SCHEDULE A

ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF MOSES KOTANE LOCAL MUNICIPALITY

2026/27 TO 2028/2029

Tabled in Council on 11 June 2026

Council Resolution No.: 151/05/2026

ANNUAL BUDGET OF
MOSES KOTANE LOCAL MUNICIPALITY

NW 375

2026/2027 TO 2028/29

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**

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Abbreviations and Acronyms

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

Part 1 – Annual Budget

Budget Speech for 2026/27 Financial Year as presented by MKLM Mayor, Clr Nketu Nkotsoe

Overview of the Budget:

NW375 Moses Kotane - 2026/2027 MTREF BUDGET					
Description	2025/26		MTREF		
R thousands	Original Budget	Adjusted Budget	2026/2027	2027/2028	2028/29
Operating Revenue	**1 136 908**	**1 133 342**	**1 147 063**	**1 174 778**	**1 222 783**
Operating Expenditure	**1 453 744**	**1 450 634**	**1 308 065**	**1 351 207**	**1 401 281**
Operating Surplus (Deficit)	**(316 836)**	**(317 292)**	**(161 003)**	**(176 429)**	**(178 498)**
Capital Grants	**225 068**	**232 220**	**228 223**	**253 824**	**262 838**

Total revenue budget for 2026/27 financial year is projected at R1,375 billion, comprising of operating revenue budget of R1.147 billion and capital revenue budget of R228.2 million. The revenue is further estimated to increase to R1.428 billion and R1.485 billion in 2027/28 and 2028/29 respectively.

The 2026/27 financial year budget summary:

The anticipated operating revenue budget for the 2026/27 financial year is estimated at R1.147 billion, translating into a projected increase of 1.2% when compared to the 2025/26 adjustment budget of R1.133 billion. Operating revenue further projected a growth of 2.4% and 3.9% for the 2027/28 and 2028/29 financial years respectively. It must further be noted that the revenue growth is projected to increase at a rate below the CPI which is disadvantageous to the financial sustainability of the municipality.

The total anticipated operating revenue budget is projected at R1. 147 billion, comprising of the following items: -

OPERATING REVENUE Per Source		
Revenue Source R'000	**2026/27**	%
Property Rates	208 630	18%
Service Charges	182 266	16%
Operating Grants	637 420	56%
Interest on Debtors	101 471	9%
Other Revenue	17 275	2%
Total Revenue	**1 147 063**	**100%**

Service charges includes, water, sanitation and refuse removal service. Other revenue amongst others, includes burial fees, sale of tender documents, valuation services, clearance certificate, skills development levy etc.

The operating grants of R637.4 stated above consists of the following;

- Equitable Shares R623.9 million
- Finance Management Grant R2.1 million
- EPWP R1.7 million
- MIG (PMU operating) R8.4 million
- Library R1.2 million

The total operating expenditure is estimated at R1.308 billion for 2026/27 financial year. This is a total reduction of R140.9 million or 11% when compared to the 2025/26 adjustment budget. A significantly decline on operating expenditure demonstrate municipality's effort to achieve a funded budget in the medium term.

Considering the current state of the budget, operating expenditure budget is only estimated to rise at an average of 3.4% in the two outer years. The increase is mainly due to annual salary increase for employees and councillors, increased demand on assets maintenance as well tariff increase for water and electricity.

The total operating expenditure budget amounts to R1.308 billion comprises of the following:

Expenditure By Item		
Revenue Source R'000	**2026/27**	**%**
Employee Related Costs	405 188	31%
Inventory Consumed	178 042	14%
Contracted Services	136 126	10%
Debt Impairment	268 472	21%
Depreciation	170 540	13%
Irrecoverable Debts	2 929	0.22%
Operational Expenditure	146 769	11%
Total Expenditure	**1 308 065**	**100%**

Capital Budget

2026/27 MTREF CAPITAL BUDGET FUNDING MIX			
Funding Source (R'000)	**2026/2027**	**2027/2028**	**2028/29**
MIG	175 980	197 474	203 958
WSIG	52 243	56 350	58 880
TOTAL GRANTS	**228 223**	**253 824**	**262 838**
Water	58 243	101 303	142 014
Refuse	2 000	7 000	22 000
Roads	125 780	101 050	59 000
Sanitation	25 000	25 047	9 000
Energy Sources	2 000	2 674	4 823
Community Assets	15 200	16 750	26 000
Tota Capital Budget	**228 222 571**	**253 823 920**	**262 837 760**

National grants provision for the total capital projects for 2026/27 financial year amounts to R228.2 million.

The 2026 Division of Revenue Bill has allocated a total of R184.4 million for MIG and R52.2 million for WSIG. Of the total allocated MIG, an amount of R8.4 million has been allocated to finance PMU operations while a total of R175.9 million will fund capital projects for 2026/27 financial year.

The capital projects for the MTREF are reflected on table SA36 of the A schedule.

Rural municipalities are to a larger extend 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 government institutions poses 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. Although millions of rands are spend annually to upgrade water schemes to at least RDP standards to improve the living conditions of our people, it does not provide additional income for the municipality but increase the cost of free basic services.

The announcement by Magalies Water that bulk tariffs will be increased from July 2026 which will further put pressure on water tariffs.

Municipality is currently trading on a loss on water service due to low tariffs and high demand maintenance of water infrastructure. This challenge is further exacerbated by non- payment of water services by consumers and ineffective credit control systems.

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 2026/27 budget accounts for 31% of the total expenditure budget. The cost of human resource is within the acceptable limit of between 25 and 40% in accordance with MFMA circular 71

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 2026/27 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 2026/27 budget compilation are in line with Section 21 of the MFMA and the following additional principals needs to be highlighted;

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

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

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

The principles applied in compilation of the budget was if no expenditure or less expenditure than the budget amount realised over the first halve of the 2025/26 financial year the budget amount will be reduced or removed. If the expenditure trend indicates an over expenditure or expected over expenditure the budgeted amount will be aligned with the estimated revenue. This process was also applied to the collection trend of revenue over the mentioned period. If and under collection is indicated on a specific account, the budget will be decreased according to the realistic revenue to be collected.

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

The municipality is also 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 2025/26 financial year and audited performance regarding cash collection for property rates and other services were used, as far as possible, to determine the provision for bad debts to enable the budget to be cash funded.

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

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

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

The municipality takes cognisance that the 2026/27 MTREF budget is unfunded. It must however be noted that the budget reflects a declining deficit in the outer years, indicating auspicious improved financial position. To further improve this situation, a budget funding plan with main focus on increasing revenue and reducing expenditure have been developed. The plan will be fully implemented in 2026/27 financial year and regularly monitored to detect and address any non-performance that may arise.

1.1 Council Resolutions

On 3rd May 2026 the Council of Moses Kotane local Municipality met in the Moses Kotane Civic Centre to approve the Annual Budget of the municipality for the financial year 2026/27. 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) tables the budget:

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 2026:
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) tables the budget which will be considers for approval in May/June. Upon approval, the tariffs will be effected from 1 July 2026 as set out in Annexure A.

4. To give proper effect to the municipality's annual budget, the Council Moses Kotane Local Municipality approves:
4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
4.2. That the salaries for officials be adjusted with effect from 1st July 2026 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 2026/27 annual budget focussed on saving measures and reprioritising of projects and the increase in recovery of outstanding debt.

National Treasury's MFMA Budget Circulars No. 132 and 134 and 2026 DOR bill were used to guide the compilation of the 2026/27 MTREF which is attached hereto.

Circular 82 which deals with cost containment measures were also used for the compilation of the 2026/27 MTREF.

The main challenges experienced during the compilation of the 2026/27 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 2026/27 to 2028/29 MTREF:

- The 2026/27 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 2026/27 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2026/27 MTREF

NW375 Moses Kotane - 2026/2027 MTREF BUDGET					
Description	**2025/26**		**MTREF**		
R thousands	**Original Budget**	**Adjusted Budget**	**2026/2027**	**2027/2028**	**2028/29**
Operating Revenue	**1 136 908**	**1 133 342**	**1 147 063**	**1 174 778**	**1 222 783**
Operating Expenditure	**1 453 744**	**1 450 634**	**1 308 065**	**1 351 207**	**1 401 281**
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Capital Grants	**225 068**	**232 220**	**228 223**	**253 824**	**262 838**

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 exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in MKLM and continued economic development;
- Efficient revenue management, which aims to ensure that the collection rate for services is maintained as provided in the budget.
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and the implementation of the valuation roll on 1st July 2026.
- 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 2026/27 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

NW375 Moses Kotane - Operating Revenue									
Description	2025/26		2026/27 MTREF			Movement %			
R thousands	Original Budget	Adjusted Budget	2026/27	2027/28	2028/29	Movement	2026/27	2027/28	2028/29
Water	198 188	198 188	162 475	167 836	173 207	(35 713)	-22,0%	3,2%	3,1%
Sanitation	5 180	5 180	5 356	5 533	5 700	176	3,3%	3,2%	2,9%
Waste Management	14 109	14 109	14 435	14 912	15 389	326	2,3%	3,2%	3,1%
Sale of Goods and Rendering of Services	1 418	1 418	732	746	769	(686)	-93,7%	1,8%	3,0%
Interest earned from Receivables	60 358	60 358	62 411	64 470	66 533	2 052	3,3%	3,2%	3,1%
Interest earned from Current and Non Current A	13 097	8 727	8 774	8 839	9 060	47	0,5%	0,7%	2,4%
Rental of Facilities	101	31	31	31	32	(0)	-1,2%	1,5%	1,5%
Licence and permits	3 328	3 328	2 611	2 690	2 781	(717)	-27,4%	2,9%	3,3%
Operational Revenue	2 014	2 014	2 895	3 045	3 195	882	30,5%	4,9%	4,7%
Non-Exchange Revenue						-			
Property rates	174 056	174 056	208 630	215 518	222 418	34 574	16,6%	3,2%	3,1%
Interest	35 698	35 698	39 060	39 646	40 637	3 362	8,6%	1,5%	2,4%
Fines, penalties and forfeits	1 899	1 899	2 232	2 306	2 379	333	14,9%	3,2%	3,1%
Transfer and subsidies - Operational	627 463	628 337	637 420	649 206	680 681	9 084	1,4%	1,8%	4,6%
Total	**1 136 908**	**1 133 342**	**1 147 063**	**1 174 778**	**1 222 783**	**13 721**	**1,2%**	**2,4%**	**3,9%**

NB All revenue items, excluding transfers and subsidies budget projections were based on the audited performance and current year's performance trends. Implementation of the general valuation roll in July 2026 was also considered on the property rates projection. Property rates tariffs were further increased to align with the determined ratios according to the guidelines.

Table 3 Percentage growth in revenue by main revenue source

OPERATING REVENUE Per Source		
Revenue Source R'000	**2026/27**	**%**
Property Rates	208 630	18%
Service Charges	182 266	16%
Operating Grants	637 420	56%
Interest on Debtors	101 471	9%
Other Revenue	17 275	2%
Total Revenue	**1 147 063**	**100%**

The above table reflects that the municipality mainly relies on Government grants to fund its operations. 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. Property rates and service charges contribute only 34% to the municipality's total revenue basket.

Water sales is the second largest revenue source of the municipality's own revenue estimated at R162.4 million, which is a decline of R35.7 million (22%) million when compared to the current year's adjustment. Water revenue is projected to steadily increase to R167.8 million in 2027/28 and R173.2 million in 2028/29. Water revenue projection is expected to grow by an average of 3% for the two outer years. Decline on water is as a result reversal of billing estimates since the July 2025. This is substantiated by the actual billing on the 2024-25 financial statements. It must further be noted that consumption patterns were also considered in the projection.

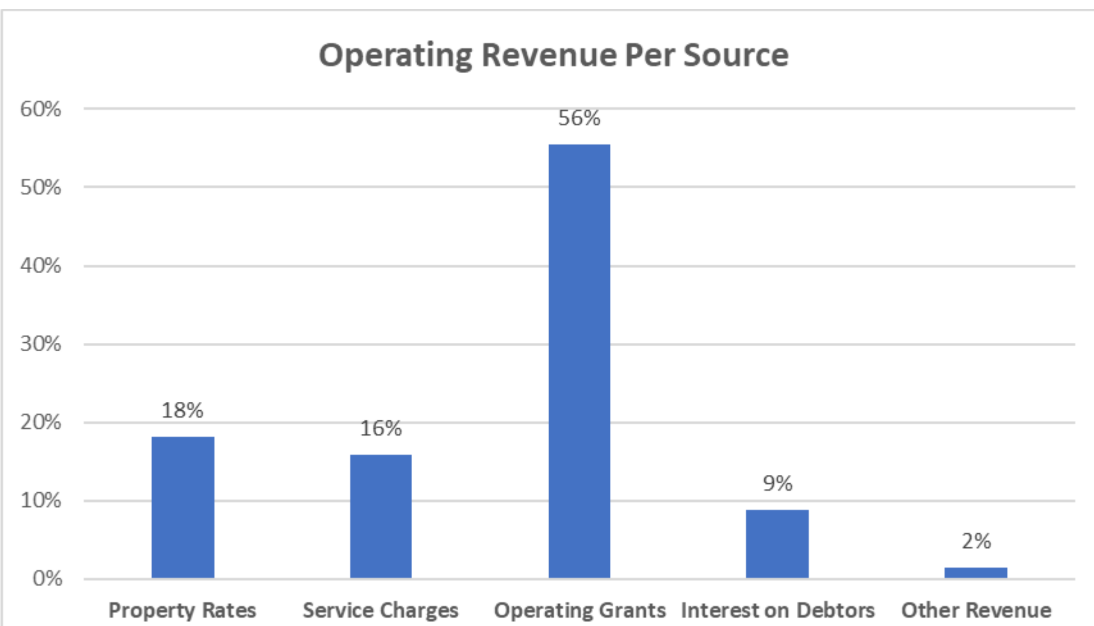
Sanitation revenue is projected at R5.3 million while revenue anticipated from waste management is expected at R14.4 million. Revenue anticipated from Sanitation and waste management service charge is projected to increase by an average of 3% in alignment with the projected CPI. Revenue projections is based on the audited and current year's performance.

Property rates is the largest revenue source estimated at R208.6 million in 2026/27 financial year, this a substantial increase R34.5 million or 16% when compared to the 2025/26 adjustment budget. The high increase occurred as a result of implementation of general valuation roll in July 2026. This include changes in property values, property categories, property rezoning, inclusion of new properties.

The table below reflects proposed tariff increases for 2026/27 financial year. The projected increase is aligned with forecasted CPI as guided by Treasury Budget Circulars.

A tariff's increase of 3.4% was incorporated in the service charge projections. It must however be noted that property rates tariffs for residential have increased above the CPI as the ratios were significantly below and that change had an impact on other categories.

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



The above graph indicates that the national grants contribute 56% to the projected operating revenue for 2026/27financial year, followed by property rates and service charge at 18% and 16% respectively.

Table 4 Operating Transfers and Grant Receipts

NW375 Moses Kotane - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
RECEIPTS	1,2									
Operating										
National Government										
Monetary Allocations										
Equitable Share		528 602	566 087	600 070	615 410	615 410	615 410	623 943	637 567	668 618
Energy Efficiency and Demand Side Management Grant		350	1 000	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		1 652	1 577	1 124	1 895	1 895	1 895	1 700	–	–
Local Government Financial Management Grant		1 950	1 951	2 000	2 000	2 000	2 000	2 100	2 200	2 300
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		4 642	5 400	5 486	7 000	7 437	7 437	8 466	8 228	8 498
Total Monetary Allocations		537 195	576 015	608 679	626 305	626 742	626 742	636 209	647 995	679 416
Total Operating/National Government		537 195	576 015	608 679	626 305	626 742	626 742	636 209	647 995	679 416
Provincial Government										
Monetary Allocations										
Capacity Building and Other Grants		735	1 139	1 604	1 158	1 594	1 594	1 211	1 211	1 265
Total Monetary Allocations		735	1 139	1 604	1 158	1 594	1 594	1 211	1 211	1 265
Total Operating/Provincial Government		735	1 139	1 604	1 158	1 594	1 594	1 211	1 211	1 265
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
National Library South Africa		–	7 535	–	–	–	–	–	–	–
Total Monetary Allocations		-	7 535	-	-	-	-	-	-	-
Allocations In-kind										
[insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/Other Grant Providers		-	7 535	-	-	-	-	-	-	-
Total Operating	5	537 931	584 689	610 284	627 463	628 337	628 337	637 420 429	649 206 080	680 681 240
Capital										
National Government										
Monetary Allocations										
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		157 450	162 524	161 608	175 068	180 575	180 575	175 980	197 474	203 958
Water Services Infrastructure Grant		59 694	69 782	54 007	50 000	51 644	51 644	52 243	56 350	58 880
Total Monetary Allocations		217 144	232 306	215 615	225 068	232 220	232 220	228 222 571	253 823 920	262 837 760
Total Capital/National Government		217 144	232 306	215 615	225 068	232 220	232 220	228 222 571	253 823 920	262 837 760
Provincial Government										
Monetary Allocations										
Infrastructure Grant		242	–	–	–	–	–	–	–	–
Total Monetary Allocations		242	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Provincial Government		242	-	-	-	-	-	-	-	-
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Municipal Infrastructure Investment Unit		–	–	–	–	–	–	–	–	–
National Small Business Council		–	–	–	–	–	–	–	–	–
Registration of Deeds Trade Account		–	–	–	–	–	–	–	–	–
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
[insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total Capital	5	217 386	232 306	215 615	225 068	232 220	232 220	228 223	253 824	262 838
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		755 317	816 995	825 899	852 531	860 556	860 556	865 643	903 030	943 519

Revenue anticipated from transfers and subsidies as gazetted amount to R637.4 million in 2026/27 financial year, increasing to R649.2 million and R680.6 million in the outer years. This translate to average increase of 2.4% over the MTREF. As per Division or revenue bill EPWP grant is only allocated for the budget year at R1.7 million.

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

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into consideration 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 3.4%. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

Magalies has approved Water bulk tariff of 7.5% for 2026/27 budget year. The percentage increase of Magalies Water is above the CPI, however it was reduced from the 8.4% implemented in current 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.

1.1.1 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. The implementation of these regulations were performed and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

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

- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

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

- Water tariffs are not 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 projected an increase of 3.4% for water tariffs as guided by Treasury circulars.
- 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, however the service is currently operating at a loss. In the midst of this, Magalies Water has indicated the increase in the bulk tariffs effective from 1 July 2026.

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

1.1.2 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. Cost recovery is only applied in the two formal towns of Mogwase and Madikwe due to the fact that no data is available on the residents in the traditional areas. Households without yard connections are 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 of implementing a flat rate in the villages where no service accounts are delivered.

1.1.3 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 at CPI level.

Table 10 MBRR Table SA14 – Household bill

NW375 Moses Kotane - Supporting Table SA14 Household bills

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27 % incr.	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		1.05	1.12	26.80	1.12	26.80	26.80	2,297.3%	26.85	26.90	26.94
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption		–	22.59	23.70	24.74	24.74	24.74	3.4%	25.58	26.42	27.27
Sanitation		–	50.15	55.61	58.06	58.06	58.06	3.4%	60.01	61.99	63.97
Refuse removal		–	54.27	56.93	59.43	59.43	59.43	3.4%	61.45	63.45	65.51
Other											
sub-total		**1.05**	**128.13**	**163.04**	**143.35**	**169.03**	**169.03**	**21.3%**	**173.89**	**178.76**	**183.69**
VAT on Services		–	95.90	21.33	95.90	21.35	21.35	(77.0%)	22.01	22.78	23.51
Total large household bill:		**1.05**	**224.03**	**184.37**	**239.25**	**190.38**	**190.38**	**(18.1%)**	**195.90**	**201.54**	**207.20**
% increase/-decrease		**–**	**21,236.2%**	**(17.7%)**	**29.8%**	**(20.4%)**	**–**	**(90.3%)**	**2.9%**	**2.9%**	**2.8%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		–	26.66	26.80	26.66	26.80	26.80	0.7%	26.85	26.90	26.94
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption		–	22.59	23.70	24.74	24.74	24.74	3.4%	25.58	26.42	27.27
Sanitation		–	50.15	55.61	59.43	59.43	59.43	1.0%	60.01	61.99	63.97
Refuse removal		–	54.27	56.93	59.43	59.43	59.43	3.4%	61.45	63.48	65.51
Other											
sub-total		**–**	**153.67**	**163.04**	**170.26**	**170.40**	**170.40**	**2.1%**	**173.89**	**178.79**	**183.69**
VAT on Services		–	90.60	21.33	90.60	21.35	21.35	(75.7%)	22.01	22.78	23.51
Total small household bill:		**–**	**244.27**	**184.37**	**260.86**	**191.75**	**191.75**	**(24.9%)**	**195.90**	**201.57**	**207.20**
% increase/-decrease			**–**	**(24.5%)**	**41.5%**	**(26.5%)**	**–**	**(94.8%)**	**2.2%**	**2.9%**	**2.8%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	23.70	23.81	23.70	23.88	23.88	1.1%	23.95	24.05	24.12
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption		–	–	23.70	–	24.74	24.74	(100.0%)	25.58	26.42	27.27
Sanitation		–	42.87	42.88	42.87	42.87	42.87	0.2%	42.94	43.01	43.15
Refuse removal		–	44.44	44.52	44.44	44.44	44.44	0.9%	44.86	44.94	45.10
Other											
sub-total		**–**	**111.01**	**134.91**	**111.01**	**135.93**	**135.93**	**23.7%**	**137.33**	**138.42**	**139.64**
VAT on Services		–	83.48	16.67	83.48	16.72	16.72	(79.6%)	17.00	17.15	17.33
Total small household bill:		**–**	**194.49**	**151.58**	**194.49**	**152.65**	**152.65**	**(20.6%)**	**154.33**	**155.57**	**156.97**
% increase/-decrease			**–**	**(22.1%)**	**28.3%**	**(21.5%)**	**–**	**(96.1%)**	**1.1%**	**0.8%**	**0.9%**

1.4 Operating Expenditure Framework

The municipality's expenditure framework for the 2026/27 budget and MTREF must be 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.

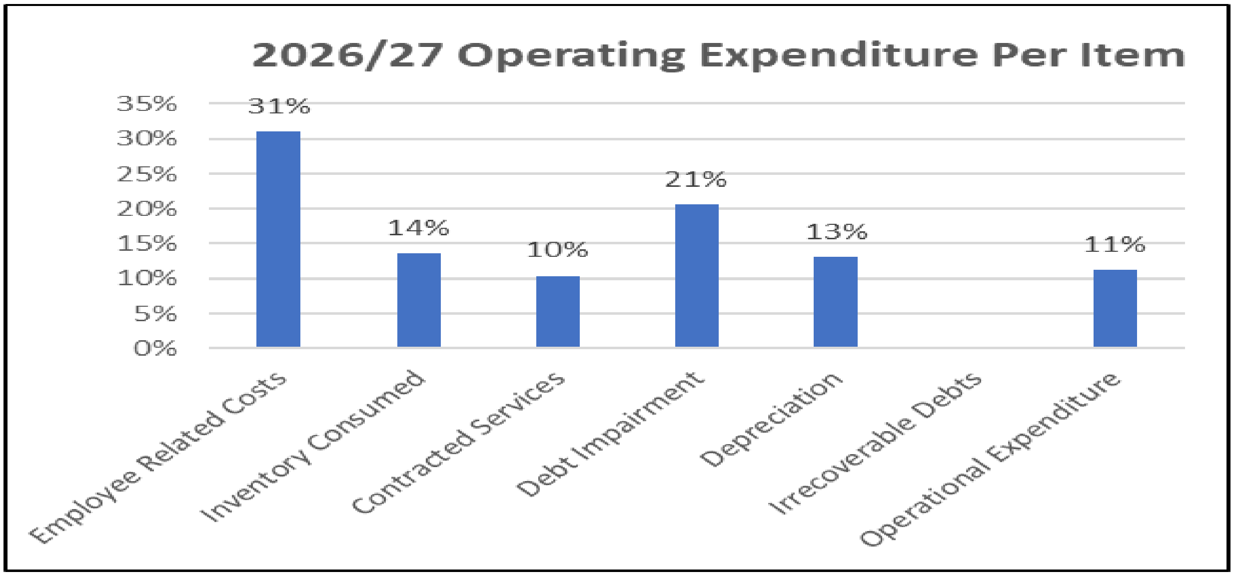
Due to the fact that tariffs are not cost reflective, particularly water, sanitation and refuse, the operating budget has projected a deficit.

The following table is a high-level summary of the 2026/27 MTREF budget (classified per expenditure type):

Table 11 Summary of operating expenditure by standard classification item

NW375 Moses Kotane - Operating Expenditure					
Description	**2025-26**		**MTREF**		
R thousands	**Original Budget**	**Adjusted Budget**	**2026-27**	**2027-28**	**2028-29**
Employee related costs	373 102	373 456	372 659	390 165	409 906
Remuneration of councillors	32 329	32 329	32 529	33 602	34 378
Bulk purchases - electricity	46 620	46 620	45 205	46 796	49 389
Inventory consumed	189 153	189 153	178 042	186 437	194 279
Debt impairment	309 909	309 909	268 472	270 468	272 314
Irrecoverable Debt Written off	-	2 340	2 929	2 987	3 032
Depreciation and amortisation	186 561	186 561	170 540	184 183	202 601
Interest, Dividends and Rent on Land	2 597	2 597	2 458	2 487	2 498
Contracted services	204 518	195 035	136 126	134 658	132 368
Operational costs	108 955	112 633	99 106	99 423	100 514
Total	**1 453 744**	**1 450 634**	**1 308 065**	**1 351 207**	**1 401 281**

Below is the graphical illustration of the operating expenditure, indicating the main cost drivers for operating expenditure for 2026/27 financial year.



Employee Related Costs

Employee related costs for 2026/27 financial year is estimated at R372.6 million, which equates to 0.21% reduction from the adjustment budget. Employee costs account for 28% of the total operating expenditure budget. A decrease from the current year is as a result of reduction in overtime as well as vacancies that were not filled.

The employee related cost is the main cost driver in the operating expenditure budget. Based on the estimated consumer price index and inclinations in the labour market, salary increases of 4.75% have been factored into this budget. This is accordance with SALGA Bargaining Council Resolution. The employee related cost is expected to grow by an average of 4.7% over the MTREF period.

The employee related costs, including councillor remuneration accounts for 31%, 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 has been in the 2026/27 budget to cater for councillors upper limits.

Debt Impairment

The provision of debt impairment was determined based on an annual collection rate per service and the Debt Write-off Policy of the municipality. Debt impairment has projected R268.4 for the budget year, estimated to increase by an average of 1% for two outer years respectively. A decline of 15% from the current year's adjustment budget can be attributed to the improved collection rate of property rates. It must be noted that this item is calculated based on collection rate as disclosed on the audited performance.

While this expenditure is considered a non-cash flow item, it however indicates inefficiencies in the credit control systems. Debt Impairment projection is informed by individual collection rate calculated per service at an average collection rate of 43%. The lower collection rate emanates from rural nature of the municipality, current economic status, unemployment. Total debt impairment accounts for 20% the total operating expenditure budget. Water and refuse removal service are the highly impaired items as the services are being provided in rural areas with no revenue collection in return.

Irrecoverable Debts Written Off

An amount of R2.9 million has been projected for the anticipated bad debts written off. This provision occurs as a result of non-payment of services by consumers.

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. Depreciation expenditure is estimated at R170.5 million for 2026/27 financial year. The projection was reduced by 9.4% from the current year due to disposed assets. The projection is further aligned with the audited performance and the asset management policy.

Of the total operating expenditure, depreciation accounts for 13%. 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, dividends and rent on land

Provision for landfill site is estimated at R2.4 million for the budget year. The effected decline is as a result of settlement of INCA loan and vehicle lease agreement. The provision is estimated to increase by 1.2% and 0.43% for the outer years respectively.

Inventory Consumed

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, as 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 6.2% to a total budget of R178 million. Water purchases is estimated at R162.9 million while other material item is estimated R15 million. A decline on inventory resulted from reclassification of accounts, i.e. stationery. This was performed to ensure full alignment with mSCOA requirement. A reduction on inventory consumed can further be attributed cost containment measures that were implemented in an effort to attain a budget with a reduced deficit.

Bulk water tariff increase of 7.5% have been incorporated in the budget as approved as issued by the Water Board.

Bulk Purchase: Electricity

Projected expenditure for electricity consumption amounts to R45.2 million. This item includes the electricity utilised for boreholes, streetlights and internal usage. The expenditure is projected to increase by an average of 4.3% for the outer years. Eskom tariff increase have been considered in the projection.

Contracted Services

Contracted Services is estimated at R136.1 million. Contracted services have declined significantly by R58.9 million from the adjustment budget. Furthermore, cost containment measures were incorporated to reduce the budget deficit. Reduced items are Consultants and outsourced maintenance. The technical department has a plan in place to insource some maintenance work with aim to reduce the cost on external service providers. Contracted services is expected to further decline at average of 1.4% in the outer years.

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 R99.1 million, with estimated average increase of 0.7% for the outer years. The municipality is trying by all means to reduce the budget shortfall and eventually attain a funded budget.

1.1.4 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 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

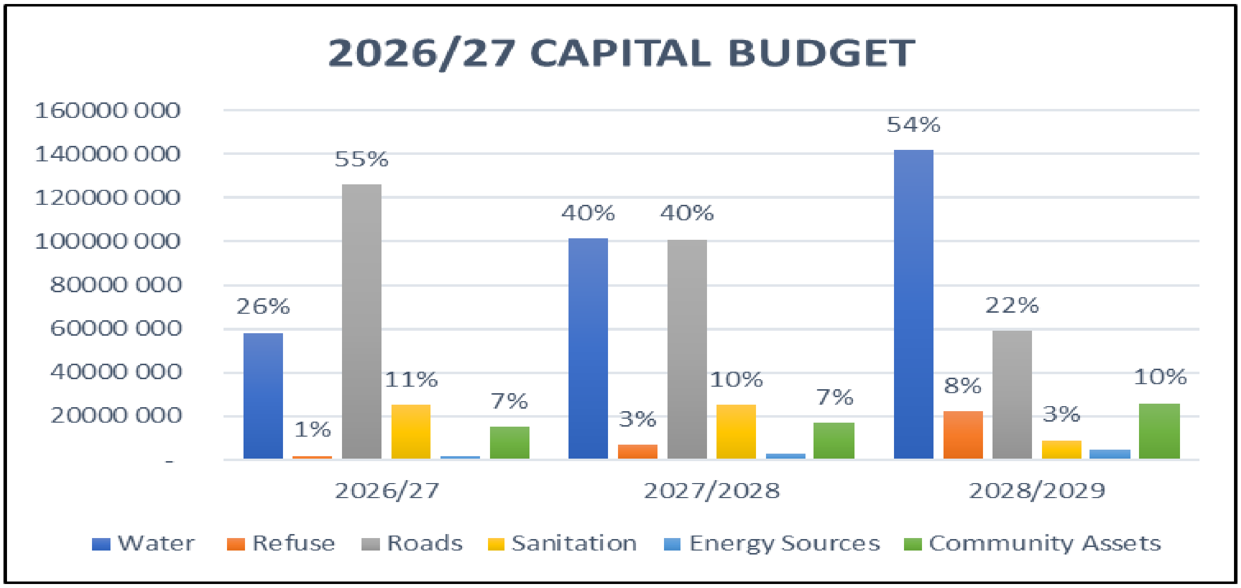
Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure ***to be appropriated***	2										
Vote 01 - Municipal Council		–	–	–	–	–	–	–	–	–	–
Vote 02 - Office Of The Accounting Officer		–	–	–	–	–	–	–	–	–	–
Vote 03 - Budget And Treasury Office		–	–	678	–	1,200	1,200	372	–	–	–
Vote 04 - Corporate Services		106	187	–	–	–	–	–	–	–	–
Vote 05 - Community Services		1,957	497	2,863	18,000	12,970	12,970	5,712	17,200	23,750	48,000
Vote 06 - Planning & Development		–	–	–	–	–	–	–	–	–	–
Vote 07 - Infrastructure & Technical Services		6,740	25,720	45,435	207,068	221,720	221,720	114,510	211,023	228,074	196,838
Vote 08 -		–	–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**8,803**	**26,404**	**48,976**	**225,068**	**235,890**	**235,890**	**120,594**	**228,223**	**251,824**	**244,838**
Single-year expenditure ***to be appropriated***	2										
Vote 01 - Municipal Council		–	–	–	–	–	–	–	–	–	–
Vote 02 - Office Of The Accounting Officer		–	–	–	–	–	–	–	–	–	–
Vote 03 - Budget And Treasury Office		–	–	–	–	–	–	–	–	–	–
Vote 04 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 05 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 06 - Planning & Development		–	–	–	–	–	–	–	–	–	–
Vote 07 - Infrastructure & Technical Services		–	–	–	–	–	–	–	–	2,000	18,000
Vote 08 -		–	–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		–	–	–	–	–	–	–	–	**2,000**	**18,000**
Total Capital Expenditure - Vote		**8,803**	**26,404**	**48,976**	**225,068**	**235,890**	**235,890**	**120,594**	**228,223**	**253,824**	**262,838**

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 roads project, followed water and sanitation.

The following table provides a breakdown of the capital budget to be spend on infrastructure related projects over the MTREF. The capital budget is mainly allocated as follows;

2026/27 MTREF CAPITAL BUDGET FUNDING MIX			
Funding Source (R'000)	**2026/2027**	**2027/2028**	**2028/29**
MIG	175 980	197 474	203 958
WSIG	52 243	56 350	58 880
TOTAL GRANTS	**228 223**	**253 824**	**262 838**
Water	58 243	101 303	142 014
Refuse	2 000	7 000	22 000
Roads	125 780	101 050	59 000
Sanitation	25 000	25 047	9 000
Energy Sources	2 000	2 674	4 823
Community Assets	15 200	16 750	26 000
Tota Capital Budget	**228 222 571**	**253 823 920**	**262 837 760**

The graph below illustrate capital budget per asset category



The grant funded capital budget for 2026-27 financial year is estimated at R228.2 million. The capital budget will be fully funded from national grants over the Medium-Term Revenue and Expenditure Framework (MTREF) period. Of the total capital budget, Municipal Infrastructure Grant (MIG) and Water Service Infrastructure Grant (WSIG) accounts for 77% and 23% respectively. The capital budget is projected to increase to R253.8 million and R262.8 million in 2027/28 and 2028/29 respectively.

The grants allocation are aligned with the 2026 Division of Revenue Bill as gazetted.

Total MIG allocation for 2026/27 amounts to R184.4 million, and an amount of R8.4 million have been set aside to fund PMU office operations, i.e. salaries, subsistence and travelling, training etc.

The capital budget for 2026/27 financial year is directed towards roads at 55%, followed by water and sanitation projects at 26% and 11% respectively. Community services (e.g. refurbishment of cemeteries, energizing of high mass lights) accounts for 7% of the total capital budget. Refuse and energy sources is allocated the least at an average of 1%. It must be noted that for the outer financial years, water projects provision has increased significantly to 40% and 54% respectively.

Figure 2 Capital Infrastructure Programme

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29

Capital Expenditure - Functional											
Governance and administration		**106**	**187**	**678**	**–**	**1,200**	**1,200**	**372**	**–**	**–**	**–**
Executive and council		–	–	–	–	–	–	–	–	–	–
Finance and administration		106	187	678	–	1,200	1,200	372	–	–	–
Internal audit											
Community and public safety		**2,816**	**1,493**	**336**	**16,000**	**12,970**	**12,970**	**5,712**	**15,200**	**16,750**	**26,000**
Community and social services		–	1,438	336	16,000	12,000	12,000	5,712	15,200	14,750	20,000
Sport and recreation		2,816	55	–	–	500	500	–	–	2,000	6,000
Public safety		–	–	–	–	470	470	–	–	–	–
Housing											
Health											
Economic and environmental services		**2,790**	**246**	**3,264**	**85,000**	**137,004**	**137,004**	**67,320**	**125,780**	**101,050**	**59,000**
Planning and development		–	–	–	–	–	–	–	–	–	–
Road transport		2,790	246	3,264	85,000	137,004	137,004	67,320	125,780	101,050	59,000
Environmental protection											
Trading services		**3,092**	**24,478**	**44,699**	**124,068**	**84,715**	**84,715**	**47,191**	**87,243**	**136,024**	**177,838**
Energy sources		–	–	–	7,000	14,562	14,562	2,103	2,000	2,674	4,823
Water management		3,950	25,474	42,171	88,068	50,304	50,304	28,844	58,243	101,303	142,014
Waste water management		–	–	–	27,000	19,849	19,849	16,244	25,000	25,047	9,000
Waste management		(859)	(996)	2,527	2,000	–	–	–	2,000	7,000	22,000
Other											
Total Capital Expenditure - Functional	3	**8,803**	**26,404**	**48,976**	**225,068**	**235,890**	**235,890**	**120,594**	**228,223**	**253,824**	**262,838**
Funded by:											
National Government		8,697	24,725	47,963	225,068	232,220	232,220	120,222	228,223	253,824	262,838
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**8,697**	**24,725**	**47,963**	**225,068**	**232,220**	**232,220**	**120,222**	**228,223**	**253,824**	**262,838**
Borrowing	6										
Internally generated funds		106	1,679	1,014	–	3,670	3,670	372	–	–	–
Total Capital Funding	7	**8,803**	**26,404**	**48,976**	**225,068**	**235,890**	**235,890**	**120,594**	**228,223**	**253,824**	**262,838**

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

1.6 Annual Budget Tables - Parent Municipality

The following main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality’s 2026-27 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

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		535 972	820 436	613 938	629 847	625 407	625 407	690 902	706 965	735 502
Executive and council		21 455	1 577	23 620	24 888	24 888	24 888	77 130	77 077	80 831
Finance and administration		514 517	818 860	590 318	604 959	600 519	600 519	613 772	629 888	654 671
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		23 827	15 253	17 416	24 435	18 871	18 871	23 972	30 753	55 300
Community and social services		1 612	10 365	12 978	1 208	1 645	1 645	1 266	1 267	1 323
Sport and recreation		20 851	1	24	18 000	12 000	12 000	17 200	23 750	48 000
Public safety		1 365	4 887	4 413	5 227	5 227	5 227	5 507	5 735	5 977
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		51 230	54 298	67 668	92 312	143 254	143 254	134 415	109 448	67 689
Planning and development		4 778	5 664	5 684	7 312	7 749	7 749	8 635	8 398	8 689
Road transport		46 452	48 635	61 984	85 000	135 504	135 504	125 780	101 050	59 000
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		581 362	392 892	570 919	615 382	578 029	578 029	525 996	581 436	627 129
Energy sources		16 357	5 690	6 563	7 000	14 562	14 562	2 000	2 674	4 823
Water management		424 392	369 552	428 070	468 370	423 455	423 455	379 577	430 968	467 665
Waste water management		47 406	4 786	30 492	31 358	31 358	31 358	32 480	33 249	34 766
Waste management		93 207	12 864	105 794	108 653	108 653	108 653	111 940	114 545	119 875
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	1 192 390	1 282 879	1 269 941	1 361 976	1 365 561	1 365 561	1 375 285	1 428 602	1 485 620
Expenditure - Functional										
Governance and administration		289 665	457 897	420 732	441 308	453 518	453 518	413 035	418 880	431 489
Executive and council		84 311	115 908	109 096	103 912	108 109	108 109	99 805	101 056	103 679
Finance and administration		200 450	336 515	305 295	331 088	339 068	339 068	305 844	310 538	320 255
Internal audit		4 903	5 474	6 342	6 308	6 341	6 341	7 386	7 287	7 556
Community and public safety		125 021	119 898	139 239	148 457	151 647	151 647	123 086	129 861	136 007
Community and social services		26 539	29 315	43 450	40 717	43 779	43 779	32 518	34 408	36 721
Sport and recreation		60 726	52 405	47 605	56 966	57 394	57 394	44 038	48 029	50 957
Public safety		37 756	38 177	48 184	50 773	50 473	50 473	46 530	47 424	48 329
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		77 589	63 245	65 683	129 969	126 165	126 165	113 940	118 089	125 491
Planning and development		21 391	25 178	24 141	55 208	52 854	52 854	53 672	53 809	55 715
Road transport		56 199	38 067	41 542	74 760	73 312	73 312	60 268	64 279	69 776
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		548 634	586 154	604 044	730 495	715 788	715 788	654 689	680 887	704 621
Energy sources		43 171	52 928	51 358	63 956	63 956	63 956	62 213	64 537	67 973
Water management		402 470	448 068	456 506	553 818	556 523	556 523	490 757	510 868	530 086
Waste water management		55 609	28 747	38 748	54 288	34 506	34 506	33 846	35 238	36 721
Waste management		47 385	56 411	57 432	58 433	60 803	60 803	67 872	70 245	69 840
Other	4	2 772	3 235	3 190	3 516	3 516	3 516	3 316	3 490	3 672
Total Expenditure - Functional	3	1 043 682	1 230 428	1 232 888	1 453 744	1 450 634	1 450 634	1 308 065	1 351 207	1 401 281
Surplus/(Deficit) for the year		148 708	52 451	37 053	(91 768)	(85 072)	(85 072)	67 220	77 395	84 340

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

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

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

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote	1									
Vote 01 - Municipal Council		21 455	1 577	23 620	24 888	24 888	24 888	77 130	77 077	80 831
Vote 02 - Office Of The Accounting Officer		–	–	–	–	–	–	–	–	–
Vote 03 - Budget And Treasury Office		514 088	818 217	589 701	604 309	599 869	599 869	613 100	629 194	653 955
Vote 04 - Corporate Services		429	643	617	650	650	650	672	694	717
Vote 05 - Community Services		117 034	28 117	123 210	133 089	127 525	127 525	135 912	145 298	175 175
Vote 06 - Planning & Development		136	264	198	312	312	312	169	170	191
Vote 07 - Infrastructure & Technical Services		539 249	434 062	532 595	598 728	612 317	612 317	548 303	576 169	574 753
Vote 08 -		–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**1 192 390**	**1 282 879**	**1 269 941**	**1 361 976**	**1 365 561**	**1 365 561**	**1 375 285**	**1 428 602**	**1 485 620**
Expenditure by Vote ***to be appropriated***	1									
Vote 01 - Municipal Council		71 931	92 542	92 178	85 651	89 848	89 848	82 151	82 737	84 826
Vote 02 - Office Of The Accounting Officer		22 319	34 109	28 947	30 688	30 721	30 721	31 558	32 460	33 614
Vote 03 - Budget And Treasury Office		95 828	226 212	185 057	202 483	208 772	208 772	187 055	188 060	192 564
Vote 04 - Corporate Services		80 922	84 751	101 748	111 629	113 319	113 319	101 812	104 442	108 272
Vote 05 - Community Services		187 203	187 747	205 815	215 407	220 167	220 167	197 810	207 537	214 067
Vote 06 - Planning & Development		20 725	25 335	22 492	48 360	46 368	46 368	46 306	46 699	48 446
Vote 07 - Infrastructure & Technical Services		564 753	579 733	596 650	759 526	741 438	741 438	661 373	689 273	719 493
Vote 08 -		–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**1 043 682**	**1 230 428**	**1 232 888**	**1 453 744**	**1 450 634**	**1 450 634**	**1 308 065**	**1 351 207**	**1 401 281**
Surplus/(Deficit) for the year	2	**148 708**	**52 451**	**37 053**	**(91 768)**	**(85 072)**	**(85 072)**	**67 220**	**77 395**	**84 340**

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

2026/27 MTREF TRADING SERVICES			
R'000	2026-27	2027-28	2028-29
OPERATING REVENUE (A4)			
Water	162 475	167 836	173 207
Sanitation	5 356	5 533	5 700
Refuse	14 435	14 912	15 389
OPERATING EXPENDITURE (A2)			
Water	507 355	529 327	551 979
Sanitation	38 858	40 536	42 244
Refuse	71 217	72 192	73 798
SURPLUS / (DEFICIT)			
Water	(344 880)	(361 491)	(378 772)
Sanitation	(33 502)	(35 004)	(36 544)
Refuse	(56 782)	(57 281)	(58 409)

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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	178 981	190 319	130 832	198 188	198 188	198 188	140 635	162 475	167 836	173 207
Service charges - Waste Water Management	2	3 864	4 786	4 879	5 180	5 180	5 180	3 710	5 356	5 533	5 700
Service charges - Waste Management	2	11 817	12 864	13 292	14 109	14 109	14 109	11 513	14 435	14 912	15 389
Sale of Goods and Rendering of Services	2	761	793	722	1 418	1 418	1 418	839	732	746	769
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	71 462	49 267	59 933	60 358	60 358	60 358	23 623	62 411	64 470	66 533
Interest earned from Current and Non Current Assets	2	9 745	13 500	13 235	13 097	8 727	8 727	7 362	8 774	8 839	9 060
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	152	99	25	101	31	31	38	31	31	32
Licence and permits	2	336	3 128	2 588	3 328	3 328	3 328	1 651	2 611	2 690	2 781
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	1 014	2 058	3 193	2 014	2 014	2 014	1 552	2 232	2 306	2 379
Non-Exchange Revenue											
Property rates	2	124 807	150 272	165 035	174 056	174 056	174 056	113 011	208 630	215 518	222 418
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	1 028	1 759	1 826	1 899	1 899	1 899	2 759	2 895	3 045	3 195
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	537 931	584 689	610 284	627 463	628 337	628 337	623 004	637 420	649 206	680 681
Interest	2	32 268	35 103	36 388	35 698	35 698	35 698	36 996	39 060	39 646	40 637
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	838	1 928	11 863	-	-	-	253	-	-	-
Other Gains	2	0	8	232	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**975 004**	**1 050 573**	**1 054 325**	**1 136 908**	**1 133 342**	**1 133 342**	**966 946**	**1 147 063**	**1 174 778**	**1 222 783**
Expenditure											
Employee related costs	2	283 415	322 761	320 836	373 102	373 456	373 456	293 329	372 659	390 165	409 906
Remuneration of councillors	2	25 874	26 872	30 671	32 329	32 329	32 329	25 508	32 529	33 602	34 378
Bulk purchases - electricity	2	33 007	41 906	36 173	46 620	46 620	46 620	30 687	45 205	46 796	49 389
Inventory consumed	2,8	144 039	168 683	158 024	189 153	189 153	189 153	18 603	178 042	186 437	194 279
Debt impairment	2,3	-	302 703	252 411	309 909	309 909	309 909	173 225	268 472	270 468	272 314
Depreciation, amortisation and impairment	2	132 550	121 308	135 999	186 561	186 561	186 561	117 697	170 540	184 183	202 601
Interest, Dividends and Rent on Land	2	5 619	6 434	4 616	2 597	2 597	2 597	571	2 458	2 487	2 498
Contracted services	2	136 096	145 069	165 960	204 518	195 035	195 035	149 321	136 126	134 658	132 368
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	147 426	8 010	1 641	-	2 340	2 340	2 017	2 929	2 987	3 032
Operational costs	2	116 715	81 826	112 564	108 955	112 633	112 633	70 403	99 106	99 423	100 514
Disposal of Fixed and Intangible Assets	2	18 942	4 852	13 469	-	-	-	422	-	-	-
Other Losses	2	-	3	525	-	-	-	566	-	-	-
Total Expenditure		**1 043 682**	**1 230 428**	**1 232 888**	**1 453 744**	**1 450 634**	**1 450 634**	**882 347**	**1 308 065**	**1 351 207**	**1 401 281**
Surplus/(Deficit)		**(68 678)**	**(179 855)**	**(178 562)**	**(316 836)**	**(317 292)**	**(317 292)**	**84 598**	**(161 003)**	**(176 429)**	**(178 498)**
Transfers and subsidies - capital (monetary allocations)	6	217 386	232 306	215 615	225 068	232 220	232 220	133 670	228 223	253 824	262 838
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**148 708**	**52 451**	**37 053**	**(91 768)**	**(85 072)**	**(85 072)**	**218 268**	**67 220**	**77 395**	**84 340**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**148 708**	**52 451**	**37 053**	**(91 768)**	**(85 072)**	**(85 072)**	**218 268**	**67 220**	**77 395**	**84 340**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**148 708**	**52 451**	**37 053**	**(91 768)**	**(85 072)**	**(85 072)**	**218 268**	**67 220**	**77 395**	**84 340**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**148 708**	**52 451**	**37 053**	**(91 768)**	**(85 072)**	**(85 072)**	**218 268**	**67 220**	**77 395**	**84 340**

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

OPERATING REVENUE Per Source		
Revenue Source R'000	**2026/27**	%
Property Rates	208 630	18%
Service Charges	182 266	16%
Operating Grants	637 420	56%
Interest on Debtors	101 471	9%
Other Revenue	17 275	2%
Total Revenue	**1 147 063**	**100%**

1. Total operating revenue projected for 2026/27 amounts to R1.147 billion, estimated to escalate by an average of 3.7% in the two outer years

2. Revenue anticipated from property rates amount to R208.6 million, this represents 18% of the total operating revenue base of the municipality. It further anticipated to increase at average increase of 3% in the outer years.

3. Service charges relating to, water, sanitation and refuse removal constitutes 16% of the revenue basket of the municipality totalling R182.2 million. Property rates and the services charges are the main revenue component of the municipality's own revenue.

4. Interest charged of overdue accounts are projected at R101.4 million which constitute 9% of the total revenue. This is an indication that consumers are not paying for services rendered and that poses a serious threat to the financial position of the municipality

5. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It must be noted that the anticipated grants from national government as tabled by the Minister of Finance, have increased by 1.4% in 2026/27, with an average increase of 3.2% in the outer years.

   The equitable share remains the most important part of the municipality's revenue base, as it assists with poverty relief in the form of free basic service to the indigents. Amongst others, this include, equitable share, finance management grant, expanded public works programme, energy efficiency demand side management grant, MIG portion for PMU operations. Total operating grants accounts for 56% of the total operating revenue anticipated for 2026/27 financial year.

6. Total operating expenditure for the 2026/27 financial year has projected R1.308 billion which has declined by 11% when compared to the 2025/26 Adjustment budget. Operating expenditure is further projected to increase by an average of 3.4% for the outer years.

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 01 - Municipal Council		–	–	–	–	–	–	–	–	–	–
Vote 02 - Office Of The Accounting Officer		–	–	–	–	–	–	–	–	–	–
Vote 03 - Budget And Treasury Office		–	–	678	–	1,200	1,200	372	–	–	–
Vote 04 - Corporate Services		106	187	–	–	–	–	–	–	–	–
Vote 05 - Community Services		1,957	497	2,863	18,000	12,970	12,970	5,712	17,200	23,750	48,000
Vote 06 - Planning & Development		–	–	–	–	–	–	–	–	–	–
Vote 07 - Infrastructure & Technical Services		6,740	25,720	45,435	207,068	221,720	221,720	114,510	211,023	228,074	196,838
Vote 08 -		–	–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**8,803**	**26,404**	**48,976**	**225,068**	**235,890**	**235,890**	**120,594**	**228,223**	**251,824**	**244,838**
Single-year expenditure *to be appropriated*	2										
Vote 01 - Municipal Council		–	–	–	–	–	–	–	–	–	–
Vote 02 - Office Of The Accounting Officer		–	–	–	–	–	–	–	–	–	–
Vote 03 - Budget And Treasury Office		–	–	–	–	–	–	–	–	–	–
Vote 04 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 05 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 06 - Planning & Development		–	–	–	–	–	–	–	–	–	–
Vote 07 - Infrastructure & Technical Services		–	–	–	–	–	–	–	–	2,000	18,000
Vote 08 -		–	–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,000**	**18,000**
Total Capital Expenditure - Vote		**8,803**	**26,404**	**48,976**	**225,068**	**235,890**	**235,890**	**120,594**	**228,223**	**253,824**	**262,838**
Capital Expenditure - Functional											
Governance and administration		**106**	**187**	**678**	**–**	**1,200**	**1,200**	**372**	**–**	**–**	**–**
Executive and council		–	–	–	–	–	–	–	–	–	–
Finance and administration		106	187	678	–	1,200	1,200	372	–	–	–
Internal audit											
Community and public safety		**2,816**	**1,493**	**336**	**16,000**	**12,970**	**12,970**	**5,712**	**15,200**	**16,750**	**26,000**
Community and social services		–	1,438	336	16,000	12,000	12,000	5,712	15,200	14,750	20,000
Sport and recreation		2,816	55	–	–	500	500	–	–	2,000	6,000
Public safety		–	–	–	–	470	470	–	–	–	–
Housing											
Health											
Economic and environmental services		**2,790**	**246**	**3,264**	**85,000**	**137,004**	**137,004**	**67,320**	**125,780**	**101,050**	**59,000**
Planning and development		–	–	–	–	–	–	–	–	–	–
Road transport		2,790	246	3,264	85,000	137,004	137,004	67,320	125,780	101,050	59,000
Environmental protection											
Trading services		**3,092**	**24,478**	**44,699**	**124,068**	**84,715**	**84,715**	**47,191**	**87,243**	**136,024**	**177,838**
Energy sources		–	–	–	7,000	14,562	14,562	2,103	2,000	2,674	4,823
Water management		3,950	25,474	42,171	88,068	50,304	50,304	28,844	58,243	101,303	142,014
Waste water management		–	–	–	27,000	19,849	19,849	16,244	25,000	25,047	9,000
Waste management		(859)	(996)	2,527	2,000	–	–	–	2,000	7,000	22,000
Other											
Total Capital Expenditure - Functional	3	**8,803**	**26,404**	**48,976**	**225,068**	**235,890**	**235,890**	**120,594**	**228,223**	**253,824**	**262,838**
Funded by:											
National Government		8,697	24,725	47,963	225,068	232,220	232,220	120,222	228,223	253,824	262,838
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**8,697**	**24,725**	**47,963**	**225,068**	**232,220**	**232,220**	**120,222**	**228,223**	**253,824**	**262,838**
Borrowing	6										
Internally generated funds		106	1,679	1,014	–	3,670	3,670	372	–	–	–
Total Capital Funding	7	**8,803**	**26,404**	**48,976**	**225,068**	**235,890**	**235,890**	**120,594**	**228,223**	**253,824**	**262,838**

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 R228.2 million for the 2026/27 financial year. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the of DoRA allocations and departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

4. The projected capital programme is fully funded from national grants. Acquisition of capital assets funded from own funds will be based on availability of funds.

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

2026/27 MTREF CAPITAL BUDGET FUNDING MIX			
Funding Source (R'000)	**2026/2027**	**2027/2028**	**2028/29**
MIG	175 980	197 474	203 958
WSIG	52 243	56 350	58 880
TOTAL GRANTS	**228 223**	**253 824**	**262 838**

Total capital budget for 2026/27 is estimated at R228.2million, increasing to R253.8 million and R262.8 million for the two outer years respectively. A total of R160.9 million or 71% of the capital budget have been allocated to renewal and upgrading of existing assets.

Table 18 MBRR Table A6 - Budgeted Financial Position

NW375 Moses Kotane - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	38 855	43 587	55 565	619	619	619	(5 797)	(551 021)	(567 764)	(563 524)
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	79 069	114 117	96 841	(851)	(851)	(851)	19 485	67 698	69 538	71 100
Receivables from non-exchange transactions	3	172 477	80 918	96 581	99 947	99 947	99 947	(6 207)	101 236	102 452	103 125
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–	–	–
Inventory	5	16 493	21 471	32 437	23 430	23 430	23 430	92 925	31 460	32 066	33 380
VAT Receivable	6	121 299	15 605	10 976	136 100	136 100	136 100	19 161	30 215	31 012	32 441
Other current assets	7	23 214	24 353	25 092	5 289	5 289	5 289	(1)	3 857	3 955	4 079
Total current assets		**451 408**	**300 051**	**317 493**	**264 535**	**264 535**	**264 535**	**119 566**	**(316 556)**	**(328 741)**	**(319 398)**
Non current assets											
Investments	8	–	–	–	–	–	–	–	–	–	–
Investment property	9	150 664	152 298	161 643	153 482	153 482	153 482	–	161 849	161 889	161 929
Property, plant and equipment	10	2 988 511	3 098 277	3 164 924	3 326 552	3 337 374	3 337 374	23 135	3 316 994	3 441 436	3 523 764
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	14	14	14	14	14	14	–	14	14	14
Intangible assets	14	13 393	12 478	12 328	12 678	12 678	12 678	(1 708)	12 678	12 758	12 951
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Other non-current assets	16	–	–	–	–	–	–	–	–	–	–
Total non current assets		**3 152 582**	**3 263 067**	**3 338 908**	**3 492 726**	**3 503 548**	**3 503 548**	**21 426**	**3 491 535**	**3 616 096**	**3 698 658**
TOTAL ASSETS		**3 603 990**	**3 563 119**	**3 656 402**	**3 757 261**	**3 768 083**	**3 768 083**	**140 992**	**3 174 978**	**3 287 355**	**3 379 260**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	8 840	3 605	2 703	1 107	1 107	1 107	(11 649)	–	–	–
Consumer deposits	19	785	755	758	605	605	605	6	605	605	607
Trade and other payables from exchange transactions	20	309 220	212 295	258 816	209 171	209 171	209 171	(137 418)	288 462	286 749	286 140
Trade and other payables from non-exchange transactions	21	8 156	3 305	9 740	–	(8 025)	(8 025)	27 059	–	–	–
Provision	22	49 159	58 317	59 988	6 423	6 423	6 423	(7 591)	5 773	5 839	5 865
VAT Payable	23	2 130	13 942	25 361	–	–	–	16 697	–	–	–
Other current liabilities	24	–	–	–	–	–	–	–	–	–	–
Total current liabilities		**378 290**	**292 219**	**357 366**	**217 306**	**209 281**	**209 281**	**(112 898)**	**294 840**	**293 194**	**292 612**
Non current liabilities											
Financial liabilities	25	34 753	22 945	9 029	603	603	603	–	–	–	–
Provision	26	20 464	21 932	26 918	24 193	24 193	24 193	–	48 882	49 967	50 213
Long term portion of trade payables	27	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	28	15 533	15 533	15 533	23 193	23 193	23 193	–	–	–	–
Total non current liabilities		**70 749**	**60 409**	**51 480**	**47 989**	**47 989**	**47 989**	**–**	**48 882**	**49 967**	**50 213**
TOTAL LIABILITIES		**449 039**	**352 628**	**408 846**	**265 295**	**257 270**	**257 270**	**(112 898)**	**343 722**	**343 160**	**342 825**
NET ASSETS		**3 154 951**	**3 210 491**	**3 247 556**	**3 491 967**	**3 510 813**	**3 510 813**	**253 889**	**2 831 257**	**2 944 195**	**3 036 435**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	3 154 931	3 275 387	3 197 553	3 583 734	3 595 885	3 595 885	237 092	2 765 248	2 868 011	2 953 361
Reserves and funds	30	–	–	–	–	–	–	–	–	–	–
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**3 154 931**	**3 275 387**	**3 197 553**	**3 583 734**	**3 595 885**	**3 595 885**	**237 092**	**2 765 248**	**2 868 011**	**2 953 361**

Explanatory notes to Table A6 - Budgeted Financial Position

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

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.

NW375 Moses Kotane - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		100 014	79 087	63 602	90 509	90 509	90 509	53 825	125 178	133 621	137 899
Service charges		154 773	93 693	27 379	82 666	82 666	82 666	80 484	80 527	83 184	89 297
Other revenue		604 195	435 069	(346 769)	42 032	42 032	42 032	25 395	40 292	44 150	45 693
Transfers and Subsidies - Operational	1	161 779	577 266	604 194	627 463	627 463	627 463	620 462	637 420	649 206	680 681
Transfers and Subsidies - Capital	1	208 558	232 503	222 552	225 068	225 068	225 068	193 068	228 223	253 824	262 838
Interest		9 679	13 045	21 892	19 678	19 678	19 678	12 428	39 129	42 242	46 393
Dividends									–	–	–
Payments											
Suppliers and employees		14 265	85 334	169 238	(957 274)	(957 274)	(957 274)	(157 688)	(916 125)	(943 569)	(973 333)
Finance charges		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1 253 262**	**1 515 997**	**762 089**	**130 142**	**130 142**	**130 142**	**827 973**	**234 644**	**262 658**	**289 468**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(13)	1 928	11 863	–	–	–	262	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital									–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments									–	–	–
Payments											
Capital assets		(8 803)	(26 404)	(48 976)	(258 828)	(258 828)	(258 828)	(117 902)	(228 223)	(253 824)	(262 838)
Retention (Capital)									–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(8 817)**	**(24 476)**	**(37 113)**	**(258 828)**	**(258 828)**	**(258 828)**	**(117 640)**	**(228 223)**	**(253 824)**	**(262 838)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	(13 805)	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	(84)	(94)	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	(5)	(1)	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		(5 813)	(5 246)	(917)	(9 987)	(9 987)	(9 987)	(11 591)	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(5 813)**	**(5 335)**	**(14 817)**	**(9 987)**	**(9 987)**	**(9 987)**	**(11 591)**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**1 238 633**	**1 486 187**	**710 158**	**(138 673)**	**(138 673)**	**(138 673)**	**698 743**	**6 422**	**8 834**	**26 631**
Cash/cash equivalents at the year begin:	2	**36 880**	**38 855**	**43 587**	**468 275**	**468 275**	**468 275**	**–**	**50 932**	**57 354**	**66 188**
Cash/cash equivalents at the year end:	2	**1 275 513**	**1 525 042**	**753 745**	**329 602**	**329 602**	**329 602**	**698 743**	**57 354**	**66 188**	**92 819**

The expected operating receipts are projected at R921 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 R228 million. The net cash held is unfavorable, indicating that the projected expenditure exceeds the anticipated receipts, however a positive opening balance is projected at R50.9 million, resulting at a favorable cash closing balance. The municipality has developed a financial plan with aim to reduce the budget deficit.

The table below reflects projected billing for property rates and service charges and anticipated receipt or collection for 20067/27 financial year.

2026/27 Projected Collection Rate			
Description R'000	**Billing**	**Receipts**	**Collection rate**
Property Rates	208 630	125 178	60%
Water	162 475	72 812	40%
Sanitation	5 356	2 571	42%
Refuse	14 435	5 144	30%
Total	**390 896**	**205 705**	**43%**

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

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	1 275 513	1 525 042	753 745	329 602	329 602	329 602	726 091	57 354	66 188	92 819
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**1 275 513**	**1 525 042**	**753 745**	**329 602**	**329 602**	**329 602**	**726 091**	**57 354**	**66 188**	**92 819**
Application of cash and investments											
Unspent conditional transfers		8 156	3 305	9 740	–	(8 025)	(8 025)	27 059	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	83 799	109 391	300 547	192 850	192 850	192 850	(140 379)	184 404	177 967	174 491
Other provisions		43 331	48 294	52 252	5 719	5 719	5 719	48 314	5 773	5 839	5 865
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**135 286**	**160 990**	**362 539**	**198 568**	**190 543**	**190 543**	**(65 007)**	**190 177**	**183 807**	**180 356**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**1 140 227**	**1 364 052**	**391 206**	**131 033**	**139 058**	**139 058**	**791 098**	**(132 823)**	**(117 618)**	**(87 537)**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**1 140 227**	**1 364 052**	**391 206**	**131 033**	**139 058**	**139 058**	**791 098**	**(132 823)**	**(117 618)**	**(87 537)**

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 has developed a budget funding plan, which will be adopted together with budget.

Table 21 MBRR Table A9 - Asset Management

NW375 Moses Kotane - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	**3,092**	**24,720**	**45,712**	**84,100**	**64,040**	**64,040**	**67,243**	**127,024**	**152,838**
Roads Infrastructure		–	–	–	1,500	3,000	3,000	4,000	10,000	13,000
Storm water Infrastructure		–	–	–	–	1,550	1,550	1,000	–	–
Electrical Infrastructure		–	–	–	7,000	14,562	14,562	2,000	2,674	4,823
Water Supply Infrastructure		3,950	25,474	42,171	63,600	37,910	37,910	43,243	82,303	110,014
Sanitation Infrastructure		–	–	–	10,000	3,349	3,349	15,000	25,047	3,000
Solid Waste Infrastructure		(859)	(996)	2,527	2,000	–	–	2,000	7,000	22,000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***3,092***	***24,478***	***44,699***	***84,100***	***60,370***	***60,370***	***67,243***	***127,024***	***152,838***
Community Facilities		–	–	–	–	100	100	–	–	–
Furniture and Office Equipment		–	**187**	**678**	–	**1,200**	**1,200**	–	–	–
Machinery and Equipment		–	**55**	–	–	**2,370**	**2,370**	–	–	–
Transport Assets		–	–	**336**	–	–	–	–	–	–
Total Renewal of Existing Assets	2	**2,922**	**1,438**	–	**21,468**	**26,000**	**26,000**	**48,671**	**49,750**	**40,000**
Roads Infrastructure		–	–	–	15,000	26,000	26,000	41,471	20,000	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	3,000
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	***15,000***	***26,000***	***26,000***	***41,471***	***20,000***	***3,000***
Community Facilities		2,816	1,438	–	4,468	–	–	4,000	15,000	17,000
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***2,816***	***1,438***	–	***4,468***	–	–	***4,000***	***15,000***	***17,000***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	2,000	–	–	3,200	14,750	20,000
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	***2,000***	–	–	***3,200***	***14,750***	***20,000***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		106	–	–	–	–	–	–	–	–
Intangible Assets		***106***	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	**2,790**	**246**	**3,264**	**119,500**	**145,849**	**145,849**	**112,308**	**77,050**	**70,000**
Roads Infrastructure		2,790	246	3,264	68,500	104,954	104,954	79,308	71,050	46,000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	20,000	12,395	12,395	11,000	4,000	15,000
Sanitation Infrastructure		–	–	–	17,000	16,500	16,500	10,000	–	3,000
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***2,790***	***246***	***3,264***	***105,500***	***133,849***	***133,849***	***100,308***	***75,050***	***64,000***
Community Facilities		–	–	–	14,000	12,000	12,000	12,000	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	2,000	6,000
Community Assets		–	–	–	***14,000***	***12,000***	***12,000***	***12,000***	***2,000***	***6,000***
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	**8,803**	**26,404**	**48,976**	**225,068**	**235,890**	**235,890**	**228,223**	**253,824**	**262,838**
Roads Infrastructure		2,790	246	3,264	85,000	133,954	133,954	124,780	101,050	59,000
Storm water Infrastructure		–	–	–	–	1,550	1,550	1,000	–	–
Electrical Infrastructure		–	–	–	7,000	14,562	14,562	2,000	2,674	4,823
Water Supply Infrastructure		3,950	25,474	42,171	83,600	50,304	50,304	54,243	86,303	125,014
Sanitation Infrastructure		–	–	–	27,000	19,849	19,849	25,000	25,047	9,000
Solid Waste Infrastructure		(859)	(996)	2,527	2,000	–	–	2,000	7,000	22,000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***5,882***	***24,725***	***47,963***	***204,600***	***220,220***	***220,220***	***209,023***	***222,074***	***219,838***
Community Facilities		2,816	1,438	–	18,468	12,100	12,100	16,000	15,000	17,000
Sport and Recreation Facilities		–	–	–	–	–	–	–	2,000	6,000
Community Assets		***2,816***	***1,438***	–	***18,468***	***12,100***	***12,100***	***16,000***	***17,000***	***23,000***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	2,000	–	–	3,200	14,750	20,000
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	***2,000***	–	–	***3,200***	***14,750***	***20,000***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		106	–	–	–	–	–	–	–	–
Intangible Assets		***106***	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	**187**	**678**	–	**1,200**	**1,200**	–	–	–
Machinery and Equipment		–	**55**	–	–	**2,370**	**2,370**	–	–	–
Transport Assets		–	–	**336**	–	–	–	–	–	–
Living Resources		-	-	-	-	-	-	-	-	-

TOTAL CAPITAL EXPENDITURE - Asset class		8,803	26,404	48,976	225,068	235,890	235,890	228,223	253,824	262,838
ASSET REGISTER SUMMARY - PPE (WDV)	5	2,900,827	2,940,786	3,051,437	3,492,726	3,503,548	3,503,548	3,491,535	3,616,096	3,698,658
Roads Infrastructure		679,632	651,302	664,337	800,190	847,144	847,144	939,657	953,451	935,917
Storm water Infrastructure		55,200	79,250	79,338	82,816	84,366	84,366	87,543	89,312	91,366
Electrical Infrastructure		86,808	92,322	89,972	106,378	113,940	113,940	104,778	108,741	113,330
Water Supply Infrastructure		1,403,326	1,453,039	1,568,409	1,778,463	1,740,199	1,740,199	1,539,816	1,619,967	1,695,607
Sanitation Infrastructure		67,587	66,259	66,265	102,132	95,480	95,480	163,863	178,674	166,160
Solid Waste Infrastructure		14,857	13,097	14,965	16,256	14,256	14,256	33,328	39,330	55,074
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure		14,875	12,307	10,341	12,307	12,307	12,307	12,368	12,764	13,058
Infrastructure		***2,322,285***	***2,367,576***	***2,493,628***	***2,898,541***	***2,907,693***	***2,907,693***	***2,881,353***	***3,002,239***	***3,070,512***
Community Assets		370,189	369,401	349,369	388,992	386,992	386,992	396,426	398,728	411,852
Heritage Assets		**14**	**14**	**14**	**14**	**14**	**14**	**14**	**14**	**14**
Investment properties		**150,664**	**152,298**	**161,643**	**153,482**	**153,482**	**153,482**	**161,849**	**161,889**	**161,929**
Other Assets		(0)	(0)	(0)	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		13,393	12,478	12,328	12,678	12,678	12,678	12,678	12,758	12,951
Computer Equipment		**125**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**6,888**	**7,151**	**6,600**	**7,151**	**8,351**	**8,351**	**7,186**	**7,416**	**7,587**
Machinery and Equipment		**698**	**501**	**293**	**501**	**2,971**	**2,971**	**504**	**520**	**532**
Transport Assets		**36,570**	**31,367**	**27,561**	**31,367**	**31,367**	**31,367**	**31,524**	**32,533**	**33,281**
Land										
Zoo's, Marine and Non-biological Animals										
Living Resources										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2,900,827	2,940,786	3,051,437	3,492,726	3,503,548	3,503,548	3,491,535	3,616,096	3,698,658
EXPENDITURE OTHER ITEMS		183,174	174,371	202,361	284,785	276,442	276,442	218,672	232,524	251,563
Depreciation	7	132,550	121,308	135,999	186,561	186,561	186,561	170,540	184,183	202,601
Repairs and Maintenance by Asset Class	3	**50,624**	**53,063**	**66,362**	**98,224**	**89,881**	**89,881**	**48,132**	**48,341**	**48,961**
Roads Infrastructure		1,640	1,304	394	3,300	1,800	1,800	2,621	2,635	2,658
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		1,398	2,132	375	100	100	100	150	150	135
Water Supply Infrastructure		324	975	29,963	36,500	32,030	32,030	12,150	11,788	11,891
Sanitation Infrastructure		–	–	5,029	2,000	2,000	2,000	2,636	2,707	2,779
Solid Waste Infrastructure		26,886	16,714	13,169	23,474	15,601	15,601	15,165	15,439	15,680
Infrastructure		***30,248***	***21,125***	***48,930***	***65,374***	***51,531***	***51,531***	***32,723***	***32,719***	***33,144***
Community Facilities		–	–	–	100	100	100	75	77	77
Sport and Recreation Facilities		37	1	30	250	250	250	100	100	100
Community Assets		***37***	***1***	***30***	***350***	***350***	***350***	***175***	***177***	***177***
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		3,040	3,420	6,468	8,600	8,600	8,600	4,201	4,266	4,266
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***3,040***	***3,420***	***6,468***	***8,600***	***8,600***	***8,600***	***4,201***	***4,266***	***4,266***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		(44)	4,312	7,125	9,000	9,000	9,000	–	–	–
Intangible Assets		***(44)***	***4,312***	***7,125***	***9,000***	***9,000***	***9,000***	–	–	–
Computer Equipment		**13**	**22**	**34**	**50**	**50**	**50**	**20**	**20**	**20**
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	**100**	**100**	**100**	–	–	–
Transport Assets		**17,330**	**24,183**	**3,775**	**14,750**	**20,250**	**20,250**	**11,013**	**11,159**	**11,354**
TOTAL EXPENDITURE OTHER ITEMS		183,174	174,371	202,361	284,785	276,442	276,442	218,672	232,524	251,563

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets	1									
Water:										
Piped water inside dwelling		–	6,793	6,795	6,800	6,800	6,800	6,805	6,807	6,810
Piped water inside yard (but not in dwelling)		–	29,856	29,859	29,872	29,872	29,872	29,880	29,885	29,901
Using public tap (at least min.service level)	2	52,000	30,000	30,000	30,000	30,000	30,000	29,950	29,850	29,750
Other water supply (at least min.service level)	4	–	8,509	8,509	8,509	8,509	8,509	8,510	8,512	8,580
Minimum Service Level and Above sub-total		52,000	75,158	75,163	75,181	75,181	75,181	75,145	75,054	75,041
Using public tap (< min.service level)	3	12,000	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		12,000	–	–	–	–	–	–	–	–
Total number of households	5	**64,000**	**75,158**	**75,163**	**75,181**	**75,181**	**75,181**	**75,145**	**75,054**	**75,041**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		8,000	6,793	6,795	6,800	6,800	6,800	6,805	6,807	6,810
Flush toilet (with septic tank)		5,000	28,000	28,020	28,020	28,020	28,020	28,028	28,032	28,040
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	21,000	21,020	21,020	21,020	21,020	21,025	21,030	21,035
Other toilet provisions (> min.service level)		–	22,365	22,362	22,360	22,360	22,360	22,358	22,355	22,349
Minimum Service Level and Above sub-total		13,000	78,158	78,197	78,200	78,200	78,200	78,216	78,224	78,234
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		40,000	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		40,000	–	–	–	–	–	–	–	–
Total number of households	5	**53,000**	**78,158**	**78,197**	**78,200**	**78,200**	**78,200**	**78,216**	**78,224**	**78,234**
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	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse:										
Removed at least once a week		75,500	75,500	75,580	75,600	75,600	75,600	75,680	75,682	75,691
Minimum Service Level and Above sub-total		75,500	75,500	75,580	75,600	75,600	75,600	75,680	75,682	75,691
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**75,500**	**75,500**	**75,580**	**75,600**	**75,600**	**75,600**	**75,680**	**75,682**	**75,691**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		41,000	4,854	4,854	4,854	4,854	4,854	9,122	9,122	9,122
Sanitation (free minimum level service)		41,000	4,854	4,854	4,854	4,854	4,854	9,122	9,122	9,122
Electricity/other energy (50kwh per household per month)		24,343	4,854	4,854	4,854	4,854	4,854	9,122	9,122	9,122
Refuse (removed at least once a week)		–	4,854	4,854	4,854	4,854	4,854	9,122	9,122	9,122
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		76	(10)	(6)	10,000	10,000	10,000	10,464	10,479	10,494
Sanitation (free sanitation service to **indigent households**)		256	113	101	117	117	117	121	125	125
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	6,157	6,157	6,157	6,207	6,307	6,407
Refuse (removed once a week **for indigent households**)		286	128	109	134	134	134	138	143	147
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	16	–	–	–	17	17	17
Total cost of FBS provided	8	**619**	**231**	**220**	**16,407**	**16,407**	**16,407**	**16,946**	**17,070**	**17,190**
Highest level of free service provided per household										
Property rates (R value threshold)		17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		20	20	56	20	20	20	58	60	64
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		–	–	80	–	–	–	80	80	80
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**		–	–	17	–	–	–	17	17	17
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		2,399	4,108	3,980	4,288	4,288	4,288	4,650	4,800	4,951
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		**2,399**	**4,108**	**3,997**	**4,288**	**4,288**	**4,288**	**4,667**	**4,817**	**4,968**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

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

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

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

1.6.1 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 2025) a time schedule that outlines the process to revise the IDP and prepare the budget.

1.6.2 IDP and Service Delivery and Budget Implementation Plan

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

1.6.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2026/27 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 2026/27 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 2025/26 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.

1.6.4 Community Consultation

The 2026/27 draft MTREF was tabled on 31st March 2026 and the community consultation will be held in line with approved schedule. The budget will be published and hard copies will be made available at customer care offices, municipal notice boards and various libraries. The opportunity to give electronic feedback will be communicated on the municipality's website, and the municipality's call centre will be engaged in collecting inputs via e-mail, fax and SMS.

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

2.2 Overview of alignment of annual budget with IDP

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Economic growth and development that leads to sustainable job creation by:

- Ensuring there is a clear structural plan for the municipality;
- Ensuring planning processes function in accordance with set timeframes;
- Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective municipal cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring save working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities
- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
- Optimising effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personnel;

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

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

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

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

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

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

The 2026/27 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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

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

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
BASIC SERVICES AND INFRASTRUCTURE	A comprehensive; responsive and sustainable social protection system	Inclusion and Access		(619)	(231)	(204)	(10 250)	(10 250)	(10 250)	(10 723)	(10 746)	(10 767)
BASIC SERVICES AND INFRASTRUCTURE	Responsive; accountable; effective and efficient local government	Governance		438 677	228 219	428 611	516 999	517 873	517 873	466 715	478 389	497 857
BASIC SERVICES AND INFRASTRUCTURE	Sustainable human settlements and improved quality of household life	Governance		838	1 885	11 782	–	–	–	–	–	–
LOCAL ECONOMIC DEVELOPMENT	Responsive; accountable; effective and efficient local government	Governance		136	264	198	312	312	312	169	170	191
LOCAL ECONOMIC DEVELOPMENT	Sustainable human settlements and improved quality of household life	Governance		–	–	–	–	–	–	–	–	–
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	A comprehensive; responsive and sustainable social protection system	Inclusion and Access		–	–	–	(6 157)	(6 157)	(6 157)	(6 207)	(6 307)	(6 407)
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	Responsive; accountable; effective and efficient local government	Governance		21 455	1 577	23 620	31 045	31 045	31 045	83 336	83 383	87 237
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	Sustainable human settlements and improved quality of household life	Governance		–	–	–	–	–	–	–	–	–
FINANCIAL VIABILITY	A comprehensive; responsive and sustainable social protection system	Inclusion and Access		(2 399)	(4 108)	(3 980)	(4 288)	(4 288)	(4 288)	(4 650)	(4 800)	(4 951)
FINANCIAL VIABILITY	Responsive; accountable; effective and efficient local government	Governance		516 487	822 317	593 449	608 597	604 157	604 157	617 750	633 994	658 906
FINANCIAL VIABILITY	Sustainable human settlements and improved quality of household life	Governance		0	8	232	–	–	–	–	–	–
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Responsive; accountable; effective and efficient local government	Governance		429	599	536	650	650	650	672	694	717
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable human settlements and improved quality of household life	Governance		–	43	81	–	–	–	–	–	–
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**975 004**	**1 050 573**	**1 054 325**	**1 136 908**	**1 133 342**	**1 133 342**	**1 147 063**	**1 174 778**	**1 222 783**

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

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

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
BASIC SERVICES AND INFRASTRUCTURE		Governance		17 330	24 183	3 775	14 750	20 250	20 250	11 013	11 159	11 354
BASIC SERVICES AND INFRASTRUCTURE	A comprehensive; responsive and sustainable social protection system	Governance		5 143	3 572	1 805	8 046	8 646	8 646	6 298	6 477	6 781
BASIC SERVICES AND INFRASTRUCTURE	A comprehensive; responsive and sustainable social protection system	Inclusion and Access		–	–	–	100	100	100	75	77	77
BASIC SERVICES AND INFRASTRUCTURE	A long and healthy life for all South Africans	Inclusion and Access		37	1	30	250	250	250	200	201	202
BASIC SERVICES AND INFRASTRUCTURE	A skilled and capable workforce to support an inclusive growth path	Governance		–	–	5 971	6 157	6 157	6 157	6 207	6 307	6 407
BASIC SERVICES AND INFRASTRUCTURE	All people in South Africa are and feel safe	Inclusion and Access		25 955	25 183	32 572	34 195	34 195	34 195	30 171	30 355	30 455
BASIC SERVICES AND INFRASTRUCTURE	An efficient; competitive and responsive economic infrastructure network	Growth		–	–	–	6 500	–	–	–	–	–
BASIC SERVICES AND INFRASTRUCTURE	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		30 248	21 125	48 930	65 374	51 531	51 531	32 723	32 719	33 144
BASIC SERVICES AND INFRASTRUCTURE	An efficient; effective and development-oriented public service	Governance		955	1 680	4 864	8 000	8 000	8 000	4 201	4 266	4 266
BASIC SERVICES AND INFRASTRUCTURE	An efficient; effective and development-oriented public service	Inclusion and Access		23 490	22 899	21 406	25 582	25 077	25 077	23 318	24 400	24 437
BASIC SERVICES AND INFRASTRUCTURE	Protect and enhance our environmental assets and natural resources	Spatial Integration		34	43	162	200	200	200	1 700	1 800	100
BASIC SERVICES AND INFRASTRUCTURE	Sustainable human settlements and improved quality of household life	Governance		648 765	668 794	682 952	805 630	807 049	807 049	743 278	779 049	816 337

BASIC SERVICES AND INFRASTRUCTURE	Sustainable human settlements and improved quality of household life	Inclusion and Access	–	–	–	150	150	150	–	–	–
LOCAL ECONOMIC DEVELOPMENT	A comprehensive; responsive and sustainable social protection system	Inclusion and Access	–	95	–	500	1 000	1 000	100	105	114
LOCAL ECONOMIC DEVELOPMENT	An efficient; effective and development-oriented public service	Growth	–	1 596	1 040	1 300	1 800	1 800	1 820	1 941	1 984
LOCAL ECONOMIC DEVELOPMENT	An efficient; effective and development-oriented public service	Inclusion and Access	–	707	421	800	150	150	305	322	339
LOCAL ECONOMIC DEVELOPMENT	An efficient; effective and development-oriented public service	Spatial Integration	–	869	665	1 800	360	360	3 406	1 618	1 630
LOCAL ECONOMIC DEVELOPMENT	Responsive; accountable; effective and efficient local government	Inclusion and Access	–	320	180	200	1 250	1 250	1 000	1 035	1 078
LOCAL ECONOMIC DEVELOPMENT	Responsive; accountable; effective and efficient local government	Spatial Integration	–	–	–	500	300	300	250	250	258
LOCAL ECONOMIC DEVELOPMENT	Sustainable human settlements and improved quality of household life	Governance	19 964	21 748	20 186	43 060	41 498	41 498	39 424	41 429	43 043
LOCAL ECONOMIC DEVELOPMENT	Sustainable human settlements and improved quality of household life	Inclusion and Access	762	–	–	200	10	10	–	–	–
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	A comprehensive; responsive and sustainable social protection system	Inclusion and Access	119	136	1 537	2 350	2 350	2 350	2 922	2 976	3 062
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	A long and healthy life for all South Africans	Inclusion and Access	73	4 818	275	700	700	700	300	308	320
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	An efficient; effective and development-oriented public service	Inclusion and Access	6 496	10 780	8 580	6 795	7 438	7 438	2 408	723	739
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	Protect and enhance our environmental assets and natural resources	Inclusion and Access	7	416	727	502	502	502	413	419	423
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	Responsive; accountable; effective and efficient local government	Spatial Integration	1 701	3 198	2 297	3 000	3 000	3 000	2 605	2 697	2 699
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	Sustainable human settlements and improved quality of household life	Governance	95 247	115 982	124 606	125 545	129 453	129 453	124 511	128 361	132 407

GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	Sustainable human settlements and improved quality of household life	Inclusion and Access		375	735	400	300	300	300	531	547	558
FINANCIAL VIABILITY	A skilled and capable workforce to support an inclusive growth path	Governance		–	–	–	–	–	–	505	523	562
FINANCIAL VIABILITY	An efficient; effective and development-oriented public service	Inclusion and Access		–	–	–	–	–	–	220	232	241
FINANCIAL VIABILITY	Responsive; accountable; effective and efficient local government	Governance		4 996	5 036	7 819	6 572	6 803	6 803	4 753	4 767	4 780
FINANCIAL VIABILITY	Sustainable human settlements and improved quality of household life	Governance		85 746	215 823	169 915	189 130	195 167	195 167	174 413	175 005	179 059
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT		Governance		–	–	–	100	100	100	–	–	–
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	A comprehensive; responsive and sustainable social protection system	Governance		6 919	7 291	8 217	8 000	8 000	8 000	–	–	–
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	A skilled and capable workforce to support an inclusive growth path	Governance		–	–	–	–	–	–	75	52	51
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	An efficient; effective and development-oriented public service	Governance		2 054	6 074	8 763	9 650	9 650	9 650	20	20	20
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	An efficient; effective and development-oriented public service	Inclusion and Access		235	284	537	700	500	500	750	765	772
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Responsive; accountable; effective and efficient local government	Inclusion and Access		–	150	112	1 150	1 150	1 150	951	853	726
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable human settlements and improved quality of household life	Governance		67 032	66 891	74 145	75 756	77 347	77 347	86 899	89 149	92 545
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Sustainable human settlements and improved quality of household life	Inclusion and Access		–	–	–	200	200	200	300	301	310
Allocations to other priorities												
Total Expenditure			1	**1 043 682**	**1 230 428**	**1 232 888**	**1 453 744**	**1 450 634**	**1 450 634**	**1 308 065**	**1 351 207**	**1 401 281**

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

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

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
BASIC SERVICES AND INFRASTRUCTURE		Growth		–	55	336	–	2,370	2,370	–	–	–
BASIC SERVICES AND INFRASTRUCTURE	A comprehensive; responsive and sustainable social protection system	Inclusion and Access		–	–	–	18,468	12,000	12,000	16,000	15,000	17,000
BASIC SERVICES AND INFRASTRUCTURE	An efficient; competitive and responsive economic infrastructure network	Growth		3,092	24,478	44,699	84,100	60,370	60,370	67,243	127,024	152,838
BASIC SERVICES AND INFRASTRUCTURE	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		2,790	246	3,264	120,500	159,849	159,849	141,780	95,050	67,000
BASIC SERVICES AND INFRASTRUCTURE	An efficient; effective and development-oriented public service	Governance		–	–	–	2,000	–	–	3,200	14,750	20,000
BASIC SERVICES AND INFRASTRUCTURE	An efficient; effective and development-oriented public service	Inclusion and Access		2,816	1,438	–	–	–	–	–	–	–
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION		Growth		–	–	–	–	–	–	–	–	–
FINANCIAL VIABILITY	An efficient; effective and development-oriented public service	Growth		–	–	678	–	1,200	1,200	–	–	–
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	An efficient; effective and development-oriented public service	Governance		106	–	–	–	–	–	–	–	–
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	An efficient; effective and development-oriented public service	Growth		–	187	–	–	–	–	–	–	–
Allocations to other priorities			3									
Total Capital Expenditure			1	**8,803**	**26,404**	**48,976**	**225,068**	**235,890**	**235,890**	**228,223**	**253,824**	**262,838**

2.3 Measurable performance objectives and indicators

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

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

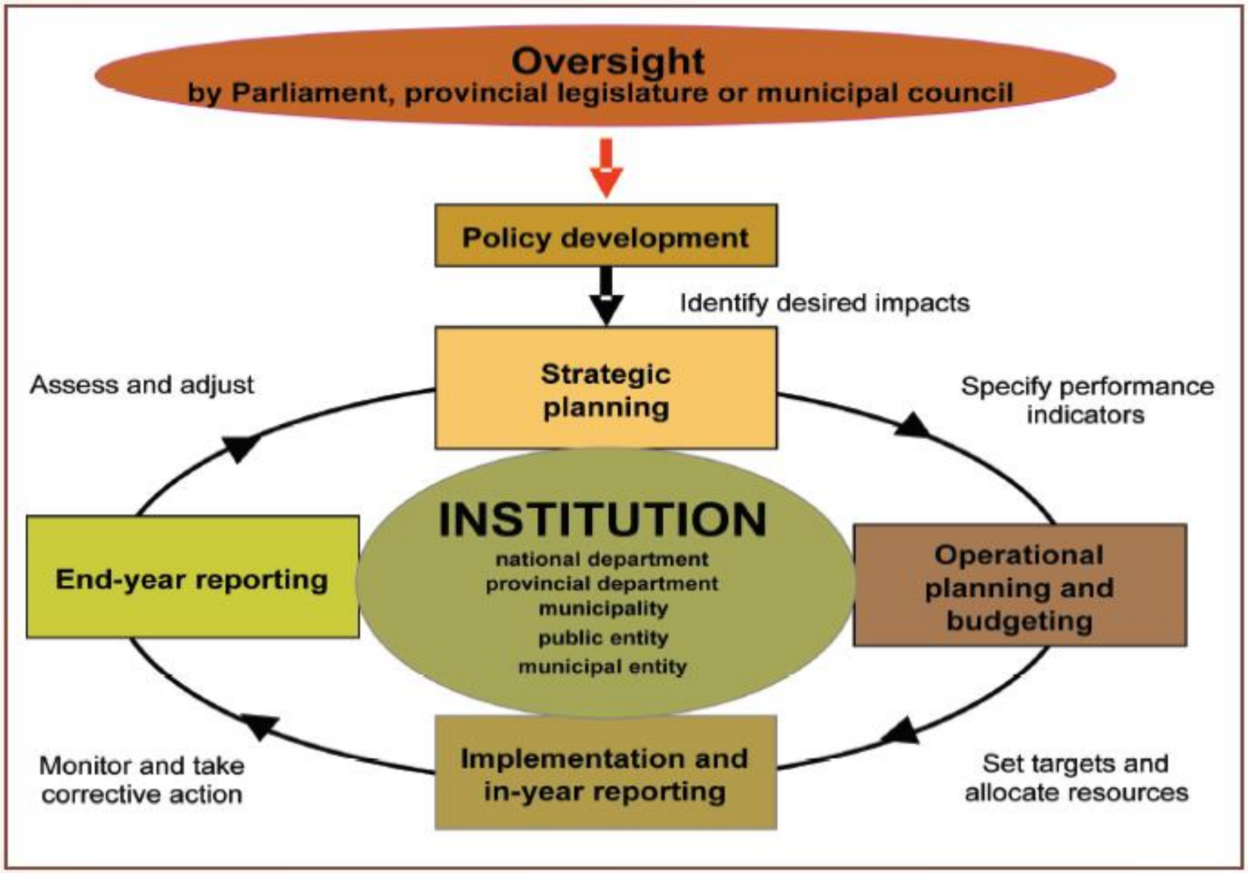


Figure 3 Planning, budgeting and reporting cycle

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

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

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

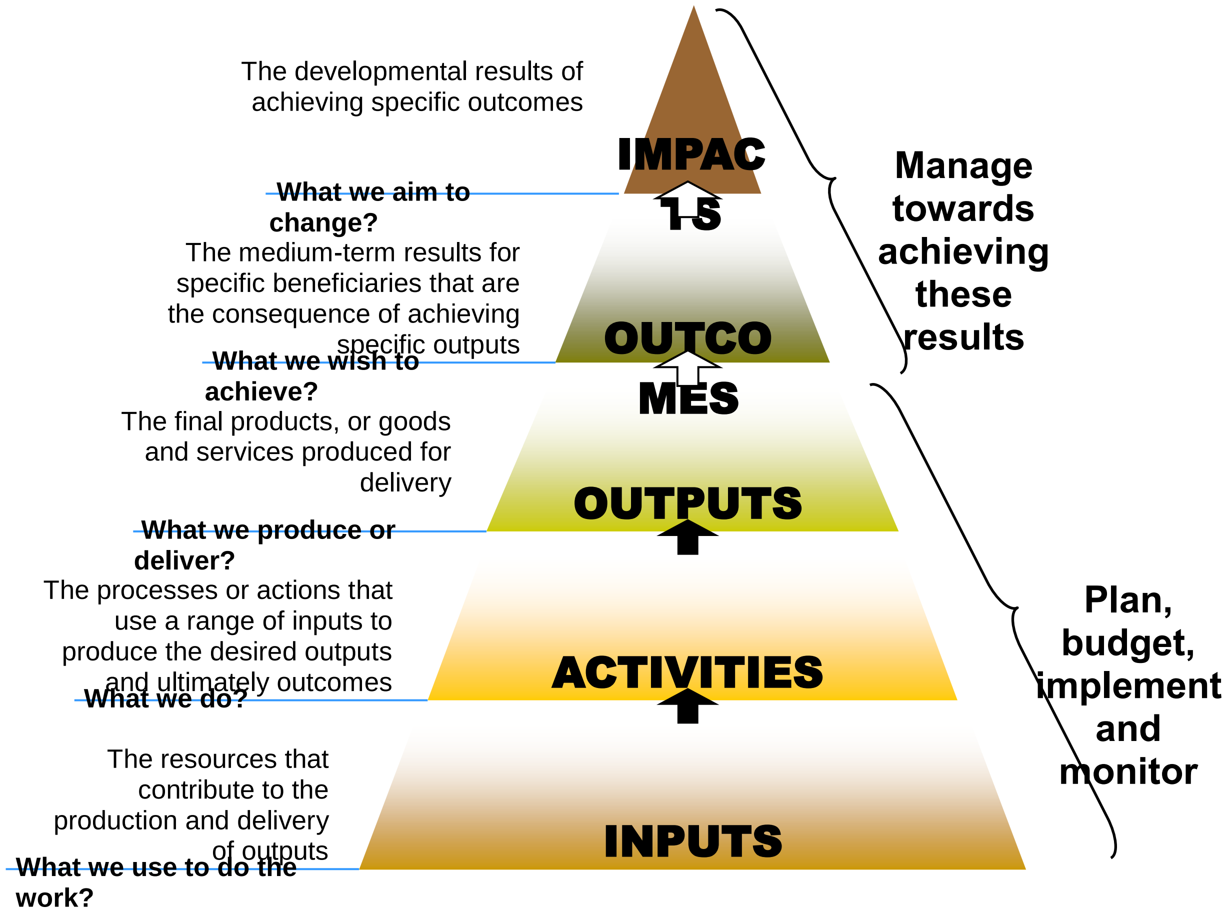


Figure 4 Definition of performance information concepts

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

Table 26 MBRR Table SA7 - Measurable performance objectives

NW375 Moses Kotane - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
07 - Infrastructure & Technical Services										
Energy Sources										
Electricity										
Formal Settlement Households Receiving Electricity	Households	24 343	4 854	4 854	4 854	4 854	4 854	9 122	9 122	9 122
Informal Settlements (R000)	Rand Value			5 971				6 207	6 307	6 407
Waste Water Management										
Sewerage										
Bucket Toilet	Households									
Flush Toilet (Connected To Sewerage)	Households	8 000	6 793	6 795	6 800	6 800	6 800	6 805	6 807	6 810
Flush Toilet (With Septic Tank)	Households	5 000	28 000	28 020	28 020	28 020	28 020	28 028	28 032	28 040
Sanitation	Households	41 000	4 854	4 854	4 854	4 854	4 854	9 122	9 122	9 122
Informal Settlements (R000)	Rand Value			101				121	125	125
No Toilet Provisions	Households	40 000								
Other Toilet Provisions (< Min.Service Level)	Households									
Other Toilet Provisions (> Min.Service Level)	Households		22 365	22 362	22 360	22 360	22 360	22 358	22 355	22 349
Pit Toilet (Ventilated)	Households		21 000	21 020	21 020	21 020	21 020	21 025	21 030	21 035
Water Management										
Water Distribution										
Water	Households	41 000	4 854	4 854	4 854	4 854	4 854	9 122	9 122	9 122
Informal Settlements (R000)	Rand Value			10 000				10 464	10 479	10 494
No Water Supply	Households									
Level)	Households		8 509	8 509	8 509	8 509	8 509	8 510	8 512	8 580
Piped Water Inside Dwelling	Households		6 793	6 795	6 800	6 800	6 800	6 805	6 807	6 810
Dwelling)	Households		29 856	29 859	29 872	29 872	29 872	29 880	29 885	29 901
Using Public Tap (< Min.Service Level)	Households	12 000								
Level)	Households	52 000	30 000	30 000	30 000	30 000	30 000	29 950	29 850	29 750

Table 27 MBRR Table SA8 - Performance indicators and benchmarks

The following table sets out the municipality's main performance objectives and benchmarks for the 2026/27 MTREF.

NW375 Moses Kotane - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.1%	0.9%	0.4%	0.9%	0.9%	0.9%	1.4%	0.2%	0.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.2%	1.1%	0.5%	1.1%	1.1%	1.1%	1.3%	0.2%	0.2%	0.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	-5.0%	-1371.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.2	1.0	0.9	1.2	1.3	1.3	(5.6)	0.9	0.9	1.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.2	1.0	0.9	1.2	1.3	1.3	(5.6)	0.9	0.9	1.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.5	0.4	(0.0)	(0.0)	(0.0)	(1.5)	0.3	0.3	0.3
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	130.4%	82.8%	60.8%	79.1%	79.1%	79.1%	85.7%	112.4%	114.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		130.4%	82.8%	60.8%	79.1%	79.1%	79.1%	85.7%	112.4%	114.7%	116.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	47.3%	25.7%	28.6%	36.3%	36.4%	36.4%	13.7%	28.3%	27.9%	27.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Creditors to Cash and Investments		24.2%	13.9%	34.3%	63.5%	63.5%	63.5%	-12.1%	481.3%	529.7%	502.6%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase										
	Water treatment works										
	Natural sources										
Water Distribution Losses (2)	Total Volume Losses (kℓ)	–	–	–	–	–	–	–	–	–	–
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.1%	30.7%	30.4%	32.8%	33.0%	33.0%	30.3%	32.5%	33.2%	33.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31.7%	33.3%	33.3%	35.7%	35.8%	35.8%	41.9%	35.3%	36.1%	36.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.2%	5.1%	6.3%	8.6%	7.9%	7.9%	5.0%	4.2%	4.1%	4.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	14.2%	12.2%	13.3%	16.6%	16.7%	16.7%	12.2%	15.1%	15.9%	16.8%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	53.3	46.0	35.1	38.3	38.2	47.2	24.7	27.2	25.3	26.3
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	158.8%	56.5%	93.5%	118.5%	118.5%	118.5%	84.5%	89.0%	87.6%	86.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	13.7	12.0	5.9	2.3	2.3	2.3	6.4	0.4	0.3	0.4

1.6.5 Performance indicators and benchmarks

1.6.6 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 2026/27 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 2026/27 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

1.6.6.1 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.

1.6.6.2 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.

1.6.6.3 Creditors Management

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

1.6.6.4 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.

1.6.7 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 9122 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kℓ free water, 50 Kwh of electricity, free sanitation and free waste removal equivalent to one removal once a week, as well as a discount on their property rates. 6 kilo litres of water is provided to indigent households.

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

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

1.6.8 Providing clean water and managing waste water

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

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

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

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

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

- The Division is working in consultation with the Department of Water Affairs to address catchment management.

2.4 Overview of budget related-policies

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

2.4.1 Review of credit control and debt collection procedures/policies

The Credit Control and Debt Collection Policy was approved by Council in May 2025 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 2026/27 MTREF has been prepared on the basis of actual payments received for services rendered. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels.
The threshold for indigent households and pensioners has been determined at double the amount payable for old age pension.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

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

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

2.4.3 Budget Approval Policy

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

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was amended and approved by Council in February 2026. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on. A Standard Operating Procedure Manual on SCM has been developed and implemented.

2.4.5 Budget and Virement Policy

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

2.4.6 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy were approved in May 2025. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

2.4.7 Tariff Policies

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

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

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

2.5 Overview of budget assumptions

2.5.1 External factors

The official unemployment rate 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.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2026/27 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 constitute 30% of the 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 long term loans for the MTREF.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The 2026/27 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 that CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

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

2.5.4 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.

2.5.5 Salary increases

Provision has been made for a 4.75% salary increase in 2026/27 in line with SALGA bargaining Council circular. The outer years are also aligned with the Circular.

2.5.6 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.

2.5.7 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 2026/27 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

NW375 Moses Kotane - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		100 014	79 087	63 602	90 509	90 509	90 509	53 825	125 178	133 621	137 899
Service charges		154 773	93 693	27 379	82 666	82 666	82 666	80 484	80 527	83 184	89 297
Other revenue		604 195	435 069	(346 769)	42 032	42 032	42 032	25 395	40 292	44 150	45 693
Transfers and Subsidies - Operational	1	161 779	577 266	604 194	627 463	627 463	627 463	620 462	637 420	649 206	680 681
Transfers and Subsidies - Capital	1	208 558	232 503	222 552	225 068	225 068	225 068	193 068	228 223	253 824	262 838
Interest		9 679	13 045	21 892	19 678	19 678	19 678	12 428	39 129	42 242	46 393
Dividends									–	–	–
Payments											
Suppliers and employees		14 265	85 334	169 238	(957 274)	(957 274)	(957 274)	(157 688)	(916 125)	(943 569)	(973 333)
Finance charges		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1 253 262**	**1 515 997**	**762 089**	**130 142**	**130 142**	**130 142**	**827 973**	**234 644**	**262 658**	**289 468**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(13)	1 928	11 863	–	–	–	262	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital									–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments									–	–	–
Payments											
Capital assets		(8 803)	(26 404)	(48 976)	(258 828)	(258 828)	(258 828)	(117 902)	(228 223)	(253 824)	(262 838)
Retention (Capital)									–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(8 817)**	**(24 476)**	**(37 113)**	**(258 828)**	**(258 828)**	**(258 828)**	**(117 640)**	**(228 223)**	**(253 824)**	**(262 838)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	(13 805)	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	(84)	(94)	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	(5)	(1)	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		(5 813)	(5 246)	(917)	(9 987)	(9 987)	(9 987)	(11 591)	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(5 813)**	**(5 335)**	**(14 817)**	**(9 987)**	**(9 987)**	**(9 987)**	**(11 591)**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**1 238 633**	**1 486 187**	**710 158**	**(138 673)**	**(138 673)**	**(138 673)**	**698 743**	**6 422**	**8 834**	**26 631**
Cash/cash equivalents at the year begin:	2	**36 880**	**38 855**	**43 587**	**468 275**	**468 275**	**468 275**	**–**	**50 932**	**57 354**	**66 188**
Cash/cash equivalents at the year end:	2	**1 275 513**	**1 525 042**	**753 745**	**329 602**	**329 602**	**329 602**	**698 743**	**57 354**	**66 188**	**92 819**

The above cash flow budget indicates the municipality will be able to fund its operations for 2026/27 financial year as supported by favourable cash balance, even though the net cash held is favourable for 2026/27, it must be noted that it will be reduced by the accruals from the current financial year.

The funding plan has been developed to ensure that additional revenue enhancement strategies are improved and eventually phase out the budget shortfall.

2.6.1 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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	178 981	190 319	130 832	198 188	198 188	198 188	140 635	162 475	167 836	173 207
Service charges - Waste Water Management	2	3 864	4 786	4 879	5 180	5 180	5 180	3 710	5 356	5 533	5 700
Service charges - Waste Management	2	11 817	12 864	13 292	14 109	14 109	14 109	11 513	14 435	14 912	15 389
Sale of Goods and Rendering of Services	2	761	793	722	1 418	1 418	1 418	839	732	746	769
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	71 462	49 267	59 933	60 358	60 358	60 358	23 623	62 411	64 470	66 533
Interest earned from Current and Non Current Assets	2	9 745	13 500	13 235	13 097	8 727	8 727	7 362	8 774	8 839	9 060
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	152	99	25	101	31	31	38	31	31	32
Licence and permits	2	336	3 128	2 588	3 328	3 328	3 328	1 651	2 611	2 690	2 781
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	1 014	2 058	3 193	2 014	2 014	2 014	1 552	2 232	2 306	2 379
Non-Exchange Revenue											
Property rates	2	124 807	150 272	165 035	174 056	174 056	174 056	113 011	208 630	215 518	222 418
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	1 028	1 759	1 826	1 899	1 899	1 899	2 759	2 895	3 045	3 195
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	537 931	584 689	610 284	627 463	628 337	628 337	623 004	637 420	649 206	680 681
Interest	2	32 268	35 103	36 388	35 698	35 698	35 698	36 996	39 060	39 646	40 637
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	838	1 928	11 863	-	-	-	253	-	-	-
Other Gains	2	0	8	232	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**975 004**	**1 050 573**	**1 054 325**	**1 136 908**	**1 133 342**	**1 133 342**	**966 946**	**1 147 063**	**1 174 778**	**1 222 783**
Expenditure											
Employee related costs	2	283 415	322 761	320 836	373 102	373 456	373 456	293 329	372 659	390 165	409 906
Remuneration of councillors	2	25 874	26 872	30 671	32 329	32 329	32 329	25 508	32 529	33 602	34 378
Bulk purchases - electricity	2	33 007	41 906	36 173	46 620	46 620	46 620	30 687	45 205	46 796	49 389
Inventory consumed	2,8	144 039	168 683	158 024	189 153	189 153	189 153	18 603	178 042	186 437	194 279
Debt impairment	2,3	-	302 703	252 411	309 909	309 909	309 909	173 225	268 472	270 468	272 314
Depreciation, amortisation and impairment	2	132 550	121 308	135 999	186 561	186 561	186 561	117 697	170 540	184 183	202 601
Interest, Dividends and Rent on Land	2	5 619	6 434	4 616	2 597	2 597	2 597	571	2 458	2 487	2 498
Contracted services	2	136 096	145 069	165 960	204 518	195 035	195 035	149 321	136 126	134 658	132 368
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	147 426	8 010	1 641	-	2 340	2 340	2 017	2 929	2 987	3 032
Operational costs	2	116 715	81 826	112 564	108 955	112 633	112 633	70 403	99 106	99 423	100 514
Disposal of Fixed and Intangible Assets	2	18 942	4 852	13 469	-	-	-	422	-	-	-
Other Losses	2	-	3	525	-	-	-	566	-	-	-
Total Expenditure		**1 043 682**	**1 230 428**	**1 232 888**	**1 453 744**	**1 450 634**	**1 450 634**	**882 347**	**1 308 065**	**1 351 207**	**1 401 281**
Surplus/(Deficit)		**(68 678)**	**(179 855)**	**(178 562)**	**(316 836)**	**(317 292)**	**(317 292)**	**84 598**	**(161 003)**	**(176 429)**	**(178 498)**
Transfers and subsidies - capital (monetary allocations)	6	217 386	232 306	215 615	225 068	232 220	232 220	133 670	228 223	253 824	262 838
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**148 708**	**52 451**	**37 053**	**(91 768)**	**(85 072)**	**(85 072)**	**218 268**	**67 220**	**77 395**	**84 340**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**148 708**	**52 451**	**37 053**	**(91 768)**	**(85 072)**	**(85 072)**	**218 268**	**67 220**	**77 395**	**84 340**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**148 708**	**52 451**	**37 053**	**(91 768)**	**(85 072)**	**(85 072)**	**218 268**	**67 220**	**77 395**	**84 340**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**148 708**	**52 451**	**37 053**	**(91 768)**	**(85 072)**	**(85 072)**	**218 268**	**67 220**	**77 395**	**84 340**

Table breakdown of the municipality’s funding of the budget

NW375 Moses Kotane - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		100 014	79 087	63 602	90 509	90 509	90 509	53 825	125 178	133 621	137 899
Service charges		154 773	93 693	27 379	82 666	82 666	82 666	80 484	80 527	83 184	89 297
Other revenue		604 195	435 069	(346 769)	42 032	42 032	42 032	25 395	40 292	44 150	45 693
Transfers and Subsidies - Operational	1	161 779	577 266	604 194	627 463	627 463	627 463	620 462	637 420	649 206	680 681
Transfers and Subsidies - Capital	1	208 558	232 503	222 552	225 068	225 068	225 068	193 068	228 223	253 824	262 838
Interest		9 679	13 045	21 892	19 678	19 678	19 678	12 428	39 129	42 242	46 393
Dividends									–	–	–
Payments											
Suppliers and employees		14 265	85 334	169 238	(957 274)	(957 274)	(957 274)	(157 688)	(916 125)	(943 569)	(973 333)
Finance charges		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1 253 262**	**1 515 997**	**762 089**	**130 142**	**130 142**	**130 142**	**827 973**	**234 644**	**262 658**	**289 468**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(13)	1 928	11 863	–	–	–	262	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital									–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments									–	–	–
Payments											
Capital assets		(8 803)	(26 404)	(48 976)	(258 828)	(258 828)	(258 828)	(117 902)	(228 223)	(253 824)	(262 838)
Retention (Capital)									–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(8 817)**	**(24 476)**	**(37 113)**	**(258 828)**	**(258 828)**	**(258 828)**	**(117 640)**	**(228 223)**	**(253 824)**	**(262 838)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	(13 805)	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	(84)	(94)	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	(5)	(1)	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		(5 813)	(5 246)	(917)	(9 987)	(9 987)	(9 987)	(11 591)	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(5 813)**	**(5 335)**	**(14 817)**	**(9 987)**	**(9 987)**	**(9 987)**	**(11 591)**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**1 238 633**	**1 486 187**	**710 158**	**(138 673)**	**(138 673)**	**(138 673)**	**698 743**	**6 422**	**8 834**	**26 631**
Cash/cash equivalents at the year begin:	2	**36 880**	**38 855**	**43 587**	**468 275**	**468 275**	**468 275**	**–**	**50 932**	**57 354**	**66 188**
Cash/cash equivalents at the year end:	2	**1 275 513**	**1 525 042**	**753 745**	**329 602**	**329 602**	**329 602**	**698 743**	**57 354**	**66 188**	**92 819**

Figure 7 Breakdown of operating revenue over the 2026/27 MTREF

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

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

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

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

Table 29 Projected tariff increases over the 2026/27 medium-term

NW375 Moses Kotane - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
							Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Property rates *(rate in the Rand)*	1								
Residential properties			-	-	0.0010	0.0010	0.0011	0.0011	0.0011
Residential properties - vacant land		Tariff on market value	-	-	0.1037	0.1083	0.1119	0.1160	0.1197
Formal/informal settlements									
Small holdings			-	-	0.0002	0.0002	0.0003	0.0003	0.0003
Farm properties - used			-	-	0.0002	0.0003	0.0003	0.0003	0.0003
Farm properties - not used			-	-	-	-	-	-	-
Industrial properties			-	-	0.0079	0.0082	0.0086	0.0088	0.0091
Business and commercial properties			-	-	0.0246	0.0257	0.0266	0.0276	0.0284
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties			-	-	0.0411	0.0429	0.0445	0.0459	0.0474
Municipal properties									
Public service infrastructure			-	-	0.0002	0.0003	0.0003	0.0003	0.0003
Privately owned towns serviced by the owner									
Water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*									
Service point - vacant land *(Rands/month)*									
Water usage - flat rate tariff *(c/kl)*									
Water usage - life line tariff		0-6 kilo liter	-	-	24	25	26	26	27
Water usage - Block 1 (c/kl)		6.1 kl - 45 kl	-	-	27	28	29	30	31
Water usage - Block 2 (c/kl)		Block 3	-	-	31	33	34	35	36
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*									
Service point - vacant land *(Rands/month)*									
Waste water - flat rate tariff *(c/kl)*		Charge per stand/Dwelling	-	50	56	58	60	62	64
Waste management tariffs									
Domestic									
Street cleaning charge			-	-	57	59	61	63	66

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

Table 30 MBRR SA15 – Detail Investment Information

NW375 Moses Kotane - Supporting Table SA15 Investment particulars by type

Investment type R thousand	Ref	2022/23 Audited Outcome	2023/24 Audited Outcome	2024/25 Audited Outcome	Current Year 2025/26 Original Budget	Current Year 2025/26 Adjusted Budget	Current Year 2025/26 Full Year Forecast	2026/27 Medium Term Revenue & Expenditure Framework Budget Year 2026/27	2026/27 Medium Term Revenue & Expenditure Framework Budget Year +1 2027/28	2026/27 Medium Term Revenue & Expenditure Framework Budget Year +2 2028/29
Investments										
Bank Repurchase Agreements										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total Bank Repurchase Agreements		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificate										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total Bankers Acceptance Certificate		-	-	-	-	-	-	-	-	-
Total Negotiable Certificate of Deposits		-	-	-	-	-	-	-	-	-
Total Unamortised Preference Share Expense		-	-	-	-	-	-	-	-	-
Total Investments		-	-	-	-	-	-	-	-	-

Table 31 MBRR SA16 – Investment particulars by maturity

The municipality does not have long term investments. The municipality only invest in call accounts.

The following table is a breakdown of the funding composition of the 2026/27 medium-term capital programme:

Figure 8 Sources of capital revenue for the 2026/27 finacial year

2026/27 MTREF CAPITAL BUDGET FUNDING MIX			
Funding Source (R'000)	**2026/2027**	**2027/2028**	**2028/29**
MIG	175 980	197 474	203 958
WSIG	52 243	56 350	58 880
TOTAL GRANTS	**228 223**	**253 824**	**262 838**

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

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 2026/27 to 2028/29 financial year.

NW375 Moses Kotane - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowings										
Annuity and Bullet Loans										
Total Derivative Financial Liability		-	-	-	-	-	-	-	-	-
Finance Lease Liability										
Banks		34,499	22,774	8,953	-	-	-	-	-	-
Development Bank of South Africa										
Foreign Government and International Organisations										
General Public										
Infrastructure Finance Corporation										
Insurance Companies and Private Pension Funds										
Municipal Pension Funds										
Other Public Pension Funds										
Private Enterprises		254	171	77	603	603	603	-	-	-
Public Corporations										
Public Investments Commissioners										
Total Finance Lease Liability		**34,753**	**22,945**	**9,029**	**603**	**603**	**603**	**-**	**-**	**-**
Government Loans										
Intercompany/Parent-subsidiary Transactions										
Local Registered Stock										
Total PPP Liabilities		-	-	-	-	-	-	-	-	-
Securities										
Total Securities		-	-	-	-	-	-	-	-	-
Interest Rate Swaps										
Total Borrowings	1	**34,753**	**22,945**	**9,029**	**603**	**603**	**603**	**-**	**-**	**-**

Growth in outstanding borrowing (long term liabilities)

All long-term loans have been settled. No anticipated borrowings for the 2026/27 MTREF.

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

NW375 Moses Kotane - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
RECEIPTS	1.2									
Operating										
National Government										
Monetary Allocations										
Equitable Share		528 602	566 087	600 070	615 410	615 410	615 410	623 943	637 567	668 618
Energy Efficiency and Demand Side Management Grant		350	1 000	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		1 652	1 577	1 124	1 895	1 895	1 895	1 700	–	–
Local Government Financial Management Grant		1 950	1 951	2 000	2 000	2 000	2 000	2 100	2 200	2 300
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		4 642	5 400	5 486	7 000	7 437	7 437	8 466	8 228	8 498
Total Monetary Allocations		537 195	576 015	608 679	626 305	626 742	626 742	636 209	647 995	679 416
Total Operating/National Government		537 195	576 015	608 679	626 305	626 742	626 742	636 209	647 995	679 416
Provincial Government										
Monetary Allocations										
Capacity Building and Other Grants		735	1 139	1 604	1 158	1 594	1 594	1 211	1 211	1 265
Total Monetary Allocations		735	1 139	1 604	1 158	1 594	1 594	1 211	1 211	1 265
Total Operating/Provincial Government		735	1 139	1 604	1 158	1 594	1 594	1 211	1 211	1 265
Total Operating	5	537 931	584 689	610 284	627 463	628 337	628 337	637 420 429	649 206 080	680 681 240
Capital										
National Government										
Monetary Allocations										
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		157 450	162 524	161 608	175 068	180 575	180 575	175 980	197 474	203 958
Water Services Infrastructure Grant		59 694	69 782	54 007	50 000	51 644	51 644	52 243	56 350	58 880
Total Monetary Allocations		217 144	232 306	215 615	225 068	232 220	232 220	228 222 571	253 823 920	262 837 760
Total Capital/National Government		217 144	232 306	215 615	225 068	232 220	232 220	228 222 571	253 823 920	262 837 760

2.6.2 Cash Flow Management

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

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

Table 35 MBRR Table A7 - Budget cash flow statement

NW375 Moses Kotane - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		100 014	79 087	63 602	90 509	90 509	90 509	53 825	125 178	133 621	137 899
Service charges		154 773	93 693	27 379	82 666	82 666	82 666	80 484	80 527	83 184	89 297
Other revenue		604 195	435 069	(346 769)	42 032	42 032	42 032	25 395	40 292	44 150	45 693
Transfers and Subsidies - Operational	1	161 779	577 266	604 194	627 463	627 463	627 463	620 462	637 420	649 206	680 681
Transfers and Subsidies - Capital	1	208 558	232 503	222 552	225 068	225 068	225 068	193 068	228 223	253 824	262 838
Interest		9 679	13 045	21 892	19 678	19 678	19 678	12 428	39 129	42 242	46 393
Dividends									–	–	–
Payments											
Suppliers and employees		14 265	85 334	169 238	(957 274)	(957 274)	(957 274)	(157 688)	(916 125)	(943 569)	(973 333)
Finance charges		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1 253 262**	**1 515 997**	**762 089**	**130 142**	**130 142**	**130 142**	**827 973**	**234 644**	**262 658**	**289 468**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(13)	1 928	11 863	–	–	–	262	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital									–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments									–	–	–
Payments											
Capital assets		(8 803)	(26 404)	(48 976)	(258 828)	(258 828)	(258 828)	(117 902)	(228 223)	(253 824)	(262 838)
Retention (Capital)									–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(8 817)**	**(24 476)**	**(37 113)**	**(258 828)**	**(258 828)**	**(258 828)**	**(117 640)**	**(228 223)**	**(253 824)**	**(262 838)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	(13 805)	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	(84)	(94)	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	(5)	(1)	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		(5 813)	(5 246)	(917)	(9 987)	(9 987)	(9 987)	(11 591)	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(5 813)**	**(5 335)**	**(14 817)**	**(9 987)**	**(9 987)**	**(9 987)**	**(11 591)**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**1 238 633**	**1 486 187**	**710 158**	**(138 673)**	**(138 673)**	**(138 673)**	**698 743**	**6 422**	**8 834**	**26 631**
Cash/cash equivalents at the year begin:	2	**36 880**	**38 855**	**43 587**	**468 275**	**468 275**	**468 275**	**–**	**50 932**	**57 354**	**66 188**
Cash/cash equivalents at the year end:	2	**1 275 513**	**1 525 042**	**753 745**	**329 602**	**329 602**	**329 602**	**698 743**	**57 354**	**66 188**	**92 819**

the above table shows that the cash and cash equivalents of the municipality will be sufficient to fund the operations, it must however be noted that the available is not sufficient to cover the liabilities in the statement of financial position.

Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

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

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	1 275 513	1 525 042	753 745	329 602	329 602	329 602	726 091	57 354	66 188	92 819
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**1 275 513**	**1 525 042**	**753 745**	**329 602**	**329 602**	**329 602**	**726 091**	**57 354**	**66 188**	**92 819**
Application of cash and investments											
Unspent conditional transfers		8 156	3 305	9 740	–	(8 025)	(8 025)	27 059	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	83 799	109 391	300 547	192 850	192 850	192 850	(140 379)	184 404	177 967	174 491
Other provisions		43 331	48 294	52 252	5 719	5 719	5 719	48 314	5 773	5 839	5 865
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**135 286**	**160 990**	**362 539**	**198 568**	**190 543**	**190 543**	**(65 007)**	**190 177**	**183 807**	**180 356**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**1 140 227**	**1 364 052**	**391 206**	**131 033**	**139 058**	**139 058**	**791 098**	**(132 823)**	**(117 618)**	**(87 537)**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**1 140 227**	**1 364 052**	**391 206**	**131 033**	**139 058**	**139 058**	**791 098**	**(132 823)**	**(117 618)**	**(87 537)**

The above table is the accumulated surplus reconciliation. The above indicate that the 2026/27 budget is unfunded by R145.8 million, slightly decreasing 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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	1 275 513	1 525 042	753 745	329 602	329 602	329 602	726 091	57 354	66 188	92 819
Cash + investments at the yr end less applications - R'000	18(1)b	2	1 140 227	1 364 052	391 206	131 033	139 058	139 058	791 098	(132 823)	(117 618)	(87 537)
Cash year end/monthly employee/supplier payments	18(1)b	3	13.7	12.0	5.9	2.3	2.3	2.3	6.4	0.4	0.5	0.7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	148 708	52 451	37 053	(91 768)	(85 072)	(85 072)	253 122	66 009	76 184	83 075
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	6.1%	(18.3%)	18.7%	(6.0%)	(6.0%)	(29.3%)	(6.2%)	(2.7%)	(2.8%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	89.6%	52.8%	(21.6%)	16.5%	16.5%	16.5%	22.3%	61.6%	63.2%	64.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	84.5%	80.4%	79.2%	79.2%	79.2%	57.7%	68.7%	67.0%	65.3%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	(5.0%)	(9.3%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(22.5%)	(0.8%)	(48.8%)	0.0%	0.0%	(86.6%)	1172.3%	1.8%	1.3%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.8%	1.7%	1.9%	2.6%	2.3%	2.3%	1.4%	1.3%	1.3%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	33.2%	5.4%	0.0%	9.5%	11.0%	11.0%	0.0%	21.3%	19.6%	15.2%

Supporting indicators												
% incr *total service charges (incl prop rates)*	18(1)a		0,0%	12,1%	(12,3%)	24,7%	0,0%	0,0%	(31,3%)	(0,2%)	3,3%	3,2%
% incr Property Tax	18(1)a		0,0%	20,4%	9,8%	5,5%	0,0%	0,0%	(35,1%)	19,9%	3,3%	3,2%
% incr 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%
% incr Service charges - Water	18(1)a		0,0%	6,3%	(31,3%)	51,5%	0,0%	0,0%	(29,0%)	(18,0%)	3,3%	3,2%
% incr Service charges - Waste Water Management	18(1)a		0,0%	23,9%	1,9%	6,2%	0,0%	0,0%	(28,4%)	3,4%	3,3%	3,0%
% incr Service charges - Waste Management	18(1)a		0,0%	8,9%	3,3%	6,1%	0,0%	0,0%	(18,4%)	2,3%	3,3%	3,2%
% incr 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		319 469	358 241	314 037	391 533	391 533	391 533	268 869	390 896	403 799	416 714
Service charges			319 469	358 241	314 037	391 533	391 533	391 533	268 869	390 896	403 799	416 714
Property rates			124 807	150 272	165 035	174 056	174 056	174 056	113 011	208 630	215 518	222 418
Service charges - electricity revenue			–	–	–	–	–	–	–	–	–	–
Service charges - water revenue			178 981	190 319	130 832	198 188	198 188	198 188	140 635	162 475	167 836	173 207
Service charges - sanitation revenue			3 864	4 786	4 879	5 180	5 180	5 180	3 710	5 356	5 533	5 700
Service charges - refuse removal			11 817	12 864	13 292	14 109	14 109	14 109	11 513	14 435	14 912	15 389
Agency services			–	–	–	–	–	–	–	–	–	–
Capital expenditure excluding capital grant funding			106	1 679	1 014	–	3 670	3 670	372	–	–	–
Cash receipts from ratepayers	18(1)a		858 982	607 849	(255 788)	215 207	215 207	215 207	159 703	245 997	260 956	272 889
Ratepayer & Other revenue	18(1)a		958 534	1 152 063	1 185 572	1 306 672	1 306 672	1 306 672	870 536	399 367	412 585	425 839
Change in consumer debtors (current and non-current)			N/A	(56 511)	(1 612)	(94 326)	–	–	(101 190)	171 027	3 057	2 236
Operating and Capital Grant Revenue	18(1)a		755 317	816 995	825 899	852 531	860 556	860 556	756 674	865 643	903 030	943 519
Capital expenditure - total	20(1)(vi)		8 803	26 404	48 976	225 068	235 890	235 890	120 594	228 223	253 824	262 838
Capital expenditure - renewal	20(1)(vi)		2 922	1 438	–	21 468	26 000	26 000		48 671	49 750	40 000
Supporting benchmarks												
Growth guideline maximum			6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
CPI guideline			4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY										–	–	–
DoRA capital grants total MFY										–	–	–
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										–	–	–
Average annual collection rate (arrears inclusive)												
DoRA operating												
										–	–	–
										–	–	–
Trend												
Change in consumer debtors (current and non-current)			N/A	(56 511)	(1 612)	(94 326)	–	–	(101 190)	171 027	3 057	2 236
Total Operating Revenue			975 004	1 050 573	1 054 325	1 136 908	1 133 342	1 133 342	966 946	1 147 063	1 174 778	1 222 783
Total Operating Expenditure			1 043 682	1 230 428	1 232 888	1 453 744	1 450 634	1 450 634	882 347	1 308 065	1 351 207	1 401 281
Operating Performance Surplus/(Deficit)			(68 678)	(179 855)	(178 562)	(316 836)	(317 292)	(317 292)	84 598	(161 003)	(176 429)	(178 498)
Cash and Cash Equivalents (30 June 2012)										57 354		
Revenue												
% Increase in Total Operating Revenue				7,8%	0,4%	7,8%	(0,3%)	0,0%	(14,7%)	1,2%	2,4%	4,1%
% Increase in Property Rates Revenue				20,4%	9,8%	5,5%	0,0%	0,0%	(35,1%)	84,6%	3,3%	3,2%
% 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				12,1%	(12,3%)	24,7%	0,0%	0,0%	(31,3%)	(0,2%)	3,3%	3,2%
Expenditure												
% Increase in Total Operating Expenditure			0,0%	17,9%	0,2%	17,9%	(0,2%)	0,0%	(39,2%)	(9,8%)	3,3%	3,7%
% Increase in Employee Costs			0,0%	13,9%	(0,6%)	16,3%	0,1%	0,0%	(21,5%)	(0,2%)	4,7%	5,1%
% Increase in Electricity Bulk Purchases			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Average Cost Per Budgeted Employee Position (Remuneration)			0	266965,0807	559923,7503	651137,4869	659816,1325	53350847,29	508369,0128	645856,2184	684499,6439	58558000,57
Average Cost Per Councillor (Remuneration)			0	0	451036,8888	468537,6232	0	468537,6232	369679,7948	471434,9855	0	498233,6957
R&M % of PPE			1,8%	1,7%	1,9%	2,6%	2,3%	2,3%	1,4%	1,4%	1,3%	1,3%
Asset Renewal and R&M as a % of PPE			2,0%	1,7%	2,1%	6,6%	7,2%	7,2%	6,0%	6,0%	4,9%	4,3%
Debt Impairment % of Total Billable Revenue			0,0%	84,5%	80,4%	79,2%	79,2%	79,2%	64,4%	68,7%	67,0%	65,3%
Capital Revenue												
Internally Funded & Other (R'000)			106	1 679	1 014	–	3 670	3 670	372	–	–	–
Borrowing (R'000)			–	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)			8 697	24 725	47 963	225 068	232 220	232 220	120 222	228 223	253 824	262 838
Internally Generated funds % of Non Grant Funding			100,0%	100,0%	100,0%	0,0%	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			98,8%	93,6%	97,9%	100,0%	98,4%	98,4%	99,7%	100,0%	100,0%	100,0%
Capital Expenditure												
Total Capital Programme (R'000)			8 803	26 404	48 976	225 068	235 890	235 890	120 594	228 223	253 824	262 838
Asset Renewal			5 712	1 684	3 264	140 968	171 849	171 849	–	160 980	126 800	110 000
Asset Renewal % of Total Capital Expenditure			64,9%	6,4%	6,7%	62,6%	72,9%	72,9%	0,0%	70,5%	50,0%	41,9%
Cash												
Cash Receipts % of Rate Payer & Other			89,6%	52,8%	(21,6%)	16,5%	16,5%	16,5%	18,3%	61,6%	63,2%	64,1%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Most recent Credit Rating										0		
Capital Charges to Operating			1,1%	0,9%	0,4%	0,9%	0,9%	0,9%	1,4%	0,2%	0,2%	0,2%
Borrowing Receipts % of Capital Expenditure			0,0%	(5,0%)	(9,3%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Reserves												
Uncommitted reserves after application of cash and investments			1 140 227	1 364 052	391 206	131 033	139 058	139 058	679 499	(145 848)	(130 902)	(101 016)
Free Services												
Free Basic Services as a % of Equitable Share			0,1%	0,0%	0,0%	2,7%	2,7%	2,7%	2,7%	2,7%	2,7%	2,6%
Free Services as a % of Operating Revenue (excl operational transfers)			0,5%	0,9%	0,9%	0,8%	0,8%	0,8%	1,4%	0,9%	0,9%	0,9%
High Level Outcome of Funding Compliance												
Total Operating Revenue			975 004	1 050 573	1 054 325	1 136 908	1 133 342	1 133 342	966 946	1 147 063	1 174 778	1 222 783
Total Operating Expenditure			1 043 682	1 230 428	1 232 888	1 453 744	1 450 634	1 450 634	882 347	1 308 065	1 351 207	1 401 281
Surplus/(Deficit) Budgeted Operating Statement			(68 678)	(179 855)	(178 562)	(316 836)	(317 292)	(317 292)	84 598	(161 003)	(176 429)	(178 498)
Surplus/(Deficit) Considering Reserves and Cash Backing			1 140 227	1 364 052	391 206	131 033	139 058	139 058	679 499	(145 848)	(130 902)	(101 016)
MTREF Funded (1) / Unfunded (0)		15	1	1	1	1	1	1	1	0	0	0
MTREF Funded ✓ / Unfunded ×		15	✓	✓	✓	✓	✓	✓	✓	×	×	×

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.

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.

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.

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.

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?

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.

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.

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

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

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.

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.

Asset renewal/rehabilitation expenditure level

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

2.7 Expenditure on grants and reconciliations of unspent funds

Table 38 MBRR SA19 - Expenditure on transfers and grant programmes

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE	1									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share		176	571 537	542 424	615 410	619 431	619 431	623 943	637 567	668 618
Energy Efficiency and Demand Side Management Grant		573	1 300	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		1 634	1 549	1 403	1 895	1 895	1 895	1 700	–	–
Local Government Financial Management Grant		1 769	1 940	1 165	2 000	2 000	2 000	2 100	2 200	2 300
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		–	5 785	5 085	7 000	7 437	7 437	8 466	8 228	8 498
Total Monetary Allocations		4 151	582 111	550 076	626 305	630 763	630 763	636 209	647 995	679 416
Total National Government		4 151	582 111	550 076	626 305	630 763	630 763	636 209	647 995	679 416
Provincial Government										
Monetary Allocations										
Capacity Building and Other Grants		–	–	–	–	–	–	1 211	1 211	1 265
Total Monetary Allocations		-	-	-	-	-	-	1 211	1 211	1 265
Total Provincial Government		-	-	-	-	-	-	1 211	1 211	1 265
Total operating expenditure of Transfers and Grants		4 151	582 111	550 076	626 305	630 763	630 763	636 209	647 995	679 416
Capital										
National Government										
Monetary Allocations										
Municipal Infrastructure Grant		4 747	11 491	47 963	175 068	180 575	180 575	175 980	197 474	203 958
Water Services Infrastructure Grant		3 950	13 233	0	50 000	51 644	51 644	52 243	56 350	58 880
Total Monetary Allocations		8 697	24 725	47 963	225 068	232 220	232 220	228 223	253 824	262 838
Total National Government		8 697	24 725	47 963	225 068	232 220	232 220	228 223	253 824	262 838
Total capital expenditure of Transfers and Grants		8 697	24 725	47 963	225 068	232 220	232 220	228 223	253 824	262 838
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		12 848	606 835	598 039	851 373	862 983	862 983	864 432	901 819	942 254

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Operating transfers and grants:	1,3									
Monetary Allocations										
Balance unspent at beginning of the year		(4,681)	(9,127)	(4,529)	–	–	–	–	–	–
Current year receipts		(12,005)	(9,979)	(3,124)	(10,895)	(11,332)	(11,332)	(12,266)	(10,428)	(10,798)
Repayment of grants		617	4,650	53	–	–	–	–	–	–
Conditions met - transferred to revenue		**(24,245)**	**(33,684)**	**(10,516)**	**(21,790)**	**(22,664)**	**(22,664)**	**(24,533)**	**(20,856)**	**(21,596)**
Conditions still to be met - transferred to liabilities		6,942	9,928	2,811	10,895	11,332	11,332	12,266	10,428	10,798
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		(1,149)	(1,200)	(1,000)	(1,158)	(1,158)	(1,158)	(1,211)	(1,211)	(1,265)
Conditions met - transferred to revenue		**(1,149)**	**(1,200)**	**(1,000)**	**(1,158)**	**(1,158)**	**(1,158)**	**(1,211)**	**(1,211)**	**(1,265)**
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		–	57	57	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	57	57	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		**(25,394)**	**(34,827)**	**(11,460)**	**(22,948)**	**(23,822)**	**(23,822)**	**(25,744)**	**(22,067)**	**(22,861)**
Total operating transfers and grants - CTBM	2	**6,942**	**9,928**	**2,811**	**10,895**	**11,332**	**11,332**	**12,266**	**10,428**	**10,798**
Capital transfers and grants:	1,3									
Monetary Allocations										
Balance unspent at beginning of the year		(6,423)	2,405	2,209	–	–	–	–	–	–
Current year receipts		(208,316)	(232,503)	(222,552)	(225,068)	(224,631)	(224,631)	(228,223)	(253,824)	(262,838)
Conditions met - transferred to revenue		**(431,883)**	**(462,404)**	**(435,959)**	**(450,136)**	**(456,850)**	**(456,850)**	**(456,445)**	**(507,648)**	**(525,676)**
Conditions still to be met - transferred to liabilities		217,144	232,306	215,615	225,068	232,220	232,220	228,223	253,824	262,838
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		(242)	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**(242)**	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		**(432,125)**	**(462,404)**	**(435,959)**	**(450,136)**	**(456,850)**	**(456,850)**	**(456,445)**	**(507,648)**	**(525,676)**
Total capital transfers and grants - CTBM	2	**217,144**	**232,306**	**215,615**	**225,068**	**232,220**	**232,220**	**228,223**	**253,824**	**262,838**
TOTAL TRANSFERS AND GRANTS REVENUE		**(457,518)**	**(497,231)**	**(447,418)**	**(473,084)**	**(480,673)**	**(480,673)**	**(482,189)**	**(529,715)**	**(548,537)**
TOTAL TRANSFERS AND GRANTS - CTBM		**224,086**	**242,234**	**218,426**	**235,963**	**243,552**	**243,552**	**240,489**	**264,252**	**273,636**

2.8 Councillor and employee benefits

Table 40 MBRR SA22 - Summary of councillor and staff benefits

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

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		21,687	22,647	23,040	23,864	23,864	23,864	25,033	25,868	26,393
Cell phone Allowance		3,017	3,126	3,173	3,204	3,204	3,204	2,881	2,970	3,065
Travelling Allowance		1,170	1,099	959	1,625	1,625	1,625	850	877	905
Use of Personal Facilities		–	–	–	–	–	–	–	–	–
Total Allowances and Service Related Benefits		25,874	26,872	27,172	28,693	28,693	28,693	28,765	29,715	30,363
Social Contributions										
Medial Aid Benefits		–	–	289	314	314	314	325	335	347
Pension Fund Contributions		–	–	3,209	3,322	3,322	3,322	3,439	3,552	3,668
Total Social Contributions		-	-	3,498	3,636	3,636	3,636	3,764	3,887	4,015
Total Councillors		25,874	26,872	30,671	32,329	32,329	32,329	32,529	33,602	34,378
% increase	4		3.9%	14.1%	5.4%	–	–	0.6%	3.3%	2.3%
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		3,731	3,967	2,958	9,950	9,950	9,950	9,016	9,475	9,959
Bonuses		98	118	238	281	281	281	–	–	–
Allowance										
Travel or Motor Vehicle	3	556	403	541	541	541	541	643	643	643
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		556	403	541	541	541	541	643	643	643
Service Related Benefits										
Acting	3	93	–	–	–	–	–	–	–	–
Total Service Related Benefits		93	-	-	-	-	-	-	-	-
Total Salaries and Allowances		4,478	4,488	3,737	10,771	10,771	10,771	9,659	10,118	10,602
Social Contributions										
Bargaining Council		0	0	0	1	1	1	1	1	1
Group Life Insurance		–	–	–	–	–	–	–	–	–
Medical		54	–	–	165	165	165	231	243	256
Pension		213	117	614	1,757	1,757	1,757	843	888	934
Unemployment Insurance		1	1	3	17	17	17	13	14	15
Total Social Contributions		267	118	617	1,940	1,940	1,940	1,089	1,146	1,206
Sub Total - Senior Managers of Municipality		4,745	4,606	4,354	12,711	12,711	12,711	10,748	11,264	11,808
% increase	4		(2.9%)	(5.5%)	191.9%	–	–	(15.4%)	4.8%	4.8%
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		181,806	204,435	213,589	245,997	245,247	245,247	250,778	263,247	277,555
Bonuses		12,509	12,334	6,136	353	353	353	196	206	217
Housing Benefits	3	631	763	853	901	901	901	944	994	1,046
Travel or Motor Vehicle	3	1,078	1,305	770	1,193	1,193	1,193	1,249	1,315	1,384
Voluntary Work										
Total Allowance		1,709	2,069	1,623	2,094	2,094	2,094	2,193	2,309	2,430
Service Related Benefits										
Acting	3	1,171	1,249	1,542	1,255	1,255	1,255	1,314	1,383	1,456
Bonus	3	–	3,787	8,841	17,851	17,851	17,851	19,265	20,277	21,341
Leave Pay	3	719	4,059	4,035	–	–	–	–	–	–
Lifeguard/Duty Squads										
Long Service Award		4,195	7,720	1,079	–	–	–	–	–	–
Overtime		20,210	20,182	18,552	18,420	19,526	19,526	10,240	9,462	8,777
Scarcity	3									
Standby Allowance	3	2,799	4,064	3,895	5,030	5,030	5,030	5,269	5,545	5,836
Total Service Related Benefits		29,094	41,062	37,944	42,556	43,662	43,662	36,088	36,668	37,410
Total Salaries and Allowances		225,118	259,899	259,292	291,000	291,356	291,356	289,255	302,430	317,613
Social Contributions										
Bargaining Council		77	83	86	93	92	92	96	102	107
Group Life Insurance										
Medical		15,403	16,707	17,688	21,559	21,559	21,559	22,555	23,739	24,985
Pension		36,841	40,193	38,132	46,436	46,436	46,436	48,641	51,195	53,883
Unemployment Insurance		1,230	1,272	1,283	1,303	1,302	1,302	1,364	1,436	1,511
Total Social Contributions		53,551	58,256	57,190	69,390	69,389	69,389	72,656	76,471	80,486
Sub Total - Other Municipal Staff		278,670	318,155	316,482	360,391	360,745	360,745	361,911	378,901	398,098
% increase	4		14.2%	(0.5%)	13.9%	0.1%	–	0.3%	4.7%	5.1%
Total Parent Municipality		309,289	349,633	351,507	405,431	405,785	405,785	405,188	423,767	444,284
Board Members of Entities										
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		309,289	349,633	351,507	405,431	405,785	405,785	405,188	423,767	444,284
% increase	4		13.0%	0.5%	15.3%	0.1%	–	(0.1%)	4.6%	4.8%
TOTAL MANAGERS AND STAFF	5,7	283,415	322,761	320,836	373,102	373,456	373,456	372,659	390,165	409,906

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

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

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		720,765	121,248	–			842,013
Chief Whip			704,606	115,977	–			820,583
Executive Mayor			903,253	154,204	–			1,057,457
Deputy Executive Mayor								–
Executive Committee			5,230,969	813,328				6,044,297
Total for all other councillors			17,473,431	2,559,615	3,731,618			23,764,664
Total Councillors	8	–	**25,033,024**	**3,764,372**	**3,731,618**			**32,529,014**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,605,250	180,506	265,158	–		2,050,914
Chief Finance Officer			1,521,659	220,278	216,158	–		1,958,095
SM					–			–
SM AO			–	–	–	–		–
SM D01			1,135,360					1,135,360
SM D02			1,261,068	2,226	158	–		1,263,452
SM D03			1,057,686	2,226	158	–		1,060,070
SM D04			1,298,398	–	158			1,298,556
SM D05			1,136,639	67,668	42,158	–		1,246,465
SM DCH			–	62,689	120,000	–		182,689
SM DCS			–	–	–	–		–
SM DPS			–	251,611	–	–		251,611
SM DTS			–	300,318	158	–		300,476
								–
List of each offical with packages >= senior manager								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	**9,016,060**	**1,087,522**	**644,106**	**–**		**10,747,688**
A Heading for Each Entity	6,7							
List each member of board by designation								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	**34,049,084**	**4,851,894**	**4,375,724**	**–**		**43,276,702**

Table 42 MBRR SA24 – Summary of personnel numbers

NW375 Moses Kotane - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2024/25			Current Year 2025/26			Budget Year 2026/27		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bear		68	–	68	69	–	69	69	–	69
Board Membe	4									
Municipal emp	5									
Municipal Mar	3	6	1	5	6	4	2	7	5	2
Other Manage	7	65	65	–	65	65	–	68	68	–
Professionals		*222*	*222*	–	*222*	*217*	*5*	*222*	*217*	*5*
Finance		148	148	–	148	143	5	148	143	5
Other		74	74	–	74	74	–	74	74	–
Technicians		*12*	*12*	–	*12*	*12*	–	*12*	*12*	–
Other		12	12	–	12	12	–	12	12	–
Clerks (Clerical and administrat		173	173	–	173	173	–	173	173	–
Elementary Occupations		95	95	–	95	95	–	95	95	–
TOTAL PERSOI	9	**641**	**568**	**73**	**642**	**566**	**76**	**646**	**570**	**76**
% increase					0.2%	(0.4%)	4.1%	0.6%	0.7%	–
Total municipa	6, 10	**641**	**568**	**73**	**642**	**566**	**76**	**646**	**570**	**76**
Finance perso	8, 10	–	–	–	–	–	–	–	–	–
Human Resou	8, 10									

2.9 Monthly targets for revenue, expenditure and cash flow

Table 43 MBRR SA25 - Budgeted monthly revenue and expenditure

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

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue																
Exchange Revenue																
Service charges - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Water		13 540	13 540	13 540	13 540	13 540	13 540	13 540	13 540	13 540	13 540	13 540	13 540	162 475	167 836	173 207
Service charges - Waste Water Management		446	446	446	446	446	446	446	446	446	446	446	446	5 356	5 533	5 700
Service charges - Waste Management		1 203	1 203	1 203	1 203	1 203	1 203	1 203	1 203	1 203	1 203	1 203	1 203	14 435	14 912	15 389
Sale of Goods and Rendering of Services		61	61	61	61	61	61	61	61	61	61	61	61	732	746	769
Agency services																
Interest																
Interest earned from Receivables		5 201	5 201	5 201	5 201	5 201	5 201	5 201	5 201	5 201	5 201	5 201	5 201	62 411	64 470	66 533
Interest earned from Current and Non Current Assets		731	731	731	731	731	731	731	731	731	731	731	731	8 774	8 839	9 060
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land																
Rental from Fixed Assets		3	3	3	3	3	3	3	3	3	3	3	3	31	31	32
Licence and permits		218	218	218	218	218	218	218	218	218	218	218	218	2 611	2 690	2 781
Special rating levies																
Construction Contract Revenue																
Development Charges																
Operational Revenue		186	186	186	186	186	186	186	186	186	186	186	186	2 232	2 306	2 379
Non-Exchange Revenue																
Property rates		17 386	17 386	17 386	17 386	17 386	17 386	17 386	17 386	17 386	17 386	17 386	17 386	208 630	215 518	222 418
Surcharges and Taxes																
Fines, penalties and forfeits		241	241	241	241	241	241	241	241	241	241	241	241	2 895	3 045	3 195
Licences or permits																
Transfer and subsidies - Operational		53 118	53 118	53 118	53 118	53 118	53 118	53 118	53 118	53 118	53 118	53 118	53 118	637 420	649 206	680 681
Interest		3 255	3 255	3 255	3 255	3 255	3 255	3 255	3 255	3 255	3 255	3 255	3 255	39 060	39 646	40 637
Fuel Levy																
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations																
Total Revenue (excluding capital transfers and contributions)		**95 589**	**95 589**	**95 589**	**95 589**	**95 589**	**95 589**	**95 589**	**95 589**	**95 589**	**95 589**	**95 589**	**95 589**	**1 147 063**	**1 174 778**	**1 222 783**
Expenditure																
Employee related costs		31 055	31 055	31 055	31 055	31 055	31 055	31 055	31 055	31 055	31 055	31 055	31 053	372 659	390 165	409 906
Remuneration of councillors		2 711	2 711	2 711	2 711	2 711	2 711	2 711	2 711	2 711	2 711	2 711	2 711	32 529	33 602	34 378
Bulk purchases - electricity		3 767	3 767	3 767	3 767	3 767	3 767	3 767	3 767	3 767	3 767	3 767	3 767	45 205	46 796	49 389
Inventory consumed		14 837	14 837	14 837	14 837	14 837	14 837	14 837	14 837	14 837	14 837	14 837	14 837	178 042	186 437	194 279
Debt impairment		22 373	22 373	22 373	22 373	22 373	22 373	22 373	22 373	22 373	22 373	22 373	22 373	268 472	270 468	272 314
Depreciation, amortisation and impairment		14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	170 540	184 183	202 601
Interest, Dividends and Rent on Land		205	205	205	205	205	205	205	205	205	205	205	205	2 458	2 487	2 498
Contracted services		11 344	11 344	11 344	11 344	11 344	11 344	11 344	11 344	11 344	11 344	11 344	11 344	136 126	134 658	132 368
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		244	244	244	244	244	244	244	244	244	244	244	244	2 929	2 987	3 032
Operational costs		8 259	8 259	8 259	8 259	8 259	8 259	8 259	8 259	8 259	8 259	8 259	8 258	99 106	99 423	100 514
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 002**	**1 308 065**	**1 351 207**	**1 401 281**
Surplus/(Deficit)		**(13 417)**	**(13 417)**	**(13 417)**	**(13 417)**	**(13 417)**	**(13 417)**	**(13 417)**	**(13 417)**	**(13 417)**	**(13 417)**	**(13 417)**	**(13 414)**	**(161 003)**	**(176 429)**	**(178 498)**
Transfers and subsidies - capital (monetary allocations)		19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	228 223	253 824	262 838
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 605**	**67 220**	**77 395**	**84 340**
Income Tax																
Surplus/(Deficit) after income tax		**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 605**	**67 220**	**77 395**	**84 340**
Share of Surplus/Deficit attributable to Joint Venture																
Share of Surplus/Deficit attributable to Minorities																
Surplus/(Deficit) attributable to municipality		**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 605**	**67 220**	**77 395**	**84 340**
Share of Surplus/Deficit attributable to Associate																
Intercompany/Parent subsidiary transactions																
Surplus/(Deficit) for the year	1	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 605**	**67 220**	**77 395**	**84 340**

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 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote																
Vote 01 - Municipal Council		6 427	6 427	6 427	6 427	6 427	6 427	6 427	6 427	6 427	6 427	6 427	6 428	77 130	77 077	80 831
Vote 02 - Office Of The Accounting Officer		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 03 - Budget And Treasury Office		51 092	51 092	51 092	51 092	51 092	51 092	51 092	51 092	51 092	51 092	51 092	51 092	613 100	629 194	653 955
Vote 04 - Corporate Services		56	56	56	56	56	56	56	56	56	56	56	56	672	694	717
Vote 05 - Community Services		11 326	11 326	11 326	11 326	11 326	11 326	11 326	11 326	11 326	11 326	11 326	11 326	135 912	145 298	175 175
Vote 06 - Planning & Development		14	14	14	14	14	14	14	14	14	14	14	14	169	170	191
Vote 07 - Infrastructure & Technical Services		45 692	45 692	45 692	45 692	45 692	45 692	45 692	45 692	45 692	45 692	45 692	45 692	548 303	576 169	574 753
Vote 08 -																
Vote 09 -																
Vote 10 -																
Vote 11 -																
Vote 12 -																
Vote 13 -																
Vote 14 -																
Vote 15 - Other																
Total Revenue by Vote		**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**1 375 285**	**1 428 602**	**1 485 620**
Expenditure by Vote to be appropriated																
Vote 01 - Municipal Council		6 846	6 846	6 846	6 846	6 846	6 846	6 846	6 846	6 846	6 846	6 846	6 846	82 151	82 737	84 826
Vote 02 - Office Of The Accounting Officer		2 630	2 630	2 630	2 630	2 630	2 630	2 630	2 630	2 630	2 630	2 630	2 630	31 558	32 460	33 614
Vote 03 - Budget And Treasury Office		15 588	15 588	15 588	15 588	15 588	15 588	15 588	15 588	15 588	15 588	15 588	15 588	187 055	188 060	192 564
Vote 04 - Corporate Services		8 484	8 484	8 484	8 484	8 484	8 484	8 484	8 484	8 484	8 484	8 484	8 484	101 812	104 442	108 272
Vote 05 - Community Services		16 484	16 484	16 484	16 484	16 484	16 484	16 484	16 484	16 484	16 484	16 484	16 484	197 810	207 537	214 067
Vote 06 - Planning & Development		3 859	3 859	3 859	3 859	3 859	3 859	3 859	3 859	3 859	3 859	3 859	3 858	46 306	46 699	48 446
Vote 07 - Infrastructure & Technical Services		55 114	55 114	55 114	55 114	55 114	55 114	55 114	55 114	55 114	55 114	55 114	55 114	661 373	689 273	719 493
Vote 08 -																
Vote 09 -																
Vote 10 -																
Vote 11 -																
Vote 12 -																
Vote 13 -																
Vote 14 -																
Vote 15 - Other																
Total Expenditure by Vote		**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 002**	**1 308 065**	**1 351 207**	**1 401 281**
Surplus/(Deficit) before assoc.		**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 605**	**67 220**	**77 395**	**84 340**
Income Tax																
Share of Surplus/Deficit attributable to Minorities																
Intercompany/Parent subsidiary transactions																
Surplus/(Deficit)	1	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 605**	**67 220**	**77 395**	**84 340**

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 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional																
Governance and administration		57 575	57 575	57 575	57 575	57 575	57 575	57 575	57 575	57 575	57 575	57 575	57 575	690 902	706 965	735 502
Executive and council		6 427	6 427	6 427	6 427	6 427	6 427	6 427	6 427	6 427	6 427	6 427	6 428	77 130	77 077	80 831
Finance and administration		51 148	51 148	51 148	51 148	51 148	51 148	51 148	51 148	51 148	51 148	51 148	51 148	613 772	629 888	654 671
Internal audit																
Community and public safety		1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	23 972	30 753	55 300
Community and social services		105	105	105	105	105	105	105	105	105	105	105	105	1 266	1 267	1 323
Sport and recreation		1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	17 200	23 750	48 000
Public safety		459	459	459	459	459	459	459	459	459	459	459	459	5 507	5 735	5 977
Housing																
Health																
Economic and environmental services		11 201	11 201	11 201	11 201	11 201	11 201	11 201	11 201	11 201	11 201	11 201	11 201	134 415	109 448	67 689
Planning and development		720	720	720	720	720	720	720	720	720	720	720	720	8 635	8 398	8 689
Road transport		10 482	10 482	10 482	10 482	10 482	10 482	10 482	10 482	10 482	10 482	10 482	10 482	125 780	101 050	59 000
Environmental protection																
Trading services		43 833	43 833	43 833	43 833	43 833	43 833	43 833	43 833	43 833	43 833	43 833	43 833	525 996	581 436	627 129
Energy sources		167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 674	4 823
Water management		31 631	31 631	31 631	31 631	31 631	31 631	31 631	31 631	31 631	31 631	31 631	31 631	379 577	430 968	467 665
Waste water management		2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707	32 480	33 249	34 766
Waste management		9 328	9 328	9 328	9 328	9 328	9 328	9 328	9 328	9 328	9 328	9 328	9 328	111 940	114 545	119 875
Other																
Total Revenue - Functional		**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**114 607**	**1 375 285**	**1 428 602**	**1 485 620**
Expenditure - Functional																
Governance and administration		34 420	34 420	34 420	34 420	34 420	34 420	34 420	34 420	34 420	34 420	34 420	34 418	413 035	418 880	431 489
Executive and council		8 317	8 317	8 317	8 317	8 317	8 317	8 317	8 317	8 317	8 317	8 317	8 317	99 805	101 056	103 679
Finance and administration		25 487	25 487	25 487	25 487	25 487	25 487	25 487	25 487	25 487	25 487	25 487	25 486	305 844	310 538	320 255
Internal audit		616	616	616	616	616	616	616	616	616	616	616	615	7 386	7 287	7 556
Community and public safety		10 257	10 257	10 257	10 257	10 257	10 257	10 257	10 257	10 257	10 257	10 257	10 257	123 086	129 861	136 007
Community and social services		2 710	2 710	2 710	2 710	2 710	2 710	2 710	2 710	2 710	2 710	2 710	2 710	32 518	34 408	36 721
Sport and recreation		3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	44 038	48 029	50 957
Public safety		3 877	3 877	3 877	3 877	3 877	3 877	3 877	3 877	3 877	3 877	3 877	3 877	46 530	47 424	48 329
Housing																
Health																
Economic and environmental services		9 495	9 495	9 495	9 495	9 495	9 495	9 495	9 495	9 495	9 495	9 495	9 495	113 940	118 089	125 491
Planning and development		4 473	4 473	4 473	4 473	4 473	4 473	4 473	4 473	4 473	4 473	4 473	4 472	53 672	53 809	55 715
Road transport		5 022	5 022	5 022	5 022	5 022	5 022	5 022	5 022	5 022	5 022	5 022	5 022	60 268	64 279	69 776
Environmental protection																
Trading services		54 557	54 557	54 557	54 557	54 557	54 557	54 557	54 557	54 557	54 557	54 557	54 557	654 689	680 887	704 621
Energy sources		5 184	5 184	5 184	5 184	5 184	5 184	5 184	5 184	5 184	5 184	5 184	5 184	62 213	64 537	67 973
Water management		40 896	40 896	40 896	40 896	40 896	40 896	40 896	40 896	40 896	40 896	40 896	40 896	490 757	510 868	530 086
Waste water management		2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 820	33 846	35 238	36 721
Waste management		5 656	5 656	5 656	5 656	5 656	5 656	5 656	5 656	5 656	5 656	5 656	5 656	67 872	70 245	69 840
Other		276	276	276	276	276	276	276	276	276	276	276	276	3 316	3 490	3 672
Total Expenditure - Functional		**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 006**	**109 002**	**1 308 065**	**1 351 207**	**1 401 281**
Surplus/(Deficit) before assoc.		**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 605**	**67 220**	**77 395**	**84 340**
Intercompany/Parent subsidiary transactions																
Surplus/(Deficit)	1	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 601**	**5 605**	**67 220**	**77 395**	**84 340**

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 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Multi-year expe	1															
Vote 01 - Municipal Council		–	–	–	–	–	–	–	–	–	–	–				
Vote 02 - Office Of The Account		–	–	–	–	–	–	–	–	–	–	–				
Vote 03 - Budget And Treasury		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 04 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 05 - Community Services		1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	17,200	23,750	48,000
Vote 06 - Planning & Developm		–	–	–	–	–	–	–	–	–	–	–				
Vote 07 - Infrastructure & Techi		17,585	17,585	17,585	17,585	17,585	17,585	17,585	17,585	17,585	17,585	17,585	17,585	211,023	228,074	196,838
Capital multi-y	2	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,018**	**228,223**	**251,824**	**244,838**
Single-year expenditure ***to be appropriated***																
Vote 01 - Municipal Council		–	–	–	–	–	–	–	–	–	–	–				
Vote 02 - Office Of The Account		–	–	–	–	–	–	–	–	–	–	–				
Vote 03 - Budget And Treasury		–	–	–	–	–	–	–	–	–	–	–				
Vote 04 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–				
Vote 05 - Community Services		–	–	–	–	–	–	–	–	–	–	–				
Vote 06 - Planning & Developm		–	–	–	–	–	–	–	–	–	–	–				
Vote 07 - Infrastructure & Techi		–	–	–	–	–	–	–	–	–	–	–	–	–	2,000	18,000
Capital single-	2	–	–	–	–	–	–	–	–	–	–	–	–	–	**2,000**	**18,000**
Total Capital Expenditure	2	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,018**	**228,223**	**253,824**	**262,838**

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 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional	1															
Governance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internal audit																
Community and public safety		1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	15,200	16,750	26,000
Community and social services		1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	15,200	14,750	20,000
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	2,000	6,000
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing																
Health																
Economic and environmental services		10,482	10,482	10,482	10,482	10,482	10,482	10,482	10,482	10,482	10,482	10,482	10,482	125,780	101,050	59,000
Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Road transport		10,482	10,482	10,482	10,482	10,482	10,482	10,482	10,482	10,482	10,482	10,482	10,482	125,780	101,050	59,000
Environmental protection																
Trading services		7,270	7,270	7,270	7,270	7,270	7,270	7,270	7,270	7,270	7,270	7,270	7,270	87,243	136,024	177,838
Energy sources		167	167	167	167	167	167	167	167	167	167	167	167	2,000	2,674	4,823
Water management		4,854	4,854	4,854	4,854	4,854	4,854	4,854	4,854	4,854	4,854	4,854	4,854	58,243	101,303	142,014
Waste water management		2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000	25,047	9,000
Waste management		167	167	167	167	167	167	167	167	167	167	167	167	2,000	7,000	22,000
Other																
Total Capital Expenditure - Functional	2	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,018**	**228,223**	**253,824**	**262,838**
Funded by:																
National Government		19,019	19,019	19,019	19,019	19,019	19,019	19,019	19,019	19,019	19,019	19,019	19,018	228,223	253,824	262,838
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality																
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,018**	**228,223**	**253,824**	**262,838**
Borrowing																
Internally generated funds		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Funding		**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	**19,019**	19,019	19,018	228,223	253,824	262,838

Table 48 MBRR SA30 - Budgeted monthly cash flow

NW375 Moses Kotane - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source													1		
Property rates	10 431	10 431	10 431	10 431	10 431	10 431	10 431	10 431	10 431	10 431	10 431	10 432	125 178	133 621	137 899
Service charges - electricity revenue															
Service charges - water revenue	6 068	6 068	6 068	6 068	6 068	6 068	6 068	6 068	6 068	6 068	6 068	6 068	72 812	75 215	81 086
Service charges - sanitation revenue	214	214	214	214	214	214	214	214	214	214	214	214	2 571	2 656	2 727
Service charges - refuse revenue	429	429	429	429	429	429	429	429	429	429	429	429	5 144	5 314	5 484
Rental of facilities and equipment	3	3	3	3	3	3	3	3	3	3	3	3	31	31	32
Interest earned - external investments	731	731	731	731	731	731	731	731	731	731	731	731	8 774	8 995	9 061
Interest earned - outstanding debtors	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	30 355	33 247	37 333
Dividends received															
Fines, penalties and forfeits	24	24	24	24	24	24	24	24	24	24	24	24	290	305	320
Licences and permits	218	218	218	218	218	218	218	218	218	218	218	218	2 611	2 690	2 781
Agency services															
Transfers and Subsidies - Operational	53 118	53 118	53 118	53 118	53 118	53 118	53 118	53 118	53 118	53 118	53 118	53 118	637 420	649 206	680 681
Other revenue	247	247	247	247	247	247	247	247	247	247	247	247	2 964	3 051	3 135
Cash Receipts by Source	**74 012**	**74 012**	**74 012**	**74 012**	**74 012**	**74 012**	**74 012**	**74 012**	**74 012**	**74 012**	**74 012**	**74 013**	**888 150**	**914 330**	**960 538**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	228 223	253 824	262 838
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)	2 866	2 866	2 866	2 866	2 866	2 866	2 866	2 866	2 866	2 866	2 866	2 866	34 397	38 074	39 426
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital															
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments															
Total Cash Receipts by Source	**95 897**	**95 897**	**95 897**	**95 897**	**95 897**	**95 897**	**95 897**	**95 897**	**95 897**	**95 897**	**95 897**	**95 898**	**1 150 769**	**1 206 227**	**1 262 801**
Cash Payments by Type															
Employee related costs	31 055	31 055	31 055	31 055	31 055	31 055	31 055	31 055	31 055	31 055	31 055	31 053	372 659	390 165	409 906
Remuneration of councillors	2 711	2 711	2 711	2 711	2 711	2 711	2 711	2 711	2 711	2 711	2 711	2 711	32 529	33 602	34 378
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - Electricity	3 767	3 767	3 767	3 767	3 767	3 767	3 767	3 767	3 767	3 767	3 767	3 767	45 205	46 796	49 389
Acquisition inventory - water and other inventory	13 581	13 581	13 581	13 581	13 581	13 581	13 581	13 581	13 581	13 581	13 581	13 581	162 974	171 123	179 591
Contracted services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other municipalities															
Transfers and subsidies - other															
Other expenditure	25 230	25 230	25 230	25 230	25 230	25 230	25 230	25 230	25 230	25 230	25 230	25 229	302 758	301 883	300 069
Cash Payments by Type	**76 344**	**76 344**	**76 344**	**76 344**	**76 344**	**76 344**	**76 344**	**76 344**	**76 344**	**76 344**	**76 344**	**76 341**	**916 125**	**943 569**	**973 333**
Other Cash Flows/Payments by Type															
Capital assets	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 019	19 018	228 223	253 824	262 838
Retention (Capital)															
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**95 363**	**95 363**	**95 363**	**95 363**	**95 363**	**95 363**	**95 363**	**95 363**	**95 363**	**95 363**	**95 363**	**95 359**	**1 144 348**	**1 197 393**	**1 236 171**
NET INCREASE/(DECREASE) IN CASH HELD	**535**	**535**	**535**	**535**	**535**	**535**	**535**	**535**	**535**	**535**	**535**	**538**	**6 422**	**8 834**	**26 631**
Cash/cash equivalents at the month/year begin:	50 932	51 467	52 002	52 537	53 072	53 607	54 141	54 676	55 211	55 746	56 281	56 816	50 932	57 354	66 188
Cash/cash equivalents at the month/year end:	51 467	52 002	52 537	53 072	53 607	54 141	54 676	55 211	55 746	56 281	56 816	57 354	57 354	66 188	92 819

2.10 Annual budgets and SDBIPs – internal

2.10.1 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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	178 981	190 319	130 832	198 188	198 188	198 188	140 635	162 475	167 836	173 207
Service charges - Waste Water Management	2	3 864	4 786	4 879	5 180	5 180	5 180	3 710	5 356	5 533	5 700
Service charges - Waste Management	2	11 817	12 864	13 292	14 109	14 109	14 109	11 513	14 435	14 912	15 389
Sale of Goods and Rendering of Services	2	761	793	722	1 418	1 418	1 418	839	732	746	769
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	71 462	49 267	59 933	60 358	60 358	60 358	23 623	62 411	64 470	66 533
Interest earned from Current and Non Current Assets	2	9 745	13 500	13 235	13 097	8 727	8 727	7 362	8 774	8 839	9 060
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	152	99	25	101	31	31	38	31	31	32
Licence and permits	2	336	3 128	2 588	3 328	3 328	3 328	1 651	2 611	2 690	2 781
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	1 014	2 058	3 193	2 014	2 014	2 014	1 552	2 232	2 306	2 379
Non-Exchange Revenue											
Property rates	2	124 807	150 272	165 035	174 056	174 056	174 056	113 011	208 630	215 518	222 418
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	1 028	1 759	1 826	1 899	1 899	1 899	2 759	2 895	3 045	3 195
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	537 931	584 689	610 284	627 463	628 337	628 337	623 004	637 420	649 206	680 681
Interest	2	32 268	35 103	36 388	35 698	35 698	35 698	36 996	39 060	39 646	40 637
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	838	1 928	11 863	-	-	-	253	-	-	-
Other Gains	2	0	8	232	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**975 004**	**1 050 573**	**1 054 325**	**1 136 908**	**1 133 342**	**1 133 342**	**966 946**	**1 147 063**	**1 174 778**	**1 222 783**
Expenditure											
Employee related costs	2	283 415	322 761	320 836	373 102	373 456	373 456	293 329	372 659	390 165	409 906
Remuneration of councillors	2	25 874	26 872	30 671	32 329	32 329	32 329	25 508	32 529	33 602	34 378
Bulk purchases - electricity	2	33 007	41 906	36 173	46 620	46 620	46 620	30 687	45 205	46 796	49 389
Inventory consumed	2,8	144 039	168 683	158 024	189 153	189 153	189 153	18 603	178 042	186 437	194 279
Debt impairment	2,3	-	302 703	252 411	309 909	309 909	309 909	173 225	268 472	270 468	272 314
Depreciation, amortisation and impairment	2	132 550	121 308	135 999	186 561	186 561	186 561	117 697	170 540	184 183	202 601
Interest, Dividends and Rent on Land	2	5 619	6 434	4 616	2 597	2 597	2 597	571	2 458	2 487	2 498
Contracted services	2	136 096	145 069	165 960	204 518	195 035	195 035	149 321	136 126	134 658	132 368
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	147 426	8 010	1 641	-	2 340	2 340	2 017	2 929	2 987	3 032
Operational costs	2	116 715	81 826	112 564	108 955	112 633	112 633	70 403	99 106	99 423	100 514
Disposal of Fixed and Intangible Assets	2	18 942	4 852	13 469	-	-	-	422	-	-	-
Other Losses	2	-	3	525	-	-	-	566	-	-	-
Total Expenditure		**1 043 682**	**1 230 428**	**1 232 888**	**1 453 744**	**1 450 634**	**1 450 634**	**882 347**	**1 308 065**	**1 351 207**	**1 401 281**
Surplus/(Deficit)		**(68 678)**	**(179 855)**	**(178 562)**	**(316 836)**	**(317 292)**	**(317 292)**	**84 598**	**(161 003)**	**(176 429)**	**(178 498)**
Transfers and subsidies - capital (monetary allocations)	6	217 386	232 306	215 615	225 068	232 220	232 220	133 670	228 223	253 824	262 838
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**148 708**	**52 451**	**37 053**	**(91 768)**	**(85 072)**	**(85 072)**	**218 268**	**67 220**	**77 395**	**84 340**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**148 708**	**52 451**	**37 053**	**(91 768)**	**(85 072)**	**(85 072)**	**218 268**	**67 220**	**77 395**	**84 340**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**148 708**	**52 451**	**37 053**	**(91 768)**	**(85 072)**	**(85 072)**	**218 268**	**67 220**	**77 395**	**84 340**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**148 708**	**52 451**	**37 053**	**(91 768)**	**(85 072)**	**(85 072)**	**218 268**	**67 220**	**77 395**	**84 340**

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 2026/27 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 2026/27 financial year is R162.4 million and increases to R167.8 million in 2027/28. Water revenue has been informed by a collection rate of 43 per cent.

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

The municipality does not have contracts beyond MTREF

2.12 Capital expenditure details

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

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

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**3 092**	**24 478**	**44 699**	**84 100**	**60 370**	**60 370**	**67 243**	**127 024**	**152 838**
Roads Infrastructure		–	–	–	1 500	3 000	3 000	4 000	10 000	13 000
Roads		–	–	–	1 500	3 000	3 000	4 000	10 000	13 000
Storm water Infrastructure		–	–	–	–	1 550	1 550	1 000	–	–
Drainage Collection		–	–	–	–	1 550	1 550	1 000	–	–
Electrical Infrastructure		–	–	–	7 000	14 562	14 562	2 000	2 674	4 823
LV Networks		–	–	–	7 000	14 562	14 562	2 000	2 674	4 823
Capital Spares										
Water Supply Infrastructure		3 950	25 474	42 171	63 600	37 910	37 910	43 243	82 303	110 014
Reservoirs		–	–	–	–	–	–	4 000	11 000	15 000
Water Treatment Works		–	–	23 598	–	735	735	–	3 000	27 000
Bulk Mains		–	11 074	–	9 000	15 096	15 096	3 000	–	–
Distribution		3 950	14 400	18 573	39 600	19 678	19 678	32 243	53 303	43 957
Distribution Points		–	–	–	15 000	2 400	2 400	4 000	15 000	24 058
Sanitation Infrastructure		–	–	–	10 000	3 349	3 349	15 000	25 047	3 000
Reticulation		–	–	–	–	–	–	–	–	3 000
Waste Water Treatment Works		–	–	–	10 000	3 349	3 349	15 000	25 047	–
Solid Waste Infrastructure		(859)	(996)	2 527	2 000	–	–	2 000	7 000	22 000
Landfill Sites		(859)	(996)	2 527	2 000	–	–	2 000	7 000	22 000
Community Assets		**–**	**–**	**–**	**–**	**100**	**100**	**–**	**–**	**–**
Community Facilities		–	–	–	–	100	100	–	–	–
Capital Spares		–	–	–	–	100	100	–	–	–
Furniture and Office Equipment		–	187	678	–	1 200	1 200	–	–	–
Furniture and Office Equipment		–	187	678	–	1 200	1 200	–	–	–
Machinery and Equipment		–	55	–	–	2 370	2 370	–	–	–
Machinery and Equipment		–	55	–	–	2 370	2 370	–	–	–
Transport Assets		–	–	336	–	–	–	–	–	–
Transport Assets		–	–	336	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	**3 092**	**24 720**	**45 712**	**84 100**	**64 040**	**64 040**	**67 243**	**127 024**	**152 838**

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

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**–**	**–**	**–**	**15 000**	**26 000**	**26 000**	**41 471**	**20 000**	**3 000**
Roads Infrastructure		–	–	–	15 000	26 000	26 000	41 471	20 000	–
Roads		–	–	–	15 000	26 000	26 000	37 471	20 000	–
Road Structures		–	–	–	–	–	–	2 000	–	–
Road Furniture		–	–	–	–	–	–	2 000	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	3 000
Pump Station										
Reticulation		–	–	–	–	–	–	–	–	3 000
Community Assets		**2 816**	**1 438**	**–**	**4 468**	**–**	**–**	**4 000**	**15 000**	**17 000**
Community Facilities		2 816	1 438	–	4 468	–	–	4 000	15 000	17 000
Halls		2 816	–	–	–	–	–	–	–	–
Testing Stations		–	1 438	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	4 468	–	–	4 000	15 000	17 000
Other assets		**–**	**–**	**–**	**2 000**	**–**	**–**	**3 200**	**14 750**	**20 000**
Operational Buildings		–	–	–	2 000	–	–	3 200	14 750	20 000
Training Centres		–	–	–	2 000	–	–	3 200	14 750	20 000
Intangible Assets		106	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		106	–	–	–	–	–	–	–	–
Computer Software and Applications		106	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing asset	1	**2 922**	**1 438**	**–**	**21 468**	**26 000**	**26 000**	**48 671**	**49 750**	**40 000**

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

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		**2 790**	**246**	**3 264**	**105 500**	**133 849**	**133 849**	**100 308**	**75 050**	**64 000**
Roads Infrastructure		2 790	246	3 264	68 500	104 954	104 954	79 308	71 050	46 000
Roads		2 790	246	3 264	68 500	87 954	87 954	49 193	59 800	46 000
Road Furniture		–	–	–	–	17 000	17 000	30 115	11 250	–
Water Supply Infrastructure		–	–	–	20 000	12 395	12 395	11 000	4 000	15 000
Bulk Mains		–	–	–	20 000	12 395	12 395	11 000	4 000	15 000
Sanitation Infrastructure		–	–	–	17 000	16 500	16 500	10 000	–	3 000
Reticulation		–	–	–	–	–	–	–	–	3 000
Waste Water Treatment Works		–	–	–	17 000	16 500	16 500	10 000	–	–
Community Assets		**–**	**–**	**–**	**14 000**	**12 000**	**12 000**	**12 000**	**2 000**	**6 000**
Community Facilities		–	–	–	14 000	12 000	12 000	12 000	–	–
Cemeteries/Crematoria		–	–	–	14 000	12 000	12 000	12 000	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	2 000	6 000
Indoor Facilities										
Outdoor Facilities		–	–	–	–	–	–	–	2 000	6 000
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	**2 790**	**246**	**3 264**	**119 500**	**145 849**	**145 849**	**112 308**	**77 050**	**70 000**
Upgrading of Existing Assets as % of total capex		*31.7%*	*0.9%*	*6.7%*	*53.1%*	*61.8%*	*61.8%*	*49.2%*	*30.4%*	*26.6%*
Upgrading of Existing Assets as % of deprecn"		*2.1%*	*0.2%*	*2.4%*	*64.1%*	*78.2%*	*78.2%*	*65.9%*	*41.8%*	*34.6%*

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

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

Vote Description	Ref	2026/27 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Present value
Capital expenditure	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		17,200	23,750	48,000				
Vote 06 - Planning & Development		–	–	–				
Vote 07 - Infrastructure & Technical Services		211,023	230,074	214,838				
Vote 08 -		–	–	–				
Vote 09 -		–	–	–				
Vote 10 -		–	–	–				
Vote 11 -		–	–	–				
Vote 12 -		–	–	–				
Vote 13 -		–	–	–				
Vote 14 -		–	–	–				
Vote 15 - Other		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**228,223**	**253,824**	**262,838**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 01 - Municipal Council								
Vote 02 - Office Of The Accounting Officer								
Vote 03 - Budget And Treasury Office								
Vote 04 - Corporate Services								
Vote 05 - Community Services								
Vote 06 - Planning & Development								
Vote 07 - Infrastructure & Technical Services								
Vote 08 -								
Vote 09 -								
Vote 10 -								
Vote 11 -								
Vote 12 -								
Vote 13 -								
Vote 14 -								
Vote 15 - Other								
List entity summary if applicable								
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Exchange Revenue		76,790	79,082	81,554				
Service charges - Electricity		–	–	–				
Service charges - Water		162,475	167,836	173,207				
Service charges - Waste Water Management		5,356	5,533	5,700				
Service charges - Waste Management		14,435	14,912	15,389				
Agency services								
List other revenues sources if applicable		1,116,229	1,161,240	1,205,170				
List entity summary if applicable								
Total future revenue		1,375,285	1,428,602	1,481,020	–	–	–	–
Net Financial Implications		**(1,147,063)**	**(1,174,778)**	**(1,218,183)**	**–**	**–**	**–**	**–**

Table 55 MBRR SA36 - Detailed capital budget per municipal vote

NW375 Moses Kotane - Detailed Capital Budget

Project Description	2022/23 Audited Outcome	2023/24 Audited Outcome	2024/25 Audited Outcome	Current Year 2025/26 Original Budget	Current Year 2025/26 Adjusted Budget	Current Year 2025/26 Full Year Forecast	2026/27 Medium Term Revenue & Expenditure Framework Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Refurbishment Of Tlokweng Cemetery	0	0	0	14000000	12 000	–	12 000	–	–
Vehicle Clamping Machine	0	0	0	0	100	–	–	–	–
Design Of Disaster Management Centre	0	0	0	2000000	–	–	3 200	14 750	20 000
Office Equipment_Mogwase	678068.98	0	0	0	1 200	–	–	–	–
New Transport Assets For Libraries	335591.49	0	0	0	–	–	–	–	–
Speed Trap Machine	0	0	0	0	370	–	–	–	–
rush Cutters And Lawn Mowers_Mogwas	0	0	0	0	500	–	–	–	–
Upgrade Of Mabeskraal Sports Facility	0	0	0	0	–	–	–	1 000	3 000
Upgrade Of Pella Sports Facility	0	0	0	0	–	–	–	1 000	3 000
Construct Of Tlokweng Internal Roads P2	0	0	0	0	8 000	–	15 000	20 000	–
Rehabilation Of Welverdient Inter Roads	0	0	0	15000000	18 000	–	22 471	–	–
hab Bridges-Maskoloane-Lerome&Motlha	0	0	0	0	–	–	2 000	–	–
ehab Mogwase & Madikwe Internal Road	0	0	0	0	–	–	2 000	–	–
Goede And Losmy Internal R And S Wate	0	0	0	18000000	18 000	–	16 044	5 800	–
Internal Roads_Moruleng	0	0	0	1500000	3 000	–	4 000	12 000	16 000
Internal Roads_Tlokweng	0	0	0	15000000	25 000	–	9 595	–	–
abes Int Roads And Storm Water W23&2	0	0	0	2000000	3 000	–	4 000	15 000	15 000
Oudekkers Roads	3263715.66	0	0	0	–	–	–	–	–
Rehabilitation Of Kraalhoek Inter Roads	0	0	0	17000000	16 555	–	4 000	12 000	–
Rehabilitation Of Mogwase Internal Road	0	0	0	15000000	22 281	–	11 555	–	–
Roads Infra - Iu C: Acquisition	0	0	0	0	118	–	–	–	–
g Of Storm Water Manag Goe Non And L	0	0	0	0	–	–	–	15 000	15 000
ede Losmy Nonce Roads & Storm Water	0	0	0	0	9 000	–	16 641	11 250	–
Rehabilitation - Mogwase Intern Roads P	0	0	0	0	8 000	–	13 474	–	–
Constructio Of Internal Roads - Welgeva	0	0	0	1500000	3 000	–	4 000	10 000	13 000
onstruction Of Storm-Water Mgt -Obaker	0	0	0	0	–	–	1 000	–	–
Storm Wa Infra - Iu C: Acquisition	0	0	0	0	1 550	–	–	–	–
Concrete Stone Cutter Machine	0	0	0	0	500	–	–	–	–
Walk Behind Roller Potholes Patching	0	0	0	0	1 000	–	–	–	–
Rural Sanitation-Supply Ins - Letlhakane	0	0	0	0	–	–	–	–	3 000
Rural Sanitation-Supply Ins -Maskoloan	0	0	0	0	–	–	–	–	3 000
efurb Of Mogwase Waste Water Treat Wo	0	0	0	17000000	16 500	–	10 000	–	–
Rural Sanitation-Supply Ins -Khayakhul	0	0	0	0	–	–	–	–	3 000
Upgrading Of Madikwe Sewer Network	0	0	0	10000000	3 349	–	15 000	25 047	–
Landfill Rehab_Madikwe	0	0	0	0	–	–	1 000	5 000	14 000
Madikwe Land Fill Rehabilitation	1350317	-1169595	412331	2000000	–	–	–	–	–
Ppe Co: Inf Waste Man - Acquistions	1177086	173943	-1270871	0	–	–	1 000	2 000	8 000
Energizing Of Hml And Cumm Halls	0	0	0	7000000	14 562	–	2 000	2 674	4 823
epairs & Refurb Water&W-Water Infrastr	0	0	0	0	–	–	2 000	–	–
Replacement Of Mogwase Asbestos P1	0	0	0	20000000	2 895	–	1 000	4 000	15 000
eplacement Of Mogwase Asbestos Pipe P	0	0	0	0	9 500	–	8 000	–	–
onstruction Balacing Tank W8 - Ngwedir	0	0	0	0	–	–	2 000	6 000	8 000
Construction Of A Resevior In Bojating	0	0	0	0	–	–	2 000	5 000	7 000
Debrak Water Supply	0	0	0	0	–	–	–	1 000	9 000
Koffiekraal Water Supply	0	0	0	0	–	–	–	1 000	9 000
anamakgoteng Water Retic Leagajang E	23598268.11	0	0	0	735	–	–	–	–
Ratau Water Supply	0	0	0	0	–	–	–	1 000	9 000
David Katnagel Water Supply	0	0	0	6000000	15 096	–	1 000	–	–
Greater Saulspoort Bulk Water Aug	0	0	0	2000000	–	–	1 000	–	–
Madikwe Bulk Water Aug Scheme	0	0	0	1000000	–	–	1 000	–	–
Bulk Water Augmentation Ledig	0	0.03	0	0	4 711	–	–	–	–
Ledig Water Supply (Various Section)	3831238.63	0	0	0	–	–	–	–	–
Lerome Water Supply (Thabeng Section)	1831306.97	12240661.51	0	0	–	–	–	–	–
Mabalstand Water Supply	0	0	0	2800000	–	–	3 000	9 000	10 000
Mabes To Uitkyk Bulk Water Pipeline F2	0	0	0	5000000	11 498	–	7 000	5 000	6 880
Maeraneng Water Supply	12910594.55	0	0	0	–	–	–	–	–
Moubane Water Supply	0	0	0	2800000	–	–	3 000	7 000	8 000
andfontein Water Supply -Boikhutso Ex	0	0	0	20000000	2 000	–	6 000	20 000	18 077
Segakwaneng Water Supply	0	0	0	0	979	–	–	–	–
Tlokweng Water Supply Phase I	0.03	0	0	0	–	–	–	–	–
Tweelaagte Water Supply Phase 3	0	0	0	7000000	490	–	12 000	11 303	–
ter Conservation & Demand Mgnt-Mogw	0	0	0	2000000	–	–	1 243	1 000	1 000
esign-Tweelagte Water Su P4- New Stan	0	0	0	15000000	2 400	–	4 000	15 000	24 058
pgrading Water Treatment Plant Molate	0	0	0	4468000	–	–	4 000	15 000	17 000
					235 890		**228 223**	**253 824**	**262 838**

2.13 Legislation compliance status

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

1. In year 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 have appointed five interns that are 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 will be finalised during finalisation of the budget and is directly aligned and informed by the 2026/27 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 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
REVENUE ITEMS:											
Exchange revenue											
Service charges - Electricity	6										
Electricity Sales		-	-	-	6 157	6 157	6 157	-	6 207	6 307	6 407
Total Service charges - Electricity		-	-	-	6 157	6 157	6 157	-	6 207	6 307	6 407
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)		-	-	-	(6 157)	(6 157)	(6 157)	-	(6 207)	(6 307)	(6 407)
Net Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
Service charges - Water	6										
Connection/Disconnection		22	44	16	606	606	606	17	24	24	25
Industrial Water		(8 127)	26 818	19 403	22 448	22 448	22 448	(2 490)	15 243	15 746	16 250
Sale		187 162	163 447	111 407	185 133	185 133	185 133	143 561	157 671	162 544	167 426
Urban Higher Level Service		-	-	-	-	-	-	-	-	-	-
Total Service charges - Water		179 057	190 309	130 826	208 188	208 188	208 188	141 089	172 938	178 315	183 701
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)		(76)	10	6	(10 000)	(10 000)	(10 000)	(454)	(10 464)	(10 479)	(10 494)
Net Service charges - Water		178 981	190 319	130 832	198 188	198 188	198 188	140 635	162 475	167 836	173 207
Service charges - Waste Water Management	6										
Sanitation Charges		4 120	4 899	4 980	5 297	5 297	5 297	3 861	5 477	5 658	5 826
Treatment of Effluent		-	-	-	-	-	-	-	-	-	-
Total Service charges - Waste Water Management		4 120	4 899	4 980	5 297	5 297	5 297	3 861	5 477	5 658	5 826
Less Revenue Foregone (in excess of free sanitation service to indigent households)											
Less Cost of Free Basis Services (free sanitation service to indigent households)		(256)	(113)	(101)	(117)	(117)	(117)	(151)	(121)	(125)	(125)
Net Service charges - Waste Water Management		3 864	4 786	4 879	5 180	5 180	5 180	3 710	5 356	5 533	5 700
Service charges - Waste Management	6										
Disposal Facilities		47	2	6	6	6	6	1	3	3	3
Refuse Removal		12 045	12 744	13 392	13 978	13 978	13 978	11 652	14 453	14 930	15 408
Skip		3	8	2	259	259	259	9	118	121	125
Waste Bins		8	238	1	-	-	-	9	-	-	-
Total refuse removal revenue		12 104	12 992	13 401	14 243	14 243	14 243	11 671	14 574	15 054	15 536
Less Cost of Free Basis Services (removed once a week to indigent households)		(286)	(128)	(109)	(134)	(134)	(134)	(157)	(138)	(143)	(147)
Net Service charges - Waste Management		11 817	12 864	13 292	14 109	14 109	14 109	11 513	14 435	14 912	15 389
Sales of Goods and Rendering of Services											
Advertisements		-	-	9	-	-	-	-	-	-	-
Cemetery and Burial		18	28	35	35	35	35	36	39	40	42
Clearance Certificates		159	28	171	559	559	559	24	30	30	31
Drainage Fees		0	1	0	1	1	1	1	1	1	1
Photo copies, Faxes and Telephone charges		20	29	10	15	15	15	8	15	16	17
Sale of Goods		424	438	303	491	491	491	434	473	482	483
Town Planning and Servitudes		136	265	189	312	312	312	333	169	170	191
Valuation Services		4	4	4	4	4	4	4	5	5	5
Total Sales of Goods and Rendering of Services		761	793	722	1 418	1 418	1 418	839	732	746	769
Agency Services											
District Municipalities											
Service Charges		33	58	129	126	126	126	77	130	134	139
Waste Management		6 585	2 069	3 130	3 015	3 015	3 015	2 045	3 118	3 220	3 323
Waste Water Management		1 217	739	911	920	920	920	527	951	983	1 014
Water		63 627	46 401	55 762	56 298	56 298	56 298	20 974	58 212	60 133	62 057
Shared Services											
Total Interest earned from Receivables		71 462	49 267	59 933	60 358	60 358	60 358	23 623	62 411	64 470	66 533
Interest earned from Current and Non Current Assets											
Bank Accounts		9 745	13 500	13 235	3 900	3 900	3 900	3 691	5 231	5 208	5 338
Financial Assets		-	-	-	-	-	-	-	-	-	-
Short Term Investments and Call Accounts		-	-	-	9 197	4 827	4 827	3 671	3 543	3 631	3 722
Total Interest earned from Current and Non Current Assets		9 745	13 500	13 235	13 097	8 727	8 727	7 362	8 774	8 839	9 060
Dividends											
Property Plant and Equipment		152	99	25	101	31	31	38	31	31	32
Total Non-market Related		152	99	25	101	31	31	38	31	31	32
Total Rental from Fixed Assets		152	99	25	101	31	31	38	31	31	32

Licences or Permits											
Road and Transport		336	3 128	2 588	3 328	3 328	3 328	1 651	2 611	2 690	2 781
Total Licences or Permits		336	3 128	2 588	3 328	3 328	3 328	1 651	2 611	2 690	2 781
Special Rating Levies											
Commission		-	-	257	-	-	-	-	-	-	-
Merchandising, Jobbing and Contracts		392	277	641	553	553	553	27	572	591	610
Sale of Property		(11)	292	10	-	-	-	9	-	-	-
Skills Development Levy Refund		429	599	536	650	650	650	580	672	694	717
Staff and Councillors Recoveries		204	890	1 749	810	810	810	930	987	1 020	1 053
Total Operational Revenue		1 014	2 058	3 193	2 014	2 014	2 014	1 552	2 232	2 306	2 379
Non-Exchange revenue											
Property Rates											
Agricultural Properties		(238)	353	304	386	386	386	311	679	702	724
Business and Commercial Properties		50 219	53 588	54 720	59 036	59 036	59 036	48 515	71 069	73 414	75 763
Industrial Properties		952	1 031	1 067	1 114	1 114	1 114	928	2 740	2 830	2 921
Mining Properties		6 657	13 431	16 862	17 604	17 604	17 604	(16 498)	41 404	42 770	44 138
Public Service Infrastructure Properties		7	8	8	9	9	9	7	14	14	15
Public Service Purposes Properties		60 175	77 966	87 307	85 926	85 926	85 926	75 854	70 597	72 927	75 261
Residential Properties		7 603	1 261	1 902	7 024	7 024	7 024	3 338	2 503	2 585	2 668
Vacant Land		1 831	6 742	6 845	7 246	7 246	7 246	4 189	24 275	25 076	25 878
Total Property Rates		127 206	154 380	169 015	178 344	178 344	178 344	116 643	213 280	220 318	227 369
Less Revenue Foregone (exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		(2 399)	(4 108)	(3 980)	(4 288)	(4 288)	(4 288)	(3 633)	(4 650)	(4 800)	(4 951)
Net Property Rates		124 807	150 272	165 035	174 056	174 056	174 056	113 011	208 630	215 518	222 418
Surcharges and Taxes											
Total Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, Penalties and Forfeits											
Fines		1 028	1 759	1 826	1 899	1 899	1 899	2 759	2 895	3 045	3 195
Total Fines, Penalties and Forfeits		1 028	1 759	1 826	1 899	1 899	1 899	2 759	2 895	3 045	3 195
Licences or Permits											
Total Licences or Permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational											
Total Allocations In-kind		-	-	-	-	-	-	-	-	-	-
Monetary Allocations											
Departmental Agencies and Accounts		-	7 535	-	-	-	-	-	-	-	-
National Governments		8 594	9 928	8 610	10 895	11 332	11 332	7 176	12 266	10 428	10 798
National Revenue Fund		528 602	566 087	600 070	615 410	615 410	615 410	615 410	623 943	637 567	668 618
Provincial Government		735	1 139	1 604	1 158	1 594	1 594	418	1 211	1 211	1 265
Public Corporations											
Total Monetary Allocations		537 931	584 689	610 284	627 463	628 337	628 337	623 004	637 420	649 206	680 681
Total Transfer and subsidies - Operational		537 931	584 689	610 284	627 463	628 337	628 337	623 004	637 420	649 206	680 681
Interest Receivables											
Property Rates		32 268	35 103	36 388	35 698	35 698	35 698	36 996	39 060	39 646	40 637
Service Charges											
Total Service Charges		-	-	-	-	-	-	-	-	-	-
Total Interest Receivables		32 268	35 103	36 388	35 698	35 698	35 698	36 996	39 060	39 646	40 637
Fuel Levy (RSC Replacement Grant)											
Operational Revenue - Service Charges											
Total Operational Revenue - Service Charges		-	-	-	-	-	-	-	-	-	-
Gains on Disposal of Fixed and Intangible Assets											
Intangible Assets		-	43	81	-	-	-	-	-	-	-
Property, Plant and Equipment		838	1 885	11 782	-	-	-	253	-	-	-
Total Disposal of Fixed and Intangible Assets		838	1 928	11 863	-	-	-	253	-	-	-
Other Gains											
Increase to net-realisable Value		0	8	232	-	-	-	-	-	-	-
Total Inventory		0	8	232	-	-	-	-	-	-	-
Fair Value Adjustment											
Total Other Gains		0	8	232	-	-	-	-	-	-	-
Discontinued Operations											
Total Revenue		975 004	1 050 573	1 054 325	1 136 908	1 133 342	1 133 342	966 946	1 147 063	1 174 778	1 222 783
EXPENDITURE ITEMS:											
Employee related costs											
Salaries and Allowances											
Basic Salary	2	185 537	208 402	216 547	255 947	255 196	255 196	199 753	259 794	272 723	287 514
Bonuses		12 607	12 452	6 374	634	634	634	5 295	196	206	217
Allowance											
Housing Benefits		631	763	853	901	901	901	807	944	994	1 046
Non-pensionable		-	-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle		1 634	1 708	1 311	1 734	1 734	1 734	1 208	1 892	1 958	2 027
Voluntary Work		-	-	-	-	-	-	-	-	-	-
Total Allowance		2 265	2 472	2 164	2 635	2 635	2 635	2 016	2 836	2 952	3 073
Service Related Benefits											
Acting		1 264	1 249	1 542	1 255	1 255	1 255	1 130	1 314	1 383	1 456
Bonus		-	3 787	8 841	17 851	17 851	17 851	8 029	19 265	20 277	21 341
Leave Pay		719	4 059	4 035	-	-	-	-	-	-	-
Long Service Award		4 195	7 720	1 079	-	-	-	-	-	-	-
Overtime		20 210	20 182	18 552	18 420	19 526	19 526	17 807	10 240	9 462	8 777
Scarcity		-	-	-	-	-	-	-	-	-	-
Standby Allowance		2 799	4 064	3 895	5 030	5 030	5 030	3 568	5 269	5 545	5 836
Total Service Related Benefits		29 187	41 062	37 944	42 556	43 662	43 662	30 533	36 088	36 668	37 410
Total Salaries and Allowances		229 596	264 387	263 030	301 771	302 127	302 127	237 597	298 914	312 548	328 214
Social Contributions											
Bargaining Council		77	83	87	94	93	93	80	98	103	108
Medical		15 457	16 707	17 688	21 724	21 724	21 724	16 517	22 785	23 982	25 241
Pension		37 054	40 310	38 747	48 193	48 193	48 193	37 950	49 485	52 083	54 817
Unemployment Insurance		1 230	1 273	1 286	1 320	1 319	1 319	1 185	1 377	1 450	1 526
Total Social Contributions		53 819	58 374	57 807	71 330	71 329	71 329	55 732	73 745	77 617	81 692
Total Post-retirement Benefit	4	-	-	-	-	-	-	-	-	-	-
Sub-Total		283 415	322 761	320 836	373 102	373 456	373 456	293 329	372 659	390 165	409 906
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee Related Cost	1,5	283 415	322 761	320 836	373 102	373 456	373 456	293 329	372 659	390 165	409 906
Remuneration of Councillors											
Allowances and Service Related Benefits											
Basic Salary		21 687	22 647	23 040	23 864	23 864	23 864	21 937	25 033	25 868	26 393
Cell phone Allowance		3 017	3 126	3 173	3 204	3 204	3 204	2 625	2 881	2 970	3 065
Travelling Allowance		1 170	1 099	959	1 625	1 625	1 625	715	850	877	905
Total Allowances and Service Related Benefits		25 874	26 872	27 172	28 693	28 693	28 693	25 277	28 765	29 715	30 363
Social Contributions											
Medial Aid Benefits		-	-	289	314	314	314	32	325	335	347
Pension Fund Contributions		-	-	3 209	3 322	3 322	3 322	199	3 439	3 552	3 668

Total Social Contributions		-	-	3 498	3 636	3 636	3 636	231	3 764	3 887	4 015
Total Remuneration of Councillors	1,5	25 874	26 872	30 671	32 329	32 329	32 329	25 508	32 529	33 602	34 378
Bulk Purchases - Electricity											
ESKOM		33 007	41 906	36 173	46 620	46 620	46 620	30 687	45 205	46 796	49 389
Total Bulk Purchases - Electricity	1	33 007	41 906	36 173	46 620	46 620	46 620	30 687	45 205	46 796	49 389
Inventory Consumed											
Consumables		11 889	10 766	10 143	16 000	16 000	16 000	8 907	6 621	6 806	7 127
Materials and Supplies		1 012	202	72	8 000	8 000	8 000	1 197	8 447	8 509	7 562
Water		131 138	157 715	147 809	165 153	165 153	165 153	8 499	162 974	171 123	179 591
Sub-total		144 039	168 683	158 024	189 153	189 153	189 153	18 603	178 042	186 437	194 279
Less: Capitalisation of inventory consumed		-	-	-	-	-	-	-	-	-	-
Total Inventory Consumed	1	144 039	168 683	158 024	189 153	189 153	189 153	18 603	178 042	186 437	194 279
Debt Impairment											
Trade and Other Receivables from Exchange Transactions											
Waste Management		-	9 580	15 827	12 459	12 459	12 459	11 114	13 066	13 401	13 830
Waste Water Management		-	2 499	3 052	3 878	3 878	3 878	1 627	3 772	3 877	3 878
Water		-	103 945	133 819	176 359	176 359	176 359	87 914	138 233	141 592	140 797
Non Specific Accounts		-	1 654	727	-	-	-	485	-	-	-
Total Trade and Other Receivables from Exchange Transactions		-	117 678	153 424	192 696	192 696	192 696	101 139	155 072	158 870	158 506
Other Receivables from Non-exchange Revenue											
Property Rates											
Business and Commercial Properties		-	185 025	98 986	115 675	115 675	115 675	69 503	56 666	55 959	57 150
Industrial Properties		-	-	-	-	-	-	-	1 096	1 076	1 110
Mining Properties		-	-	-	-	-	-	-	42 044	40 858	41 668
Public Service Infrastructure Properties		-	-	-	-	-	-	-	6	5	6
Residential Properties		-	-	-	-	-	-	-	1 001	982	1 014
Vacant Land		-	-	-	-	-	-	-	9 982	9 977	9 985
Total Property Rates		-	185 025	98 986	115 675	115 675	115 675	69 503	110 794	108 856	110 933
Service Charges											
Total Service Charges		-	-	-	-	-	-	-	-	-	-
Non Specific Accounts		-	-	-	1 538	1 538	1 538	2 582	2 606	2 741	2 876
Total Other Receivables from Non-exchange Revenue		-	185 025	98 986	117 213	117 213	117 213	72 085	113 400	111 597	113 809
Total Debt Impairment	1	-	302 703	252 411	309 909	309 909	309 909	173 225	268 472	270 468	272 314
Depreciation, Amortisation and Impairment											
Amortisation											
Intangible Assets		2 361	2 597	2 244	2 856	2 856	2 856	1 708	2 756	2 976	3 274
Total Amortisation		2 361	2 597	2 244	2 856	2 856	2 856	1 708	2 756	2 976	3 274
Depreciation											
Community Assets		16 754	17 714	16 647	24 672	24 672	24 672	14 916	17 987	19 426	21 369
Electrical Infrastructure		3 479	3 560	3 724	4 251	4 251	4 251	3 407	4 053	4 377	4 815
Furniture and Office Equipment		3 429	2 504	2 247	3 071	3 071	3 071	2 423	3 367	3 636	4 000
Machinery and Equipment		252	242	200	305	305	305	152	226	244	268
Other Assets		6 514	6 159	6 190	8 288	8 288	8 288	5 547	8 284	8 946	9 841
Roads Infrastructure		32 163	20 009	25 313	53 345	53 345	53 345	22 316	40 209	43 426	47 769
Sanitation Infrastructure		2 734	1 989	2 134	2 542	2 542	2 542	1 942	2 323	2 509	2 760
Solid Waste Infrastructure		835	764	660	776	776	776	809	1 042	1 126	1 238
Storm water Infrastructure		4 512	5 226	5 019	5 927	5 927	5 927	4 532	5 504	5 944	6 539
Transport Assets		4 278	5 917	3 933	6 212	6 212	6 212	5 292	8 272	8 934	9 827
Water Supply Infrastructure		55 241	54 628	57 593	74 316	74 316	74 316	54 652	76 517	82 638	90 902
Zoo, Marine and Non-biological Animals											
Total Depreciation		130 190	118 712	123 660	183 705	183 705	183 705	115 988	167 784	181 207	199 327
Capital Impairment Losses and Reversals											
Furniture and Office Equipment		-	-	48	-	-	-	-	-	-	-
Machinery and Equipment		-	-	19	-	-	-	-	-	-	-
Roads Infrastructure		-	-	9 569	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	2	-	-	-	-	-	-	-
Transport Assets		-	-	453	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	6	-	-	-	-	-	-	-
Total Property, Plant and Equipment		-	-	10 096	-	-	-	-	-	-	-
Total Capital Impairment Losses and Reversals		-	-	10 096	-	-	-	-	-	-	-
Total Depreciation, Amortisation and Impairment	1	132 550	121 308	135 999	186 561	186 561	186 561	117 697	170 540	184 183	202 601
Interest, Dividends and Rent on Land											
Interest Paid		5 619	6 434	4 616	2 597	2 597	2 597	571	2 458	2 487	2 498
Total Interest, Dividends and Rent on Land	1	5 619	6 434	4 616	2 597	2 597	2 597	571	2 458	2 487	2 498
Contracted Services											
Consultants and Professional Services		24 126	26 943	34 394	30 550	35 018	35 018	30 356	20 293	17 195	15 802
Contractors		50 216	49 382	61 000	97 824	83 981	83 981	68 275	49 576	49 834	50 503
Outsourced Services		61 753	68 744	70 565	76 144	76 036	76 036	50 690	66 256	67 630	66 063
Total Contracted Services	1	136 096	145 069	165 960	204 518	195 035	195 035	149 321	136 126	134 658	132 368
Transfers and Subsidies											
Capital											
Non Specific Accounts		-	-	1 641	-	0	0	0	-	-	-
Waste Management		-	-	-	-	33	33	30	327	334	339
Waste Water Management		-	-	-	-	327	327	288	154	157	160
Water		-	-	-	-	1 675	1 675	1 445	2 447	2 496	2 534
Total Exchange		-	-	1 641	-	2 036	2 036	1 763	2 929	2 987	3 032
Non-exchange											
Property Rates		-	-	-	-	305	305	254	-	-	-
Total Non-exchange		147 426	8 010	-	-	305	305	254	-	-	-
Total Irrecoverable Debts Written Off	1	147 426	8 010	1 641	-	2 340	2 340	2 017	2 929	2 987	3 032
Operational Cost and Other Cost											
Operational Cost											
Advertising, Publicity and Marketing		1 394	2 621	2 915	2 550	2 550	2 550	1 532	1 810	1 850	1 899
Bank Charges, Facility and Card Fees		316	247	294	311	311	311	223	322	333	343
Bursaries (Employees)		-	-	-	1 500	1 500	1 500	-	1 000	1 106	1 132
Communication		7 037	7 337	8 389	8 371	8 376	8 376	5 292	8 073	8 049	8 125
Contribution to Provisions		-	-	-	100	100	100	-	-	-	-
Deeds		-	-	-	100	100	100	1	50	50	52
Entertainment		4 890	4 480	5 261	7 050	7 050	7 050	6 701	6 075	6 062	6 090
External Audit Fees		4 477	6 186	6 035	8 000	8 000	8 000	5 333	6 313	6 437	6 503
External Computer Service		7 409	10 240	15 527	16 550	17 986	17 986	14 146	12 020	12 330	12 441
Hire Charges		16 264	8 952	9 274	8 998	5 298	5 298	1 647	6 305	6 172	6 073
Honoraria (Voluntarily Workers)											
Indigent Relief		-	2 479	5 971	6 157	6 157	6 157	3 800	6 207	6 307	6 407
Insurance Underwriting		1 208	4 674	6 454	6 000	6 000	6 000	76	5 703	5 832	5 891
Learnerships and Internships		406	255	1 724	3 000	3 250	3 250	3 206	259	267	276
Levies Paid - Water Resource Management Charges		-	-	-	-	-	-	-	-	-	-
Licences		1 256	1 210	528	2 100	2 100	2 100	543	2 189	2 203	2 215
Management Fee		-	-	117	-	-	-	96	-	-	-
Printing, Publications and Books		333	692	451	600	2 194	2 194	398	5 489	5 496	5 587
Professional Bodies, Membership and Subscription		2 993	3 235	3 270	3 600	4 190	4 190	4 140	4 487	4 623	4 714
Registration Fees		366	528	213	350	350	350	218	2 687	2 355	2 297
Remuneration to Section 79 Committee Members		14	2	299	500	500	500	493	400	410	425
Road Worthy Test		786	1 230	1 170	-	-	-	35	-	-	-
Signage		31 266	136	14 182	600	600	600	-	100	100	100
Skills Development Fund Levy		2 387	2 634	2 676	650	650	650	2 191	1 879	1 962	2 049
Small Differences Tolerances		948	0	752	-	-	-	0	-	-	-
Toll Gate Fees		149	431	549	1 653	1 652	1 652	611	1 699	1 705	1 710
Transport Provided as Part of Departmental Activities		3 724	4 722	2 599	1 750	1 750	1 750	676	2 931	2 993	3 075
Travel and Subsistence		1 147	3 493	3 025	3 864	4 002	4 002	4 984	3 800	3 528	3 659
Uniform and Protective Clothing		1 764	1 319	1 972	3 250	3 509	3 509	741	3 380	3 016	3 019
Wet Fuel		21 359	10 477	11 549	15 000	15 000	15 000	9 235	8 665	8 795	8 795
Workmens Compensation Fund		2 668	2 431	2 669	2 650	2 650	2 650	-	2 756	2 839	2 895
Total Operational Cost		114 560	80 012	107 866	105 455	106 026	106 026	66 316	94 599	94 818	95 773

Operating Leases											
Furniture and Office Equipment		2 155	1 814	4 698	3 500	6 607	6 607	4 086	4 507	4 605	4 741
Total Operational Leases		2 155	1 814	4 698	3 500	6 607	6 607	4 086	4 507	4 605	4 741
Total Operational Cost and Other Cost	1	116 715	81 826	112 564	108 955	112 633	112 633	70 403	99 106	99 423	100 514
Disposal of Fixed and Intangible Assets											
Property, Plant and Equipment		18 942	4 852	13 469	-	-	-	422	-	-	-
Total Disposal of Fixed and Intangible Assets	1	18 942	4 852	13 469	-	-	-	422	-	-	-
Other Losses											
Decrease in net-realisable Value		-	3	525	-	-	-	566	-	-	-
Total Inventory		-	3	525	-	-	-	566	-	-	-
Total Other Losses	1	-	3	525	-	-	-	566	-	-	-
Total Expenditure		1 043 682	1 230 428	1 232 888	1 453 744	1 450 634	1 450 634	882 347	1 308 065	1 351 207	1 401 281
Surplus/(Deficit)		(68 678)	(179 855)	(178 562)	(316 836)	(317 292)	(317 292)	84 598	(161 003)	(176 429)	(178 498)
Transfers and subsidies - capital (monetary allocations)											
National Government		217 144	232 306	215 615	225 068	232 220	232 220	133 670	228 223	253 824	262 838
Provincial Governments		242	-	-	-	-	-	-	-	-	-
Total Transfers and subsidies - capital (monetary allocations)		217 386	232 306	215 615	225 068	232 220	232 220	133 670	228 223	253 824	262 838
Transfers and subsidies - capital (in-kind)											
Total Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions		148 708	52 451	37 053	(91 768)	(85 072)	(85 072)	218 268	67 220	77 395	84 340
Income Tax											
Total Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		148 708	52 451	37 053	(91 768)	(85 072)	(85 072)	218 268	67 220	77 395	84 340
Surplus/(Deficit) attributable to municipality		148 708	52 451	37 053	(91 768)	(85 072)	(85 072)	218 268	67 220	77 395	84 340
Surplus/(Deficit) for the year		148 708	52 451	37 053	(91 768)	(85 072)	(85 072)	218 268	67 220	77 395	84 340
Repairs and Maintenance by Expenditure Item	8										
Inventory Consumed (Project Maintenance)		-	-	-	500	500	500	-	250	251	251
Contracted Services		50 656	48 593	59 203	88 374	80 031	80 031	66 463	47 762	47 969	48 590
Operational Costs		(31)	4 470	7 159	9 350	9 350	9 350	2 430	120	120	120
Total Repairs and Maintenance Expenditure	9	50 624	53 063	66 362	98 224	89 881	89 881	68 893	48 132	48 341	48 961

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

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

Description	Ref	Vote 01 - Municipal Council	Vote 02 - Office Of The Accounting Officer	Vote 03 - Budget And Treasury Office	Vote 04 - Corporate Services	Vote 05 - Community Services	Vote 06 - Planning & Development	Vote 07 - Infrastructure & Technical Services	Vote 08 -	Vote 09 -	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 - Other	Total
R thousand	1																
Revenue																	
Exchange Revenue																	
Service charges - Electricity		–															–
Service charges - Water								162,475									162,475
Service charges - Waste Water Management								5,356									5,356
Service charges - Waste Management						14,435											14,435
Sale of Goods and Rendering of Services				509		55	169										732
Agency services																	–
Interest																	–
Interest earned from Receivables				62,411		–	–	–									62,411
Interest earned from Current and Non Current Assets				8,774													8,774
Dividends				–													–
Rent on Land																	–
Rental from Fixed Assets				31		–	–										31
Licence and permits						2,611											2,611
Special rating levies																	–
Construction Contract Revenue																	–
Development Charges																	–
Operational Revenue				1,560	672		–										2,232
Non-Exchange Revenue																	
Property rates		–		208,630				–									208,630
Surcharges and Taxes																	–
Fines, penalties and forfeits						2,895											2,895
Licences or permits																	–
Transfer and subsidies - Operational		77,130		292,126	–	98,715		169,449									637,420
Interest				39,060		–		–									39,060
Fuel Levy																	–
Operational Revenue						–		–									–
Gains on disposal of Fixed and Intangible Assets		–		–	–	–	–	–									–
Other Gains				–				–									–
Discontinued Operations																	–
Total Revenue (excluding capital transfers and contributi		**77,130**	**–**	**613,100**	**672**	**118,712**	**169**	**337,280**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,147,063**
Expenditure																	
Employee related costs		16,621	19,672	60,660	61,227	52,044	38,273	124,161									372,659
Remuneration of councillors		32,529															32,529
Bulk purchases - electricity								45,205									45,205
Inventory consumed		–	–	–	601	–	–	177,441									178,042
Debt impairment				110,794		15,672	–	142,005									268,472
Depreciation, amortisation and impairment		226	–	–	2,756	38,952	–	128,607									170,540
Interest, Dividends and Rent on Land				–		2,458		–									2,458
Contracted services		1,222	2,570	14,000	3,576	75,432	7,132	32,195									136,126
Transfers and subsidies		–					–										–
Irrecoverable debts written off				–		327		2,601									2,929
Operational costs		31,554	9,316	1,601	33,653	12,924	901	9,158									99,106
Disposal of Fixed and Intangible Assets		–		–	–	–	–	–									–
Other Losses				–				–									–
Total Expenditure		**82,151**	**31,558**	**187,055**	**101,812**	**197,810**	**46,306**	**661,373**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,308,065**
Surplus/(Deficit)		**(5,021)**	**(31,558)**	**426,045**	**(101,140)**	**(79,098)**	**(46,137)**	**(324,093)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(161,003)**
Transfers and subsidies - capital (monetary allocations)				–	–	17,200	–	211,023									228,223
Transfers and subsidies - capital (in-kind)				–													–
Surplus/(Deficit) after capital transfers & contributions		**(5,021)**	**(31,558)**	**426,045**	**(101,140)**	**(61,898)**	**(46,137)**	**(113,071)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**67,220**

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

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current Assets											
Cash and Cash Equivalents											
Call Deposits and Investments		32 833	27 642	6 109	9 197	9 197	9 197	86 754	3 798	3 850	3 746
Cash at Bank		6 002	15 930	49 436	(8 577)	(8 577)	(8 577)	(48 588)	5 435	(406)	(228)
Cash on Hand		20	15	20	–	–	–	(14)	–	–	–
Total Cash and Cash Equivalents		**38 855**	**43 587**	**55 565**	**619**	**619**	**619**	**38 152**	**9 233**	**3 444**	**3 518**
Short term Investments											
Deposit Taking Institutions											
Trade and other receivables from exchange transactions											
Waste Management		143 683	43 471	60 033	59 855	59 855	59 855	14 517	79 060	99 614	103 055
Waste Water Management		26 212	15 878	18 548	26 717	26 717	26 717	2 483	32 986	40 135	41 476
Water		1 290 917	800 663	900 590	1 250 511	1 250 511	1 250 511	114 363	1 485 443	1 514 192	1 566 562
Other trade receivables from exchange transactions		(4 606)	4 913	5 593	947	947	947	1 320	164	160	28
VAT Receivable Input Tax Accrual		8 172	11 253	21 014	(122 582)	(122 582)	(122 582)	(6 839)	-	-	-
Gross: Trade and other receivables from exchange transactions		**1 464 379**	**876 177**	**1 005 778**	**1 215 449**	**1 215 449**	**1 215 449**	**125 845**	**1 597 653**	**1 654 100**	**1 711 122**
Less: Impairment for debt											
Impairment for Waste Management		(143 015)	(42 874)	(59 638)	(54 763)	(54 763)	(54 763)	(12 543)	(75 517)	(96 173)	(99 539)
Impairment for Waste Water Management		(21 975)	(12 173)	(14 904)	(21 660)	(21 660)	(21 660)	(1 854)	(27 962)	(35 212)	(36 445)
Impairment for Water		(1 219 861)	(705 589)	(832 297)	(1 139 993)	(1 139 993)	(1 139 993)	(99 427)	(1 426 598)	(1 453 300)	(1 504 166)
Impairment for other trade receivalbes from exchange transactions		(459)	(1 425)	(2 097)	116	116	116	(481)	121	124	129
Total Less: Impairment for debt		**(1 385 310)**	**(762 060)**	**(908 937)**	**(1 216 300)**	**(1 216 300)**	**(1 216 300)**	**(114 305)**	**(1 529 955)**	**(1 584 562)**	**(1 640 021)**
Total net Trade and other receivables from Exchange Transactions		**79 069**	**114 117**	**96 841**	**(851)**	**(851)**	**(851)**	**11 540**	**67 698**	**69 538**	**71 100**
Receivables from non-exchange transactions											
Property rates											
Agricultural Properties		38 112	37 776	35 374	43 680	43 680	43 680	382	48 608	53 650	55 528
Business and Commercial Properties		192 642	202 935	222 705	183 284	183 284	183 284	(605)	161 953	160 214	159 718
Industrial Properties		14 983	15 673	15 640	18 978	18 978	18 978	(383)	21 678	23 753	24 581
Mining Properties		35 520	50 902	70 768	69 054	69 054	69 054	(11 069)	71 737	77 026	79 835
Public Benefit Organisations		87	81	82	94	94	94	1	2	2	2
Public Service Infrastructure Properties		65	66	70	80	80	80	4	88	96	100
Public Service Purposes Properties		424 926	389 667	396 764	289 639	289 639	289 639	64 134	242 978	269 280	277 952
Residential Properties		(457 701)	(108 404)	(107 048)	99 172	99 172	99 172	43	99 423	109 178	113 002
Vacant Land		25 019	28 409	32 842	37 334	37 334	37 334	3 424	45 110	49 593	51 210
Gross: Property rates		**273 654**	**617 104**	**667 199**	**741 316**	**741 316**	**741 316**	**55 931**	**691 576**	**742 793**	**761 928**
Less: Impairment of Property rates		(98 850)	(534 082)	(568 434)	(641 764)	(641 764)	(641 764)	(69 503)	(590 637)	(640 648)	(659 113)
Net Property rates		**174 804**	**83 022**	**98 764**	**99 552**	**99 552**	**99 552**	**(13 572)**	**100 940**	**102 146**	**102 815**
Other receivables from non-exchange transactions		14 422	13 390	14 952	19 171	19 171	19 171	2 521	22 138	24 257	25 145
Less:Impairment for other receivables from non-exchange transactions		(16 749)	(15 494)	(17 135)	(18 776)	(18 776)	(18 776)	(2 582)	(21 842)	(23 951)	(24 835)
Net other receivables from non-exchange transactions		**(2 327)**	**(2 104)**	**(2 183)**	**395**	**395**	**395**	**(62)**	**296**	**306**	**310**
Total net Receivables from non-exchange transactions		**172 477**	**80 918**	**96 581**	**99 947**	**99 947**	**99 947**	**(13 634)**	**101 236**	**102 452**	**103 125**
Current Portion of Non-current Receivables											
Total Current Portion of Non-current Receivables		-	-	-	-	-	-	-	-	-	-
Inventory											
Consumables		15 986	19 908	30 477	21 793	21 793	21 793	2 119	29 774	30 343	31 643
Land		435	555	555	569	569	569	(422)	569	577	592
Water		73	1 008	1 405	1 069	1 069	1 069	129 555	1 117	1 145	1 145
Total Inventory		**16 493**	**21 471**	**32 437**	**23 430**	**23 430**	**23 430**	**131 252**	**31 460**	**32 066**	**33 380**
VAT Receivable											
Input Tax Capital		12 491	42 500	65 612	77 386	77 386	77 386	23 903	-	-	-
Input Tax General		15 946	(46 885)	(18 233)	73 510	73 510	73 510	55 882	-	-	-
VAT Control (Receivable)		92 862	19 990	(36 403)	(14 795)	(14 795)	(14 795)	(65 063)	30 215	31 012	32 441
Total VAT Receivable		**121 299**	**15 605**	**10 976**	**136 100**	**136 100**	**136 100**	**14 722**	**30 215**	**31 012**	**32 441**
Other current assets											
Control, Clearing and Interface Accounts		23 214	24 353	25 092	5 289	5 289	5 289	(1)	3 857	3 955	4 079
Total Other current assets		**23 214**	**24 353**	**25 092**	**5 289**	**5 289**	**5 289**	**(1)**	**3 857**	**3 955**	**4 079**
Total Current Assets		**451 408**	**300 051**	**317 493**	**264 535**	**264 535**	**264 535**	**182 031**	**243 698**	**242 467**	**247 643**
Non-current Assets											
Investments											
Total Investments		-	-	-	-	-	-	-	-	-	-
Investment Property											
Investment Property at Cost / Fair Value		150 664	152 298	161 643	153 482	153 482	153 482	-	161 849	161 889	161 929
Total Investment Property		**150 664**	**152 298**	**161 643**	**153 482**	**153 482**	**153 482**	-	**161 849**	**161 889**	**161 929**

Construction Work-in-progress											
Acquisitions		145 461	173 124	120 967	-	-	-	-	-	-	-
Opening Balance		222 402	251 755	322 281	-	-	-	-	-	-	-
Prior period corrections		-	-	26 325	-	-	-	-	-	-	-
Transfer to PPE		(116 108)	(102 598)	(182 100)	-	-	-	-	-	-	-
Less: Accumulated Impairment		-	-	-	-	-	-	-	-	-	-
Total Construction Work-in-progress	2	**251 755**	**322 281**	**287 472**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Biological Assets											
Heritage Assets at Cost / Revaluation		14	14	14	14	14	14	-	14	14	14
Less: Accumulated Impairment		-	-	-	-	-	-	-	-	-	-
Total Heritage Assets		**14**	**14**	**14**	**14**	**14**	**14**	**-**	**14**	**14**	**14**
Intangible Assets											
Intangible Assets at Cost / Revaluation		31 919	31 129	31 355	35 666	35 666	35 666	-	35 816	36 859	37 774
Less: Accumulated Amortisation		(2 377)	(2 501)	(2 878)	(3 310)	(3 310)	(3 310)	(1 708)	(3 393)	(3 478)	(3 582)
Less: Accumulated Impairment		(16 149)	(16 149)	(16 149)	(19 677)	(19 677)	(19 677)	-	(19 744)	(20 623)	(21 241)
Total Intangible Assets		**13 393**	**12 478**	**12 328**	**12 678**	**12 678**	**12 678**	**(1 708)**	**12 678**	**12 758**	**12 951**
Trade and other receivables from exchange transactions											
Total Non Current Assets		**3 152 582**	**3 263 067**	**3 338 908**	**3 492 726**	**3 503 548**	**3 503 548**	**4 248**	**3 491 535**	**3 616 096**	**3 698 658**
TOTAL ASSETS		**3 603 990**	**3 563 119**	**3 656 402**	**3 757 261**	**3 768 083**	**3 768 083**	**186 280**	**3 735 233**	**3 858 563**	**3 946 302**
Liabilities											
Current Liabilities											
Current portion of Finance Lease Liabilities		-	-	-	-	-	-	(8 888)	-	-	-
Current portion of Non-current Borrowings		8 840	3 605	2 703	1 107	1 107	1 107	(2 703)	-	-	-
Total Financial Liabilities		**8 840**	**3 605**	**2 703**	**1 107**	**1 107**	**1 107**	**(11 591)**	**-**	**-**	**-**
Consumer Deposits											
Rental Properties		194	157	159	-	-	-	5	-	-	-
Water		591	599	599	605	605	605	-	605	605	607
Total Consumer Deposits		**785**	**755**	**758**	**605**	**605**	**605**	**5**	**605**	**605**	**607**
Trade and Other Payable Exchange Transactions											
Advance Payments		87 393	60 074	70 099	60 849	60 849	60 849	10 284	72 061	72 215	72 373
Auditor-General of South Africa		(399 166)	(258 245)	84	84	84	84	-	61	61	62
Control, Clearing and Interface Accounts		0	430	(32)	-	-	-	3 203	-	-	-
Electricity Bulk Purchase		3 669	384	1 582	-	-	-	(1 582)	-	-	-
Leave Accrual		-	-	-	52 346	52 346	52 346	-	52 848	53 149	53 489
Payables and Accruals		455 658	298 602	102 867	19 211	19 211	19 211	(72 290)	56 507	55 784	53 012
Retentions		32 700	41 733	46 146	41 994	41 994	41 994	(7 465)	54 922	55 552	56 411
Unallocated Deposits		8 132	5 430	3 550	5 462	5 462	5 462	-	5 010	3 012	3 012
Water Inventory Bulk Purchases		22 966	66 809	51 575	29 224	29 224	29 224	(14 390)	60 078	60 259	61 259
VAT Payables Output Tax Accrual		97 868	(2 922)	(17 056)	-	-	-	(2 407)	-	-	-
VAT Payables Output Tax Provision for Doubtful Debt Impairment		-	-	-	-	-	-	-	-	-	-
Total Trade and Other Payable Exchange Transactions	2, 5	**309 220**	**212 295**	**258 816**	**209 171**	**209 171**	**209 171**	**(84 648)**	**301 487**	**300 033**	**299 618**
Transfers and Subsidies Unspent											
Capital		(2 405)	(2 209)	4 570	-	(7 589)	(7 589)	57 998	-	-	-
Operational		10 561	5 514	5 170	-	(436)	(436)	(2 855)	-	-	-
Total Transfers and Subsidies Unspent		**8 156**	**3 305**	**9 740**	**-**	**(8 025)**	**(8 025)**	**55 142**	**-**	**-**	**-**
VAT Payables Output Tax Accrual		-	-	-	-	-	-	-	-	-	-
VAT Payables Output Tax Provision for Doubtful Debt Impairment		-	-	-	-	-	-	-	-	-	-
Total Trade and Other Payable Non-exchange Transactions	2	**8 156**	**3 305**	**9 740**	**-**	**(8 025)**	**(8 025)**	**55 142**	**-**	**-**	**-**
Provision											
Alien Vegetation		5 828	10 022	7 735	704	704	704	(3 402)	-	-	-
Bonus											
Decommissioning, Restoration and Similar Liabilities		1 109	3 540	3 777	2 387	2 387	2 387	(2 600)	2 672	2 681	2 694
Leave		42 222	44 754	48 475	3 331	3 331	3 331	(1 287)	3 101	3 158	3 171
Total Provision		**49 159**	**58 317**	**59 988**	**6 423**	**6 423**	**6 423**	**(7 289)**	**5 773**	**5 839**	**5 865**
VAT Payable											
VAT Payable: Output Tax		2 130	13 942	25 361	-	-	-	15 878	-	-	-
VAT Payable: VAT Control		-	-	-	-	-	-	-	-	-	-
Total VAT Payable		**2 130**	**13 942**	**25 361**	**-**	**-**	**-**	**15 878**	**-**	**-**	**-**
Other current liabilities											
Employee Benefits											
Total Other current liabilities		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Current Liabilities		**378 290**	**292 219**	**357 366**	**217 306**	**209 281**	**209 281**	**(32 502)**	**307 865**	**306 477**	**306 091**
Non-current Liabilities											
Financial Liabilities											
Borrowings											
Finance Lease Liability		34 753	22 945	9 029	603	603	603	-	-	-	-
Total Borrowings	4	**34 753**	**22 945**	**9 029**	**603**	**603**	**603**	**-**	**-**	**-**	**-**
Operating Lease Liability											
Total Financial Liabilities		**34 753**	**22 945**	**9 029**	**603**	**603**	**603**	**-**	**-**	**-**	**-**
Provisions											
Decommissioning, Restoration and Similar Liabilities		20 464	21 932	26 918	24 193	24 193	24 193	-	48 882	49 967	50 213
Total Provisions		**20 464**	**21 932**	**26 918**	**24 193**	**24 193**	**24 193**	**-**	**48 882**	**49 967**	**50 213**
Long term Trade and other Payables											
Total Long term Trade and other Payables		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other non-current liabilities											
Employee Benefits											
Other Long-Term Benefits		15 533	15 533	15 533	23 193	23 193	23 193	-	-	-	-
Termination Benefits											
Total Employee Benefits		**15 533**	**15 533**	**15 533**	**23 193**	**23 193**	**23 193**	**-**	**-**	**-**	**-**
Total Other non-current liabilities		**15 533**	**15 533**	**15 533**	**23 193**	**23 193**	**23 193**	**-**	**-**	**-**	**-**
Total non current liabilities		**70 749**	**60 409**	**51 480**	**47 989**	**47 989**	**47 989**	**-**	**48 882**	**49 967**	**50 213**
TOTAL LIABILITIES		**449 039**	**352 628**	**408 846**	**265 295**	**257 270**	**257 270**	**(32 502)**	**356 746**	**356 444**	**356 303**

COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)											
Correction of Prior Period Error		(5 031)	3 108	13	-	-	-	513	-	-	-
Opening Balance		3 011 253	3 154 931	3 210 491	-	-	-	-	-	-	-
Transfers to/from operating revenue and expenditure		148 708	117 348	(12 950)	(309 135)	(309 135)	(309 135)	238 833	-	-	-
Transfers to/from Reserves		-	0	-	3 892 870	3 905 021	3 905 021	-	3 311 267	3 424 724	3 505 659
Total Accumulated Surplus/(Deficit)	1	**3 154 931**	**3 275 387**	**3 197 553**	**3 583 734**	**3 595 885**	**3 595 885**	**239 347**	**3 311 267**	**3 424 724**	**3 505 659**
Reserves and Funds											
Total Reserves and Funds	2	-	-	-	-	-	-	-	-	-	-
Other											
Equity											
Total Equity		-	-	-	-	-	-	-	-	-	-
Non-controlling Interest											
Total Other	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	**3 154 931**	**3 275 387**	**3 197 553**	**3 583 734**	**3 595 885**	**3 595 885**	**239 347**	**3 311 267**	**3 424 724**	**3 505 659**

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

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

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			–	–	237,000	–	–	–	–	–	–	–
Females aged 5 - 14			–	–	24	–	–	–	–	–	–	–
Males aged 5 - 14			–	–	23,806	–	–	–	–	–	–	–
Females aged 15 - 34			–	–	31	–	–	–	–	–	–	–
Males aged 15 - 34			–	–	35	–	–	–	–	–	–	–
Unemployment			–	–	81	–	–	–	–	–	–	–
Monthly household income (no. of households)	1, 12											
No income			–	–	32,821	–	–	–	–	–	–	–
R1 - R1 600			–	–	12,532	–	–	–	–	–	–	–
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			-	-	227,000,000	–	–	–	–	–	–	–
Number of poor people in municipal area			-	-	84,000	–	–	–	–	–	–	–
Number of households in municipal area			-	-	60,000	–	–	–	–	–	–	–
Number of poor households in municipal area			-	-	33,000	–	–	–	–	–	–	–
Definition of poor household (R per month)			-	-	-	-	-	-	-	-	-	-
Housing statistics	3											
Formal												
Informal												
Total number of households			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4		-	-	52,571	-	-	-	-	-	-	-
Dwellings provided by province/s			-	-	7,596	-	-	-	-	-	-	-
Dwellings provided by private sector	5		-	-	-	-	-	-	-	-	-	-
Total new housing dwellings			-	-	60,167	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - borrowing						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - investment						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remuneration increases						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (electricity)												
Consumption growth (water)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collection rates	7											
Property tax/service charges						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Other Supporting Documents

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Monetary Transfers to other municipalities	1										
Total Monetary Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to Entities/Other External Mechanisms	2										
Total Monetary Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to other Organs of State	3										
Total Monetary Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to Organisations											
Sporting Bodies - Rent		–	–	–	–	–	–	–	–	–	–
Total Monetary Transfers To Organisations		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to Groups of Individuals											
Care Dependency		–	–	–	–	–	–	–	–	–	–
Grant In Aid		–	–	–	–	–	–	–	–	–	–
Total Monetary Transfers To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL Monetary TRANSFERS AND GRANTS	6	–	–	–	–	–	–	–	–	–	–
In-Kind Transfers to other municipalities	1										
Total In-Kind Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
In-Kind Transfers to Entities/Other External Mechanisms	2										
Total In-Kind Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
In-Kind Transfers to other Organs of State	3										
Total In-Kind Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
In-Kind Grants to Organisations	4										
Total In-Kind Grants To Organisations		–	–	–	–	–	–	–	–	–	–
Groups of Individuals	5										
Total In-Kind Grants To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL In-Kind TRANSFERS AND GRANTS		–	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	6	–	–	–	–	–	–	–	–	–	–

2.15 Municipal manager’s quality certificate

Attached separately.