SCHEDULE A

ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF MOSES KOTANE LOCAL MUNICIPALITY

2022/23 TO 2024/2025

Adopted by Council on ----------

Council Resolution: ……

ANNUAL BUDGET OF

MOSES KOTANE LOCAL MUNICIPALITY

NW 375

2022/23 TO 2024/2025

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

Copies of this document can be viewed:

- **In the foyers of all municipal buildings**
- **All public libraries within the municipality**
- **At www.treasury.gov.za**
- **At www.moseskotane.gov.za**

Table of Contents

ANNEXURE A .....

PART 1 – ANNUAL BUDGET .....

1 MAYORS REPORT(SEPARATE) 1
1.2 COUNCIL RESOLUTIONS(SEPARATE) 6
1.3 EXECUTIVE SUMMARY 8
1.4 OPERATING REVENUE FRAMEWORK 11
1.5 OPERATING EXPENDITURE FRAMEWORK 19
1.6 CAPITAL EXPENDITURE 23
1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY 25

PART 2 – SUPPORTING DOCUMENTATION .....

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS 45
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP 47
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS 53
2.4 OVERVIEW OF BUDGET RELATED-POLICIES 60
2.5 OVERVIEW OF BUDGET ASSUMPTIONS 62
2.6 OVERVIEW OF BUDGET FUNDING 64
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS 77
2.8 COUNCILLOR AND EMPLOYEE BENEFITS 79
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW 83
2.10 ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS 91
2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS 92
2.12 CAPITAL EXPENDITURE DETAILS 93
2.13 LEGISLATION COMPLIANCE STATUS 99
2.14 OTHER SUPPORTING DOCUMENTS 101
2.15 MUNICIPAL MANAGER'S QUALITY CERTIFICATE 108

List of Tables

Table 1 Consolidated Overview of the 2022/23 MTREF 10
Table 2 Summary of revenue classified by main revenue source 12
Table 3 Percentage growth in revenue by main revenue source 12
Table 4 Operating Transfers and Grant Receipts 13
Table 5 Comparison of proposed rates to levied for the 2022/2023 financial year 15
Table 6 Proposed Water Tariffs 15
Table 7 Comparison between current water charges and increases (Domestic) 15
Table 8 Comparison between current sanitation charges and increases 17
Table 9 Comparison between current waste removal fees and increases 18
Table 10 MBRR Table SA14 – Household bills 19
Table 11 Summary of operating expenditure by standard classification item 20

Table13 2021/2021 Medium-term capital budget per vote 23
Table14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification) 28
Table15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote) 29
Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) 31
Table17 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source 33
Table18 MBRR Table A6 - Budgeted Financial Position 35
Table19 MBRR Table A7 - Budgeted Cash Flow Statement 37
Table20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation 37
Table 21 MBRR Table A9 - Asset Management 39
Table 22 MBRR Table A10 - Basic Service Delivery Measurement 44
Table 23 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue 52
Table 24 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure 52
Table 25 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure 53
Table 26 MBRR Table SA7 - Measurable performance objectives 56
Table 27 MBRR Table SA8 - Performance indicators and benchmarks 57
Table 28 Credit rating outlook 63
Table 29 Proposed tariff increses over the medium-term 66
Table 30 MBRR SA15 – Detail Investment Information 67
Table 31 MBRR SA16 – Investment particulars by maturity 67
Table32 Sources of capital revenue over the MTREF 68
Table33 MBRR Table SA 17 - Detail of borrowings 68
Table34 MBRR Table SA 18 - Capital transfers and grant receipts 70
Table35 MBRR Table A7 - Budget cash flow statement 73
Table36 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation 74
Table 37 MBRR SA10 – Funding compliance measurement 74
Table 38 MBRR SA19 – Expenditure on grants and reconciliation of unspent funds 77
Table39 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds 78
Table40 MBRR SA22 - Summary of councillor and staff benefits 79
Table 41 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers) 81
Table 42 MBRR SA24 – Summary of personnel numbers 82
Table 43 MBRR SA25 - Budgeted monthly revenue and expenditure 83
Table 44 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote) 84
Table 45 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification) 86
Table 46 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote) 87
Table 47 MBRR SA29 - Budgeted monthly capital expenditure (standard classification) 88

Table 48 MBRR SA30 - Budgeted monthly cash flow 90
Table 49 MBRR Water Services Department - operating revenue by source, expenditure

by type and total expenditure 91

Table 50 Contracts having future budget implications 92
Table 51 MBRR SA 34a - Capital expenditure on new assets by asset class 93
Table 52 MBRR SA34b - Capital expenditure on existing assets by asset class 96
Table54 MBRR SA35 - Future financial implications of the capital budget 98
Tabl e55 MBRR SA36 - Detailed capital budget per municipal vote 99
Table 56 MBRR Table SA1 - Supporting detail to budgeted financial performance 100
Table57 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department) 102
Table 58 MBRR Table SA3 – Supporting detail to Statement of Financial Position 103
Table 59 MBRR Table SA9 – Social economics and demographic statistics and assumptions 104

List of Figures

Figure 1 Main operational expenditure categories for the 2022/2023 financial year 22
Figure 2 Capital Infrastructure Programme 24
Figure3 Planning, budgeting and reporting cycle 54
Figure 4 Definition of performance information concepts 55
Figure 7 Breakdown of operating revenue over the 2022/2023 MTREF 65
Figure 6 Sources of capital revenue for the 2022/2023 financial year 69

Abbreviations and Acronyms

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

Part 1 – Annual Budget

Budget Speech for 2022-2023 financial year as presented by MKLM Mayor, Clr nketu
Attached separate.

Overview of the Budget:

Total budget for the 2021-2022 financial year is R1,
1 billion (one comma one billion rand) comprising operating budget of R1, 009,863 billion and capital budget of R264, 515 million

The total anticipated operating revenue amounts to R1, 009,863 billion comprising:-

- Property rates of R124,143 million
- Services charges of R253,35 million
- Interest investment of R5,4 million
- Interest on outstanding debtors R85,6 million
- Traffic fines of R 2 million
- Grants and subsidies of R537, 363 million, and
- Other revenue of R2, 2million such as license fees, sale of stand, tender deposits and others.

The operating grants amounting to a total of R537, 363 million stated above are broken down as follows:

- Equitable share of R 528,602 million
- Finance management grants of R1.9 million
- Extended Public Works Programme grant of R 1,6 million
- Municipal Infrastructure Grant for Project management grant of R5,1 Million

The total expenditure budget amounts to R957, 702 million comprising the following:

- Employee related cost R274,483 million
- Remuneration of councillors R26,922 million
- Depreciation R150,878 million
- Finance charges R3, 687 million
- Bulk purchase electri R20, 000 million
- Bulk purchase water R100,000 million
- Contracted services R127,587 million
- General expenses R 85,548 million
- Debt impairment R206,325 million

The 2022/23 financial year budget summary:

The anticipated revenue for the 2022/2023 financial year is R1, 009, 863 billion (last financial year our anticipated revenue was R902, 489 million, which shows increase in our budget.

Sports Facilities

- Upgrading of the Mogwase Sports Park - Phase II R 9,6 million

Refuse

- Madikwe Land Fill Rehabilitation R 3 million

The following villages will benefit for high mast light projects from our capital budget:

- High Mast Light Programme Cluster A R 4,4 million
- High Mast Light Programme Cluster B R 4,4 million
- Energzing of High Mast light R 4 million

Roads and storm water

Honourable speaker,
We are fully aware of our different mandates/ competencies as spheres of government wherein our sole responsibility as the municipality is construction of internal roads while our national government is responsible for construction national and provincial roads as this is in our road master plan

The total budget for internal roads and storm water projects amounts to **R54, 7 million** towards completion and construction of new internal roads and storm water projects in the following villages:

- Vrede Stormwater management R 25,7 million
- Oudekkers Road R 28,9 million
-

The following villages will benefit on the rural Sanitation programme

The total budget for internal roads and storm water projects amounts to **R54, 7 million**

- Supply & installation of VIDP Toilets in Sandfontein (254); Supply & installation of VIDP Toilets in Mabeskraal (508) Rural Sanitation Programme - Makgope (Ward 2) and Mabale-a-Podi (Ward 13**) R 12, 2 million**
- **Rural Sanitation Programme - Makgope 278 (Ward 27) and Mabale-a-Podi 278 (Ward 13)**

Water projects

Water remains a key priority for the municipality because water is a source of life. Hence we have allocated overall amount of R56, 900 million for water projects MIG:
R65,000 Million Water Project Water .

Below is a breakdown of water projects planned for 2022/ 2023:
MIG

- Lerome (Thabeng Section) Water Supply R 13.million
- Sandfontein Water Supply R 12,million
- Ledig Water Supply (Vaious sections) R14,million
- Segakwaneng R 2.2 million
- Maeraneng Water Supply R 2,4 million
- Twelaagte Water Supply - Phase III (New Stands) R 1,2 million
- Sandfotein Water Supply - Phase II (Boikhutso Extention) R1,5 million
- Manamakgoteng Water Reticulation (Leagajang Extention) R 1.5 million
- Molatedi Water Treatment Plant Upgranding R 2.7 million
- Mogwase Replacemenmt of Asbestos Pipes R 2,3 million

WSIG

- Tweelagte Water Supply R8.4 Million
- Anamakgotheng Resoivor R6.7 Million
- Mahobieskraal Water Supply R10 Million
- Upgrading of Madikwe Treatment R10 Million
- Upgrading oF Mogwase Sewer Plant R 10 Miliion
- Lerome Water Supply R938 Thousands
- Mabeeskraal to Uitkyk Bulk Water Supply R18 Million

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

- MIG(Municipal infrastructure grant) R 166,million
- WSIG(Water Infrastructure Grant) R 65 million
- OWN R 3,5 million

Included in the Own funding Capex is The Following Item

- Mogwase Pounding Station R 1 Million
- Traffic Speeding Camera R1 Million
- Office Equipment R 500 Thousands
- Computer Equipment R 500 Thousands
- Water Meters R 500 Thousands

Total budget provision for all Capital Projects is two hundred and two million comma four hundred and ninety five thousands. (R234, 540,000)

It is important to note that the MIG allocation in the Division of Revenue Act for the 2022/2023 financial year amounts to R5.9 million rand has been allocated to Project Management Unit which leaves an amount of R166 million available for MIG projects.

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

The announcement by Magalies Water that bulk tariffs will be increased from July 2022 will place further pressure on water tariffs. The council decided not to increase water this financial year since the municipality has been billing consumers more than what they are supposed to charge.

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

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

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

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

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

The compilation of the 2022-2023 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 2022/2023 Budget are in line with Section 28 of the MFMA and the following additional principals needs to be highlighted;

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

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

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

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

The principals applied in compilation of the budget was if no expenditure or less expenditure than the budget amount realised over the first halve of the 2022-2023 financial year the budget amount was reduced or removed. If the expenditure trend indicates an over expenditure or expected over expenditure the budgeted amount was aligned with the estimated expenditure. This process was also applied to the collection trend of revenue over the mentioned period. If and under collection was indicated on a specific account, the budget was decreased according to the actual revenue collected or the budget was increased if the revenue indicated such a trend.

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

The municipality has addressed this issue with the service provider.

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

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

The actual performance for the 2021/2022 financial year regarding cash collection for property rates and other services were used, as far as possible, to determine the provision for bad debts to enable the budget to be cash funded.

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

The same principle is applied for the outer years.

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

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

1.1 Council Resolutions

On 31 May 2022 the Council of Moses Kotane local Municipality met in the Moses Kotane Civic Centre to consider the Final annual budget of the municipality for the financial year 2022/21223 The Council approved and adopted the following resolutions:

1. The Moses Kotane Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

2. The Council Moses Kotane Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2022:

2.1. the tariffs for property rates – as set out in Annexure B
2.2. the tariffs for the supply of water – as set out in Annexure A
2.3. the tariffs for sanitation services – as set out in Annexure A
2.4. the tariffs for solid waste services – as set out in Annexure A
2.5. the revised tariff policy- as set out in annexure C
2.6. The revised credit control and debt collection policy – as set in Annexure

3. The Moses Kotane Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2022 the tariffs for other services, as set out in Annexure A.

4. To give proper effect to the municipality's annual budget, the Council Moses Kotane Local Municipality approves:

4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
4.2. That the salaries for officials be adjusted with effect from 1st July 2022 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 2021/22 revised budget focussed on saving measures and reprioritising of projects and the increase in recovery of outstand debt.

National Treasury's MFMA Circulars No.112 and 115 were used to guide the compilation of the 2022/2023 MTREF which is attached hereto.

Circular 82 which deals with cost containing measures were also used with the compilation of the 2022/2023 MTREF

The main challenges experienced during the compilation of the 2022/2023 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 envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water (due to tariff increases from Magalies Water), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Availability of affordable capital/borrowing.
- Decrease in the equitable shares.
- Implementation of MSCOA version 6.6
- Non-payment of services by users due to the effect of COVID 19.

The following budget principles and guidelines directly informed the compilation of the 2022/2023 to 2024/2025 MTREF:

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

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

In view of the aforementioned, the following table is a consolidated overview of the proposed 2022/2023 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2022/2023 MTREF

Description	Approved Budget	Adjusted Budget	Budget year	Budget year	Budget year
			2022/2023	2023/2024	2024/2025
Total Operating Revenue	902 488 802	914 353 958	1 002 764 828	1 056 826 547	1 133 924 484
Total Operating Expenditure	926 652 831	927 518 831	1 086 050 840	1 135 590 081	1 188 947 586
Surplus/(Deficit)	-24 164 029	-13 164 873	-83 286 012	-78 763 534	-55 023 102
Total Capital Expenditure	**202 495 000**	**268 685 000**	**234 539 883**	**247 316 866**	**275 690 050**

Total operating revenue has increased by R88, 410, 870 million rand or 10% for the 2022/2023 financial year when compared to the 2021/2022 Adjustments Budget. For the two outer years, operational revenue will increase by 5% and further 6% in the year 2024/2025.
The increase is mainly due to the increase in the following line items:

Equitable share has increased by R51, 747,000 Million.
Service charges has increased by R15, 374,000 Million.

Total operating expenditure for the 2022/2023 financial year has been increased with R 158, 532, 009 million compared to the Adjustment budget 2021/2022.

The increase is mainly due to the increase in the following line items:

Increment of Employee related by 5% (SALGA Guideline)
Increment of Remuneration of Councillors by 5% (SALGA Guideline)
Debt Impairment increased by R58, 000,000 Million

Water Bulk Purchase increased by R30, 000,000 Million
Contracted Services increase by R 25,056,000 this is due to the increased of Water maintenance, Water tankers, Water Chemicals and Quality Control.

The Municipality has a projected Budget deficit of R83, 286,000 million as indicated on the table below.

This is mainly to the increase of non-cash item such as Depreciation and Debt impairment

The capital budget of R231, 840 Million for 2022/2023 is 0.08% lower when compared to the 2021/2022 Adjustment Budget R 249,839 million .The capital programme decreases by R 18 Million in the 2022/2023 financial year.

1.3 Operating Revenue Framework

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in MKLM and continued economic development;
- Efficient revenue management, which aims to ensure that the collection rate for services is maintained as provided in the budget.
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA),and the implementation of a new valuation roll on 1st July 2016;
- 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 2022/2023 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	134 800	141 420	144 972	149 168	118 457	118 457	100 650	124 143	129 606	135 438
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	147 290	164 373	160 572	175 691	214 416	214 416	214 245	225 928	236 104	246 482
Service charges - sanitation revenue	2	2 274	2 665	2 921	2 846	5 377	5 377	4 206	5 733	5 991	6 254
Service charges - refuse revenue	2	4 645	10 004	10 823	10 933	10 933	10 933	9 393	11 558	12 078	12 609
Rental of facilities and equipment		42	84	74	76	504	504	211	127	132	138
Interest earned - external investments		453	5 587	4 171	5 500	5 168	5 168	4 715	5 438	5 678	5 933
Interest earned - outstanding debtors		45 874	62 399	67 570	67 883	80 931	80 931	69 434	85 594	89 360	93 382
Dividends received		4 237	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		2 326	5 600	1 209	2 000	2 000	2 000	–	2 000	2 088	2 182
Licences and permits		179	13	–	50	50	50	–	2 000	2 088	2 180
Agency services											
Transfers and subsidies		397 008	434 445	549 901	485 440	473 548	473 548	481 371	538 131	571 496	627 020
Other revenue	2	1 934	2 329	1 233	2 902	2 969	2 969	1 324	2 113	2 206	2 306
Gains		1 269	1 981	3 900	–	–	–	67	–	–	–
Total Revenue (excluding capital transfers and contributions)		**742 329**	**830 899**	**947 347**	**902 489**	**914 354**	**914 354**	**885 616**	**1 002 765**	**1 056 827**	**1 133 924**

Table 3 Percentage growth in revenue by main revenue source

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

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 contributes

only 37% to the municipality's revenue stream. Details in this regard are contained in Table 56 MBRR SA1 (see page 114).

Water sales is the largest revenue source of the municipality totalling R214, 416 million and increase steadily to R225, 938 million in 2022/2023. Property rates is the second largest own revenue source totalling R118, 457 thousand and increases to R124, 143 million by 2022/2023. 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.

The tariff for property rates will be increased by 4.8%.

Operating grants and transfers totals to R538, 131 million in the 2022/2023 financial year and increases to R571, 496 million by 2023/2024, and R627, 020 million in 2024/2025.

Table 4 Operating Transfers and Grant Receipts

NW375 Moses Kotane - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		–	433 799	549 333	485 440	472 682	472 682	538 131	571 496	609 020
Local Government Equitable Share		–	426 929	542 634	476 855	464 097	464 097	528 602	563 247	600 772
Expanded Public Works Programme Integrate		–	1 559	1 905	1 708	1 708	1 708	1 652	–	–
Local Government Financial Management Gra		–	1 700	1 700	1 850	1 850	1 850	1 950	1 950	1 652
Municipal Disaster Relief Grant		–	268	–	–	–	–	–	–	–
Municipal Infrastructure Grant		–	3 343	3 094	5 027	5 027	5 027	5 927	6 299	6 596
Provincial Government:		3 910	–	568	–	866	866	–	–	–
Capacity Building and Other Grants		–	–	568	–	866	866	–	–	–
Libraries; Archives and Museums		3 910	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	646	–	–	–	–	–	–	–
National Library South Africa		–	646	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	3 910	434 445	549 901	485 440	473 548	473 548	538 131	571 496	609 020
Capital Transfers and Grants										
National Government:		88 203	68 076	201 319	233 760	246 508	246 508	231 040	243 662	271 887
Municipal Infrastructure Grant		35 748	27 965	129 610	162 544	175 235	175 235	166 040	173 662	181 872
Water Services Infrastructure Grant		52 455	40 110	71 709	71 216	71 273	71 273	65 000	70 000	90 015
Provincial Government:		–	–	12 284	–	2 125	2 125	–	–	–
Infrastructure Grant		–	–	12 284	–	2 125	2 125	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		91 481	96 552	–	–	–	–	–	–	–
Municipal Infrastructure Investment Unit		91 481	91 811	–	–	–	–	–	–	–
National Small Business Council		–	4 741	–	–	–	–	–	–	–
Registration of Deeds Trade Account		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	179 684	164 628	213 603	233 760	248 633	248 633	231 040	243 662	271 887
TOTAL RECEIPTS OF TRANSFERS & GRANTS		183 595	599 073	763 504	719 200	722 182	722 182	769 171	815 158	880 907

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

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

The percentage increase of both Magalies Water and Eskom bulk tariffs are far beyond the mentioned inflation target. 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 appreciated that the consumer price index, as measured by CPI, 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 2022/2023 with 4.8%
- 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 2022. The provision for bulk purchase forms 13% of the municipality water input cost.

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

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

Table 8 Comparison between current sanitation charges and increases:

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

1.3.2 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The service was implemented in 2003 on initiative of the district municipality with the support of the European Union. Cost recovery was only applied in the two formal towns of Mogwase and Madikwe due to the fact that no data was available on the residents in the traditional areas. With the transfer of water services more data became available and place the council in the position to commence with cost recovery in rural areas from those

households with yard connections. Households without yard connections is regarded as indigents and will continue to receive the service free of charge until such time as the full survey on all properties in the municipality is completed.

The municipality will be investigating the possibility to implement a flat rate during the 2022/2023 financial year in the areas where no service accounts are delivered.

The matter has already been discussed with the community.

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.

Table 10 MBRR Table SA14 – Household bill

1.4 Operating Expenditure Framework

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

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2022/23 budget and MTREF (classified per main type of operating expenditure):

Table 11 Summary of operating expenditure by standard classification item

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure By Type											
Employee related costs	2	194 442	236 925	256 653	260 971	260 971	260 971	222 546	275 251	289 021	303 613
Remuneration of councillors		22 827	24 128	25 027	25 340	25 340	25 340	20 365	26 922	28 268	29 682
Debt impairment	3	296 210	201 036	204 479	218 877	218 877	218 877	264 456	276 957	289 143	301 866
Depreciation & asset impairment	2	159 814	150 615	139 517	167 684	167 684	167 684	111 360	150 878	157 517	164 605
Finance charges		6 178	5 347	4 242	3 518	3 518	3 518	1 524	3 687	3 849	4 023
Bulk purchases - electricity	2	11 539	24 542	23 524	20 000	20 000	20 000	16 787	20 000	20 880	21 820
Inventory consumed	8	3 116	3 139	2 830	78 431	77 431	77 431	3 812	109 720	114 548	119 702
Contracted services		139 862	123 389	145 007	101 987	102 531	102 531	104 514	127 587	133 157	138 469
Transfers and subsidies		75	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	138 957	113 325	88 798	49 845	51 168	51 168	57 681	95 048	99 206	105 168
Losses		2 797	8 738	8 735	–	–	–	65	–	–	–
Total Expenditure		**975 817**	**891 185**	**898 811**	**926 653**	**927 519**	**927 519**	**803 110**	**1 086 051**	**1 135 590**	**1 188 948**
Surplus/(Deficit)		**(233 488)**	**(60 286)**	**48 535**	**(24 164)**	**(13 165)**	**(13 165)**	**82 506**	**(83 286)**	**(78 764)**	**(55 023)**

The budgeted allocation for employee related costs for the 2022/23 financial year totals R274, 483 which equals 30% of the total operating expenditure. Based on the estimated inflation rate and tendencies in the labour market, salary increases have been factored into this budget at a percentage increase of 5 per cent for the 2022/23 financial year. An annual increase of 5% has been included in the two outer years of the MTREF.

Provision has been made for vacancies to be filled during the course of the year as well as for a few new positions.

The municipality will be decreasing its salary projection during final budget in May 2021.

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). Provision for an increase of 5 percent has been provided in the 2022/2023 budget.

The provision of debt impairment was determined based on an annual collection rate per service and the Debt Write-off Policy of the municipality. For the 2022/2023 financial year this amount equates to R276, 957 and escalates to R289, 143 by 2023/2024. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

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 appropriations in this regard totals to R150, 878 for the 2022/2023 financial year and equates to 15% of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a decrease in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.40% (R3, 687 million) of operating expenditure excluding annual redemption for 2022/2023 and increased to R3, 849 by 2023/2024.

Bulk purchases are directly informed by the purchase of water from Magalies Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

In line with the municipality's repairs and maintenance plan, the municipality has prioritised the expenditure, far as possible, on the maintenance of the assets of the municipality to ensure sustainability of the infrastructure.

Depreciation

Decreased of R 16,806,000 million, the movement is due to the correction of assets register, this amount might be adjusted during final budget.

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

When deprecation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves.

Depreciation is the method to provide for the replacement of the assets.

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

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

The following graph gives a breakdown of the main expenditure categories for the 2022/23 financial year.

Employee Related

Increment of Employee related cost by 5% (SALGA Guideline) and the filling of vacancies

Remuneration of Councillors

Increment of Remuneration of Councillors by 5% (SALGA Guideline)

Debt Impairment

Debt Impairment increased by R58,080 million. The increase is based on the previous year payment rate by debtors and the increase in the outstanding debtors book.

Bulk Purchase: Electricity

This includes the electricity for boreholes, streetlights, free basic services and internal usage.

Water Bulk Purchase

Water Bulk Purchase increased by R30,000 million. The increase is to make provision for the increase in the bulk water purchase as well as for new developments in Mogwase.

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

Contracted Services

Contracted Services increase by R25,056 million. This is due to the increased of Water maintenance, Water Chemicals and
Quality Control. Repair and maintenance of infrastructure assets are now, in terms of MSCOA, classified under contracted services and general expenditure.

Depreciation

Decreased of R16,806 million. This item relates to the depreciation of assets of the municipality and might be adjusted at year end after finalising of the asset 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 implemented due to the financial status of the municipality

Finance charges

Finance charges increased by R169 thousand. There are external loans that are fully redeemed and therefore the increase of only R169 thousand. Finance charges are determined by the repayment of external funding obtained for capital projects. The increase relates to the lease of vehicles that will improve service delivery as the fleet of the municipality is in a very bad condition

Other Expenditure

Included in the other expenditure is all operational costs excluding salaries and remuneration of councillors but the inclusion of ward committee's stipend, sale of tender documents burial fees etc.

The following proposed changes regarding the operating budget are highlighted:

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 target is to register 30 000 or more indigent households during the 2022/23 financial year, this will be contributed by the possible effects of covid 19 such as an increase in Unemployment. 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 provides a breakdown of budgeted capital expenditure by vote:

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
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		12	42	–	–	–	–	–	1 000	1 044	1 091
Vote 04 - Corporate Services		106	130	54	300	800	800	–	1 000	1 045	1 091
Vote 05 - Community Services		1 315	(2 220)	17 826	30 154	28 121	28 121	14 025	16 387	16 044	45 391
Vote 06 - Planning & Development		–	–	–	–	–	–	–	2 736	9 979	18 000
Vote 07 - Infrastructure & Technical Services		68 668	24 958	29 204	204 706	222 318	222 318	93 068	213 417	219 205	210 117
Vote 08 -		–	–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**70 100**	**22 911**	**47 085**	**235 160**	**251 239**	**251 239**	**107 093**	**234 540**	**247 317**	**275 690**
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		**70 100**	**22 911**	**47 085**	**235 160**	**251 239**	**251 239**	**107 093**	**234 540**	**247 317**	**275 690**

For 2022/2023 an amount of R234, 540 million has been appropriated for the development of infrastructure which represents 100% of the total capital budget. In the outer years this amount totals R247, 317 million and when the final capital budget was taken to council and a further projectionof R 275,690 for 2023/2024 the projection will be disclosed during final budget.
Further detail relating to asset classes and proposed capital expenditure is contained in Table 21 MBRR A9 (Asset ManagementIn addition to the MBRR Table A9, MBRR Tables SA34a, b, c 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 Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Solid Waste R 3,077 million
- Sports facilities Madikwe and Mogwase R 9,673 million
- Public lighting R 12,919 million
- Roads and storm water R 56,600 million
- Sanitation R 24,230 million

- Water Projects R 119,167 million
- Market R 2.7 millon
- Sports Park R 12.3 million

Furthermore pages 114 contain a detail breakdown of the capital budget per project over the medium-term.

The following graph 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	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional											
Governance and administration		**118**	**172**	**54**	**300**	**800**	**800**	**–**	**2 000**	**2 089**	**2 182**
Executive and council											
Finance and administration		118	172	54	300	800	800	–	2 000	2 089	2 182
Internal audit											
Community and public safety		**130**	**–**	**13 347**	**27 077**	**28 121**	**28 121**	**14 025**	**13 310**	**1 044**	**30 391**
Community and social services		–	–	13 347	8 100	9 140	9 140	7 147	–	–	18 300
Sport and recreation		130	–	–	17 977	18 481	18 481	6 878	12 310	–	11 000
Public safety		–	–	–	1 000	500	500	–	1 000	1 044	1 091
Housing											
Health											
Economic and environmental services		**41 042**	**1 862**	**16 270**	**60 000**	**65 892**	**65 892**	**36 063**	**59 336**	**26 404**	**53 000**
Planning and development		–	–	–	–	–	–	–	2 736	9 979	18 000
Road transport		41 042	1 862	16 270	60 000	65 892	65 892	36 063	56 600	16 425	35 000
Environmental protection											
Trading services		**28 811**	**20 876**	**17 414**	**147 783**	**156 426**	**156 426**	**57 005**	**159 894**	**217 780**	**190 117**
Energy sources		(0)	–	–	12 557	20 670	20 670	10 333	12 919	5 000	6 000
Water management		27 626	23 096	12 934	120 291	99 284	99 284	34 890	119 668	187 780	163 117
Waste water management		–	–	(0)	11 858	36 472	36 472	11 781	24 230	10 000	6 000
Waste management		1 185	(2 220)	4 480	3 077	–	–	–	3 077	15 000	15 000
Other											
Total Capital Expenditure - Functional	3	**70 100**	**22 911**	**47 085**	**235 160**	**251 239**	**251 239**	**107 093**	**234 540**	**247 317**	**275 690**

	2022/2023
Sanitation	24 230 000
Solid Waste	3 076 847
Roads and Storm water	56 599 634
Community Lighting	12 918 995
Water	119 167 961
Fresh Produce Market	2 736 000
Public Facilities	12 310 446
	231 039 883

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 2022/2023 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF This is due to the provision for depreciation. .Should depreciation being brought in to account the year will end on a surplus.
    b. Capital expenditure is balanced by capital funding sources, of which
        i. Transfers recognised is reflected on the Financial Performance Budget;
        ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
        iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. These places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2022/2023, when a more acceptable surplus is reflected.
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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional										
Governance and administration		**576 222**	**482 518**	**552 355**	**479 390**	**461 861**	**461 861**	**513 861**	**540 428**	**588 663**
Executive and council		653	1 559	5 905	4 731	4 731	4 731	20 422	19 480	38 364
Finance and administration		575 569	480 959	546 450	474 659	457 130	457 130	493 439	520 948	550 299
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**27 513**	**35 941**	**16 572**	**28 060**	**30 473**	**30 473**	**19 046**	**14 155**	**51 662**
Community and social services		24 966	30 322	4 388	8 024	9 934	9 934	2 736	9 979	18 000
Sport and recreation		42	6	10 975	17 986	18 490	18 490	12 310	–	29 300
Public safety		2 505	5 613	1 209	2 050	2 050	2 050	4 000	4 176	4 362
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**58 410**	**55 466**	**72 363**	**65 101**	**71 019**	**71 019**	**62 627**	**22 828**	**41 706**
Planning and development		2 445	3 477	3 208	5 101	5 127	5 127	6 027	6 403	6 706
Road transport		55 965	51 990	69 155	60 000	65 892	65 892	56 600	16 425	35 000
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**259 870**	**421 602**	**519 659**	**563 698**	**599 634**	**599 634**	**638 270**	**723 078**	**723 781**
Energy sources		5 282	15 484	10 395	12 557	20 670	20 670	12 919	5 000	6 000
Water management		219 467	312 818	370 442	428 675	432 493	432 493	476 828	564 272	559 802
Waste water management		18 299	28 295	59 141	35 033	62 116	62 116	52 499	40 004	37 867
Waste management		16 821	65 004	79 682	87 432	84 355	84 355	96 024	113 802	120 111
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional	2	**922 014**	**995 527**	**1 160 949**	**1 136 249**	**1 162 987**	**1 162 987**	**1 233 805**	**1 300 489**	**1 405 811**
Expenditure - Functional										
Governance and administration		**402 883**	**337 491**	**291 861**	**309 079**	**308 274**	**308 274**	**307 189**	**321 463**	**342 484**
Executive and council		89 330	87 479	78 543	72 228	72 823	72 823	95 323	99 785	110 451
Finance and administration		310 103	246 463	206 763	232 954	231 554	231 554	208 494	218 137	228 315
Internal audit		3 450	3 549	6 555	3 896	3 896	3 896	3 372	3 541	3 718
Community and public safety		**107 530**	**101 993**	**99 818**	**99 644**	**100 510**	**100 510**	**108 615**	**113 651**	**118 967**
Community and social services		45 249	22 021	30 596	31 671	32 537	32 537	30 245	31 663	33 162
Sport and recreation		33 193	44 598	42 912	37 754	37 754	37 754	46 036	48 182	50 434
Public safety		29 088	35 374	26 309	30 218	30 218	30 218	32 334	33 806	35 370
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**150 851**	**88 578**	**78 304**	**92 744**	**92 549**	**92 549**	**93 832**	**98 196**	**98 034**
Planning and development		17 339	20 422	18 007	20 941	20 946	20 946	23 817	25 045	26 241
Road transport		133 512	68 156	60 297	71 802	71 602	71 602	70 015	73 151	71 793
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**414 806**	**468 063**	**532 671**	**352 141**	**423 141**	**423 141**	**573 609**	**599 334**	**626 370**
Energy sources		27 188	32 191	32 120	27 851	27 851	27 851	29 247	30 559	31 956
Water management		307 503	354 705	393 491	252 826	322 826	322 826	462 074	482 713	504 415
Waste water management		32 004	26 820	50 882	21 073	21 573	21 573	24 596	25 772	27 013
Waste management		48 112	54 347	56 177	50 391	50 891	50 891	57 692	60 289	62 985
Other	4	**–**	**–**	**837**	**3 046**	**3 046**	**3 046**	**2 806**	**2 946**	**3 093**
Total Expenditure - Functional	3	**1 076 070**	**996 124**	**1 003 490**	**856 653**	**927 519**	**927 519**	**1 086 051**	**1 135 590**	**1 188 948**
Surplus/(Deficit) for the year		**(154 057)**	**(598)**	**157 459**	**279 596**	**235 468**	**235 468**	**147 754**	**164 899**	**216 864**

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 if 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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote	1									
Vote 01 - Municipal Council		653	1 559	5 905	4 731	4 731	4 731	20 422	19 480	38 364
Vote 02 - Office Of The Accounting Officer		–	–	–	–	–	–	–	–	–
Vote 03 - Budget And Treasury Office		575 355	480 029	546 143	474 159	456 630	456 630	492 839	520 322	549 644
Vote 04 - Corporate Services		214	640	292	500	500	500	600	626	655
Vote 05 - Community Services		44 334	101 235	96 269	115 492	114 828	114 828	115 071	127 957	171 773
Vote 06 - Planning & Development		107	134	114	74	100	100	100	105	109
Vote 07 - Infrastructure & Technical Services		301 352	411 930	512 227	541 293	586 198	586 198	604 773	631 999	645 266
Vote 08 -		–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**922 014**	**995 527**	**1 160 949**	**1 136 249**	**1 162 987**	**1 162 987**	**1 233 805**	**1 300 489**	**1 405 811**
Expenditure by Vote *to be appropriated*	1									
Vote 01 - Municipal Council		71 986	69 362	63 820	62 308	63 503	63 503	83 217	87 171	97 208
Vote 02 - Office Of The Accounting Officer		20 795	21 667	22 797	17 865	17 265	17 265	19 856	20 752	21 787
Vote 03 - Budget And Treasury Office		217 956	111 788	117 380	140 355	140 355	140 355	91 576	95 747	100 164
Vote 04 - Corporate Services		132 098	118 223	69 878	73 727	73 227	73 227	75 860	79 466	83 248
Vote 05 - Community Services		170 008	170 571	166 530	160 901	161 367	161 367	198 251	207 300	216 814
Vote 06 - Planning & Development		15 000	17 223	20 836	20 559	20 564	20 564	21 413	22 445	23 528
Vote 07 - Infrastructure & Technical Services		448 227	487 291	542 249	380 937	451 237	451 237	595 877	622 710	646 198
Vote 08 -		–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**1 076 070**	**996 124**	**1 003 490**	**856 653**	**927 519**	**927 519**	**1 086 051**	**1 135 590**	**1 188 948**
Surplus/(Deficit) for the year	2	**(154 057)**	**(598)**	**157 459**	**279 596**	**235 468**	**235 468**	**147 754**	**164 899**	**216 864**

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 (Water)

DESCRIPTION			
	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR
	2022/2023	2023/2024	2024/2025
WATER			
TOTAL REVENUE(EXCLUDING CAPITAL GRANTS & TRANSFERS	345 095 566,00	423 362 535,00	409 068 862,00
TOTAL EXPENDITURE	482 074 451,00	503 593 168,00	526 234 727,00
SURPLUS /(DEFICIT)FOR THE YEAR	-136 978 885,00	-80 230 633,00	-117 165 865,00

Attached above is the surplus and deficit as per trading service, Municipality is making a loss in the water services component.

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

Table Surplus/ (Deficit) calculations for the trading services (Sewer)

DESCRIPTION			
	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR
	2022/2023	2023/2024	2024/2025
SANITATION			
TOTAL REVENUE(EXCLUDING CAPITAL GRA	28 268 756,00	30 003 761,00	31 867 170,00
TOTAL EXPENDITURE	5 493 079,00	5 734 874,00	5 992 943,00
SURPLUS /(DEFICIT)FOR THE YEAR	22 775 677,00	24 268 887,00	25 874 227,00

Attached above is the surplus and deficit as per trading service, Municipality is making a loss in the Sewer services component.

Table Surplus/ (Deficit) calculations for the trading services (Refuse)

DESCRIPTION			
	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR
	2022/2023	2023/2024	2024/2025
REFUSE			
TOTAL REVENUE(EXCLUDING CAPITAL GRANTS & TRANSFERS	92 947 583,00	98 802 035,00	105 111 249,00
TOTAL EXPENDITURE	54 361 663,00	56 807 792,00	59 344 416,00
SURPLUS /(DEFICIT)FOR THE YEAR	38 585 920,00	41 994 243,00	45 766 833,00

Attached above is the surplus and deficit as per trading service, Municipality is making a loss in the Refuse services component.

2. 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	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	134 800	141 420	144 972	149 168	118 457	118 457	100 650	124 143	129 606	135 438
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	147 290	164 373	160 572	175 691	214 416	214 416	214 245	225 928	236 104	246 482
Service charges - sanitation revenue	2	2 274	2 665	2 921	2 846	5 377	5 377	4 206	5 733	5 991	6 254
Service charges - refuse revenue	2	4 645	10 004	10 823	10 933	10 933	10 933	9 393	11 558	12 078	12 609
Rental of facilities and equipment		42	84	74	76	504	504	211	127	132	138
Interest earned - external investments		453	5 587	4 171	5 500	5 168	5 168	4 715	5 438	5 678	5 933
Interest earned - outstanding debtors		45 874	62 399	67 570	67 883	80 931	80 931	69 434	85 594	89 360	93 382
Dividends received		4 237	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		2 326	5 600	1 209	2 000	2 000	2 000	–	2 000	2 088	2 182
Licences and permits		179	13	–	50	50	50	–	2 000	2 088	2 180
Agency services											
Transfers and subsidies		397 008	434 445	549 901	485 440	473 548	473 548	481 371	538 131	571 496	627 020
Other revenue	2	1 934	2 329	1 233	2 902	2 969	2 969	1 324	2 113	2 206	2 306
Gains		1 269	1 981	3 900	–	–	–	67	–	–	–
Total Revenue (excluding capital transfers and contributions)		**742 329**	**830 899**	**947 347**	**902 489**	**914 354**	**914 354**	**885 616**	**1 002 765**	**1 056 827**	**1 133 924**
Expenditure By Type											
Employee related costs	2	194 442	236 925	256 653	260 971	260 971	260 971	222 546	275 251	289 021	303 613
Remuneration of councillors		22 827	24 128	25 027	25 340	25 340	25 340	20 365	26 922	28 268	29 682
Debt impairment	3	296 210	201 036	204 479	218 877	218 877	218 877	264 456	276 957	289 143	301 866
Depreciation & asset impairment	2	159 814	150 615	139 517	167 684	167 684	167 684	111 360	150 878	157 517	164 605
Finance charges		6 178	5 347	4 242	3 518	3 518	3 518	1 524	3 687	3 849	4 023
Bulk purchases - electricity	2	11 539	24 542	23 524	20 000	20 000	20 000	16 787	20 000	20 880	21 820
Inventory consumed	8	3 116	3 139	2 830	78 431	77 431	77 431	3 812	109 720	114 548	119 702
Contracted services		139 862	123 389	145 007	101 987	102 531	102 531	104 514	127 587	133 157	138 469
Transfers and subsidies		75	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	138 957	113 325	88 798	49 845	51 168	51 168	57 681	95 048	99 206	105 168
Losses		2 797	8 738	8 735	–	–	–	65	–	–	–
Total Expenditure		**975 817**	**891 185**	**898 811**	**926 653**	**927 519**	**927 519**	**803 110**	**1 086 051**	**1 135 590**	**1 188 948**
Surplus/(Deficit)		**(233 488)**	**(60 286)**	**48 535**	**(24 164)**	**(13 165)**	**(13 165)**	**82 506**	**(83 286)**	**(78 764)**	**(55 023)**

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

1. Total revenue is R1, 002, 765 million in 2022/2023 and escalates to R1, 056,827 by 2023/2024. This represents a year-on-year increase of 5% for the 2022/2023 financial year and 6% for the 2022/2023 and 2024/2025 financial year.
2. Revenue to be generated from property rates is R124, 143 in the 2022/23 financial year and increases to R129, 606 by 2023/2024 which represents 13% of the operating revenue base of the municipality. It remains relatively constant over the medium-term
3. Service charges relating to, water, sanitation and refuse removal constitutes 24% of the revenue basket of the municipality totalling R 243,219 for the 2022/23 financial year and increasing to R254, 173 by 2023/2024. For the 2022/23 financial year per annum over the medium-term.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government have increased over the MTREF by 12% and increase 6% and increased with 8%. The equitable share remains the most important part of the municipality's revenue base.

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
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		12	42	–	–	–	–	–	1 000	1 044	1 091
Vote 04 - Corporate Services		106	130	54	300	800	800	–	1 000	1 045	1 091
Vote 05 - Community Services		1 315	(2 220)	17 826	30 154	28 121	28 121	14 025	16 387	16 044	45 391
Vote 06 - Planning & Development		–	–	–	–	–	–	–	2 736	9 979	18 000
Vote 07 - Infrastructure & Technical Services		68 668	24 958	29 204	204 706	222 318	222 318	93 068	213 417	219 205	210 117
Vote 08 -		–	–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**70 100**	**22 911**	**47 085**	**235 160**	**251 239**	**251 239**	**107 093**	**234 540**	**247 317**	**275 690**
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		**70 100**	**22 911**	**47 085**	**235 160**	**251 239**	**251 239**	**107 093**	**234 540**	**247 317**	**275 690**
Capital Expenditure - Functional											
Governance and administration		**118**	**172**	**54**	**300**	**800**	**800**	**–**	**2 000**	**2 089**	**2 182**
Executive and council											
Finance and administration		118	172	54	300	800	800	–	2 000	2 089	2 182
Internal audit											
Community and public safety		**130**	**–**	**13 347**	**27 077**	**28 121**	**28 121**	**14 025**	**13 310**	**1 044**	**30 391**
Community and social services		–	–	13 347	8 100	9 140	9 140	7 147	–	–	18 300
Sport and recreation		130	–	–	17 977	18 481	18 481	6 878	12 310	–	11 000
Public safety		–	–	–	1 000	500	500	–	1 000	1 044	1 091
Housing											
Health											
Economic and environmental services		**41 042**	**1 862**	**16 270**	**60 000**	**65 892**	**65 892**	**36 063**	**59 336**	**26 404**	**53 000**
Planning and development		–	–	–	–	–	–	–	2 736	9 979	18 000
Road transport		41 042	1 862	16 270	60 000	65 892	65 892	36 063	56 600	16 425	35 000
Environmental protection											
Trading services		**28 811**	**20 876**	**17 414**	**147 783**	**156 426**	**156 426**	**57 005**	**159 894**	**217 780**	**190 117**
Energy sources		(0)	–	–	12 557	20 670	20 670	10 333	12 919	5 000	6 000
Water management		27 626	23 096	12 934	120 291	99 284	99 284	34 890	119 668	187 780	163 117
Waste water management		–	–	(0)	11 858	36 472	36 472	11 781	24 230	10 000	6 000
Waste management		1 185	(2 220)	4 480	3 077	–	–	–	3 077	15 000	15 000
Other											
Total Capital Expenditure - Functional	3	**70 100**	**22 911**	**47 085**	**235 160**	**251 239**	**251 239**	**107 093**	**234 540**	**247 317**	**275 690**
Funded by:											
National Government		62 181	22 738	47 031	233 760	247 714	247 714	102 318	231 040	243 662	271 872
Provincial Government		–	–	(0)	–	2 125	2 125	4 775	–	–	–
District Municipality											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	1 000	–	–	–	–	–	–
Transfers recognised - capital	4	**62 181**	**22 738**	**47 031**	**234 760**	**249 839**	**249 839**	**107 093**	**231 040**	**243 662**	**271 872**
Borrowing	6										
Internally generated funds		–	172	54	400	1 400	1 400	–	3 500	3 655	3 818
Total Capital Funding	7	**62 181**	**22 911**	**47 085**	**235 160**	**251 239**	**251 239**	**107 093**	**234 540**	**247 317**	**275 690**

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

1. Table A5 is a breakdown of the capital programmed in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. No multi-year appropriations have been done.
3. Single-year capital expenditure has been appropriated at R234, 540 for the 2022/2023 financial year remains relatively constant over the MTREF at levels of R247, 317 and 2023/202 and R 275,690 respectively.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from national- and provincial grants. For 2022/23, capital transfers totals R231, 040 million (0.8%) and decrease to R243, 662 million.

Table 18 MBRR Table A6 - Budgeted Financial Position

NW375 Moses Kotane - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS											
Current assets											
Cash		11 869	4 016	448 607	4 988	4 988	4 988	529 625	(474 428)	879	2 000
Call investment deposits	1	52 824	44 765	(387 010)	61 284	(5 014)	(5 014)	(391 358)	58 805	61 392	61 392
Consumer debtors	1	23 663	62 378	124 167	95 117	95 117	95 117	173 462	112 737	102 147	95 308
Other debtors		55 755	70 900	96 085	23 681	23 681	23 681	112 580	5 150	5 256	5 256
Current portion of long-term receivables											
Inventory	2	11 725	9 747	11 809	100 344	101 344	101 344	13 862	98 446	95 420	92 395
Total current assets		**155 836**	**191 806**	**293 658**	**285 414**	**220 117**	**220 117**	**438 170**	**(199 290)**	**265 095**	**256 351**
Non current assets											
Long-term receivables		–	–	-	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		155 210	154 834	151 431	162 576	162 576	162 576	151 431	154 834	154 834	154 834
Investment in Associate											
Property, plant and equipment	3	3 298 336	2 919 291	2 943 160	3 729 880	3 745 459	3 745 459	2 950 117	3 340 001	2 851 662	2 880 012
Biological											
Intangible		39 780	13 899	13 463	–	500	500	11 425	12 478	13 877	13 900
Other non-current assets		14	14	14	14	14	14	14	14	14	14
Total non current assets		**3 493 340**	**3 088 038**	**3 108 069**	**3 892 470**	**3 908 549**	**3 908 549**	**3 112 988**	**3 507 327**	**3 020 387**	**3 048 760**
TOTAL ASSETS		**3 649 176**	**3 279 844**	**3 401 727**	**4 177 884**	**4 128 666**	**4 128 666**	**3 551 158**	**3 308 036**	**3 285 482**	**3 305 111**
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	43 830	35 988	22 699	36 988	36 988	36 988	17 344	25 864	22 662	17 662
Consumer deposits		16	16	24	–	–	–	30	–	–	–
Trade and other payables	4	289 359	303 291	279 500	27 971	27 971	27 971	373 728	210 667	205 213	183 654
Provisions		28 064	34 935	45 253	–	–	–	43 797	43 585	45 547	45 547
Total current liabilities		**361 268**	**374 230**	**347 476**	**64 960**	**64 960**	**64 960**	**434 900**	**280 117**	**273 422**	**246 863**
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		31 543	30 726	36 413	31 172	31 172	31 172	36 963	36 813	38 433	38 433
Total non current liabilities		**31 543**	**30 726**	**36 413**	**31 172**	**31 172**	**31 172**	**36 963**	**36 813**	**38 433**	**38 433**
TOTAL LIABILITIES		**392 811**	**404 956**	**383 889**	**96 131**	**96 131**	**96 131**	**471 863**	**316 930**	**311 855**	**285 296**
NET ASSETS	5	**3 256 365**	**2 874 888**	**3 017 838**	**4 081 753**	**4 032 535**	**4 032 535**	**3 079 295**	**2 991 106**	**2 973 626**	**3 019 815**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		3 356 618	2 979 832	3 120 544	4 009 316	4 030 098	4 030 098	3 164 651	2 901 587	2 887 512	2 936 726
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	**3 356 618**	**2 979 832**	**3 120 544**	**4 009 316**	**4 030 098**	**4 030 098**	**3 164 651**	**2 901 587**	**2 887 512**	**2 936 726**

The municipality had a problem with the cash after managing correcting other revenue in the cashflow.

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 58 is supported by an extensive table of notes (SA3 which can be found on page 129) providing a detailed analysis of the major components of a number of items, including:

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

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 19 MBRR Table A7 - Budgeted Cash Flow Statement

The municipality still have a challenge with the cash data string a manual cash-flow was prepared as attached above.

NW375 Moses Kotane - Table A7 Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	43 382	82 043	82 043	82 043	55 289	64 555	71 283	74 491
Service charges		–	–	29 812	67 545	67 521	67 521	68 477	69 779	84 728	88 360
Other revenue		–	–	424 314	38 024	50 776	50 776	274 501	6 040	477 331	458 127
Transfers and Subsidies - Operational	1	–	–	766	485 440	485 440	485 440	7 743	538 131	571 496	609 318
Transfers and Subsidies - Capital	1	–	–	171 764	233 760	233 760	233 760	195 801	231 040	243 662	251 872
Interest		–	–	3 547	4 950	4 950	4 950	4 715	4 372	4 565	4 565
Dividends									–	–	–
Payments											
Suppliers and employees		–	–	(405 858)	(816 153)	(816 153)	(816 153)	(123 224)	(658 215)	(688 930)	(722 477)
Finance charges		–	–	–	–	–	–	–	–	–	–
Transfers and Grants	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**–**	**267 728**	**95 608**	**108 337**	**108 337**	**483 302**	**255 702**	**764 135**	**764 256**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	1 000	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	(21 611)	(235 160)	(235 160)	(235 160)	(106 907)	(234 540)	(247 317)	(275 690)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**(21 611)**	**(234 160)**	**(235 160)**	**(235 160)**	**(106 907)**	**(234 540)**	**(247 317)**	**(275 690)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits		(16)	–	(8)	24	–	–	(6)	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	(3 116)	(15 000)	(20 000)	(25 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(16)**	**–**	**(8)**	**24**	**–**	**–**	**(3 122)**	**(15 000)**	**(20 000)**	**(25 000)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(16)**	**–**	**246 109**	**(138 528)**	**(126 823)**	**(126 823)**	**373 273**	**6 162**	**496 818**	**463 566**
Cash/cash equivalents at the year begin:	2	**1 312**	**64 673**	**48 781**	**398 729**	**398 729**	**398 729**	**–**	**8 120**	**14 282**	**511 100**
Cash/cash equivalents at the year end:	2	**1 296**	**64 673**	**294 890**	**260 201**	**271 906**	**271 906**	**373 273**	**14 282**	**511 100**	**974 666**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

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

Property Rates

- R 124, 143 million is projected for billing and R 74,486 million (52%) projected for collection

Water Revenue

- R 225, 928 million is projected for billing and R 67,778 million (30%) projected for collection

Sanitation Revenue

- R 5,733 million is projected for billing and R 859 thousands (15%) projected for collection

Refuse Revenue

- R 11,558 million is projected for billing and R 1,157 million (10%) 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	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available											
Cash/cash equivalents at the year end	1	1 296	64 673	294 890	260 201	271 906	271 906	373 273	787 560	1 584 987	2 287 207
Other current investments > 90 days		63 397	(15 893)	(233 293)	(193 929)	(271 932)	(271 932)	(209 532)	(726 955)	(1 521 715)	(2 223 936)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**64 693**	**48 781**	**61 597**	**66 272**	**(26)**	**(26)**	**163 741**	**60 605**	**63 272**	**63 272**
Application of cash and investments											
Unspent conditional transfers		60 740	42 148	27 327	130 094	130 094	130 094	131 695	153 611	153 611	153 611
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	200 307	215 699	(91 980)	(156 279)	(156 755)	(156 755)	(137 384)	(151 113)	(171 503)	(212 828)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**261 047**	**257 848**	**(64 654)**	**(26 185)**	**(26 661)**	**(26 661)**	**(5 690)**	**2 498**	**(17 892)**	**(59 217)**
Surplus(shortfall)		**(196 354)**	**(209 067)**	**126 250**	**92 457**	**26 635**	**26 635**	**169 431**	**58 107**	**81 164**	**122 489**

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

Table 21 MBRR Table A9 - Asset Management

NW375 Moses Kotane - Table A9 Asset Management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CAPITAL EXPENDITURE										
Total New Assets	1	**13 788**	**11 734**	**17 468**	**148 083**	**156 896**	**156 896**	**146 307**	**169 578**	**130 740**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	171	171	–	–	–
Electrical Infrastructure		–	–	–	12 557	20 670	20 670	12 919	5 000	6 000
Water Supply Infrastructure		12 355	13 781	12 934	120 291	99 284	99 284	104 581	138 012	102 103
Sanitation Infrastructure		–	–	(0)	11 858	36 472	36 472	24 230	10 000	6 000
Solid Waste Infrastructure		1 185	(2 220)	4 480	3 077	–	–	3 077	15 000	15 000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***13 540***	***11 561***	***17 414***	***147 783***	***156 596***	***156 596***	***144 807***	***168 012***	***129 103***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**118**	**172**	**–**	**300**	**300**	**300**	**1 500**	**1 566**	**1 636**
Machinery and Equipment		**130**	**–**	**54**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Renewal of Existing Assets	2	**15 191**	**9 315**	**13 347**	**27 077**	**28 621**	**28 621**	**18 897**	**35 511**	**67 950**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		15 191	9 315	–	–	–	–	5 087	33 944	37 014
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***15 191***	***9 315***	**–**	**–**	**–**	**–**	***5 087***	***33 944***	***37 014***
Community Facilities		(0)	–	–	27 077	28 121	28 121	13 310	1 044	30 391
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***(0)***	**–**	**–**	***27 077***	***28 121***	***28 121***	***13 310***	***1 044***	***30 391***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	13 347	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	***13 347***	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		(0)	–	–	–	500	500	500	523	545
Intangible Assets		***(0)***	**–**	**–**	**–**	***500***	***500***	***500***	***523***	***545***
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Upgrading of Existing Assets	6	**41 121**	**1 862**	**16 270**	**60 000**	**65 722**	**65 722**	**69 336**	**42 228**	**77 000**
Roads Infrastructure		41 042	1 862	16 270	60 000	65 722	65 722	56 600	16 425	35 000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		80	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	10 000	15 824	24 000
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***41 121***	***1 862***	***16 270***	***60 000***	***65 722***	***65 722***	***66 600***	***32 249***	***59 000***
Community Facilities		–	–	–	–	–	–	2 736	9 979	18 000
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	**–**	**–**	**–**	**–**	***2 736***	***9 979***	***18 000***

Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	**70 100**	**22 911**	**47 085**	**235 160**	**251 239**	**251 239**	**234 540**	**247 317**	**275 690**
Roads Infrastructure		41 042	1 862	16 270	60 000	65 722	65 722	56 600	16 425	35 000
Storm water Infrastructure		–	–	–	–	171	171	–	–	–
Electrical Infrastructure		–	–	–	12 557	20 670	20 670	12 919	5 000	6 000
Water Supply Infrastructure		27 626	23 096	12 934	120 291	99 284	99 284	109 668	171 956	139 117
Sanitation Infrastructure		–	–	(0)	11 858	36 472	36 472	34 230	25 824	30 000
Solid Waste Infrastructure		1 185	(2 220)	4 480	3 077	–	–	3 077	15 000	15 000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***69 853***	***22 738***	***33 684***	***207 783***	***222 318***	***222 318***	***216 493***	***234 205***	***225 117***
Community Facilities		(0)	–	–	27 077	28 121	28 121	16 046	11 023	48 391
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***(0)***	***–***	***–***	***27 077***	***28 121***	***28 121***	***16 046***	***11 023***	***48 391***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	13 347	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	***13 347***	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		(0)	–	–	–	500	500	500	523	545
Intangible Assets		***(0)***	***–***	***–***	***–***	***500***	***500***	***500***	***523***	***545***
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		**118**	**172**	–	**300**	**300**	**300**	**1 500**	**1 566**	**1 636**
Machinery and Equipment		**130**	–	**54**	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		**70 100**	**22 911**	**47 085**	**235 160**	**251 239**	**251 239**	**234 540**	**247 317**	**275 690**
ASSET REGISTER SUMMARY - PPE (WDV)	5	3 225 096	2 886 771	2 928 164	3 892 470	3 908 549	3 908 549	3 093 617	2 680 067	2 708 440
Roads Infrastructure		825 045	668 144	678 750	60 000	65 722	65 722	766 689	1 379 995	1 398 570
Storm water Infrastructure		49 249	61 574	59 134	–	171	171	56 340	–	–
Electrical Infrastructure		67 834	74 167	78 445	12 557	20 670	20 670	102 988	164 949	165 949
Water Supply Infrastructure		1 304 819	1 355 251	1 409 058	120 291	99 284	99 284	1 540 635	367 166	334 327
Sanitation Infrastructure		87 533	83 045	80 273	11 858	36 472	36 472	(9 188)	(17 579)	(13 403)
Solid Waste Infrastructure		14 333	17 651	21 335	3 077	–	–	26 729	57 130	57 130
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure		28 802	30 088	26 505	–	–	–	24 116	–	–
Infrastructure		***2 377 615***	***2 289 918***	***2 353 499***	***207 783***	***222 318***	***222 318***	***2 508 307***	***1 951 661***	***1 942 573***
Community Assets		609 252	394 366	372 933	27 077	28 121	28 121	383 998	558 114	595 482
Heritage Assets		**14**	**14**	**14**	**14**	**14**	**14**	**14**	**14**	**14**
Investment properties		**155 210**	**154 834**	**151 431**	**162 576**	**162 576**	**162 576**	**154 834**	**154 834**	**154 834**
Other Assets		–	–	13 347	–	–	–	13 347	–	–
Biological or Cultivated Assets										
Intangible Assets		39 780	13 899	13 463	–	500	500	12 478	13 877	13 900
Computer Equipment		–	**2 336**	**371**	–	–	–	**371**	–	–
Furniture and Office Equipment		**18 171**	**14 384**	**10 566**	**3 495 020**	**3 495 020**	**3 495 020**	**9 402**	**1 566**	**1 636**
Machinery and Equipment		**2 090**	**1 704**	**1 325**	–	–	–	**1 103**	–	–
Transport Assets		**22 964**	**15 317**	**11 214**	–	–	–	**9 763**	–	–
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**3 225 096**	**2 886 771**	**2 928 164**	**3 892 470**	**3 908 549**	**3 908 549**	**3 093 617**	**2 680 067**	**2 708 440**
EXPENDITURE OTHER ITEMS		**222 691**	**196 420**	**193 024**	**208 534**	**208 795**	**208 795**	**204 864**	**213 895**	**219 326**
Depreciation	7	159 814	150 615	139 517	167 684	167 684	167 684	150 878	157 517	164 605
Repairs and Maintenance by Asset Class	3	**62 877**	**45 805**	**53 508**	**40 850**	**41 111**	**41 111**	**53 985**	**56 378**	**54 721**
Roads Infrastructure		2 705	415	1 140	550	550	550	4 100	4 280	297
Storm water Infrastructure		821	33	62	–	–	–	–	–	–
Electrical Infrastructure		8 482	245	999	500	500	500	1 000	1 044	1 091
Water Supply Infrastructure		523	69	1 060	1 000	1 000	1 000	500	523	545
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		36 299	28 700	35 057	27 200	27 156	27 156	30 581	31 937	33 363
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***48 829***	***29 460***	***38 317***	***29 250***	***29 206***	***29 206***	***36 181***	***37 784***	***35 296***
Community Facilities		–	–	–	50	50	50	50	52	55
Sport and Recreation Facilities		489	24	56	100	100	100	200	209	218
Community Assets		***489***	***24***	***56***	***150***	***150***	***150***	***250***	***261***	***273***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		6 836	4 176	4 130	2 300	2 300	2 300	2 305	2 407	2 514
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***6 836***	***4 176***	***4 130***	***2 300***	***2 300***	***2 300***	***2 305***	***2 407***	***2 514***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		423	758	2	2 000	2 305	2 305	2 000	2 090	2 182
Intangible Assets		***423***	***758***	***2***	***2 000***	***2 305***	***2 305***	***2 000***	***2 090***	***2 182***
Computer Equipment		**66**	**4**	**8**	**50**	**50**	**50**	**50**	**52**	**55**
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The municipality uses a different system for Assets Register, which has a negative impact on the A9.
3. The amount appears in the A9 is the amount abstracted directly from the main financial system. That means municipality will have to capture the A9 manually so that it can be the same as the Assets register.
4. Municipality is worried that the Manual Capturing might affect the Data strings.
5. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality is not in a position to meet the requirements due to its limited revenue base.
6. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the municipality's strategy to address the maintenance backlog.

Table 22 MBRR Table A10 - Basic Service Delivery Measurement

NW375 Moses Kotane - Table A10 Basic service delivery measurement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	7 000	7 000	7 000	7 000	7 000	7 000
Piped water inside yard (but not in dwelling)		–	10 000	–	10 000	10 000	10 000	10 000	10 000	–
Using public tap (at least min.service level)	2	–	52 000	–	52 000	52 000	52 000	52 000	52 000	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	62 000	–	69 000	69 000	69 000	69 000	69 000	7 000
Using public tap (< min.service level)	3	–	12 000	–	12 000	12 000	12 000	12 000	12 000	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	12 000	–	12 000	12 000	12 000	12 000	12 000	–
Total number of households	5	**–**	**74 000**	**–**	**81 000**	**81 000**	**81 000**	**81 000**	**81 000**	**7 000**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	7 000	–	8 000	8 000	8 000	8 000	8 000	–
Flush toilet (with septic tank)		–	–	–	5 500	5 500	5 500	5 500	5 000	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	7 000	–	13 500	13 500	13 500	13 500	13 000	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	39 000	–	40 000	40 000	40 000	40 000	40 000	–
Below Minimum Service Level sub-total		–	39 000	–	40 000	40 000	40 000	40 000	40 000	–
Total number of households	5	**–**	**46 000**	**–**	**53 500**	**53 500**	**53 500**	**53 500**	**53 000**	**–**
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	75 500	75 500	75 500	75 500	75 500	–
Minimum Service Level and Above sub-total		–	–	–	75 500	75 500	75 500	75 500	75 500	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**75 500**	**75 500**	**75 500**	**75 500**	**75 500**	**–**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	25 000	25 000	25 000	25 000	25 000	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	30 000	–	30 000	30 000	30 000	30 000	30 000	–
Refuse (removed at least once a week)		–	–	–	58 300	58 300	58 300	58 300	58 300	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		673	1 020	178	11 099	11 099	11 099	10 000	10 440	10 910
Sanitation (free sanitation service to **indigent households**)		350	306	13	389	389	389	400	418	436
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	4 000	4 000	4 000	–	–	–
Refuse (removed once a week **for indigent households**)		563	460	28	425	425	425	250	261	273
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	24 510	–	15 877	15 877	15 877	16 575	17 330	–
Total cost of FBS provided		**1 586**	**26 296**	**220**	**31 790**	**31 790**	**31 790**	**27 225**	**28 449**	**11 619**
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)		–	1 593	–	2 854	2 854	2 854	2 974	3 105	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		2 547	2 349	1 564	2 854	2 869	2 869	3 007	3 139	3 280
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		**2 547**	**3 942**	**1 564**	**5 708**	**5 723**	**5 723**	**5 981**	**6 244**	**3 280**

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

2.1 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.

2.1.1 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 2021) a time schedule that sets out the process to revise the IDP and prepare the budget.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The municipality reviewed its IDP.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2022/23 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 2022/2023 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 2021/2022 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 112, and 115 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2022/2023 MTREF was tabled before Council in 1 April 2022 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.

2.2 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 five (5) concretes are the following:

- ACT (Agriculture, Culture and Tourism);
- VTSD (Villages, Townships and Small Dorpies;
- RHR (Reconciliation, Healing and Renewal);
- Setsokotsane (comprehensive & integrated service delivery campaign)
- Saamwerk-Saamtrek (call for unity of purpose above race divisions).

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 2019/2020 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 save 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 2022/2023 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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
BASIC SERVICES AND INFRASTRUCTURE				166 001	348 537	394 893	423 025	452 393	452 393	488 804	516 294	545 152
LOCAL ECONOMIC DEVELOPMENT				107	134	114	74	100	100	100	105	109
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION				653	1 559	5 905	4 731	4 731	4 731	20 422	19 480	38 364
FINANCIAL VIABILITY				575 355	480 029	546 143	474 159	456 630	456 630	492 839	520 322	549 644
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				214	640	292	500	500	500	600	626	655
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**742 329**	**830 899**	**947 347**	**902 489**	**914 354**	**914 354**	**1 002 765**	**1 056 827**	**1 133 924**

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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
BASIC SERVICES AND INFRASTRUCTURE				618 235	657 862	708 780	541 838	612 604	612 604	794 129	830 010	863 012
LOCAL ECONOMIC DEVELOPMENT				15 000	17 223	20 836	20 559	20 564	20 564	21 413	22 445	23 528
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION				93 858	92 190	90 318	90 898	91 493	91 493	112 801	118 138	129 721
FINANCIAL VIABILITY				217 956	111 788	116 029	134 597	134 597	134 597	86 703	90 630	94 791
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL				131 021	117 061	67 528	68 760	68 260	68 260	71 005	74 368	77 895
Allocations to other priorities												
Total Expenditure			1	**1 076 070**	**996 124**	**1 003 490**	**856 653**	**927 519**	**927 519**	**1 086 051**	**1 135 590**	**1 188 948**

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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
BASIC SERVICES AND INFRASTRUCTURE				69 983	22 738	47 031	234 860	250 439	250 439	229 804	235 249	255 508
LOCAL ECONOMIC DEVELOPMENT				–	–	–	–	–	–	2 736	9 979	18 000
FINANCIAL VIABILITY				12	42	–	–	–	–	1 000	1 044	1 091
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL				106	130	54	300	800	800	1 000	1 045	1 091
Allocations to other priorities			3									
Total Capital Expenditure			1	**70 100**	**22 911**	**47 085**	**235 160**	**251 239**	**251 239**	**234 540**	**247 317**	**275 690**

2.3 Measurable performance objectives and indicators

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

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

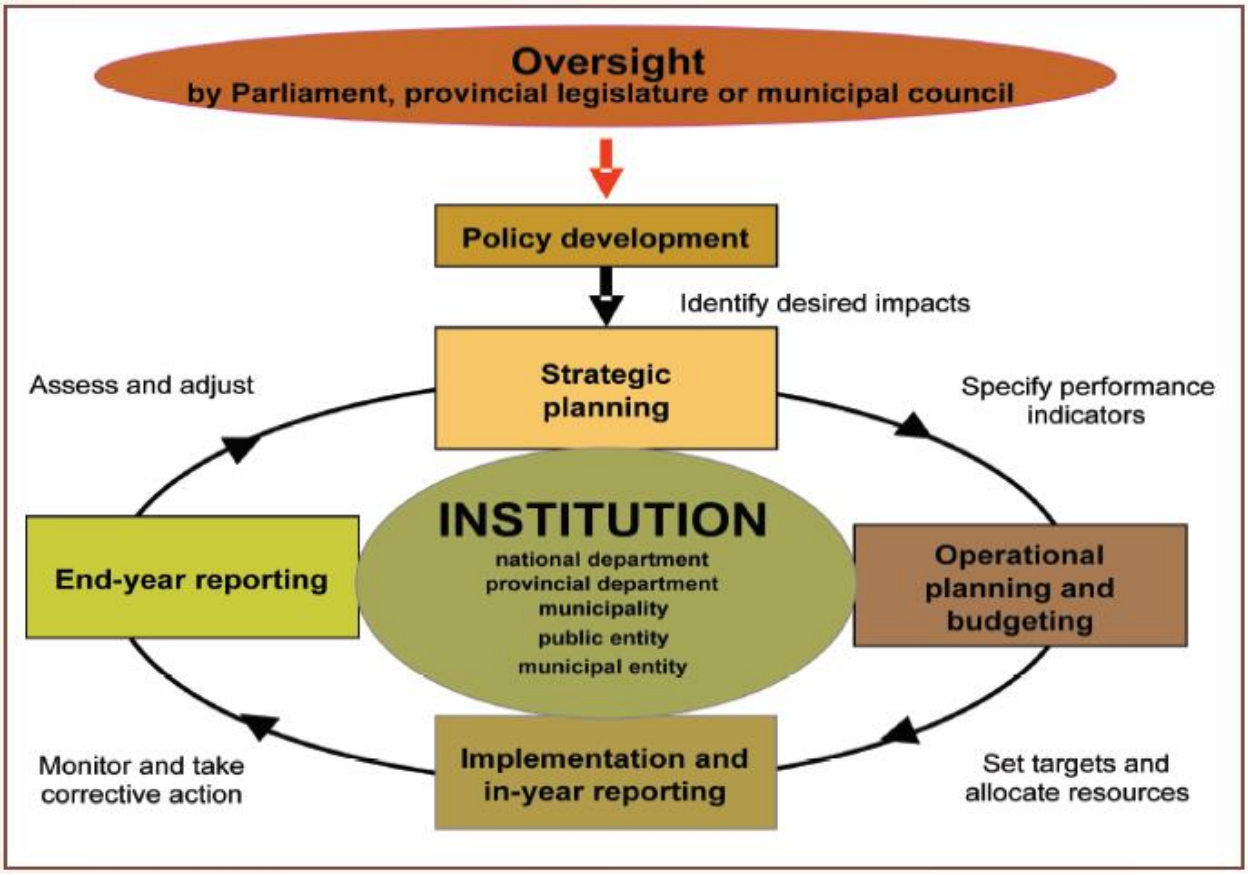


Figure 3 Planning, budgeting and reporting cycle

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

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

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

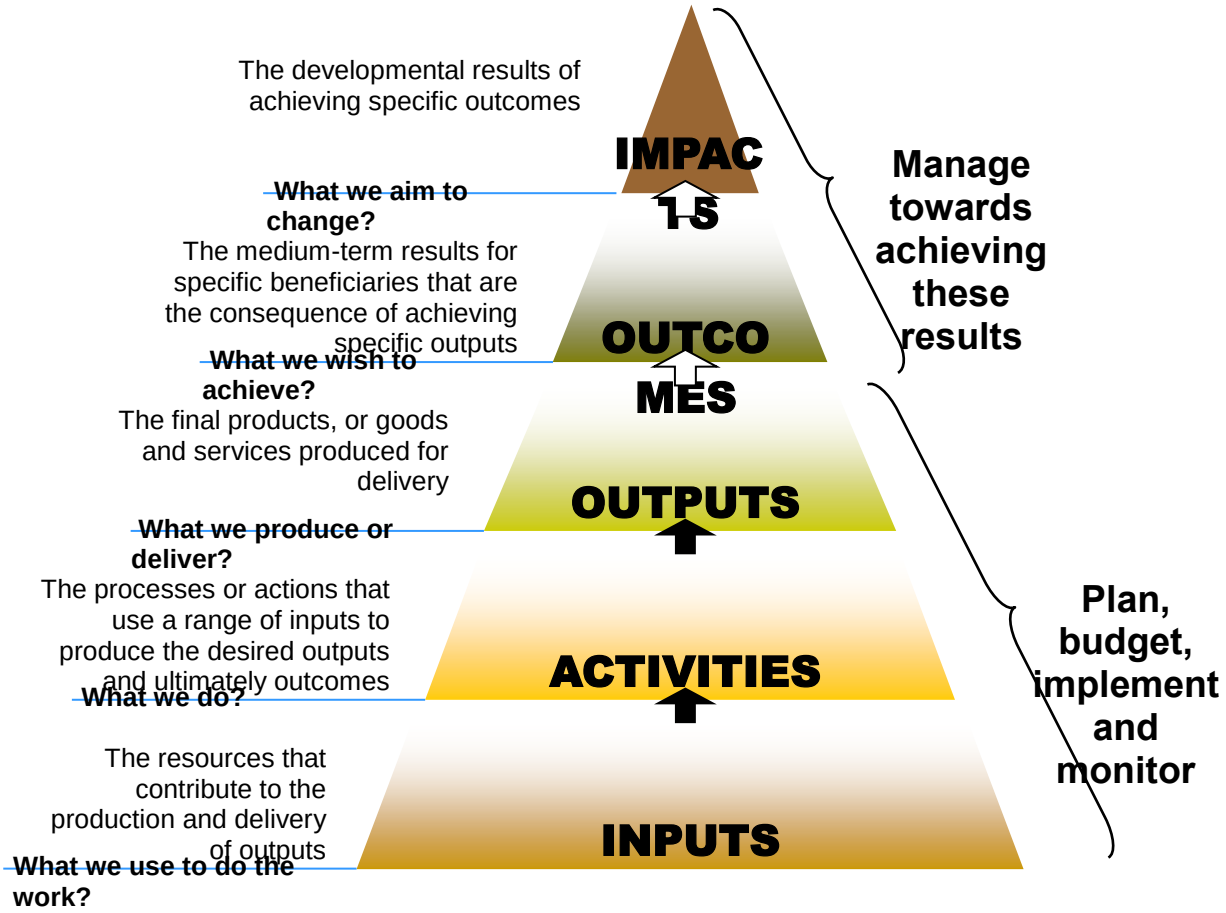


Figure 4 Definition of performance information concepts

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

Table 26 MBRR Table SA7 - Measurable performance objectives

NW375 Moses Kotane - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
07 - Infrastructure & Technical Services										
Energy Sources										
Electricity										
Formal Settlement Households Receiving	Households	–	30 000	–	30 000	30 000	30 000	30 000	30 000	–
Informal Settlements (R000)	Rand Value	–	4000 000	–	4000 000	4000 000	4000 000	4200 000	4410 000	–
Waste Water Management										
Sewerage										
Flush Toilet (Connected To Sewerage)	Households	–	7 000	–	8 000	8 000	8 000	8 000	8 000	–
Flush Toilet (With Septic Tank)	Households	–	–	–	5 500	5 500	5 500	5 500	5 000	–
Formal Settlement Households	Households	–	–	–	–	–	–	–	–	–
Informal Settlements (R000)	Rand Value	–	500 000	–	389 000	389 000	389 000	405 000	423 000	–
No Toilet Provisions	Households	–	39 000	–	40 000	40 000	40 000	40 000	40 000	–
Water Management										
Water Distribution										
Formal Settlement Households	Households	–	–	–	25 000	25 000	25 000	25 000	25 000	–
Informal Settlements (R000)	Rand Value	–	10 000	–	11099 000	11099 000	11099 000	11565 000	12074 000	–
Piped Water Inside Dwelling	Households	–	–	–	7 000	7 000	7 000	7 000	7 000	7 000
Piped Water Inside Yard (But Not In	Households	–	10 000	–	10 000	10 000	10 000	10 000	10 000	–
Using Public Tap (< Min.Service Level)	Households	–	12 000	–	12 000	12 000	12 000	12 000	12 000	–
Using Public Tap (At Least	Households	–	52 000	–	52 000	52 000	52 000	52 000	52 000	–

The following table sets out the municipalities main performance objectives and benchmarks for the 2020/2020 MTREF.

Table 27 MBRR Table SA8 - Performance indicators and benchmarks

NW375 Moses Kotane - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,6%	0,6%	0,5%	0,4%	0,4%	0,4%	0,6%	1,7%	2,1%	2,4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1,8%	1,3%	1,1%	0,8%	0,8%	0,8%	1,1%	4,0%	4,9%	5,7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity											
Current Ratio	Current assets/current liabilities	0,4	0,5	0,8	4,4	3,4	3,4	1,1	1,0	1,1	1,5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0,4	0,5	0,8	4,4	3,4	3,4	1,1	1,0	1,1	1,5
Liquidity Ratio	Monetary Assets/Current Liabilities	0,2	0,1	0,2	1,0	(0,0)	(0,0)	0,4	0,3	0,3	0,4
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0,0%	0,0%	22,9%	44,2%	42,8%	42,8%	37,7%	46,5%	46,5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0,0%	0,0%	22,9%	44,2%	42,8%	42,8%	37,7%	46,5%	46,5%	44,5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10,7%	16,0%	23,2%	13,2%	13,0%	13,0%	31,9%	8,0%	8,0%	7,4%
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		15426,6%	332,8%	64,1%	-717,1%	-686,2%	-686,2%	38,4%	2,1%	0,1%	-2,3%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)	–	–	2 600	–	–	–	–	2 840	3 124	3 437
	Total Cost of Losses (Rand '000)	0	0	19265861	0	0	0	0	18500000	17500000	16500000
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	26,2%	28,5%	27,1%	28,9%	28,5%	28,5%	25,1%	27,4%	27,3%	26,8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29,3%	31,4%	29,7%	31,7%	31,3%	31,3%		30,1%	30,0%	29,4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8,5%	5,5%	5,6%	4,5%	4,5%	4,5%		5,4%	5,3%	4,8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	22,4%	18,8%	15,2%	19,0%	18,7%	18,7%	12,7%	15,4%	15,3%	14,9%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	111,8	80,3	84,3	84,3	84,3	20,9	18,9	16,4	17,1
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	27,5%	41,8%	69,0%	35,1%	34,0%	34,0%	85,9%	22,0%	22,0%	21,0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0,0	1,2	5,1	4,6	4,8	4,8	6,9	11,9	22,9	31,8

2.3.1 Performance indicators and benchmarks

2.3.2 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 2022/2023 MTREF.

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

The municipality has raised mainly amortising loans over the past five years, hence effectively 'front-loading' its debt service costs. This is reflected in the municipality's debt service profile, which predicts large debt service costs between 2020 and 2022.

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 2022/2023 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

2.3.2.1 *Liquidity*

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2022/2023 MTREF the current ratio is 9,8 in the 2022/2023 financial year, 9,81 and 15,5 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.

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

2.3.2.2 *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.

2.3.2.3 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.

2.3.2.4 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.

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

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

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

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

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

2.3.4 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.

2.4 Overview of budget related-policies

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

2.4.1 Review of credit control and debt collection procedures/policies

The Credit Control and Debt Collection Policy as approved by Council in May 2012 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 2019/2020 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.

2.4.2 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).

2.4.3 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.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in December 2005. 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.

2.4.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was approved by Council in May 2010.

2.4.6 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy were amended by Council in May 2010. 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.

2.4.7 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.

2.5 Overview of budget assumptions

2.5.1 External factors

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

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

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

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

2.5.2 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 2022/2023 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 2019/2020MTREF 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

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2020/2021 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2020/2021 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher that 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.

2.5.5 Growth or decline in tax base of the municipality

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

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

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

2.5.6 Salary increases

Provision has been made for a 5% salary increase in 2021/2022

2.5.7 Impact of national, provincial and local policies

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

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

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

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

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2022/23 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

Table breakdown of the operating revenue over the medium term

Descriptions"000"				
INCOME	Budget Year	%	Budget Year	Budget Year
	2022/2023		2023/2024	2024/2025
Property Rates	124 143	12%	129 606	135 438
Service Charges	243 219	22%	254 173	265 345
Investment	5 438	1%	5 678	5 933
Transfers and subidies	538 131	54%	571 496	627 020
other revenue	91 834	9%	95 874	100 188
Total Operating Revenue(excluding capital transfers	**1 002 765**		**1 056 827**	**1 133 924**
Total Operating Expenditure	**1 086 051**		**1 135 590**	**1 188 948**
Surplus /Deficit for the year	**-83 286**		**-83286**	**-83286**

Figure 7 Breakdown of operating revenue over the 2022/23 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 Proposed tariff increases over the medium-term

Revenue to be generated from property rates is R124, 143 in the 2022/2023 financial year and increases to R129, 606 by 2022/2023 which represents 13% of the municipalities own operating revenue base. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

Services charges relating to water, sanitation and refuse removal constitutes the biggest component of the local revenue basket of the municipality totalling R243, 219 for the 2022/2023 financial year and increasing to R254, 173 by 2022/2023. For the 2022/2023 financial year services charges amount to 22 per cent of the total revenue base and grows by 10 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of water and other operating costs.

Operational grants and subsidies amount to R538, 131 and R571, 496 and R627, 020 for each of the respective financial years of the MTREF

Investment revenue and interest on outstanding debtors contributes high amounts to the revenue base of the municipality with a budget allocation of R91,033, R95,038 and R99,315 for the respective three financial years of the 2022/2023 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits		52 824	44 765	(387 010)	61 284	(5 014)	(5 014)	58 805	61 392	61 392
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	**52 824**	**44 765**	**(387 010)**	**61 284**	**(5 014)**	**(5 014)**	**58 805**	**61 392**	**61 392**
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:		**52 824**	**44 765**	**(387 010)**	**61 284**	**(5 014)**	**(5 014)**	**58 805**	**61 392**	**61 392**

Table 31 MBRR SA16 – Investment particulars by maturity

NW375 Moses Kotane - Supporting Table SA16 Investment particulars by maturity

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

The following table is a breakdown of the funding composition of the 2022/23 medium-term capital programme:

Figure 8 Sources of capital revenue for the 2022/2023 finacial year

Capital grants and receipts equates to 99 per cent of the total funding source which represents R231,808 for the 2022/2023 financial year and increase to R244,551 or 99 per cent by 2022/2023.

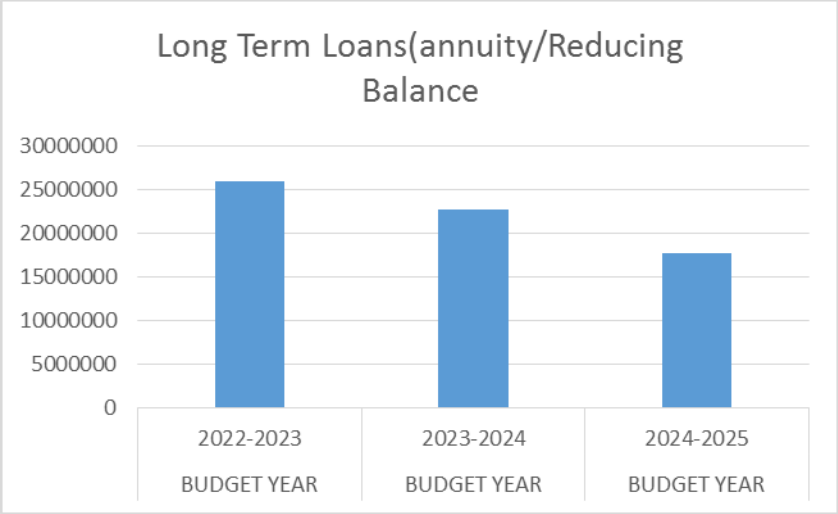
As explained earlier, the borrowing capacity of the municipality has essentially reached its limits and going forward borrowing limits will remain nominal if any.

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

Table 33 MBRR Table SA 17 - Detail of borrowings

The following graph illustrates the decrease in borrowing for the 2022/2023 to 2024/25 period.

Detail of borrowing			
	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR
	2022-2023	2023-2024	2024-2025
Long Term Loans(annuity/Reducing Balance	25864359	22662391	17662391



NW375 Moses Kotane - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality										
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		–	–	–	–	–	–	–	–	–
Municipality sub-total	1	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–

Growth in outstanding borrowing (long term liabilities)

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

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

NW375 Moses Kotane - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**1 700**	**1 968**	**1 700**	**6 877**	**6 877**	**6 877**	**7 109**	**7 359**	**7 359**
Local Government Equitable Share										
LGFMG: RECEIPTS		1 700	1 700	1 700	1 850	1 850	1 850	1 950	1 950	1 950
MDG: RECEIPTS		–	268	–	–	–	–	–	–	–
MIG: RECEIPTS		–	–	–	5 027	5 027	5 027	5 159	5 409	5 409
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Operating Transfers and Grants	5	**1 700**	**1 968**	**1 700**	**6 877**	**6 877**	**6 877**	**7 109**	**7 359**	**7 359**
Capital Transfers and Grants										
National Government:		**239 947**	**204 692**	**189 850**	**233 760**	**233 760**	**233 760**	**231 808**	**244 552**	**244 552**
MIG: RECEIPTS		172 197	149 692	131 825	162 544	162 544	162 544	166 808	174 552	174 552
WSIG: RECEIPTS		67 750	55 000	58 025	71 216	71 216	71 216	65 000	70 000	70 000
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Transfers and Grants	5	**239 947**	**204 692**	**189 850**	**233 760**	**233 760**	**233 760**	**231 808**	**244 552**	**244 552**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**241 647**	**206 660**	**191 550**	**240 637**	**240 637**	**240 637**	**238 917**	**251 911**	**251 911**

2.6.2 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	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	43 382	82 043	82 043	82 043	55 289	74 486	77 763	77 763
Service charges		–	–	29 812	67 545	67 521	67 521	68 477	96 358	100 694	100 695
Other revenue		–	–	424 314	38 024	50 776	50 776	274 501	782 539	804 731	767 205
Transfers and Subsidies - Operational	1	–	–	766	485 440	485 440	485 440	7 743	537 363	570 606	608 131
Transfers and Subsidies - Capital	1	–	–	171 764	233 760	233 760	233 760	195 801	231 808	244 552	244 552
Interest		–	–	3 547	4 950	4 950	4 950	4 715	4 372	4 565	4 565
Dividends									–	–	–
Payments											
Suppliers and employees		–	–	(405 858)	(816 153)	(816 153)	(816 153)	(123 224)	(697 947)	(738 167)	(800 000)
Finance charges		–	–	–	–	–	–	–	–	–	–
Transfers and Grants	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**–**	**267 728**	**95 608**	**108 337**	**108 337**	**483 302**	**1 028 979**	**1 064 744**	**1 002 911**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	1 000	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	(21 611)	(235 160)	(235 160)	(235 160)	(106 907)	(234 540)	(247 317)	(275 690)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**(21 611)**	**(234 160)**	**(235 160)**	**(235 160)**	**(106 907)**	**(234 540)**	**(247 317)**	**(275 690)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits		(16)	–	(8)	24	–	–	(6)	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	(3 116)	(15 000)	(20 000)	(25 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(16)**	**–**	**(8)**	**24**	**–**	**–**	**(3 122)**	**(15 000)**	**(20 000)**	**(25 000)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(16)**	**–**	**246 109**	**(138 528)**	**(126 823)**	**(126 823)**	**373 273**	**779 439**	**797 427**	**702 221**
Cash/cash equivalents at the year begin:	2	**1 312**	**64 673**	**48 781**	**398 729**	**398 729**	**398 729**	**–**	**8 120**	**787 560**	**1 584 987**
Cash/cash equivalents at the year end:	2	**1 296**	**64 673**	**294 890**	**260 201**	**271 906**	**271 906**	**373 273**	**787 560**	**1 584 987**	**2 287 207**

the above table shows that the cash and cash equivalents of the municipality were largely depleted but will increase with the strict debt collection that will be implement as from 1 July 2021.

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	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available											
Cash/cash equivalents at the year end	1	1 296	64 673	294 890	260 201	271 906	271 906	373 273	787 560	1 584 987	2 287 207
Other current investments > 90 days		63 397	(15 893)	(233 293)	(193 929)	(271 932)	(271 932)	(209 532)	(726 955)	(1 521 715)	(2 223 936)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**64 693**	**48 781**	**61 597**	**66 272**	**(26)**	**(26)**	**163 741**	**60 605**	**63 272**	**63 272**
Application of cash and investments											
Unspent conditional transfers		60 740	42 148	27 327	130 094	130 094	130 094	131 695	153 611	153 611	153 611
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	200 307	215 699	(91 980)	(156 279)	(156 755)	(156 755)	(137 384)	(151 113)	(171 503)	(212 828)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**261 047**	**257 848**	**(64 654)**	**(26 185)**	**(26 661)**	**(26 661)**	**(5 690)**	**2 498**	**(17 892)**	**(59 217)**
Surplus(shortfall)		**(196 354)**	**(209 067)**	**126 250**	**92 457**	**26 635**	**26 635**	**169 431**	**58 107**	**81 164**	**122 489**

From the above table it can be seen that the cash and investments available shows figures that are increasing during the 2022/2023 and 2024/2025
The above is due to the fact that all capital grants will be spend in future and that there will be no rollovers again.

2.6.3 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	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	1 296	64 673	294 890	260 201	271 906	271 906	299 191	787 792	1 814 101	2 789 284
Cash + investments at the yr end less applications - R'000	18(1)b	2	(196 354)	(209 067)	126 250	92 457	26 635	26 635	36 957	55 286	78 254	119 807
Cash year end/monthly employee/supplier payments	18(1)b	3	0.0	1.2	5.1	4.6	4.8	4.8	6.2	13.1	29.0	42.8
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(53 803)	104 342	262 138	209 596	235 468	235 468	41 984	236 520	83 062	112 710
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	4.2%	(5.7%)	0.1%	(2.9%)	(6.0%)	(37.1%)	2.0%	(1.5%)	(1.6%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	127.8%	45.6%	46.0%	46.0%	92.1%	204.1%	201.5%	185.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	102.5%	63.1%	64.0%	64.6%	62.7%	62.7%	109.9%	54.7%	54.7%	54.7%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	45.9%	100.0%	93.6%	93.6%	91.8%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								103.8%	124.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	67.8%	65.3%	(46.1%)	0.0%	0.0%	51.8%	(32.1%)	4.5%	0.0%
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	1.9%	1.6%	1.8%	1.1%	1.1%	1.1%	1.8%	1.6%	2.1%	2.1%
Asset renewal % of capital budget	20(1)(vi)	14	21.7%	40.7%	28.3%	11.5%	11.4%	11.4%	0.0%	7.3%	8.5%	60.0%

Supporting indicators											
% incr *total service charges (incl prop rates)*	18(1)a		10.2%	0.3%	6.1%	3.1%	0.0%	(31.1%)	8.0%	4.5%	4.4%
% incr Property Tax	18(1)a		4.9%	2.5%	2.9%	(20.6%)	0.0%	(32.2%)	4.8%	4.4%	4.5%
% incr Service charges - electricity revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - water revenue	18(1)a		11.6%	(2.3%)	9.4%	22.0%	0.0%	(30.5%)	10.0%	4.5%	4.4%
% incr Service charges - sanitation revenue	18(1)a		17.2%	9.6%	(2.6%)	89.0%	0.0%	(32.2%)	4.8%	4.5%	4.4%
% incr Service charges - refuse revenue	18(1)a		115.4%	8.2%	1.0%	0.0%	0.0%	(31.3%)	5.7%	4.5%	4.4%
% incr in	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	289 009	318 462	319 288	338 638	349 184	349 184	240 437	377 177	394 026	411 493
Service charges		289 009	318 462	319 288	338 638	349 184	349 184	240 437	377 177	394 026	411 493
Property rates		134 800	141 420	144 972	149 168	118 457	118 457	80 325	124 143	129 606	135 438
Service charges - electricity revenue		–	–	–	–	–	–	–	–	–	–
Service charges - water revenue		147 290	164 373	160 572	175 691	214 416	214 416	148 953	235 844	246 457	257 301
Service charges - sanitation revenue		2 274	2 665	2 921	2 846	5 377	5 377	3 647	5 633	5 886	6 145
Service charges - refuse removal		4 645	10 004	10 823	10 933	10 933	10 933	7 511	11 558	12 078	12 609
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		42	84	74	76	504	504	88	127	132	138
Capital expenditure excluding capital grant funding		7 919	172	54	400	1 400	1 400	–	2 500	2 611	2 727
Cash receipts from ratepayers	18(1)a	–	–	497 509	187 611	200 340	200 340	272 618	953 383	983 188	945 663
Ratepayer & Other revenue	18(1)a	339 364	388 887	389 374	411 549	435 638	435 638	295 954	467 061	487 865	509 555
Change in consumer debtors (current and non-current)		80 530	53 861	86 973	(101 454)	(101 454)	(101 454)	(39 926)	(38 121)	3 669	–
Operating and Capital Grant Revenue	18(1)a	485 211	502 521	763 504	719 200	722 182	722 182	446 650	769 171	640 606	697 885
Capital expenditure - total	20(1)(vi)	70 100	22 911	47 085	235 160	251 239	251 239	76 208	234 308	18 435	2 727
Capital expenditure - renewal	20(1)(vi)	15 191	9 315	13 347	27 077	28 621	28 621		17 028	1 567	1 636
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									524 921	516 619	–
DoRA capital grants total MFY									215 962	–	–
Provincial operating grants											
Provincial capital grants											
District Municipality grants											
Total gazetted/advised national, provincial and district grants									740 883	516 619	–
Average annual collection rate (arrears inclusive)											
DoRA operating											
									–	–	–
									–	–	–

2.6.3.1 *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.

2.6.3.2 *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.

2.6.3.3 *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.

2.6.3.4 *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 2019/2020 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.

2.6.3.5 *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?

2.6.3.6 *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.

2.6.3.7 *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.

2.6.3.8 *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 be 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.

2.6.3.9 *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.

2.6.3.10 *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.

2.6.3.11 *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.

2.7 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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		1 700	1 968	1 700	6 877	6 877	6 877	7 109	7 359	7 359
Local Government Equitable Share										
LGFMG: TRSF TO REV		1 700	1 700	1 700	1 850	1 850	1 850	1 950	1 950	1 950
MDG: TRSF TO REV		–	268	–	–	–	–	–	–	–
MIG: TRSF TO REV		–	–	–	5 027	5 027	5 027	5 159	5 409	5 409
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants		1 700	1 968	1 700	6 877	6 877	6 877	7 109	7 359	7 359
Capital expenditure of Transfers and Grants										
National Government:		179 684	163 229	193 438	233 760	233 760	233 760	231 808	244 552	244 552
MIG: TRSF TO REV		127 230	123 119	121 729	162 544	162 544	162 544	166 808	174 552	174 552
WSIG: TRSF TO REV		52 455	40 110	71 709	71 216	71 216	71 216	65 000	70 000	70 000
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		179 684	163 229	193 438	233 760	233 760	233 760	231 808	244 552	244 552
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		181 384	165 197	195 138	240 637	240 637	240 637	238 917	251 911	251 911

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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating transfers and grants:	1,3									
National Government:		(478)	(816)	(1 014)	–	–	–	–	–	–
Balance unspent at beginning of the year		0	0	347	–	–	–	–	–	–
Current year receipts		(1 700)	(1 968)	(1 700)	(485 440)	(485 440)	(485 440)	(8 761)	(7 359)	(7 359)
Conditions met - transferred to revenue		1 700	1 968	1 700	485 440	485 440	485 440	8 761	7 359	7 359
Conditions still to be met - transferred to liabilities		0	(347)	347	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		1 700	1 968	1 700	485 440	485 440	485 440	8 761	7 359	7 359
Total operating transfers and grants - CTBM	2	0	(347)	347	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(10 133)	(60 262)	(30 488)	(130 094)	(130 094)	(130 094)	(153 611)	(153 611)	(153 611)
Current year receipts		(239 947)	(204 692)	(189 850)	(233 760)	(233 760)	(233 760)	(231 808)	(244 552)	(244 552)
Conditions met - transferred to revenue		179 684	163 229	193 438	233 760	233 760	233 760	231 808	244 552	244 552
Conditions still to be met - transferred to liabilities		(80 529)	(161 987)	(27 140)	(130 094)	(130 094)	(130 094)	(153 611)	(153 611)	(153 611)
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		–	–	(216)	–	–	–	–	–	–
Current year receipts		–	(4 957)	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	4 741	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	(216)	(433)	–	–	–	–	–	–
Total capital transfers and grants revenue		179 684	167 970	193 438	233 760	233 760	233 760	231 808	244 552	244 552
Total capital transfers and grants - CTBM	2	(80 529)	(162 203)	(27 573)	(130 094)	(130 094)	(130 094)	(153 611)	(153 611)	(153 611)
TOTAL TRANSFERS AND GRANTS REVENUE		181 384	169 938	195 138	719 200	719 200	719 200	240 569	251 911	251 911
TOTAL TRANSFERS AND GRANTS - CTBM		(80 529)	(162 551)	(27 225)	(130 094)	(130 094)	(130 094)	(153 611)	(153 611)	(153 611)

2.8 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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		14 964	15 988	17 092	17 256	17 256	17 256	19 207	20 168	21 176
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		2 742	2 946	2 940	2 945	2 945	2 945	3 171	3 329	3 496
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		5 121	5 194	4 995	5 140	5 140	5 140	4 545	4 772	5 010
Sub Total - Councillors		**22 827**	**24 128**	**25 027**	**25 340**	**25 340**	**25 340**	**26 922**	**28 268**	**29 682**
% increase	4		**5,7%**	**3,7%**	**1,3%**	**–**	**–**	**6,2%**	**5,0%**	**5,0%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		2 839	2 473	4 946	8 678	8 678	8 678	8 992	9 441	9 913
Pension and UIF Contributions		131	319	324	618	618	618	650	683	717
Medical Aid Contributions		101	99	83	104	104	104	108	113	119
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		93	184	220	349	349	349	349	349	349
Motor Vehicle Allowance	3	529	979	1 059	1 159	1 159	1 159	1 159	1 159	1 159
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	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**3 693**	**4 054**	**6 632**	**10 908**	**10 908**	**10 908**	**11 258**	**11 745**	**12 257**
% increase	4		**9,8%**	**63,6%**	**64,5%**	**–**	**–**	**3,2%**	**4,3%**	**4,4%**
Other Municipal Staff										
Basic Salaries and Wages		128 998	161 087	165 165	174 917	174 917	174 917	189 010	198 543	208 687
Pension and UIF Contributions		26 170	30 168	32 912	35 632	35 632	35 632	37 079	38 933	40 880
Medical Aid Contributions		10 437	11 960	13 326	15 408	15 408	15 408	15 514	16 290	17 104
Overtime		10 996	8 008	11 150	8 009	8 009	8 009	4 322	4 538	4 765
Performance Bonus		8 784	9 708	20 926	12 836	12 836	12 836	13 478	14 152	14 859
Motor Vehicle Allowance	3	500	640	520	560	560	560	504	529	556
Cellphone Allowance	3									
Housing Allowances	3	411	478	537	566	566	566	575	604	634
Other benefits and allowances	3	2 664	2 119	2 460	2 133	2 133	2 133	3 511	3 686	3 871
Payments in lieu of leave		–	6 080	–	–	–	–	–	–	–
Long service awards		1 789	2 623	3 026	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		**190 749**	**232 871**	**250 021**	**250 063**	**250 063**	**250 063**	**263 993**	**277 275**	**291 356**
% increase	4		**22,1%**	**7,4%**	**0,0%**	**–**	**–**	**5,6%**	**5,0%**	**5,1%**
Total Parent Municipality		**217 269**	**261 053**	**281 680**	**286 311**	**286 311**	**286 311**	**302 173**	**317 289**	**333 295**
			20,2%	**7,9%**	**1,6%**	**–**	**–**	**5,5%**	**5,0%**	**5,0%**

TOTAL SALARY, ALLOWANCES & BENEFITS		**217 269**	**261 053**	**281 680**	**286 311**	**286 311**	**286 311**	**302 173**	**317 289**	**333 295**
% increase	4		**20,2%**	**7,9%**	**1,6%**	**–**	**–**	**5,5%**	**5,0%**	**5,0%**
TOTAL MANAGERS AND STAFF	5,7	**194 442**	**236 925**	**256 653**	**260 971**	**260 971**	**260 971**	**275 251**	**289 021**	**303 613**

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. Rand per annum	Ref	No.	Salary	Contribution 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		563 541	–	1 394 617			1 958 158
Chief Whip			457 181	–	–			457 181
Executive Mayor			837 154	–	–			837 154
Deputy Executive Mayor								–
Executive Committee			5 171 256	–				5 171 256
Total for all other councillors			12 178 067	–	6 320 556			18 498 623
Total Councillors	8	–	**19 207 199**	–	**7 715 173**			**26 922 372**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			–	–	–	–		–
Chief Finance Officer			1 156 829	264 278	216 130	92 260		1 729 497
SM					–			–
SM AO			1 292 667	289 960	222 723	106 413		1 911 763
SM D05			1 261 831	2 232	240 130	30 000		1 534 193
SM DCH			999 306	197 869	180 130	60 000		1 437 305
SM DCS			1 492 911	1 931	60 130	–		1 554 972
SM DPS			1 230 331	1 931	240 130	60 000		1 532 392
SM DTS			1 557 737	–	–	–		1 557 737
								–
List of each offical with packages >= senior manager								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	**8 991 612**	**758 201**	**1 159 373**	**348 673**		**11 257 859**

Table 42 MBRR SA24 – Summary of personnel numbers

NW375 Moses Kotane - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2020/21			Current Year 2021/22			Budget Year 2022/23		
Number	1,2	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									

2.9 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 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source																
Property rates		10 345	10 345	10 345	10 345	10 345	10 345	10 345	10 345	10 345	10 345	10 345	10 345	124 143	129 606	135 438
Service charges - electricity revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue		18 827	18 827	18 827	18 827	18 827	18 827	18 827	18 827	18 827	18 827	18 827	18 827	225 928	236 104	246 482
Service charges - sanitation revenue		478	478	478	478	478	478	478	478	478	478	478	478	5 733	5 991	6 254
Service charges - refuse revenue		963	963	963	963	963	963	963	963	963	963	963	963	11 558	12 078	12 609
Rental of facilities and equipment		11	11	11	11	11	11	11	11	11	11	11	11	127	132	138
Interest earned - external investments		453	453	453	453	453	453	453	453	453	453	453	453	5 438	5 678	5 933
Interest earned - outstanding debtors		7 133	7 133	7 133	7 133	7 133	7 133	7 133	7 133	7 133	7 133	7 133	7 133	85 594	89 360	93 382
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 088	2 182
Licences and permits		167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 088	2 180
Agency services													–	–	–	–
Transfers and subsidies		44 844	44 844	44 844	44 844	44 844	44 844	44 844	44 844	44 844	44 844	44 844	44 844	538 131	571 496	627 020
Other revenue		176	176	176	176	176	176	176	176	176	176	176	176	2 113	2 206	2 306
Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and cont		**83 564**	**83 564**	**83 564**	**83 564**	**83 564**	**83 564**	**83 564**	**83 564**	**83 564**	**83 564**	**83 564**	**83 564**	**1 002 765**	**1 056 827**	**1 133 924**
Expenditure By Type																
Employee related costs		22 938	22 938	22 938	22 938	22 938	22 938	22 938	22 938	22 938	22 938	22 938	22 936	275 251	289 021	303 613
Remuneration of councillors		2 244	2 244	2 244	2 244	2 244	2 244	2 244	2 244	2 244	2 244	2 244	2 244	26 922	28 268	29 682
Debt impairment		23 080	23 080	23 080	23 080	23 080	23 080	23 080	23 080	23 080	23 080	23 080	23 080	276 957	289 143	301 866
Depreciation & asset impairment		12 573	12 573	12 573	12 573	12 573	12 573	12 573	12 573	12 573	12 573	12 573	12 573	150 878	157 517	164 605
Finance charges		307	307	307	307	307	307	307	307	307	307	307	307	3 687	3 849	4 023
Bulk purchases - electricity		1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	20 000	20 880	21 820
Inventory consumed		9 143	9 143	9 143	9 143	9 143	9 143	9 143	9 143	9 143	9 143	9 143	9 143	109 720	114 548	119 702
Contracted services		10 632	10 632	10 632	10 632	10 632	10 632	10 632	10 632	10 632	10 632	10 632	10 632	127 587	133 157	138 469
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		7 921	7 921	7 921	7 921	7 921	7 921	7 921	7 921	7 921	7 921	7 921	7 920	95 048	99 206	105 168
Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 502**	**1 086 051**	**1 135 590**	**1 188 948**
Surplus/(Deficit)		**(6 941)**	**(6 941)**	**(6 941)**	**(6 941)**	**(6 941)**	**(6 941)**	**(6 941)**	**(6 941)**	**(6 941)**	**(6 941)**	**(6 941)**	**(6 938)**	**(83 286)**	**(78 764)**	**(55 023)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		19 253	19 253	19 253	19 253	19 253	19 253	19 253	19 253	19 253	19 253	19 253	19 253	231 040	243 662	271 887
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)													–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 315**	**147 754**	**164 899**	**216 864**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 315**	**147 754**	**164 899**	**216 864**

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 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote																
Vote 01 - Municipal Council		1 702	1 702	1 702	1 702	1 702	1 702	1 702	1 702	1 702	1 702	1 702	1 702	20 422	19 480	38 364
Vote 02 - Office Of The Accounting Officer		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 03 - Budget And Treasury Office		41 070	41 070	41 070	41 070	41 070	41 070	41 070	41 070	41 070	41 070	41 070	41 070	492 839	520 322	549 644
Vote 04 - Corporate Services		50	50	50	50	50	50	50	50	50	50	50	50	600	626	655
Vote 05 - Community Services		9 589	9 589	9 589	9 589	9 589	9 589	9 589	9 589	9 589	9 589	9 589	9 589	115 071	127 957	171 773
Vote 06 - Planning & Development		8	8	8	8	8	8	8	8	8	8	8	8	100	105	109
Vote 07 - Infrastructure & Technical Services		50 398	50 398	50 398	50 398	50 398	50 398	50 398	50 398	50 398	50 398	50 398	50 398	604 773	631 999	645 266
Vote 08 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**1 233 805**	**1 300 489**	**1 405 811**
Expenditure by Vote to be appropriated																
Vote 01 - Municipal Council		6 935	6 935	6 935	6 935	6 935	6 935	6 935	6 935	6 935	6 935	6 935	6 934	83 217	87 171	97 208
Vote 02 - Office Of The Accounting Officer		1 655	1 655	1 655	1 655	1 655	1 655	1 655	1 655	1 655	1 655	1 655	1 655	19 856	20 752	21 787
Vote 03 - Budget And Treasury Office		7 631	7 631	7 631	7 631	7 631	7 631	7 631	7 631	7 631	7 631	7 631	7 631	91 576	95 747	100 164
Vote 04 - Corporate Services		6 322	6 322	6 322	6 322	6 322	6 322	6 322	6 322	6 322	6 322	6 322	6 321	75 860	79 466	83 248
Vote 05 - Community Services		16 521	16 521	16 521	16 521	16 521	16 521	16 521	16 521	16 521	16 521	16 521	16 520	198 251	207 300	216 814
Vote 06 - Planning & Development		1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	1 784	21 413	22 445	23 528
Vote 07 - Infrastructure & Technical Services		49 656	49 656	49 656	49 656	49 656	49 656	49 656	49 656	49 656	49 656	49 656	49 656	595 877	622 710	646 198
Vote 08 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 502**	**1 086 051**	**1 135 590**	**1 188 948**
Surplus/(Deficit) before assoc.		**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 315**	**147 754**	**164 899**	**216 864**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 315**	**147 754**	**164 899**	**216 864**

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

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional																
Governance and administration		**42 822**	**42 822**	**42 822**	**42 822**	**42 822**	**42 822**	**42 822**	**42 822**	**42 822**	**42 822**	**42 822**	**42 822**	**513 861**	**540 428**	**588 663**
Executive and council		1 702	1 702	1 702	1 702	1 702	1 702	1 702	1 702	1 702	1 702	1 702	1 702	20 422	19 480	38 364
Finance and administration		41 120	41 120	41 120	41 120	41 120	41 120	41 120	41 120	41 120	41 120	41 120	41 120	493 439	520 948	550 299
Internal audit													–	–	–	–
Community and public safety		**1 587**	**1 587**	**1 587**	**1 587**	**1 587**	**1 587**	**1 587**	**1 587**	**1 587**	**1 587**	**1 587**	**1 587**	**19 046**	**14 155**	**51 662**
Community and social services		228	228	228	228	228	228	228	228	228	228	228	228	2 736	9 979	18 000
Sport and recreation		1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	12 310	–	29 300
Public safety		333	333	333	333	333	333	333	333	333	333	333	333	4 000	4 176	4 362
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		**5 219**	**5 219**	**5 219**	**5 219**	**5 219**	**5 219**	**5 219**	**5 219**	**5 219**	**5 219**	**5 219**	**5 219**	**62 627**	**22 828**	**41 706**
Planning and development		502	502	502	502	502	502	502	502	502	502	502	502	6 027	6 403	6 706
Road transport		4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	56 600	16 425	35 000
Environmental protection													–	–	–	–
Trading services		**53 189**	**53 189**	**53 189**	**53 189**	**53 189**	**53 189**	**53 189**	**53 189**	**53 189**	**53 189**	**53 189**	**53 189**	**638 270**	**723 078**	**723 781**
Energy sources		1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	12 919	5 000	6 000
Water management		39 736	39 736	39 736	39 736	39 736	39 736	39 736	39 736	39 736	39 736	39 736	39 736	476 828	564 272	559 802
Waste water management		4 375	4 375	4 375	4 375	4 375	4 375	4 375	4 375	4 375	4 375	4 375	4 375	52 499	40 004	37 867
Waste management		8 002	8 002	8 002	8 002	8 002	8 002	8 002	8 002	8 002	8 002	8 002	8 002	96 024	113 802	120 111
Other													–	–	–	–
Total Revenue - Functional		**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**102 817**	**1 233 805**	**1 300 489**	**1 405 811**
Expenditure - Functional																
Governance and administration		**25 599**	**25 599**	**25 599**	**25 599**	**25 599**	**25 599**	**25 599**	**25 599**	**25 599**	**25 599**	**25 599**	**25 598**	**307 189**	**321 463**	**342 484**
Executive and council		7 944	7 944	7 944	7 944	7 944	7 944	7 944	7 944	7 944	7 944	7 944	7 943	95 323	99 785	110 451
Finance and administration		17 375	17 375	17 375	17 375	17 375	17 375	17 375	17 375	17 375	17 375	17 375	17 374	208 494	218 137	228 315
Internal audit		281	281	281	281	281	281	281	281	281	281	281	281	3 372	3 541	3 718
Community and public safety		**9 051**	**9 051**	**9 051**	**9 051**	**9 051**	**9 051**	**9 051**	**9 051**	**9 051**	**9 051**	**9 051**	**9 051**	**108 615**	**113 651**	**118 967**
Community and social services		2 520	2 520	2 520	2 520	2 520	2 520	2 520	2 520	2 520	2 520	2 520	2 520	30 245	31 663	33 162
Sport and recreation		3 836	3 836	3 836	3 836	3 836	3 836	3 836	3 836	3 836	3 836	3 836	3 836	46 036	48 182	50 434
Public safety		2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	32 334	33 806	35 370
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		**7 819**	**7 819**	**7 819**	**7 819**	**7 819**	**7 819**	**7 819**	**7 819**	**7 819**	**7 819**	**7 819**	**7 819**	**93 832**	**98 196**	**98 034**
Planning and development		1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	1 985	23 817	25 045	26 241
Road transport		5 835	5 835	5 835	5 835	5 835	5 835	5 835	5 835	5 835	5 835	5 835	5 835	70 015	73 151	71 793
Environmental protection													–	–	–	–
Trading services		**47 801**	**47 801**	**47 801**	**47 801**	**47 801**	**47 801**	**47 801**	**47 801**	**47 801**	**47 801**	**47 801**	**47 800**	**573 609**	**599 334**	**626 370**
Energy sources		2 437	2 437	2 437	2 437	2 437	2 437	2 437	2 437	2 437	2 437	2 437	2 437	29 247	30 559	31 956
Water management		38 506	38 506	38 506	38 506	38 506	38 506	38 506	38 506	38 506	38 506	38 506	38 506	462 074	482 713	504 415
Waste water management		2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	2 050	24 596	25 772	27 013
Waste management		4 808	4 808	4 808	4 808	4 808	4 808	4 808	4 808	4 808	4 808	4 808	4 808	57 692	60 289	62 985
Other		**234**	**234**	**234**	**234**	**234**	**234**	**234**	**234**	**234**	**234**	**234**	**234**	**2 806**	**2 946**	**3 093**
Total Expenditure - Functional		**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 504**	**90 502**	**1 086 051**	**1 135 590**	**1 188 948**
Surplus/(Deficit) before assoc.		**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 315**	**147 754**	**164 899**	**216 864**
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 313**	**12 315**	**147 754**	**164 899**	**216 864**

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 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Multi-year expenditure ***to be appropriated***	1															
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	83	1 000	1 044	1 091
Vote 04 - Corporate Services		83	83	83	83	83	83	83	83	83	83	83	83	1 000	1 045	1 091
Vote 05 - Community Services		1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	16 387	16 044	45 391
Vote 06 - Planning & Development		228	228	228	228	228	228	228	228	228	228	228	228	2 736	9 979	18 000
Vote 07 - Infrastructure & Technical Services		17 785	17 785	17 785	17 785	17 785	17 785	17 785	17 785	17 785	17 785	17 785	17 785	213 417	219 205	210 117
Vote 08 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**234 540**	**247 317**	**275 690**
Single-year expenditure ***to be appropriated***																
Vote 01 - Municipal Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Office Of The Accounting Officer		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 03 - Budget And Treasury Office		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 04 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 05 - Community Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 06 - Planning & Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 07 - Infrastructure & Technical Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 08 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure	2	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**234 540**	**247 317**	**275 690**

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 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional	1															
Governance and administration		**167**	**167**	**167**	**167**	**167**	**167**	**167**	**167**	**167**	**167**	**167**	**167**	**2 000**	**2 089**	**2 182**
Executive and council													–	–	–	–
Finance and administration		167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 089	2 182
Internal audit													–	–	–	–
Community and public safety		**1 109**	**1 109**	**1 109**	**1 109**	**1 109**	**1 109**	**1 109**	**1 109**	**1 109**	**1 109**	**1 109**	**1 109**	**13 310**	**1 044**	**30 391**
Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	18 300
Sport and recreation		1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	12 310	–	11 000
Public safety		83	83	83	83	83	83	83	83	83	83	83	83	1 000	1 044	1 091
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		**4 945**	**4 945**	**4 945**	**4 945**	**4 945**	**4 945**	**4 945**	**4 945**	**4 945**	**4 945**	**4 945**	**4 945**	**59 336**	**26 404**	**53 000**
Planning and development		228	228	228	228	228	228	228	228	228	228	228	228	2 736	9 979	18 000
Road transport		4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	4 717	56 600	16 425	35 000
Environmental protection													–	–	–	–
Trading services		**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**13 324**	**159 894**	**217 780**	**190 117**
Energy sources		1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	12 919	5 000	6 000
Water management		9 972	9 972	9 972	9 972	9 972	9 972	9 972	9 972	9 972	9 972	9 972	9 972	119 668	187 780	163 117
Waste water management		2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	24 230	10 000	6 000
Waste management		256	256	256	256	256	256	256	256	256	256	256	256	3 077	15 000	15 000
Other													**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	2	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**234 540**	**247 317**	**275 690**
Funded by:																
National Government		19 253	19 253	19 253	19 253	19 253	19 253	19 253	19 253	19 253	19 253	19 253	**19 253**	**231 040**	**243 662**	**271 872**
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality													–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		**19 253**	**19 253**	**19 253**	**19 253**	**19 253**	**19 253**	**19 253**	**19 253**	**19 253**	**19 253**	**19 253**	**19 253**	**231 040**	**243 662**	**271 872**
Borrowing													–	–	–	–
Internally generated funds		292	292	292	292	292	292	292	292	292	292	292	292	3 500	3 655	3 818
Total Capital Funding		**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	**19 545**	19 545	19 545	234 540	247 317	275 690

Table 48 MBRR SA30 - Budgeted monthly cash flow

NW375 Moses Kotane - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Receipts By Source													1		
Property rates	6 207	6 207	6 207	6 207	6 207	6 207	6 207	6 207	6 207	6 207	6 207	6 207	74 486	77 763	77 763
Service charges - electricity revenue												–			
Service charges - water revenue	7 863	7 863	7 863	7 863	7 863	7 863	7 863	7 863	7 863	7 863	7 863	7 863	94 357	98 603	98 604
Service charges - sanitation revenue	70	70	70	70	70	70	70	70	70	70	70	70	845	883	883
Service charges - refuse revenue	96	96	96	96	96	96	96	96	96	96	96	96	1 156	1 208	1 208
Rental of facilities and equipment	11	11	11	11	11	11	11	11	11	11	11	11	127	132	138
Interest earned - external investments	364	364	364	364	364	364	364	364	364	364	364	364	4 372	4 565	4 565
Interest earned - outstanding debtors												–			
Dividends received												–			
Fines, penalties and forfeits	208	208	208	208	208	208	208	208	208	208	208	208	2 500	2 610	2 610
Licences and permits	167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 088	2 180
Agency services												–			
Transfers and Subsidies - Operational	44 780	44 780	44 780	44 780	44 780	44 780	44 780	44 780	44 780	44 780	44 780	44 780	537 363	570 606	608 131
Other revenue	64 826	64 826	64 826	64 826	64 826	64 826	64 826	64 826	64 826	64 826	64 826	64 826	777 913	799 901	762 277
Cash Receipts by Source	**124 593**	**124 593**	**124 593**	**124 593**	**124 593**	**124 593**	**124 593**	**124 593**	**124 593**	**124 593**	**124 593**	**124 593**	**1 495 118**	**1 558 359**	**1 558 359**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	19 317	19 317	19 317	19 317	19 317	19 317	19 317	19 317	19 317	19 317	19 317	19 317	231 808	244 552	244 552
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)												–			
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans												–			
Borrowing long term/refinancing												–			
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**143 910**	**143 910**	**143 910**	**143 910**	**143 910**	**143 910**	**143 910**	**143 910**	**143 910**	**143 910**	**143 910**	**143 911**	**1 726 926**	**1 802 911**	**1 802 911**
Cash Payments by Type															
Employee related costs	25 117	25 117	25 117	25 117	25 117	25 117	25 117	25 117	25 117	25 117	25 117	25 116	301 405	316 400	332 145
Remuneration of councillors												–			
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	20 000	20 880	21 820
Acquisitions - water & other inventory	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	8 333	100 000	104 400	104 400
Contracted services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other municipalities												–			
Transfers and grants - other												–			
Other expenditure	23 045	23 045	23 045	23 045	23 045	23 045	23 045	23 045	23 045	23 045	23 045	23 045	276 542	296 487	341 635
Cash Payments by Type	**58 162**	**58 162**	**58 162**	**58 162**	**58 162**	**58 162**	**58 162**	**58 162**	**58 162**	**58 162**	**58 162**	**58 160**	**697 947**	**738 167**	**800 000**
Other Cash Flows/Payments by Type															
Capital assets	19 545	19 545	19 545	19 545	19 545	19 545	19 545	19 545	19 545	19 545	19 545	19 545	234 540	247 317	275 690
Repayment of borrowing	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	15 000	20 000	25 000
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**78 957**	**78 957**	**78 957**	**78 957**	**78 957**	**78 957**	**78 957**	**78 957**	**78 957**	**78 957**	**78 957**	**78 955**	**947 487**	**1 005 484**	**1 100 690**
NET INCREASE/(DECREASE) IN CASH HELD	**64 953**	**64 953**	**64 953**	**64 953**	**64 953**	**64 953**	**64 953**	**64 953**	**64 953**	**64 953**	**64 953**	**64 955**	**779 439**	**797 427**	**702 221**

2.9 Annual budgets and SDBIPs – internal

2.9.1 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

DESCRIPTION	BUDGET YEAR 2022/2023	BUDGET YEAR 2023/2024	BUDGET YEAR 2024/2025
REVENUE BY SOURCE			
Service Charges-Water Revenue	-225 927 605	-236 104 347	-246 482 499
Transfer Recognized-Operational	-131 732 726	-140 909 301	-150 733 286
Total Revenue(Exccluding Capital Transfers)	**-357 660 331**	**-377 013 648**	**-397 215 785**
Expenditure by Type			
Employee Related Costs	51 239 934	53 801 931	56 492 027
Debt Impairement	224 313 812	234 183 621	244 432 740
Depreciation and Debt Impairment	45 757 705	47 771 044	49 920 741
Finance Charges	1 048 000	1 094 112	1 143 348
Bulk Charges	100 000 000	104 400 000	109 098 000
Other Expenditure	59 715 000	62 342 460	65 147 871
Total Expenditure	**482 074 451**	**503 593 168**	**526 234 727**
Surplus/(Deficit)	124 414 120	126 579 520	129 018 942
Transfer Recognised Capital	**-119 167 961**	**-187 258 188**	**-162 586 363**
Surplus /(Deficit)after capital transfer	5 246 159	-60 678 668	-33 567 421
Capital Expenditure	**-119167961**	**-187258188**	**-162586363**

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 2022/2023 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 2022/23 financial year is R214,416 million and increases to R225,927 million by 2022/23 and has been informed by a collection rate of 40 per cent and distribution losses of 15 per cent.

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

Table 50 2.11 Contracts having future budgetary implications

NW375 Moses Kotane - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
														–
														–
														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
														–
														–
														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
														–
														–
														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Entities:														
Revenue Obligation By Contract	2													
														–
														–
														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
														–
														–
														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
														–
														–
														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Entity Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–

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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**13 540**	**11 561**	**17 414**	**147 783**	**156 596**	**156 596**	**144 807**	**168 012**	**129 103**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	171	171	–	–	–
Drainage Collection		–	–	–	–	171	171	–	–	–
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	12 557	20 670	20 670	12 919	5 000	6 000
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks		–	–	–	12 557	20 670	20 670	12 919	5 000	6 000
Capital Spares										
Water Supply Infrastructure		12 355	13 781	12 934	120 291	99 284	99 284	104 581	138 012	102 103
Dams and Weirs										
Boreholes										
Reservoirs		–	–	–	–	–	–	500	522	545
Pump Stations										
Water Treatment Works		–	–	–	–	–	–	1 500	8 500	–
Bulk Mains		–	–	–	–	5 571	5 571	10 040	14 160	57 779
Distribution		12 355	13 781	12 934	120 291	93 713	93 713	91 342	108 030	43 779
Distribution Points		–	–	–	–	–	–	1 200	6 800	–
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	(0)	11 858	36 472	36 472	24 230	10 000	6 000
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities		–	–	(0)	11 858	36 472	36 472	24 230	10 000	6 000
Capital Spares										
Solid Waste Infrastructure		1 185	(2 220)	4 480	3 077	–	–	3 077	15 000	15 000
Landfill Sites		1 185	(2 220)	4 480	3 077	–	–	3 077	15 000	15 000
Waste Transfer Stations										
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment										
Furniture and Office Equipment		118	172	–	300	300	300	1 500	1 566	1 636
Furniture and Office Equipment		118	172	–	300	300	300	1 500	1 566	1 636
Machinery and Equipment		130	–	54	–	–	–	–	–	–
Machinery and Equipment		130	–	54	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets										
Land		–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	**13 788**	**11 734**	**17 468**	**148 083**	**156 896**	**156 896**	**146 307**	**169 578**	**130 740**

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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**15 191**	**9 315**	**–**	**–**	**–**	**–**	**5 087**	**33 944**	**37 014**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		15 191	9 315	–	–	–	–	5 087	33 944	37 014
Dams and Weirs										
Boreholes		15 191	9 315	–	–	–	–	5 087	33 944	37 014
Reservoirs										
Pump Stations										
Community Assets		**(0)**	**–**	**–**	**27 077**	**28 121**	**28 121**	**13 310**	**1 044**	**30 391**
Community Facilities		(0)	–	–	27 077	28 121	28 121	13 310	1 044	30 391
Halls		(0)	–	–	25 977	27 521	27 521	12 310	–	29 300
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations		–	–	–	1 000	500	500	1 000	1 044	1 091
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space		–	–	–	100	100	100	–	–	–
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls		–	–	–	–	–	–	–	–	–

Other assets		–	–	**13 347**	–	–	–	–	–	–
Operational Buildings		–	–	13 347	–	–	–	–	–	–
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores		–	–	13 347	–	–	–	–	–	–
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		(0)	–	–	–	500	500	500	523	545
Servitudes										
Licences and Rights		(0)	–	–	–	500	500	500	523	545
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		(0)	–	–	–	500	500	500	523	545
Load Settlement Software Applications										
Unspecified										
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment										
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment										
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment										
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets										
Land		–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on renewal of existing	1	**15 191**	**9 315**	**13 347**	**27 077**	**28 621**	**28 621**	**18 897**	**35 511**	**67 950**

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	2022/23 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Present value
Capital expenditure	1							
Vote 01 - Municipal Council		–	–	–	–	–	–	–
Vote 02 - Office Of The Accounting Officer		–	–	–	–	–	–	–
Vote 03 - Budget And Treasury Office		1 000	1 044	1 091	–	–	–	–
Vote 04 - Corporate Services		1 000	1 045	1 091	–	–	–	–
Vote 05 - Community Services		16 387	16 044	45 391	–	–	–	–
Vote 06 - Planning & Development		2 736	9 979	18 000	–	–	–	–
Vote 07 - Infrastructure & Technical Services		213 417	219 205	210 117	–	–	–	–
Vote 08 -		–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–
List entity summary if applicable								
Total Capital Expenditure		**234 540**	**247 317**	**275 690**	**–**	**–**	**–**	**–**
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								
List entity summary if applicable								
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Property rates		124 143	129 606	135 438				
Service charges - electricity revenue		–	–	–				
Service charges - water revenue		225 928	236 104	246 482				
Service charges - sanitation revenue		5 733	5 991	6 254				
Service charges - refuse revenue		11 558	12 078	12 609				
Rental of facilities and equipment		127	132	138				
List other revenues sources if applicable		5 438	5 678	5 933				
List entity summary if applicable								
Total future revenue		372 926	389 588	406 855	–	–	–	–
Net Financial Implications		**(138 386)**	**(142 271)**	**(131 165)**	**–**	**–**	**–**	**–**

Table 55 MBRR SA36 - Detailed capital budget per municipal vote

Attached Separate

2.13 Legislation compliance status

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

1. In year reporting
   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

2. Internship programme
   The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the first intake in 2005 three were employed permanently. Two of the three left the service for promotion. The remaining one has recently been promoted to more senior position. Five interns are currently employed at the moment

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 after approval of the 2021/22 MTREF in June 2021 directly aligned and informed by the 21/22 MTREF.

7. Annual Report
   Annual report is compiled in terms of the MFMA and National Treasury requirements.

   8. MFMA Training
   The MFMA training module in electronic format is available to all financial staff.

   9. Policies
   All budget related policies are reviewed on an annual basis or whenever the need arises and submitted with the budget for adoption by council.

2.14 Other supporting documents

Table 56 MBRR Table SA1 - Supporting detail to budgeted financial performance

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		137 347	143 768	146 537	152 022	121 326	121 326	100 777	127 150	132 745	138 718
Less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***		2 547	2 349	1 564	2 854	2 869	2 869	127	3 007	3 139	3 280
Net Property Rates		**134 800**	**141 420**	**144 972**	**149 168**	**118 457**	**118 457**	**100 650**	**124 143**	**129 606**	**135 438**
Service charges - electricity revenue	6										
Total Service charges - electricity revenue					4 000	4 000	4 000				
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)		–	–	–	4 000	4 000	4 000		–	–	–
Net Service charges - electricity revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Service charges - water revenue	6										
Total Service charges - water revenue		**147 962**	**165 393**	**160 750**	**186 789**	**225 515**	**225 515**	**214 245**	**235 928**	**246 544**	**257 392**
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)		673	1 020	178	11 099	11 099	11 099		10 000	10 440	10 910
Net Service charges - water revenue		**147 290**	**164 373**	**160 572**	**175 691**	**214 416**	**214 416**	**214 245**	**225 928**	**236 104**	**246 482**
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		**2 624**	**2 971**	**2 934**	**3 235**	**5 766**	**5 766**	**4 206**	**6 133**	**6 408**	**6 691**
Less Revenue Foregone ***(in excess of free sanitation service to indigent households)***											
Less Cost of Free Basis Services (free sanitation service to indigent households)		350	306	13	389	389	389		400	418	436
Net Service charges - sanitation revenue		**2 274**	**2 665**	**2 921**	**2 846**	**5 377**	**5 377**	**4 206**	**5 733**	**5 991**	**6 254**

Table 56 MBRR Table SA1 - Supporting detail to budgeted financial performance

(Continued)

Service charges - refuse revenue	6										
Total refuse removal revenue		5 208	10 464	10 851	11 358	11 358	11 358	9 393	11 808	12 339	12 882
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)		563	460	28	425	425	425		250	261	273
Net Service charges - refuse revenue		**4 645**	**10 004**	**10 823**	**10 933**	**10 933**	**10 933**	**9 393**	**11 558**	**12 078**	**12 609**
Other Revenue by source											
Fuel Levy											
Other Revenue		1 934	2 329	1 233	2 902	2 969	2 969	1 324	2 113	2 206	2 306
Total 'Other' Revenue	1	**1 934**	**2 329**	**1 233**	**2 902**	**2 969**	**2 969**	**1 324**	**2 113**	**2 206**	**2 306**
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	131 837	163 560	170 111	183 596	183 596	183 596	155 822	198 002	207 985	218 601
Pension and UIF Contributions		26 301	30 487	33 236	36 250	36 250	36 250	29 224	37 730	39 616	41 597
Medical Aid Contributions		10 538	12 059	13 408	15 512	15 512	15 512	11 944	15 622	16 403	17 223
Overtime		10 996	8 008	11 150	8 009	8 009	8 009	10 730	4 322	4 538	4 765
Performance Bonus		8 877	9 892	21 146	13 185	13 185	13 185	10 141	13 827	14 500	15 208
Motor Vehicle Allowance		1 029	1 619	1 579	1 719	1 719	1 719	1 335	1 663	1 688	1 714
Cellphone Allowance		–	–	–	–	–	–	–	–	–	–
Housing Allowances		411	478	537	566	566	566	459	575	604	634
Other benefits and allowances		2 664	2 119	2 461	2 134	2 134	2 134	2 402	3 511	3 687	3 871
Payments in lieu of leave		–	6 080	–	–	–	–	489	–	–	–
Long service awards		1 789	2 623	3 026	–	–	–	–	–	–	–
Post-retirement benefit obligations	4	–	–	–	–	–	–	–	–	–	–
sub-total	5	**194 442**	**236 925**	**256 653**	**260 971**	**260 971**	**260 971**	**222 546**	**275 251**	**289 021**	**303 613**
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–	–
Total Employee related costs	1	**194 442**	**236 925**	**256 653**	**260 971**	**260 971**	**260 971**	**222 546**	**275 251**	**289 021**	**303 613**
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		147 837	142 572	137 047	162 308	162 308	162 308	109 506	145 244	151 635	158 459
Lease amortisation		11 978	5 215	2 469	5 376	5 376	5 376	1 854	5 634	5 882	6 147
Capital asset impairment		–	2 828	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	1	**159 814**	**150 615**	**139 517**	**167 684**	**167 684**	**167 684**	**111 360**	**150 878**	**157 517**	**164 605**
Bulk purchases - electricity											
Electricity bulk purchases		11 539	24 542	23 524	20 000	20 000	20 000	16 787	20 000	20 880	21 820
Total bulk purchases	1	**11 539**	**24 542**	**23 524**	**20 000**	**20 000**	**20 000**	**16 787**	**20 000**	**20 880**	**21 820**
Transfers and grants											
Cash transfers and grants		75	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	**75**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Contracted services											
Outsourced Services		61 349	55 920	61 195	50 486	50 636	50 636	48 139	58 700	61 223	67 490
Consultants and Professional Services		13 030	21 757	30 075	12 052	12 495	12 495	19 394	16 200	16 913	17 674
Contractors		65 483	45 713	53 737	39 449	39 399	39 399	36 981	52 687	55 021	53 305
Total contracted services		**139 862**	**123 389**	**145 007**	**101 987**	**102 531**	**102 531**	**104 514**	**127 587**	**133 157**	**138 469**
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions		–	–	–	–	600	600	500	600	627	655
Audit fees		3 430	4 580	5 485	4 000	3 000	3 000	3 204	3 500	3 654	3 818
Other Expenditure		135 527	108 745	83 313	45 845	47 568	47 568	53 977	90 948	94 925	100 695
Total 'Other' Expenditure	1	**138 957**	**113 325**	**88 798**	**49 845**	**51 168**	**51 168**	**57 681**	**95 048**	**99 206**	**105 168**

Repairs and Maintenance	8										
Employee related costs											
Inventory Consumed (Project Maintenance)		93	4	60	–	–	–	–	–	–	–
Contracted Services		62 287	45 039	53 429	38 750	38 706	38 706	36 837	51 835	54 132	52 375
Other Expenditure		497	762	19	2 100	2 405	2 405	1 818	2 150	2 247	2 346
Total Repairs and Maintenance Expenditure	9	62 877	45 805	53 508	40 850	41 111	41 111	38 655	53 985	56 378	54 721

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	Vote 08 -	Vote 09 -	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 - Other	Total
R thousand	1																
Revenue By Source																	
Property rates		(1 024)	–	125 167	–	–	–	–	–	–	–	–	–	–	–	–	124 143
Service charges - electricity revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue		–	–	–	–	–	–	225 928	–	–	–	–	–	–	–	–	225 928
Service charges - sanitation revenue		–	–	–	–	–	–	5 733	–	–	–	–	–	–	–	–	5 733
Service charges - refuse revenue		–	–	–	–	11 558	–	–	–	–	–	–	–	–	–	–	11 558
Rental of facilities and equipment		–	–	127	–	–	–	–	–	–	–	–	–	–	–	–	127
Interest earned - external investments		–	–	5 438	–	–	–	–	–	–	–	–	–	–	–	–	5 438
Interest earned - outstanding debtors		–	–	85 594	–	–	–	–	–	–	–	–	–	–	–	–	85 594
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	2 000	–	–	–	–	–	–	–	–	–	–	2 000
Licences and permits		–	–	–	–	2 000	–	–	–	–	–	–	–	–	–	–	2 000
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other revenue		–	–	1 413	600	–	100	–	–	–	–	–	–	–	–	–	2 113
Transfers and subsidies		21 446	–	275 099	–	81 390	–	160 196	–	–	–	–	–	–	–	–	538 131
Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and cont		**20 422**	**–**	**492 839**	**600**	**96 948**	**100**	**391 856**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1 002 765**
Expenditure By Type																	
Employee related costs		21 809	13 756	40 408	43 057	48 369	18 903	88 949									275 251
Remuneration of councillors		26 922	–	–	–	–	–	–	–	–	–	–	–	–	–	–	26 922
Debt impairment		–	–	33 893	–	16 656	–	226 408	–	–	–	–	–	–	–	–	276 957
Depreciation & asset impairment		1 454	–	–	5 634	35 460	–	108 331	–	–	–	–	–	–	–	–	150 878
Finance charges		–	–	–	–	1 591	–	2 096	–	–	–	–	–	–	–	–	3 687
Bulk purchases - electricity		–	–	–	–	–	–	20 000	–	–	–	–	–	–	–	–	20 000
Inventory consumed		–	–	8 785	–	–	–	100 935	–	–	–	–	–	–	–	–	109 720
Contracted services		6 050	300	16 950	1 705	61 481	2 000	39 102	–	–	–	–	–	–	–	–	127 587
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		26 982	5 800	325	23 965	34 690	510	2 776	–	–	–	–	–	–	–	–	95 048
Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**83 217**	**19 856**	**100 361**	**74 360**	**198 246**	**21 413**	**588 597**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1 086 051**
Surplus/(Deficit)		**(62 795)**	**(19 856)**	**392 478**	**(73 760)**	**(101 299)**	**(21 313)**	**(196 741)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(83 286)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)						**18 123**		**212 917**									**231 040**
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)				–	–	–		–									–
Transfers and subsidies - capital (in-kind - all)				**–**													**–**
Surplus/(Deficit) after capital transfers & contributions		**(62 795)**	**(19 856)**	**392 478**	**(73 760)**	**(83 176)**	**(21 313)**	**16 175**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**147 754**

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

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS											
Consumer debtors											
Consumer debtors		933 097	915 788	1 145 704	199 760	199 760	199 760	1 478 276	2 082 362	2 174 105	2 174 105
Less: Provision for debt impairment		(909 434)	(853 410)	(1 021 537)	(104 643)	(104 643)	(104 643)	(1 304 814)	(2 006 135)	(2 094 405)	(2 094 405)
Total Consumer debtors	2	**23 663**	**62 378**	**124 167**	**95 117**	**95 117**	**95 117**	**173 462**	**76 227**	**79 701**	**79 701**
Debt impairment provision											
Balance at the beginning of the year		(486 081)	(642 810)	(805 158)	–	–	–	(1 020 972)	(1 062 778)	(1 109 541)	(1 109 541)
Contributions to the provision		(156 729)	(162 348)	(215 814)	–	–	–	(282 269)	(4 851)	(5 064)	(5 064)
Bad debts written off		(266 625)	(48 252)	(565)	(104 643)	(104 643)	(104 643)	(1 573)	(938 506)	(979 800)	(979 800)
Balance at end of year		**(909 434)**	**(853 410)**	**(1 021 537)**	**(104 643)**	**(104 643)**	**(104 643)**	**(1 304 814)**	**(2 006 135)**	**(2 094 405)**	**(2 094 405)**
Inventory											
Water											
Opening Balance		46	**46**	**46**	**46**	**46**	**46**	**46**	**(69 954)**	**(69 954)**	**(69 954)**
System Input Volume		–	–	–	–	–	–	–	**100 935**	**105 376**	**110 531**
Water Treatment Works		–	–	–	–	–	–	–	–	–	–
Bulk Purchases		–	–	–	–	–	–	–	100 935	105 376	110 531
Natural Sources		–	–	–	–	–	–	–	–	–	–
Authorised Consumption	6	–	–	–	**(70 000)**	**(70 000)**	**(70 000)**	–	**(100 935)**	**(105 376)**	**(110 531)**
Billed Authorised Consumption		–	–	–	**(70 000)**	**(70 000)**	**(70 000)**	–	**(100 935)**	**(105 376)**	**(110 531)**
Billed Metered Consumption		–	–	–	**(70 000)**	**(70 000)**	**(70 000)**	–	**(100 935)**	**(105 376)**	**(110 531)**
Free Basic Water		–	–	–	–	–	–	–	–	–	–
Subsidised Water		–	–	–	–	–	–	–	–	–	–
Revenue Water		–	–	–	(70 000)	(70 000)	(70 000)	–	(100 935)	(105 376)	(110 531)
Billed Unmetered Consumption		–	–	–	–	–	–	–	–	–	–
Non-revenue Water		–	–	–	–	–	–	–	–	–	–
Closing Balance Water		**46**	**46**	**46**	**(69 954)**	**(69 954)**	**(69 954)**	**46**	**(69 954)**	**(69 954)**	**(69 954)**
Agricultural											
Opening Balance			–	–	–	–	–	–	–	–	–
Acquisitions											
Issues	7										
Adjustments	8										
Write-offs	9										
Closing balance - Agricultural		–	–	–	–	–	–	–	–	–	–
Consumables											
Standard Rated											
Opening Balance		**8 073**	**11 679**	**9 701**	**11 443**	**11 443**	**11 443**	**11 443**	**170 978**	**168 080**	**165 054**
Acquisitions		6 067	1 423	5 082	–	–	–	5 921	5 887	6 146	6 146
Issues	7	(3 116)	(3 139)	(2 830)	(8 431)	(7 431)	(7 431)	(3 812)	(8 785)	(9 171)	(9 171)
Adjustments	8	10	879	–	166 966	166 966	166 966	–	–	–	–
Write-offs	9	645	(1 142)	(509)	–	–	–	(57)	–	–	–
Closing balance - Consumables Standard Rated		**11 679**	**9 701**	**11 443**	**169 978**	**170 978**	**170 978**	**13 495**	**168 080**	**165 054**	**162 028**
Zero Rated											
Opening Balance		–	–	–	–	–	–	–	–	–	–

Opening Balance		**21 046**	**(0)**	**(0)**	**320**	**320**	**320**	**320**	**320**	**320**	**320**
Acquisitions		(20 998)	–	542	–	–	–	–	–	–	–
Sales		(47)	–	(222)	–	–	–	–	–	–	–
Adjustments											
Correction of Prior period errors											
Closing Balance - Land		**(0)**	**(0)**	**320**	**320**	**320**	**320**	**320**	**320**	**320**	**320**
Closing Balance - Inventory & Consumables		**11 725**	**9 747**	**11 809**	**100 344**	**101 344**	**101 344**	**13 862**	**98 446**	**95 420**	**92 395**
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		6 004 131	5 644 768	5 791 771	3 729 880	3 745 459	3 745 459	5 898 864	6 426 424	3 090 362	3 118 712
Leases recognised as PPE	3										
Less: Accumulated depreciation		2 705 794	2 725 477	2 848 611	–	–	–	2 958 117	3 086 423	238 700	238 700
Total Property, plant and equipment (PPE)	2	**3 298 336**	**2 919 291**	**2 943 160**	**3 729 880**	**3 745 459**	**3 745 459**	**2 940 747**	**3 340 001**	**2 851 662**	**2 880 012**
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		43 830	35 988	22 699	36 988	36 988	36 988	17 344	25 864	22 662	17 662
Total Current liabilities - Borrowing		**43 830**	**35 988**	**22 699**	**36 988**	**36 988**	**36 988**	**17 344**	**25 864**	**22 662**	**17 662**
Trade and other payables											
Trade Payables	5	199 960	215 216	189 034	(1 865 820)	(1 865 820)	(1 865 820)	143 382	16 389	1 389	(53 611)
Other creditors		347	483	405	1 763 697	1 763 697	1 763 697	802	–	–	–
Unspent conditional transfers		60 740	42 148	27 327	130 094	130 094	130 094	131 695	153 611	153 611	153 611
VAT		28 311	45 444	62 733	–	–	–	93 049	–	–	–
Total Trade and other payables	2	**289 359**	**303 291**	**279 500**	**27 971**	**27 971**	**27 971**	**368 928**	**170 000**	**155 000**	**100 000**
Non current liabilities - Borrowing											
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Finance leases (including PPP asset element)		–	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Provisions - non-current											
Retirement benefits											
Refuse landfill site rehabilitation		16 010	15 193	20 881	15 414	15 414	15 414	21 381	21 281	22 217	22 217
Other		15 533	15 533	15 533	15 758	15 758	15 758	15 533	15 533	16 216	16 216
Total Provisions - non-current		**31 543**	**30 726**	**36 413**	**31 172**	**31 172**	**31 172**	**36 913**	**36 813**	**38 433**	**38 433**

Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		3 478 354	3 256 365	2 874 893	1 088 495	1 088 495	1 088 495	3 017 853	3 017 853	3 150 639	3 292 418
GRAP adjustments		–	5 106	–	–	–	–	–	–	–	–
Restated balance		3 478 354	3 261 471	2 874 893	1 088 495	1 088 495	1 088 495	3 017 853	3 017 853	3 150 639	3 292 418
Surplus/(Deficit)		(53 803)	104 342	262 138	209 596	235 468	235 468	163 876	147 754	164 899	216 864
Transfers to/from Reserves		–	–	–	2 711 226	2 706 135	2 706 135	–	215 634	(399 902)	(505 273)
Depreciation offsets		–	–	–	–	–	–	–	–	–	–
Other adjustments		(67 933)	(385 980)	(16 488)	–	–	–	–	31	32	34
Accumulated Surplus/(Deficit)	1	**3 356 618**	**2 979 832**	**3 120 544**	**4 009 316**	**4 030 098**	**4 030 098**	**3 181 729**	**3 381 273**	**2 915 668**	**3 004 042**
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL COMMUNITY WEALTH/EQUITY	2	**3 356 618**	**2 979 832**	**3 120 544**	**4 009 316**	**4 030 098**	**4 030 098**	**3 181 729**	**3 381 273**	**2 915 668**	**3 004 042**

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

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

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			–	–	237 000	–	242 553	–	242 553	242 553	242 553	–
Females aged 5 - 14			–	–	24 000	–	3 510	–	35 099	35 099	35 099	–
Males aged 5 - 14			–	–	23 000	–	35 696	–	35 696	35 696	35 696	–
Females aged 15 - 34			–	–	41 000	–	75 483	–	75 483	75 483	75 483	–
Males aged 15 - 34			–	–	41 000	–	77 489	–	77 489	77 489	77 489	–
Unemployment			–	–	142 000	–	18 786	–	18 786	18 786	18 786	–
Monthly household income (no. of households)	1, 12											
No income			–	–	32 821	–	33	–	33 758	33 758	33 758	–
R1 - R1 600			–	–	12 532	–	12 532	–	12 532	12 532	12 532	–
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200			–	–	–	–	–	–	–	–	–	–
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			-	-	227 000 000	–	242 553	–	242 553	242 553	242 553	–
Number of poor people in municipal area			-	-	84 000	–	84	–	84	84	84	–
Number of households in municipal area			-	-	60 000	–	62	–	62	62	62	–
Number of poor households in municipal area			-	-	33 000	–	330	–	33	330	330	–
Definition of poor household (R per month)			-	-	-	-	-	-	-	-	-	-
Housing statistics	3											
Formal												
Informal												
Total number of households			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4		-	-	52 571	-	54 162	-	54 162	54 162	54 162	-
Dwellings provided by province/s			-	-	7 596	-	8 059	-	8 059	8 059	8 059	-
Dwellings provided by private sector	5		-	-	-	-	-	-	-	-	-	-
Total new housing dwellings			-	-	60 167	-	62 221	-	62 221	62 221	62 221	-
Economic	6											
Inflation/inflation outlook (CPIX)						4,7%	5,4%	0,0%	5,4%	5,4%	5,4%	0,0%
Interest rate - borrowing						0,0%	12,0%	0,0%	12,0%	12,0%	12,0%	0,0%
Interest rate - investment						0,0%	7,5%	0,0%	7,5%	7,5%	7,5%	0,0%
Remuneration increases						0,0%	7,5%	0,0%	7,5%	7,5%	7,5%	0,0%
Consumption growth (electricity)												
Consumption growth (water)						3,0%	2,0%	0,0%	2,0%	2,0%	2,0%	0,0%
Collection rates	7											
Property tax/service charges						65,0%	65,0%	0,0%	970,0%	970,0%	970,0%	0,0%
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services						0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

Other Supporting Documents

NW375 Moses Kotane - Supporting Table SA11 Property rates summary

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Valuation:	1									
Date of valuation:		2000-01-01	2000-01-01	2000-01-01	2000-01-01					
Financial year valuation used		**0**	**2016**	**0**	**0**			**0**		
Municipal by-laws s6 in place? (Y/N)	2									
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)			Yes		Yes	Yes	Yes	Yes	Yes	
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3									
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)										
Implementation time of new valuation roll (mths)										
No. of properties	5	–	8 188 000	–	8 188 000	8 188 000	8 188 000	8 188 000	8 188 000	–
No. of sectional title values	5	–	88 000	–	88 000	88 000	88 000	88 000	88 000	–
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations		–	1	–	1	1	1	1	1	–
No. of valuation roll amendments		–	840	–	840	840	840	840	840	–
No. of objections by rate payers										
No. of appeals by rate payers										
No. of successful objections	8									
No. of successful objections > 10%	8									
Supplementary valuation										
Public service infrastructure value (Rm)	5	–	29	–	29	29	29	29	29	–
Municipality owned property value (Rm)		–	0	–	0	0	0	0	0	–
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
Total valuation reductions:		–	–	–	–	–	–	–	–	–
Total value used for rating (Rm)	5	–	2	–	2	2	2	2	2	–
Total land value (Rm)	5	–	2	–	2	2	2	2	**2**	–
Total value of improvements (Rm)	5	–	1	–	1	1	1	1	1	–
Total market value (Rm)	5	–	3	–	3	3	3	3	3	–
Rating:										
Residential rate used to determine rate for other categories? (Y/N)			Yes		Yes			No		
Differential rates used? (Y/N)	5		Yes		Yes			No		
Limit on annual rate increase (s20)? (Y/N)			Yes		Yes	Yes	Yes	Yes	Yes	
Special rating area used? (Y/N)			No		No			No		
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)			Yes		Yes			No		
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R '000)	6	–	–	–	69 720	69 720	69 720	69 720	69 720	–
Rate revenue expected to collect (R'000)	6	–	55 776	–	55 776	55 776	55 776	55 776	55 776	–
Expected cash collection rate (%)		0,0%	0,0%	0,0%	65,0%	65,0%	65,0%	65,0%	65,0%	0,0%
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)		–	4 400	–	4 400	4 400	4 400	4 400	4 400	–
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
Total rebates,exemptns,reductns,discs (R'000)		**–**	**4 400**	**–**	**4 400**	**4 400**	**4 400**	**4 400**	**4 400**	**–**

NW375 Moses Kotane - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
							Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Exemptions, reductions and rebates *(Rands)*									
- *[Insert lines as applicable]*		-	-	-	-	-	-	-	-
Water tariffs									
- *[Insert blocks as applicable]*		0 (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)	-	-	-	-	-	-	-
Waste water tariffs									
- *[Insert blocks as applicable]*		0 (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure)	-	-	-	-	-	-	-
Electricity tariffs									
- *[Insert blocks as applicable]*		0 (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)	-	-	-	-	-	-	-

NW375 Moses Kotane - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality										
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		–	–	–	–	–	–	–	–	–
Municipality sub-total	1	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Transfers to other municipalities											
Insert description	1										
Total Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms											
	2										
Total Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Cash Transfers to other Organs of State											
	3										
Total Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations											
Total Cash Transfers To Organisations		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Groups of Individuals											
Hh Ssp Soc Ass: Care Dependency		75	–	–	–	–	–	–	–	–	–
Hh Ssp Soc Ass: Grant In Aid		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		75	–	–	–	–	–	–	–	–	–
TOTAL CASH TRANSFERS AND GRANTS	6	75	–	–	–	–	–	–	–	–	–
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	75	–	–	–	–	–	–	–	–	–

NW375 Moses Kotane - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
														–
														–
														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
														–
														–
														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
														–
														–
														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Entities:														
Revenue Obligation By Contract	2													
														–
														–
														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
														–
														–
														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
														–
														–
														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Entity Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**48 829**	**29 460**	**38 317**	**29 250**	**29 206**	**29 206**	**36 181**	**37 784**	**35 296**
Roads Infrastructure		2 705	415	1 140	550	550	550	4 100	4 280	297
Roads		2 696	415	1 131	500	500	500	4 000	4 176	188
Road Structures										
Road Furniture		8	–	9	50	50	50	100	104	109
Capital Spares										
Storm water Infrastructure		821	33	62	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance		821	33	62	–	–	–	–	–	–
Attenuation										
Electrical Infrastructure		8 482	245	999	500	500	500	1 000	1 044	1 091
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks		8 482	245	999	500	500	500	1 000	1 044	1 091
Capital Spares										
Water Supply Infrastructure		523	69	1 060	1 000	1 000	1 000	500	523	545
Dams and Weirs										
Boreholes										
Reservoirs		523	69	1 060	1 000	1 000	1 000	500	523	545
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		36 299	28 700	35 057	27 200	27 156	27 156	30 581	31 937	33 363
Landfill Sites		36 299	28 700	35 057	27 200	27 156	27 156	30 581	31 937	33 363
Waste Transfer Stations		–	–	–	–	–	–	–	–	–

Community Assets	**489**	**24**	**56**	**150**	**150**	**150**	**250**	**261**	**273**
Community Facilities	–	–	–	50	50	50	50	52	55
Halls									
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations	–	–	–	–	–	–	–	–	–
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria	–	–	–	50	50	50	50	52	55
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	489	24	56	100	100	100	200	209	218
Indoor Facilities									
Outdoor Facilities	489	24	56	100	100	100	200	209	218
Capital Spares	.	.	.	.	.	.	.	.	.
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property									
Unimproved Property									
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property									
Unimproved Property									
Other assets	**6 836**	**4 176**	**4 130**	**2 300**	**2 300**	**2 300**	**2 305**	**2 407**	**2 514**
Operational Buildings	6 836	4 176	4 130	2 300	2 300	2 300	2 305	2 407	2 514
Municipal Offices	6 836	4 176	4 130	2 300	2 300	2 300	2 305	2 407	2 514
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	–	–	–	–	–	–	–	–	–
Staff Housing									
Social Housing									
Capital Spares									
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets									
Intangible Assets	423	758	2	2 000	2 305	2 305	2 000	2 090	2 182
Servitudes									
Licences and Rights	423	758	2	2 000	2 305	2 305	2 000	2 090	2 182
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications	423	758	2	2 000	2 305	2 305	2 000	2 090	2 182
Load Settlement Software Applications									
Unspecified									
Computer Equipment	66	4	8	50	50	50	50	52	55
Computer Equipment	66	4	8	50	50	50	50	52	55
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–

NW375 Moses Kotane - Supporting Table SA34d Depreciation by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Depreciation by Asset Class/Sub-class										
Infrastructure		**208 589**	**89 736**	**104 954**	**128 182**	**128 182**	**128 182**	**109 481**	**114 298**	**119 441**
Roads Infrastructure		114 819	37 515	42 200	57 209	57 209	57 209	51 869	54 151	56 588
Roads		114 819	37 515	42 200	57 209	57 209	57 209	51 869	54 151	56 588
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		3 308	3 119	4 251	3 727	3 727	3 727	3 906	4 078	4 261
Drainage Collection		3 308	3 119	4 251	3 727	3 727	3 727	3 906	4 078	4 261
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		2 613	2 922	3 084	3 340	3 340	3 340	3 500	3 654	3 819
Power Plants		2 613	2 922	3 084	3 340	3 340	3 340	3 500	3 654	3 819
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		83 812	42 465	51 852	59 662	59 662	59 662	45 758	47 771	49 921
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		83 812	42 465	51 852	59 662	59 662	59 662	45 758	47 771	49 921
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		3 439	2 754	2 771	3 148	3 148	3 148	3 299	3 444	3 599
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		3 439	2 754	2 771	3 148	3 148	3 148	3 299	3 444	3 599
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		598	960	796	1 097	1 097	1 097	1 149	1 200	1 254
Landfill Sites		598	960	796	1 097	1 097	1 097	1 149	1 200	1 254
Community Assets		**24 551**	**19 581**	**18 978**	**16 201**	**16 201**	**16 201**	**16 979**	**17 726**	**18 524**
Community Facilities		24 551	19 581	18 978	16 201	16 201	16 201	16 979	17 726	18 524
Halls		21 077	15 998	15 395	14 471	14 471	14 471	15 166	15 833	16 545
Centres		3 474	3 583	3 583	1 730	1 730	1 730	1 814	1 893	1 979
Crèches		–	–	–	–	–	–	–	–	–
Other assets		**–**	**5 964**	**6 332**	**8 365**	**8 365**	**8 365**	**8 767**	**9 153**	**9 565**
Operational Buildings		–	5 964	6 332	8 365	8 365	8 365	8 767	9 153	9 565
Municipal Offices		–	5 964	6 332	8 365	8 365	8 365	8 767	9 153	9 565
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–

Biological or Cultivated Assets		–	6 183	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	6 183	–	–	–	–	–	–	–
Intangible Assets		11 978	5 215	2 469	5 376	5 376	5 376	5 634	5 882	6 147
Servitudes										
Licences and Rights		11 978	5 215	2 469	5 376	5 376	5 376	5 634	5 882	6 147
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		11 978	5 215	2 469	5 376	5 376	5 376	5 634	5 882	6 147
Load Settlement Software Applications										
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		(56 771)	13 212	–	–	–	–	–	–	–
Computer Equipment		(56 771)	13 212	–	–	–	–	–	–	–
Furniture and Office Equipment		(33 955)	6 207	4 082	4 016	4 016	4 016	4 209	4 394	4 591
Furniture and Office Equipment		(33 955)	6 207	4 082	4 016	4 016	4 016	4 209	4 394	4 591
Machinery and Equipment		621	449	362	1 387	1 387	1 387	1 454	1 518	1 586
Machinery and Equipment		621	449	362	1 387	1 387	1 387	1 454	1 518	1 586
Transport Assets		4 802	4 068	2 339	4 156	4 156	4 156	4 355	4 547	4 752
Transport Assets		4 802	4 068	2 339	4 156	4 156	4 156	4 355	4 547	4 752
Land		–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	**159 814**	**150 615**	**139 517**	**167 684**	**167 684**	**167 684**	**150 878**	**157 517**	**164 605**

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		**41 121**	**1 862**	**16 270**	**60 000**	**65 722**	**65 722**	**66 600**	**32 249**	**59 000**
Roads Infrastructure		41 042	1 862	16 270	60 000	65 722	65 722	56 600	16 425	35 000
Roads		41 042	1 862	16 270	60 000	65 722	65 722	56 600	16 425	35 000
Road Structures										
Water Supply Infrastructure		80	–	–	–	–	–	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs		80	–	–	–	–	–	–	–	–
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	10 000	15 824	24 000
Pump Station										
Reticulation										
Waste Water Treatment Works		–	–	–	–	–	–	10 000	15 824	24 000

Community Assets		–	–	–	–	–	–	**2 736**	**9 979**	**18 000**
Community Facilities		–	–	–	–	–	–	2 736	9 979	18 000
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets		–	–	–	–	–	–	2 736	9 979	18 000
Total Capital Expenditure on upgrading of existing a	1	**41 121**	**1 862**	**16 270**	**60 000**	**65 722**	**65 722**	**69 336**	**42 228**	**77 000**

2.15 Municipal manager's quality certificate

I ……, Municipal Manager of Moses Kotane Local Municipality, hereby certify that the draft annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal Manager of Moses Kotane Local Municipality (NW375)

Signature _____

Date _____