

**SCHEDULE A**  
**ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF MOSES KOTANE LOCAL  
MUNICIPALITY**

**2025/2026 TO 2027/2028**

**Adopted by Council on 30/05/2025**

**Council Resolution No.: 125/05/2025**

**ANNUAL BUDGET OF  
MOSES KOTANE LOCAL MUNICIPALITY**

**NW 375**

**2025/2026 TO 2027/28**

**MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

**Copies of this document can be accessed:**

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

## Table of Contents

ANNEXURE A .....	
<b>PART 1 – ANNUAL BUDGET .....</b>	
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
<b>PART 2 – SUPPORTING DOCUMENTATION .....</b>	
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 2025/2026 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 2025/2026 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 20205/2026 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 increases 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
Table 54 MBRR SA35 - Future financial implications of the capital budget .....	98
Table 55 MBRR SA36 - Detailed capital budget per municipal vote .....	99
Table 56 MBRR Table SA1 - Supporting detail to budgeted financial performance .....	100
Table 57 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 2025/2026 financial year .....	22
Figure 2 Capital Infrastructure Programme .....	24
Figure 3 Planning, budgeting and reporting cycle.....	54
Figure 4 Definition of performance information concepts.....	55
Figure 7 Breakdown of operating revenue over the 2025/2026 MTREF .....	65
Figure 6 Sources of capital revenue for the 2025/2026 financial year .....	69

## Abbreviations and Acronyms

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

## Part 1 – Annual Budget

### **Budget Speech for 2025/2026 financial year as presented by MKLM Acting Mayor, Clr Dithothi Tshetlhane**

**Attached separately.**

#### **Overview of the Budget:**

NW375 Moses Kotane - 2025-2026 MTREF BUDGET					
Description	2024-2025		MTREF		
	Original Budget	Adjusted Budget	2025/2026	2026/2027	2027/2028
<b>R thousands</b>					
Operating Revenue	1 061 075	1 080 046	1 136 908	1 168 133	1 213 586
Operating Expenditure	1 346 501	1 420 427	1 453 744	1 498 791	1 567 989
<b>Operating Surplus (Deficit)</b>	<b>(285 427)</b>	<b>(340 381)</b>	<b>(316 836)</b>	<b>(330 657)</b>	<b>(354 403)</b>
Capital Expenditure	252 554	255 327	225 068	243 443	255 796

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

#### **The 2025/26 financial year budget summary:**

The anticipated operating revenue budget for the 2025/26 financial year is estimated at R1.136 billion. This is a projected increase of 5% when compared to the 2024/25 adjustment budget of R1 080 billion. Operating revenue is further estimated to increase by 2.67% and 3.75% for the 2026/27 and 2027/28 financial years respectively. The revenue growth is projected to increase at a rate below inflation which is disadvantageous to the financial sustainability of the municipality.

**The total anticipated operating revenue budget amounts to R1. 136 billion, comprising of the following items: -**

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

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

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

- Library R1.1 million

The total operating expenditure amounts to R1.453 billion for 2025/26 financial year. The estimated expenditure budget has increased by R36.4 million which is an increase of 2% when compared to the 2024/25 adjustment budget. Operating expenditure budget is further estimated to increase by an average of 4% in the outer years.

**The total operating expenditure budget amounts to R1.453 billion comprises of the following:**

- |                               |                |
|-------------------------------|----------------|
| • Employee related cost       | R373.1 million |
| • Remuneration of councillors | R32.3 million  |
| • Depreciation                | R186.5 million |
| • Debt Impairment             | R309.9 million |
| • Finance Cost (Interest)     | R2.5 million   |
| • Bulk Purchase - electricity | R46.6 million  |
| • Inventory Consumed          | R189.1 million |
| • Contracted services         | R204.5 million |
| • Operational Costs           | R108.9 million |

### **Capital Projects**

Attached separately.

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

MIG	R175 million
WSIG	R50 million
<b>Total Capital Projects</b>	<b>R225 million</b>

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

WSIG SERVICES INFRASTRUCTURE GRANTS			
Project Title	Allocated budget for 2025/26	Allocated budget 2026/27	Allocated budget 2027/28
Mabeskraal to Uitkyk Bulk Water Pipeline	-	-	
Mabeskraal to Uitkyk Bulk Water Pipeline Phase 2	5 000 000.00	-	
Madikwe Bulk Water Augmentation	1 000 000.00		
Design of Greater Saulspoort Bulk Water Augmentation			
Greater Saulspoort Bulk Water Augmentation	2 000 000.00		21 350 000.00
Design of David Katnagel Water Supply			
Construction David Katnagel Water Supply	6 000 000.00		
Construction of Tweelagte water supply Phase III	7 000 000.00		
Construction of a resevier in Bojating		7 000 000.00	
Construction of a balacing tank (Ward 8 - Ngweding)		8 000 000.00	6 000 000.00
Water conservation and Demand Management in Mogwase	2 000 000.00	2 243 000.00	
<b>WATER TOTAL</b>	<b>23 000 000.00</b>	<b>17 243 000.00</b>	<b>27 350 000.00</b>
Upgrading of Madikwe Sewer Network	10 000 000.00	15 000 000.00	20 000 000.00
Refurbishment of Mogwase Waste Water Treatment Works	17 000 000.00	20 000 000.00	
Upgrading of Mogwase Waste Water Treatment Plant	-		9 000 000.00
<b>SANITATION TOTAL</b>	<b>27 000 000.00</b>	<b>35 000 000.00</b>	<b>29 000 000.00</b>
<b>TOTAL GRANT ALLOCATIONS</b>	<b>50 000 000.00</b>	<b>52 243 000.00</b>	<b>56 350 000.00</b>



MIG (MUNICIPAL INFRASTRUCTURE GRANT)			
Project Title	Allocated budget for 2025/26	Allocated budget 2026/27	Allocated budget 2027/28
Design of Tweelagte water supply Phase 4, new stands	15 000 000.00		
Construction of Sandfontein Water Supply Phase 2, Boikutso Ext	20 000 000.00	18 000 000.00	
Molatedi Water Treatment Plant Upgrading	4 468 000.00	10 000 000.00	
Replacement of Mogwase Asbestos Pipe Phase 2	20 000 000.00	9 000 000.00	
Mabaalstad Water Supply	2 800 000.00	10 000 000.00	18 000 000.00
Moubane Water Supply	2 800 000.00	12 000 000.00	19 000 000.00
<b>WATER &amp; SANITATION TOTAL</b>	<b>65 068 000.00</b>	<b>59 000 000.00</b>	<b>37 000 000.00</b>
Design Tlokweng Internal Roads	15 000 000.00	16 000 000.00	
Design Rehabilitation of Welverdiend Internal Roads	15 000 000.00	16 000 000.00	
Design Rehabilitation of Mogwase Internal Roads	15 000 000.00	11 000 000.00	29 000 000.00
Design Rehabilitation of Kraalhoek Internal Roads			
Rehabilitation of Kraalhoek Internal Roads	17 000 000.00		
Design of Upgrading of stormwater Management - Goedeheop, Nonceba and Losmytjerie			
Upgrading of stormwater Management -Goedeheop, Nonceba and Losmytjerie	18 000 000.00	7 000 000.00	30 000 000.00
Mabeskraal internal roads and stormwater	2 000 000.00	11 000 000.00	15 000 000.00
Internal Roads in Green Site (Ward 9)	1 500 000.00	9 000 000.00	16 000 000.00
Internal Roads in Welgeval Block C (Ward 16)	1 500 000.00	12 000 000.00	13 000 000.00
<b>ROADS &amp; STORM WATER TOTAL</b>	<b>85 000 000.00</b>	<b>82 000 000.00</b>	<b>103 000 000.00</b>
Energizing of High Mast Lights various wards	7 000 000.00	7 000 000.00	9 446 000.00
Design of Disaster Management Center	2 000 000.00		
Construction of Disaster Management Centre		8 200 000.00	25 000 000.00
Refurbishment of Tlokweng cemetery	14 000 000.00	15 000 000.00	
Upgrading of Madikwe Landfill Site	2 000 000.00	20 000 000.00	23 000 000.00
Phella Sports facility			1 000 000.00
Mabeskraal Sports Facility			1 000 000.00
<b>OTHER TOTALS</b>	<b>25 000 000.00</b>	<b>50 200 000.00</b>	<b>59 446 000.00</b>
<b>TOTAL MIG PROJECTS</b>	<b>175 068 000.00</b>	<b>191 200 000.00</b>	<b>199 446 000.00</b>

**The provision for the total capital budget for 2025/26 financial year amount to R225 million. The total capital budget is fully funded by National Grants, i.e. MIG and WSIG.**

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

Rural municipalities were to and extend more affected by the economic slowdown as the revenue base are very limited. Our municipality is predominately rural in nature with a very limited revenue

base. The infrastructure inherited from previous service providers presents a serious challenge to this municipality. The water assets transferred from the Department of Water Affairs are aging and not up to standard. Most of the 109 villages in the municipality receive water at RDP level or even below. Although millions of rands are spent annually to upgrade water schemes to at least RDP standards to improve the living conditions of our people, it does not provide additional income for the municipality but increase the cost of free basic services.

The announcement by Magalies Water that bulk tariffs will be increased from July 2025 will place further pressure on water tariffs.

Municipality is currently trading at a loss over the MTREF, due to high demand of water in villages that are not billed for revenue.

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

The cost of human resources as provided for in the 2025/26 budget represents 28% of the total expenditure budget. The cost of human resource is still within the limit of between 25 and 40% as recommended by Treasury Regulations.

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

The compilation of the 2025/26 Budget posed many challenges and obstacles, owing to limited financial resources. Restrained expenditure was and is still encouraged to ensure that spending remains within the affordability parameters of the MKLM's finances, to ensure that the council deliver on its core mandate and achieve the development goals.

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

The budget principles that informed the compilation of the 2025/26 Budget are in line with Section 21 of the MFMA and the following additional principals needs to be highlighted;

The inclusion of funding requests is subject to;  
Any savings identified departmentally;  
Additional revenue generation;  
Reprioritisation of services and  
Value for money, benefits to the municipality and affordability.

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

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

The principles applied in compilation of the budget was if no expenditure or less expenditure than the budget amount realised over the first half of the 2024/25 financial year the budget amount

will be reduced or removed. This process was also applied to the collection trend of revenue over the mentioned period.

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

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

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

The actual performance for the 2024/25 financial year and audited performance regarding cash collection for property rates and other services were used, as far as possible, to determine the provision for bad debts to enable the budget to be cash funded.

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

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

Based on the cash flow projection for the 2025-26, the anticipated revenue is below the expenditure projection, this is mainly due to the municipality's inability to collect revenue as billed. The unfavourable cash balance is indicative of unfunded budget. In addressing the situation, the municipality have developed a budget funding plan for implementation in order to improve the funding status. The budget funding plan is aimed at intensifying revenue collection measures, reducing non-essential spending and eventually reducing the budget shortfall. It is important to note that the budget shortfall will be gradually reduced over the MTREF not in a single year. Stringent cash flow measures will be implemented in an effort to eliminate the budget deficit.

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 30 May 2025 the Council of Moses Kotane local Municipality met in the Moses Kotane Civic Centre to consider the Annual Budget of the municipality for the financial year 2025/26. The budget was tabled before Council with the following resolutions:

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

2. The Council Moses Kotane Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) note the following with effect from 1 July 2025:
  - 2.1. the tariffs for property rates
  - 2.2. the tariffs for the supply of water
  - 2.3. the tariffs for sanitation services
  - 2.4. the tariffs for solid waste services
  - 2.5. Budget related policies
3. The Moses Kotane Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2024 the tariffs for other services, as set out in Annexure A.
4. To give proper effect to the municipality's annual budget, the Council Moses Kotane Local Municipality approves:
  - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
  - 4.2. That the salaries for officials be adjusted with effect from 1<sup>st</sup> July 2025 based on the percentage as approved by the South African Local Government Bargaining Council (Excluding Section 56 Mangers).
  - 4.3. That budget for the increase of salaries of senior managers be kept at the percentage aligned to that of other employees as approved by the bargaining council but payable once the council have resolved on the increase
  - 4.4. That the salaries and allowances of councillors be adjusted as approved by the Minister for Cooperative Governance and Traditional Affairs in terms of the Remuneration of Public Office Bearers Act, 1998 after concurrence of the responsible MEC have been obtained.
  - 4.5. That the amendments to the Budget related policies be approved as discussed in paragraph 2 and indicated in the policy documents hereto attached.

## **1.2 Executive Summary**

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

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. The 2025/2026 annual budget focussed on saving measures and reprioritising of projects and the increase in recovery of outstand debt.

National Treasury's MFMA Budget Circulars No. 129 & 130 were used to guide the compilation of the 2025/26 MTREF which is attached hereto.

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

The main challenges experienced during the compilation of the 2025/2026 MTREF can be summarised as follows:

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

The following budget principles and guidelines directly informed the compilation of the 2025/26 to 2027/2028 MTREF:

- The 2025/26 budget priorities and targets, as well as the base line allocations contained in that budget were adopted as the upper limits for the new baselines.
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- Heads of departments as well as political offices should exercise strict control over the under mentioned expenditure:
  - Special Projects;
  - Consultant Fees;
  - Special Events;
  - Refreshments and entertainment;
  - Ad-hoc travelling;
  - Subsistence, Travelling & Conference fees (national & international) and
  - Telephone expenses.

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

**Table 1 Consolidated Overview of the 2025/2026 MTREF**

NW375 Moses Kotane - 2025-2026 MTREF BUDGET					
Description	2024-2025		MTREF		
	Original Budget	Adjusted Budget	2025/2026	2026/2027	2027/2028
<b>R thousands</b>					
Operating Revenue	1 061 075	1 080 046	1 136 908	1 168 133	1 213 586
Operating Expenditure	1 346 501	1 420 427	1 453 744	1 498 791	1 567 989
<b>Operating Surplus (Deficit)</b>	<b>(285 427)</b>	<b>(340 381)</b>	<b>(316 836)</b>	<b>(330 657)</b>	<b>(354 403)</b>
Capital Expenditure	252 554	255 327	225 068	243 443	255 796

### 1.3 Operating Revenue Framework

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

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

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

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

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

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

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

**Table 3 Percentage growth in revenue by main revenue source**

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

The above table reflects that the municipality mainly relies on Government grants to fund. In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit. Operating revenue projections are based on the audited and current years' performance as well as CPI forecast.

Revenue generated from rates and services charges forms a relatively small portion of the municipality's revenue mix. Local revenue such as property rates and service charges contribute only 34% to the municipality's revenue basket.

Water sales is the largest revenue source of the municipality's own revenue at R198.1 million and steadily increasing to R201.4 million in 2026/27 and R205.2 million in 2027/2028. Water sales projected an increase of 0.48% from the adjustment budget, with further estimated growth of an

average of 1.7% for the outer years. Water revenue projection was based on audited performance and consumption trends in the current financial year.

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

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

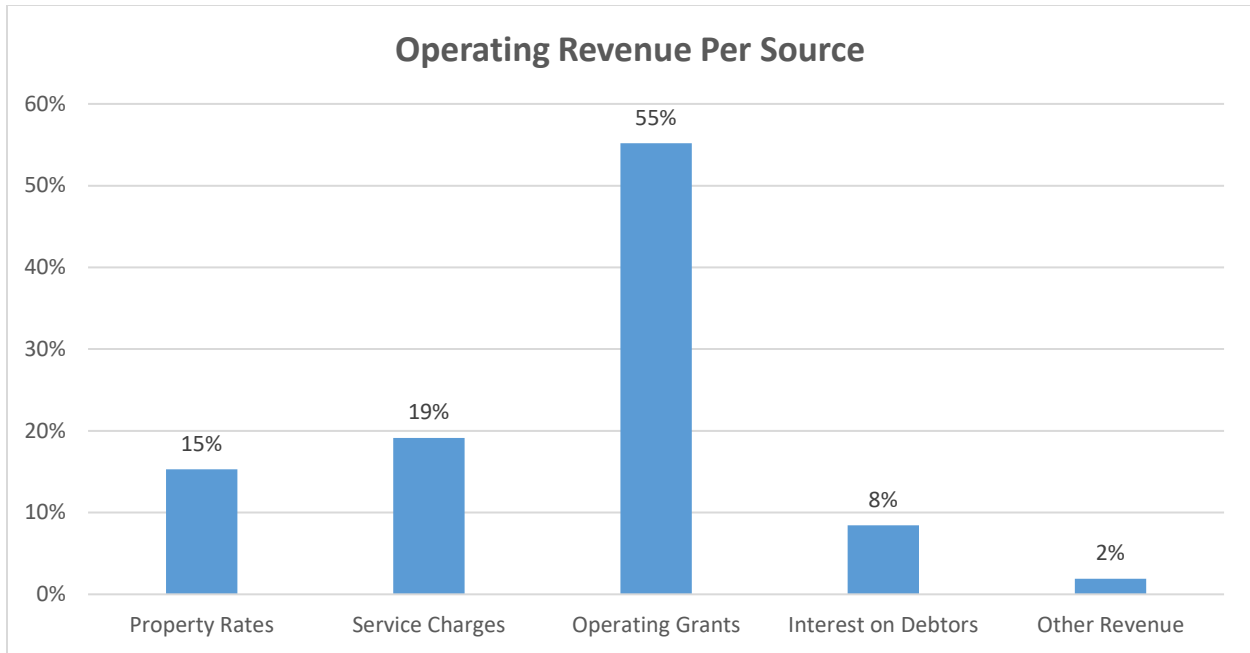
The table below reflects proposed tariff increases for 2025/26 financial year. The projected increase is aligned with forecasted CPI as guided by Treasury Budget Circulars.

<b>2025/2026 TARIFF INCREASE</b>			
<b>Revenue Source</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>
Property Rates	5.3%	4.9%	4.3%
Water	5.3%	4.9%	4.3%
Sanitation	5.3%	4.9%	4.3%
Refuse	5.3%	4.9%	4.3%

A proposed tariff increase of 4.3% was applied to property rates, water, sanitations as well as refuse services.

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





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

**Table 4 Operating Transfers and Grant Receipts**

NW375 Moses Kotane - Supporting Table SA18 Transfers and grant receipts

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

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

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

### **Interest on External Investments**

The interest has increased from R12.5 million to R13 million in 2025-26. This is the interests earned on invested funds on the main and call accounts. This item is linked to inflation and market performance.

### **Interest on Outstanding Debtors**

The interest on outstanding debtors has decreased from R89.1 million to R96 million. It must be noted that the interest on outstanding debtors inflates the debtor's book. It further indicates low payment rate from consumers. It is therefore crucial to encourage consumers to pay for the services rendered as it will lead to improved service delivery as well as enhanced revenue collection.

### **Traffic Fines**

An amount of R1.8 million has been provided for the issuing of traffic fines for 2025-26, increasing by an average of 3.4% for the two outer years. It must be noted that fines collection is very low due to nonpayment of defaulters.

### **License and Permits**

An amount of R3.3 million has been provided for this service in 2025-26 financial year. The projection is aligned with audited performance for 2023/24 financial year.

### **Other Revenue**

Other revenue is estimated at R3.5 million for the 2025/26 financial year. Included in other revenue line item, are the operational activities e.g. sale of tender documents, insurance claims, skills development levy, clearance certificates fee, etc.

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the CPI of 4.3%. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of both Magalies Water and Eskom bulk tariffs are far beyond the mentioned inflation target. Magalies Water has increased bulk water tariff by an average of 13.5% for 2025/26 budget year.

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

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

### 1.3.1 Property Rates

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

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

The following stipulations in the Property Rates Policy are highlighted:

- The first R17 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 100 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
  - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
  - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

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

- Water tariffs are not fully cost-reflective – Municipality cannot afford the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion due to non-payment by consumers.
- The municipality has increased water Tariffs for 2025/26 with 4.4% in line with inflation guidelines.
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

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

Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. However, for the coming financial year, all tariffs are not cost reflective, indicating that services are being provided at a loss. A tariff will be tabled in Council for noting and consideration.

Magalies Water has indicated the increase in the bulk tariffs from 1 July 2025.

Registered indigents will receive the first 6 kilolitres free whereas all other consumers will be charged from the first kilolitre consumed. Determination of Tariff structure is attached to show the increment of water tariff

#### **Table 8 Comparison between current sanitation charges and increases:**

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

#### **1.3.2 Waste Removal and Impact of Tariff Increases**

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The service was implemented in 2003 on initiative of the district municipality with the support of the European Union. Cost recovery was only applied in the two formal towns of Mogwase and Madikwe due to the fact that no data was available on the residents in the traditional areas. With the transfer of water services more data became available and place the council in the position to commence with cost recovery in rural areas from those households with yard connections. Households without yard connections is regarded as indigents and will continue to receive the service free of charge until such time as the full survey on all properties in the municipality is completed. The municipality is assessing the possibility to implement a flat rate during the 2025/26 financial year in the areas where no service accounts are delivered.

### 1.3.3 Overall impact of tariff increases on households

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

**Table 10 MBRR Table SA14 – Household bill**

NW375 Moses Kotane - Supporting Table SA14 Household bills

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

## 1.4 Operating Expenditure Framework

The municipality's expenditure framework for the 2025/26 budget and MTREF is informed by the following:

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

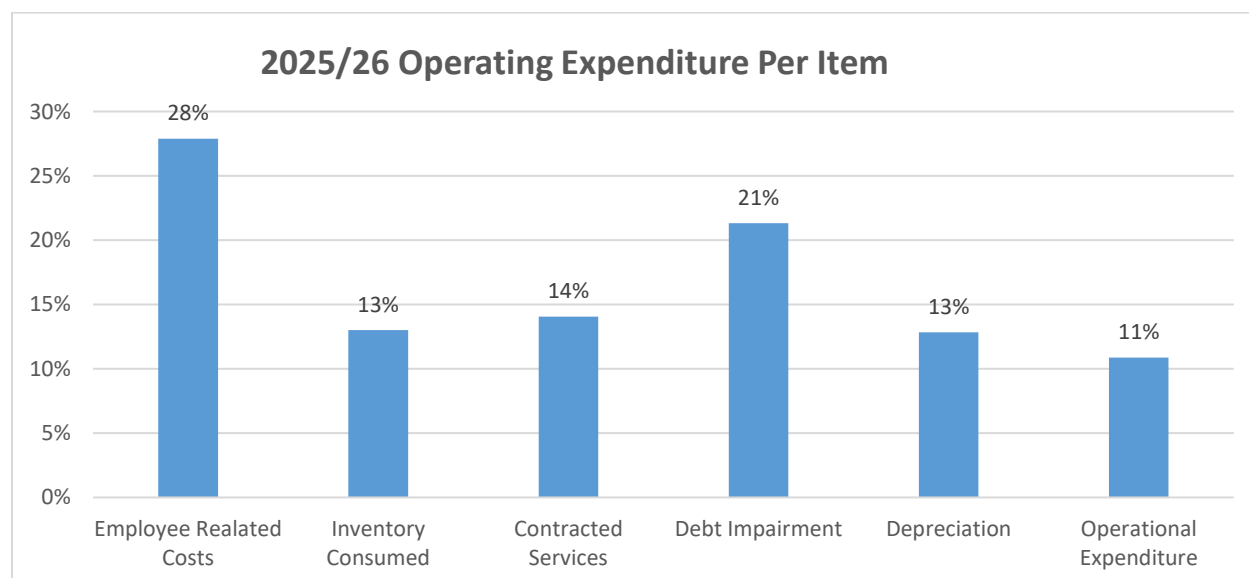
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business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

The following table is a high level summary of the 2025/26 MTREF budget (classified per main type of operating expenditure):

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

NW375 Moses Kotane - Operating Expenditure					
Description	2024-25		MTREF		
R thousands	Original Budget	Adjusted Budget	2025-26	2026-27	2027-28
Employee related costs	396 070	395 850	373 102	390 640	411 851
Remuneration of councillors	31 802	31 802	32 329	33 633	34 925
Bulk purchases - electricity	42 000	42 000	46 620	48 252	49 458
Inventory consumed	198 055	198 055	189 153	206 163	230 287
Debt impairment	194 642	268 499	309 909	311 541	317 919
Depreciation and amortisation	162 638	162 638	186 561	196 040	205 070
Interest	2 252	2 252	2 597	166	35
Contracted services	205 880	204 930	204 518	201 838	204 230
Operational costs	113 163	114 401	108 955	110 518	114 214
<b>Total</b>	<b>1 346 501</b>	<b>1 420 427</b>	<b>1 453 744</b>	<b>1 498 791</b>	<b>1 567 989</b>

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



## **Employee Related Costs**

The projected budget for employee related costs for 2025/26 financial year amount to R287.2 million, which equates to 26% of the total operating expenditure budget. Based on the estimated consumer price index and inclinations in the labour market, salary increases have been factored into this budget at a percentage increase of 5.05% per cent for the 2025/26 financial year. The employee has declined as the 2024-25 projection was overstated. The outer years projected a growth of 4.8%. The employee related cost is the main cost driver for 2025/26 budget.

The employee related costs, including councillor remuneration accounts for 28%, which is within the recommended norm. It must be noted that provision have been made to fill vacant positions during the year.

## **Remuneration of Councillors**

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). A provision of 4% have been made in the 2025/26 budget to cater for upper limits for Councillors.

## **Debt Impairment**

The provision of debt impairment was determined based on an annual collection rate per service and the Debt Write-off Policy of the municipality. Debt impairment has projected R309.9 million for 2025/26, increasing to R311.5 million and R317.9 million for the two outer years respectively. Debt impairment has increased by 13% from the adjustment budget, this item calculated based on the collection rate.

While the expenditure is considered a non-cash flow item, it however indicates that the municipality collection rate is lower than the norm. Debt Impairment is based on the collection rate of 43%. The lower collection rate emanates from rural nature of the municipality, current economic status, unemployment. Total debt impairment accounts for 22% the total operating expenditure budget.

## **Depreciation**

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriation for 2025/26 totals to R186.5 million which is an increase of 13% when compared to the current year's budget. Of the total operating expenditure, depreciation accounts for 12%. The implementation of GRAP 17 accounting standard has meant to bring a range of assets previously not included in the assets register into the register.

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

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



The above statement as per circular 115 is not yet fully implemented due to the unfavourable financial status of the municipality. The municipality will use the projected surplus in the cash flow as the cash back to fund the depreciation.

### **Interest - Finance Cost**

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance costs is estimated at R2.5 million for 2025/26. The projection is expected to decline as the loans are about to be paid, lease contract is ending in 2025/26 and other borrowing will be paid off in 2027/28. The acquisition of vehicle lease was aimed at improving service delivery as the fleet of the municipality was in bad condition with high demand in maintenance.

### **Inventory Consumed - Water Bulk Purchases**

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

Inventory consumed, which include water bulk and other inventory material have projected a decline of 5% to a total budget of R189.1 million. Water purchases has projected R165.1 million while other material item is estimated R24 million in 2025/26 financial year.

Bulk water purchases have increased in line with the average tariff increase of 13.5% of Magalies water board. It must however be noted that other inventory for repairs and maintenance have declined due to increased provision of renewal and upgrading of assets in the capital budget.

### **Bulk Purchase: Electricity**

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

### **Contracted Services**

Contracted Services is estimated at R204.5 million, resulting in a slight reduction of R411 820 when compared to the adjustment budget. The reduction occurred due to high provision made for renewal and upgrading of assets in the capital budget. Furthermore, cost containment measures were incorporated to reduce the budget deficit.

### **Operational costs - Other Expenditure**

Included in the other expenditure is all operational costs all items not mentioned above, however this include ward committee's stipend and free basic electricity provided to indigents and other expenditure items relating to repairs and maintenance. The budget is estimated at R108.9 million, with estimated average increase of 2.3% for the outer years.

### 1.4.1 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. The municipality has indigent register that is reviewed annually to assess the indigency status. The effects of covid19 and Country's economic status have contributed immensely to the increase of indigents. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 22 MBRR A10 (Basic Service Delivery Measurement). The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

## 1.5 Capital expenditure

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

**Table 13 2025-26 Medium-term capital budget per vote**

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>											
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	2 500	2 500	2 500	678	-	-	-
Vote 04 - Corporate Services		188	106	187	2 550	2 550	2 550	-	-	-	-
Vote 05 - Community Services		(3 650)	1 957	497	11 364	2 720	2 720	-	18 000	43 200	50 000
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		15 836	6 740	25 720	236 140	247 557	247 557	121 763	207 068	200 243	205 796
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	12 373	8 803	26 404	252 554	255 327	255 327	122 441	225 068	243 443	255 796
<b>Single-year expenditure to be appropriated</b>	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>		12 373	8 803	26 404	252 554	255 327	255 327	122 441	225 068	243 443	255 796

For 2025/26 an amount of R225 million has been appropriated for the development of infrastructure. Capital expenditure is further projected to increase to R243.4 million in 2026/27.

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

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

**Figure 2 Capital Infrastructure Programme**

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		188	106	187	5 050	5 050	5 050	678	–	–	–
Executive and council		–	–	–	–	–	–	–	–	–	–
Finance and administration		188	106	187	5 050	5 050	5 050	678	–	–	–
Internal audit		–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		(0)	2 816	1 493	9 400	2 720	2 720	–	16 000	23 200	27 000
Community and social services		(0)	–	1 438	9 400	2 720	2 720	–	16 000	23 200	25 000
Sport and recreation		–	2 816	55	–	–	–	–	–	–	2 000
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		5 410	2 790	246	51 275	57 555	57 555	35 125	85 000	82 000	103 000
Planning and development		–	–	–	–	–	–	–	–	–	–
Road transport		5 410	2 790	246	51 275	57 555	57 555	35 125	85 000	82 000	103 000
Environmental protection		–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		6 775	3 092	24 478	186 829	190 001	190 001	86 638	124 068	138 243	125 796
Energy sources		(0)	–	–	5 000	6 064	6 064	3 722	7 000	7 000	9 446
Water management		10 426	3 950	25 474	167 865	165 029	165 029	73 314	88 068	76 243	64 350
Waste water management		0	–	–	12 000	18 908	18 908	9 602	27 000	35 000	29 000
Waste management		(3 650)	(859)	(996)	1 964	–	–	–	2 000	20 000	23 000
<b>Other</b>		–	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure - Functional</b>	3	12 373	8 803	26 404	252 554	255 327	255 327	122 441	225 068	243 443	255 796
<b>Funded by:</b>											
National Government		9 259	8 697	24 725	247 504	249 557	249 557	121 763	225 068	243 443	255 796
Provincial Government		2 927	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov		–	–	–	–	–	–	–	–	–	–
Departm Agencies, Households, Non-profit Institutions, Private		–	–	–	–	–	–	–	–	–	–
Enterprises, Public Corporations, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	4	12 186	8 697	24 725	247 504	249 557	249 557	121 763	225 068	243 443	255 796
<b>Borrowing</b>	6	–	–	–	–	–	–	–	–	–	–
<b>Internally generated funds</b>	6	188	106	1 679	5 050	5 770	5 770	678	–	–	–
<b>Total Capital Funding</b>	7	12 373	8 803	26 404	252 554	255 327	255 327	122 441	225 068	243 443	255 796

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

The capital budget is mainly allocated as follows;

<b>2025/2026 CAPITAL BUDGET</b>		
<b>Description</b>	<b>Amount</b>	<b>%</b>
<b>Water &amp; Sanitation</b>	<b>1 15 068</b>	<b>51%</b>
<b>Refuse</b>	<b>2 000</b>	<b>1%</b>
<b>Roads</b>	<b>85 000</b>	<b>38%</b>
<b>Community</b>	<b>16 000</b>	<b>7%</b>
<b>Energy Sources</b>	<b>7 000</b>	<b>3%</b>
<b>Tota Capital Budget</b>	<b>225 068</b>	<b>100%</b>

### 1.6 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025-26 MTREF budget as tabled in Council. Each table is accompanied by *explanatory notes* on the facing page.

## Explanatory notes to MBRR Table A1 - Budget Summary

North West: Moses Kotane (NW375) - Table A1 Budget Summary for 1st Quarter ended 30 September 2024

Description	2021/22	2022/23	2023/24	Current year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>										
<b><u>Financial Performance</u></b>										
Property rates	130 570	124 807	150 272	144 686	144 686	144 686	41 734	174 056	182 311	190 436
Service charges	216 019	194 662	207 969	213 534	215 388	215 388	50 496	217 477	221 480	225 664
Investment revenue	2 479	9 745	13 500	12 500	12 500	12 500	5 335	13 097	13 482	13 921
Transfer and subsidies - Operational	485 293	537 931	584 689	611 662	612 449	612 449	252 385	627 463	641 339	671 243
Other own revenue	96 367	107 859	94 143	78 693	95 023	95 023	23 815	104 816	109 522	112 322
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>930 729</b>	<b>975 004</b>	<b>1 050 573</b>	<b>1 061 075</b>	<b>1 080 046</b>	<b>1 080 046</b>	<b>373 765</b>	<b>1 136 908</b>	<b>1 168 133</b>	<b>1 213 586</b>
Employee costs	270 066	283 415	322 761	396 070	395 850	395 850	79 425	373 102	390 640	411 851
Remuneration of councillors	25 344	25 874	26 872	31 802	31 802	31 802	6 008	32 329	33 633	34 925
Depreciation and amortisation	131 765	132 550	121 308	162 638	162 638	162 638	43 393	186 561	196 040	205 070
Finance charges	4 036	5 619	6 434	2 252	2 252	2 252	-	2 597	166	35
Inventory consumed and bulk purchases	142 736	177 046	210 602	239 755	239 755	239 755	14 786	235 773	254 415	279 745
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	551 747	419 178	542 463	513 684	587 830	587 830	128 721	623 382	623 897	636 363
<b>Total Expenditure</b>	<b>1 125 694</b>	<b>1 043 682</b>	<b>1 230 440</b>	<b>1 346 201</b>	<b>1 420 127</b>	<b>1 420 127</b>	<b>272 333</b>	<b>1 453 744</b>	<b>1 498 791</b>	<b>1 567 989</b>
<b>Surplus/(Deficit)</b>	<b>(194 965)</b>	<b>(68 678)</b>	<b>(179 867)</b>	<b>(285 127)</b>	<b>(340 081)</b>	<b>(340 081)</b>	<b>101 432</b>	<b>(316 836)</b>	<b>(330 657)</b>	<b>(354 403)</b>
Transfers and subsidies - capital (monetary allocations)	201 173	217 386	232 306	247 504	249 557	249 557	42 925	225 068	243 443	255 796
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>6 208</b>	<b>148 708</b>	<b>52 439</b>	<b>(37 623)</b>	<b>(90 524)</b>	<b>(90 524)</b>	<b>144 357</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>6 208</b>	<b>148 708</b>	<b>52 439</b>	<b>(37 623)</b>	<b>(90 524)</b>	<b>(90 524)</b>	<b>144 357</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>
<b><u>Capital expenditure &amp; funds sources</u></b>										
<b>Capital expenditure</b>	<b>12 373</b>	<b>8 803</b>	<b>26 404</b>	<b>252 554</b>	<b>255 327</b>	<b>255 327</b>	<b>37 448</b>	<b>225 068</b>	<b>243 443</b>	<b>255 796</b>
Transfers recognised - capital	12 186	8 697	24 725	247 504	249 557	249 557	-	225 068	243 443	255 796
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	188	106	1 679	5 050	5 770	5 770	-	-	-	-
<b>Total sources of capital funds</b>	<b>12 373</b>	<b>8 803</b>	<b>26 404</b>	<b>252 554</b>	<b>255 327</b>	<b>255 327</b>	<b>-</b>	<b>225 068</b>	<b>243 443</b>	<b>255 796</b>
<b><u>Financial position</u></b>										
Total current assets	282 913	451 408	420 083	279 341	279 341	279 341	546 785	264 535	275 037	281 664
Total non current assets	3 117 339	3 152 582	3 263 067	3 849 191	3 851 963	3 851 963	3 257 123	3 492 726	3 624 057	3 719 869
Total current liabilities	354 296	378 234	412 262	223 573	220 479	220 479	388 651	217 306	216 625	214 950
Total non current liabilities	34 703	70 825	60 409	62 505	62 505	62 505	60 409	47 989	49 519	51 494
Community wealth/Equity	2 942 583	3 154 931	3 275 387	3 940 176	3 998 944	3 998 944	3 354 848	3 583 734	3 720 164	3 833 696
<b><u>Cash flows</u></b>										
Net cash from (used) operating	500 786	1 223 384	1 497 510	72 838	72 838	72 838	315 416	165 028	184 960	186 426
Net cash from (used) investing	(12 373)	(8 817)	(24 476)	(252 554)	(252 554)	(252 554)	(37 448)	(258 828)	(279 959)	(294 165)
Net cash from (used) financing	(5 045)	(5 813)	(5 330)	(14 372)	(14 372)	(14 372)	(33)	(9 987)	(1 109)	(603)
<b>Cash/cash equivalents at the year end</b>	<b>544 964</b>	<b>1 245 634</b>	<b>1 506 560</b>	<b>(177 151)</b>	<b>(177 151)</b>	<b>(177 151)</b>	<b>360 377</b>	<b>364 487</b>	<b>407 502</b>	<b>400 669</b>
<b><u>Cash backing/surplus reconciliation</u></b>										
Cash and investments available	36 880	38 855	43 587	38 450	38 450	38 450	140 457	619	8 340	9 092
Application of cash and investments	90 046	(397 605)	(39 587)	92 019	89 384	89 384	694 314	63 541	56 807	51 216
<b>Balance - surplus (shortfall)</b>	<b>(53 166)</b>	<b>436 460</b>	<b>83 174</b>	<b>(53 569)</b>	<b>(50 934)</b>	<b>(50 934)</b>	<b>(553 856)</b>	<b>(62 922)</b>	<b>(48 468)</b>	<b>(42 124)</b>
<b><u>Asset management</u></b>										
Asset register summary (WDV)	2 894 937	2 900 827	2 940 786	3 508 870	3 511 643	3 511 643	2 934 842	3 492 726	3 624 057	3 719 869
Depreciation	131 765	132 550	121 308	162 638	162 638	162 638	43 393	186 561	196 040	205 070
Renewal and Upgrading of Existing Assets	5 410	5 712	1 684	77 484	77 893	77 893	8 812	140 968	132 200	126 000
Repairs and Maintenance	45 275	50 624	53 063	96 894	98 601	98 601	21 738	98 224	95 092	96 649
<b><u>Free services</u></b>										
Cost of Free Basic Services provided	399	619	231	19 543	19 543	19 543	31	16 407	17 719	19 036
Revenue cost of free services provided	147	2 399	4 108	2 613	2 613	2 613	765	4 288	4 481	4 550
<b><u>Households below minimum service level</u></b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	12 000	12 000	12 000	12 000	-	-	-
Energy:	-	-	-	40 000	40 000	40 000	40 000	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

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

**Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)****NW375 Moses Kotane - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		477 898	535 972	820 436	568 055	584 385	584 385	629 847	643 682	658 342
Executive and council		5 699	21 455	1 577	23 856	23 856	23 856	24 888	23 167	23 398
Finance and administration		472 198	514 517	818 860	544 199	560 529	560 529	604 959	620 515	634 944
Internal audit		—	—	—	—	—	—	—	—	—
<i><b>Community and public safety</b></i>		31 609	23 827	15 253	13 954	7 341	7 341	24 435	49 926	56 975
Community and social services		11 817	1 612	10 365	1 254	2 041	2 041	1 208	1 264	1 313
Sport and recreation		16 054	20 851	1	9 400	2 000	2 000	18 000	43 200	50 000
Public safety		3 738	1 365	4 887	3 300	3 300	3 300	5 227	5 462	5 662
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i><b>Economic and environmental services</b></i>		61 218	51 230	54 298	58 374	64 654	64 654	92 312	89 597	111 874
Planning and development		4 576	4 778	5 664	7 099	7 099	7 099	7 312	7 597	8 874
Road transport		56 642	46 452	48 635	51 275	57 555	57 555	85 000	82 000	103 000
Environmental protection		—	—	—	—	—	—	—	—	—
<i><b>Trading services</b></i>		561 178	581 362	392 892	668 196	648 222	648 222	615 382	628 372	642 191
Energy sources		18 676	16 357	5 690	5 000	6 064	6 064	7 000	7 000	9 446
Water management		423 012	424 392	369 552	526 825	505 898	505 898	468 370	479 751	489 463
Waste water management		34 691	47 406	4 786	30 716	30 716	30 716	31 358	31 628	31 968
Waste management		84 798	93 207	12 864	105 654	105 544	105 544	108 653	109 992	111 314
<i><b>Other</b></i>	<b>4</b>	—	—	—	—	—	—	—	—	—
<b>Total Revenue - Functional</b>	<b>2</b>	<b>1 131 902</b>	<b>1 192 390</b>	<b>1 282 879</b>	<b>1 308 579</b>	<b>1 304 602</b>	<b>1 304 602</b>	<b>1 361 976</b>	<b>1 411 576</b>	<b>1 469 382</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		351 109	289 665	457 897	424 533	425 363	425 363	441 308	449 757	465 214
Executive and council		80 699	84 311	115 908	117 269	118 849	118 849	103 912	106 168	109 818
Finance and administration		266 897	200 450	336 515	300 575	299 825	299 825	331 088	336 993	348 487
Internal audit		3 513	4 903	5 474	6 689	6 689	6 689	6 308	6 596	6 909
<i><b>Community and public safety</b></i>		107 523	125 021	119 898	136 383	136 900	136 900	148 457	153 654	160 384
Community and social services		24 763	26 539	29 315	37 776	38 694	38 694	40 717	40 350	42 619
Sport and recreation		49 257	60 726	52 405	51 519	51 119	51 119	56 966	60 147	62 832
Public safety		33 503	37 756	38 177	47 088	47 088	47 088	50 773	53 157	54 933
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i><b>Economic and environmental services</b></i>		74 657	77 589	63 245	105 492	103 992	103 992	129 969	135 540	142 054
Planning and development		19 928	21 391	25 178	53 139	51 639	51 639	55 208	57 180	60 726
Road transport		54 729	56 199	38 067	52 353	52 353	52 353	74 760	78 361	81 328
Environmental protection		—	—	—	—	—	—	—	—	—
<i><b>Trading services</b></i>		589 760	548 634	586 166	676 326	750 183	750 183	730 495	756 135	796 424
Energy sources		31 229	43 171	52 928	56 697	56 697	56 697	63 956	67 164	70 164
Water management		462 253	402 470	448 081	494 039	562 946	562 946	553 818	574 487	609 162
Waste water management		38 649	55 609	28 747	40 918	41 048	41 048	54 288	53 543	54 277
Waste management		57 630	47 385	56 411	84 671	89 492	89 492	58 433	60 941	62 821
<i><b>Other</b></i>	<b>4</b>	<b>2 645</b>	<b>2 772</b>	<b>3 235</b>	<b>3 468</b>	<b>3 468</b>	<b>3 468</b>	<b>3 516</b>	<b>3 704</b>	<b>3 913</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>1 125 694</b>	<b>1 043 682</b>	<b>1 230 440</b>	<b>1 346 201</b>	<b>1 419 907</b>	<b>1 419 907</b>	<b>1 453 744</b>	<b>1 498 791</b>	<b>1 567 989</b>
<b>Surplus/(Deficit) for the year</b>		<b>6 208</b>	<b>148 708</b>	<b>52 439</b>	<b>(37 623)</b>	<b>(115 304)</b>	<b>(115 304)</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 7 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Governance and Administration.

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

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

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Municipal Council		5 699	21 455	1 577	23 856	23 856	23 856	24 888	23 167	23 398
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		470 779	514 088	818 217	543 699	560 029	560 029	604 309	619 849	634 269
Vote 04 - Corporate Services		1 420	429	643	500	500	500	650	666	675
Vote 05 - Community Services		116 407	117 034	28 117	119 608	112 885	112 885	133 089	159 918	168 289
Vote 06 - Planning & Development		72	136	264	120	120	120	312	350	374
Vote 07 - Infrastructure & Technical Services		537 526	539 249	434 062	620 796	607 212	607 212	598 728	607 627	642 377
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>1 131 902</b>	<b>1 192 390</b>	<b>1 282 879</b>	<b>1 308 579</b>	<b>1 304 602</b>	<b>1 304 602</b>	<b>1 361 976</b>	<b>1 411 576</b>	<b>1 469 382</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 01 - Municipal Council		66 544	71 931	92 542	98 023	99 603	99 603	85 651	87 183	90 235
Vote 02 - Office Of The Accounting Officer		22 275	22 319	34 109	32 182	32 182	32 182	30 688	32 025	33 296
Vote 03 - Budget And Treasury Office		169 825	95 828	226 212	143 641	145 541	145 541	202 483	206 776	213 217
Vote 04 - Corporate Services		77 574	80 922	84 751	114 618	112 368	112 368	111 629	114 623	119 221
Vote 05 - Community Services		176 480	187 203	187 747	232 803	237 741	237 741	215 407	220 696	229 173
Vote 06 - Planning & Development		18 408	20 725	25 335	47 688	46 188	46 188	48 360	50 770	53 263
Vote 07 - Infrastructure & Technical Services		594 587	564 753	579 745	677 247	746 284	746 284	759 526	786 718	829 585
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>1 125 694</b>	<b>1 043 682</b>	<b>1 230 440</b>	<b>1 346 201</b>	<b>1 419 907</b>	<b>1 419 907</b>	<b>1 453 744</b>	<b>1 498 791</b>	<b>1 567 989</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>6 208</b>	<b>148 708</b>	<b>52 439</b>	<b>(37 623)</b>	<b>(115 304)</b>	<b>(115 304)</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the water trading services.

**Table Surplus/ (Deficit) Calculations for the Trading Services**

<b>2025/2026 TRADING SERVICES</b>			
<b>R'000</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
<b>OPERATING REVENUE (A4)</b>			
Water	198 188	201 492	205 230
Sanitation	5 180	5 253	5 329
Refuse	14 109	14 736	15 105
<b>OPERATING EXPENDITURE (A2)</b>			
Water	553 818	574 487	609 162
Sanitation	54 288	53 543	54 277
Refuse	58 433	60 941	62 821
<b>SURPLUS / (DEFICIT)</b>			
Water	(355 630)	(372 996)	(403 932)
Sanitation	(49 108)	(48 290)	(48 949)
Refuse	(44 324)	(46 205)	(47 716)

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

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

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



**Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)****NW375 Moses Kotane - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>										
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	199 384	178 981	190 319	197 242	197 242	197 242	168 935	198 188	201 492	205 230
Service charges - Waste Water Management	2	5 259	3 864	4 786	5 103	5 103	5 103	4 472	5 180	5 253	5 329
Service charges - Waste Management	2	11 376	11 817	12 864	11 189	13 042	13 042	12 172	14 109	14 736	15 105
Sale of Goods and Rendering of Services		817	761	793	547	547	547	708	1 418	1 488	1 533
Agency services											
Interest											
Interest earned from Receivables		58 096	71 462	49 267	41 304	56 100	56 100	54 463	60 358	63 075	64 651
Interest earned from Current and Non Current Assets		2 479	9 745	13 500	12 500	12 500	12 500	12 552	13 097	13 482	13 921
Dividends		3 187	-	-	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets		234	152	99	118	118	118	6	101	103	103
Licence and permits		2 430	336	3 128	1 500	1 500	1 500	2 372	3 328	3 478	3 628
<b>Special rating levies</b>											
Operational Revenue		769	1 014	2 058	1 925	1 925	1 925	1 625	2 014	2 091	2 135
<b>Non-Exchange Revenue</b>											
Property rates	2	130 570	124 807	150 272	144 686	144 686	144 686	152 945	174 056	182 311	190 436
Surcharges and Taxes											
Fines, penalties and forfeits		1 308	1 028	1 759	1 800	1 800	1 800	1 238	1 899	1 984	2 034
Licences or permits											
Transfer and subsidies - Operational		485 293	537 931	584 689	611 662	612 449	612 449	607 192	627 463	641 339	671 243
Interest		26 839	32 268	35 103	31 498	33 033	33 033	33 038	35 698	37 305	38 237
Fuel Levy											
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		2 611	838	1 928	-	-	-	-	-	-	-
Other Gains		77	0	8	-	-	-	232	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>930 729</b>	<b>975 004</b>	<b>1 050 573</b>	<b>1 061 075</b>	<b>1 080 046</b>	<b>1 080 046</b>	<b>1 051 949</b>	<b>1 136 908</b>	<b>1 168 133</b>	<b>1 213 586</b>
<b>Expenditure</b>											
Employee related costs	2	270 066	283 415	322 761	396 070	395 850	395 850	288 215	373 102	390 640	411 851
Remuneration of councillors		25 344	25 874	26 872	31 802	31 802	31 802	24 269	32 329	33 633	34 925
Bulk purchases - electricity	2	20 890	33 007	41 906	42 000	42 000	42 000	31 982	46 620	48 252	49 458
Inventory consumed	8	4 904	6 835	9 888	198 055	198 055	198 055	9 389	189 153	206 163	230 287
Debt impairment	3	-	-	302 703	194 642	268 499	268 499	304 355	309 909	311 541	317 919
Depreciation and amortisation		131 765	132 550	121 308	162 638	162 638	162 638	155 243	186 561	196 040	205 070
Interest		4 036	5 619	6 434	2 252	2 252	2 252	1 904	2 597	166	35
Contracted services		125 412	136 096	145 069	205 880	202 930	202 930	164 997	204 518	201 838	204 230
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		321 005	147 426	8 010	-	-	-	3 424	-	-	-
Operational costs		88 805	116 715	81 826	113 163	116 181	116 181	79 581	108 955	110 518	114 214
Losses on disposal of Assets		16 461	18 942	4 852	-	-	-	-	-	-	-
Other Losses		65	-	3	-	-	-	221	-	-	-
<b>Total Expenditure</b>		<b>1 008 752</b>	<b>906 477</b>	<b>1 071 633</b>	<b>1 346 501</b>	<b>1 420 207</b>	<b>1 420 207</b>	<b>1 063 579</b>	<b>1 453 744</b>	<b>1 498 791</b>	<b>1 567 989</b>
<b>Surplus/(Deficit)</b>		<b>(78 023)</b>	<b>68 527</b>	<b>(21 059)</b>	<b>(285 427)</b>	<b>(340 161)</b>	<b>(340 161)</b>	<b>(11 630)</b>	<b>(316 836)</b>	<b>(330 657)</b>	<b>(354 403)</b>
Transfers and subsidies - capital (monetary allocations)	6	201 173	217 386	232 306	247 504	224 557	224 557	115 633	225 068	243 443	255 796
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>123 150</b>	<b>285 913</b>	<b>211 247</b>	<b>(37 923)</b>	<b>(115 604)</b>	<b>(115 604)</b>	<b>104 003</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>
Income Tax											
<b>Surplus/(Deficit) after income tax</b>		<b>123 150</b>	<b>285 913</b>	<b>211 247</b>	<b>(37 923)</b>	<b>(115 604)</b>	<b>(115 604)</b>	<b>104 003</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>123 150</b>	<b>285 913</b>	<b>211 247</b>	<b>(37 923)</b>	<b>(115 604)</b>	<b>(115 604)</b>	<b>104 003</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>
Share of Surplus/Deficit attributable to Associate	7										
Intercompany/Parent subsidiary transactions											
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>123 150</b>	<b>285 913</b>	<b>211 247</b>	<b>(37 923)</b>	<b>(115 604)</b>	<b>(115 604)</b>	<b>104 003</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>

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

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

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

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

6. Total operating expenditure for the 2025/2026 financial year has projected R1.453 billion which is an increase of 2% when compared to the 2024/25 Adjustment budget. Operating expenditure is further projected to increase by an average of 4% for the outer years.

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

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	2 500	2 500	2 500	678	-	-	-
Vote 04 - Corporate Services		188	106	187	2 550	2 550	2 550	-	-	-	-
Vote 05 - Community Services		(3 650)	1 957	497	11 364	2 720	2 720	-	18 000	43 200	50 000
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		15 836	6 740	25 720	236 140	247 557	247 557	121 763	207 068	200 243	205 796
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	12 373	8 803	26 404	252 554	255 327	255 327	122 441	225 068	243 443	255 796
<b>Single-year expenditure to be appropriated</b>	2										
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>		12 373	8 803	26 404	252 554	255 327	255 327	122 441	225 068	243 443	255 796
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		188	106	187	5 050	5 050	5 050	678	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		188	106	187	5 050	5 050	5 050	678	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		(0)	2 816	1 493	9 400	2 720	2 720	-	16 000	23 200	27 000
Community and social services		(0)	-	1 438	9 400	2 720	2 720	-	16 000	23 200	25 000
Sport and recreation		-	2 816	55	-	-	-	-	-	-	2 000
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		5 410	2 790	246	51 275	57 555	57 555	35 125	85 000	82 000	103 000
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		5 410	2 790	246	51 275	57 555	57 555	35 125	85 000	82 000	103 000
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		6 775	3 092	24 478	186 829	190 001	190 001	86 638	124 068	138 243	125 796
Energy sources		(0)	-	-	5 000	6 064	6 064	3 722	7 000	7 000	9 446
Water management		10 426	3 950	25 474	167 865	165 029	165 029	73 314	88 068	76 243	64 350
Waste water management		0	-	-	12 000	18 908	18 908	9 602	27 000	35 000	29 000
Waste management		(3 650)	(859)	(996)	1 964	-	-	-	2 000	20 000	23 000
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	12 373	8 803	26 404	252 554	255 327	255 327	122 441	225 068	243 443	255 796
<b>Funded by:</b>											
National Government		9 259	8 697	24 725	247 504	249 557	249 557	121 763	225 068	243 443	255 796
Provincial Government		2 927	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov)		-	-	-	-	-	-	-	-	-	-
Departm Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-	-	-	-
Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	12 186	8 697	24 725	247 504	249 557	249 557	121 763	225 068	243 443	255 796
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		188	106	1 679	5 050	5 770	5 770	678	-	-	-
<b>Total Capital Funding</b>	7	12 373	8 803	26 404	252 554	255 327	255 327	122 441	225 068	243 443	255 796

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

1. Table A5 is a breakdown of the capital programmed in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. No multi-year appropriations have been done.
3. Capital expenditure has been appropriated at R225 million for the 2025/26 financial year. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year. The budget appropriations for the two outer years are indicative allocations based on the of DoRA allocations and departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The projected capital programme is fully funded from national grants. Acquisition of capital assets funded from own funds will be based on availability of funds. It must be noted that no assets will be procured from own funds in 2025/26 financial year due to the cash flow challenges faced by the municipality.

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

<b>2025/2026 CAPITAL BUDGET FUNDING MIX</b>			
<b>Funding Source</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
MIG	175 068	191 200	199 446
WSIG	50 000	52 243	56 350
<b>TOTAL GRANTS</b>	<b>225 068</b>	<b>243 443</b>	<b>255 796</b>
OWN FUNDING	-	-	-
<b>TOTAL CAPITAL BUDGET</b>	<b>225 068</b>	<b>243 443</b>	<b>255 796</b>
<b>GRANTS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>OWN FUNDING</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

Total capital grants for 2025/2026 amount to R225 million, increasing to R243.4 million and R255.7 million for the two outer years respectively. A total of R140.9 million or 63% of the capital budget have been allocated to renewal and upgrading of existing assets. This aligns with the guidelines issued in the budget circular 128 and 130.

**Table 18 MBRR Table A6 - Budgeted Financial Position****NW375 Moses Kotane - Table A6 Budgeted Financial Position**

Water Meters Rollins - Table A5 Budgeted Financial Position												
Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS												
Current assets												
Cash and cash equivalents			36 880	38 855	43 587	38 450	38 450	38 450	109 508	619	8 340	9 092
Trade and other receivables from exchange transactions		1	61 422	70 897	102 865	82 503	82 503	82 503	98 419	121 731	123 953	125 843
Receivables from non-exchange transactions		1	(12 991)	172 477	80 918	112 848	112 848	112 848	58 396	99 947	100 332	103 038
Current portion of non-current receivables												
Inventory		2	14 260	16 493	21 471	22 139	22 139	22 139	33 505	22 938	23 774	24 630
VAT			105 884	129 471	146 889	26 122	26 122	26 122	160 450	13 519	14 086	14 657
Other current assets			6 281	23 214	24 353	2 049	2 049	2 049	23 785	5 289	3 857	3 955
Total current assets			211 737	451 408	420 083	284 110	284 110	284 110	484 063	264 043	274 342	281 215
Non current assets												
Investments			–	–	–	–	–	–	–	–	–	–
Investment property			150 684	150 664	#####	152 952	152 952	152 952	152 298	153 482	154 150	154 535
Property, plant and equipment		3	2 953 246	2 988 511	3 098 277	3 680 870	3 658 643	3 658 643	3 077 552	3 326 552	3 457 214	3 552 642
Biological assets												
Living and non-living resources												
Heritage assets			14	14	14	14	14	14	14	14	14	14
Intangible assets			13 394	13 393	12 478	15 354	15 354	15 354	10 635	12 678	12 678	12 678
Trade and other receivables from exchange transactions												
Non-current receivables from non-exchange transactions			–	–	–	–	–	–	–	–	–	–
Other non-current assets												
Total non current assets			3 117 339	3 152 582	3 263 067	3 849 191	3 826 963	3 826 963	3 240 499	3 492 726	3 624 057	3 719 869
TOTAL ASSETS			3 329 076	3 603 990	3 683 150	4 133 301	4 111 073	4 111 073	3 724 561	3 756 769	3 898 398	4 001 084
LIABILITIES												
Current liabilities												
Bank overdraft												
Financial liabilities			14 629	8 840	3 605	14 372	14 372	14 372	3 161	1 107	603	–
Consumer deposits			1 070	785	755	600	600	600	758	605	605	605
Trade and other payables from exchange transactions		4	190 097	211 352	215 231	204 741	204 741	204 741	134 098	209 171	208 897	207 793
Trade and other payables from non-exchange transactions		5	12 544	8 156	3 305	–	(3 094)	(3 094)	112 813	–	–	–
Provision			46 777	49 159	58 317	3 861	3 861	3 861	49 641	6 423	6 519	6 552
VAT			88 823	99 997	131 049	–	–	–	160 092	–	–	–
Other current liabilities												
Total current liabilities			353 940	378 290	412 262	223 573	220 479	220 479	460 563	217 306	216 625	214 950
Non current liabilities												
Financial liabilities		6	–	34 753	22 945	20 868	20 868	20 868	10 235	603	–	–
Provision		7	34 703	35 996	37 464	41 638	41 638	41 638	37 464	47 386	49 519	51 494
Long term portion of trade payables			–	–	–	–	–	–	–	–	–	–
Other non-current liabilities												
Total non current liabilities			34 703	70 749	60 409	62 505	62 505	62 505	47 700	47 989	49 519	51 494
TOTAL LIABILITIES			388 643	449 039	472 671	286 079	282 985	282 985	508 262	265 295	266 143	266 444
NET ASSETS			2 940 433	3 154 951	3 210 478	3 847 222	3 828 089	3 828 089	3 216 299	3 491 474	3 632 255	3 734 640
COMMUNITY WEALTH/EQUITY												
Accumulated surplus/(deficit)		8	3 128 195	3 292 135	3 369 286	3 902 253	3 883 339	3 883 339	3 315 960	3 801 102	3 632 950	3 735 089
Reserves and funds		9	–	–	–	–	–	–	–	–	–	–
Other												
TOTAL COMMUNITY WEALTH/EQUITY			3 128 195	3 292 135	3 369 286	3 902 253	3 883 339	3 883 339	3 315 960	3 801 102	3 632 950	3 735 089

**Explanatory notes to Table A6 - Budgeted Financial Position**

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table 58 is supported by an extensive table of notes on SA3, a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions noncurrent;
  - Changes in net assets; and

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

**Table 19 MBRR Table A7 - Budgeted Cash Flow Statement****NW375 Moses Kotane - Table A7 Budgeted Cash Flows**

NWFS Moses Rotane - Table A7 Budgeted Cash Flows											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		69 500	100 014	79 087	75 237	75 237	75 237	54 408	90 509	94 801	99 027
Service charges		110 905	154 773	93 693	88 506	88 506	88 506	35 529	82 666	88 290	89 941
Other revenue		239 351	589 255	425 826	4 810	4 810	4 810	(466 305)	42 032	45 192	47 354
Transfers and Subsidies - Operational	1	7 743	161 779	577 266	611 662	611 662	611 662	604 194	627 463	641 339	671 243
Transfers and Subsidies - Capital	1	193 676	208 558	232 503	247 504	247 504	247 504	228 351	225 068	243 443	255 796
Interest		5 634	9 679	13 045	34 341	34 341	34 341	18 372	19 678	25 372	28 417
Dividends		3 187	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(131 335)	(674)	76 091	(989 222)	(989 222)	(989 222)	232 715	(957 274)	(991 210)	(1 045 000)
Interest		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		498 661	1 223 384	1 497 510	72 838	72 838	72 838	707 264	130 142	147 226	146 778
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	(13)	1 928	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(12 373)	(8 803)	(26 404)	(252 554)	(252 554)	(252 554)	(122 441)	(258 828)	(279 959)	(294 165)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(12 373)	(8 817)	(24 476)	(252 554)	(252 554)	(252 554)	(122 441)	(258 828)	(279 959)	(294 165)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	(11 451)	–	–	–
Borrowing long term/refinancing		–	–	(84)	–	–	–	(69)	–	–	–
Increase (decrease) in consumer deposits		(2 125)	–	(5)	–	–	–	(1)	–	–	–
Payments											
Repayment of borrowing		(5 045)	(5 813)	(5 246)	(14 372)	(14 372)	(14 372)	(460)	(9 987)	(1 109)	(603)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(7 171)	(5 813)	(5 335)	(14 372)	(14 372)	(14 372)	(11 980)	(9 987)	(1 109)	(603)
NET INCREASE/ (DECREASE) IN CASH HELD		479 117	1 208 754	1 467 700	(194 088)	(194 088)	(194 088)	572 843	(138 673)	(133 842)	(147 990)
Cash/cash equivalents at the year begin:	2	61 597	36 880	38 855	16 937	16 937	16 937	–	39 023	(99 650)	(233 492)
Cash/cash equivalents at the year end:	2	540 714	1 245 634	1 506 555	(177 151)	(177 151)	(177 151)	572 843	(99 650)	(233 492)	(381 482)

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

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

The expected operating receipts are projected at R862.3 million, this comprises of operating grants, own revenue from property rates, service charges, interest earned from bank and call deposits accounts, etc. Included in the projection is the VAT receipts anticipated from the capital grants. Capital grants receipts amounts to R225 million. The net cash held is unfavorable,

indicating that the projected expenditure exceeds the anticipated receipts, however a positive opening balance is projected at R39 million. The above cash indicates unfavorable cash and cash equivalent of R99.6 million, this is due to VAT calculation of R33 million included in the capital payment. The actual cash and cash equivalent amount to a negative R65.8 million.

It can therefore be concluded from the cash flow that the available cash is not sufficient to cover the projected expenditure, rendering the budget unfunded.

The table below reflects the anticipated collection rate for property rates and service charges.

<b>2025-2026 Projected Collection Rate</b>			
<b>Property Rates</b>	<b>174 056</b>	<b>90 509</b>	<b>52%</b>
<b>Water</b>	<b>198 188</b>	<b>75 918</b>	<b>38%</b>
<b>Sanitation</b>	<b>5 180</b>	<b>1 968</b>	<b>38%</b>
<b>Refuse</b>	<b>14 109</b>	<b>4 780</b>	<b>34%</b>
<b>Total</b>	<b>391 533</b>	<b>173 175</b>	<b>43%</b>

**Property Rates** - R174 million is projected for property rates billing and R90.5 million (52%) projected for collection.

**Water Revenue** - R198.1 million is projected for water billing and R75.9 million (38%) projected for collection.

**Sanitation Revenue** - R5.1 million is projected for sanitation billing and R1.9 million (38%) projected for collection

**Refuse Revenue** - R14.1million is projected for refuse billing and R4.7 million (34%) projected for collection.

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

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	540 714	1 245 634	1 506 555	(177 151)	(177 151)	(177 151)	572 843	(99 650)	(233 492)	(381 482)
Other current investments > 90 days		(503 833)	(1 206 779)	(1 462 968)	215 601	215 601	215 601	(463 335)	100 269	241 832	390 574
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>36 880</b>	<b>38 855</b>	<b>43 587</b>	<b>38 450</b>	<b>38 450</b>	<b>38 450</b>	<b>109 508</b>	<b>619</b>	<b>8 340</b>	<b>9 092</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		12 544	8 156	3 305	-	(3 094)	(3 094)	112 813	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(17 061)	(29 474)	(15 840)	(26 122)	(26 122)	(26 122)	(358)	(13 519)	(14 086)	(14 657)
Other working capital requirements	3	170 308	(2 952)	119 739	175 172	175 221	175 221	186 082	89 961	84 874	80 652
Other provisions		46 777	49 159	58 317	3 861	3 861	3 861	49 641	6 423	6 519	6 552
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>212 567</b>	<b>24 890</b>	<b>165 521</b>	<b>152 911</b>	<b>149 866</b>	<b>149 866</b>	<b>348 178</b>	<b>82 865</b>	<b>77 307</b>	<b>72 547</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(175 687)</b>	<b>13 965</b>	<b>(121 934)</b>	<b>(114 461)</b>	<b>(111 416)</b>	<b>(111 416)</b>	<b>(238 670)</b>	<b>(82 246)</b>	<b>(68 968)</b>	<b>(63 455)</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(175 687)</b>	<b>13 965</b>	<b>(121 934)</b>	<b>(114 461)</b>	<b>(111 416)</b>	<b>(111 416)</b>	<b>(238 670)</b>	<b>(82 246)</b>	<b>(68 968)</b>	<b>(63 455)</b>

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

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

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

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

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

Based on the projection, the above table reflects a shortfall which is indicative of an unfunded budget. To remedy the situation, the municipality have developed a budget funding plan for implementation in order to improve the funding status. The budget funding plan is aimed at intensifying revenue collection measures, reducing non-essential spending and eventually reduce the budget shortfall. It is important to note that the budget shortfall will be gradually reduced over the MTREF. Stringent cash flow measures will be implemented in an effort to eliminate the budget deficit.



**Table 21 MBRR Table A9 - Asset Management**

NW375 Moses Kotane - Table A9 Asset Management

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	6 963	3 092	24 720	175 070	177 433	177 433	84 100	111 243	129 796
Roads Infrastructure		-	-	-	-	-	-	1 500	12 000	13 000
Storm water Infrastructure		-	-	-	11 191	11 191	11 191	-	-	-
Electrical Infrastructure		(0)	-	-	5 000	6 064	6 064	7 000	7 000	9 446
Water Supply Infrastructure		10 426	3 950	25 474	144 865	140 792	140 792	63 600	57 243	64 350
Sanitation Infrastructure		0	-	-	9 000	15 617	15 617	10 000	15 000	20 000
Solid Waste Infrastructure		(3 650)	(859)	(996)	1 964	-	-	2 000	20 000	23 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>6 775</b>	<b>3 092</b>	<b>24 478</b>	<b>172 020</b>	<b>173 663</b>	<b>173 663</b>	<b>84 100</b>	<b>111 243</b>	<b>129 796</b>
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		188	-	187	3 000	3 000	3 000	-	-	-
Machinery and Equipment		-	-	55	50	50	50	-	-	-
Transport Assets		-	-	-	-	720	720	-	-	-
<b>Total Repeval of Existing Assets</b>	2	(9)	2 900	1 455	27 400	26 257	26 257	21 465	24 000	25 000
Roads Infrastructure		-	-	-	-	-	-	12 000	15 000	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	23 000	24 237	24 237	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	<b>23 000</b>	<b>24 237</b>	<b>24 237</b>	<b>12 000</b>	<b>15 000</b>	-
Community Facilities		(9)	2 815	1 435	-	-	-	4 465	10 000	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>(9)</b>	<b>2 815</b>	<b>1 435</b>	-	-	-	<b>4 465</b>	<b>10 000</b>	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	2 400	-	-	2 000	5 000	25 000
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	<b>2 400</b>	-	-	<b>2 000</b>	<b>5 000</b>	<b>25 000</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	2 000	2 000	2 000	-	-	-
<b>Intangible Assets</b>		-	-	-	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	-	-	-

<b>Total Renewal of Existing Assets</b>	2	(0)	2 922	1 438	27 400	26 237	26 237	21 468	34 200	25 000
Roads Infrastructure		-	-	-	-	-	-	15 000	16 000	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	23 000	24 237	24 237	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		(0)	2 816	1 438	23 000	24 237	24 237	15 000	16 000	-
Community Facilities		-	-	-	-	-	-	4 468	10 000	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		(0)	2 816	1 438	-	-	-	4 468	10 000	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	2 400	-	-	2 000	8 200	25 000
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	2 400	-	-	2 000	8 200	25 000
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	106	-	2 000	2 000	2 000	-	-	-
<b>Intangible Assets</b>		-	106	-	2 000	2 000	2 000	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	5 410	2 790	246	50 084	51 656	51 656	119 500	98 000	101 000
Roads Infrastructure		5 410	2 790	246	40 084	46 364	46 364	68 500	54 000	90 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	20 000	9 000	-
Sanitation Infrastructure		-	-	-	3 000	3 292	3 292	17 000	20 000	9 000
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		5 410	2 790	246	43 084	49 656	49 656	105 500	83 000	99 000
Community Facilities		-	-	-	7 000	2 000	2 000	14 000	15 000	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	2 000
<b>Community Assets</b>		-	-	-	7 000	2 000	2 000	14 000	15 000	2 000
<b>Total Capital Expenditure</b>	4	12 373	8 803	26 404	252 554	255 327	255 327	225 068	243 443	255 796
Roads Infrastructure		5 410	2 790	246	40 084	46 364	46 364	85 000	82 000	103 000
Storm water Infrastructure		-	-	-	11 191	11 191	11 191	-	-	-
Electrical Infrastructure		(0)	-	-	5 000	6 064	6 064	7 000	7 000	9 446
Water Supply Infrastructure		10 426	3 950	25 474	167 865	165 029	165 029	83 600	66 243	64 350
Sanitation Infrastructure		0	-	-	12 000	18 908	18 908	27 000	35 000	29 000
Solid Waste Infrastructure		(3 650)	(859)	(996)	1 964	-	-	2 000	20 000	23 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		12 186	5 882	24 725	238 104	247 557	247 557	204 600	210 243	228 796
Community Facilities		(0)	2 816	1 438	7 000	2 000	2 000	18 468	25 000	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	2 000
<b>Community Assets</b>		(0)	2 816	1 438	7 000	2 000	2 000	18 468	25 000	2 000
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	2 400	-	-	2 000	8 200	25 000
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	2 400	-	-	2 000	8 200	25 000
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	106	-	2 000	2 000	2 000	-	-	-
<b>Intangible Assets</b>		-	106	-	2 000	2 000	2 000	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		188	-	187	3 000	3 000	3 000	-	-	-
Machinery and Equipment		-	-	55	50	50	50	-	-	-
Transport Assets		-	-	-	-	720	720	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		12 373	8 803	26 404	252 554	255 327	255 327	225 068	243 443	255 796

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	2 894 937	2 900 827	2 940 786	3 508 870	3 511 643	3 511 643	3 489 553	3 625 944	3 721 922
Roads Infrastructure		674 100	679 632	651 302	1 403 654	1 409 934	1 409 934	800 190	801 877	822 301
Storm water Infrastructure		58 116	55 200	79 250	11 191	11 191	11 191	82 816	86 543	90 437
Electrical Infrastructure		89 078	86 808	92 322	164 949	166 013	166 013	106 378	109 778	117 909
Water Supply Infrastructure		1 401 236	1 403 326	1 453 039	363 075	360 239	360 239	1 778 463	1 817 816	1 828 555
Sanitation Infrastructure		77 090	67 587	66 259	(31 403)	(24 494)	(24 494)	102 132	138 863	169 447
Solid Waste Infrastructure		16 550	14 857	13 097	44 094	42 130	42 130	16 256	51 328	73 959
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure		17 443	14 875	12 307	-	-	-	12 307	12 368	12 368
<b>Infrastructure</b>		<b>2 333 613</b>	<b>2 322 285</b>	<b>2 367 576</b>	<b>1 955 560</b>	<b>1 965 012</b>	<b>1 965 012</b>	<b>2 898 541</b>	<b>3 018 574</b>	<b>3 114 978</b>
<b>Community Assets</b>		<b>377 185</b>	<b>370 189</b>	<b>369 401</b>	<b>1 379 540</b>	<b>1 374 540</b>	<b>1 374 540</b>	<b>388 992</b>	<b>399 426</b>	<b>398 450</b>
<b>Heritage Assets</b>		<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Investment properties</b>		<b>150 684</b>	<b>150 664</b>	<b>152 298</b>	<b>152 952</b>	<b>152 952</b>	<b>152 952</b>	<b>153 482</b>	<b>154 150</b>	<b>154 535</b>
<b>Other Assets</b>		<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>2 400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>										
<b>Intangible Assets</b>		<b>13 394</b>	<b>13 393</b>	<b>12 478</b>	<b>15 354</b>	<b>15 354</b>	<b>15 354</b>	<b>9 505</b>	<b>14 565</b>	<b>14 731</b>
<b>Computer Equipment</b>		<b>371</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Furniture and Office Equipment</b>		<b>8 786</b>	<b>6 888</b>	<b>7 151</b>	<b>3 000</b>	<b>3 000</b>	<b>3 000</b>	<b>7 151</b>	<b>7 186</b>	<b>7 186</b>
<b>Machinery and Equipment</b>		<b>965</b>	<b>698</b>	<b>501</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>501</b>	<b>504</b>	<b>504</b>
<b>Transport Assets</b>		<b>9 924</b>	<b>36 570</b>	<b>31 367</b>	<b>-</b>	<b>720</b>	<b>720</b>	<b>31 367</b>	<b>31 524</b>	<b>31 524</b>
<b>Land</b>										
<b>Zoo's, Marine and Non-biological Animals</b>										
<b>Living Resources</b>										
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>2 894 937</b>	<b>2 900 827</b>	<b>2 940 786</b>	<b>3 508 870</b>	<b>3 511 643</b>	<b>3 511 643</b>	<b>3 489 553</b>	<b>3 625 944</b>	<b>3 721 922</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>177 041</b>	<b>183 174</b>	<b>174 371</b>	<b>259 532</b>	<b>261 239</b>	<b>261 239</b>	<b>271 176</b>	<b>280 177</b>	<b>291 291</b>
<b>Depreciation</b>	7	131 765	132 550	121 308	162 638	162 638	162 638	186 561	196 040	205 070
<b>Repairs and Maintenance by Asset Class</b>	3	<b>45 275</b>	<b>50 624</b>	<b>53 063</b>	<b>96 894</b>	<b>98 601</b>	<b>98 601</b>	<b>84 615</b>	<b>84 137</b>	<b>86 221</b>
Roads Infrastructure		204	1 640	1 304	5 300	5 300	5 300	3 300	3 366	3 443
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1 790	1 398	2 132	100	100	100	100	102	105
Water Supply Infrastructure		-	324	975	44 000	44 000	44 000	30 000	30 690	31 457
Sanitation Infrastructure		-	-	-	11 500	11 500	11 500	2 000	2 044	2 095
Solid Waste Infrastructure		29 841	26 886	16 714	13 757	13 757	13 757	16 365	16 981	17 405
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>31 835</b>	<b>30 248</b>	<b>21 125</b>	<b>74 657</b>	<b>74 657</b>	<b>74 657</b>	<b>51 765</b>	<b>53 183</b>	<b>54 505</b>
Community Facilities		1	-	-	-	100	100	100	120	120
Sport and Recreation Facilities		52	37	1	250	250	250	250	250	255
<b>Community Assets</b>		<b>53</b>	<b>37</b>	<b>1</b>	<b>250</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>370</b>	<b>375</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		2 163	3 040	3 420	5 886	5 886	5 886	8 600	6 109	6 254
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>2 163</b>	<b>3 040</b>	<b>3 420</b>	<b>5 886</b>	<b>5 886</b>	<b>5 886</b>	<b>8 600</b>	<b>6 109</b>	<b>6 254</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		767	(44)	4 312	7 500	9 107	9 107	9 000	9 225	9 456
<b>Intangible Assets</b>		<b>767</b>	<b>(44)</b>	<b>4 312</b>	<b>7 500</b>	<b>9 107</b>	<b>9 107</b>	<b>9 000</b>	<b>9 225</b>	<b>9 456</b>
<b>Computer Equipment</b>		<b>13</b>	<b>13</b>	<b>22</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>51</b>	<b>53</b>
<b>Furniture and Office Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Machinery and Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>103</b>	<b>105</b>
<b>Transport Assets</b>		<b>10 444</b>	<b>17 330</b>	<b>24 183</b>	<b>8 550</b>	<b>8 550</b>	<b>8 550</b>	<b>14 750</b>	<b>15 096</b>	<b>15 474</b>
<b>Land</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>177 041</b>	<b>183 174</b>	<b>174 371</b>	<b>259 532</b>	<b>261 239</b>	<b>261 239</b>	<b>271 176</b>	<b>280 177</b>	<b>291 291</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		<b>43.7%</b>	<b>64.9%</b>	<b>6.4%</b>	<b>30.7%</b>	<b>30.5%</b>	<b>30.5%</b>	<b>62.6%</b>	<b>54.3%</b>	<b>49.3%</b>
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>		<b>4.1%</b>	<b>4.3%</b>	<b>1.4%</b>	<b>47.6%</b>	<b>47.9%</b>	<b>47.9%</b>	<b>75.6%</b>	<b>67.4%</b>	<b>61.4%</b>
<b>R&amp;M as a % of PPE &amp; Investment Property</b>		<b>1.5%</b>	<b>1.8%</b>	<b>1.7%</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.2%</b>	<b>2.1%</b>	<b>2.1%</b>
<b>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</b>		<b>1.7%</b>	<b>2.0%</b>	<b>1.7%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>6.2%</b>	<b>5.7%</b>	<b>5.5%</b>

## Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The municipality uses a different system for Assets Register, which has a negative impact on the A9.
3. The amount appears in the A9 is the amount abstracted directly from the main financial system. That means municipality will have to capture the A9 manually so that it can be the same as the Assets register.
4. Municipality is worried that the Manual Capturing might affect the Data strings.

5. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality is not in a position to meet the requirements due to its limited resources.
6. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the municipality's strategy to address the maintenance backlog.

**Table 22 MBRR Table A10 - Basic Service Delivery Measurement****NW375 Moses Kotane - Table A10 Basic service delivery measurement**

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

## **Explanatory notes to Table A10 - Basic Service Delivery Measurement**

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

## **Part 2 – Supporting Documentation**

### **1.7 Overview of the annual budget process**

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

The Budget Steering Committee consists of Municipal Manager, CFO and senior officials of the municipality, wherein the meeting is chaired by the Mayor.

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

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

#### **1.7.1 Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2024) a time schedule that outlines the process to revise the IDP and prepare the budget.

### **1.7.2 IDP and Service Delivery and Budget Implementation Plan**

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

### **1.7.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2025/26 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2025/26 MTREF:

- Municipal growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2024-25 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 129 have been taken into consideration in the planning and prioritisation process.

### **1.7.4 Community Consultation**

The 2025/2026 MTREF was tabled on 31<sup>st</sup> March 2025 and the community consultation were published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

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

## **1.8 Overview of alignment of annual budget with IDP**

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

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal

area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

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

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

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

The national and provincial priorities, policies and strategies are of importance when compiling the budget.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

The following table highlights the IDP's five strategic objectives for the 2025/2026 MTREF and further planning refinements that have directly informed the compilation of the budget:

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

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

1. Provision of quality basic services and infrastructure which includes, amongst others:
  - Provide electricity;
  - Provide water;
  - Provide sanitation;
  - Provide waste removal;
  - Provide housing;
  - Provide roads and storm water;
  - Provide municipal planning services; and



- Maintaining the infrastructure of the municipality.
- 2. Economic growth and development that leads to sustainable job creation by:
  - Ensuring there is a clear structural plan for the municipality;
  - Ensuring planning processes function in accordance with set timeframes;
  - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
  - Effective implementation of the Indigent Policy;
  - Working with the provincial department of health to provide primary health care services;
  - Extending waste removal services and ensuring effective municipal cleansing;
  - Ensuring all waste water treatment works are operating optimally;
  - Working with strategic partners such as SAPS to address crime;
  - Ensuring safe working environments by effective enforcement of building and health regulations;
  - Promote viable, sustainable communities through proper zoning; and
  - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
  - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
- 4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
  - Optimising effective community participation in the ward committee system; and
  - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
  - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
  - Reviewing the use of contracted services
  - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
  - Review of the organizational structure to optimize the use of personnel;

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

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the municipality so as to promote greater equity and enhanced opportunity. The

strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

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

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

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

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

The 2025/2026 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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

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

WATER SERVICES ROUTINE – Supporting Table 6A: Reconciliation of RDP Strategic Objectives and Budget (Revenue)													
Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
R thousand													
BASIC SERVICES AND INFRASTRUCTURE				453 743	438 897	229 873	492 900	495 541	495 541	506 749	524 102	537 870	
LOCAL ECONOMIC DEVELOPMENT				72	136	264	120	120	120	312	350	374	
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION				5 699	21 455	1 577	23 856	23 856	23 856	24 888	23 167	23 398	
FINANCIAL VIABILITY				470 779	514 088	818 217	543 699	560 029	560 029	604 309	619 849	634 269	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				437	429	643	500	500	500	650	666	675	
Allocations to other priorities													
			2										
Total Revenue (excluding capital transfers and contributions)				1	930 729	975 004	1 050 573	1 061 075	1 080 046	1 080 046	1 136 908	1 168 133	1 196 586

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

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

Where losses continue – Supporting table and reconciliation of 121 Strategic objectives and budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
R thousand													
BASIC SERVICES AND INFRASTRUCTURE				771 067	751 956	767 492	910 050	984 025	984 025	974 934	1 007 414	1 058 757	
LOCAL ECONOMIC DEVELOPMENT				18 408	20 725	25 335	47 688	46 188	46 188	48 360	50 770	53 263	
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION				98 243	104 018	136 065	151 118	153 198	153 198	139 193	142 525	147 905	
FINANCIAL VIABILITY				165 242	90 742	220 859	136 956	138 756	138 756	195 702	199 638	205 682	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				72 734	76 240	80 690	100 389	97 739	97 739	95 556	98 444	102 382	
Allocations to other priorities													
Total Expenditure				1	1 125 694	1 043 682	1 230 440	1 346 201	1 419 907	1 419 907	1 453 744	1 498 791	1 567 989

**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)

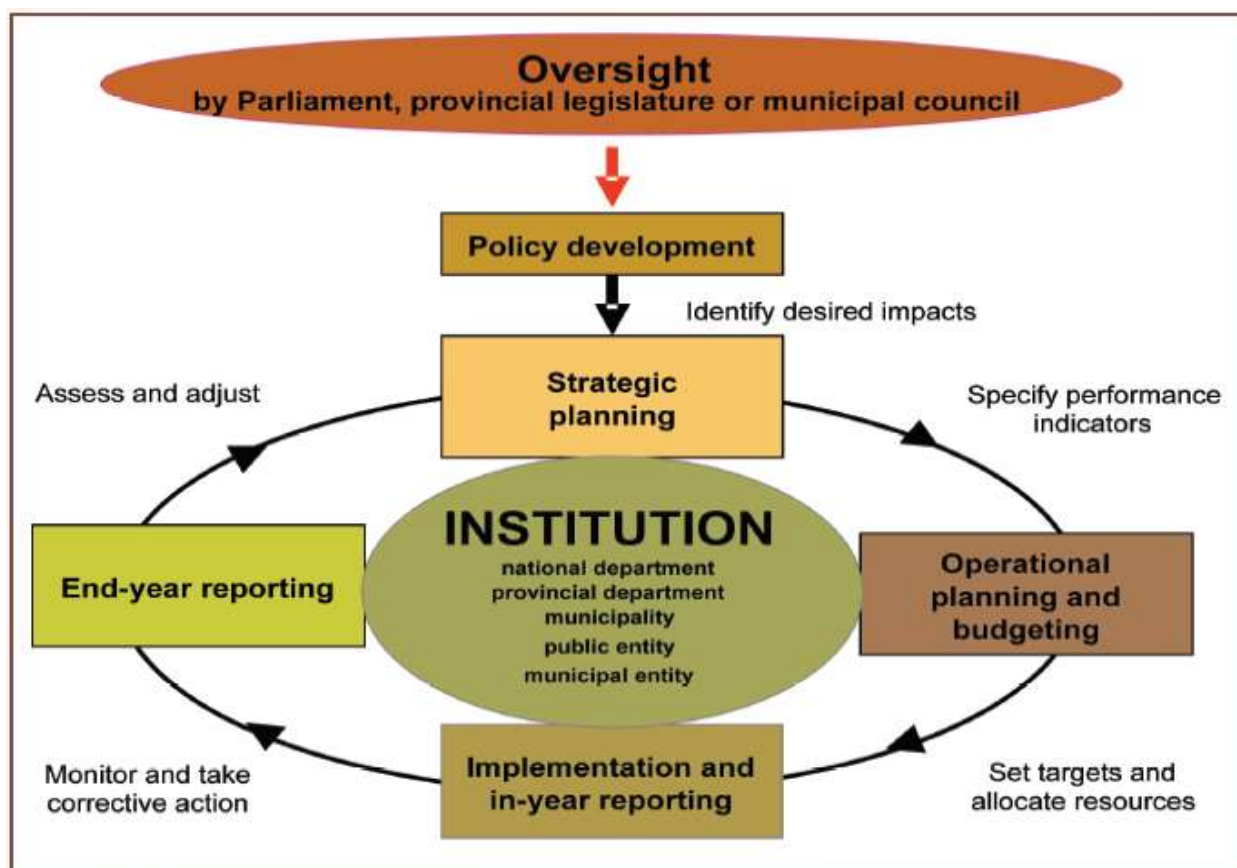
WVS3 Moses Kotane - Supporting Table SAO Reconciliation of IDP Strategic Objectives and Budget (Capital expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
R thousand													
BASIC SERVICES AND INFRASTRUCTURE				12 186	8 697	26 217	247 504	250 277	250 277	225 068	243 443	255 796	
LOCAL ECONOMIC DEVELOPMENT				–	–	–	–	–	–	–	–	–	
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION				–	–	–	–	–	–	–	–	–	
FINANCIAL VIABILITY				–	–	–	2 500	2 500	2 500	–	–	–	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				188	106	187	2 550	2 550	2 550	–	–	–	
Allocations to other priorities				3									
Total Capital Expenditure				1	12 373	8 803	26 404	252 554	255 327	255 327	225 068	243 443	255 796

## 1.9 Measurable performance objectives and indicators

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

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's

performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

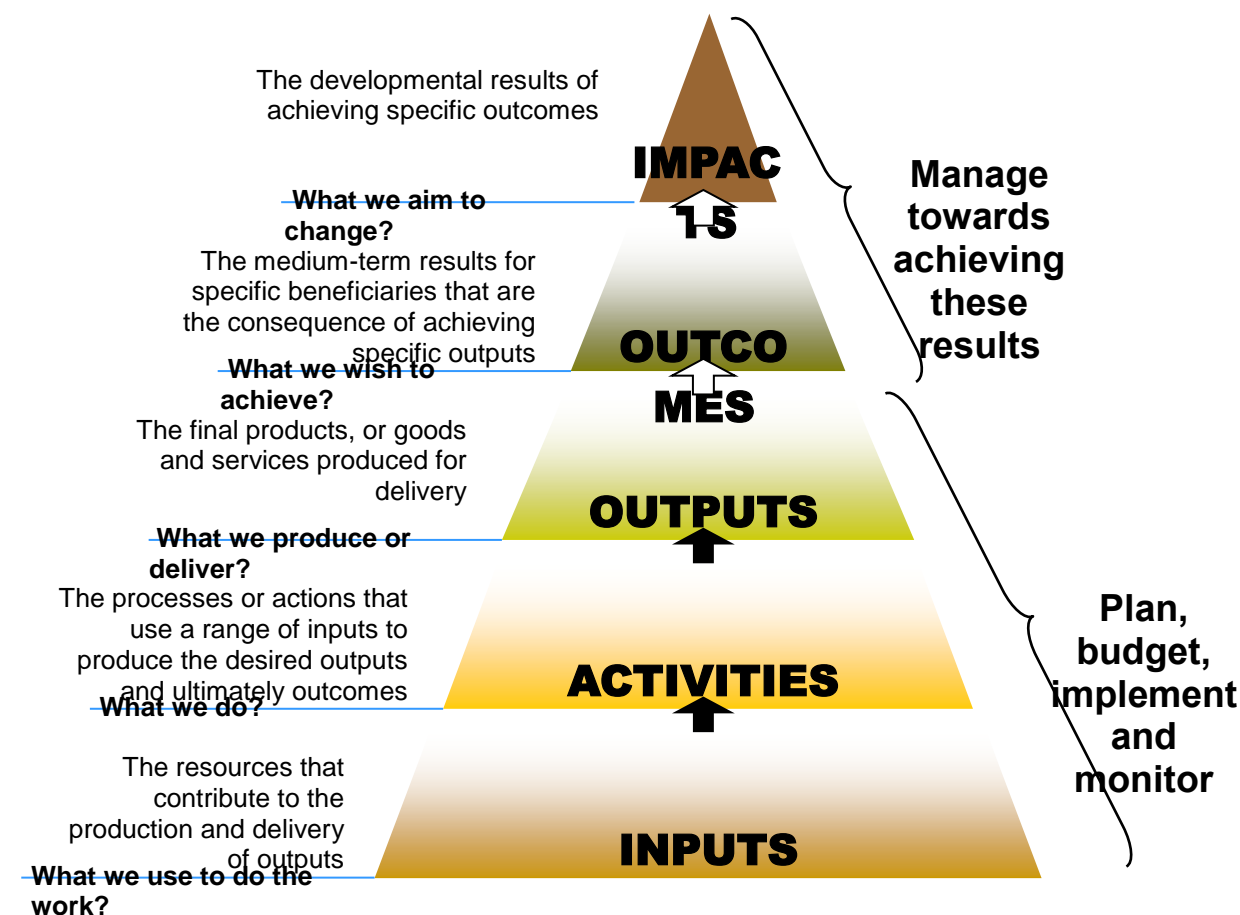


**Figure 3 Planning, budgeting and reporting cycle**

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

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

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



**Figure 4 Definition of performance information concepts**

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

**Table 26 MBRR Table SA7 - Measurable performance objectives**

NW375 Moses Kotane - Supporting Table SA7 Measureable performance objectives

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

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

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

NW375 Moses Kotane - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.9%	1.3%	1.1%	1.2%	1.2%	1.2%	0.2%	0.9%	0.1%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.0%	1.2%	1.1%	1.6%	1.5%	1.5%	0.2%	1.1%	0.1%	0.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	-5.0%	0.0%	0.0%	0.0%	-1698.9%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	0.6	1.2	1.0	1.3	1.3	1.3	1.1	1.2	1.3	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.6	1.2	1.0	1.3	1.3	1.3	1.1	1.2	1.3	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.3	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.6
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	83.2%	130.4%	82.8%	76.5%	75.8%	75.8%	48.3%	79.1%	82.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		83.2%	130.4%	82.8%	76.5%	75.8%	75.8%	48.3%	79.1%	82.1%	83.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	27.7%	48.1%	38.2%	29.6%	29.1%	29.1%	38.5%	25.5%	25.0%	24.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		35.2%	17.0%	14.3%	-115.6%	-115.6%	-115.6%	23.4%	-209.9%	-89.5%	-54.5%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase										
	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)	-	-	-	3 437	3 437	3 437	-	-	-	-
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	0	0	0	16500000	16500000	16500000	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.0%	29.1%	30.7%	37.3%	36.7%	36.7%	27.4%	32.8%	33.4%	33.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31.7%	31.7%	33.3%	40.3%	39.6%	39.6%	38.5%	35.7%	36.3%	36.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.9%	5.2%	5.1%	9.1%	8.9%	8.9%	9.3%	8.6%	8.1%	8.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	14.6%	14.2%	12.2%	15.5%	15.3%	15.3%	14.9%	16.6%	16.8%	16.9%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	59.9	53.3	21.5	21.8	22.2	57.4	35.5	42.9	40.3	41.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	49.4%	163.0%	119.4%	75.3%	74.6%	74.6%	135.5%	62.3%	62.0%	62.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.4	15.2	17.1	(2.0)	(2.5)	(2.0)	6.2	(1.0)	-	-

### 1.9.1 Performance indicators and benchmarks

### 1.9.2 Borrowing Management

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

following financial performance indicators have formed part of the compilation of the 2025-26 MTREF.

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

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2025-26 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

#### 1.9.2.1

##### *Liquidity*

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

#### 1.9.2.2

##### *Revenue Management*

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

#### 1.9.2.3

##### *Creditors Management*

The municipality has not managed to ensure that creditors are settled within the legislated 30 days of invoice. This is mainly due to cash flow challenges. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

#### 1.9.2.4

##### *Other Indicators*

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

Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly



increase revenue levels, as well as increased allocation relating to operating grants and transfers.

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

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

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

A total of 4 854 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl of water, 50 Kwh of electricity, free sanitation and free waste removal equivalent to one removal once a week, as well as a discount on their property rates. 6 kilo litres of water is only provided to indigent households.

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

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

### **1.9.4 Providing clean water and managing waste water**

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

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

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

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

- Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;

- The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme, especially for operational personnel;
- Eskom is to install dedicated power supply lines to the plants; and
- The Division is working in consultation with the Department of Water Affairs to address catchment management.

## **1.10 Overview of budget related-policies**

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

### **1.10.1 Review of credit control and debt collection procedures/policies**

The Credit Control and Debt Collection Policy was approved by Council in May 2024 are currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

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

The 2025/26 MTREF has been prepared on the basis of actual payments received for services rendered. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels.

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

### **1.10.2 Asset Management, Infrastructure Investment and Funding Policy**

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base.

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

### **1.10.3 Budget Approval Policy**

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

### **1.10.4 Supply Chain Management Policy**

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

### **1.10.5 Budget and Virement Policy**

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

### **1.10.6 Cash Management and Investment Policy**

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

### **1.10.7 Tariff Policies**

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy has been revised and is submitted for approval. Provision for a 100 per cent subsidy for indigents and pensioners has been provided.

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

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

## **1.11 Overview of budget assumptions**

### 1.11.1 External factors

The official unemployment rate is high.

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

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

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

### 1.11.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2025/26 MTREF:

- National Government macro economic targets;  
The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 31(Excluding depreciation) of total operating expenditure in the 2025/26 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. Credit rating outlook

#### Table 28 Credit rating outlook

The municipality does not have a credit rating.

### 1.11.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The 2025/26 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

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

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

#### **1.11.4 Growth or decline in tax base of the municipality**

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

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

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

#### **1.11.5 Salary increases**

Provision has been made for a 5.05% salary increase in 2025/2026.

#### **1.11.6 Impact of national, provincial and local policies**

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

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

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

#### **1.11.7 Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2025/2026 MTREF of which performance has been factored into the cash flow budget.

## 1.12 Overview of budget funding

NW375 Moses Kotane - Table A7 Budgeted Cash Flows

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
			69 500	100 014	79 087	75 237	75 237	75 237	54 408	90 509	94 801	99 027
			110 905	154 773	93 693	88 506	88 506	88 506	35 529	82 666	88 290	89 941
			239 351	589 255	425 826	4 810	4 810	4 810	(466 305)	42 032	45 192	47 354
		1	7 743	161 779	577 266	611 662	611 662	611 662	604 194	627 463	641 339	671 243
		1	193 676	208 558	232 503	247 504	247 504	247 504	228 351	225 068	243 443	255 796
			5 634	9 679	13 045	34 341	34 341	34 341	18 372	19 678	25 372	28 417
			3 187	-	-	-	-	-	-	-	-	-
Payments												
			(131 335)	(674)	76 091	(989 222)	(989 222)	(989 222)	232 715	(957 274)	(991 210)	(1 045 000)
			-	-	-	-	-	-	-	-	-	-
		1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES												
498 661 1 223 384 1 497 510 72 838 72 838 72 838 707 264 130 142 147 226 146 778												
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
			-	(13)	1 928	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
Payments												
			(12 373)	(8 803)	(26 404)	(252 554)	(252 554)	(252 554)	(122 441)	(258 828)	(279 959)	(294 165)
NET CASH FROM/(USED) INVESTING ACTIVITIES												
(12 373) (8 817) (24 476) (252 554) (252 554) (252 554) (122 441) (258 828) (279 959) (294 165)												
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
			-	-	-	-	-	-	(11 451)	-	-	-
			-	-	(84)	-	-	-	(69)	-	-	-
			(2 125)	-	(5)	-	-	-	(1)	-	-	-
Payments												
			(5 045)	(5 813)	(5 246)	(14 372)	(14 372)	(14 372)	(460)	(9 987)	(1 109)	(603)
NET CASH FROM/(USED) FINANCING ACTIVITIES												
(7 171) (5 813) (5 335) (14 372) (14 372) (14 372) (11 980) (9 987) (1 109) (603)												
NET INCREASE/ (DECREASE) IN CASH HELD												
		2	479 117	1 208 754	1 467 700	(194 088)	(194 088)	(194 088)	572 843	(138 673)	(133 842)	(147 990)
			61 597	36 880	38 855	16 937	16 937	16 937	-	39 023	(99 650)	(233 492)
		2	540 714	1 245 634	1 506 555	(177 151)	(177 151)	(177 151)	572 843	(99 650)	(233 492)	(381 482)

### The breakdown of the budget funding

The above cash flow budget indicates the municipality is unable to fund its operations for 2025/2026 financial year as reflected by unfavourable net cash held and cash and equivalent at year end. The municipality has developed a budget funding plan which is aimed at improving the cash flow status and gradually reducing the shortfall over the MTREF.

### 1.12.1 Medium-term outlook: operating revenue

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

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	199 384	178 981	190 319	197 242	197 242	197 242	168 935	198 188	201 492	205 230
Service charges - Waste Water Management	2	5 259	3 864	4 786	5 103	5 103	5 103	4 472	5 180	5 253	5 329
Service charges - Waste Management	2	11 376	11 817	12 864	11 189	13 042	13 042	12 172	14 109	14 736	15 105
Sale of Goods and Rendering of Services		817	761	793	547	547	547	708	1 418	1 488	1 533
Agency services											
Interest											
Interest earned from Receivables		58 096	71 462	49 267	41 304	56 100	56 100	54 463	60 358	63 075	64 651
Interest earned from Current and Non Current Assets		2 479	9 745	13 500	12 500	12 500	12 500	12 552	13 097	13 482	13 921
Dividends		3 187	-	-	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets		234	152	99	118	118	118	6	101	103	103
Licence and permits		2 430	336	3 128	1 500	1 500	1 500	2 372	3 328	3 478	3 628
<b>Special rating levies</b>											
Operational Revenue		769	1 014	2 058	1 925	1 925	1 925	1 625	2 014	2 091	2 135
<b>Non-Exchange Revenue</b>											
Property rates	2	130 570	124 807	150 272	144 686	144 686	144 686	152 945	174 056	182 311	190 436
Surcharges and Taxes											
Fines, penalties and forfeits		1 308	1 028	1 759	1 800	1 800	1 800	1 238	1 899	1 984	2 034
Licences or permits											
Transfer and subsidies - Operational		485 293	537 931	584 689	611 662	612 449	612 449	607 192	627 463	641 339	671 243
Interest		26 839	32 268	35 103	31 498	33 033	33 033	33 038	35 698	37 305	38 237
Fuel Levy											
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		2 611	838	1 928	-	-	-	-	-	-	-
Other Gains		77	0	8	-	-	-	232	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>930 729</b>	<b>975 004</b>	<b>1 050 573</b>	<b>1 061 075</b>	<b>1 080 046</b>	<b>1 080 046</b>	<b>1 051 949</b>	<b>1 136 908</b>	<b>1 168 133</b>	<b>1 213 586</b>

**Figure 7 Breakdown of operating revenue over the 2025/2026 MTREF**

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

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

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

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

**Table 29 Projected tariff increases over the 2025/2026 medium-term**

<b>2025/2026 TARIFF INCREASE</b>			
<b>Revenue Source</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>
Property Rates	5.3%	4.9%	4.3%
Water	5.3%	4.9%	4.3%
Sanitation	5.3%	4.9%	4.3%
Refuse	5.3%	4.9%	4.3%

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

NW373 Moses Kotane - Supporting Table SA13 Investment particulars by type

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

**Table 31 MBRR SA16 – Investment particulars by maturity**

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



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

<b>2025/2026 CAPITAL BUDGET FUNDING MIX</b>			
<b>Funding Source (R'000)</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
MIG	175 068	191 200	199 446
WSIG	50 000	52 243	56 350
<b>TOTAL GRANTS</b>	<b>225 068</b>	<b>243 443</b>	<b>255 796</b>
OWN FUNDING	-	-	-
<b>TOTAL CAPITAL BUDGET</b>	<b>225 068</b>	<b>243 443</b>	<b>255 796</b>
<b>GRANTS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>OWN FUNDING</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

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

The borrowing capacity of the municipality has essentially reached its limits and going forward borrowing limits will remain nominal if any.

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

**Table 33 MBRR Table SA 17 - Detail of borrowings**

The following table illustrates the decrease in borrowing from 2025/2026 to 2026/2027 financial year.

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

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

**Growth in outstanding borrowing (long term liabilities)**

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

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

NW375 Moses Kotane - Supporting Table SA18 Transfers and grant receipts

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

**1.12.2 Cash Flow Management**

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

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

**Table 35 MBRR Table A7 - Budget cash flow statement****NW375 Moses Kotane - Table A7 Budgeted Cash Flows**

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		69 500	100 014	79 087	75 237	75 237	75 237	54 408	90 509	94 801	99 027
Service charges		110 905	154 773	93 693	88 506	88 506	88 506	35 529	82 666	88 290	89 941
Other revenue		239 351	589 255	425 826	4 810	4 810	4 810	(466 305)	42 032	45 192	47 354
Transfers and Subsidies - Operational	1	7 743	161 779	577 266	611 662	611 662	611 662	604 194	627 463	641 339	671 243
Transfers and Subsidies - Capital	1	193 676	208 558	232 503	247 504	247 504	247 504	228 351	225 068	243 443	255 796
Interest		5 634	9 679	13 045	34 341	34 341	34 341	18 372	19 678	25 372	28 417
Dividends		3 187	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(131 335)	(674)	76 091	(989 222)	(989 222)	(989 222)	232 715	(957 274)	(991 210)	(1 045 000)
Interest		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		498 661	1 223 384	1 497 510	72 838	72 838	72 838	707 264	130 142	147 226	146 778
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	(13)	1 928	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(12 373)	(8 803)	(26 404)	(252 554)	(252 554)	(252 554)	(122 441)	(258 828)	(279 959)	(294 165)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(12 373)	(8 817)	(24 476)	(252 554)	(252 554)	(252 554)	(122 441)	(258 828)	(279 959)	(294 165)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	(11 451)	–	–	–
Borrowing long term/refinancing		–	–	(84)	–	–	–	(69)	–	–	–
Increase (decrease) in consumer deposits		(2 125)	–	(5)	–	–	–	(1)	–	–	–
Payments											
Repayment of borrowing		(5 045)	(5 813)	(5 246)	(14 372)	(14 372)	(14 372)	(460)	(9 987)	(1 109)	(603)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(7 171)	(5 813)	(5 335)	(14 372)	(14 372)	(14 372)	(11 980)	(9 987)	(1 109)	(603)
NET INCREASE/ (DECREASE) IN CASH HELD		479 117	1 208 754	1 467 700	(194 088)	(194 088)	(194 088)	572 843	(138 673)	(133 842)	(147 990)
Cash/cash equivalents at the year begin:	2	61 597	36 880	38 855	16 937	16 937	16 937	–	39 023	(99 650)	(233 492)
Cash/cash equivalents at the year end:	2	540 714	1 245 634	1 506 555	(177 151)	(177 151)	(177 151)	572 843	(99 650)	(233 492)	(381 482)

the above table shows that the cash and cash equivalents of the municipality were largely depleted. A budget funding plan have been developed to improve the cash flow status over the MTREF.

Cash Backed Reserves/Accumulated Surplus Reconciliation. This following table does not meet 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

WATER LOSS ROUTE - Table A6 Cash backed reserve accumulated surplus reconciliation											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	540 714	1 245 634	1 506 555	(177 151)	(177 151)	(177 151)	572 843	(99 650)	(233 492)	(381 482)
Other current investments > 90 days		(503 833)	(1 206 779)	(1 462 968)	215 601	215 601	215 601	(463 335)	100 269	241 832	390 574
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		36 880	38 855	43 587	38 450	38 450	38 450	109 508	619	8 340	9 092
Application of cash and investments											
Unspent conditional transfers		12 544	8 156	3 305	-	(3 094)	(3 094)	112 813	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(17 061)	(29 474)	(15 840)	(26 122)	(26 122)	(26 122)	(358)	(13 519)	(14 086)	(14 657)
Other working capital requirements	3	170 308	(2 952)	119 739	175 172	175 221	175 221	186 082	89 961	84 874	80 652
Other provisions		46 777	49 159	58 317	3 861	3 861	3 861	49 641	6 423	6 519	6 552
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		212 567	24 890	165 521	152 911	149 866	149 866	348 178	82 865	77 307	72 547
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(175 687)	13 965	(121 934)	(114 461)	(111 416)	(111 416)	(238 670)	(82 246)	(68 968)	(63 455)
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(175 687)	13 965	(121 934)	(114 461)	(111 416)	(111 416)	(238 670)	(82 246)	(68 968)	(63 455)

The above table is the accumulated surplus reconciliation, indicating that the 2025-26 budget is unfunded over the MTREF.

## Funding compliance measurement

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

**Table 37 MBRR SA10 – Funding compliance measurement**

NW375 Moses Kotane Supporting Table SA10 Funding measurement

Description		MFMA section	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funding measures													
Cash/cash equivalents at the year end - R'000	18(1)b	1		540 714	1 245 634	1 506 555	(177 151)	(177 151)	(177 151)	572 843	(99 650)	(233 492)	(381 482)
Cash + investments at the yr end less applications - R'000	18(1)b	2		(175 687)	13 965	(121 934)	(114 461)	(111 416)	(111 416)	(238 670)	(82 246)	(68 968)	(63 455)
Cash year end/monthly employee/supplier payments	18(1)b	3		7.4	15.2	17.1	(2.0)	(2.5)	(2.0)	6.2	(1.0)	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4		123 150	285 913	211 247	(37 923)	(115 604)	(115 604)	104 003	(91 768)	(87 214)	(98 607)
Service charge rev % change - macro CPIIX target exclusive	18(1)a.(2)	5		N.A.	(13.8%)	6.1%	(6.0%)	(5.5%)	(6.0%)	(12.0%)	2.7%	(2.9%)	(3.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a.(2)	6		40.9%	88.1%	52.0%	15.1%	15.1%	15.1%	(33.1%)	53.8%	55.3%	55.5%
Debt impairment expense as a % of total billable revenue	18(1)a.(2)	7		0.0%	0.0%	84.5%	54.3%	74.6%	74.6%	89.9%	79.2%	77.2%	76.4%
Capital payments % of capital expenditure	18(1)c.19	8		100.0%	100.0%	100.0%	100.0%	109.7%	109.7%	93.3%	115.0%	115.0%	115.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9		0.0%	0.0%	(5.0%)	0.0%	0.0%	0.0%	(10.1%)	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10									0.0%	0.0%	0.0%
Current consumer debtors % change - inc/(decr)	18(1)a	11		N.A.	402.5%	(24.5%)	6.3%	0.0%	0.0%	(19.7%)	41.4%	1.2%	2.0%
Long term receivables % change - inc/(decr)	18(1)a	12		N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13		1.5%	1.8%	1.7%	2.6%	2.5%	2.5%	2.6%	2.4%	2.4%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14		(0.0%)	33.2%	5.4%	10.8%	11.4%	11.4%	0.0%	9.5%	14.0%	9.8%

<b>Supporting indicators</b>											
% inc/ total service charges (incl prop rates)	18(1)a	0.0%	(7.8%)	12.1%	(0.0%)	0.5%	0.0%	(6.0%)	8.7%	3.1%	3.0%
% inc/ Property Tax	18(1)a	0.0%	(4.4%)	20.4%	(3.7%)	0.0%	0.0%	5.7%	20.3%	4.7%	4.5%
% inc/ Service charges - Electricity	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% inc/ Service charges - Water	18(1)a	0.0%	(10.2%)	6.3%	3.6%	0.0%	0.0%	(14.4%)	0.5%	1.7%	1.9%
% inc/ Service charges - Waste Water Management	18(1)a	0.0%	(26.5%)	23.9%	6.6%	0.0%	0.0%	(12.4%)	1.5%	1.4%	1.4%
% inc/ Service charges - Waste Management	18(1)a	0.0%	3.9%	8.9%	(13.0%)	16.6%	0.0%	(6.7%)	8.2%	4.4%	2.5%
% inc/ in Sale of Goods and Rendering of Services	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	346 589	319 469	358 241	358 220	360 073	360 073	338 525	391 533	403 790	416 100
Service charges		346 589	319 469	358 241	358 220	360 073	360 073	338 525	391 533	403 790	416 100
Property rates		130 570	124 807	150 272	144 686	144 686	144 686	152 945	174 056	182 311	190 436
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		199 384	178 981	190 319	197 242	197 242	197 242	168 935	198 188	201 492	205 230
Service charges - sanitation revenue		5 259	3 864	4 786	5 103	5 103	5 103	4 472	5 180	5 253	5 329
Service charges - refuse removal		11 376	11 817	12 864	11 189	13 042	13 042	12 172	14 109	14 736	15 105
Agency services		-	-	-	-	-	-	-	-	-	-
Capital expenditure excluding capital grant funding		188	106	1 679	5 050	5 770	5 770	678	-	-	-
Cash receipts from ratepayers	18(1)a	419 756	844 043	598 605	168 553	168 553	168 553	(376 368)	215 207	228 283	236 322
Ratepayer & Other revenue	18(1)a	1 027 299	958 534	1 152 063	1 113 546	1 115 399	1 115 399	1 135 363	400 191	412 631	425 430
Change in consumer debtors (current and non-current)		N/A	194 943	(59 591)	11 568	-	-	(38 536)	64 863	2 607	4 596
Operating and Capital Grant Revenue	18(1)a	686 466	755 317	816 995	859 166	837 006	837 006	852 531	884 782	884 782	927 039
Capital expenditure - total	20(1)(vi)	12 373	8 803	26 404	252 554	230 327	230 327	131 224	225 068	243 443	255 796
Capital expenditure - renewal	20(1)(vi)	(0)	2 922	1 438	27 400	26 237	26 237	21 468	34 200	34 200	25 000
<b>Supporting benchmarks</b>											
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY									-	-	-
DoRA capital grants total MFY									-	-	-
Provincial operating grants											
Provincial capital grants											
District Municipality grants											
Total gazetted/advised national, provincial and district grants									-	-	-
Average annual collection rate (arrears inclusive)											
<b>DoRA operating</b>											
<b>Trend</b>											
Change in consumer debtors (current and non-current)		N/A	194 943	(59 591)	11 568	-	-	(38 536)	64 863	2 607	4 596
<b>Total Operating Revenue</b>											
Total Operating Revenue		930 729	975 004	1 050 573	1 061 075	1 080 046	1 080 046	1 051 949	1 136 908	1 168 133	1 213 586
Total Operating Expenditure		1 008 752	906 477	1 071 633	1 346 501	1 420 207	1 420 207	1 063 579	1 453 744	1 498 791	1 567 989
Operating Performance Surplus/(Deficit)		(78 023)	68 527	(21 059)	(285 427)	(340 161)	(340 161)	(11 630)	(316 836)	(330 657)	(354 403)
<b>Cash and Cash Equivalents (30 June 2012)</b>											
<b>Revenue</b>											
% Increase in Total Operating Revenue			4.8%	7.8%	1.0%	1.8%	0.0%	(2.6%)	5.3%	2.7%	3.9%
% Increase in Property Rates Revenue			(4.4%)	20.4%	(3.7%)	0.0%	0.0%	5.7%	13.8%	4.7%	4.5%
% Increase in Electricity Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges			(7.8%)	12.1%	(0.0%)	0.5%	0.0%	(6.0%)	8.7%	3.1%	3.0%
<b>Expenditure</b>											
% Increase in Total Operating Expenditure			(10.1%)	18.2%	25.6%	5.5%	0.0%	(25.1%)	2.4%	3.1%	4.6%
% Increase in Employee Costs			4.9%	13.9%	22.7%	(0.1%)	0.0%	(27.2%)	(5.7%)	4.7%	5.4%
% Increase in Electricity Bulk Purchases			58.0%	27.0%	0.2%	0.0%	0.0%	(23.9%)	11.0%	3.5%	2.5%
Average Cost Per Budgeted Employee Position (Remuneration)		0	432694.804	1574442.842	929741.2958	949280.0767	24740612	662563.2954	857705.2414	1430915.029	25740711.75
Average Cost Per Councillor (Remuneration)		0	0	395179.4029	467674.4412	0	467674.4412	356904.1541	475427.8824	0	513604.5888
R&M % of PPE		1.5%	1.8%	1.7%	2.6%	2.5%	2.6%	2.6%	2.4%	2.4%	2.4%
Asset Renewal and R&M as a % of PPE		1.7%	2.0%	1.7%	4.8%	4.7%	4.7%	6.6%	6.6%	6.0%	5.8%
Debt Impairment % of Total Billable Revenue		0.0%	0.0%	84.5%	54.3%	74.6%	74.6%	89.9%	79.2%	77.2%	76.4%
<b>Capital Revenue</b>											
Internally Funded & Other (R'000)		188	106	1 679	5 050	5 770	5 770	678	-	-	-
Borrowing (R'000)		-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)		12 186	8 697	24 725	247 504	224 557	224 557	130 545	225 068	243 443	255 796
Internally Generated funds % of Non Grant Funding		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%
Borrowing % of Non Grant Funding		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding		98.5%	98.8%	93.6%	98.0%	97.5%	97.5%	99.5%	100.0%	100.0%	100.0%
<b>Capital Expenditure</b>											
Total Capital Programme (R'000)		12 373	8 803	26 404	252 554	230 327	230 327	131 224	225 068	243 443	255 796
Asset Renewal		5 410	5 712	1 684	77 484	77 344	77 344	-	140 968	132 200	126 000
Asset Renewal % of Total Capital Expenditure		43.7%	64.9%	6.4%	30.7%	33.6%	33.6%	0.0%	62.6%	54.3%	49.3%
<b>Cash</b>											
Cash Receipts % of Rate Payer & Other		40.9%	88.1%	52.0%	15.1%	15.1%	15.1%	(33.1%)	53.8%	55.3%	55.5%
Cash Coverage Ratio		0	0	0	(0)	(0)	(0)	0	(0)	-	-
<b>Borrowing</b>											
Most recent Credit Rating									0		
Capital Charges to Operating		0.9%	1.3%	1.1%	1.2%	1.2%	1.2%	0.2%	0.9%	0.1%	0.0%
Borrowing Receipts % of Capital Expenditure		0.0%	0.0%	(5.0%)	0.0%	0.0%	0.0%	(10.1%)	0.0%	0.0%	0.0%
<b>Reserves</b>											
Uncommitted reserves after application of cash and investments		(175 687)	13 965	(121 934)	(114 461)	(111 416)	(111 416)	(238 670)	(82 246)	(68 968)	(63 455)
<b>Free Services</b>											
Free Basic Services as a % of Equitable Share		0.1%	0.1%	0.0%	3.3%	3.3%	3.3%	2.7%	2.7%	2.8%	2.9%
Free Services as a % of Operating Revenue (excl operational transfers)		0.0%	0.5%	0.9%	0.6%	0.6%	0.6%	1.0%	0.8%	0.9%	0.8%
<b>High Level Outcome of Funding Compliance</b>											
Total Operating Revenue		930 729	975 004	1 050 573	1 061 075	1 080 046	1 080 046	1 051 949	1 136 908	1 168 133	1 213 586
Total Operating Expenditure		1 008 752	906 477	1 071 633	1 346 501	1 420 207	1 420 207	1 063 579	1 453 744	1 498 791	1 567 989
Surplus/(Deficit) Budgeted Operating Statement		(78 023)	68 527	(21 059)	(285 427)	(340 161)	(340 161)	(11 630)	(316 836)	(330 657)	(354 403)
Surplus/(Deficit) Considering Reserves and Cash Backing		(175 687)	13 965	(121 934)	(114 461)	(111 416)	(111 416)	(238 670)	(82 246)	(68 968)	(63 455)
MTREF Funded (1) / Unfunded (0)	15	0	1	0	0	0	0	0	0	0	0
MTREF Funded ✓ / Unfunded ✗	15	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗

#### 1.12.2.1

#### *Cash/cash equivalent position*

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

#### 1.12.2.2

#### *Cash plus investments less application of funds*

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

#### 1.12.2.3

#### *Monthly average payments covered by cash or cash equivalents*

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

#### 1.12.2.4

#### *Surplus/deficit excluding depreciation offsets*

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

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

#### 1.12.2.5

#### *Cash receipts as a percentage of ratepayer and other revenue*

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

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

#### 1.12.2.6

#### *Debt impairment expense as a percentage of billable revenue*

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

#### 1.12.2.7

#### *Capital payments percentage of capital expenditure*

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

#### 1.12.2.8

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

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

#### 1.12.2.9

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

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

#### 1.12.2.10

#### *Repairs and maintenance expenditure level*

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



## 1.12.2.11

Asset renewal/rehabilitation  
expenditure level

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

### 1.13 Expenditure on grants and reconciliations of unspent funds

#### Table 38 MBRR SA19 - Expenditure on transfers and grant programmes

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

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

**Table 39 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds****NW375 Moses Kotane - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		347	(4 681)	(9 127)	—	—	—	—	—	—
Current year receipts		(6 877)	(12 005)	(9 979)	(10 338)	(10 103)	(10 103)	(10 895)	(9 347)	(10 700)
Repayment of grants		—	617	4 650	—	—	—	—	—	—
<b>Conditions met - transferred to revenue</b>		<b>(8 379)</b>	<b>(24 245)</b>	<b>(33 684)</b>	<b>(20 676)</b>	<b>(20 206)</b>	<b>(20 206)</b>	<b>(21 790)</b>	<b>(18 694)</b>	<b>(21 400)</b>
Conditions still to be met - transferred to liabilities		1 849	6 942	9 928	10 338	10 103	10 103	10 895	9 347	10 700
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		—	—	57	—	—	—	—	—	—
Current year receipts		—	—	—	—	—	—	—	—	—
<b>Conditions met - transferred to revenue</b>		<b>—</b>	<b>—</b>	<b>57</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
<b>Total operating transfers and grants revenue</b>		<b>(8 379)</b>	<b>(24 245)</b>	<b>(33 627)</b>	<b>(20 676)</b>	<b>(20 206)</b>	<b>(20 206)</b>	<b>(21 790)</b>	<b>(18 694)</b>	<b>(21 400)</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>1 849</b>	<b>6 942</b>	<b>9 928</b>	<b>10 338</b>	<b>10 103</b>	<b>10 103</b>	<b>10 895</b>	<b>9 347</b>	<b>10 700</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		(26 660)	(6 423)	2 405	—	—	—	—	—	—
Current year receipts		(187 544)	(208 316)	(232 503)	(247 504)	(222 504)	(222 504)	(225 068)	(243 443)	(255 796)
<b>Conditions met - transferred to revenue</b>		<b>(409 284)</b>	<b>(431 883)</b>	<b>(462 404)</b>	<b>(495 008)</b>	<b>(447 061)</b>	<b>(447 061)</b>	<b>(450 136)</b>	<b>(486 886)</b>	<b>(511 592)</b>
Conditions still to be met - transferred to liabilities		195 081	217 144	232 306	247 504	224 557	224 557	225 068	243 443	255 796
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		—	—	—	—	—	—	—	—	—
<b>Conditions met - transferred to revenue</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
<b>Total capital transfers and grants revenue</b>		<b>(409 284)</b>	<b>(431 883)</b>	<b>(462 404)</b>	<b>(495 008)</b>	<b>(447 061)</b>	<b>(447 061)</b>	<b>(450 136)</b>	<b>(486 886)</b>	<b>(511 592)</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>195 081</b>	<b>217 144</b>	<b>232 306</b>	<b>247 504</b>	<b>224 557</b>	<b>224 557</b>	<b>225 068</b>	<b>243 443</b>	<b>255 796</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>(417 663)</b>	<b>(456 128)</b>	<b>(496 031)</b>	<b>(515 684)</b>	<b>(467 267)</b>	<b>(467 267)</b>	<b>(471 926)</b>	<b>(505 580)</b>	<b>(532 992)</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>196 930</b>	<b>224 086</b>	<b>242 234</b>	<b>257 842</b>	<b>234 660</b>	<b>234 660</b>	<b>235 963</b>	<b>252 790</b>	<b>266 496</b>

## 1.14 Councillor and employee benefits

Table 40 MBRR SA22 - Summary of councillor and staff benefits

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

Summary of Employee and Councillor remuneration	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		19 801	21 687	22 647	23 168	23 168	23 168	23 864	24 803	25 727
Pension and UIF Contributions		–	–	–	3 362	3 362	3 362	3 322	3 465	3 618
Medical Aid Contributions		–	–	–	311	311	311	314	327	341
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		3 029	3 017	3 126	3 329	3 329	3 329	3 204	3 343	3 481
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		2 514	1 170	1 099	1 631	1 631	1 631	1 625	1 696	1 758
<b>Sub Total - Councillors</b>		<b>25 344</b>	<b>25 874</b>	<b>26 872</b>	<b>31 802</b>	<b>31 802</b>	<b>31 802</b>	<b>32 329</b>	<b>33 633</b>	<b>34 925</b>
% increase	4		2.1%	3.9%	18.3%	–	–	1.7%	4.0%	3.8%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		5 365	3 731	3 967	10 125	10 125	10 125	9 950	9 950	9 950
Pension and UIF Contributions		187	213	118	1 016	1 016	1 016	1 774	1 850	1 936
Medical Aid Contributions		47	54	–	101	101	101	165	173	183
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		197	98	118	725	725	725	281	283	286
Motor Vehicle Allowance	3	979	556	403	1 172	1 172	1 172	541	546	552
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	0	0	0	1	1	1	1	1	1
Payments in lieu of leave	3	–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	93	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>		<b>6 775</b>	<b>4 745</b>	<b>4 606</b>	<b>13 140</b>	<b>13 140</b>	<b>13 140</b>	<b>12 711</b>	<b>12 803</b>	<b>12 907</b>
% increase	4		(30.0%)	(2.9%)	185.3%	–	–	(3.3%)	0.7%	0.8%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		175 420	181 806	204 435	253 803	253 583	253 583	245 997	257 535	272 069
Pension and UIF Contributions		35 018	38 071	41 465	51 413	51 413	51 413	47 739	50 283	53 129
Medical Aid Contributions		14 332	15 403	16 707	28 843	28 843	28 843	21 559	22 709	23 994
Overtime		13 765	20 210	20 182	19 075	19 075	19 075	18 420	19 257	20 182
Performance Bonus		14 350	12 509	16 120	23 822	23 822	23 822	18 204	19 178	20 262
Motor Vehicle Allowance	3	420	1 078	1 305	498	498	498	1 193	1 225	1 263
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	553	631	763	724	724	724	901	949	1 003
Other benefits and allowances	3	2 905	2 876	4 148	4 732	4 732	4 732	5 123	5 389	5 669
Payments in lieu of leave		2 385	719	4 059	–	–	–	–	–	–
Long service awards		3 341	4 195	7 720	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		802	1 171	1 249	20	20	20	1 255	1 310	1 374
In kind benefits		–	–	–	–	–	–	–	–	–
<b>Sub Total - Other Municipal Staff</b>		<b>263 291</b>	<b>278 670</b>	<b>318 155</b>	<b>382 930</b>	<b>382 710</b>	<b>382 710</b>	<b>360 391</b>	<b>377 837</b>	<b>398 944</b>
% increase	4		5.8%	14.2%	20.4%	(0.1%)	–	(5.8%)	4.8%	5.6%
<b>Total Parent Municipality</b>		<b>295 409</b>	<b>309 289</b>	<b>349 633</b>	<b>427 872</b>	<b>427 652</b>	<b>427 652</b>	<b>405 431</b>	<b>424 273</b>	<b>446 776</b>

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

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

[illegible]

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

NW375 Moses Kotane - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2023/24			Current Year 2024/25			Budget Year 2025/26		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		68	–	68	68	–	68	68	–	68
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	7	–	6	7	–	6	7	–	6
Other Managers	7	30	6	9	28	27	1	28	27	1
Professionals		–	–	–	–	–	–	–	–	–
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	–
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>465</b>	<b>190</b>	<b>83</b>	<b>494</b>	<b>417</b>	<b>84</b>	<b>503</b>	<b>273</b>	<b>84</b>
<b>% increase</b>					6.2%	119.5%	1.2%	1.8%	(34.5%)	–
<b>Total municipal employees headcount</b>	6, 10	<b>539</b>	<b>243</b>	<b>83</b>	<b>625</b>	<b>548</b>	<b>84</b>	<b>634</b>	<b>404</b>	<b>84</b>
Finance personnel headcount	8, 10	<b>74</b>	<b>53</b>	<b>–</b>	<b>131</b>	<b>131</b>	<b>–</b>	<b>131</b>	<b>131</b>	<b>–</b>
Human Resources personnel headcount	8, 10									

## 1.15 Monthly targets for revenue, expenditure and cash flow

Table 43 MBRR SA25 - Budgeted monthly revenue and expenditure

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

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	—	—	—
Service charges - Water		16 516	16 516	16 516	16 516	16 516	16 516	16 516	16 516	16 516	16 516	16 516	16 516	198 188	201 492	205 230
Service charges - Waste Water Management		432	432	432	432	432	432	432	432	432	432	432	432	5 180	5 253	5 329
Service charges - Waste Management		1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	14 109	14 736	15 105
Sale of Goods and Rendering of Services		118	118	118	118	118	118	118	118	118	118	118	118	1 418	1 488	1 533
Agency services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		5 030	5 030	5 030	5 030	5 030	5 030	5 030	5 030	5 030	5 030	5 030	5 030	60 358	63 075	64 651
Interest earned from Current and Non Current Assets		1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	13 097	13 482	13 921
Dividends		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		8	8	8	8	8	8	8	8	8	8	8	8	101	103	103
Licence and permits		277	277	277	277	277	277	277	277	277	277	277	277	3 328	3 478	3 628
<b>Special rating levies</b>																
Operational Revenue		168	168	168	168	168	168	168	168	168	168	168	168	2 014	2 091	2 135
<b>Non-Exchange Revenue</b>																
Property rates		14 505	14 505	14 505	14 505	14 505	14 505	14 505	14 505	14 505	14 505	14 505	14 505	174 056	182 311	190 436
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		158	158	158	158	158	158	158	158	158	158	158	158	1 899	1 984	2 034
Licences or permits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfer and subsidies - Operational		52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	627 463	641 339	671 243
Interest		2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	2 975	35 698	37 305	38 237
Fuel Levy		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Gains		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>94 742</b>	<b>94 742</b>	<b>94 742</b>	<b>94 742</b>	<b>94 742</b>	<b>94 742</b>	<b>94 742</b>	<b>94 742</b>	<b>94 742</b>	<b>94 742</b>	<b>94 742</b>	<b>94 743</b>	<b>1 136 908</b>	<b>1 168 133</b>	<b>1 213 386</b>
<b>Expenditure</b>																
Employee related costs		31 092	31 092	31 092	31 092	31 092	31 092	31 092	31 092	31 092	31 092	31 092	31 092	373 102	390 640	411 851
Remuneration of councillors		2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	32 329	33 633	34 925
Bulk purchases - electricity		3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	46 620	48 252	49 458
Inventory consumed		15 763	15 763	15 763	15 763	15 763	15 763	15 763	15 763	15 763	15 763	15 763	15 763	189 153	206 163	230 287
Debt impairment		25 826	25 826	25 826	25 826	25 826	25 826	25 826	25 826	25 826	25 826	25 826	25 826	309 909	311 541	317 919
Depreciation and amortisation		15 547	15 547	15 547	15 547	15 547	15 547	15 547	15 547	15 547	15 547	15 547	15 547	186 561	196 040	205 070
Interest		216	216	216	216	216	216	216	216	216	216	216	216	2 597	166	35
Contracted services		17 043	17 043	17 043	17 043	17 043	17 043	17 043	17 043	17 043	17 043	17 043	17 043	204 518	201 838	204 230
Transfers and subsidies		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Irrecoverable debts written off		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational costs		9 080	9 080	9 080	9 080	9 080	9 080	9 080	9 080	9 080	9 080	9 080	9 079	108 955	110 518	114 214
Losses on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 142</b>	<b>1 453 744</b>	<b>1 498 791</b>	<b>1 567 989</b>
<b>Surplus/(Deficit)</b>		<b>(26 403)</b>	<b>(26 403)</b>	<b>(26 403)</b>	<b>(26 403)</b>	<b>(26 403)</b>	<b>(26 403)</b>	<b>(26 403)</b>	<b>(26 403)</b>	<b>(26 403)</b>	<b>(26 403)</b>	<b>(26 403)</b>	<b>(26 400)</b>	<b>(316 836)</b>	<b>(330 657)</b>	<b>(354 603)</b>
Transfers and subsidies - capital (monetary allocations)		18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	225 068	243 443	255 796
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 644)</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>
Income Tax		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after income tax</b>		<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 644)</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 644)</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 644)</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>

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

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

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 01 - Municipal Council		2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	24 888	23 167	23 398
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		50 359	50 359	50 359	50 359	50 359	50 359	50 359	50 359	50 359	50 359	50 359	50 359	604 309	619 849	634 269
Vote 04 - Corporate Services		54	54	54	54	54	54	54	54	54	54	54	54	650	666	675
Vote 05 - Community Services		11 091	11 091	11 091	11 091	11 091	11 091	11 091	11 091	11 091	11 091	11 091	11 091	133 089	159 918	168 289
Vote 06 - Planning & Development		26	26	26	26	26	26	26	26	26	26	26	26	312	350	374
Vote 07 - Infrastructure & Technical Services		49 894	49 894	49 894	49 894	49 894	49 894	49 894	49 894	49 894	49 894	49 894	49 894	598 728	607 627	642 377
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>113 498</b>	<b>113 498</b>	<b>113 498</b>	<b>113 498</b>	<b>113 498</b>	<b>113 498</b>	<b>113 498</b>	<b>113 498</b>	<b>113 498</b>	<b>113 498</b>	<b>113 498</b>	<b>113 498</b>	<b>1 361 976</b>	<b>1 411 576</b>	<b>1 469 382</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 01 - Municipal Council		7 138	7 138	7 138	7 138	7 138	7 138	7 138	7 138	7 138	7 138	7 138	7 137	85 651	87 183	90 235
Vote 02 - Office Of The Accounting Officer		2 557	2 557	2 557	2 557	2 557	2 557	2 557	2 557	2 557	2 557	2 557	2 557	30 688	32 025	33 296
Vote 03 - Budget And Treasury Office		16 874	16 874	16 874	16 874	16 874	16 874	16 874	16 874	16 874	16 874	16 874	16 873	202 483	206 776	213 217
Vote 04 - Corporate Services		9 302	9 302	9 302	9 302	9 302	9 302	9 302	9 302	9 302	9 302	9 302	9 302	111 629	114 623	119 221
Vote 05 - Community Services		17 951	17 951	17 951	17 951	17 951	17 951	17 951	17 951	17 951	17 951	17 951	17 950	215 407	220 696	229 173
Vote 06 - Planning & Development		4 030	4 030	4 030	4 030	4 030	4 030	4 030	4 030	4 030	4 030	4 030	4 030	48 360	50 770	53 263
Vote 07 - Infrastructure & Technical Services		63 294	63 294	63 294	63 294	63 294	63 294	63 294	63 294	63 294	63 294	63 294	63 293	759 526	786 718	829 585
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 146</b>	<b>121 142</b>	<b>1 453 744</b>	<b>1 498 791</b>	<b>1 567 989</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 644)</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 648)</b>	<b>(7 644)</b>	<b>(91 768)</b>	<b>(87 214)</b>	<b>(98 607)</b>

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

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

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>																
<b>Revenue - Functional</b>																
<i>Governance and administration</i>		52 487	52 487	52 487	52 487	52 487	52 487	52 487	52 487	52 487	52 487	52 487	52 487	629 847	643 682	658 342
Executive and council		2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	24 888	23 167	23 398
Finance and administration		50 413	50 413	50 413	50 413	50 413	50 413	50 413	50 413	50 413	50 413	50 413	50 413	604 959	620 515	634 944
Internal audit														-	-	-
<i>Community and public safety</i>		2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	24 435	49 926	56 975
Community and social services		101	101	101	101	101	101	101	101	101	101	101	101	1 208	1 264	1 313
Sport and recreation		1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	18 000	43 200	50 000
Public safety		436	436	436	436	436	436	436	436	436	436	436	436	5 227	5 462	5 662
Housing														-	-	-
Health														-	-	-
<i>Economic and environmental services</i>		7 693	7 693	7 693	7 693	7 693	7 693	7 693	7 693	7 693	7 693	7 693	7 693	92 312	89 597	111 874
Planning and development		609	609	609	609	609	609	609	609	609	609	609	609	7 312	7 597	8 874
Road transport		7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	85 000	82 000	103 000
Environmental protection														-	-	-
<i>Trading services</i>		51 282	51 282	51 282	51 282	51 282	51 282	51 282	51 282	51 282	51 282	51 282	51 282	615 382	628 372	642 191
Energy sources		583	583	583	583	583	583	583	583	583	583	583	583	7 000	7 000	9 446
Water management		39 031	39 031	39 031	39 031	39 031	39 031	39 031	39 031	39 031	39 031	39 031	39 031	468 370	479 751	489 463
Waste water management		2 613	2 613	2 613	2 613	2 613	2 613	2 613	2 613	2 613	2 613	2 613	2 613	31 358	31 628	31 968
Waste management		9 054	9 054	9 054	9 054	9 054	9 054	9 054	9 054	9 054	9 054	9 054	9 054	108 653	109 992	111 314
<i>Other</i>														-	-	-
<b>Total Revenue - Functional</b>		113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	113 498	1 361 976	1 411 576	1 469 382
<b>Expenditure - Functional</b>																
<i>Governance and administration</i>		36 776	36 776	36 776	36 776	36 776	36 776	36 776	36 776	36 776	36 776	36 776	36 774	441 308	449 757	465 214
Executive and council		8 659	8 659	8 659	8 659	8 659	8 659	8 659	8 659	8 659	8 659	8 659	8 659	103 912	106 168	109 818
Finance and administration		27 591	27 591	27 591	27 591	27 591	27 591	27 591	27 591	27 591	27 591	27 591	27 590	331 088	336 993	348 487
Internal audit		526	526	526	526	526	526	526	526	526	526	526	526	6 308	6 596	6 909
<i>Community and public safety</i>		12 371	12 371	12 371	12 371	12 371	12 371	12 371	12 371	12 371	12 371	12 371	12 371	148 457	153 654	160 384
Community and social services		3 393	3 393	3 393	3 393	3 393	3 393	3 393	3 393	3 393	3 393	3 393	3 393	40 717	40 350	42 619
Sport and recreation		4 747	4 747	4 747	4 747	4 747	4 747	4 747	4 747	4 747	4 747	4 747	4 747	56 966	60 147	62 832
Public safety		4 231	4 231	4 231	4 231	4 231	4 231	4 231	4 231	4 231	4 231	4 231	4 231	50 773	53 157	54 933
Housing														-	-	-
Health														-	-	-
<i>Economic and environmental services</i>		10 831	10 831	10 831	10 831	10 831	10 831	10 831	10 831	10 831	10 831	10 831	10 830	129 969	135 540	142 054
Planning and development		4 601	4 601	4 601	4 601	4 601	4 601	4 601	4 601	4 601	4 601	4 601	4 600	55 208	57 180	60 726
Road transport		6 230	6 230	6 230	6 230	6 230	6 230	6 230	6 230	6 230	6 230	6 230	6 230	74 760	78 361	81 328
Environmental protection														-	-	-
<i>Trading services</i>		60 875	60 875	60 875	60 875	60 875	60 875	60 875	60 875	60 875	60 875	60 875	60 874	730 495	756 135	796 424
Energy sources		5 330	5 330	5 330	5 330	5 330	5 330	5 330	5 330	5 330	5 330	5 330	5 330	63 956	67 164	70 164
Water management		46 151	46 151	46 151	46 151	46 151	46 151	46 151	46 151	46 151	46 151	46 151	46 151	553 818	574 487	609 162
Waste water management		4 524	4 524	4 524	4 524	4 524	4 524	4 524	4 524	4 524	4 524	4 524	4 524	54 288	53 543	54 277
Waste management		4 869	4 869	4 869	4 869	4 869	4 869	4 869	4 869	4 869	4 869	4 869	4 869	58 433	60 941	62 821
<i>Other</i>		293	293	293	293	293	293	293	293	293	293	293	293	3 516	3 704	3 913
<b>Total Expenditure - Functional</b>		121 146	121 146	121 146	121 146	121 146	121 146	121 146	121 146	121 146	121 146	121 146	121 142	1 453 744	1 498 791	1 567 989
<b>Surplus/(Deficit) before assoc.</b>		(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 644)	(91 768)	(87 214)	(98 607)
Intercompany/Parent subsidiary transactions														-	-	-
<b>Surplus/(Deficit)</b>	1	(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 648)	(7 644)	(91 768)	(87 214)	(98 607)



**Table 46 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**
**NW375 Moses Kotane - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-	-	-	18 000	18 000	43 200	50 000
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		-	-	-	-	-	-	-	-	-	-	-	207 068	207 068	200 243	205 796
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	225 068	225 068	243 443	255 796
<b>Single-year expenditure to be appropriated</b>																
Vote 01 - Municipal Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	(16 500)	-	-	-
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure & Technical Services		17 256	17 256	17 256	17 256	17 256	17 256	17 256	17 256	17 256	17 256	17 256	(189 812)	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	(206 312)	-	-	-
<b>Total Capital Expenditure</b>	2	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	225 068	243 443	255 796

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

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

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>																
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	16 000	23 200	27 000
Community and social services		1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	16 000	23 200	25 000
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 000
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	85 000	82 000	103 000
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	7 083	85 000	82 000	103 000
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		10 339	10 339	10 339	10 339	10 339	10 339	10 339	10 339	10 339	10 339	10 339	10 339	124 068	138 243	125 796
Energy sources		583	583	583	583	583	583	583	583	583	583	583	583	7 000	7 000	9 446
Water management		7 339	7 339	7 339	7 339	7 339	7 339	7 339	7 339	7 339	7 339	7 339	7 339	88 068	76 243	64 350
Waste water management		2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	27 000	35 000	29 000
Waste management		167	167	167	167	167	167	167	167	167	167	167	167	2 000	20 000	23 000
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	225 068	243 443	255 796
<b>Funded by:</b>																
National Government		18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	225 068	243 443	255 796
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	225 068	243 443	255 796
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>		18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	225 068	243 443	255 796

**Table 48 MBRR SA30 - Budgeted monthly cash flow**
**NW375 Moses Kotane - Supporting Table SA30 Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>															
<b>Cash Receipts By Source</b>															
Property rates	7 542	7 542	7 542	7 542	7 542	7 542	7 542	7 542	7 542	7 542	7 542	7 542	90 509	94 801	99 027
Service charges - electricity revenue															
Service charges - water revenue	6 326	6 326	6 326	6 326	6 326	6 326	6 326	6 326	6 326	6 326	6 326	6 326	75 918	81 205	82 705
Service charges - sanitation revenue	164	164	164	164	164	164	164	164	164	164	164	164	1 968	2 101	2 131
Service charges - refuse revenue	398	398	398	398	398	398	398	398	398	398	398	398	4 780	4 984	5 105
Rental of facilities and equipment	8	8	8	8	8	8	8	8	8	8	8	8	101	103	103
Interest earned - external investments	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	13 097	13 482	13 921
Interest earned - outstanding debtors	548	548	548	548	548	548	548	548	548	548	548	548	6 582	11 890	14 496
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	30	30	30	30	30	30	30	30	30	30	30	30	361	377	386
Licences and permits	277	277	277	277	277	277	277	277	277	277	277	277	3 328	3 478	3 628
Agency services															
Transfers and Subsidies - Operational	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	52 289	627 463	641 339	671 243
Other revenue	3 187	3 187	3 187	3 187	3 187	3 187	3 187	3 187	3 187	3 187	3 187	3 187	38 242	41 234	43 237
<b>Cash Receipts by Source</b>	<b>71 862</b>	<b>71 862</b>	<b>71 862</b>	<b>71 862</b>	<b>71 862</b>	<b>71 862</b>	<b>71 862</b>	<b>71 862</b>	<b>71 862</b>	<b>71 862</b>	<b>71 862</b>	<b>71 863</b>	<b>862 348</b>	<b>894 994</b>	<b>935 982</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	225 068	243 443	255 796
Transfers and subsidies - capital (monetary allocations) (Nat / Prov															
Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)															
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>90 618</b>	<b>90 618</b>	<b>90 618</b>	<b>90 618</b>	<b>90 618</b>	<b>90 618</b>	<b>90 618</b>	<b>90 618</b>	<b>90 618</b>	<b>90 618</b>	<b>90 618</b>	<b>90 618</b>	<b>1 087 416</b>	<b>1 138 437</b>	<b>1 191 778</b>
<b>Cash Payments by Type</b>															
Employee related costs	31 092	31 092	31 092	31 092	31 092	31 092	31 092	31 092	31 092	31 092	31 092	31 090	373 102	390 640	411 851
Remuneration of councillors	2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	2 694	32 329	33 633	34 925
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	3 885	46 620	48 252	49 458
Acquisitions - water & other inventory	13 763	13 763	13 763	13 763	13 763	13 763	13 763	13 763	13 763	13 763	13 763	13 763	165 153	181 669	205 285
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	28 339	28 339	28 339	28 339	28 339	28 339	28 339	28 339	28 339	28 339	28 339	28 339	340 070	337 017	343 480
<b>Cash Payments by Type</b>	<b>79 773</b>	<b>79 773</b>	<b>79 773</b>	<b>79 773</b>	<b>79 773</b>	<b>79 773</b>	<b>79 773</b>	<b>79 773</b>	<b>79 773</b>	<b>79 773</b>	<b>79 773</b>	<b>79 770</b>	<b>957 274</b>	<b>991 210</b>	<b>1 045 000</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	18 756	52 516	258 828	279 959	294 165
Repayment of borrowing	832	832	832	832	832	832	832	832	832	832	832	832	9 987	1 109	603
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>99 361</b>	<b>99 361</b>	<b>99 361</b>	<b>99 361</b>	<b>99 361</b>	<b>99 361</b>	<b>99 361</b>	<b>99 361</b>	<b>99 361</b>	<b>99 361</b>	<b>99 361</b>	<b>133 118</b>	<b>1 226 089</b>	<b>1 272 279</b>	<b>1 339 768</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(8 743)</b>	<b>(8 743)</b>	<b>(8 743)</b>	<b>(8 743)</b>	<b>(8 743)</b>	<b>(8 743)</b>	<b>(8 743)</b>	<b>(8 743)</b>	<b>(8 743)</b>	<b>(8 743)</b>	<b>(8 743)</b>	<b>(42 500)</b>	<b>(138 673)</b>	<b>(133 842)</b>	<b>(147 990)</b>
Cash/cash equivalents at the month/year begin:	39 023	30 280	21 537	12 794	4 051	(4 692)	(13 435)	(22 178)	(30 921)	(39 664)	(48 407)	(57 150)	39 023	(99 650)	(233 492)
Cash/cash equivalents at the month/year end:	30 280	21 537	12 794	4 051	(4 692)	(13 435)	(22 178)	(30 921)	(39 664)	(48 407)	(57 150)	(99 650)	(99 650)	(233 492)	(381 482)

## 2.9 Annual budgets and SDBIPs – internal

### 1.15.1 Water Services Department – Vote 7

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

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

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>										
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	199,384	178,981	190,319	197,242	197,242	197,242	155,019	198,188	201,492	205,230
Service charges - Waste Water Management	2	5,259	3,864	4,786	5,103	5,103	5,103	4,165	5,180	5,253	5,329
Service charges - Waste Management	2	11,376	11,817	12,864	11,189	13,042	13,042	11,075	14,109	14,736	15,105
Sale of Goods and Rendering of Services		817	761	793	547	547	547	684	1,418	1,488	1,533
Agency services											
Interest											
Interest earned from Receivables		58,096	71,462	49,267	41,304	56,100	56,100	49,095	60,358	63,075	64,651
Interest earned from Current and Non Current Assets		2,479	9,745	13,500	12,500	12,500	12,500	11,502	13,097	13,482	13,921
Dividends		3,187	-	-	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets		234	152	99	118	118	118	6	101	103	103
Licence and permits		2,430	336	3,128	1,500	1,500	1,500	2,335	3,328	3,478	3,628
<b>Special rating levies</b>											
Operational Revenue		769	1,014	2,058	1,925	1,925	1,925	1,806	2,014	2,091	2,135
<b>Non-Exchange Revenue</b>											
Property rates	2	130,570	124,807	150,272	144,686	144,686	144,686	139,051	174,056	182,311	190,436
Surcharges and Taxes											
Fines, penalties and forfeits		1,308	1,028	1,759	1,800	1,800	1,800	1,238	1,899	1,984	2,034
Licences or permits											
Transfer and subsidies - Operational		485,293	537,931	584,689	611,662	612,449	612,449	607,192	627,463	641,339	671,243
Interest		26,839	32,268	35,103	31,498	33,033	33,033	29,580	35,698	37,305	38,237
Fuel Levy											
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		2,611	838	1,928	-	-	-	-	-	-	-
Other Gains		77	0	8	-	-	-	232	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>930,729</b>	<b>975,004</b>	<b>1,050,573</b>	<b>1,061,075</b>	<b>1,080,046</b>	<b>1,080,046</b>	<b>1,012,980</b>	<b>1,136,908</b>	<b>1,168,133</b>	<b>1,213,586</b>
<b>Expenditure</b>											
Employee related costs	2	270,066	283,415	322,761	396,070	395,850	395,850	261,895	373,102	390,640	411,851
Remuneration of councillors		25,344	25,874	26,872	31,802	31,802	31,802	22,385	32,329	33,633	34,925
Bulk purchases - electricity	2	20,890	33,007	41,906	42,000	42,000	42,000	30,082	46,620	48,252	49,458
Inventory consumed	8	4,904	6,835	9,888	198,055	198,055	198,055	8,921	189,153	206,163	230,287
Debt impairment	3			302,703	194,642	268,499	268,499	304,355	309,909	311,541	317,919
Depreciation and amortisation		131,765	132,550	121,308	162,638	162,638	162,638	140,723	186,561	196,040	205,070
Interest		4,036	5,619	6,434	2,252	2,252	2,252	1,819	2,597	166	35
Contracted services		125,412	136,096	145,069	205,880	204,930	204,930	158,891	204,518	201,838	204,230
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		321,005	147,426	8,010	-	-	-	(17,405)	-	-	-
Operational costs		88,805	116,715	81,826	113,163	114,401	114,401	75,597	108,955	110,518	114,214
Losses on disposal of Assets		16,461	18,942	4,852	-	-	-	-	-	-	-
Other Losses		65	-	3	-	-	-	221	-	-	-
<b>Total Expenditure</b>		<b>1,008,752</b>	<b>906,477</b>	<b>1,071,633</b>	<b>1,346,501</b>	<b>1,420,427</b>	<b>1,420,427</b>	<b>987,478</b>	<b>1,453,744</b>	<b>1,498,791</b>	<b>1,567,989</b>
<b>Surplus/(Deficit)</b>		<b>(78,023)</b>	<b>68,527</b>	<b>(21,059)</b>	<b>(285,427)</b>	<b>(340,381)</b>	<b>(340,381)</b>	<b>25,502</b>	<b>(316,836)</b>	<b>(330,657)</b>	<b>(354,403)</b>
Transfers and subsidies - capital (monetary allocations)	6	201,173	217,386	232,306	247,504	249,557	249,557	115,633	225,068	243,443	255,796
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>123,150</b>	<b>285,913</b>	<b>211,247</b>	<b>(37,923)</b>	<b>(90,824)</b>	<b>(90,824)</b>	<b>141,136</b>	<b>(91,768)</b>	<b>(87,214)</b>	<b>(98,607)</b>
Income Tax											
<b>Surplus/(Deficit) after income tax</b>		<b>123,150</b>	<b>285,913</b>	<b>211,247</b>	<b>(37,923)</b>	<b>(90,824)</b>	<b>(90,824)</b>	<b>141,136</b>	<b>(91,768)</b>	<b>(87,214)</b>	<b>(98,607)</b>
Share of Surplus/(Deficit) attributable to Joint Venture											
Share of Surplus/(Deficit) attributable to Minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>123,150</b>	<b>285,913</b>	<b>211,247</b>	<b>(37,923)</b>	<b>(90,824)</b>	<b>(90,824)</b>	<b>141,136</b>	<b>(91,768)</b>	<b>(87,214)</b>	<b>(98,607)</b>
Share of Surplus/(Deficit) attributable to Associate Intercompany/Parent subsidiary transactions	7										
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>123,150</b>	<b>285,913</b>	<b>211,247</b>	<b>(37,923)</b>	<b>(90,824)</b>	<b>(90,824)</b>	<b>141,136</b>	<b>(91,768)</b>	<b>(87,214)</b>	<b>(98,607)</b>

There are currently several unfilled positions in the structure of the Water Services Unit. The top management structure consists of the Head of Department Infrastructure and Technical Services and five Heads of Units. As part of the performance objectives for the 2025/2026 financial year, certain crucial positions will be filled.

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

The departmental revenue base is primarily informed by the sale of water of which budget appropriation for the 2025/2026 financial year is R198.1 million and increases to R201.4 million by 2026/27 and has been informed by a collection rate of 38 per cent.

The reduction of distribution losses is considered a priority. About 60 percent of the consumers are indigent household at RDP level. The water schemes transferred from the Department of Water affairs are aging and water losses as well as water unaccounted for is a serious problem. This will receive attention in future financial years.

## Table 50 2.11 Contracts having future budgetary implications

### 2.12 Capital expenditure details

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

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

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		6 775	3 092	24 478	172 020	173 663	173 663	84 100	111 243	129 796
Roads Infrastructure		-	-	-	-	-	-	1 500	12 000	13 000
Roads		-	-	-	-	-	-	1 500	12 000	13 000
Storm water Infrastructure		-	-	-	11 191	11 191	11 191	-	-	-
Drainage Collection		-	-	-	11 191	11 191	11 191	-	-	-
Electrical Infrastructure		(0)	-	-	5 000	6 064	6 064	7 000	7 000	9 446
LV Networks		(0)	-	-	5 000	6 064	6 064	7 000	7 000	9 446
Water Supply Infrastructure		10 426	3 950	25 474	144 865	140 792	140 792	63 600	57 243	64 350
Reservoirs		-	-	-	-	-	-	-	15 000	6 000
Water Treatment Works		-	-	-	20 382	28 297	28 297	-	-	-
Bulk Mains		0	-	11 074	7 000	267	267	9 000	-	21 350
Distribution		10 426	3 950	14 400	115 483	112 228	112 228	39 600	42 243	37 000
Distribution Points		-	-	-	2 000	-	-	15 000	-	-
Sanitation Infrastructure		0	-	-	9 000	15 617	15 617	10 000	15 000	20 000
Pump Station		-	-	-	3 000	3 292	3 292	-	-	-
Reticulation		-	-	-	1 667	1 903	1 903	-	-	-
Waste Water Treatment Works		-	-	-	2 667	8 469	8 469	10 000	15 000	20 000
Toilet Facilities		0	-	-	1 667	1 953	1 953	-	-	-
Solid Waste Infrastructure		(3 650)	(859)	(996)	1 964	-	-	2 000	20 000	23 000
Landfill Sites		(3 650)	(859)	(996)	1 964	-	-	2 000	20 000	23 000
<b>Furniture and Office Equipment</b>		188	-	187	3 000	3 000	3 000	-	-	-
Furniture and Office Equipment		188	-	187	3 000	3 000	3 000	-	-	-
<b>Machinery and Equipment</b>		-	-	55	50	50	50	-	-	-
Machinery and Equipment		-	-	55	50	50	50	-	-	-
<b>Transport Assets</b>		-	-	-	-	720	720	-	-	-
Transport Assets		-	-	-	-	720	720	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	6 963	3 092	24 720	175 070	177 433	177 433	84 100	111 243	129 796

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

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	23 000	24 237	24 237	15 000	16 000	-
Roads Infrastructure		-	-	-	-	-	-	15 000	16 000	-
Roads		-	-	-	-	-	-	15 000	16 000	-
Water Supply Infrastructure		-	-	-	23 000	24 237	24 237	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	23 000	24 237	24 237	-	-	-
<b>Community Assets</b>		(0)	2 816	1 438	-	-	-	4 468	10 000	-
Community Facilities		(0)	2 816	1 438	-	-	-	4 468	10 000	-
Halls		(0)	2 816	-	-	-	-	-	-	-
Testing Stations		-	-	1 438	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	4 468	10 000	-
<b>Other assets</b>		-	-	-	2 400	-	-	2 000	8 200	25 000
Operational Buildings		-	-	-	2 400	-	-	2 000	8 200	25 000
Training Centres		-	-	-	2 400	-	-	2 000	8 200	25 000
<b>Intangible Assets</b>		-	106	-	2 000	2 000	2 000	-	-	-
Licences and Rights		-	106	-	2 000	2 000	2 000	-	-	-
Computer Software and Applications		-	106	-	2 000	2 000	2 000	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>1</b>	<b>(0)</b>	<b>2 922</b>	<b>1 438</b>	<b>27 400</b>	<b>26 237</b>	<b>26 237</b>	<b>21 468</b>	<b>34 200</b>	<b>25 000</b>
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	33.2%	5.4%	10.8%	10.3%	10.3%	9.5%	14.0%	9.8%
<b>Renewal of Existing Assets as % of deprecn"</b>		0.0%	2.2%	1.2%	16.8%	16.1%	16.1%	11.5%	17.4%	12.2%

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

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		5 410	2 790	246	43 084	49 656	49 656	105 500	83 000	99 000
Roads Infrastructure		5 410	2 790	246	40 084	46 364	46 364	68 500	54 000	90 000
Roads		5 410	2 790	246	40 084	46 364	46 364	68 500	54 000	90 000
Water Supply Infrastructure		-	-	-	-	-	-	20 000	9 000	-
Bulk Mains		-	-	-	-	-	-	20 000	9 000	-
Sanitation Infrastructure		-	-	-	3 000	3 292	3 292	17 000	20 000	9 000
Reticulation		-	-	-	3 000	3 292	3 292	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	17 000	20 000	9 000
<b>Community Assets</b>		-	-	-	7 000	2 000	2 000	14 000	15 000	2 000
Community Facilities		-	-	-	7 000	2 000	2 000	14 000	15 000	-
Cemeteries/Crematoria		-	-	-	7 000	2 000	2 000	14 000	15 000	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	2 000
Outdoor Facilities		-	-	-	-	-	-	-	-	2 000
<b>Total Capital Expenditure on upgrading of existing assets</b>	<b>1</b>	<b>5 410</b>	<b>2 790</b>	<b>246</b>	<b>50 084</b>	<b>51 656</b>	<b>51 656</b>	<b>119 500</b>	<b>98 000</b>	<b>101 000</b>
<b>Upgrading of Existing Assets as % of total capex</b>		43.7%	31.7%	0.9%	19.8%	20.2%	20.2%	53.1%	40.3%	39.5%
<b>Upgrading of Existing Assets as % of deprecn"</b>		4.1%	2.1%	0.2%	30.8%	31.8%	31.8%	64.1%	50.0%	49.3%

**Table 54 MBRR SA35 - Future financial implications of the capital budget****NW375 Moses Kotane - Supporting Table SA35 Future financial implications of the capital budget**

Vote Description	Ref	2025/26 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Present value
<b>R thousand</b>								
<b><u>Capital expenditure</u></b>	1							
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		18 000	43 200	50 000				
Vote 06 - Planning & Development		-	-	-				
Vote 07 - Infrastructure & Technical Services		207 068	200 243	205 796				
Vote 08 -		-	-	-				
Vote 09 -		-	-	-				
Vote 10 -		-	-	-				
Vote 11 -		-	-	-				
Vote 12 -		-	-	-				
Vote 13 -		-	-	-				
Vote 14 -		-	-	-				
Vote 15 - Other		-	-	-				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>225 068</b>	<b>243 443</b>	<b>255 796</b>	-	-	-	-
<b><u>Future operational costs by vote</u></b>	2							
Vote 01 - Municipal Council								
Vote 02 - Office Of The Accounting Officer								
Vote 03 - Budget And Treasury Office								
Vote 04 - Corporate Services								
Vote 05 - Community Services								
Vote 06 - Planning & Development								
Vote 07 - Infrastructure & Technical Services								
Vote 08 -								
Vote 09 -								
Vote 10 -								
Vote 11 -								
Vote 12 -								
Vote 13 -								
Vote 14 -								
Vote 15 - Other								
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b><u>Future revenue by source</u></b>	3							
Exchange Revenue		80 316	83 715	85 972				
Service charges - Electricity		-	-	-				
Service charges - Water		198 188	201 492	205 230				
Service charges - Waste Water Management		5 180	5 253	5 329				
Service charges - Waste Management		14 109	14 736	15 105				
Agency services								
<i>List other revenues sources if applicable</i>		1 064 184	1 106 381	1 157 746				
<i>List entity summary if applicable</i>								
<b>Total future revenue</b>		<b>1 361 976</b>	<b>1 411 576</b>	<b>1 469 382</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>(1 136 908)</b>	<b>(1 168 133)</b>	<b>(1 213 586)</b>	-	-	-	-

**Table 55 MBRR SA36 - Detailed capital budget per municipal vote****NW375 Moses Kotane - Supporting Table SA36 Detailed capital budget**

R thousand			2025/26 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality: List all capital projects grouped by Function					
Administrative And Corporate Support	Furniture _Mogwase	500	–	–	–
Administrative And Corporate Support	Carpet_Floor And Vacuum Cleaners	50	–	–	–
Cemeteries, Funeral Parlours And Crematoriums	Refurbishment Of Tlokweng Cemetery	2 000	14 000	15 000	–
Community Halls And Facilities	Repair & Renovate Traff & Licensing Cen	–	–	–	–
Disaster Management	Design Of Disaster Management Centre	–	2 000	8 200	25 000
Finance	Office Equipment _Mogwase	2 500	–	–	–
Information Technology	Ict Equipmentmogwase	2 000	–	–	–
Libraries And Archives	New Transport Assets For Libraries	720	–	–	–
Recreational Facilities	Brush Cutters And Lawn Mowers _Madikwe	–	–	–	–
Recreational Facilities	Upgrade Of Mableskraal Sports Facility	–	–	–	1 000
Recreational Facilities	Upgrade Of Pella Sports Facility	–	–	–	1 000
Roads	Rehabilitation Of Welverdiend Inter Roads	–	15 000	16 000	–
Roads	Goede And Losmy Internal R And S Water	–	18 000	7 000	30 000
Roads	Internal Roads _Moruleng	–	1 500	9 000	16 000
Roads	Internal Roads _Tlokweng	–	15 000	16 000	–
Roads	Internal Roads _Vrede	–	–	–	–
Roads	Mables Int Roads And Storm Water W23&24	–	2 000	11 000	15 000
Roads	Obakeng Internal Roads	1 750	–	–	–
Roads	Oudekokers Roads	3 646	–	–	–
Roads	Rehabilitation Of Kraalhoek Inter Roads	4 000	17 000	–	–
Roads	Rehabilitation Of Mogwase Internal Road	2 000	15 000	11 000	29 000
Roads	Roads Infra - Rd C: Acquisition	30 400	–	–	–
Roads	Roads Infra - lu C: Acquisition	1 500	–	–	–
Roads	g Of Storm Water Manag Goe Non And L	3 000	–	–	–
Roads	Constructio Of Internal Roads - Welgeva	–	1 500	12 000	13 000
Roads	Storm Wa Infra - lu C: Acquisition	11 191	–	–	–
Sewerage	Rural Sanitation-Supply & Manamakgoteng	3 292	–	–	–
Sewerage	Refurb Of Mogwase Waste Water Treat W	–	17 000	20 000	9 000
Sewerage	Rural Sanitation-Supply & Insta-Phalane	3 292	–	–	–
Sewerage	Rural Sanitation-Supply & Insta-Leruleng	1 903	–	–	–
Sewerage	Rural Sanitation-Supply & Inst-Makoshor	1 969	–	–	–
Sewerage	Upgrading Of Madikwe Sewer Network	6 500	10 000	15 000	20 000
Sewerage	Rural Sanitation-Supply & In-Segakwaneng	1 953	–	–	–
Solid Waste Removal	Madikwe Land Fill Rehabilitation	–	2 000	20 000	23 000
Solid Waste Removal	Ppe Co: Inf Waste Man - Acquisitions	–	–	–	–
Street Lighting And Signal Systems	Energizing Of Hml And Cumm Halls	6 064	7 000	7 000	9 446
Water Treatment	Wa At C - Distribution: Acquisition	23 438	–	–	–
Water Treatment	Wa At C - Distribution: Acquisition	799	–	–	–
Water Treatment	Replacement Of Mogwase Asbestos P1	–	20 000	9 000	–
Water Treatment	Construction Balacing Tank W8 - Ngwedind	–	–	8 000	6 000
Water Treatment	Construction Of A Resevior In Bojating	–	–	7 000	–
Water Treatment	Manamakgoteng Water Retic Leagajang E	28 297	–	–	–
Water Treatment	David Katnagel Water Supply	–	6 000	–	–
Water Treatment	Greater Saulspoort Bulk Water Aug	–	2 000	–	21 350
Water Treatment	Madikwe Bulk Water Aug Scheme	–	1 000	–	–
Water Treatment	Mahobieskraal Bulk Water Supply	267	–	–	–
Water Treatment	Bulk Water Augmentation Ledig	1 309	–	–	–
Water Treatment	Ledig Water Supply (Various Section)	9 804	–	–	–
Water Treatment	Lerome Water Supply (Thabeng Section)	2 106	–	–	–
Water Treatment	Letsheng Water Supply	8 500	–	–	–
Water Treatment	Mabalstand Water Supply	–	2 800	10 000	18 000
Water Treatment	Mables To Uitkyk Bulk Water Pipeline F2	10 892	5 000	–	–
Water Treatment	Maeraneng Water Supply	14 810	–	–	–
Water Treatment	Moubane Water Supply	–	2 800	12 000	19 000
Water Treatment	andfontein Water Supply -Boikhutso Ex	3 000	20 000	18 000	–
Water Treatment	Segakwaneng Water Supply	19 630	–	–	–
Water Treatment	Tlokweng Water Supply Phase I	31 177	–	–	–
Water Treatment	Tweelaagte Water Supply Phase 3	11 000	7 000	–	–
Water Treatment	Upgrading Of Madikwe Water Treatment P	–	–	–	–
Water Treatment	Water Conservation & Demand Mgnt-Mogw	–	2 000	2 243	–
Water Treatment	Design-Tweelaagte Water Su P4- New Stand	–	15 000	–	–
Water Treatment	Upgrading Water Treatment Plant Molatec	–	4 468	10 000	–
Parent Capital expenditure		255 327	225 068	243 443	255 796



## 2.13 Legislation compliance status

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

1. In year reporting Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.
2. Internship programme  
The municipality is participating in the Municipal Financial Management Internship programme and plans to employ five interns to be placed in various divisions of the Financial Services Department.
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee  
An Audit Committee has been established.
5. Service Delivery and Implementation Plan
6. The detailed SDBIP document is at a draft stage and will be finalised during finalisation of the budget and is directly aligned and informed by the 2025/26 MTREF.
7. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
8. MFMA Training  
The MFMA training module in electronic format is available to all financial staff.
9. Policies  
All budget related policies are reviewed on an annual basis or whenever the need arises and submitted with the budget for adoption by council.

## 2.14 Other supporting documents

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

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
<b>REVENUE ITEMS:</b>											
<b>Non-exchange revenue by source</b>											
<b>Exchange Revenue</b>	6										
Total Property Rates		130 717	127 206	154 380	147 299	147 299	147 299	102 653	178 344	186 791	194 986
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		147	2 399	4 108	2 613	2 613	2 613	2 566	4 288	4 481	4 550
Net Property Rates		130 570	124 807	150 272	144 686	144 686	144 686	100 087	174 056	182 311	190 436
<b>Exchange revenue service charges</b>											
<b>Service charges - Electricity</b>	6										
Total Service charges - Electricity					9 200	9 200	9 200		6 157	6 957	7 896
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	9 200	9 200	9 200		6 157	6 957	7 896
Net Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
<b>Service charges - Water</b>	6										
Total Service charges - Water		199 451	179 057	190 309	207 242	207 242	207 242	124 897	208 188	211 992	216 105
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		67	76	(10)	10 000	10 000	10 000	(5)	10 000	10 500	10 875
Net Service charges - Water		199 384	178 981	190 319	197 242	197 242	197 242	124 902	198 188	201 492	205 230
<b>Service charges - Waste Water Management</b>											
Total Service charges - Waste Water Management		5 405	4 120	4 899	5 383	5 383	5 383	3 234	5 297	5 375	5 454
Less Revenue Foregone (in excess of free sanitation service to indigent households)											
Less Cost of Free Basis Services (free sanitation service to indigent households)		146	256	113	279	279	279	60	117	122	125
Net Service charges - Waste Water Management		5 259	3 864	4 786	5 103	5 103	5 103	3 174	5 180	5 253	5 329
<b>Service charges - Waste Management</b>	6										
Total refuse removal revenue		11 562	12 104	12 992	11 252	13 106	13 106	8 932	14 243	14 875	15 245
Total landfill revenue											
Less Revenue Foregone (in excess of one removal a week to indigent households)											
Less Cost of Free Basis Services (removed once a week to indigent households)		186	286	128	64	64	64	65	134	140	140
Net Service charges - Waste Management		11 376	11 817	12 864	11 189	13 042	13 042	8 867	14 109	14 736	15 105

EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	180 784	185 537	208 402	263 929	263 709	263 709	198 996	255 947	267 485	282 018
Pension and UIF Contributions		35 205	38 284	41 583	52 429	52 429	52 429	38 723	49 513	52 133	55 065
Medical Aid Contributions		14 379	15 457	16 707	28 943	28 943	28 943	16 520	21 724	22 882	24 177
Overtime		13 765	20 210	20 182	19 075	19 075	19 075	16 675	18 420	19 257	20 182
Performance Bonus		14 547	12 607	16 238	24 547	24 547	24 547	12 963	18 485	19 462	20 548
Motor Vehicle Allowance		1 399	1 634	1 708	1 670	1 670	1 670	1 199	1 734	1 772	1 814
Cellphone Allowance		-	-	-	-	-	-	-	-	-	-
Housing Allowances		553	631	763	724	724	724	775	901	949	1 003
Other benefits and allowances		2 906	2 876	4 148	4 733	4 733	4 733	3 645	5 124	5 390	5 671
Payments in lieu of leave		2 385	719	4 059	-	-	-	(2 698)	-	-	-
Long service awards		3 341	4 195	7 720	-	-	-	-	-	-	-
Post-retirement benefit obligations	4	-	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		802	1 264	1 249	20	20	20	1 418	1 255	1 310	1 374
In kind benefits		-	-	-	-	-	-	-	-	-	-
sub-total	5	270 066	283 415	322 761	396 070	395 850	395 850	288 215	373 102	390 640	411 851
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	270 066	283 415	322 761	396 070	395 850	395 850	288 215	373 102	390 640	411 851
<u>Depreciation and amortisation</u>											
Depreciation of Property, Plant & Equipment		129 462	130 190	118 712	156 370	156 370	156 370	153 400	183 705	192 898	201 614
Lease amortisation		2 304	2 361	2 597	6 268	6 268	6 268	1 843	2 856	3 142	3 456
Capital asset impairment		-	-	-	-	-	-	-	-	-	-
Total Depreciation and amortisation	1	131 765	132 550	121 308	162 638	162 638	162 638	155 243	186 561	196 040	205 070
<u>Bulk purchases - electricity</u>											
Electricity bulk purchases		20 890	33 007	41 906	42 000	42 000	42 000	31 982	46 620	48 252	49 458
Total bulk purchases	1	20 890	33 007	41 906	42 000	42 000	42 000	31 982	46 620	48 252	49 458
<u>Transfers and grants</u>											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-	-
<u>Contracted Services</u>											
Outsourced Services		55 185	61 753	68 744	83 472	80 572	80 572	55 849	76 144	78 664	81 039
Consultants and Professional Services		26 510	24 126	26 943	32 112	33 612	33 612	23 352	30 550	28 462	27 684
Contractors		43 717	50 216	49 382	90 296	88 746	88 746	85 796	97 824	94 712	95 507
Total contracted services		125 412	136 096	145 069	205 880	202 930	202 930	164 997	204 518	201 838	204 230
<u>Operational Costs</u>											
Collection costs		-	-	-	100	100	100	-	100	105	107
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Audit fees		3 204	4 477	6 186	8 000	8 000	8 000	5 858	8 000	8 360	8 569
Other Operational Costs		85 601	112 238	75 640	105 063	108 081	108 081	73 723	100 855	102 054	105 538
Total Operational Costs	1	88 805	116 715	81 826	113 163	116 181	116 181	79 581	108 955	110 518	114 214
<u>Repairs and Maintenance by Expenditure Item</u>											
Employee related costs	8	-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		924	-	-	1 200	1 200	1 200	-	500	511	524
Contracted Services		43 572	50 656	48 593	87 844	85 944	85 944	84 546	88 374	85 004	86 317
Operational Costs		779	(31)	4 470	7 850	9 457	9 457	9 126	9 350	9 576	9 808
Total Repairs and Maintenance Expenditure	9	45 275	50 624	53 063	96 894	96 601	96 601	93 671	98 224	95 092	96 649
<u>Inventory Consumed</u>											
Inventory Consumed - Water		-	-	(924)	173 300	173 300	173 300	(109)	165 153	181 669	205 285
Inventory Consumed - Other		4 904	6 835	10 811	24 755	24 755	24 755	9 498	24 000	24 495	25 001
Total Inventory Consumed & Other Material		4 904	6 835	9 888	198 055	198 055	198 055	9 389	189 153	206 163	230 287

**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 - Office Budget And Treasury Office	Vote 04 - Corporate Services	Vote 05 - Community Services	Vote 06 - Planning & Development	Vote 07 - Infrastructure & Technical Services	Vote 08 -	Vote 09 -	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 - Other	Total
<b>R thousand</b>	1																
<b>Revenue</b>																	
<b>Exchange Revenue</b>																	
Service charges - Electricity		–															–
Service charges - Water								198 188									198 188
Service charges - Waste Water Management						14 109		5 180									5 180
Service charges - Waste Management						50	312										14 109
Sale of Goods and Rendering of Services				1 055													1 418
Agency services																	–
Interest																	–
Interest earned from Receivables				60 358		–	–	–									60 358
Interest earned from Current and Non Current Assets				13 097													13 097
Dividends				–													–
Rent on Land																	–
Rental from Fixed Assets				101		–	–										101
Licence and permits						3 328											3 328
<b>Special rating levies</b>																	–
Operational Revenue				1 363	650		–										2 014
<b>Non-Exchange Revenue</b>																	
Property rates		–		174 056				–									174 056
Surcharges and Taxes																	–
Fines, penalties and forfeits						1 899											1 899
Licences or permits																	–
Transfer and subsidies - Operational		24 888		318 580	–	95 702		188 292									627 463
Interest				35 698		–		–									35 698
Fuel Levy						–		–									–
Operational Revenue						–		–									–
Gains on disposal of Assets		–		–	–	–	–	–									–
Other Gains				–													–
Discontinued Operations																	–
<b>Total Revenue (excluding capital transfers and contributions)</b>		24 888	–	604 309	650	115 089	312	391 660	–	–	–	–	–	–	–	–	1 136 908
<b>Expenditure</b>																	
Employee related costs		18 719	18 188	58 318	58 226	51 225	42 410	126 016									373 102
Remuneration of councillors		32 329															32 329
Bulk purchases - electricity								46 620									46 620
Inventory consumed				24 000				165 153									189 153
Debt impairment				115 675		13 996	–	180 238									309 909
Depreciation and amortisation		305	–	–	2 856	43 019	–	140 380									186 561
Interest				–		2 597		–									2 597
Contracted services		4 950	1 700	28 172	5 050	86 687	5 750	72 209									204 518
Transfers and subsidies		–						–									–
Irrecoverable debts written off				–		–		–									–
Operational costs		29 347	10 800	319	37 496	17 882	200	12 910									108 955
Losses on disposal of Assets		–		–	–	–	–	–									–
Other Losses								–									–
<b>Total Expenditure</b>		85 651	30 688	226 483	103 629	215 407	48 360	743 526	–	–	–	–	–	–	–	–	1 453 744
<b>Surplus/(Deficit)</b>		(60 762)	(30 688)	377 825	(102 979)	(100 319)	(48 048)	(351 866)	–	–	–	–	–	–	–	–	(316 836)
Transfers and subsidies - capital (monetary allocations)				–	–	18 000	–	207 068									225 068
Transfers and subsidies - capital (in-kind)				–													–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(60 762)	(30 688)	377 825	(102 979)	(82 319)	(48 048)	(144 798)	–	–	–	–	–	–	–	–	(91 768)

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

NW375 Moses Kotane - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'												
Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS												
Trade and other receivables from exchange transactions												
Electricity												
Water			1 140 119	1 290 917	800 663	1 039 607	1 039 607	1 039 607	960 129	1 250 511	1 539 711	1 568 495
Waste			124 906	143 683	43 471	127 926	127 926	127 926	59 325	59 855	79 661	100 277
Waste Water			24 223	26 212	15 878	27 695	27 695	27 695	19 359	26 717	33 563	40 650
Other trade receivables from exchange transactions			(4 680)	(4 606)	4 913	(17 499)	(17 499)	(17 499)	6 797	947	973	983
Gross: Trade and other receivables from exchange transactions			1 284 569	1 456 207	864 925	1 177 729	1 177 729	1 177 729	1 045 610	1 338 031	1 653 908	1 710 405
Less: Impairment for debt			(1 223 147)	(1 385 310)	(762 060)	(1 095 226)	(1 095 226)	(1 095 226)	(947 191)	(1 216 300)	(1 529 955)	(1 584 562)
Impairment for Electricity												
Impairment for Water			(1 076 792)	(1 219 861)	(705 589)	(944 468)	(944 468)	(944 468)	(871 224)	(1 139 993)	(1 426 598)	(1 453 300)
Impairment for Waste			(124 778)	(143 015)	(42 874)	(125 280)	(125 280)	(125 280)	(58 534)	(54 763)	(75 517)	(96 173)
Impairment for Waste Water			(21 128)	(21 975)	(12 173)	(24 840)	(24 840)	(24 840)	(15 311)	(21 660)	(27 962)	(35 212)
Impairment for other trade receivables from exchange transactions			(450)	(459)	(1 425)	(637)	(637)	(637)	(2 123)	116	121	124
Total net Trade and other receivables from Exchange Transactions			61 422	70 897	102 865	82 503	82 503	82 503	98 419	121 731	123 953	125 843
Receivables from non-exchange transactions												
Property rates			93 213	273 654	617 104	172 955	172 955	172 955	659 815	741 316	800 000	844 745
Less: Impairment of Property rates			(104 296)	(98 850)	(534 082)	(63 745)	(63 745)	(63 745)	(599 108)	(641 764)	(700 064)	(742 104)
Net Property rates			(11 083)	174 804	83 022	109 210	109 210	109 210	60 707	99 552	99 936	102 642
Other receivables from non-exchange transactions			13 511	14 422	13 390	7 396	7 396	7 396	14 391	19 171	21 139	23 164
Impairment for other receivables from non-exchange transactions			(15 418)	(16 749)	(15 494)	(3 758)	(3 758)	(3 758)	(16 702)	(18 776)	(20 743)	(22 767)
Net other receivables from non-exchange transactions			(1 908)	(2 327)	(2 104)	3 638	3 638	3 638	(2 311)	395	396	396
Total net Receivables from non-exchange transactions			(12 991)	172 477	80 918	112 848	112 848	112 848	58 396	99 947	100 332	103 038
Inventory												
Water												
Opening Balance			61	61	73	1 008	1 008	1 008	1 008	1 008	1 008	1 008
System Input Volume			–	12	12	173 300	173 300	173 300	12	165 153	181 669	205 285
Water Treatment Works				12	12	–	–	–	12	–	–	–
Bulk Purchases						173 300	173 300	173 300	0	165 153	181 669	205 285
Natural Sources						–	–	–	–	–	–	–
Authorised Consumption		6	–	–	924	(173 300)	(173 300)	(173 300)	109	(165 153)	(181 669)	(205 285)
Billed Authorised Consumption			–	–	–	(173 300)	(173 300)	(173 300)	–	(165 153)	(181 669)	(205 285)
Billed Metered Consumption			–	–	–	(173 300)	(173 300)	(173 300)	–	(165 153)	(181 669)	(205 285)
Free Basic Water						–	–	–	–	–	–	–
Subsidised Water						–	–	–	–	–	–	–
Revenue Water						(173 300)	(173 300)	(173 300)	–	(165 153)	(181 669)	(205 285)
Billed Unmetered Consumption			–	–	–	–	–	–	–	–	–	–
Free Basic Water						–	–	–	–	–	–	–
Subsidised Water						–	–	–	–	–	–	–
Revenue Water						–	–	–	–	–	–	–
UnBilled Authorised Consumption			–	–	924	–	–	–	109	–	–	–
Unbilled Metered Consumption						–	–	–	–	–	–	–
Unbilled Unmetered Consumption					924	–	–	–	109	–	–	–
Water Losses			–	–	–	–	–	–	–	–	–	–
Apparent losses			–	–	–	–	–	–	–	–	–	–
Unauthorised Consumption						–	–	–	–	–	–	–
Customer Meter Inaccuracies						–	–	–	–	–	–	–
Real losses			–	–	–	–	–	–	–	–	–	–
Leakage on Transmission and Distribution Mains						–	–	–	–	–	–	–
Leakage and Overflows at Storage Tanks/Reservoirs						–	–	–	–	–	–	–
Leakage on Service Connections up to the point of Customer Meter						–	–	–	–	–	–	–
Data Transfer and Management Errors						–	–	–	–	–	–	–
Unavoidable Annual Real Losses						–	–	–	–	–	–	–
Non-revenue Water			–	–	924	–	–	–	109	–	–	–
Correction of Prior period errors						–	–	–	–	–	–	–
Closing Balance Water			61	73	1 008	1 008	1 008	1 008	1 130	1 008	1 008	1 008
Agricultural												
Opening Balance												
Acquisitions		7										
Issues		8										
Adjustments		9										
Write-offs												
Correction of Prior period errors												
Closing balance - Agricultural			–	–	–	–	–	–	–	–	–	–
Consumables												
Standard Rated												
Opening Balance			11 443	13 879	15 986	19 908	19 908	19 908	19 908	20 576	21 375	22 210
Acquisitions		7	7 398	8 941	14 736	24 755	24 755	24 755	21 603	24 000	24 495	25 001
Issues		8	(4 904)	(6 835)	(10 811)	(24 755)	(24 755)	(24 755)	(9 498)	(24 000)	(24 495)	(25 001)
Adjustments		9				668	668	668	–	799	836	857
Write-offs			(57)		(3)	–	–	–	(192)	–	–	–
Correction of Prior period errors												
Closing balance - Consumables Standard Rated			13 879	15 986	19 908	20 576	20 576	20 576	31 821	21 375	22 210	23 067

<b>Land</b>										
Opening Balance	320	320	435	555	555	555	555	555	555	555
Acquisitions	665	665	555	—	—	—	—	—	—	—
Sales	(550)	(550)	(435)	—	—	—	—	—	—	—
Adjustments	—	—	—	—	—	—	—	—	—	—
Correction of Prior period errors	—	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	—	—	—	—	—
<b>Closing Balance - Land</b>	<b>320</b>	<b>435</b>	<b>555</b>	<b>555</b>	<b>555</b>	<b>555</b>	<b>555</b>	<b>555</b>	<b>555</b>	<b>555</b>
<b>Closing Balance - Inventory &amp; Consumables</b>	<b>14 260</b>	<b>16 493</b>	<b>21 471</b>	<b>22 139</b>	<b>22 139</b>	<b>22 139</b>	<b>33 505</b>	<b>22 938</b>	<b>23 774</b>	<b>24 630</b>
<b>Property, plant and equipment (PPE)</b>										
PPE at cost/valuation (excl. finance leases)	5 916 416	6 043 007	6 246 213	3 919 570	3 897 343	3 897 343	6 378 888	6 606 384	6 881 363	7 162 132
Leases recognised as PPE	—	—	—	—	—	—	—	—	—	—
Less: Accumulated depreciation	2 963 169	3 054 496	3 147 936	238 700	238 700	238 700	3 301 336	3 279 832	3 424 149	3 609 490
<b>Total Property, plant and equipment (PPE)</b>	<b>2 953 246</b>	<b>2 988 511</b>	<b>3 098 277</b>	<b>3 680 870</b>	<b>3 658 643</b>	<b>3 658 643</b>	<b>3 077 552</b>	<b>3 326 552</b>	<b>3 457 214</b>	<b>3 552 642</b>
<b>LIABILITIES</b>										
<b>Current liabilities - Borrowing</b>										
Short term loans (other than bank overdraft)	—	—	—	—	—	—	—	—	—	—
Current portion of long-term liabilities	14 629	8 840	3 605	14 372	14 372	14 372	3 161	1 107	603	—
<b>Total Current liabilities - Borrowing</b>	<b>14 629</b>	<b>8 840</b>	<b>3 605</b>	<b>14 372</b>	<b>14 372</b>	<b>14 372</b>	<b>3 161</b>	<b>1 107</b>	<b>603</b>	<b>—</b>
<b>Trade and other payables</b>										
Trade and other payables from exchange transactions	190 097	211 352	215 231	204 741	204 741	204 741	134 098	209 171	208 897	207 793
Other trade payables from exchange transactions	—	—	—	—	—	—	—	—	—	—
Trade payables from Non-exchange transactions: Unspent conditional Grants	12 544	8 156	3 305	—	(3 094)	(3 094)	112 813	—	—	—
Trade payables from Non-exchange transactions: Other	—	—	—	—	—	—	—	—	—	—
VAT	88 823	99 997	131 049	—	—	—	160 092	—	—	—
<b>Total Trade and other payables</b>	<b>291 463</b>	<b>319 506</b>	<b>349 585</b>	<b>204 741</b>	<b>201 647</b>	<b>201 647</b>	<b>407 003</b>	<b>209 171</b>	<b>208 897</b>	<b>207 793</b>
<b>Non current liabilities - Financial liabilities</b>										
Borrowing	—	34 753	22 945	20 868	20 868	20 868	10 235	603	—	—
Other financial liabilities	—	—	—	—	—	—	—	—	—	—
<b>Total Non current liabilities - Financial liabilities</b>	<b>—</b>	<b>34 753</b>	<b>22 945</b>	<b>20 868</b>	<b>20 868</b>	<b>20 868</b>	<b>10 235</b>	<b>603</b>	<b>—</b>	<b>—</b>
<b>Non current liabilities - Long Term portion of trade payables</b>										
Electricity Bulk Purchases	—	—	—	—	—	—	—	—	—	—
Payables and Accruals - General	—	—	—	—	—	—	—	—	—	—
Water Bulk Purchases	—	—	—	—	—	—	—	—	—	—
Municipal Debt Relief	—	—	—	—	—	—	—	—	—	—
<b>Total Non current liabilities - Long Term portion of trade payables</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Provisions - non-current</b>										
Retirement benefits	—	—	—	—	—	—	—	—	—	—
Refuse landfill site rehabilitation	19 171	20 464	21 932	24 354	24 354	24 354	21 932	24 193	25 282	26 167
Other	15 533	15 533	15 533	17 284	17 284	17 284	15 533	23 193	24 237	25 328
<b>Total Provisions non-current</b>	<b>34 703</b>	<b>35 996</b>	<b>37 464</b>	<b>41 638</b>	<b>41 638</b>	<b>41 638</b>	<b>37 464</b>	<b>47 386</b>	<b>49 519</b>	<b>51 494</b>
<b>CHANGES IN NET ASSETS</b>										
<b>Accumulated surplus/(deficit)</b>										
Accumulated surplus/(deficit) - opening balance	3 017 853	3 011 253	3 154 931	3 292 418	3 292 418	3 292 418	3 210 478	—	—	—
GRAP adjustments	—	—	—	—	—	—	—	—	—	—
Restated balance	3 017 853	3 011 253	3 154 931	3 292 418	3 292 418	3 292 418	3 210 478	—	—	—
Surplus/(Deficit)	123 150	285 913	211 247	(37 923)	(115 604)	(115 604)	104 003	(91 768)	(87 214)	(98 607)
Transfers to/from Reserves	—	—	0	647 724	706 492	706 492	—	3 892 870	3 720 164	3 833 696
Depreciation offsets	—	—	—	—	—	—	—	—	—	—
Other adjustments	(12 808)	(5 031)	3 108	34	34	34	1 479	—	—	—
<b>Accumulated Surplus/(Deficit)</b>	<b>3 128 195</b>	<b>3 292 135</b>	<b>3 369 286</b>	<b>3 902 253</b>	<b>3 883 339</b>	<b>3 883 339</b>	<b>3 315 960</b>	<b>3 801 102</b>	<b>3 632 950</b>	<b>3 735 089</b>
<b>Reserves</b>										
Housing Development Fund	—	—	—	—	—	—	—	—	—	—
Capital replacement	—	—	—	—	—	—	—	—	—	—
Self-insurance	—	—	—	—	—	—	—	—	—	—
Other reserves	—	—	—	—	—	—	—	—	—	—
Revaluation	—	—	—	—	—	—	—	—	—	—
<b>Total Reserves</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 128 195</b>	<b>3 292 135</b>	<b>3 369 286</b>	<b>3 902 253</b>	<b>3 883 339</b>	<b>3 883 339</b>	<b>3 315 960</b>	<b>3 801 102</b>	<b>3 632 950</b>	<b>3 735 089</b>

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

Detail on the provision of municipal services for A10											
Total municipal services	Ref		2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	--	--	6 793	7 015	7 015	7 015	6 800	6 812	6 886
		Piped water inside yard (but not in dwelling)	--	--	29 866	--	--	--	29 872	29 876	29 886
	8	Using public tap (at least min.service level)	--	52 000	30 000	53 100	53 100	53 100	30 000	30 000	30 000
	10	Other water supply (at least min.service level)	--	--	8 509	--	--	--	8 509	8 509	8 509
		Minimum Service Level and Above sub-total	--	52 000	75 158	60 115	60 115	60 115	75 181	75 199	75 215
	9	Using public tap (< min.service level)	--	12 000	--	12 000	12 000	12 000	--	--	--
	10	Other water supply (< min.service level)	--	--	--	--	--	--	--	--	--
		No water supply	--	--	--	--	--	--	--	--	--
		Below Minimum Service Level sub-total	--	12 000	--	12 000	12 000	12 000	--	--	--
		Total number of households	--	64 000	75 158	72 115	72 115	72 115	75 181	75 199	75 215
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	--	8 000	6 793	8 010	8 010	8 010	6 800	6 812	6 820
		Flush toilet (with septic tank)	--	5 000	28 000	5 250	5 250	5 250	28 020	28 025	28 030
		Chemical toilet	--	--	--	--	--	--	--	--	--
		Pit toilet (ventilated)	--	--	21 000	--	--	--	21 020	21 020	21 020
		Other toilet provisions (> min.service level)	--	--	22 365	--	--	--	22 360	22 358	22 355
		Minimum Service Level and Above sub-total	--	13 000	78 158	13 260	13 260	13 260	78 200	78 215	78 225
		Bucket toilet	--	--	--	--	--	--	--	--	--
		Other toilet provisions (< min.service level)	--	--	--	--	--	--	--	--	--
		No toilet provisions	--	40 000	--	40 000	40 000	40 000	--	--	--
		Below Minimum Service Level sub-total	--	40 000	--	40 000	40 000	40 000	--	--	--
		Total number of households	--	53 000	78 158	53 260	53 260	53 260	78 200	78 215	78 225
		Energy:									
		Electricity (at least min.service level)	--	--	--	--	--	--	--	--	--
		Electricity - prepaid (min.service level)	--	--	--	--	--	--	--	--	--
		Minimum Service Level and Above sub-total	--	--	--	--	--	--	--	--	--
		Electricity (< min.service level)	--	--	--	--	--	--	--	--	--
		Electricity - prepaid (< min. service level)	--	--	--	--	--	--	--	--	--
		Other energy sources	--	--	--	--	--	--	--	--	--
		Below Minimum Service Level sub-total	--	--	--	--	--	--	--	--	--
		Total number of households	--	--	--	--	--	--	--	--	--
		Refuse:									
		Removed at least once a week	--	75 500	75 500	75 600	75 600	75 600	75 600	75 600	75 600
		Minimum Service Level and Above sub-total	--	75 500	75 500	75 600	75 600	75 600	75 600	75 600	75 600
		Removed less frequently than once a week	--	--	--	--	--	--	--	--	--
		Using communal refuse dump	--	--	--	--	--	--	--	--	--
		Using own refuse dump	--	--	--	--	--	--	--	--	--
		Other rubbish disposal	--	--	--	--	--	--	--	--	--
	No rubbish disposal	--	--	--	--	--	--	--	--	--	
	Below Minimum Service Level sub-total	--	--	--	--	--	--	--	--	--	
	Total number of households	--	75 500	75 500	75 600	75 600	75 600	75 600	75 600	75 600	

## Other Supporting Documents

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

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

**2.15 Municipal manager's quality certificate**  
**Attached separately.**