)	(35 037)
Refuse	(48 401)	(50 418)	(52 137)

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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	199 384	178 981	190 319	197 242	197 242	197 242	124 913	198 188	201 492	205 230
Service charges - Waste Water Management	2	5 259	3 864	4 786	5 103	5 103	5 103	3 174	5 180	5 253	5 329
Service charges - Waste Management	2	11 376	11 817	12 864	11 189	13 042	13 042	8 869	14 109	14 736	15 105
Sale of Goods and Rendering of Services		817	761	793	547	547	547	566	1 418	1 488	1 533
Agency services											
Interest											
Interest earned from Receivables		58 096	71 462	49 267	41 304	56 100	56 100	38 578	60 358	63 075	64 651
Interest earned from Current and Non Current Assets		2 479	9 745	13 500	12 500	12 500	12 500	9 414	13 097	13 482	13 921
Dividends		3 187	-	-	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets		234	152	99	118	118	118	5	101	103	103
Licence and permits		2 430	336	3 128	1 500	1 500	1 500	2 300	3 328	3 478	3 628
Special rating levies											
Operational Revenue		769	1 014	2 058	1 925	1 925	1 925	1 109	2 014	2 091	2 135
Non-Exchange Revenue											
Property rates	2	130 570	124 807	150 272	144 686	144 686	144 686	111 263	174 056	182 311	190 436
Surcharges and Taxes											
Fines, penalties and forfeits		1 308	1 028	1 759	1 800	1 800	1 800	1 238	1 899	1 984	2 034
Licences or permits											
Transfer and subsidies - Operational		485 293	537 931	584 689	611 662	612 449	612 449	457 174	627 463	641 339	671 243
Interest		26 839	32 268	35 103	31 498	33 033	33 033	22 796	35 698	37 305	38 237
Fuel Levy											
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		2 611	838	1 928	-	-	-	-	-	-	-
Other Gains		77	0	8	-	-	-	232	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		930 729	975 004	1 050 573	1 061 075	1 080 046	1 080 046	781 631	1 136 908	1 168 133	1 213 586
Expenditure											
Employee related costs	2	270 066	283 415	322 761	396 070	395 850	395 850	234 087	387 295	401 697	416 415
Remuneration of councillors		25 344	25 874	26 872	31 802	31 802	31 802	18 602	32 098	33 408	34 768
Bulk purchases - electricity	2	20 890	33 007	41 906	42 000	42 000	42 000	26 446	46 620	48 252	49 458
Inventory consumed	8	4 904	6 835	9 888	198 055	198 055	198 055	8 842	200 603	221 704	246 190
Debt impairment	3	-	-	302 703	194 642	268 499	268 499	123 435	274 844	283 752	289 609
Depreciation and amortisation		131 765	132 550	121 308	162 638	162 638	162 638	126 202	186 561	196 040	205 070
Interest		4 036	5 619	6 434	2 252	2 252	2 252	1 688	2 597	166	35
Contracted services		125 412	136 096	145 069	205 880	204 930	204 930	135 782	214 332	221 918	227 381
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		321 005	147 426	8 010	-	-	-	153 291	-	-	-
Operational costs		88 805	116 715	81 826	113 163	114 401	114 401	63 874	112 272	116 379	120 652
Losses on disposal of Assets		16 461	18 942	4 852	-	-	-	-	-	-	-
Other Losses		65	-	3	-	-	-	221	-	-	-
Total Expenditure		1 008 752	906 477	1 071 633	1 346 501	1 420 427	1 420 427	892 470	1 457 224	1 523 315	1 589 577
Surplus/(Deficit)		(78 023)	68 527	(21 059)	(285 427)	(340 381)	(340 381)	(110 839)	(320 316)	(355 182)	(375 991)
Transfers and subsidies - capital (monetary allocations)	6	201 173	217 386	232 306	247 504	249 557	249 557	115 633	225 068	243 443	255 796
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		123 150	285 913	211 247	(37 923)	(90 824)	(90 824)	4 794	(95 248)	(111 739)	(120 195)
Income Tax											
Surplus/(Deficit) after income tax		123 150	285 913	211 247	(37 923)	(90 824)	(90 824)	4 794	(95 248)	(111 739)	(120 195)
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality		123 150	285 913	211 247	(37 923)	(90 824)	(90 824)	4 794	(95 248)	(111 739)	(120 195)
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions											
Surplus/(Deficit) for the year	1	123 150	285 913	211 247	(37 923)	(90 824)	(90 824)	4 794	(95 248)	(111 739)	(120 195)

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

OPERATING REVENUE Per Source			
Revenue Source	%	2025/26	%
Property Rates	15%	174 056	15%
Service Charges	19%	217 477	19%
Operating Grants	55%	627 463	55%
Interest on Debtors	8%	96 057	8%
Other Revenue	2%	21 856	2%
Total Revenue		1 136 908	100%

1. Total operating revenue projected for 2025/2026 amounts to R1.136 billion, estimated to escalate by an average of 5% in the two outer years
2. Revenue anticipated from property rates amount to R174 million in 2025/26 financial year, which represents 15% of the total operating revenue base of the municipality. It further anticipated to increase at average increase of 4.4% in the outer years.
3. Service charges relating to, water, sanitation and refuse removal constitutes 20% of the revenue basket of the municipality totalling R217.4 million for the 2025/26 financial year. Services charges are the main revenue component of the municipality's own revenue. All service charges are estimated to increase from the 2024/25 adjustment budget.
4. Interest charged of overdue accounts are projected at R96 million which constitute 8% of the total revenue. This is an indication that consumers are not paying for services rendered and that poses a serious threat to the financial position of the municipality
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 2% in 2025/26, with average increase of 3.3% for the outer years.

The equitable share remains the most important part of the municipality's revenue base, as it assists with poverty relief in the form of free basic service to the indigents. Amongst others, this include, equitable share, finance management grant, expanded public works programme, energy efficiency demand side management grant, MIG portion for PMU operations. Total operating grants accounts for 55% of the total operating revenue anticipated for 2025-26 financial year.

6. Total operating expenditure for the 2025/2026 financial year has projected R1.457 billion which is an increase of 3% when compared to the 2024/25 Adjustment budget. Operating expenditure is further projected to increase by an average of 4% for the outer years.

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

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	2 500	2 500	2 500	678	1 000	1 150	1 200
Vote 04 - Corporate Services		188	106	187	2 550	2 550	2 550	-	7 100	1 900	1 900
Vote 05 - Community Services		(3 650)	1 957	497	11 364	2 720	2 720	-	18 000	43 200	50 000
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		15 836	6 740	25 720	236 140	247 557	247 557	110 126	216 318	200 243	205 796
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	12 373	8 803	26 404	252 554	255 327	255 327	110 804	242 418	246 493	258 896
Single-year expenditure to be appropriated	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total											
Total Capital Expenditure - Vote		12 373	8 803	26 404	252 554	255 327	255 327	110 804	242 418	246 493	258 896
Capital Expenditure - Functional											
Governance and administration		188	106	187	5 050	5 050	5 050	678	7 600	3 050	3 100
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		188	106	187	5 050	5 050	5 050	678	7 600	3 050	3 100
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		(0)	2 816	1 493	9 400	2 720	2 720	-	16 500	23 200	27 000
Community and social services		(0)	-	1 438	9 400	2 720	2 720	-	16 500	23 200	25 000
Sport and recreation		-	2 816	55	-	-	-	-	-	-	2 000
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		5 410	2 790	246	51 275	57 555	57 555	29 719	85 750	82 000	103 000
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		5 410	2 790	246	51 275	57 555	57 555	29 719	85 750	82 000	103 000
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		6 775	3 092	24 478	186 829	190 001	190 001	80 406	132 568	138 243	125 796
Energy sources		(0)	-	-	5 000	6 064	6 064	3 722	10 500	7 000	9 446
Water management		10 426	3 950	25 474	167 865	165 029	165 029	67 575	91 068	76 243	64 350
Waste water management		0	-	-	12 000	18 908	18 908	9 109	29 000	35 000	29 000
Waste management		(3 650)	(859)	(996)	1 964	-	-	-	2 000	20 000	23 000
Other											
Total Capital Expenditure - Functional	3	12 373	8 803	26 404	252 554	255 327	255 327	110 804	242 418	246 493	258 896
Funded by:											
National Government		9 259	8 697	24 725	247 504	249 557	249 557	110 126	225 068	243 443	255 796
Provincial Government		2 927	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	12 186	8 697	24 725	247 504	249 557	249 557	110 126	225 068	243 443	255 796
Borrowing	6										
Internally generated funds		188	106	1 679	5 050	5 770	5 770	678	17 350	3 050	3 100
Total Capital Funding	7	12 373	8 803	26 404	252 554	255 327	255 327	110 804	242 418	246 493	258 896

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. Capital expenditure has been appropriated at R242.4 million for the 2025/26 financial year. 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 of DoRA allocations and 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.
4. The projected capital programme is funded from national grants and own funds at 93% and 7% respectively. Acquisition of capital assets funded from own funds will be based on availability of funds.

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

2025/2026 CAPITAL BUDGET FUNDING MIX			
Funding Source	2025/2026	2026/2027	2027/2028
MIG	175 068	191 200	199 446
WSIG	50 000	52 243	56 350
TOTAL GRANTS	225 068	243 443	255 796
OWN FUNDING	17 350	3 050	3 100
TOTAL CAPITAL BUDGET	242 418	246 493	258 896
GOVERNMENT GRANTS	93%	99%	99%
OWN FUNDING	7%	1%	1%

Total capital grants for 2025/2026 amount to R242.4 million, increasing to R246.4 million and R258.8 million for the two outer years respectively. A total of R144.4 million or 60% of the capital budget have been allocated to renewal and upgrading of existing assets.

Table 18 MBRR Table A6 - Budgeted Financial Position

NW375 Moses Kotane - Table A6 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Current assets											
Cash and cash equivalents		36 880	38 855	43 587	38 450	38 450	38 450	54 947	35 891	36 128	37 402
Trade and other receivables from exchange transactions	1	61 422	70 897	102 865	82 503	82 503	82 503	69 010	98 820	101 229	104 590
Receivables from non-exchange transactions	1	(12 991)	172 477	80 918	112 848	112 848	112 848	30 927	87 586	89 267	91 971
Current portion of non-current receivables											
Inventory	2	14 260	16 493	21 471	22 139	22 139	22 139	16 986	22 938	23 774	24 630
VAT		105 884	129 471	146 889	26 122	26 122	26 122	165 135	13 519	14 086	14 657
Other current assets		6 281	23 214	24 353	2 049	2 049	2 049	23 853	5 289	3 857	3 955
Total current assets		211 737	451 408	420 083	284 110	284 110	284 110	360 858	264 043	268 342	277 205
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		150 684	150 664	#####	152 952	152 952	152 952	152 298	153 482	154 150	154 535
Property, plant and equipment	3	2 953 246	2 988 511	3 098 277	3 680 870	3 683 643	3 683 643	3 085 833	3 338 402	3 458 864	3 554 342
Biological assets											
Living and non-living resources											
Heritage assets		14	14	14	14	14	14	14	14	14	14
Intangible assets		13 394	13 393	12 478	15 354	15 354	15 354	10 975	15 005	15 965	16 131
Trade and other receivables from exchange transactions											
Non-current receivables from non-exchange transactions											
Other non-current assets											
Total non current assets		3 117 339	3 152 582	3 263 067	3 849 191	3 851 963	3 851 963	3 249 120	3 506 903	3 628 994	3 725 022
TOTAL ASSETS		3 329 076	3 603 990	3 683 150	4 133 301	4 136 073	4 136 073	3 609 978	3 770 946	3 897 336	4 002 227
LIABILITIES											
Current liabilities											
Bank overdraft											
Financial liabilities		14 629	8 840	3 605	14 372	14 372	14 372	3 145	1 107	603	-
Consumer deposits		1 070	785	755	600	600	600	758	605	605	605
Trade and other payables from exchange transactions	4	190 097	211 352	215 231	204 741	204 741	204 741	166 106	261 689	262 094	262 880
Trade and other payables from non-exchange transactions	5	12 944	8 156	3 305	-	(3 094)	(3 094)	74 603	-	-	-
Provision		46 777	49 159	58 317	3 861	3 861	3 861	55 834	6 423	6 519	6 552
VAT		88 823	99 997	131 049	-	-	-	152 173	-	-	-
Other current liabilities											
Total current liabilities		353 940	378 290	412 262	223 573	220 479	220 479	452 619	269 824	269 821	270 037
Non current liabilities											
Financial liabilities	6	-	34 753	22 945	20 868	20 868	20 868	13 856	603	-	-
Provision	7	34 703	35 996	37 464	41 638	41 638	41 638	37 464	47 386	49 519	51 494
Long term portion of trade payables											
Other non-current liabilities											
Total non current liabilities		34 703	70 749	60 409	62 505	62 505	62 505	51 320	47 989	49 519	51 494
TOTAL LIABILITIES		388 643	449 039	472 671	286 079	282 985	282 985	503 939	317 813	319 339	321 531
NET ASSETS		2 940 433	3 154 951	3 210 478	3 847 222	3 853 089	3 853 089	3 106 039	3 453 133	3 577 996	3 680 696
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	3 128 195	3 292 135	3 369 286	3 902 253	3 908 119	3 908 119	3 215 273	3 762 761	3 578 691	3 681 146
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other											
TOTAL COMMUNITY WEALTH/EQUITY	10	3 128 195	3 292 135	3 369 286	3 902 253	3 908 119	3 908 119	3 215 273	3 762 761	3 578 691	3 681 146

Explanatory notes to Table A6 - Budgeted Financial Position

- 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).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table 58 is supported by an extensive table of notes on SA3, 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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		69 500	100 014	79 087	75 237	75 237	75 237	40 774	95 731	100 271	104 740
Service charges		110 905	154 773	93 693	88 506	88 506	88 506	60 471	90 518	92 425	94 152
Other revenue		239 351	589 255	425 826	4 810	4 810	4 810	(338 817)	42 032	45 192	47 354
Transfers and Subsidies - Operational	1	7 743	161 779	577 266	611 662	611 662	611 662	454 004	627 463	641 339	671 243
Transfers and Subsidies - Capital	1	193 676	208 558	232 503	247 504	247 504	247 504	190 313	225 068	243 443	255 796
Interest		5 634	9 679	13 045	34 341	34 341	34 341	15 577	41 876	43 556	46 802
Dividends		3 187	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(131 335)	(674)	76 091	(989 222)	(989 222)	(989 222)	163 016	(995 819)	(1 043 523)	(1 094 898)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		498 661	1 223 384	1 497 510	72 838	72 838	72 838	585 336	126 870	122 702	125 190
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	(13)	1 928	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(12 373)	(8 803)	(26 404)	(252 554)	(252 554)	(252 554)	(102 245)	(278 781)	(283 467)	(297 730)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(12 373)	(8 817)	(24 476)	(252 554)	(252 554)	(252 554)	(102 245)	(278 781)	(283 467)	(297 730)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	(9 089)	-	-	-
Borrowing long term/refinancing		-	-	(84)	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(2 125)	-	(5)	-	-	-	(1)	-	-	-
Payments											
Repayment of borrowing		(5 045)	(5 813)	(5 246)	(14 372)	(14 372)	(14 372)	(460)	(9 987)	(1 109)	(603)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(7 171)	(5 813)	(5 335)	(14 372)	(14 372)	(14 372)	(9 550)	(9 987)	(1 109)	(603)
NET INCREASE/ (DECREASE) IN CASH HELD		479 117	1 208 754	1 467 700	(194 088)	(194 088)	(194 088)	473 542	(161 898)	(161 874)	(173 143)
Cash/cash equivalents at the year begin:	2	61 597	36 880	38 855	16 937	16 937	16 937	-	39 023	(122 875)	(284 749)
Cash/cash equivalents at the year end:	2	540 714	1 245 634	1 506 555	(177 151)	(177 151)	(177 151)	473 542	(122 875)	(284 749)	(457 892)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

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

The expected operating receipts are projected at R897.6 million, this comprises of operating grants, own revenue from property rates, service charges, interest earned from bank and call deposits accounts, etc. Included in the projection is the VAT receipts anticipated from the capital grants. Capital grants receipts amounts to R225 million. Net cash from operating activities amount to R126.8 million. The net cash held is unfavorable, indicating that the projected expenditure exceeds the anticipated receipts, however a positive opening balance is projected at R39 million.

2025-26 Billing/Receipts			
Description R'000	Billing	Receipts	Collection rate
Property Rates	174 056	95 731	55%
Water	198 188	83 845	42%
Sanitation	5 180	2 176	42%
Refuse	14 109	4 498	32%
Total	391 533	186 249	43%

Property Rates - R174 million is projected for property rates billing and R95.7 million (55%) projected for collection

Water Revenue - R198.1 million is projected for water billing and R83.2 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 - R14.1million is projected for refuse billing and R4.4 million (32%) 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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at the year end	1	540 714	1 245 634	1 506 555	(177 151)	(177 151)	(177 151)	473 542	(122 875)	(284 749)	(457 892)
Other current investments > 90 days		(503 833)	(1 206 779)	(1 462 968)	215 601	215 601	215 601	(418 595)	158 767	320 878	495 294
Non current investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		36 880	38 855	43 587	38 450	38 450	38 450	54 947	35 891	36 128	37 402
Application of cash and investments											
Unspent conditional transfers		12 544	8 156	3 305	-	(3 094)	(3 094)	74 603	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(17 061)	(29 474)	(15 840)	(26 122)	(26 122)	(26 122)	(12 963)	(13 519)	(14 086)	(14 657)
Other working capital requirements	3	170 308	(2 952)	119 739	175 172	175 221	175 221	194 609	155 357	152 323	149 107
Other provisions		46 777	49 159	58 317	3 861	3 861	3 861	55 834	6 423	6 519	6 552
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		212 567	24 890	165 521	152 911	149 866	149 866	312 084	148 261	144 756	141 002
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(175 687)	13 965	(121 934)	(114 461)	(111 416)	(111 416)	(257 137)	(112 370)	(108 627)	(103 600)
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(175 687)	13 965	(121 934)	(114 461)	(111 416)	(111 416)	(257 137)	(112 370)	(108 627)	(103 600)

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

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding

levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

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

The table for cash backed reserves / accumulated surplus reconciliation measures the funding status of the municipality. It takes into accounts the available cash balance at year end and measure it against the applications, which includes, the commitments, working capital requirements, statutory requirements and current provisions.

Based on the projection, the above table reflects a shortfall which is indicative of an unfunded budget. To remedy the situation, the municipality have developed a budget funding plan, which is currently being reviewed for enhancement.

Table 21 MBRR Table A9 - Asset Management

NW375 Moses Kotane - Table A9 Asset Management

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	6 963	3 092	24 720	175 070	177 433	177 433	97 950	112 893	131 496
<i>Roads Infrastructure</i>		-	-	-	-	-	-	1 500	12 000	13 000
<i>Storm water Infrastructure</i>		-	-	-	11 191	11 191	11 191	-	-	-
<i>Electrical Infrastructure</i>		(0)	-	-	5 000	6 064	6 064	7 000	7 000	9 446
<i>Water Supply Infrastructure</i>		10 426	3 950	25 474	144 865	140 792	140 792	63 600	57 243	64 350
<i>Sanitation Infrastructure</i>		0	-	-	9 000	15 617	15 617	10 000	15 000	20 000
<i>Solid Waste Infrastructure</i>		(3 650)	(859)	(996)	1 964	-	-	2 000	20 000	23 000
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		6 775	3 092	24 478	172 020	173 663	173 663	84 100	111 243	129 796
<i>Community Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	2 500	-	-
Intangible Assets		-	-	-	-	-	-	2 500	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		188	-	187	3 000	3 000	3 000	5 000	1 650	1 700
Machinery and Equipment		-	-	55	50	50	50	4 350	-	-
Transport Assets		-	-	-	-	720	720	2 000	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	(0)	2 922	1 438	27 400	26 237	26 237	24 468	35 600	26 400
<i>Roads Infrastructure</i>		-	-	-	-	-	-	15 000	16 000	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	23 000	24 237	24 237	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	23 000	24 237	24 237	15 000	16 000	-
<i>Community Facilities</i>		(0)	2 816	1 438	-	-	-	4 468	10 000	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
Community Assets		(0)	2 816	1 438	-	-	-	4 468	10 000	-
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	2 400	-	-	2 000	8 200	25 000
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	2 400	-	-	2 000	8 200	25 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	106	-	2 000	2 000	2 000	3 000	1 400	1 400
Intangible Assets		-	106	-	2 000	2 000	2 000	3 000	1 400	1 400
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	5 410	2 790	246	50 084	51 656	51 656	120 000	98 000	101 000
<i>Roads Infrastructure</i>		5 410	2 790	246	40 084	46 364	46 364	68 500	54 000	90 000
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	20 000	9 000	-
<i>Sanitation Infrastructure</i>		-	-	-	3 000	3 292	3 292	17 000	20 000	9 000
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		5 410	2 790	246	43 084	49 656	49 656	105 500	83 000	99 000
<i>Community Facilities</i>		-	-	-	7 000	2 000	2 000	14 000	15 000	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	2 000
Community Assets		-	-	-	7 000	2 000	2 000	14 000	15 000	2 000
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-

Intangible Assets	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	500	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Living Resources	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure	4	12 373	8 803	26 404	252 554	255 327	255 327	242 418	246 493	258 896
Roads Infrastructure		5 410	2 790	246	40 084	46 364	46 364	85 000	82 000	103 000
Storm water Infrastructure		-	-	-	11 191	11 191	11 191	-	-	-
Electrical Infrastructure		(0)	-	-	5 000	6 064	6 064	7 000	7 000	9 446
Water Supply Infrastructure		10 426	3 950	25 474	167 865	165 029	165 029	83 600	66 243	64 350
Sanitation Infrastructure		0	-	-	12 000	18 908	18 908	27 000	35 000	29 000
Solid Waste Infrastructure		(3 650)	(859)	(996)	1 964	-	-	2 000	20 000	23 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		12 186	5 882	24 725	238 104	247 557	247 557	204 600	210 243	228 796
Community Facilities		(0)	2 816	1 438	7 000	2 000	2 000	18 468	25 000	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	2 000
Community Assets		(0)	2 816	1 438	7 000	2 000	2 000	18 468	25 000	2 000
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	2 400	-	-	2 000	8 200	25 000
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	2 400	-	-	2 000	8 200	25 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	106	-	2 000	2 000	2 000	5 500	1 400	1 400
Intangible Assets		-	106	-	2 000	2 000	2 000	5 500	1 400	1 400
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		188	-	187	3 000	3 000	3 000	5 000	1 650	1 700
Machinery and Equipment		-	-	55	50	50	50	4 850	-	-
Transport Assets		-	-	-	-	720	720	2 000	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		12 373	8 803	26 404	252 554	255 327	255 327	242 418	246 493	258 896

ASSET REGISTER SUMMARY - PPE (WDV)		5	2 894 937	2 900 827	2 940 786	3 508 870	3 511 643	3 511 643	3 506 903	3 628 994	3 725 022
Roads Infrastructure			674 100	679 632	651 302	1 403 654	1 409 934	1 409 934	800 190	801 877	822 301
Storm water Infrastructure			58 116	55 200	79 250	11 191	11 191	11 191	82 816	86 543	90 437
Electrical Infrastructure			89 078	86 808	92 322	164 949	166 013	166 013	106 378	109 778	117 909
Water Supply Infrastructure			1 401 236	1 403 326	1 453 039	363 075	360 239	360 239	1 781 463	1 817 816	1 828 555
Sanitation Infrastructure			77 090	67 587	66 259	(31 403)	(24 494)	(24 494)	102 132	138 863	169 447
Solid Waste Infrastructure			16 550	14 857	13 097	44 094	42 130	42 130	16 256	51 328	73 959
Rail Infrastructure											
Coastal Infrastructure											
Information and Communication Infrastructure			17 443	14 875	12 307	-	-	-	12 307	12 368	12 368
Infrastructure			2 333 613	2 322 285	2 367 576	1 955 560	1 965 012	1 965 012	2 901 541	3 018 574	3 114 978
Community Assets			377 185	370 189	369 401	1 379 540	1 374 540	1 374 540	388 992	399 426	398 450
Heritage Assets			14	14	14	14	14	14	14	14	14
Investment properties			150 684	150 664	152 298	152 952	152 952	152 952	153 482	154 150	154 535
Other Assets			(0)	(0)	(0)	2 400	-	-	-	-	-
Biological or Cultivated Assets											
Intangible Assets			13 394	13 393	12 478	15 354	15 354	15 354	15 005	15 965	16 131
Computer Equipment			371	125	-	-	-	-	-	-	-
Furniture and Office Equipment			8 786	6 888	7 151	3 000	3 000	3 000	9 151	8 836	8 886
Machinery and Equipment			965	698	501	50	50	50	7 351	504	504
Transport Assets			9 924	36 570	31 367	-	720	720	31 367	31 524	31 524
Land											
Zoo's, Marine and Non-biological Animals											
Living Resources											
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5		2 894 937	2 900 827	2 940 786	3 508 870	3 511 643	3 511 643	3 506 903	3 628 994	3 725 022
EXPENDITURE OTHER ITEMS			177 041	183 174	174 371	259 532	261 239	261 239	294 240	306 597	318 352
Depreciation	7		131 765	132 550	121 308	162 638	162 638	162 638	186 561	196 040	205 070
Repairs and Maintenance by Asset Class	3		45 275	50 624	53 063	96 894	98 601	98 601	107 679	110 557	113 283
Roads Infrastructure			204	1 640	1 304	5 300	5 300	5 300	5 400	5 528	5 658
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			1 790	1 398	2 132	100	100	100	300	308	315
Water Supply Infrastructure			-	324	975	44 000	44 000	44 000	45 100	46 228	46 228
Sanitation Infrastructure			-	-	-	11 500	11 500	11 500	12 000	12 300	12 608
Solid Waste Infrastructure			29 841	26 886	16 714	13 757	13 757	13 757	16 365	16 981	17 405
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			31 835	30 248	21 125	74 657	74 657	74 657	78 065	80 216	82 214
Community Facilities			1	-	-	-	100	100	100	120	120
Sport and Recreation Facilities			52	37	1	250	250	250	250	250	255
Community Assets			53	37	1	250	350	350	350	370	375
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			2 163	3 040	3 420	5 886	5 886	5 886	1 915	1 943	1 967
Housing			-	-	-	-	-	-	-	-	-
Other Assets			2 163	3 040	3 420	5 886	5 886	5 886	1 915	1 943	1 967
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			767	(44)	4 312	7 500	9 107	9 107	9 000	9 225	9 456
Intangible Assets			767	(44)	4 312	7 500	9 107	9 107	9 000	9 225	9 456
Computer Equipment			13	13	22	50	50	50	50	51	53
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	-	-	-	-	-	300	308	315
Transport Assets			10 444	17 330	24 183	8 550	8 550	8 550	18 000	18 444	18 904
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Mature			-	-	-	-	-	-	-	-	-
Immature			-	-	-	-	-	-	-	-	-
Living Resources			-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS			177 041	183 174	174 371	259 532	261 239	261 239	294 240	306 597	318 352
Renewal and upgrading of Existing Assets as % of total capex			43.7%	64.9%	6.4%	30.7%	30.5%	30.5%	59.6%	54.2%	49.2%
Renewal and upgrading of Existing Assets as % of deprecn			4.1%	4.3%	1.4%	47.6%	47.9%	47.9%	77.4%	68.1%	62.1%
R&M as a % of PPE & Investment Property			1.5%	1.8%	1.7%	2.6%	2.6%	2.6%	2.8%	2.8%	2.8%
Renewal and upgrading and R&M as a % of PPE and Investment Property			1.7%	2.0%	1.7%	4.8%	4.8%	4.8%	7.0%	6.5%	6.2%

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 resources.

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets										
Water:										
Piped water inside dwelling	1	-	-	6 793	7 015	7 015	7 015	6 800	6 812	6 820
Piped water inside yard (but not in dwelling)	2	-	-	29 856	-	-	-	29 872	29 878	29 886
Using public tap (at least min.service level)	4	-	52 000	30 000	53 100	53 100	53 100	30 000	30 000	30 000
Other water supply (at least min.service level)	4	-	-	8 509	-	-	-	8 509	8 509	8 509
<i>Minimum Service Level and Above sub-total</i>		-	52 000	75 158	60 115	60 115	60 115	75 181	75 199	75 215
Using public tap (< min.service level)	3	-	12 000	-	12 000	-	12 000	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply	4	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	12 000	-	12 000	-	12 000	-	-	-
Total number of households	5	-	64 000	75 158	72 115	72 115	72 115	75 181	75 199	75 215
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	8 000	6 793	8 010	8 010	8 010	6 800	6 812	6 820
Flush toilet (with septic tank)		-	5 000	28 000	5 250	5 250	5 250	28 020	28 025	28 030
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	21 000	-	-	-	21 020	21 020	21 020
Other toilet provisions (> min.service level)		-	-	22 365	-	-	-	22 360	22 358	22 355
<i>Minimum Service Level and Above sub-total</i>		-	13 000	78 158	13 260	13 260	13 260	78 200	78 215	78 225
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	40 000	-	40 000	40 000	40 000	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	40 000	-	40 000	40 000	40 000	-	-	-
Total number of households	5	-	53 000	78 158	53 260	53 260	53 260	78 200	78 215	78 225
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	75 500	75 500	75 600	75 600	75 600	75 600	75 600	75 600
<i>Minimum Service Level and Above sub-total</i>		-	75 500	75 500	75 600	75 600	75 600	75 600	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>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	75 500	75 500	75 600	75 600	75 600	75 600	75 600	75 600
Households receiving Free Basic Service										
Water (6 kilolitres per household per month)	7	-	41 000	4 854	41 000	41 000	41 000	4 854	4 854	4 854
Sanitation (free minimum level service)		-	41 000	4 854	41 000	41 000	41 000	4 854	4 854	4 854
Electricity/other energy (50kwh per household per month)		-	24 343	4 854	24 343	24 343	24 343	4 854	4 854	4 854
Refuse (removed at least once a week)		-	-	4 854	-	-	-	4 854	4 854	4 854
<i>Informal Settlements</i>		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		67	76	(10)	10 000	10 000	10 000	10 000	10 500	10 875
Sanitation (free sanitation service to indigent households)		146	256	113	279	279	279	117	122	125
Electricity/other energy (50kwh per indigent household per month)		-	-	-	9 200	9 200	9 200	6 157	6 957	7 896
Refuse (removed once a week for indigent households)		186	286	128	64	64	64	134	140	140
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided	8	399	619	231	19 543	19 543	19 543	16 407	17 719	19 036
Highest level of free service provided per household										
Property rates (R value threshold)		-	17 000	17 000	17 000	17 000	17 000	17 000	17 000	17 000
Water (kilolitres per household per month)		-	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	20	20	20	20	20	20	20	20
Electricity (kwh per household per month)		-	50	50	50	50	50	50	50	50
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)										
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	9	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		147	2 399	4 108	2 613	2 613	2 613	4 288	4 481	4 550
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		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		147	2 399	4 108	2 613	2 613	2 613	4 288	4 481	4 550

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 2024) 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 2025/26 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 2025/26 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 2024-25 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 129 have been taken into consideration in the planning and prioritisation process.

1.7.4 Community Consultation

The draft 2025/2026 MTREF was tabled on 31st March 2025 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 2025/2026 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 2025/2026 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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
R thousand													
BASIC SERVICES AND INFRASTRUCTURE				453 743	438 897	229 873	492 900	495 541	495 541	506 749	524 102	537 870	
LOCAL ECONOMIC DEVELOPMENT				72	136	264	120	120	120	312	350	374	
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION				5 699	21 455	1 577	23 856	23 856	23 856	24 888	23 167	23 398	
FINANCIAL VIABILITY				470 779	514 088	818 217	543 699	560 029	560 029	604 309	619 849	634 269	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				437	429	643	500	500	500	650	666	675	
Allocations to other priorities													
Total Revenue (excluding capital transfers and contributions)				1	930 729	975 004	1 050 573	1 061 075	1 080 046	1 080 046	1 136 908	1 168 133	1 196 586

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
R thousand													
BASIC SERVICES AND INFRASTRUCTURE				771 067	751 956	767 492	910 050	984 025	984 025	982 672	1 027 594	1 073 669	
LOCAL ECONOMIC DEVELOPMENT				18 408	20 725	25 335	47 688	46 188	46 188	41 428	43 536	45 838	
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION				98 243	104 018	136 065	151 118	153 418	153 418	154 740	161 457	168 013	
FINANCIAL VIABILITY				165 242	90 742	220 859	136 956	138 756	138 756	174 830	183 139	189 930	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				72 734	76 240	80 690	100 389	97 739	97 739	103 555	107 588	112 126	
Allocations to other priorities													
Total Expenditure				1	1 125 694	1 043 682	1 230 440	1 346 201	1 420 127	1 420 127	1 457 224	1 523 315	1 589 577

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand												
BASIC SERVICES AND INFRASTRUCTURE				12 186	8 697	26 217	247 504	250 277	250 277	234 318	243 443	255 796
LOCAL ECONOMIC DEVELOPMENT				-	-	-	-	-	-	-	-	-
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION				-	-	-	-	-	-	500	-	-
FINANCIAL VIABILITY				-	-	-	2 500	2 500	2 500	1 000	1 150	1 200
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				188	106	187	2 550	2 550	2 550	6 600	1 900	1 900
Allocations to other priorities			3									
Total Capital Expenditure			1	12 373	8 803	26 404	252 554	255 327	255 327	242 418	246 493	258 896

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:

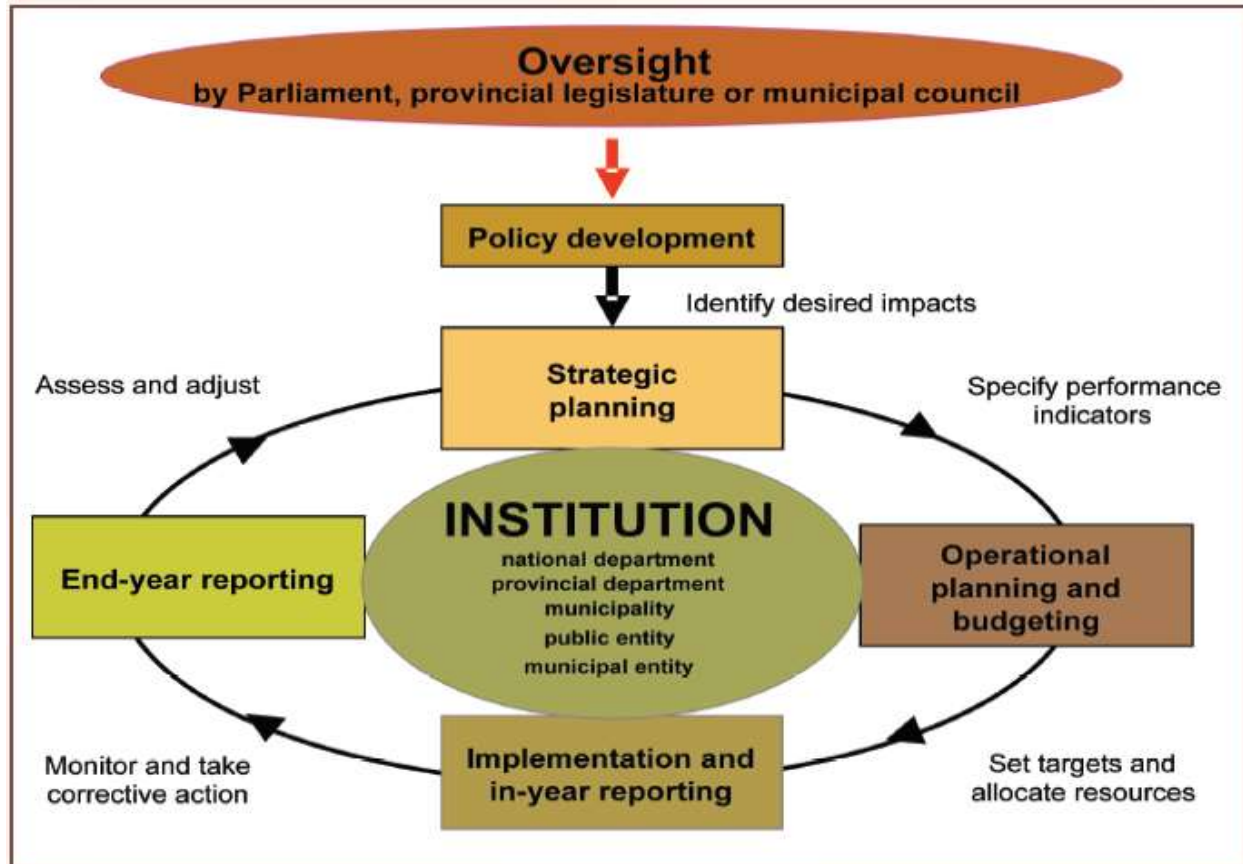


Figure 3 Planning, budgeting and reporting cycle

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:

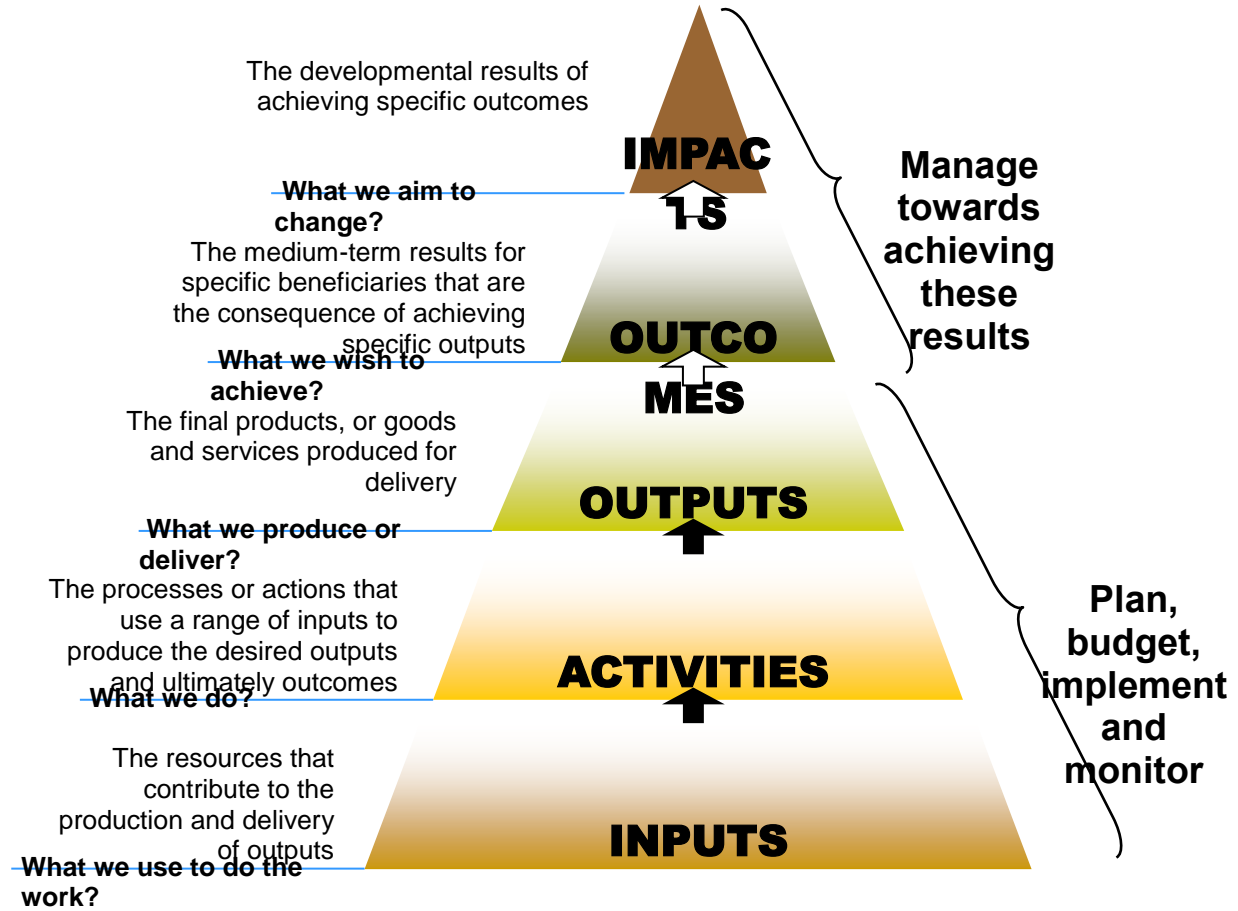


Figure 4 Definition of performance information concepts

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
07 - Infrastructure & Technical Services										
Energy Sources										
Electricity										
Formal Settlement Households Receiving Electricity	Households		24 343	4 854	24 343	24 343	24 343	4 854	4 854	4 854
Informal Settlements (R000)	Rand Value									
Waste Water Management										
Sewerage										
Bucket Toilet	Households									
Flush Toilet (Connected To Sewerage)	Households		8 000	6 793	8 010	8 010	8 010	6 800	6 812	6 820
Flush Toilet (With Septic Tank)	Households		5 000	28 000	5 250	5 250	5 250	28 020	28 025	28 030
Sanitation	Households		41 000	4 854	41 000	41 000	41 000	4 854	4 854	4 854
Informal Settlements (R000)	Rand Value									
No Toilet Provisions	Households		40 000		40 000	40 000	40 000			
Other Toilet Provisions (< Min.Service Level)	Households									
Other Toilet Provisions (> Min.Service Level)	Households			22 365				22 360	22 358	22 355
Pit Toilet (Ventilated)	Households			21 000				21 020	21 020	21 020
Water Management										
Water Distribution										
Water	Households		41 000	4 854	41 000	41 000	41 000	4 854	4 854	4 854
Informal Settlements (R000)	Rand Value									
No Water Supply Level)	Households									
Piped Water Inside Dwelling	Households			8 509				8 509	8 509	8 509
Dwelling)	Households			6 793	7 015	7 015	7 015	6 800	6 812	6 820
Using Public Tap (< Min.Service Level)	Households			29 856				29 872	29 878	29 886
Level)	Households		12 000		12 000	12 000	12 000			
	Households		52 000	30 000	53 100	53 100	53 100	30 000	30 000	30 000

Table 27 MBRR Table SA8 - Performance indicators and benchmarks

The following table sets out the municipality’s main performance objectives and benchmarks for the 2025/2026 MTREF.

NW375 Moses Kotane - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	0.9%	1.3%	1.1%	1.2%	1.2%	1.2%	0.3%	0.7%	0.5%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.0%	1.2%	1.1%	1.6%	1.5%	1.5%	0.3%	0.8%	0.6%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	-5.0%	0.0%	0.0%	0.0%	-736.4%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.6	1.2	1.0	1.3	1.3	1.3	1.2	2.3	4.0	-
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.6	1.2	1.0	1.3	1.3	1.3	1.2	2.3	4.0	-
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.3	0.4	0.5	0.5	0.5	0.5	0.5	2.3	-
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	83.2%	130.4%	82.8%	76.5%	75.8%	75.8%	73.7%	85.2%	86.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		83.2%	130.4%	82.8%	76.5%	75.8%	75.8%	73.7%	85.2%	86.5%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	27.7%	48.1%	38.2%	29.6%	29.1%	29.1%	54.1%	46.8%	45.6%	11.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		35.2%	17.0%	14.3%	-115.6%	-115.6%	-115.6%	28.8%	-95.3%	-46.3%	0.0%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
	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										
Water Distribution Losses (2)	Total Volume Losses (kℓ)				3 437	3 437	3 437				
	Total Cost of Losses (Rand '000)	0	0	0	16500000	16500000	16500000	0	0	0	0
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.0%	29.1%	30.7%	37.3%	36.7%	36.7%	27.2%	32.0%	32.7%	33.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31.7%	31.7%	33.3%	40.3%	39.6%	39.6%	47.3%	32.0%	32.7%	33.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.9%	5.2%	5.1%	9.1%	9.1%	9.1%	14.0%	9.5%	9.5%	9.5%
Finance charges & Depreciaton	FC&D/(Total Revenue - capital revenue)	14.6%	14.2%	12.2%	15.5%	15.3%	15.3%	15.3%	16.6%	16.8%	17.1%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	59.9	53.3	21.5	21.8	22.2	67.3	15.9	22.6	-	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	49.4%	163.0%	119.4%	75.3%	74.6%	74.6%	191.8%	172.9%	170.2%	60.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.4	15.2	17.1	(2.0)	(4.0)	(2.1)	5.3	(2.4)	-	-

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 2024-25 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 2025-26 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.

A total of 4 854 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. 6 kilo litres of water is provided to indigent households.

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 2024 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 2025/26 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 is high.

There is high unemployment rate in the jurisdiction of the municipality.

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 2025/26 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 2025/26 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 2025/26 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 5.35% salary increase in 2025/2026.

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 2025/2026 MTREF of which performance has been factored into the cash flow budget.

1.12 Overview of budget funding

NW375 Moses Kotane - Table A7 Budgeted Cash Flows

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		69 500	100 014	79 087	75 237	75 237	75 237	40 774	95 731	100 271	104 740
Service charges		110 905	154 773	93 693	88 506	88 506	88 506	60 471	90 518	92 425	94 152
Other revenue		239 351	589 255	425 826	4 810	4 810	4 810	(338 817)	42 032	45 192	47 354
Transfers and Subsidies - Operational	1	7 743	161 779	577 266	611 662	611 662	611 662	454 004	627 463	641 339	671 243
Transfers and Subsidies - Capital	1	193 676	208 558	232 503	247 504	247 504	247 504	190 313	225 068	243 443	255 796
Interest		5 634	9 679	13 045	34 341	34 341	34 341	15 577	41 876	43 556	46 802
Dividends		3 187	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(131 335)	(674)	76 091	(989 222)	(989 222)	(989 222)	163 016	(995 819)	(1 043 523)	(1 094 898)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		498 661	1 223 384	1 497 510	72 838	72 838	72 838	585 336	126 870	122 702	125 190
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	(13)	1 928	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(12 373)	(8 803)	(26 404)	(252 554)	(252 554)	(252 554)	(102 245)	(278 781)	(283 467)	(297 730)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(12 373)	(8 817)	(24 476)	(252 554)	(252 554)	(252 554)	(102 245)	(278 781)	(283 467)	(297 730)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	(9 089)	-	-	-
Borrowing long term/refinancing		-	-	(84)	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(2 125)	-	(5)	-	-	-	(1)	-	-	-
Payments											
Repayment of borrowing		(5 045)	(5 813)	(5 246)	(14 372)	(14 372)	(14 372)	(460)	(9 987)	(1 109)	(603)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(7 171)	(5 813)	(5 335)	(14 372)	(14 372)	(14 372)	(9 550)	(9 987)	(1 109)	(603)
NET INCREASE/ (DECREASE) IN CASH HELD		479 117	1 208 754	1 467 700	(194 088)	(194 088)	(194 088)	473 542	(161 898)	(161 874)	(173 143)
Cash/cash equivalents at the year begin:	2	61 597	36 880	38 855	16 937	16 937	16 937	-	39 023	(122 875)	(284 749)
Cash/cash equivalents at the year end:	2	540 714	1 245 634	1 506 555	(177 151)	(177 151)	(177 151)	473 542	(122 875)	(284 749)	(457 892)

The above cash flow budget indicates the municipality is unable to fund its operations for 2025/2026 financial year as reflected by unfavourable net cash held. It is therefore imperative to review the current budget financial plan for additional revenue enhancement avenues to improve the current financial status.

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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	199 384	178 981	190 319	197 242	197 242	197 242	124 913	198 188	201 492	205 230
Service charges - Waste Water Management	2	5 259	3 864	4 786	5 103	5 103	5 103	3 174	5 180	5 253	5 329
Service charges - Waste Management	2	11 376	11 817	12 864	11 189	13 042	13 042	8 869	14 109	14 736	15 105
Sale of Goods and Rendering of Services		817	761	793	547	547	547	566	1 418	1 488	1 533
Agency services											
Interest											
Interest earned from Receivables		58 096	71 462	49 267	41 304	56 100	56 100	38 578	60 358	63 075	64 651
Interest earned from Current and Non Current Assets		2 479	9 745	13 500	12 500	12 500	12 500	9 414	13 097	13 482	13 921
Dividends		3 187	-	-	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets		234	152	99	118	118	118	5	101	103	103
Licence and permits		2 430	336	3 128	1 500	1 500	1 500	2 300	3 328	3 478	3 628
Special rating levies											
Operational Revenue		769	1 014	2 058	1 925	1 925	1 925	1 109	2 014	2 091	2 135
Non-Exchange Revenue											
Property rates	2	130 570	124 807	150 272	144 686	144 686	144 686	111 263	174 056	182 311	190 436
Surcharges and Taxes											
Fines, penalties and forfeits		1 308	1 028	1 759	1 800	1 800	1 800	1 238	1 899	1 984	2 034
Licences or permits											
Transfer and subsidies - Operational		485 293	537 931	584 689	611 662	612 449	612 449	457 174	627 463	641 339	671 243
Interest		26 839	32 268	35 103	31 498	33 033	33 033	22 796	35 698	37 305	38 237
Fuel Levy											
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		2 611	838	1 928	-	-	-	-	-	-	-
Other Gains		77	0	8	-	-	-	232	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		930 729	975 004	1 050 573	1 061 075	1 080 046	1 080 046	781 631	1 136 908	1 168 133	1 213 586
Expenditure											
Employee related costs	2	270 066	283 415	322 761	396 070	395 850	395 850	234 087	387 295	401 697	416 415
Remuneration of councillors		25 344	25 874	26 872	31 802	31 802	31 802	18 602	32 098	33 408	34 768
Bulk purchases - electricity	2	20 890	33 007	41 906	42 000	42 000	42 000	26 446	46 620	48 252	49 458
Inventory consumed	8	4 904	6 835	9 888	198 055	198 055	198 055	8 842	200 603	221 704	246 190
Debt impairment	3	-	-	302 703	194 642	268 499	268 499	123 435	274 844	283 752	289 609
Depreciation and amortisation		131 765	132 550	121 308	162 638	162 638	162 638	126 202	186 561	196 040	205 070
Interest		4 036	5 619	6 434	2 252	2 252	2 252	1 688	2 597	166	35
Contracted services		125 412	136 096	145 069	205 880	204 930	204 930	135 782	214 332	221 918	227 381
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		321 005	147 426	8 010	-	-	-	153 291	-	-	-
Operational costs		88 805	116 715	81 826	113 163	114 401	114 401	63 874	112 272	116 379	120 652
Losses on disposal of Assets		16 461	18 942	4 852	-	-	-	-	-	-	-
Other Losses		65	-	3	-	-	-	221	-	-	-
Total Expenditure		1 008 752	906 477	1 071 633	1 346 501	1 420 427	1 420 427	892 470	1 457 224	1 523 315	1 589 577
Surplus/(Deficit)		(78 023)	68 527	(21 059)	(285 427)	(340 381)	(340 381)	(110 839)	(320 316)	(355 182)	(375 991)
Transfers and subsidies - capital (monetary allocations)	6	201 173	217 386	232 306	247 504	249 557	249 557	115 633	225 068	243 443	255 796
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		123 150	285 913	211 247	(37 923)	(90 824)	(90 824)	4 794	(95 248)	(111 739)	(120 195)
Income Tax											
Surplus/(Deficit) after income tax		123 150	285 913	211 247	(37 923)	(90 824)	(90 824)	4 794	(95 248)	(111 739)	(120 195)
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality		123 150	285 913	211 247	(37 923)	(90 824)	(90 824)	4 794	(95 248)	(111 739)	(120 195)
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions											
Surplus/(Deficit) for the year	1	123 150	285 913	211 247	(37 923)	(90 824)	(90 824)	4 794	(95 248)	(111 739)	(120 195)

Table breakdown of the municipality's funding of the budget

NW375 Moses Kotane - Table A7 Budgeted Cash Flows

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		69 500	100 014	79 087	75 237	75 237	75 237	40 774	95 731	100 271	104 740
Service charges		110 905	154 773	93 693	88 506	88 506	88 506	60 471	90 518	92 425	94 152
Other revenue		239 351	589 255	425 826	4 810	4 810	4 810	(338 817)	42 032	45 192	47 354
Transfers and Subsidies - Operational	1	7 743	161 779	577 266	611 662	611 662	611 662	454 004	627 463	641 339	671 243
Transfers and Subsidies - Capital	1	193 676	208 558	232 503	247 504	247 504	247 504	190 313	225 068	243 443	255 796
Interest		5 634	9 679	13 045	34 341	34 341	34 341	15 577	41 876	43 556	46 802
Dividends		3 187	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(131 335)	(674)	76 091	(989 222)	(989 222)	(989 222)	163 016	(995 819)	(1 043 523)	(1 094 898)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		498 661	1 223 384	1 497 510	72 838	72 838	72 838	585 336	126 870	122 702	125 190
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	(13)	1 928	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(12 373)	(8 803)	(26 404)	(252 554)	(252 554)	(252 554)	(102 245)	(278 781)	(283 467)	(297 730)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(12 373)	(8 817)	(24 476)	(252 554)	(252 554)	(252 554)	(102 245)	(278 781)	(283 467)	(297 730)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	(9 089)	-	-	-
Borrowing long term/refinancing		-	-	(84)	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(2 125)	-	(5)	-	-	-	(1)	-	-	-
Payments											
Repayment of borrowing		(5 045)	(5 813)	(5 246)	(14 372)	(14 372)	(14 372)	(460)	(9 987)	(1 109)	(603)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(7 171)	(5 813)	(5 335)	(14 372)	(14 372)	(14 372)	(9 550)	(9 987)	(1 109)	(603)
NET INCREASE/ (DECREASE) IN CASH HELD		479 117	1 208 754	1 467 700	(194 088)	(194 088)	(194 088)	473 542	(161 898)	(161 874)	(173 143)
Cash/cash equivalents at the year begin:	2	61 597	36 880	38 855	16 937	16 937	16 937	-	39 023	(122 875)	(284 749)
Cash/cash equivalents at the year end:	2	540 714	1 245 634	1 506 555	(177 151)	(177 151)	(177 151)	473 542	(122 875)	(284 749)	(457 892)

Figure 7 Breakdown of operating revenue over the 2025/2026 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 Projected tariff increases over the 2025/2026 medium-term

2025/2026 PROJECTED TARIFF INCREASE					
Revenue Source	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Property Rates	5.3%	4.9%	4.4%	4.5%	2.5%
Water	5.3%	4.9%	4.4%	4.5%	2.5%
Sanitation	5.3%	4.9%	4.4%	4.5%	2.5%
Refuse	5.3%	4.9%	4.4%	4.5%	2.5%

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits		(525 805)	32 833	27 642	339 459	339 459	339 459	9 197	9 406	9 744
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	(525 805)	32 833	27 642	339 459	339 459	339 459	9 197	9 406	9 744
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		(525 805)	32 833	27 642	339 459	339 459	339 459	9 197	9 406	9 744

Table 31 MBRR SA16 – Investment particulars by maturity

The following table is a breakdown of the funding composition of the 2025/2026 medium-term capital programme:

Figure 8 Sources of capital revenue for the 2025/2026 financial year

2025/2026 CAPITAL BUDGET FUNDING MIX			
Funding Source	2025/2026	2026/2027	2027/2028
MIG	175 068	191 200	199 446
WSIG	50 000	52 243	56 350
TOTAL GRANTS	225 068	243 443	255 796
OWN FUNDING	17 350	3 050	3 100
TOTAL CAPITAL BUDGET	242 418	246 493	258 896
GRANTS	93%	99%	99%
OWN FUNDING	7%	1%	1%

The capital budget will be funded as the per the table above.

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 2025/2026 to 2026/2027 financial year.

NW375 Moses Kotane - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Parent municipality										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		-	34 753	22 945	20 868	20 868	20 868	603	-	-
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	34 753	22 945	20 868	20 868	20 868	603	-	-
Entities										
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										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	34 753	22 945	20 868	20 868	20 868	603	-	-
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
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										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
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										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

Growth in outstanding borrowing (long term liabilities)

The above table indicates that the municipality’s borrowing is declining over the MTREF, with only non-current balance of R603 000 payable in 2027/28.

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

NW375 Moses Kotane - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		484 853	537 195	576 015	610 408	610 408	610 408	626 305	640 128	669 984
Local Government Equitable Share		476 801	528 602	566 087	600 070	600 070	600 070	615 410	630 781	659 284
Energy Efficiency and Demand Side Management Grant		-	350	1 000	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		1 699	1 652	1 577	1 359	1 359	1 359	1 895	-	-
Local Government Financial Management Grant		1 849	1 950	1 951	2 000	2 000	2 000	2 000	2 100	2 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		4 504	4 642	5 400	6 979	6 979	6 979	7 000	7 247	8 500
Provincial Government:		440	735	1 139	1 254	2 041	2 041	1 158	1 211	1 259
Capacity Building and Other Grants		440	735	1 139	1 254	2 041	2 041	1 158	1 211	1 259
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	7 535	-	-	-	-	-	-
National Library South Africa		-	-	7 535	-	-	-	-	-	-
Total Operating Transfers and Grants	5	485 293	537 931	584 689	611 662	612 449	612 449	627 463	641 339	671 243
Capital Transfers and Grants										
National Government:		190 577	217 144	232 306	247 504	249 557	249 557	225 068	243 443	255 796
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		146 774	157 450	162 524	167 504	167 504	167 504	175 068	191 200	199 446
Water Services Infrastructure Grant		43 802	59 694	69 782	80 000	82 053	82 053	50 000	52 243	56 350
Provincial Government:		9 613	242	-	-	-	-	-	-	-
Infrastructure Grant		9 613	242	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		983	-	-	-	-	-	-	-	-
Municipal Infrastructure Investment Unit		983	-	-	-	-	-	-	-	-
National Small Business Council		-	-	-	-	-	-	-	-	-
Registration of Deeds Trade Account		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	201 173	217 386	232 306	247 504	249 557	249 557	225 068	243 443	255 796
TOTAL RECEIPTS OF TRANSFERS & GRANTS		686 466	755 317	816 995	859 166	862 006	862 006	852 531	884 782	927 039

1.12.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand 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 provide 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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		69 500	100 014	79 087	75 237	75 237	75 237	40 774	95 731	100 271	104 740
Service charges		110 905	154 773	93 693	88 506	88 506	88 506	60 471	90 518	92 425	94 152
Other revenue		239 351	589 255	425 826	4 810	4 810	4 810	(338 817)	42 032	45 192	47 354
Transfers and Subsidies - Operational	1	7 743	161 779	577 266	611 662	611 662	611 662	454 004	627 463	641 339	671 243
Transfers and Subsidies - Capital	1	193 676	208 558	232 503	247 504	247 504	247 504	190 313	225 068	243 443	255 796
Interest		5 634	9 679	13 045	34 341	34 341	34 341	15 577	41 876	43 556	46 802
Dividends		3 187	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(131 335)	(674)	76 091	(989 222)	(989 222)	(989 222)	163 016	(95 819)	(1 043 523)	(1 094 898)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		498 661	1 223 384	1 497 510	72 838	72 838	72 838	585 336	126 870	122 702	125 190
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	(13)	1 928	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(12 373)	(8 803)	(26 404)	(252 554)	(252 554)	(252 554)	(102 245)	(278 781)	(283 467)	(297 730)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(12 373)	(8 817)	(24 476)	(252 554)	(252 554)	(252 554)	(102 245)	(278 781)	(283 467)	(297 730)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	(9 089)	-	-	-
Borrowing long term/ refinancing		-	-	(84)	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(2 125)	-	(5)	-	-	-	(1)	-	-	-
Payments											
Repayment of borrowing		(5 045)	(5 813)	(5 246)	(14 372)	(14 372)	(14 372)	(460)	(9 987)	(1 109)	(603)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(7 171)	(5 813)	(5 335)	(14 372)	(14 372)	(14 372)	(9 550)	(9 987)	(1 109)	(603)
NET INCREASE/ (DECREASE) IN CASH HELD		479 117	1 208 754	1 467 700	(194 088)	(194 088)	(194 088)	473 542	(161 898)	(161 874)	(173 143)
Cash/cash equivalents at the year begin:	2	61 597	36 880	38 855	16 937	16 937	16 937	-	39 023	(122 875)	(284 749)
Cash/cash equivalents at the year end:	2	540 714	1 245 634	1 506 555	(177 151)	(177 151)	(177 151)	473 542	(122 875)	(284 749)	(457 892)

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 2025.

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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
Cash and investments available												
Cash/cash equivalents at the year end	1	540 714	1 245 634	1 506 555	(177 151)	(177 151)	(177 151)	473 542	(122 875)	(284 749)	(457 892)	
Other current investments > 90 days		(503 833)	(1 206 779)	(1 462 968)	215 601	215 601	215 601	(418 595)	158 767	320 878	495 294	
Non current investments	1	-	-	-	-	-	-	-	-	-	-	
Cash and investments available:		36 880	38 855	43 587	38 450	38 450	38 450	54 947	35 891	36 128	37 402	
Application of cash and investments												
Unspent conditional transfers		12 544	8 156	3 305	-	(3 094)	(3 094)	74 603	-	-	-	
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	
Slabury requirements	2	(17 061)	(29 474)	(15 840)	(26 122)	(26 122)	(26 122)	(12 963)	(13 519)	(14 086)	(14 657)	
Other working capital requirements	3	170 308	(2 952)	119 739	175 172	175 221	175 221	194 609	155 357	152 323	149 107	
Other provisions		46 777	49 159	58 317	3 861	3 861	3 861	55 834	6 423	6 519	6 552	
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-	
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-	
Total Application of cash and investments:		212 567	24 890	165 521	152 911	149 866	149 866	312 084	148 261	144 756	141 002	
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(175 687)	13 965	(121 934)	(114 461)	(111 416)	(111 416)	(257 137)	(112 370)	(108 627)	(103 600)	
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-	
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(175 687)	13 965	(121 934)	(114 461)	(111 416)	(111 416)	(257 137)	(112 370)	(108 627)	(103 600)	

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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	540 714	1 245 634	1 506 555	(177 151)	(177 151)	(177 151)	473 542	(122 875)	(284 749)	(457 892)
Cash + investments at the yr end less applications - R'000	18(1)b	2	(175 687)	13 965	(121 934)	(114 461)	(111 416)	(111 416)	(257 137)	(112 370)	(108 627)	(103 600)
Cash year end/monthly employee/supplier payments	18(1)b	3	7.4	15.2	17.1	(2.0)	(3.7)	(2.0)	5.1	(1.3)	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	123 150	285 913	211 247	(37 923)	(90 824)	(90 824)	4 794	(95 248)	(111 739)	(120 195)
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	(13.8%)	6.1%	(6.0%)	(5.5%)	(6.0%)	(37.1%)	2.7%	(2.9%)	(3.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	40.9%	88.1%	52.0%	15.1%	15.1%	15.1%	(28.5%)	57.0%	57.6%	57.9%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	84.5%	54.3%	74.6%	74.6%	49.7%	70.2%	70.3%	69.6%
Capital payments % of capital expenditure	18(1)c:19	8	100.0%	100.0%	100.0%	100.0%	98.9%	98.9%	92.3%	115.0%	115.0%	115.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	(5.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10	-	-	-	-	-	-	-	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	402.5%	(24.5%)	6.3%	0.0%	0.0%	(48.8%)	86.5%	2.2%	3.2%
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	1.5%	1.8%	1.7%	2.6%	2.6%	2.6%	2.8%	2.8%	2.8%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	(0.0%)	33.2%	5.4%	10.8%	10.3%	10.3%	0.0%	10.1%	14.4%	10.2%

Supporting indicators											
% inc total service charges (incl prop rates)	18(1)a	0.0%	(7.8%)	12.1%	(0.0%)	0.5%	0.0%	(31.1%)	8.7%	3.1%	3.0%
% inc Property Tax	18(1)a	0.0%	(4.4%)	20.4%	(3.7%)	0.0%	0.0%	(23.1%)	20.3%	4.7%	4.5%
% inc Service charges - Electricity	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% inc Service charges - Water	18(1)a	0.0%	(10.2%)	6.3%	3.6%	0.0%	0.0%	(36.7%)	0.5%	1.7%	1.9%
% inc Service charges - Waste Water Management	18(1)a	0.0%	(26.5%)	23.9%	6.6%	0.0%	0.0%	(37.8%)	1.5%	1.4%	1.4%
% inc Service charges - Waste Management	18(1)a	0.0%	3.9%	8.9%	(13.0%)	16.6%	0.0%	(32.0%)	8.2%	4.4%	2.5%
% inc in Sale of Goods and Rendering of Services	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	346 589	319 469	358 241	358 220	360 073	360 073	248 219	391 533	403 790	416 100
Service charges		346 589	319 469	358 241	358 220	360 073	360 073	248 219	391 533	403 790	416 100
Property rates		130 570	124 807	150 272	144 686	144 686	144 686	111 263	174 056	182 311	190 436
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		199 384	178 981	190 319	197 242	197 242	197 242	124 913	198 188	201 492	205 230
Service charges - sanitation revenue		5 259	3 864	4 786	5 103	5 103	5 103	3 174	5 180	5 253	5 329
Service charges - refuse removal		11 376	11 817	12 864	11 189	13 042	13 042	8 869	14 109	14 736	15 105
Agency services		-	-	-	-	-	-	-	-	-	-
Capital expenditure excluding capital grant funding		188	106	1 679	5 050	5 770	5 770	678	17 350	3 050	3 100
Cash receipts from ratepayers	18(1)a	419 756	844 043	598 605	168 553	168 553	168 553	(237 573)	228 281	237 887	246 246
Ratepayer & Other revenue	18(1)a	1 027 299	958 534	1 152 063	1 113 546	1 115 399	1 115 399	832 980	400 191	412 831	425 430
Change in consumer debtors (current and non-current)		N/A	194 943	(59 591)	11 568	-	-	(95 413)	86 469	4 090	6 065
Operating and Capital Grant Revenue	18(1)a	686 466	755 317	816 995	859 166	862 006	862 006	572 807	852 531	884 782	927 039
Capital expenditure - total	20(1)(vi)	12 373	8 803	26 404	252 554	255 327	255 327	110 804	242 418	246 493	258 896
Capital expenditure - renewal	20(1)(vi)	(0)	2 922	1 438	27 400	26 237	26 237		24 468	35 600	26 400
Supporting benchmarks											
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY		-	-	-	-	-	-	-	-	-	-
DoRA capital grants total MFY		-	-	-	-	-	-	-	-	-	-
Provincial operating grants		-	-	-	-	-	-	-	-	-	-
Provincial capital grants		-	-	-	-	-	-	-	-	-	-
District Municipality grants		-	-	-	-	-	-	-	-	-	-
Total gazetted/advised national, provincial and district grants		-	-	-	-	-	-	-	-	-	-
Average annual collection rate (arrears inclusive)		-	-	-	-	-	-	-	-	-	-
DoRA operating											
Trend											
Change in consumer debtors (current and non-current)		N/A	194 943	(59 591)	11 568	-	-	(95 413)	86 469	4 090	6 065
Total Operating Revenue											
		930 729	975 004	1 050 573	1 061 075	1 080 046	1 080 046	781 631	1 136 908	1 168 133	1 213 586
Total Operating Expenditure											
		1 008 752	906 477	1 071 633	1 346 501	1 420 427	1 420 427	892 470	1 457 224	1 523 315	1 589 577
Operating Performance Surplus/(Deficit)											
		(78 023)	68 527	(21 059)	(285 427)	(340 381)	(340 381)	(110 839)	(320 316)	(355 182)	(375 991)
Cash and Cash Equivalents (30 June 2012)											
Revenue											
% Increase in Total Operating Revenue			4.8%	7.8%	1.0%	1.8%	0.0%	(27.6%)	5.3%	2.7%	3.9%
% Increase in Property Rates Revenue			(4.4%)	20.4%	(3.7%)	0.0%	0.0%	(23.1%)	56.4%	4.7%	4.5%
% Increase in Electricity Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges			(7.8%)	12.1%	(0.0%)	0.5%	0.0%	(31.1%)	8.7%	3.1%	3.0%
Expenditure											
% Increase in Total Operating Expenditure			(10.1%)	18.2%	25.6%	5.5%	0.0%	(37.2%)	2.6%	4.5%	4.3%
% Increase in Employee Costs			4.9%	13.9%	22.7%	(0.1%)	0.0%	(40.9%)	(2.2%)	3.7%	3.7%
% Increase in Electricity Bulk Purchases			58.0%	27.0%	0.2%	0.0%	0.0%	(37.0%)	11.0%	3.5%	2.5%
Average Cost Per Budgeted Employee Position (Remuneration)		0	432694.804	1574442.842	929741.2958	949280.0767	24740612	538131.8539	890333.0322	1471417.286	26025906.88
Average Cost Per Councillor (Remuneration)		0	0	395179.4029	467674.4412	0	467674.4412	273554.7072	472035.5735	0	511294.75
R&M % of PPE		1.5%	1.8%	1.7%	2.6%	2.6%	2.8%	2.8%	2.8%	2.8%	2.8%
Asset Renewal and R&M as a % of PPE		1.7%	2.0%	1.7%	4.8%	4.8%	4.8%	7.0%	7.0%	6.5%	6.2%
Debt Impairment % of Total Billable Revenue		0.0%	0.0%	84.5%	54.3%	74.6%	74.6%	49.7%	70.2%	70.3%	69.6%
Capital Revenue											
Internally Funded & Other (R'000)		188	106	1 679	5 050	5 770	5 770	678	17 350	3 050	3 100
Borrowing (R'000)		-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)		12 186	8 697	24 725	247 504	249 557	249 557	110 126	225 068	243 443	255 796
Internally Generated funds % of Non Grant Funding		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding		98.5%	98.8%	93.6%	98.0%	97.7%	97.7%	99.4%	92.8%	98.8%	98.8%
Capital Expenditure											
Total Capital Programme (R'000)		12 373	8 803	26 404	252 554	255 327	255 327	110 804	242 418	246 493	258 896
Asset Renewal		5 410	5 712	1 684	77 484	77 893	77 893	-	144 468	133 600	127 400
Asset Renewal % of Total Capital Expenditure		43.7%	64.9%	6.4%	30.7%	30.5%	30.5%	0.0%	59.6%	54.2%	49.2%
Cash											
Cash Receipts % of Rate Payer & Other		40.9%	88.1%	52.0%	15.1%	15.1%	15.1%	(28.5%)	57.0%	57.6%	57.9%
Cash Coverage Ratio		0	0	0	(0)	(0)	(0)	0	(0)	-	-
Borrowing											
Most recent Credit Rating									0		
Capital Charges to Operating		0.9%	1.3%	1.1%	1.2%	1.2%	1.2%	0.2%	0.9%	0.1%	0.0%
Borrowing Receipts % of Capital Expenditure		0.0%	0.0%	(5.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves											
Uncommitted reserves after application of cash and investments		(175 687)	13 965	(121 934)	(114 461)	(111 416)	(111 416)	(257 137)	(112 370)	(108 627)	(103 600)
Free Services											
Free Basic Services as a % of Equitable Share		0.1%	0.1%	0.0%	3.3%	3.3%	3.3%	2.7%	2.7%	2.8%	2.9%
Free Services as a % of Operating Revenue (excl operational transfers)		0.0%	0.5%	0.9%	0.6%	0.6%	0.6%	1.3%	0.8%	0.9%	0.8%
High Level Outcome of Funding Compliance											
Total Operating Revenue		930 729	975 004	1 050 573	1 061 075	1 080 046	1 080 046	781 631	1 136 908	1 168 133	1 213 586
Total Operating Expenditure		1 008 752	906 477	1 071 633	1 346 501	1 420 427	1 420 427	892 470	1 457 224	1 523 315	1 589 577
Surplus/(Deficit) Budgeted Operating Statement		(78 023)	68 527	(21 059)	(285 427)	(340 381)	(340 381)	(110 839)	(320 316)	(355 182)	(375 991)
Surplus/(Deficit) Considering Reserves and Cash Backing		(175 687)	13 965	(121 934)	(114 461)	(111 416)	(111 416)	(257 137)	(112 370)	(108 627)	(103 600)
MTREF Funded (1) / Unfunded (0)	15	0	1	0	0	0	0	0	0	0	0
MTREF Funded ✓ / Unfunded ✗	15	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗

1.12.2.1

Cash/cash equivalent position

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

1.12.2.2

Cash plus investments less application of funds

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

1.12.2.3

Monthly average payments covered by cash or cash equivalents

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

1.12.2.4

Surplus/deficit excluding depreciation offsets

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

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

1.12.2.5

Cash receipts as a percentage of ratepayer and other revenue

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

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

1.12.2.6

Debt impairment expense as a percentage of billable revenue

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

1.12.2.7

Capital payments percentage of capital expenditure

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

1.12.2.8

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

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

1.12.2.9

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

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

1.12.2.10

Repairs and maintenance expenditure level

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

1.12.2.11

Asset renewal/rehabilitation
expenditure level

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

1.13 Expenditure on grants and reconciliations of unspent funds

Table 38 MBRR SA19 - Expenditure on transfers and grant programmes

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		116 859	4 151	582 123	610 408	606 738	606 738	626 305	640 128	669 984
Local Government Equitable Share		113 420	176	571 550	600 070	596 400	596 400	615 410	630 781	659 284
Energy Efficiency and Demand Side Management Grant		-	573	1 300	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		1 699	1 634	1 549	1 359	1 359	1 359	1 895	-	-
Local Government Financial Management Grant		1 740	1 769	1 940	2 000	2 000	2 000	2 000	2 100	2 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	5 785	6 979	6 979	6 979	7 000	7 247	8 500
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
North West Provincial Arts and Culture Council		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		116 859	4 151	582 123	610 408	606 738	606 738	626 305	640 128	669 984
Capital expenditure of Transfers and Grants										
National Government:		9 259	8 697	24 725	247 504	249 557	249 557	225 068	243 443	255 796
Municipal Infrastructure Grant		8 625	4 747	11 491	167 504	167 504	167 504	175 068	191 200	199 446
Water Services Infrastructure Grant		633	3 950	13 233	80 000	82 053	82 053	50 000	52 243	56 350
Provincial Government:		2 927	-	-	-	-	-	-	-	-
Infrastructure Grant		2 927	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Investment Unit		-	-	-	-	-	-	-	-	-
National Small Business Council		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		12 186	8 697	24 725	247 504	249 557	249 557	225 068	243 443	255 796
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		129 045	12 848	606 847	857 912	856 294	856 294	851 373	883 571	925 780

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		347	(4 681)	(9 127)	-	-	-	-	-	-
Current year receipts		(6 877)	(12 005)	(9 979)	(10 338)	(10 338)	(10 338)	(10 895)	(9 347)	(10 700)
Repayment of grants		-	617	4 650	-	-	-	-	-	-
Conditions met - transferred to revenue		(8 379)	(24 245)	(33 684)	(20 676)	(20 676)	(20 676)	(21 790)	(18 694)	(21 400)
Conditions still to be met - transferred to liabilities		1 849	6 942	9 928	10 338	10 338	10 338	10 895	9 347	10 700
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		-	-	57	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	57	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue		(8 379)	(24 245)	(33 627)	(20 676)	(20 676)	(20 676)	(21 790)	(18 694)	(21 400)
Total operating transfers and grants - CTBM	2	1 849	6 942	9 928	10 338	10 338	10 338	10 895	9 347	10 700
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(26 660)	(6 423)	2 405	-	-	-	-	-	-
Current year receipts		(187 544)	(208 316)	(232 503)	(247 504)	(247 504)	(247 504)	(225 068)	(243 443)	(255 796)
Conditions met - transferred to revenue		(409 284)	(431 883)	(462 404)	(495 008)	(497 061)	(497 061)	(450 136)	(486 886)	(511 592)
Conditions still to be met - transferred to liabilities		195 081	217 144	232 306	247 504	249 557	249 557	225 068	243 443	255 796
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue		(409 284)	(431 883)	(462 404)	(495 008)	(497 061)	(497 061)	(450 136)	(486 886)	(511 592)
Total capital transfers and grants - CTBM	2	195 081	217 144	232 306	247 504	249 557	249 557	225 068	243 443	255 796
TOTAL TRANSFERS AND GRANTS REVENUE		(417 663)	(456 128)	(496 031)	(515 684)	(517 737)	(517 737)	(471 926)	(505 580)	(532 992)
TOTAL TRANSFERS AND GRANTS - CTBM		196 930	224 086	242 234	257 842	259 895	259 895	235 963	252 790	266 496

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		19 801	21 687	22 647	23 168	23 168	23 168	25 568	26 625	27 815
Pension and UIF Contributions		-	-	-	3 362	3 362	3 362	1 525	1 563	1 602
Medical Aid Contributions		-	-	-	311	311	311	523	536	550
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		3 029	3 017	3 126	3 329	3 329	3 329	3 435	3 590	3 680
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2 514	1 170	1 099	1 631	1 631	1 631	1 047	1 094	1 121
Sub Total - Councillors		25 344	25 874	26 872	31 802	31 802	31 802	32 098	33 408	34 768
% increase	4		2.1%	3.9%	18.3%	-	-	0.9%	4.1%	4.1%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		5 365	3 731	3 967	10 125	10 125	10 125	11 355	11 940	12 627
Pension and UIF Contributions		187	213	118	1 016	1 016	1 016	1 815	1 908	2 017
Medical Aid Contributions		47	54	-	101	101	101	165	174	184
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		197	98	118	725	725	725	-	-	-
Motor Vehicle Allowance	3	979	556	403	1 172	1 172	1 172	541	541	541
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		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	93	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6 775	4 745	4 606	13 140	13 140	13 140	13 878	14 564	15 369
% increase	4		(30.0%)	(2.9%)	185.3%	-	-	5.6%	4.9%	5.5%
Other Municipal Staff										
Basic Salaries and Wages		175 420	181 806	204 435	253 803	253 583	253 583	255 179	262 805	269 569
Pension and UIF Contributions		35 018	38 071	41 465	51 413	51 413	51 413	56 708	59 628	63 057
Medical Aid Contributions		14 332	15 403	16 707	28 843	28 843	28 843	31 110	32 712	34 593
Overtime		13 765	20 210	20 182	19 075	19 075	19 075	22 126	23 266	24 603
Performance Bonus		14 350	12 509	16 120	23 822	23 822	23 822	-	-	-
Motor Vehicle Allowance	3	420	1 078	1 305	498	498	498	911	957	1 012
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	553	631	763	724	724	724	876	921	974
Other benefits and allowances	3	2 905	2 876	4 148	4 732	4 732	4 732	5 088	5 350	5 658
Payments in lieu of leave		2 385	719	4 059	-	-	-	-	-	-
Long service awards		3 341	4 195	7 720	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		802	1 171	1 249	20	20	20	1 420	1 493	1 579
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		263 291	278 670	318 155	382 930	382 710	382 710	373 417	387 133	401 045
% increase	4		5.8%	14.2%	20.4%	(0.1%)	-	(2.4%)	3.7%	3.6%
Total Parent Municipality		295 409	309 289	349 633	427 872	427 652	427 652	419 393	435 105	451 183

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

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker	3	445 570	20 034	637 560			1 103 164
Chief Whip	4	635 933	46 867	-			682 800
Executive Mayor		851 878	53 134	-			905 012
Deputy Executive Mayor							-
Executive Committee		5 239 809	588 105				5 827 914
Total for all other councillors		18 395 006	1 340 048	3 844 475			23 579 529
Total Councillors	8	-	25 568 196	2 048 188	4 482 035		32 098 419
Senior Managers of the Municipality							
Municipal Manager (MM)	5	1 699 585	284 518	265 151	-		2 249 254
Chief Finance Officer		1 557 730	260 948	216 151	-		2 034 829
SM		-	-	-	-		-
SM AO		-	-	-	-		-
SM D01		1 550 160					1 550 160
SM D02		1 550 160	2 125	151	-		1 552 436
SM D03		1 550 160	2 125	151	-		1 552 436
SM D04		1 897 402	2 125	60 151			1 959 678
SM D05		1 550 160	358 183	151	-		1 908 494
SM DCH		-	356 058	-	-		356 058
SM DCS		-	-	-	-		-
SM DPS		-	356 058	-	-		356 058
SM DTS		-	358 183	151	-		358 334
<i>List of each official with packages >= senior manager</i>							
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
Total Senior Managers of the Municipality	8,10	-	11 355 357	1 980 323	542 057	-	13 877 737

Table 42 MBRR SA24 – Summary of personnel numbers

NW375 Moses Kotane - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2023/24			Current Year 2024/25			Budget Year 2025/26		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		68	–	68	68	–	68	68	–	68
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	7	–	6	7	–	6	7	–	6
Other Managers	7	30	6	9	28	27	1	28	27	1
Professionals		–	–	–	–	–	–	–	–	–
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Technicians		148	40	–	136	144	–	145	–	–
Finance		148	40	–	136	144	–	145	–	–
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)		173	95	–	213	204	9	213	204	9
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations		39	49	–	42	42	–	42	42	–
TOTAL PERSONNEL NUMBERS	9	465	190	83	494	417	84	503	273	84
% increase					6.2%	119.5%	1.2%	1.8%	(34.5%)	–
Total municipal employees headcount	6, 10	539	243	83	625	548	84	634	404	84
Finance personnel headcount	8, 10	74	53	–	131	131	–	131	131	–
Human Resources personnel headcount	8, 10									

1.15 Monthly targets for revenue, expenditure and cash flow

Table 43 MBRR SA25 - Budgeted monthly revenue and expenditure

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

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
Revenue																	
Exchange Revenue																	
Service charges - Electricity		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0				
Service charges - Water		16 516	16 516	16 516	16 516	16 516	16 516	16 516	16 516	16 516	16 516	16 516	16 516	198 188	201 492	205 230	
Service charges - Waste Water Management		432	432	432	432	432	432	432	432	432	432	432	432	5 180	5 253	5 329	
Service charges - Waste Management		1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	14 109	14 736	15 105	
Sale of Goods and Rendering of Services		118	118	118	118	118	118	118	118	118	118	118	118	1 418	1 488	1 533	
Agency services																	
Interest																	
Interest earned from Receivables		5 030	5 030	5 030	5 030	5 030	5 030	5 030	5 030	5 030	5 030	5 030	5 030	60 358	63 075	64 651	
Interest earned from Current and Non Current Assets		1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	13 097	13 482	13 921	
Dividends																	
Rent on Land																	
Rental from Fixed Assets		8	8	8	8	8	8	8	8	8	8	8	8	101	103	103	
Licence and permits		277	277	277	277	277	277	277	277	277	277	277	277	3 328	3 478	3 628	
Special rating levies																	
Operational Revenue		168	168	168	168	168	168	168	168	168	168	168	168	2 014	2 091	2 135	
Non-Exchange Revenue																	
Property rates		14 505	14 505	14 505	14 505	14 505	14 505	14 505	14 505	14 505	14 505	14 505	14 505	174 056	182 311	190 436	
Surcharges and Taxes																	
Fines, penalties and forfeits		158	158	158	158	158	158	158	158	158	158	158	158	1 899	1 984	2 034	
Licences or permits																	
Transfer and subsidies - Operational		52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	627 463	641 339	671 243	
Interest		2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	35 698	37 305	38 237	
Fuel Levy																	
Operational Revenue																	
Gains on disposal of Assets																	
Other Gains																	
Discontinued Operations																	
Total Revenue (excluding capital transfers and cont		94 742	94 742	94 742	94 742	94 742	94 742	94 742	94 742	94 742	94 742	94 742	94 742	1 138 908	1 168 133	1 213 586	
Expenditure																	
Employee related costs		32 275	32 275	32 275	32 275	32 275	32 275	32 275	32 275	32 275	32 275	32 275	32 275	387 295	401 697	416 415	
Remuneration of councillors		2 675	2 675	2 675	2 675	2 675	2 675	2 675	2 675	2 675	2 675	2 675	2 675	32 098	33 408	34 768	
Bulk purchases - electricity		3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	46 620	48 252	49 458	
Inventory consumed		16 717	16 717	16 717	16 717	16 717	16 717	16 717	16 717	16 717	16 717	16 717	16 717	200 603	221 704	246 190	
Debt impairment		22 904	22 904	22 904	22 904	22 904	22 904	22 904	22 904	22 904	22 904	22 904	22 904	274 844	283 752	289 609	
Depreciation and amortisation		15 547	15 547	15 547	15 547	15 547	15 547	15 547	15 547	15 547	15 547	15 547	15 547	186 561	196 040	205 070	
Interest		216	216	216	216	216	216	216	216	216	216	216	216	2 597	166	35	
Contracted services		17 861	17 861	17 861	17 861	17 861	17 861	17 861	17 861	17 861	17 861	17 861	17 861	214 332	221 918	227 381	
Transfers and subsidies																	
Irrecoverable debts written off																	
Operational costs		9 356	9 356	9 356	9 356	9 356	9 356	9 356	9 356	9 356	9 356	9 356	9 356	112 272	116 379	120 652	
Losses on disposal of Assets																	
Other Losses																	
Total Expenditure		121 436	121 436	121 436	121 436	121 436	121 436	121 436	121 436	121 436	121 436	121 436	121 433	1 457 224	1 523 315	1 589 577	
Surplus/(Deficit)		(26 693)	(26 693)	(26 693)	(26 693)	(26 693)	(26 693)	(26 693)	(26 693)	(26 693)	(26 693)	(26 690)	(320 316)	(355 182)	(375 991)		
Transfers and subsidies - capital (monetary allocations)		18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	225 068	243 443	255 796	
Transfers and subsidies - capital (in-kind)																	
Surplus/(Deficit) after capital transfers & contributions		(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 935)	(95 248)	(111 739)	(120 195)		
Income Tax																	
Surplus/(Deficit) after income tax		(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 935)	(95 248)	(111 739)	(120 195)		
Share of Surplus/Deficit attributable to Joint Venture																	
Share of Surplus/Deficit attributable to Minorities																	
Surplus/(Deficit) attributable to municipality		(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 935)	(95 248)	(111 739)	(120 195)		
Share of Surplus/Deficit attributable to Associate																	
Intercompany/Parent subsidiary transactions																	
Surplus/(Deficit) for the year	1	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 935)	(95 248)	(111 739)	(120 195)		

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 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote																
Vote 01 - Municipal Council		2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	24 888	23 167	23 398
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		50 359	50 359	50 359	50 359	50 359	50 359	50 359	50 359	50 359	50 359	50 359	50 359	604 309	619 849	634 269
Vote 04 - Corporate Services		54	54	54	54	54	54	54	54	54	54	54	54	650	666	675
Vote 05 - Community Services		11 091	11 091	11 091	11 091	11 091	11 091	11 091	11 091	11 091	11 091	11 091	11 091	133 089	159 918	118 289
Vote 06 - Planning & Development		26	26	26	26	26	26	26	26	26	26	26	26	312	350	374
Vote 07 - Infrastructure & Technical Services		49 894	49 894	49 894	49 894	49 894	49 894	49 894	49 894	49 894	49 894	49 894	49 894	598 728	607 627	492 931
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	1 361 976	1 411 576	1 269 936
Expenditure by Vote to be appropriated																
Vote 01 - Municipal Council		8 015	8 015	8 015	8 015	8 015	8 015	8 015	8 015	8 015	8 015	8 015	8 015	96 177	100 212	104 042
Vote 02 - Office Of The Accounting Officer		2 702	2 702	2 702	2 702	2 702	2 702	2 702	2 702	2 702	2 702	2 702	2 702	32 428	33 991	35 442
Vote 03 - Budget And Treasury Office		15 203	15 203	15 203	15 203	15 203	15 203	15 203	15 203	15 203	15 203	15 203	15 203	182 441	191 143	198 394
Vote 04 - Corporate Services		10 173	10 173	10 173	10 173	10 173	10 173	10 173	10 173	10 173	10 173	10 173	10 173	122 079	126 839	132 192
Vote 05 - Community Services		18 695	18 695	18 695	18 695	18 695	18 695	18 695	18 695	18 695	18 695	18 695	18 695	224 343	232 872	242 254
Vote 06 - Planning & Development		3 452	3 452	3 452	3 452	3 452	3 452	3 452	3 452	3 452	3 452	3 452	3 452	41 428	43 536	45 838
Vote 07 - Infrastructure & Technical Services		63 194	63 194	63 194	63 194	63 194	63 194	63 194	63 194	63 194	63 194	63 194	63 194	758 328	794 722	831 415
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		121 436	121 436	121 436	121 436	121 436	121 436	121 436	121 436	121 436	121 436	121 433	1 457 224	1 523 315	1 589 577	
Surplus/(Deficit) before assoc.		(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 935)	(95 248)	(111 739)	(319 641)
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 935)	(95 248)	(111 739)	(319 641)	

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 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional																
<i>Governance and administration</i>		52 487	52 487	52 487	52 487	52 487	52 487	52 487	52 487	52 487	52 487	52 487	52 487	629 847	643 682	658 342
Executive and council		2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	24 888	23 167	23 398
Finance and administration		50 413	50 413	50 413	50 413	50 413	50 413	50 413	50 413	50 413	50 413	50 413	50 413	604 959	620 515	634 944
Internal audit																
<i>Community and public safety</i>		2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	24 435	49 926	6 975
Community and social services		101	101	101	101	101	101	101	101	101	101	101	101	1 208	1 264	1 313
Sport and recreation		1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	18 000	43 200		
Public safety		436	436	436	436	436	436	436	436	436	436	436	5 227	5 462	5 662	
Housing																
Health																
<i>Economic and environmental services</i>		7 693	7 693	7 693	7 693	7 693	7 693	7 693	7 693	7 693	7 693	7 693	7 693	92 312	77 597	8 874
Planning and development		609	609	609	609	609	609	609	609	609	609	609	609	7 312	7 597	8 874
Road transport		7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	85 000	70 000		
Environmental protection																
<i>Trading services</i>		51 282	51 282	51 282	51 282	51 282	51 282	51 282	51 282	51 282	51 282	51 282	51 282	615 382	640 372	595 745
Energy sources		583	583	583	583	583	583	583	583	583	583	583	583	7 000	7 000	
Water management		39 031	39 031	39 031	39 031	39 031	39 031	39 031	39 031	39 031	39 031	39 031	468 370	491 751	452 463	
Waste water management		2 613	2 613	2 613	2 613	2 613	2 613	2 613	2 613	2 613	2 613	2 613	31 358	31 628	31 968	
Waste management		9 054	9 054	9 054	9 054	9 054	9 054	9 054	9 054	9 054	9 054	9 054	108 653	109 992	111 314	
<i>Other</i>																
Total Revenue - Functional		113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	1 361 976	1 411 576	1 269 936	
Expenditure - Functional																
<i>Governance and administration</i>		37 994	37 994	37 994	37 994	37 994	37 994	37 994	37 994	37 994	37 994	37 994	37 993	455 932	473 485	492 274
Executive and council		9 566	9 566	9 566	9 566	9 566	9 566	9 566	9 566	9 566	9 566	9 566	9 566	114 796	119 699	124 229
Finance and administration		27 796	27 796	27 796	27 796	27 796	27 796	27 796	27 796	27 796	27 796	27 796	27 795	333 550	345 821	359 683
Internal audit		632	632	632	632	632	632	632	632	632	632	632	632	7 586	7 965	8 362
<i>Community and public safety</i>		11 914	11 914	11 914	11 914	11 914	11 914	11 914	11 914	11 914	11 914	11 914	11 914	142 970	150 737	157 543
Community and social services		2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	31 511	33 567	35 652
Sport and recreation		5 013	5 013	5 013	5 013	5 013	5 013	5 013	5 013	5 013	5 013	5 013	5 012	60 151	63 474	66 373
Public safety		4 276	4 276	4 276	4 276	4 276	4 276	4 276	4 276	4 276	4 276	4 276	4 276	51 309	53 696	55 518
Housing																
Health																
<i>Economic and environmental services</i>		10 316	10 316	10 316	10 316	10 316	10 316	10 316	10 316	10 316	10 316	10 316	10 316	123 797	129 543	135 846
Planning and development		4 146	4 146	4 146	4 146	4 146	4 146	4 146	4 146	4 146	4 146	4 146	4 145	49 748	51 998	55 441
Road transport		6 171	6 171	6 171	6 171	6 171	6 171	6 171	6 171	6 171	6 171	6 171	6 171	74 048	77 544	80 405
Environmental protection																
<i>Trading services</i>		60 926	60 926	60 926	60 926	60 926	60 926	60 926	60 926	60 926	60 926	60 926	60 925	731 107	765 957	800 120
Energy sources		5 246	5 246	5 246	5 246	5 246	5 246	5 246	5 246	5 246	5 246	5 246	5 246	62 949	66 090	69 033
Water management		47 216	47 216	47 216	47 216	47 216	47 216	47 216	47 216	47 216	47 216	47 216	47 216	566 593	594 012	621 356
Waste water management		3 096	3 096	3 096	3 096	3 096	3 096	3 096	3 096	3 096	3 096	3 096	3 095	37 146	38 695	40 366
Waste management		5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	64 419	67 161	69 364
<i>Other</i>		285	285	285	285	285	285	285	285	285	285	285	285	3 419	3 594	3 794
Total Expenditure - Functional		121 436	121 436	121 436	121 436	121 436	121 436	121 436	121 436	121 436	121 436	121 433	1 457 224	1 523 315	1 589 577	
Surplus/(Deficit) before assoc.		(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 935)	(95 248)	(111 739)	(319 641)	
Intercompany/Parent subsidiary transactions																
Surplus/(Deficit)	1	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 938)	(7 935)	(95 248)	(111 739)	(319 641)	

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 2025/26												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
R thousand																	
Multi-year expenditure to be appropriated	1																
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-	-	1 000	1 000	1 150	1 200	
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	7 100	7 100	1 900	1 900	
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-	-	18 000	18 000	43 200	50 000	
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 07 - Infrastructure & Technical Services		-	-	-	-	-	-	-	-	-	-	-	216 318	216 318	200 243	205 796	
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	242 418	242 418	246 493	258 896	
Single-year expenditure to be appropriated																	
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		83	83	83	83	83	83	83	83	83	83	83	(917)	-	-	-	-
Vote 04 - Corporate Services		592	592	592	592	592	592	592	592	592	592	592	(6 508)	-	-	-	-
Vote 05 - Community Services		1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	(16 500)	-	-	-	-
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		18 027	18 027	18 027	18 027	18 027	18 027	18 027	18 027	18 027	18 027	18 027	(198 292)	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	(222 217)	-	-	-	-
Total Capital Expenditure	2	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 201	242 418	246 493	258 896	

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 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional	1															
Governance and administration		633	633	633	633	633	633	633	633	633	633	633	633	7 600	3 050	3 100
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		633	633	633	633	633	633	633	633	633	633	633	633	7 600	3 050	3 100
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	16 500	23 200	27 000
Community and social services		1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	16 500	23 200	25 000
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 000
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		7 146	7 146	7 146	7 146	7 146	7 146	7 146	7 146	7 146	7 146	7 146	7 146	85 750	82 000	103 000
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		7 146	7 146	7 146	7 146	7 146	7 146	7 146	7 146	7 146	7 146	7 146	7 146	85 750	82 000	103 000
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		11 047	11 047	11 047	11 047	11 047	11 047	11 047	11 047	11 047	11 047	11 047	11 047	132 568	138 243	125 796
Energy sources		875	875	875	875	875	875	875	875	875	875	875	875	10 500	7 000	9 446
Water management		7 589	7 589	7 589	7 589	7 589	7 589	7 589	7 589	7 589	7 589	7 589	7 589	91 068	76 243	64 350
Waste water management		2 417	2 417	2 417	2 417	2 417	2 417	2 417	2 417	2 417	2 417	2 417	2 417	29 000	35 000	29 000
Waste management		167	167	167	167	167	167	167	167	167	167	167	167	2 000	20 000	23 000
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 201	242 418	246 493	258 896
Funded by:																
National Government		18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	225 068	243 443	255 796
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)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	225 068	243 443	255 796
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		1 446	1 446	1 446	1 446	1 446	1 446	1 446	1 446	1 446	1 446	1 446	1 446	17 350	3 050	3 100
Total Capital Funding		20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 201	242 418	246 493	258 896

Table 48 MBRR SA30 - Budgeted monthly cash flow

NW375 Moses Kotane - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Cash Receipts By Source															
Property rates	7 978	7 978	7 978	7 978	7 978	7 978	7 978	7 978	7 978	7 978	7 978	7 978	95 731	100 271	104 740
Service charges - electricity revenue															
Service charges - water revenue	6 987	6 987	6 987	6 987	6 987	6 987	6 987	6 987	6 987	6 987	6 987	6 987	83 845	85 235	86 809
Service charges - sanitation revenue	181	181	181	181	181	181	181	181	181	181	181	181	2 176	2 206	2 238
Service charges - refuse revenue	375	375	375	375	375	375	375	375	375	375	375	375	4 498	4 984	5 105
Rental of facilities and equipment	8	8	8	8	8	8	8	8	8	8	8	8	101	103	103
Interest earned - external investments	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	13 079	13 482	13 921
Interest earned - outstanding debtors	2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	2 398	28 779	30 074	32 881
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	30	30	30	30	30	30	30	30	30	30	30	30	361	377	386
Licences and permits	277	277	277	277	277	277	277	277	277	277	277	277	3 328	3 478	3 628
Agency services															
Transfers and Subsidies - Operational	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	627 463	641 339	671 243
Other revenue	3 187	3 187	3 187	3 187	3 187	3 187	3 187	3 187	3 187	3 187	3 187	3 187	38 242	41 234	43 237
Cash Receipts by Source	74 802	74 802	74 802	74 802	74 802	74 802	74 802	74 802	74 802	74 802	74 802	74 802	897 620	922 782	964 292
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	225 068	243 443	255 796
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	93 557	93 557	93 557	93 557	93 557	93 557	93 557	93 557	93 557	93 557	93 557	93 558	1 122 688	1 166 225	1 220 088
Cash Payments by Type															
Employee related costs	32 275	32 275	32 275	32 275	32 275	32 275	32 275	32 275	32 275	32 275	32 275	32 273	387 295	401 697	416 415
Remuneration of councillors	2 675	2 675	2 675	2 675	2 675	2 675	2 675	2 675	2 675	2 675	2 675	2 675	32 098	33 408	34 768
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	46 620	48 252	49 458
Acquisitions - water & other inventory	14 179	14 179	14 179	14 179	14 179	14 179	14 179	14 179	14 179	14 179	14 179	14 179	170 153	190 572	214 393
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other municipalities															
Transfers and subsidies - other															
Other expenditure	29 971	29 971	29 971	29 971	29 971	29 971	29 971	29 971	29 971	29 971	29 971	29 971	359 652	369 595	379 864
Cash Payments by Type	82 985	82 985	82 985	82 985	82 985	82 985	82 985	82 985	82 985	82 985	82 985	82 983	995 819	1 043 523	1 094 898
Other Cash Flows/Payments by Type															
Capital assets	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	20 202	56 564	278 781	283 467	297 730
Repayment of borrowing	832	832	832	832	832	832	832	832	832	832	832	832	9 987	1 109	603
Other Cash Flows/Payments															
Total Cash Payments by Type	104 019	104 019	104 019	104 019	104 019	104 019	104 019	104 019	104 019	104 019	104 019	140 379	1 284 587	1 328 099	1 393 231
NET INCREASE/(DECREASE) IN CASH HELD	(10 462)	(10 462)	(10 462)	(10 462)	(10 462)	(10 462)	(10 462)	(10 462)	(10 462)	(10 462)	(10 462)	(46 822)	(161 898)	(161 874)	(173 143)
Cash/cash equivalents at the month/year begin:	39 023	28 561	18 100	7 638	(2 823)	(13 285)	(23 746)	(34 208)	(44 669)	(55 131)	(65 592)	(76 054)	39 023	(122 875)	(284 749)
Cash/cash equivalents at the month/year end:	28 561	18 100	7 638	(2 823)	(13 285)	(23 746)	(34 208)	(44 669)	(55 131)	(65 592)	(76 054)	(122 875)	(122 875)	(284 749)	(457 892)

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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	199 384	178 981	190 319	197 242	197 242	197 242	124 913	198 188	201 492	205 230
Service charges - Waste Water Management	2	5 259	3 864	4 786	5 103	5 103	5 103	3 174	5 180	5 253	5 329
Service charges - Waste Management	2	11 376	11 817	12 864	11 189	13 042	13 042	8 869	14 109	14 736	15 105
Sale of Goods and Rendering of Services		817	761	793	547	547	547	566	1 418	1 488	1 533
Agency services											
Interest											
Interest earned from Receivables		58 096	71 462	49 267	41 304	56 100	56 100	38 578	60 358	63 075	64 651
Interest earned from Current and Non Current Assets		2 479	9 745	13 500	12 500	12 500	12 500	9 414	13 097	13 482	13 921
Dividends		3 187	-	-	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets		234	152	99	118	118	118	5	101	103	103
Licence and permits		2 430	336	3 128	1 500	1 500	1 500	2 300	3 328	3 478	3 628
Special rating levies											
Operational Revenue		769	1 014	2 058	1 925	1 925	1 925	1 109	2 014	2 091	2 135
Non-Exchange Revenue											
Property rates	2	130 570	124 807	150 272	144 686	144 686	144 686	111 263	174 056	182 311	190 436
Surcharges and Taxes											
Fines, penalties and forfeits		1 308	1 028	1 759	1 800	1 800	1 800	1 238	1 899	1 984	2 034
Licences or permits											
Transfer and subsidies - Operational		485 293	537 931	584 689	611 662	612 449	612 449	457 174	627 463	641 339	671 243
Interest		26 839	32 268	35 103	31 498	33 033	33 033	22 796	35 698	37 305	38 237
Fuel Levy											
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		2 611	838	1 928	-	-	-	-	-	-	-
Other Gains		77	0	8	-	-	-	232	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		930 729	975 004	1 050 573	1 061 075	1 080 046	1 080 046	781 631	1 136 908	1 168 133	1 213 586

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 2025/2026 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 2025/2026 financial year is R198.1 million and increases to R201.4 million by 2026/27 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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on new assets by Asset Class/Sub-class	1									
Infrastructure		6 775	3 092	24 478	172 020	173 663	173 663	84 100	111 243	129 796
Roads Infrastructure		-	-	-	-	-	-	1 500	12 000	13 000
Roads		-	-	-	-	-	-	1 500	12 000	13 000
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	11 191	11 191	11 191	-	-	-
Drainage Collection		-	-	-	11 191	11 191	11 191	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		(0)	-	-	5 000	6 064	6 064	7 000	7 000	9 446
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		(0)	-	-	5 000	6 064	6 064	7 000	7 000	9 446
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		10 426	3 950	25 474	144 865	140 792	140 792	63 600	57 243	64 350
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	15 000	6 000
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	20 382	28 297	28 297	-	-	-
Bulk Mains		0	-	11 074	7 000	267	267	9 000	-	21 350
Distribution		10 426	3 950	14 400	115 483	112 228	112 228	39 600	42 243	37 000
Distribution Points		-	-	-	2 000	-	-	15 000	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		0	-	-	9 000	15 617	15 617	10 000	15 000	20 000
Pump Station		-	-	-	3 000	3 292	3 292	-	-	-
Reticulation		-	-	-	1 667	1 903	1 903	-	-	-
Waste Water Treatment Works		-	-	-	2 667	8 469	8 469	10 000	15 000	20 000
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		0	-	-	1 667	1 953	1 953	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		(3 650)	(859)	(996)	1 964	-	-	2 000	20 000	23 000
Landfill Sites		(3 650)	(859)	(996)	1 964	-	-	2 000	20 000	23 000

Intangible Assets		-	-	-	-	-	-	2 500	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	2 500	-	-
<i>Water Rights</i>										
<i>Effluent Licenses</i>										
<i>Solid Waste Licenses</i>										
<i>Computer Software and Applications</i>		-	-	-	-	-	-	2 500	-	-
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>										
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		188	-	187	3 000	3 000	3 000	5 000	1 650	1 700
Furniture and Office Equipment		188	-	187	3 000	3 000	3 000	5 000	1 650	1 700
Machinery and Equipment		-	-	55	50	50	50	4 350	-	-
Machinery and Equipment		-	-	55	50	50	50	4 350	-	-
Transport Assets		-	-	-	-	720	720	2 000	-	-
Transport Assets		-	-	-	-	720	720	2 000	-	-
Land		-	-	-	-	-	-	-	-	-
Land										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>										
<i>Zoological plants and animals</i>										
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>										
<i>Zoological plants and animals</i>										
Total Capital Expenditure on new assets	1	6 963	3 092	24 720	175 070	177 433	177 433	97 950	112 893	131 496

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on renewal of existing assets by Asset Class/Sub-class	1									
Infrastructure		-	-	-	23 000	24 237	24 237	15 000	16 000	-
Roads Infrastructure		-	-	-	-	-	-	15 000	16 000	-
<i>Roads</i>		-	-	-	-	-	-	15 000	16 000	-
Community Assets		(0)	2 816	1 438	-	-	-	4 468	10 000	-
Community Facilities		(0)	2 816	1 438	-	-	-	4 468	10 000	-
<i>Halls</i>		(0)	2 816	-	-	-	-	-	-	-
<i>Centres</i>										
<i>Crèches</i>										
<i>Clinics/Care Centres</i>										
<i>Fire/Ambulance Stations</i>										
<i>Testing Stations</i>		-	-	1 438	-	-	-	-	-	-
<i>Museums</i>										
<i>Galleries</i>										
<i>Theatres</i>										
<i>Libraries</i>										
<i>Cemeteries/Crematoria</i>		-	-	-	-	-	-	4 468	10 000	-
Water Supply Infrastructure		-	-	-	23 000	24 237	24 237	-	-	-
<i>Dams and Weirs</i>										
<i>Boreholes</i>		-	-	-	23 000	24 237	24 237	-	-	-

Other assets	-	-	-	2 400	-	-	2 000	8 200	25 000	
Operational Buildings	-	-	-	2 400	-	-	2 000	8 200	25 000	
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores	-	-	-	-	-	-	-	-	-	
Laboratories										
Training Centres	-	-	-	2 400	-	-	2 000	8 200	25 000	
Intangible Assets	-	106	-	2 000	2 000	2 000	3 000	1 400	1 400	
Servitudes										
Licences and Rights	-	106	-	2 000	2 000	2 000	3 000	1 400	1 400	
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications	-	106	-	2 000	2 000	2 000	3 000	1 400	1 400	
Zoological plants and animals										
Total Capital Expenditure on renewal of existing assets	1	(0)	2 922	1 438	27 400	26 237	26 237	24 468	35 600	26 400

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class	1									
Infrastructure		5 410	2 790	246	43 084	49 656	49 656	105 500	83 000	99 000
Roads Infrastructure		5 410	2 790	246	40 084	46 364	46 364	68 500	54 000	90 000
Roads		5 410	2 790	246	40 084	46 364	46 364	68 500	54 000	90 000
Water Supply Infrastructure		-	-	-	-	-	-	20 000	9 000	-
Dams and Weirs										
Boreholes										
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations										
Water Treatment Works										
Bulk Mains		-	-	-	-	-	-	20 000	9 000	-
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	-	3 000	3 292	3 292	17 000	20 000	9 000
Pump Station										
Reticalation		-	-	-	3 000	3 292	3 292	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	17 000	20 000	9 000
Community Assets		-	-	-	7 000	2 000	2 000	14 000	15 000	2 000
Community Facilities		-	-	-	7 000	2 000	2 000	14 000	15 000	-
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria		-	-	-	7 000	2 000	2 000	14 000	15 000	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	2 000
Indoor Facilities										
Outdoor Facilities		-	-	-	-	-	-	-	-	2 000
Total Capital Expenditure on upgrading of existing assets	1	5 410	2 790	246	50 084	51 656	51 656	120 000	98 000	101 000

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	2025/26 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Present value
R thousand								
Capital expenditure	1							
Vote 01 - Municipal Council		-	-	-				
Vote 02 - Office Of The Accounting Officer		-	-	-				
Vote 03 - Budget And Treasury Office		1 000	1 150	1 200				
Vote 04 - Corporate Services		7 100	1 900	1 900				
Vote 05 - Community Services		18 000	43 200	-				
Vote 06 - Planning & Development		-	-	-				
Vote 07 - Infrastructure & Technical Services		216 318	200 243	-				
Vote 08 -		-	-	-				
Vote 09 -		-	-	-				
Vote 10 -		-	-	-				
Vote 11 -		-	-	-				
Vote 12 -		-	-	-				
Vote 13 -		-	-	-				
Vote 14 -		-	-	-				
Vote 15 - Other		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		242 418	246 493	3 100	-	-	-	-
Future operational costs by vote	2							
Vote 01 - Municipal Council								
Vote 02 - Office Of The Accounting Officer								
Vote 03 - Budget And Treasury Office								
Vote 04 - Corporate Services								
Vote 05 - Community Services								
Vote 06 - Planning & Development								
Vote 07 - Infrastructure & Technical Services								
Vote 08 -								
Vote 09 -								
Vote 10 -								
Vote 11 -								
Vote 12 -								
Vote 13 -								
Vote 14 -								
Vote 15 - Other								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Exchange Revenue		80 316	83 715	85 972				
Service charges - Electricity		-	-	-				
Service charges - Water		198 188	201 492	205 230				
Service charges - Waste Water Management		5 180	5 253	5 329				
Service charges - Waste Management		14 109	14 736	15 105				
Agency services								
<i>List other revenues sources if applicable</i>		1 064 184	1 106 381	941 300				
<i>List entity summary if applicable</i>								
Total future revenue		1 361 976	1 411 576	1 252 936	-	-	-	-
Net Financial Implications		(1 119 558)	(1 165 083)	(1 249 836)	-	-	-	-

Table 55 MBRR SA36 - Detailed capital budget per municipal vote

Attached Separate separately

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 plans to employ five interns to be placed in various divisions of the Financial Services Department.
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 2025/26 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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
REVENUE ITEMS:											
Non-exchange revenue by source											
Exchange Revenue											
Total Property Rates	6	130 717	127 206	154 380	147 299	147 299	147 299	102 653	178 344	186 791	194 986
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		147	2 399	4 108	2 613	2 613	2 613	2 566	4 288	4 481	4 550
Net Property Rates		130 570	124 807	150 272	144 686	144 686	144 686	100 087	174 056	182 311	190 436
Exchange revenue service charges											
Service charges - Electricity											
Total Service charges - Electricity	6				9 200	9 200	9 200		6 157	6 957	7 896
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)		-	-	-	9 200	9 200	9 200		6 157	6 957	7 896
Net Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
Service charges - Water											
Total Service charges - Water	6	199 451	179 057	190 309	207 242	207 242	207 242	124 897	208 188	211 992	216 105
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)		67	76	(10)	10 000	10 000	10 000	(5)	10 000	10 500	10 875
Net Service charges - Water		199 384	178 981	190 319	197 242	197 242	197 242	124 902	198 188	201 492	205 230
Service charges - Waste Water Management											
Total Service charges - Waste Water Management		5 405	4 120	4 899	5 383	5 383	5 383	3 234	5 297	5 375	5 454
Less Revenue Foregone (in excess of free sanitation service to indigent households)											
Less Cost of Free Basis Services (free sanitation service to indigent households)		146	256	113	279	279	279	60	117	122	125
Net Service charges - Waste Water Management		5 259	3 864	4 786	5 103	5 103	5 103	3 174	5 180	5 253	5 329
Service charges - Waste Management											
Total refuse removal revenue	6	11 562	12 104	12 992	11 252	13 106	13 106	8 932	14 243	14 875	15 245
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)		186	286	128	64	64	64	65	134	140	140
Net Service charges - Waste Management		11 376	11 817	12 864	11 189	13 042	13 042	8 867	14 109	14 736	15 105

EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	180 784	185 537	208 402	263 929	263 709	263 709	144 614	245 179	257 805	272 569
Pension and UIF Contributions		35 205	38 284	41 583	52 429	52 429	52 429	26 568	56 708	59 628	63 057
Medical Aid Contributions		14 379	15 457	16 707	28 943	28 943	28 943	11 593	31 110	32 712	34 593
Overtime		13 765	20 210	20 182	19 075	19 075	19 075	11 689	22 126	23 266	24 603
Performance Bonus		14 547	12 607	16 238	24 547	24 547	24 547	9 714	-	-	-
Motor Vehicle Allowance		1 399	1 634	1 708	1 670	1 670	1 670	861	911	957	1 012
Cellphone Allowance		-	-	-	-	-	-	-	-	-	-
Housing Allowances		553	631	763	724	724	724	554	876	921	974
Other benefits and allowances		2 906	2 876	4 148	4 733	4 733	4 733	2 673	5 088	5 350	5 658
Payments in lieu of leave		2 385	719	4 059	-	-	-	-	-	-	-
Long service awards		3 341	4 195	7 720	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		802	1 264	1 249	20	20	20	899	1 420	1 493	1 579
In kind benefits		-	-	-	-	-	-	-	-	-	-
sub-total	5	270 066	283 415	322 761	396 070	395 850	395 850	209 165	363 417	382 133	404 045
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	270 066	283 415	322 761	396 070	395 850	395 850	209 165	363 417	382 133	404 045
Depreciation and amortisation											
Depreciation of Property, Plant & Equipment		129 462	130 190	118 712	156 370	156 370	156 370	114 805	183 705	192 898	201 614
Lease amortisation		2 304	2 361	2 597	6 268	6 268	6 268	1 190	2 856	3 142	3 456
Capital asset impairment		-	-	-	-	-	-	-	-	-	-
Total Depreciation and amortisation	1	131 765	132 550	121 308	162 638	162 638	162 638	115 995	186 561	196 040	205 070
Bulk purchases - electricity											
Electricity bulk purchases		20 890	33 007	41 906	42 000	42 000	42 000	26 325	46 620	48 252	49 458
Total bulk purchases	1	20 890	33 007	41 906	42 000	42 000	42 000	26 325	46 620	48 252	49 458
Transfers and grants											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-	-
Contracted Services											
Outsourced Services		55 185	61 753	68 744	83 472	80 572	80 572	45 949	79 053	82 456	84 495
Consultants and Professional Services		26 510	24 126	26 943	32 112	33 612	33 612	16 437	33 850	35 285	36 157
Contractors		43 717	50 216	49 382	90 296	90 746	90 746	66 218	101 429	104 177	106 729
Total contracted services		125 412	136 096	145 069	205 880	204 930	204 930	128 605	214 332	221 918	227 381
Operational Costs											
Collection costs		-	-	-	100	100	100	-	100	105	107
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Audit fees		3 204	4 477	6 186	8 000	8 000	8 000	6 087	8 000	8 360	8 569
Other Operational Costs		85 601	112 238	75 640	105 063	106 301	106 301	48 022	103 867	107 707	110 920
Total Operational Costs	1	88 805	116 715	81 826	113 163	114 401	114 401	54 109	111 967	116 171	119 596
Repairs and Maintenance by Expenditure Item											
Employee related costs	8	924	-	-	1 200	1 200	1 200	-	-	-	-
Inventory Consumed (Project Maintenance)		43 572	50 656	48 593	87 844	87 944	87 944	65 401	98 329	100 981	103 474
Contracted Services		779	(31)	4 470	7 850	9 457	9 457	9 123	9 350	9 576	9 808
Operational Costs		-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	9	45 275	50 624	53 063	96 894	98 601	98 601	74 524	107 679	110 557	113 283
Inventory Consumed											
Inventory Consumed - Water		-	-	(924)	173 300	173 300	173 300	-	170 153	190 572	214 393
Inventory Consumed - Other		4 904	6 835	10 811	24 755	24 755	24 755	8 216	30 450	31 132	31 797
Total Inventory Consumed & Other Material		4 904	6 835	9 888	198 055	198 055	198 055	8 216	200 603	221 704	246 190

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

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

Description	Ref	Vote 01 - Municipal Council	Vote 02 - Office Of The Accounting Officer	Vote 03 - Budget And Treasury Office	Vote 04 - Corporate Services	Vote 05 - Community Services	Vote 06 - Planning & Development	Vote 07 - Infrastructure & Technical Services	Vote 08 -	Vote 09 -	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 - Other	Total
R thousand	1																
Revenue																	
Exchange Revenue																	
Service charges - Electricity		-															-
Service charges - Water								198 188									198 188
Service charges - Waste Water Management						14 109		5 180									5 180
Service charges - Waste Management						50											14 109
Sale of Goods and Rendering of Services				749			312										1 112
Agency services																	-
Interest																	-
Interest earned from Receivables				60 358													60 358
Interest earned from Current and Non Current Assets				13 097													13 097
Dividends																	-
Rent on Land																	-
Rental from Fixed Assets				101													101
Licence and permits						3 328											3 328
Special rating levies																	-
Operational Revenue				1 670	650												2 320
Non-Exchange Revenue																	
Property rates				174 056													174 056
Surcharges and Taxes																	-
Fines, penalties and forfeits						1 899											1 899
Licences or permits																	-
Transfer and subsidies - Operational	24 888			318 580		95 702		188 292									627 463
Interest				35 698													35 698
Fuel Levy																	-
Operational Revenue																	-
Gains on disposal of Assets																	-
Other Gains																	-
Discontinued Operations																	-
Total Revenue (excluding capital transfers and contributions)		24 888	-	604 309	650	115 089	312	391 660	-	-	-	-	-	-	-	-	1 136 908
Expenditure																	
Employee related costs		28 076	15 804	46 101	62 688	65 674	30 881	114 195									363 417
Remuneration of councillors																	-
Bulk purchases - electricity								46 620									46 620
Inventory consumed				30 450				170 153									200 603
Debt impairment				103 314		13 525		158 006									274 844
Depreciation and amortisation	305				2 856	43 019		140 380									186 561
Interest						2 597											2 597
Contracted services	7 300	2 450	30 681	7 015	79 737	5 250	81 900										214 332
Transfers and subsidies																	-
Irrecoverable debts written off																	-
Operational costs	28 397	11 925	311	39 011	17 882	1 130	13 310										111 967
Losses on disposal of Assets																	-
Other Losses																	-
Total Expenditure		64 078	30 179	210 856	111 570	222 435	37 261	724 564	-	-	-	-	-	-	-	-	1 400 943
Surplus/(Deficit)		(39 190)	(30 179)	393 452	(110 920)	(107 346)	(36 949)	(332 903)	-	-	-	-	-	-	-	-	(264 034)
Transfers and subsidies - capital (monetary allocations)						18 000		207 068									225 068
Transfers and subsidies - capital (in-kind)																	-
Surplus/(Deficit) after capital transfers & contributions		(39 190)	(30 179)	393 452	(110 920)	(89 346)	(36 949)	(125 835)	-	-	-	-	-	-	-	-	(38 966)

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

NW375 Moses Kotane - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'												
R thousand	Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS												
Trade and other receivables from exchange transactions												
	Electricity											
	Water		1 140 119	1 290 917	800 663	1 039 607	1 039 607	1 039 607	902 348	1 228 509	1 517 915	1 805 041
	Waste		124 906	143 683	43 471	127 926	127 926	127 926	54 777	59 384	79 031	99 502
	Waste Water		24 223	26 212	15 878	27 695	27 695	27 695	17 997	26 280	33 265	40 346
	Other trade receivables from exchange transactions		(4 680)	(4 606)	4 913	(17 499)	(17 499)	(17 499)	6 615	947	973	983
	Gross: Trade and other receivables from exchange transactions		1 284 569	1 456 207	864 925	1 177 729	1 177 729	1 177 729	981 736	1 315 120	1 631 184	1 945 872
	Less: Impairment for debt		(1 223 147)	(1 385 310)	(762 060)	(1 095 226)	(1 095 226)	(1 095 226)	(912 726)	(1 216 300)	(1 529 955)	(1 841 282)
	Impairment for Electricity											
	Impairment for Water		(1 076 792)	(1 219 861)	(705 589)	(944 468)	(944 468)	(944 468)	(840 388)	(1 139 993)	(1 426 598)	(1 710 020)
	Impairment for Waste		(124 778)	(143 015)	(42 874)	(125 280)	(125 280)	(125 280)	(55 577)	(54 763)	(75 517)	(96 173)
	Impairment for Waste Water		(21 128)	(21 975)	(12 173)	(24 840)	(24 840)	(24 840)	(14 754)	(21 660)	(27 962)	(35 212)
	Impairment for other trade receivables from exchange transactions		(450)	(459)	(1 425)	(637)	(637)	(637)	(2 007)	116	121	124
	Total net Trade and other receivables from Exchange Transactions		61 422	70 897	102 865	82 503	82 503	82 503	69 010	98 820	101 229	104 590
Receivables from non-exchange transactions												
	Property rates		93 213	273 654	617 104	172 955	172 955	172 955	617 690	728 954	788 935	833 679
	Less: Impairment of Property rates		(104 296)	(98 850)	(534 082)	(63 745)	(63 745)	(63 745)	(584 503)	(641 764)	(700 064)	(742 104)
	Net Property rates		(11 083)	174 804	83 022	109 210	109 210	109 210	33 187	87 190	88 871	91 575
	Other receivables from non-exchange transactions		13 511	14 422	13 390	7 396	7 396	7 396	14 442	19 171	21 139	23 164
	Impairment for other receivables from non-exchange transactions		(15 418)	(16 749)	(15 494)	(3 758)	(3 758)	(3 758)	(16 702)	(18 776)	(20 743)	(22 767)
	Net other receivables from non-exchange transactions		(1 908)	(2 327)	(2 104)	3 638	3 638	3 638	(2 260)	395	396	396
	Total net Receivables from non-exchange transactions		(12 991)	172 477	80 918	112 848	112 848	112 848	30 927	87 586	89 267	91 971
Inventory												
Water												
	Opening Balance		61	61	73	1 008	1 008	1 008	1 008	1 008	1 008	1 008
	System Input Volume		-	12	12	173 300	173 300	173 300	(7 234)	170 153	190 572	214 393
	Water Treatment Works			12	12	-	-	-	-	-	-	-
	Bulk Purchases					173 300	173 300	173 300	(7 234)	170 153	190 572	214 393
	Natural Sources					-	-	-	-	-	-	-
	Authorised Consumption	6	-	-	924	(173 300)	(173 300)	(173 300)	-	(170 153)	(190 572)	(214 393)
	Billed Authorised Consumption		-	-	-	(173 300)	(173 300)	(173 300)	-	(170 153)	(190 572)	(214 393)
	Billed Metered Consumption		-	-	-	(173 300)	(173 300)	(173 300)	-	(170 153)	(190 572)	(214 393)
	Free Basic Water					-	-	-	-	-	-	-
	Subsidised Water					-	-	-	-	-	-	-
	Revenue Water					(173 300)	(173 300)	(173 300)	-	(170 153)	(190 572)	(214 393)
	Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
	Free Basic Water					-	-	-	-	-	-	-
	Subsidised Water					-	-	-	-	-	-	-
	Revenue Water					-	-	-	-	-	-	-
	Unbilled Authorised Consumption		-	-	924	-	-	-	-	-	-	-
	Unbilled Metered Consumption					-	-	-	-	-	-	-
	Unbilled Unmetered Consumption				924	-	-	-	-	-	-	-
	Non-revenue Water		-	-	924	-	-	-	-	-	-	-
	Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
	Closing Balance Water		61	73	1 008	1 008	1 008	1 008	(6 226)	1 008	1 008	1 008
Agricultural												
	Opening Balance											
	Acquisitions	7										
	Issues	8										
	Adjustments	8										
	Write-offs	9										
	Correction of Prior period errors											
	Closing balance - Agricultural		-	-	-	-	-	-	-	-	-	-
Consumables												
Standard Rated												
	Opening Balance		11 443	13 879	15 986	19 908	19 908	19 908	19 908	20 576	21 375	22 210
	Acquisitions		7 398	8 941	14 736	24 755	24 755	24 755	11 784	30 450	31 132	31 797
	Issues	7	(4 904)	(6 835)	(10 811)	(24 755)	(24 755)	(24 755)	(8 842)	(30 450)	(31 132)	(31 797)
	Adjustments	8				668	668	668	-	799	836	857
	Write-offs	9	(57)		(3)	-	-	-	(192)	-	-	-
	Correction of Prior period errors											
	Closing balance - Consumables Standard Rated		13 879	15 986	19 908	20 576	20 576	20 576	22 657	21 375	22 210	23 067
Zero Rated												

Land										
Opening Balance	320	320	435	555	555	555	555	555	555	555
Acquisitions		665	555	-	-	-	-	-	-	-
Sales		(550)	(435)	-	-	-	-	-	-	-
Adjustments				-	-	-	-	-	-	-
Correction of Prior period errors				-	-	-	-	-	-	-
Transfers										
Closing Balance - Land	320	435	555	555	555	555	555	555	555	555
Closing Balance - Inventory & Consumables	14 260	16 493	21 471	22 139	22 139	22 139	16 986	22 938	23 774	24 630
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	5 916 416	6 043 007	6 246 213	3 919 570	3 922 343	3 922 343	6 358 468	6 618 234	6 883 013	7 163 832
Leases recognised as PPE										
Less: Accumulated depreciation	2 963 169	3 054 496	3 147 936	238 700	238 700	238 700	3 272 635	3 279 832	3 424 149	3 609 490
Total Property, plant and equipment (PPE)	2 953 246	2 988 511	3 098 277	3 680 870	3 683 643	3 683 643	3 085 833	3 338 402	3 458 864	3 554 342
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)	-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities	14 629	8 840	3 605	14 372	14 372	14 372	3 145	1 107	603	-
Total Current liabilities - Borrowing	14 629	8 840	3 605	14 372	14 372	14 372	3 145	1 107	603	-
Trade and other payables										
Trade and other payables from exchange transactions	190 097	211 352	215 231	204 741	204 741	204 741	166 106	261 689	262 094	262 880
Other trade payables from exchange transactions										
Trade payables from Non-exchange transactions: Unspent conditional Grants	12 544	8 156	3 305	-	(3 094)	(3 094)	74 603	-	-	-
Trade payables from Non-exchange transactions: Other										
VAT	88 823	99 997	131 049	-	-	-	152 173	-	-	-
Total Trade and other payables	291 463	319 506	349 585	204 741	201 647	201 647	392 882	261 689	262 094	262 880
Non current liabilities - Financial liabilities										
Borrowing	-	34 753	22 945	20 868	20 868	20 868	13 856	603	-	-
Other financial liabilities										
Total Non current liabilities - Financial liabilities	-	34 753	22 945	20 868	20 868	20 868	13 856	603	-	-
Non current liabilities - Long Term portion of trade payables										
Electricity Bulk Purchases										
Payables and Accruals - General										
Water Bulk Purchases										
Municipal Debt Relief										
Total Non current liabilities - Long Term portion of trade payables	-	-	-	-	-	-	-	-	-	-
Provisions - non-current										
Retirement benefits										
Refuse landfill site rehabilitation	19 171	20 464	21 932	24 354	24 354	24 354	21 932	24 193	25 282	26 167
Other	15 533	15 533	15 533	17 284	17 284	17 284	15 533	23 193	24 237	25 328
Total Provisions non-current	34 703	35 996	37 464	41 638	41 638	41 638	37 464	47 386	49 519	51 494
CHANGES IN NET ASSETS										
Accumulated surplus/(deficit)										
Accumulated surplus/(deficit) - opening balance	3 017 853	3 011 253	3 154 931	3 292 418	3 292 418	3 292 418	3 210 478	-	-	-
GRAP adjustments	-	-	-	-	-	-	-	-	-	-
Restated balance	3 017 853	3 011 253	3 154 931	3 292 418	3 292 418	3 292 418	3 210 478	-	-	-
Surplus/(Deficit)	123 150	285 913	211 247	(37 923)	(90 824)	(90 824)	4 794	(95 248)	(111 739)	(120 195)
Transfers to/from Reserves	-	-	0	647 724	706 492	706 492	-	3 858 009	3 690 430	3 801 341
Depreciation offsets	-	-	-	-	-	-	-	-	-	-
Other adjustments	(12 808)	(5 031)	3 108	34	34	34	-	-	-	-
Accumulated Surplus/(Deficit)	3 128 195	3 292 135	3 369 286	3 902 253	3 908 119	3 908 119	3 215 273	3 762 761	3 578 691	3 681 146
Reserves										
Housing Development Fund										
Capital replacement										
Self-insurance										
Other reserves										
Revaluation										
Total Reserves	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	3 128 195	3 292 135	3 369 286	3 902 253	3 908 119	3 908 119	3 215 273	3 762 761	3 578 691	3 681 146

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

Total municipal services		2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
Ref		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
	Household service targets (000)									
	Water:									
	Piped water inside dwelling	-	-	6 793	7 015	7 015	7 015	6 800	6 812	6 820
	Piped water inside yard (but not in dwelling)	-	-	29 856	-	-	-	29 872	29 878	29 886
8	Using public tap (at least min.service level)	-	52 000	30 000	53 100	53 100	53 100	30 000	30 000	30 000
10	Other water supply (at least min.service level)	-	-	8 509	-	-	-	8 509	8 509	8 509
	<i>Minimum Service Level and Above sub-total</i>	-	52 000	75 158	60 115	60 115	60 115	75 181	75 199	75 215
9	Using public tap (< min.service level)	-	12 000	-	12 000	12 000	12 000	-	-	-
10	Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
	No water supply	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	12 000	-	12 000	12 000	12 000	-	-	-
	Total number of households	-	64 000	75 158	72 115	72 115	72 115	75 181	75 199	75 215
	Sanitation/sewage:									
	Flush toilet (connected to sewerage)	-	8 000	6 793	8 010	8 010	8 010	6 800	6 812	6 820
	Flush toilet (with septic tank)	-	5 000	28 000	5 250	5 250	5 250	28 020	28 025	28 030
	Chemical toilet	-	-	-	-	-	-	-	-	-
	Pit toilet (ventilated)	-	-	21 000	-	-	-	21 020	21 020	21 020
	Other toilet provisions (> min.service level)	-	-	22 355	-	-	-	22 360	22 358	22 355
	<i>Minimum Service Level and Above sub-total</i>	-	13 000	78 158	13 260	13 260	13 260	78 200	78 215	78 225
	Bucket toilet	-	-	-	-	-	-	-	-	-
	Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
	No toilet provisions	-	40 000	-	40 000	40 000	40 000	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	40 000	-	40 000	40 000	40 000	-	-	-
	Total number of households	-	53 000	78 158	53 260	53 260	53 260	78 200	78 215	78 225
	Energy:									
	Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
	Other energy sources	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	Total number of households	-	-	-	-	-	-	-	-	-
	Refuse:									
	Removed at least once a week	-	75 500	75 500	75 600	75 600	75 600	75 600	75 600	75 600
	<i>Minimum Service Level and Above sub-total</i>	-	75 500	75 500	75 600	75 600	75 600	75 600	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>	-	-	-	-	-	-	-	-	-
	Total number of households	-	75 500	75 500	75 600	75 600	75 600	75 600	75 600	75 600

Other Supporting Documents

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Np Ins_Sporting Bodies - Rent</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
<i>Hh Ssp Soc Ass: Care Dependency</i>		-	-	-	-	-	-	-	-	-	-
<i>Hh Ssp Soc Ass: Grant In Aid</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other municipalities											
	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-

NW375 Moses Kotane - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		31 835	30 248	21 125	74 657	74 657	74 657	78 065	80 216	82 214
Roads Infrastructure		204	1 640	1 304	5 300	5 300	5 300	5 400	5 528	5 658
Roads		204	1 640	1 169	5 000	5 000	5 000	5 100	5 228	5 358
Road Furniture		-	-	136	300	300	300	300	300	300
Electrical Infrastructure		1 790	1 398	2 132	100	100	100	300	308	315
LV Networks		1 790	1 398	2 132	100	100	100	300	308	315
Water Supply Infrastructure		-	324	975	44 000	44 000	44 000	44 000	45 100	46 228
Reservoirs		-	324	975	-	-	-	-	-	-
Water Treatment Works		-	-	-	44 000	44 000	44 000	44 000	45 100	46 228
Sanitation Infrastructure		-	-	-	11 500	11 500	11 500	12 000	12 300	12 608
Waste Water Treatment Works		-	-	-	11 500	11 500	11 500	12 000	12 300	12 608
Solid Waste Infrastructure		29 841	26 886	16 714	13 757	13 757	13 757	16 365	16 981	17 405
Landfill Sites		29 841	26 886	16 714	13 757	13 757	13 757	16 365	16 981	17 405
Community Assets		53	37	1	250	350	350	350	370	375
Community Facilities		1	-	-	-	100	100	100	120	120
Cemeteries/Crematoria		1	-	-	-	100	100	100	120	120
Sport and Recreation Facilities		52	37	1	250	250	250	250	250	255
Outdoor Facilities		52	37	1	250	250	250	250	250	255
Other assets		2 163	3 040	3 420	5 886	5 886	5 886	1 915	1 943	1 967
Operational Buildings		2 163	3 040	3 420	5 886	5 886	5 886	1 915	1 943	1 967
Municipal Offices		2 163	3 040	3 420	5 886	5 886	5 886	1 915	1 943	1 967
Intangible Assets		767	(44)	4 312	7 500	9 107	9 107	9 000	9 225	9 456
Licences and Rights		767	(44)	4 312	7 500	9 107	9 107	9 000	9 225	9 456
Computer Software and Applications		767	(44)	4 312	7 500	9 107	9 107	9 000	9 225	9 456
Computer Equipment		13	13	22	50	50	50	50	51	53
Computer Equipment		13	13	22	50	50	50	50	51	53
Machinery and Equipment		-	-	-	-	-	-	300	308	315
Machinery and Equipment		-	-	-	-	-	-	300	308	315
Transport Assets		10 444	17 330	24 183	8 550	8 550	8 550	18 000	18 444	18 904
Transport Assets		10 444	17 330	24 183	8 550	8 550	8 550	18 000	18 444	18 904
Total Repairs and Maintenance Expenditure	1	45 275	50 624	53 063	96 894	98 601	98 601	107 679	110 557	113 283
R&M as a % of PPE & Investment Property		1.5%	1.8%	1.7%	2.6%	2.6%	2.6%	2.4%	3.3%	6107.5%
R&M as % Operating Expenditure		4.5%	5.6%	5.0%	7.2%	6.9%	6.9%	14.5%	7.9%	7.7%

NW375 Moses Kotane - Supporting Table SA34d Depreciation by asset class										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		100 260	98 964	86 177	122 023	122 023	122 023	141 156	147 371	153 498
Roads Infrastructure		34 403	32 163	20 009	39 337	39 337	39 337	53 345	55 679	57 247
Roads		34 403	32 163	20 009	39 337	39 337	39 337	53 345	55 679	57 247
Storm water Infrastructure		4 182	4 512	5 226	5 306	5 306	5 306	5 927	6 519	7 171
Drainage Collection		4 182	4 512	5 226	5 306	5 306	5 306	5 927	6 519	7 171
Electrical Infrastructure		3 388	3 479	3 560	4 412	4 412	4 412	4 251	4 676	5 143
Power Plants		3 388	3 479	3 560	4 412	4 412	4 412	4 251	4 676	5 143
Water Supply Infrastructure		54 394	55 241	54 628	68 512	68 512	68 512	74 316	76 847	79 922
Distribution		54 394	55 241	54 628	68 512	68 512	68 512	74 316	76 847	79 922
Sanitation Infrastructure		2 750	2 734	1 989	3 406	3 406	3 406	2 542	2 796	3 076
Waste Water Treatment Works		2 750	2 734	1 989	3 406	3 406	3 406	2 542	2 796	3 076
Solid Waste Infrastructure		1 141	835	764	1 051	1 051	1 051	776	853	939
Landfill Sites		1 141	835	764	1 051	1 051	1 051	776	853	939
Community Assets		16 561	16 754	17 714	18 147	18 147	18 147	24 672	26 327	27 661
Community Facilities		16 561	16 754	17 714	18 147	18 147	18 147	24 672	26 327	27 661
Halls		13 993	14 185	15 146	16 209	16 209	16 209	20 772	22 205	23 315
Centres		2 568	2 568	2 568	1 938	1 938	1 938	3 899	4 123	4 346
Other assets		6 041	6 514	6 159	7 499	7 499	7 499	8 288	9 117	9 841
Operational Buildings		6 041	6 514	6 159	7 499	7 499	7 499	8 288	9 117	9 841
Municipal Offices		6 041	6 514	6 159	7 499	7 499	7 499	8 288	9 117	9 841
Intangible Assets		2 304	2 361	2 597	6 268	6 268	6 268	2 856	3 142	3 456
Licences and Rights		2 304	2 361	2 597	6 268	6 268	6 268	2 856	3 142	3 456
Computer Software and Applications		2 304	2 361	2 597	6 268	6 268	6 268	2 856	3 142	3 456
Furniture and Office Equipment		4 092	3 429	2 504	5 432	5 432	5 432	3 071	3 379	3 716
Furniture and Office Equipment		4 092	3 429	2 504	5 432	5 432	5 432	3 071	3 379	3 716
Machinery and Equipment		330	252	242	410	410	410	305	336	369
Machinery and Equipment		330	252	242	410	410	410	305	336	369
Transport Assets		2 178	4 278	5 917	2 859	2 859	2 859	6 212	6 368	6 527
Transport Assets		2 178	4 278	5 917	2 859	2 859	2 859	6 212	6 368	6 527
Total Depreciation	1	131 765	132 550	121 308	162 638	162 638	162 638	186 561	196 040	205 070

2.15 Municipal manager's quality certificate

Attached separately.