

**ANNUAL BUDGET  
OF  
ELIAS MOTSOLEDI LOCAL MUNICIPALITY**



**2022/23 TO 2024/25  
MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS**

## ABBREVIATIONS AND ACRONYMS

<b>AO</b>	Accounting Officer	<b>SAPS</b>	South African Police Service
<b>AMR</b>	Automated Meter Reading	<b>SDBIP</b>	Service Delivery Budget Implementation Plan
<b>LED</b>	Local Economic Development	<b>SMME</b>	Small Micro and Medium Enterprises
<b>MEC</b>	Member of the Executive Committee	<b>BPC</b>	Budget Planning Committee
<b>MFMA</b>	Municipal Financial Management Act	<b>CFO</b>	Chief Financial Officer
<b>MIG</b>	Municipal Infrastructure Grant	<b>CPI</b>	Consumer Price Index
<b>MMC</b>	Member of Mayoral Committee	<b>CRRF</b>	Capital Replacement Reserve Fund
<b>MPRA</b>	Municipal Properties Rates Act	<b>DBSA</b>	Development Bank of South Africa
<b>MSA</b>	Municipal Systems Act	<b>DORA</b>	Division of Revenue Act
<b>MTEF</b>	Medium-term Expenditure Framework	<b>DWA</b>	Department of Water Affairs
<b>MTREF</b>	Medium-term Revenue and Expenditure Framework	<b>EE</b>	Employment Equity
<b>NERSA</b>	National Electricity Regulator South Africa	<b>FBS</b>	Free basic services
<b>NGO</b>	Non-Governmental organisations	<b>GDP</b>	Gross domestic product
<b>NKPIs</b>	National Key Performance Indicators	<b>GFS</b>	Government Financial Statistics
<b>OHS</b>	Occupational Health and Safety	<b>GRAP</b>	General Recognised Accounting Practice
<b>OP</b>	Operational Plan	<b>HR</b>	Human Resources
<b>PBO</b>	Public Benefit Organisations	<b>IDP</b>	Integrated Development Strategy
<b>PMS</b>	Performance Management System	<b>IT</b>	Information Technology
<b>PPE</b>	Property Plant and Equipment	<b>KM</b>	Kilometre
<b>PPP</b>	Public Private Partnership	<b>KPA</b>	Key Performance Area
<b>RSC</b>	Regional Services Council	<b>KPI</b>	Key Performance Indicator
<b>SALGA</b>	South African Local Government Association	<b>KWH</b>	Kilowatt
<b>IDP</b>	Integrated Development Plan		

**Part 1- Annual Budget****1.1 MAYOR'S REPORT****SPEECH BY THE MAYOR OF ELIAS MOTSOALEDI LOCAL MUNICIPALITY, CLLR DAVID TLADI, ON THE OCCASION OF THE STATE OF THE MUNICIPAL ADDRESS AND ADOPTION OF IDP AND BUDGET FOR THE 2022/2023 FINANCIAL YEAR, HELD ON TUESDAY, 31 MAY 2022, AT BAKGAGA-BAKOPA TRIBAL OFFICE**

Madame Speaker, Cllr Dieketseng Mashego  
The Chief Whip of Council, Cllr Justice Makunyane;  
Section 79 Chairpersons and the MPAC Chairperson;  
Exco members;  
Traditional Leaders  
Kgoshi Rammupudu ( Phaahle)  
Kgoshi Matlala (Ngwato a Nape)  
kgoshi-gadi Mathebe (mahlako)  
Kgoshi-gadi Matsepe (Mologadi)  
Ikosi P J Mahlangu (Maphepha II mgwezani)  
Leaders of Political parties  
Fellow Councillors  
Municipal Manager and the entire administration  
Leadership of SAMWU and IMATU present here  
Fellow residents of Elias Motsoaledi Local Municipality  
Members of the media  
Ladies and gentlemen

Thobela!

**Madam Speaker**, I would like to open by extending warm and fraternal greetings to all stakeholders, who came to share with us this important occasion of the State of the Municipal Address.

Welcome to those who are watching us on our social media platforms and listening through various communication media platforms.

It gives me great pleasure to speak before our communities who always support the programmes of the institution. We value your presence here today, because this is your State of the Municipal Address.

**Madam Speaker**, our mandate as local government is informed by the Constitution of the Republic of South Africa 1996, which places an obligation on local government institutions to strive, within their financial and administrative capacity, to achieve the objectives of local government set out in Section 152.

Therefore, as we review the 2022/2023 IDP and budget, we are called upon, not to lose sight of the developmental agenda of local government and the responsibility we carry on our shoulders, but to contribute towards making a better life for all our people. As we pick up the pieces of our economy two years after the COVID-19 pandemic hit our shores, the call for all stakeholders, that is business, community organisations, labour and government, to work together.

This speech draws its substance from the extensive public participation process that was embarked on since the draft IDP and budget were approved to go on public participation on 31 March 2022. Former President Nelson Rholihlahla Mandela once said: "We must forever realise that the time is always ripe to do right". Speaker, this quote befits this budget, for it is truly an expression of how Elias Motsoaledi Local Municipality responded to all our stakeholders to do what is right for our community.

Public Participation implies that the public must be involved in all government programmes. This is achieved through stakeholder engagements, public meetings, Izimbizo, IDP Forums and the rest. These platforms are created to afford the public an opportunity to influence the decision making process of government, or to share information with them. It is not for us, as political leaders, to impose our ideas for the residents of Elias Motsoaledi Local Municipality. As the residents of this municipality, you are urged to have a say in how your community is developed, serviced and maintained. Public Participation is democracy at work!

### **Madam Speaker and Fellow residents,**

During these IDP and Budget consultations, we identified poor households that need assistance from government, through ward councilors and organized community structures.

Some of the needs raised by communities are:

- Roads infrastructure;
- Water and sanitation;
- Electricity;
- Health services;
- Support for Small, Medium and Macro Enterprises (SMMEs) and
- Eradication of higher rate of unemployment which contributes to high levels of poverty.

As the ANC government, we are committed to respond to these challenges working hand in glove with various community stakeholders, sector departments, and parastatals. After all, history will judge us in the coming years for what we are currently doing.

The performance management of the institution is administered by the IDP and PMS Unit, which is also responsible for Employee Performance Agreements and the Annual Report. The unit, in addition, deals with the new local government reforms, as contained in the local government municipal staff regulations, namely the chapter on performance management. This is to actively hold officials accountable as they serve you, the members of the public.

### **Financial viability**

The municipal financial position is relatively stable and, as per the National Treasury Analysis, caution should be paid to the spending pattern, as revenue generation streams still need to be strengthened.

### **Auditor General Audit Opinion**

**Madam Speaker and Fellow residents,** the municipality has obtained an unqualified audit opinion for the 2020/2021 financial year. According to the AG, the municipality can move to a better audit opinion if matters of Assets and Legislation compliance can be attended to, and on behalf of Exco Political Head of Budget and Treasury and Section 79 Chairperson, continue to provide oversight over the Audit Steering Committee, which meets monthly to monitor the implementation of the Audit Action Plan.

Fellow Councilors and residents, in the new financial year, my office will lead EXCO members in engaging communities of Elias Motsoaledi to discuss challenges facing many of our wards such as Motetema, Rossenekal, Monsterlus, Elansdron and many more. In our efforts to win back the confidence of our people, we will ask our residents to strengthen their participation in matters of their local government by paying for municipal services rendered.

**AS RESPONSIBLE RESIDENTS - PLEASE PAY FOR YOUR SERVICES! IT IS THE RIGHT THING TO DO FOR OUR SUCCESS.**

**Dear people of Elias Motsoaledi**, as mentioned, revenue collection on services rendered is crucial for the sustainability of the delivery of services, and I once more appeal for the payment of services by all residents who can afford to do so. I invite you all to continue working together with us in making Elias Motsoaledi Local Municipality a clean municipality, a better place to stay, and a better municipality that serves its residents with dedication and commitment; a municipality whose primary reason for its existence is service delivery to its people.

**AS RESPONSIBLE RESIDENTS - PLEASE PAY FOR YOUR SERVICES! IT IS THE RIGHT THING TO DO FOR OUR SUCCESS.**

**Madam Speaker,**

**On ELECTRICITY**

The municipality is faced with a challenge of the theft of electricity infrastructure, including the vandalism of sub-stations, cable-theft and illegal connections, which cost the municipality millions of Rands in losses. We appeal to those behind these acts of crime to think beyond themselves.

This, coupled with dilapidated infrastructure, has had a negative impact on the revenue of the municipality as it increases the losses for unaccounted electricity consumption.

Fellow councilors, Elias Motsoaledi has an Indigent Policy in place which outlines criteria for registering indigents in order to receive free basic electricity from the municipality. For the current financial year, **6934** indigents were registered on the Indigent Register. Only 1579 were configured by Eskom to receive free basic electricity. The municipality provides free basic electricity to both Eskom- and municipal-licensed areas.

**ELECTRICITY PROJECTS**

**The following areas/wards benefited from the 2020/2021 budget for the Electrification of households, namely:**

- ❖ Zumapark **122** households in wards 07,
- ❖ Electrification of Mashemong **699** households in wards 25,
- ❖ Electrification of Ntswelemotse **251** households ward 04,
- ❖ Marapong/Malaeneng **59** households in ward 08,
- ❖ Oorlog **93** households ward 01, Moteti B
- ❖ Lusaka **313** households in ward 01,
- ❖ Slovo **29** households in ward 01 and;
- ❖ Moteti Liberty **212** households in ward 02.

**ROADS, BRIDGES AND STORM WATER DRAINAGE PROJECTS**

**To provide reliable and efficient transport mobility infrastructure for communities, the following projects were constructed and being completed:**

- ❖ Upgrading of Dipakapakeng Access Road, Bridge and Storm water Control (2,2km Status of the road now is at 70%- Contractor busy with base
- ❖ Kgaphamadi Construction of Bus Route, Bridge and Storm water Control (5.5km). Status of the road now is 87.01% - Contractor busy with gabions, pouring of concrete on V-drains, application of primer and asphalt surfacing.
- ❖ Tambo Road Construction (3.25Km) Completed
- ❖ Laersdrift Bus Route Phase 1B (1.63km) Completed
- ❖ Kgoshi Rammupudu Construction of Access Road Phase 2 (2.2km) Complete
- ❖ Mogaung Construction Access Road Phase 2 (2.1 km) Completed
- ❖ Motetema Internal Streets (1.3Km) Completed
- ❖ Construction of Fleet Centre Completed

**Fellow residents,**

**The Municipality has planned to construct amongst others the following road in the next financial year 2022/2023.**

- ❖ UPGRADING OF TAFELKOP STADIUM ACCESS ROAD (5.5KM + BRIDGE) IS BUDGETED R27 Million
- ❖ UPGRADING OF UITSPANNING A TO BLOEMPOORT ACCESS ROAD (6KM) IS BUDGETED R27 Million
- ❖ UPGRADING OF NYAKURANE INTERNAL STREET, ACCESS ROAD AND STORM WATER CONTROL IS BUDGETED R4.6 Million
- ❖ UPGRADING OF MOTETEMA STREET UPGRADE IS BUDGETED R3.5 Million
- ❖ GROBLERSDAL CONSTRUCTION AND REFURBISHMENT OF EXISTING LANDFILL SITE IS BUDGETED R4 Million
- ❖ ELECTRIFICATION OF MASAKANENG (215 HH) IS BUDGETED R3.9 Million
- ❖ ELECTRIFICATION OF MAKAEPEA (162 HH) IS BUDGETED R3.2 Million
- ❖ ELECTRIFICATION OF NYAKELANG (190 HH) IS BUDGETED R3.8 Million
- ❖ ELECTRIFICATION OF PHOMOLA (100 HH) IS BUDGETED R2 Million
- ❖ ELECTRIFICATION OF PHOOKO (200 HH) IS BUDGETED R4 Million

**The 2022/23 FINANCIAL YEAR DESIGN ONLY PROJECTS**

- ❖ UPGRADING OF MARAGANENG ACCESS ROAD IS BUDGETED R 900,000
- ❖ UPGRADING OF STOMPO BUS ROAD IS BUDGETED R 800,000
- ❖ UPGRADING OF MALAENENG A NTWANE ACCESS ROAD IS BUDGETED R 900,000
- ❖ KGOBOKWANE-KGAPAMADI ACCESS ROAD IS BUDGETED R R800,000.00
- ❖ UPGRADING OF MOKUMONG ACESS ROAD TO MARATHENG TAXI RANK IS BUDGETED R 700,000
- ❖ UPGRADING OF HLOGOTLOU-BOPANANG ACCESS ROAD IS BUDGETED R 800,000
- ❖ FENCING OG GROBLERSDAL SUBSTATION IS BUDGETED R400,000
- ❖ FENCING OF NTWANE CEMETERY IS BUDGETED R1 000,000
- ❖ UPGRADING AND DEVELOPMENT OF PARKS IS BUDGETED R1 300 000

To ensure that the municipality delivers services to its constituency without frailer, Elias Motsoaledi Local Municipality has new fleet of vehicles, which will be unveiled today. The fleet is consist of **2 x Refuse Trucks, 2 x Tipper Trucks,**

**2 x TLB Back Hoe Loaders, 1 x Excavator, 1x Bell Motor Grader, 1 x Skip Loader Trailer and 1x Flat Deck TLB Trailer.**

**Madam Speaker and Fellow residents**

### **SOLID WASTE MANAGEMENT AND DISPOSAL**

Solid waste management is another critical aspect of our drive towards entrenching decent sanitation in our communities. The municipality provides waste management services that include waste collection, street cleaning, clearing of illegal dumping, and waste disposal.

Elias Motsoaledi Local Municipality renders an effective refuse removal service to the following areas: Motetema, Monsterlus, Groblersdal, Roossenekal (Town & RDP), Tambo Township and Walter Sisulu RDP. The Municipality has 60 Skip bins placed strategically across its jurisdiction to reduce illegal dumping.

### **LIBRARIES**

In ensuring that we improve access to information, Elias Motsoaledi Local Municipality has signed a service level agreement with the Department of Sports, Arts and Culture for the management of three libraries (Roossenekal, Vlakfontein and Groblersdal).

The main objectives of the libraries are to reduce the level of illiteracy and to build a well-armed society. Our young people, in and out of schools, are using our libraries, with over 23 306 recorded in-house users. We hereby encourage more and more young people to walk into our libraries to acquire knowledge and information. All our libraries have free Internet access for one hour per person a day. This data can be used to learn new information that is freely available online.

**Madam Speaker,**

### **MAYORS BURSARY PROGRAMME & YOUTH EMPOWERMENT**

We are committed to the development of young people and recognize that they are the future of our communities. I am reminded in this regard, Honorable Speaker, of the words once said by the late faithful leader of our liberation struggle. Oliver Reginald Tambo; when he said, "A nation that does not invest in its youth has no future".

I am quoting these words deliberately, ladies and gentlemen, because they ring true to this day. The Mayoral Bursary, through its Youth division, annually funds 50 qualifying young people to further their studies in institutions of higher learning.

### **YOUTH EMPOWERMENT**

**Madam Speaker,** our partnership with the National Youth Development Agency, which came into effect in the year 2018, made it possible for a total of 80 young people to be placed in various fields of study.

The programme is a remarkable success, wherein 25 students who were enrolled in the Electrical Mechanic have gone through their trade test and are awaiting their results. Once successfully completed, this will enable them to be artisans.

We then have 30 Diesel Mechanical students placed within our various programmes and waiting to write their trade test. We will invite the media to their graduation ceremony.

The remaining 25 are doing Carpentry and will complete their third year in November, after which they will undergo their trade test in 2023.

There are an additional four young people who started their Electrical Engineering studies in June 2021, based in Mokopane.

We then also have six young people undergoing three-year long internships and are placed in various areas of professional employment in and around the municipality, starting January 2022.

## **ON THE SKILL CENTRE**

The construction of Sekhukhune Skills Development Centre in Elias Motsoaledi will contribute to the Department of Higher Education and Training's Decade of Artisan initiative while also contributing to developing critical artisanal skills.

To be constructed in a predominantly rural area, the center will assist in advancing rural development while also creating sustainable livelihoods for the benefit of the youth of Sekhukhune in particular and Limpopo province at large.

As you might be aware, as a country and a government we are working to rebuild our economy after the devastating effects of the coronavirus pandemic which severely disrupted our economic activity and putting numerous investments on hold.

Our priority now is to drive the implementation of our Economic Reconstruction and Recovery Plan as pronounced and led by our President, Cyril Ramaphosa.

This plan, which is underpinned by the agreements and commitments between social partners, outlines key interventions to kickstart our economy.

This project provides a platform for the implementation of artisanal training on a massive scale in view of the National Development Plan which targets training about 30 000 artisans by the year 2030.

The project involves a partnership between the Wholesale and Retail Sector Education and Training Authority (W&R SETA) and Sekhukhune Technical and Vocational Education and Training (TVET) College.

This project is testament to the call I always make of ensuring an integrated, coordinated and articulated post school education and training (PSET) system which brings together all post school sectors in pursuit of our skills development mandate.

This is directly aligned to the mandate of the W&RSETA which implemented a programme to capacitate 2 400 informal traders every year. Informal traders in Sekhukhune will benefit from this support from the W&RSETA with an investment of R9 million which will also include the construction of trading stalls. Furthermore, through this project, a traffic circle and access road will be constructed leading to the centre. This infrastructure project will be funded at a budget of R6.9 million.

About six local businesses have benefited from the project with 267 jobs created. Nzimande said according to the reports he received, 30 percent of the project budget had benefited local businesses. In the current phases of the project, at least 280 job opportunities have been created and more were expected. These phases are benefiting at least 12 local businesses.



*Ke rata go tseya sebaka se ke dire boipiletšo go baswa ba rena gore ba tsene sekoko , go bane tutho ke lesedi ka yona re ka kgona go fediša tlala le bodidi,*

### **SPECIAL PROGRAMMES UNIT**

It is the firm belief of the Special Programmes Unit that in order to live up to our mission of improving the quality of life and social wellbeing of the vulnerable groups, we need to pay special attention to issues of Youth, Children, older persons, Women/Gender, People with Disabilities and HIV/AIDS.

The municipality, in partnership with the Commission for Gender Equality, has embarked on the programme in capacitating EXCO, PMT and Section 79 councilors on the issues of gender equality, gender user-friendly policies and gender responsive budgeting on local government, and the re-establishment of Local Aids Council multi-sectoral response in addressing issues of HIV/AIDS and TB within the municipality.

### **DEVELOPMENT PLANNING & LOCAL ECONOMIC DEVELOPMENT**

Madam Speaker, as we carry out our mandate to provide basic services in an efficient, effective and economic manner to the residents, let us not forget that the role of developmental local government is also to create conducive conditions for economic growth and development. Any municipality that cannot retain and expand its existing business sector cannot hope to be able to attract new business and investment into its area.

The mining sector unfortunately plays a relatively limited role in the local economy of the municipality due to the closure of Mapaochs Mine in Rosenekaal and Blue Ridge in Groblersdal. However, work is underway to ensure that the two key mines reopen.

The key projects which the LED division is currently implementing are Agri-Park Hub Development, co-operative and SMMEs support, Expanded Public Works Programme (EPWP), Community Works Programme (CWP) and Business Licensing.

Elias Motsoaledi Local Municipality supports participative strategies for local economic development in its area of jurisdiction, with the aim of promoting economic growth geared to local conditions and resources, creating income and employment opportunities for all segments of the population and enhancing good governance at local level.

Given the above conditions and the roles that the municipality has to play in local economic development, the municipality, in collaboration with the Department of Public Works, has managed to create **1191** work opportunities through the EPWP and CWP programmes. In addition, the construction of Sekhukhune Skills Development Centre has created 80 contract-based employment opportunities, and the relocation of 50 informal traders at Aquaville R25 road to the space in front of our landfill site.

Madam Speaker, the council has approved the sale of **1338** stands in portion 39 of farm Klipbank 26Js for the new financial year. The approval of the site development plan for the construction of Tafelkop Mall in ward 25 and the construction of Sehlakwane shopping complex in ward 16 by Sekhukhune will further add onto our municipality and create much-needed jobs to dent the rising levels of poverty and unemployment.

Madam Speaker, the council has approved the sales of **1338** stands in portion 39 of farm klipbank 26Js in Groblersdal and **36** in Rossenekal town for the new financial year.

***Ga re sa nyaka go bona badudi goba baŠumi ba rena bayo reka dintlo di masepaleng tse dingwe ba swanetse go di reka gona mo gae gore be godiŠa masepala wa Elias motsoaledi,***

It is our hope that all these key projects planned for Elias Motsoaledi Local Municipality be embraced by our residents and stakeholders, so as to make our community a safe, functional place to live.

**Honorable Councilor**

I now indicate the specific allocation for 2022/2023 and compare it with those of 2021 /2022 financial year.

The total Operating Revenue Budget amounts R 601 Million and Operating Expenditure Budget amounts to R 597 million resulting with the operating surplus of R 4 million.

The Operating Expenditure Budget represents 86 percent of the total Expenditure Budget and the Capital Budget on the other hand represents 14 percent of the total Expenditure Budget. The 2020/2023 Budget is 12.7 per cent more than the 2021/2022 Expenditure Budget. An increase is mainly due to increase in DoRA allocation in 2022/2023 financial year.

**REVENUE GENERATION ASSUMPTIONS**

The total grants allocated to the municipality in terms of the 2023 Division of Revenue Bill amount to R 418 million over the medium-term, reflecting an increase of R31 million (7.4%) over the 2022 DORA allocation.

The operating revenue budget for 2022/2023 amount to R 601 million which reflect an increase of R 55 million over the 2021/2022 operating revenue budget which is tantamount to an increase of 9.1 per cent. The audited operating revenue amounts to R517 million for 2020/21.

**Honorable Councilor**

The base assumption is that tariff and rates increases will increase at CPI rate over the long term.

Honourable Speaker; to fund our budget' needs and to make provision for inflationary increases in goods and services required, we do need to adjust our tariffs in a reasonable manner.

**THE TARIFF INCREASES ARE AS FOLLOWS:**

The Energy Regulator NERSA has approved a 9.6 per cent tariff increase starting from April 2022 and this figure accounts for a 3.49 per cent increase in 2022/23.

The Elias Motsoaledi Local Municipality tariff will increase by 4.8 per cent and the tariff will be implemented accordingly. The 4.8 per cent increase Honourable Speaker is calculated taking into account the affordability of the community, we serve.

Honourable Speaker, Property Rates tariff will increase in 2022/2023 on average by 4.8 per cent which is in line with Consumer Price Inflation (CPI)

## OPERATING EXPENDITURE GUIDELINES AND ASSUMPTIONS

The total operating expenditure budget for 2022/2023 amount to R 597 million reflecting the increase of R 71 million over the 2021/2022 budget year which is equivalent to an increase of 13 per cent.

The increases on key expenditure cost drivers will be as follows in 2022/2023:

The employee's remuneration cost; Bulk purchases and contracted services amounts to R 185 million; R 110 million and R 63 million respectively which 60 per cent of a Total Operating Expenditure.

## CAPITAL EXPENDITURE ASSUMPTIONS

Honourable Speaker, the total capital expenditure for 2022/2023 amount to R98 million reflecting an increase of R4 million over the 2021/2022 adjusted budget.

The difference in capital budget for the two financial years is due to an increase in internally funded project and Municipal Infrastructure Grant as per DoRA.

The 2022/2023 Capital Expenditure will be funded mainly from capital conditional grants allocation and internally generated funds as follows:

- R 62.6 million Municipal Infrastructure Grant (MIG) specifically for roads projects
- R 17 million Integrated National Electrification Programme for electricity reticulation
- R 18 million internally generated funds

## In Conclusion

I am convinced that this Budget as an instrument, will go a long way to create hope in these challenging times and will contribute to our goal "To be the best together".

I want to take this opportunity to thank all Councillors that serve with me. We proudly serve with diligence and honour.

I want to thank the Municipal Manager and his administrative staff. Your professionalism has been noted as one of the key factors for our success.

The members of the media, my family for allowing me to serve the community at the expense of spending less time with them. Most importantly the community of Elias Motsoaledi for entrusting in me, to run and lead a big institution like ours.

***TO THIS END HONOURABLE SPEAKER AND THE ESTEEMED MEMBERS, I COUNCILLOR MAGETLE DAVID TLADI, THE MAYOR OF ELIAS MOTSOALEDI LOCAL MUNICIPALITY HEREBY TABLES THE IDP AND BUDGET FOR 2022/2023 FINANCIAL YEAR IN COMPLIANCE WITH RELEVANT LEGISLATIONS FOR CONSIDERATION, ADOPTION AND APPROVAL.***

I thank you

## 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.

Section 17 of Municipal Finance Management Act (MFMA) requires the municipality to prepare an annual budget in the prescribed format. National Treasury's MFMA circular 116 have been used as guidance for the compilation of the 2022/23 MTREF. The main challenges experienced during the compilation of the 2022/23 MTREF can be summarized as follows

- Ageing and poorly maintained roads and electricity infrastructure
- Salaries and wage increases for municipal staff as well as the need to fill all active vacant positions.
- Limited and/or very minimal surplus anticipated to be realized from operating budget makes it difficult to accommodate all the wards within the area of jurisdiction of the municipality in terms of capital projects implementations

The following budget principles and guidelines directly informed the compilation the 2022/23 MTREF:

- The 2021/22 adjustment budget priorities and targets as well as the base line allocations contained in that adjustment were adopted as the upper limits for the new base lines for the 2022/23 annual budget.
- Tariffs and property rates increases should be affordable and should generally not exceed the 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 example: cost of bulk electricity. In addition, we had to ensure that our tariffs remained or moved towards being cost reflective, and had to take into account the need to address infrastructure backlogs.
- Capital projects and activities funded from external grants are budgeted as per the gazetted amount as outlined in 2022/23 Division of Revenue Act (DoRA).
- In addition to cost containment implemented by the municipality, the following items and allocations thereof had to be kept at minimum level:
  - Consultants and Professional Fees;
  - Special Projects and Events;
  - Refreshments and Entertainment (R2 000 allocated per directorate for the entire financial year);
  - Ad hoc travelling;
  - Subsistence, Travelling and conference fees;
  - Telephone and cell phone subscriptions;
  - Issuing of Material and Store items, and
  - Overtime.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2022/23 Medium Term Revenue and Expenditure Framework:

**SUMMARY OF 2022/23 MEDIUM TERM REVENUE EXPENDITURE FRAMEWORK**

<b>SUMMARY OF 2022/23 FINAL BUDGET</b>			
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>DESCRIPTION</b>	<b>FINAL BUDGET</b>	<b>INDICATIVE BUDGET</b>	<b>INDICATIVE BUDGET</b>
<b>TOTAL REVENUE</b>	<b>680 956 748</b>	<b>710 086 420</b>	<b>750 784 007</b>
<b>Less: Transfer recognized capital</b>	<b>79 606 000</b>	<b>76 364 000</b>	<b>79 794 000</b>
<b>OPERATING REVENUE</b>	<b>601 350 748</b>	<b>633 722 420</b>	<b>670 990 007</b>
<b>OPERATING EXPENDITURE</b>	<b>597 283 011</b>	<b>613 683 852</b>	<b>638 211 660</b>
<b>TRANSFERS - CAPITAL</b>	<b>79 606 000</b>	<b>76 364 000</b>	<b>79 794 000</b>
<b>SURPLUS/(DEFECIT)</b>	<b>4 067 737</b>	<b>20 038 568</b>	<b>32 778 347</b>
<b>CAPITAL EXPENDITURE</b>	<b>98 041 001</b>	<b>93 444 072</b>	<b>93 320 484</b>

The above table is used as a testing tool for determination of municipal deficit or surplus throughout 2022/23 MTREF and as presented, the budget has a surplus of R4, 068 million; R20, 040 million and R32, 780 million respectively throughout the MTREF period.

Total operating revenue and expenditure for 2022/23 financial year amounts to R601, 351 million and R597 282 million respectively. The budget increases steadily in the outer years.

Total capital expenditure amounting to R98, 041 is inclusive of conditional grants in terms DoRA allocation to the tune of R79, 606 and internally funded projects R18, 435 through municipal reserves

### **1.1 Operating Revenue Framework**

For Elias Motsoaledi Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of this municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to setting of tariff increases and balancing expenditures against realistically anticipated revenues and prioritization of capital projects as contained in the Integrated Development Plan (i.e. the needs of all wards within Elias Motsoaledi Local Municipality).

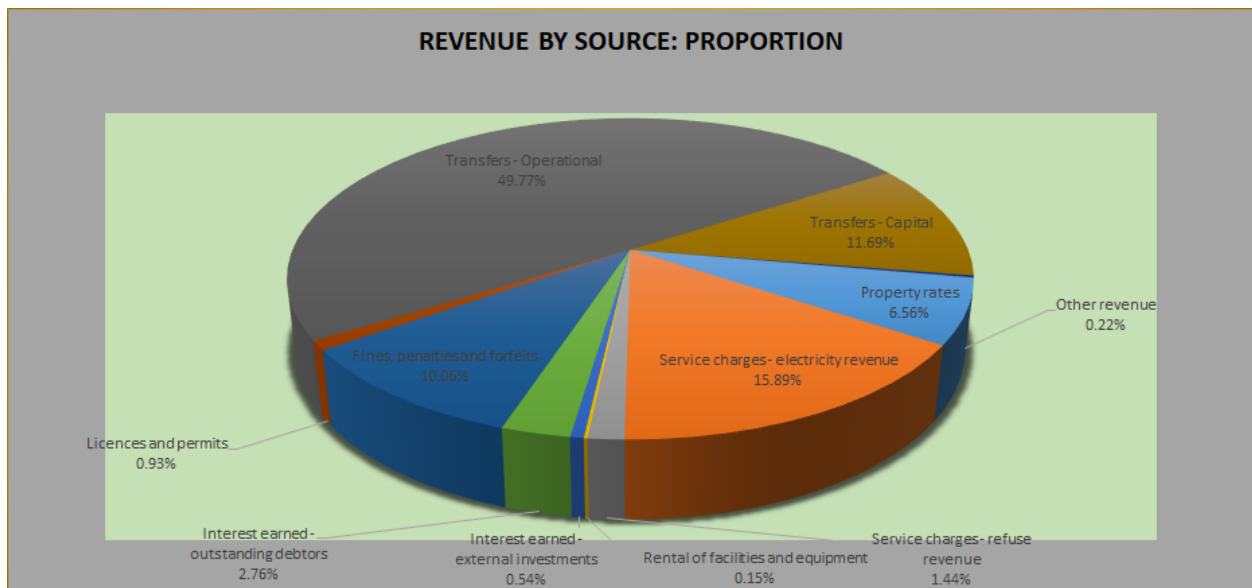
The municipality’s revenue strategy is built around the following key components:

- National Treasury’s guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure 85% annual collection rate for property rates and other key service charges;
- Electricity tariff increases that are approved by the National Electricity Regulator of South Africa (NERSA);
- 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);
- The municipality’s Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following tables are a summary of the 2022/23 MTREF (classified by main revenue source):

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

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue By Source</b>										
Property rates	32 756	35 773	39 442	38 865	42 616	42 616	33 241	44 645	46 609	48 707
Service charges	87 607	95 493	97 738	113 490	130 911	130 911	91 144	117 968	123 158	128 701
Investment revenue	2 133	2 059	585	1 900	2 432	2 432	1 570	3 652	3 669	3 675
Transfers recognised - op	245 283	273 218	351 908	307 637	307 637	307 637	296 532	338 906	359 874	384 977
Other revenue	78 151	40 521	37 907	84 734	63 158	63 158	23 364	96 180	100 412	104 930
	<b>445 930</b>	<b>447 064</b>	<b>527 580</b>	<b>546 626</b>	<b>546 753</b>	<b>546 753</b>	<b>445 851</b>	<b>601 351</b>	<b>633 722</b>	<b>670 990</b>



**Figure 1 Main operational revenue categories for the 2022/23 financial year**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations (MBRR), transfer recognized - capital is excluded from the operating revenue statement, as inclusion of this revenue source would distort the calculation of the operating surplus/deficit.

Revenue to be generated from operational grants amounts to R338, 906 million translating to 56% for 2022/23 financial year making it clear that the Municipality is still grants dependent and the level of dependency is not gradually going down. In addition, revenue to be generated from rates and services charges amounts to 7% and 20% respectively. In the 2022/23 financial year, revenue from rates and services charges add up to R162, 612 million translating to 27%. This increases to R169, 768 million, and R177, 407 million in the respective financial outer years of the MTREF.

Service charges is the second largest revenue source totaling 20% or R117, 968 million and increases to R123, 158 million and R128, 701 million respectively in the outer years. The third largest source is fines that amounts to R68, 520 million in 2022/23 financial year and R71, 535 million and R74, 754 million respectively in the outer years.

### Operating Transfers and Grants Receipts

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>245 283</b>	<b>273 218</b>	<b>351 908</b>	<b>307 767</b>	<b>307 767</b>	<b>307 767</b>	<b>338 906</b>	<b>359 874</b>	<b>384 977</b>
Local Government Equitable Share	237 511	269 013	347 526	302 788	302 788	302 788	334 260	357 024	382 127
Finance Management	1 770	2 235	2 600	2 650	2 650	2 650	2 850	2 850	2 850
EPWP Incentive	1 002	1 374	1 681	2 199	2 199	2 199	1 796	-	-
Disaster Relief Grant	-	596	-	-	-	-	-	-	-
Education Training and Development Practices SETA	-	-	102	130	130	130	-	-	-
Energy Efficiency and Demand Management	5 000	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Total Operating Transfers and Grants</b>	<b>245 283</b>	<b>273 218</b>	<b>351 908</b>	<b>307 767</b>	<b>307 767</b>	<b>307 767</b>	<b>338 906</b>	<b>359 874</b>	<b>384 977</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>71 830</b>	<b>73 921</b>	<b>68 891</b>	<b>79 332</b>	<b>79 332</b>	<b>79 332</b>	<b>79 606</b>	<b>76 364</b>	<b>79 794</b>
Municipal Infrastructure Grant (MIG)	61 832	54 921	53 891	57 984	57 984	57 984	62 606	65 364	68 300
Intergrated National Electrification Grant	9 998	19 000	15 000	21 348	21 348	21 348	17 000	11 000	11 494
<b>Provincial Government:</b>	<b>-</b>	<b>21 471</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Coghsta - Development	-	21 471	-	-	-	-	-	-	-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Total Capital Transfers and Grants</b>	<b>71 830</b>	<b>95 392</b>	<b>68 891</b>	<b>79 332</b>	<b>79 332</b>	<b>79 332</b>	<b>79 606</b>	<b>76 364</b>	<b>79 794</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>317 113</b>	<b>368 610</b>	<b>420 799</b>	<b>387 099</b>	<b>387 099</b>	<b>387 099</b>	<b>418 512</b>	<b>436 238</b>	<b>464 771</b>

The above table outlines the operating grants and transfers allocated to Elias Motsoaledi Local Municipality for 2022/23 MTREF and these grants are contributing significantly towards the revenue-base of the municipality.

### 1.4.1 Property Rates

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

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1 (zero point two five is to one). The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality conforms to the stipulations of the above-mentioned regulations more especially on the ratio thereof. The stipulation in the Property Rates Policy is highlighted below:

- The first R30 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA). In addition to this exemption, the following additional rebates on the market value of a property will be granted in terms of the Municipality's own Property Rates tariffs;

<b>Property categories</b>	<b>Additional rebates</b>
Residential property	20%
Business, commercial, industrial and mining	25%
Agricultural property	0%
State owned property	20%
Public service infrastructure	75%
Public benefit organisation. Old age	75%
Municipal properties	Not levied
Unknown	Not levied

The following owners may be granted a rebate on, or a reduction in the rates payable on their property:

- Pensioners that meet the following criteria:
  - Registered owner of property,
  - Applicant must reside on the property,
  - Income not exceeding an amount set by Council,
- Ratable property registered in the name of the Council., if such property is used in supplying electricity, water, and gas or sewerage services;
- Hospitals, clinics, and institutions for mentally ill persons, which are not operated for gain;
- Ratable property registered in the name of an agricultural society affiliated to or recognized by the South African Agricultural Union, which is used for the purpose of such society;
- Cemeteries and crematoriums, which are registered in the names of private persons and which are used exclusively for burials and cremations;
- Museums, art galleries, libraries and botanical gardens which are open to the public, whether admission fees are charged or not;
- Sports grounds used for the purpose of amateur sports and any social activities, which are connected with such sports;



- Ratable property registered in the name of benevolent or charitable organizations, or any ratable property let by the Council to any of the named organizations
- Owners of a property situated in an area affected by a disaster within the meaning of the Disaster Management Act, 2002 or in any other serious adverse social or economic conditions;
- Owners of residential properties with to which Section 17(1)(h) of the Act applies on the market value of the property less the amount stated in that Section or higher amount as determined by Council;
- State or public infrastructure and their rates may be reduced to a percentage which is contemplated in Section 11 of the Act.
- Owners of agricultural properties who are bona fide farmers.

#### **1.4.2 Sale of Electricity and Impact of Tariff Increases**

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. NERSA approved municipal bulk tariff increases of 8.61 per cent in 2022/23.

Registered indigents will continue to get 50 kWh allocated to them and this will result in indigents receiving 50 kWh per 30-day period free of charge.

National Treasury encouraged municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality which is contradiction with setting cost-reflective tariffs. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required to pay careful attention to tariff increases across all consumer groups.

#### **1.4.3 Waste Removal and Impact of Tariff Increase**

Service charge refuse removal is currently not doing fairly well since the revenue generated is currently less than the anticipated expenditure to be incurred and the municipality will therefore, have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors for the function not to break-even are repairs and maintenance on vehicles and landfill site, increases in general expenditure such as petrol and diesel and the cost of contracted service provider for refuse removal.

#### **1.4.4 Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services

### **1.5 Operating Expenditure Framework**

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

- The renewal of existing assets and the repairs and maintenance needs;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The alignment of capital programme to the asset renewal requirement as per MBRR;

- Operational surplus will not be directed to funding the capital budget. Capital projects will be funded by reserves for 2022-23 and outer years and
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation will be made.

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

### Summary of operating expenditure by standard classification item

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Expenditure By Type</b>										
Employee costs	141 238	141 837	150 619	163 212	154 891	154 891	130 978	185 315	193 476	202 098
Remuneration of councillors	23 235	24 575	24 279	27 334	25 386	25 386	20 645	25 580	26 638	27 340
Depreciation & asset impairment	56 338	56 422	59 166	58 392	57 692	57 692	–	59 780	62 410	65 156
Finance charges	4 401	3 538	3 635	3 729	845	845	232	2 185	2 326	2 472
Materials and bulk purchases	90 243	97 588	114 603	129 586	132 762	132 762	90 868	148 283	156 096	163 036
Transfers and grants	5 846	2 984	1 402	3 784	3 271	3 271	2 428	3 292	3 436	3 588
Other expenditure	143 026	143 571	189 069	146 638	151 128	151 128	76 953	172 847	169 300	174 521
<b>Total Expenditure</b>	<b>464 328</b>	<b>470 514</b>	<b>542 774</b>	<b>532 675</b>	<b>525 975</b>	<b>525 975</b>	<b>322 105</b>	<b>597 282</b>	<b>613 682</b>	<b>638 210</b>

The budgeted allocation for employee related costs and remuneration of councillors for the 2022/23 financial year totals R210, 898 million, which equals 35% of the total operating expenditure. South African Local Government Bargaining Council circular 23/2021 stipulates an increase of 4.8% which equates to CPI. Based on MFMA circular 115, the two outer-years' salary increases have been factored into this budget at CPI percentage increase of 4.4% and 4.5% respectively. The CPI is also applied on remuneration for councillors for outer years

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). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. The provision of debt impairment was determined based on the annual average collection rate of 75% and the Debt Write-off Policy of the Municipality. For the 2022/23 financial year this amount equates to R61, 181 million and escalates to R62, 477 million in 2023/24 and R63, 928 million 2024/25. While this expenditure is considered a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate for asset consumption. Budget appropriations in this regard total R59, 780 million for the 2022/23 financial year and equates to 10% of the total operating expenditure. Cognizance should be taken that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. Note should therefore be taken that depreciation and asset impairment as well as debt impairment constitute non-cash items and as a result they are excluded when determining surplus to be expended for funding capital projects, if any.

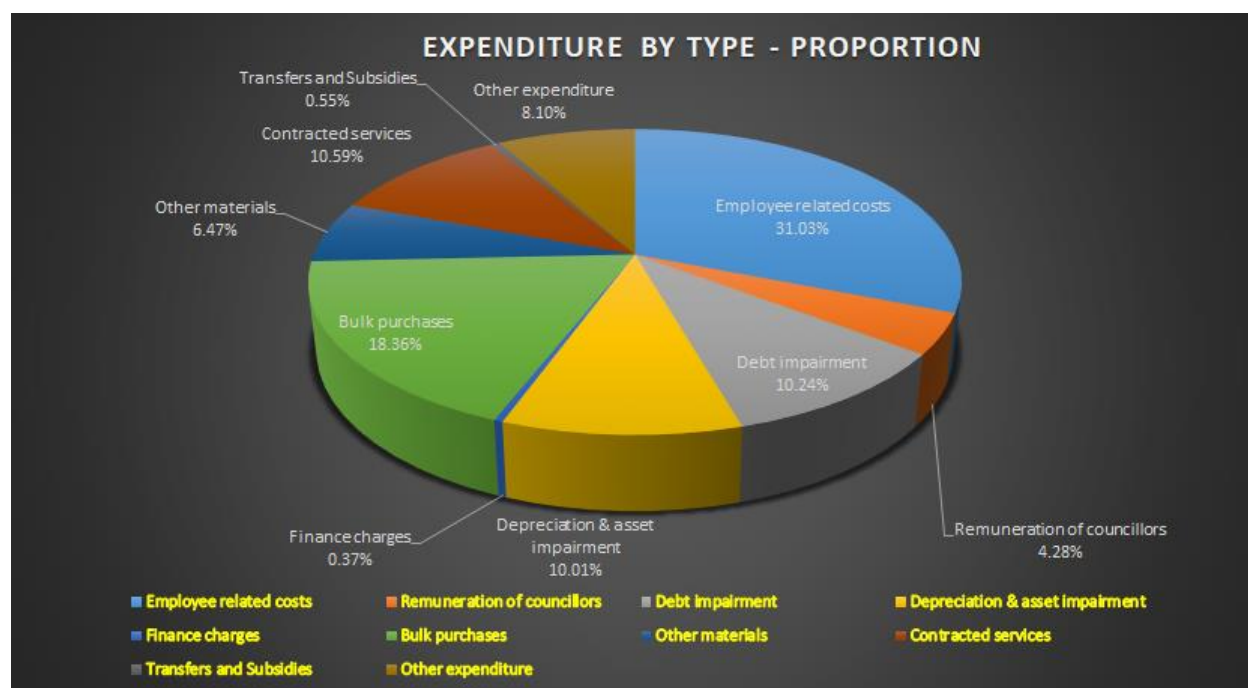
Bulk purchase is directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditure includes distribution losses. MFMA circular 115 outlines the set tariff increase for municipal bulk purchase from Eskom of 9.6%.

Other material comprises of amongst others the purchase of materials for maintenance, cleaning materials and chemicals. In line with the municipality's repairs and maintenance plan this group of expenditure has been prioritized to ensure sustainability of the municipality's infrastructure.

Contracted services comprise of 11% or R63 265 million of the total operational budget for the 2022/23 financial year and decreases to R57, 831 million and increases to R59, 384 million in the two respective outer years. The norm for contracted services is 2% to 5% and as a result, the budget for contracted services through the MTREF period is considered to be excessive.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

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



**Figure 2 Main operational expenditure categories for the 2022/23 financial year**

### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2022/23 budget and MTREF provide for budget appropriations in the area of asset maintenance, as informed by the asset renewal and repairs and maintenance needs. In terms of the Municipal Budget and Reporting Regulations, operational

repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

During the compilation of the 2022/23 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. In this MTREF, repairs and maintenance budget has increased from R26, 008 million in 2021/22 to R38, 542 million in 2022/23 then increases to R41, 510 million and increases to R43, 345 million respectively in the outer years. In addition, the municipality is still experiencing budgetary constraints to can meet the required 8% that repairs and maintenance should contribute towards property, plant and equipment; and investment property. In relation to property, plant and equipment, repairs and maintenance comprises of 3.05% throughout the MTREF period and this percentage is however way below the set norm of 8% as stipulated by National Treasury.

For the 2022/23 financial year R28, 195 million of total repairs and maintenance will be spent on infrastructure assets. The other assets that have been catered for in the repairs and maintenance budget is buildings, maintenance of website, machinery and equipment and transport assets. The overall budget for repairs and maintenance has increased from R26, 008 million to R38, 542.

### **1.5.2 Free Basic Services: Basic Social Services Package**

The social package assists of 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. Details 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 10 MBRR A10 (Basic Service Delivery Measurement) on.

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 and this package covers all the basic services provided by EMLM and these services include, property rates rebates, service charges electricity, and refuse removal.

### **1.6 Capital expenditure**

The major portion of capital expenditure budget is appropriated in vote 6 and for 2022/23 an the budget in vote 6 is mainly for electrification and road infrastructure capital projects. The other departments', *id-est* Corporate Services – the appropriations are mainly for procurement of operational equipment such as ICT equipment, Office furniture, and other equipment while Community Services – the appropriations are for fencing of cemeteries and upgrading of parks.

Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Electricity related projects – R17.6 million
- Roads related projects – R68 million
- Operational equipment – R2.1 million
- Solid waste infrastructure – R5.2 million
- Other assets – R4.9 million

### **Figure 3 Capital Infrastructure Programme**

## 1.7 Annual Budget Tables

The following tables present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2022/23 annual budget and MTREF.

### Table A1 - Budget Summary

Description	2018/19	2019/20	2020/21	Current year 2021/22				2022/23 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
<b>Financial Performance</b>										
Property rates	32 756	35 773	39 442	38 865	42 616	42 616	36 568	44 645	46 609	48 707
Service charges	87 607	95 493	97 738	113 490	130 911	130 911	99 550	117 968	123 158	128 701
Investment revenue	2 133	2 059	585	1 900	2 432	2 432	1 720	3 652	3 669	3 675
Transfers recognised - operational	245 283	273 218	351 908	307 637	307 637	307 637	297 185	338 906	359 874	384 977
Other own revenue	78 151	40 521	37 907	84 734	63 158	63 158	26 272	96 180	100 412	104 931
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>445 930</b>	<b>447 064</b>	<b>527 580</b>	<b>546 626</b>	<b>546 753</b>	<b>546 753</b>	<b>461 295</b>	<b>601 351</b>	<b>633 723</b>	<b>670 991</b>
Employee costs	141 238	141 837	150 619	163 212	154 891	154 891	143 227	185 316	193 477	202 099
Remuneration of councillors	23 235	24 575	24 279	27 334	25 386	25 386	22 714	25 580	26 638	27 340
Depreciation & asset impairment	56 338	56 422	59 166	58 392	57 692	57 692	-	59 780	62 411	65 157
Finance charges	4 401	3 538	3 635	3 729	845	845	40	2 185	2 326	2 472
Inventory consumed and bulk purchases	90 243	97 588	114 603	129 586	132 762	132 762	122 813	148 283	156 097	163 036
Transfers and grants	5 846	2 984	1 402	3 784	3 271	3 271	2 478	3 292	3 436	3 588
Other expenditure	143 026	143 571	189 069	146 638	151 128	151 128	111 683	172 846	169 300	174 520
<b>Total Expenditure</b>	<b>464 328</b>	<b>470 514</b>	<b>542 774</b>	<b>532 675</b>	<b>525 975</b>	<b>525 975</b>	<b>402 955</b>	<b>597 283</b>	<b>613 684</b>	<b>638 212</b>
<b>Surplus/(Deficit)</b>	<b>(18 397)</b>	<b>(23 451)</b>	<b>(15 194)</b>	<b>13 951</b>	<b>20 778</b>	<b>20 778</b>	<b>58 340</b>	<b>4 068</b>	<b>20 039</b>	<b>32 779</b>
Transfers and subsidies - capital (monetary allocations)	70 766	70 685	68 450	79 332	79 772	79 772	58 710	79 606	76 364	79 794
Transfers and subsidies - capital (monetary allocations)	41	21 471	-	-	300	300	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>52 410</b>	<b>68 705</b>	<b>53 256</b>	<b>93 283</b>	<b>100 850</b>	<b>100 850</b>	<b>117 050</b>	<b>83 674</b>	<b>96 403</b>	<b>112 573</b>
<b>Surplus/(Deficit) for the year</b>	<b>52 410</b>	<b>68 705</b>	<b>53 256</b>	<b>93 283</b>	<b>100 850</b>	<b>100 850</b>	<b>117 050</b>	<b>83 674</b>	<b>96 403</b>	<b>112 573</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>105 831</b>	<b>77 250</b>	<b>85 296</b>	<b>88 032</b>	<b>94 234</b>	<b>94 234</b>	<b>66 582</b>	<b>98 041</b>	<b>93 444</b>	<b>93 320</b>
Transfers recognised - capital	1 504	79 721	72 583	79 332	80 072	80 072	-	79 606	76 364	79 794
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	12 429	10 089	8 700	14 163	14 163	-	18 435	17 080	13 526
<b>Total sources of capital funds</b>	<b>1 504</b>	<b>92 150</b>	<b>82 672</b>	<b>88 032</b>	<b>94 234</b>	<b>94 234</b>	<b>-</b>	<b>98 041</b>	<b>93 444</b>	<b>93 320</b>
<b>Financial position</b>										
<b>Total current assets</b>	150 867	161 982	153 500	165 299	151 516	151 516	201 353	158 965	154 412	166 616
Total non current assets	1 070 707	1 114 152	1 149 641	1 305 435	1 301 987	1 301 987	1 216 672	1 325 025	1 415 414	1 501 776
Total current liabilities	147 686	146 840	122 877	111 087	112 197	112 197	118 080	120 343	125 586	96 781
Total non current liabilities	90 986	73 752	73 592	114 907	114 907	114 907	75 376	113 710	118 713	124 055
Community wealth/Equity	930 492	986 837	1 106 672	1 244 739	1 226 399	1 226 399	1 224 569	1 249 936	1 325 527	1 447 555
<b>Cash flows</b>										
<b>Net cash from (used) operating</b>	12 467	(105 722)	(282 004)	97 304	100 866	100 866	(251 117)	96 425	97 195	111 344
Net cash from (used) investing	(43 594)	(72 464)	(76 404)	(95 031)	(78 458)	(78 458)	(60 267)	(78 021)	(80 749)	(81 343)
Net cash from (used) financing	-	(90)	144	(11 947)	(12 760)	(12 760)	(3 451)	(6 971)	(7 259)	(7 036)
Cash/cash equivalents at the year end	(124 770)	270 117	537 387	17 814	16 497	16 497	(292 547)	24 162	33 351	56 317
<b>Cash backing/surplus reconciliation</b>										
<b>Cash and investments available</b>	24 924	3 403	8 322	47 354	32 812	32 812	37 193	41 441	52 090	75 850
Application of cash and investments	192 851	200 809	203 834	14 337	34 683	34 683	193 384	40 277	42 038	15 154
Balance - surplus (shortfall)	(167 927)	(197 406)	(195 513)	33 017	(1 870)	(1 870)	(156 192)	1 164	10 052	60 696
<b>Asset management</b>										
<b>Asset register summary (WDV)</b>	1 023 185	979 102	1 002 063	1 127 955	1 194 489	1 194 489	1 004 515	1 214 356	1 306 911	1 391 649
Depreciation & asset impairment	54 989	55 809	58 788	58 392	57 692	57 692	-	59 780	62 411	65 157
Renewal and Upgrading of Existing Assets	37 328	57 358	57 411	63 624	63 608	63 608	49 355	75 560	77 764	78 300
Repairs and Maintenance	12 088	11 117	18 143	12 781	29 107	29 107	34 539	38 644	41 634	43 422
Free services										
<b>Cost of Free Basic Services provided</b>	1 019	1 134	1 186	960	1 175	1 175	1 006	1 006	1 050	1 097
Revenue cost of free services provided	5 684	5 741	9 017	9 017	9 017	9 017	9 450	9 450	9 866	10 310
Households below minimum service level	-	-	-	-	-	-	-	-	-	-
Energy:	0	0	0	0	0	0	0	0	0	0
Refuse:	50	50	54	54	54	54	54	54	54	54

**Explanatory notes to Table A1 - Budget Summary**

- 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).
  - The table provides an overview of the amounts contained in the Annual budget 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.
  - Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial
  - Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    - a. The operating surplus/deficit (after Total Expenditure net of non-cash items) is positive over the MTREF period.
    - b. Capital expenditure is balanced by capital funding sources, of which
      - i. Transfers recognised is reflected on the Financial Performance Budget;
      - ii. Internally generated funds are financed from a combination of the current operating surplus. 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.
2. The Cash backing/surplus reconciliation shows that the municipality does not have reserves and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position with regards to replacement of assets since no capital replacement reserve is in place. Notwithstanding the absence of capital replacement reserves, at least the municipality is not operating on an over Annual nor funding some of its capital projects through direct borrowings. 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 Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality has dropped and this is attributed to offering free basic services only to indigents and this function is not yet optimized.

**Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Functional Classification Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>192 931</b>	<b>230 906</b>	<b>284 027</b>	<b>245 185</b>	<b>263 643</b>	<b>263 643</b>	<b>281 883</b>	<b>295 300</b>	<b>318 244</b>
Executive and council	40 562	46 559	56 129	48 669	48 669	48 669	53 728	57 387	61 422
Finance and administration	144 437	175 396	214 467	184 328	202 786	202 786	214 701	223 543	241 441
Internal audit	7 932	8 950	13 430	12 188	12 188	12 188	13 455	14 371	15 381
<b>Community and public safety</b>	<b>65 250</b>	<b>36 265</b>	<b>32 043</b>	<b>88 396</b>	<b>54 277</b>	<b>54 277</b>	<b>96 507</b>	<b>100 941</b>	<b>105 713</b>
Community and social services	11 375	9 633	11 515	9 924	9 914	9 914	10 997	11 743	12 566
Sport and recreation	9 710	12 104	17 675	13 472	13 438	13 438	17 075	17 751	18 486
Public safety	44 164	14 529	2 853	65 000	30 924	30 924	68 435	71 446	74 661
<b>Economic and environmental services</b>	<b>131 178</b>	<b>132 942</b>	<b>136 515</b>	<b>126 286</b>	<b>127 453</b>	<b>127 453</b>	<b>124 248</b>	<b>127 956</b>	<b>133 284</b>
Planning and development	13 036	21 248	30 467	24 295	24 422	24 422	20 920	20 712	21 831
Road transport	117 113	110 541	104 431	99 173	100 213	100 213	102 518	106 222	110 396
Environmental protection	1 030	1 153	1 617	2 818	2 818	2 818	811	1 022	1 056
<b>Trading services</b>	<b>127 379</b>	<b>139 107</b>	<b>143 445</b>	<b>166 092</b>	<b>181 452</b>	<b>181 452</b>	<b>178 318</b>	<b>185 889</b>	<b>193 543</b>
Energy sources	106 657	110 981	109 442	134 030	149 100	149 100	145 384	148 811	154 117
Waste management	20 722	28 126	34 003	32 062	32 353	32 353	32 935	37 078	39 427
Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>516 738</b>	<b>539 220</b>	<b>596 030</b>	<b>625 958</b>	<b>626 825</b>	<b>626 825</b>	<b>680 957</b>	<b>710 086</b>	<b>750 784</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>218 814</b>	<b>213 486</b>	<b>239 988</b>	<b>199 255</b>	<b>198 126</b>	<b>198 126</b>	<b>220 639</b>	<b>222 089</b>	<b>230 644</b>
Executive and council	44 692	52 691	43 307	42 577	38 500	38 500	42 838	44 629	46 107
Finance and administration	166 434	154 439	188 635	148 683	149 321	149 321	168 038	167 099	173 714
Internal audit	7 688	6 356	8 045	7 995	10 305	10 305	9 764	10 362	10 824
<b>Community and public safety</b>	<b>56 292</b>	<b>28 505</b>	<b>73 578</b>	<b>76 374</b>	<b>69 068</b>	<b>69 068</b>	<b>89 709</b>	<b>92 769</b>	<b>95 894</b>
Community and social services	5 016	5 097	7 157	7 280	5 947	5 947	8 174	8 529	8 908
Sport and recreation	(1 473)	8 923	8 292	12 783	8 609	8 609	16 175	16 898	17 645
Public safety	52 748	14 485	58 129	56 311	54 511	54 511	65 360	67 342	69 341
<b>Economic and environmental services</b>	<b>90 525</b>	<b>91 827</b>	<b>89 620</b>	<b>103 751</b>	<b>98 724</b>	<b>98 724</b>	<b>120 749</b>	<b>126 051</b>	<b>131 621</b>
Planning and development	13 878	14 923	12 907	17 950	14 188	14 188	20 797	20 432	21 319
Road transport	75 999	76 305	76 094	85 136	84 339	84 339	99 256	104 894	109 547
Environmental protection	648	598	618	665	197	197	696	724	754
<b>Trading services</b>	<b>98 697</b>	<b>136 696</b>	<b>139 588</b>	<b>153 295</b>	<b>160 058</b>	<b>160 058</b>	<b>166 185</b>	<b>172 773</b>	<b>180 051</b>
Energy sources	86 464	92 346	99 693	128 242	126 809	126 809	134 925	140 774	147 004
Waste management	12 233	44 351	39 895	25 053	33 249	33 249	31 260	31 999	33 047
Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>464 328</b>	<b>470 514</b>	<b>542 774</b>	<b>532 675</b>	<b>525 975</b>	<b>525 975</b>	<b>597 282</b>	<b>613 682</b>	<b>638 210</b>
<b>Surplus/(Deficit) for the year</b>	<b>52 410</b>	<b>68 705</b>	<b>53 256</b>	<b>93 283</b>	<b>100 850</b>	<b>100 850</b>	<b>83 674</b>	<b>96 404</b>	<b>112 574</b>

**Explanatory notes to Table A2 - Budgeted Financial Performance (by standard classification)**

- 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 different functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

**Table A3 - Budgeted Financial Performance (by vote)**

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Year 2022/23	Year +1 2023/24	Year +2 2024/25
<b>Revenue by Vote</b>									
Vote 1 - Executive & Council	35 733	41 231	49 347	42 820	42 820	42 820	47 271	50 490	54 040
Vote 2 - Municipal Manager Town Secretary and Chief Executive	24 626	35 643	47 408	42 149	42 149	42 149	46 531	49 699	53 194
Vote 3 - Budget & Treasury	62 771	80 180	95 077	74 785	93 243	93 243	103 972	104 205	113 713
Vote 4 - Corporate Services	43 715	40 504	51 431	46 749	46 748	46 748	50 627	55 143	59 019
Vote 5 - Community Services	99 096	69 521	75 047	130 531	97 480	97 480	138 801	148 018	155 635
Vote 6 - Technical Services	228 262	239 261	232 976	250 001	265 336	265 336	265 907	274 419	285 431
Vote 7 - Developmental Planning	7 022	14 650	22 069	17 052	17 179	17 179	12 923	12 171	12 690
Vote 8 - Executive Support	15 513	18 229	22 675	21 871	21 871	21 871	14 925	15 941	17 062
<b>Total Revenue by Vote</b>	<b>516 738</b>	<b>539 220</b>	<b>596 030</b>	<b>625 958</b>	<b>626 825</b>	<b>626 825</b>	<b>680 957</b>	<b>710 086</b>	<b>750 784</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Executive & Council	37 702	42 975	37 311	37 114	33 832	33 832	35 371	36 852	38 000
Vote 2 - Municipal Manager Town Secretary and Chief Executive	46 078	51 145	47 145	36 199	38 707	38 707	41 982	43 300	44 529
Vote 3 - Budget & Treasury	74 321	58 643	78 817	56 980	58 943	58 943	66 303	62 615	65 231
Vote 4 - Corporate Services	23 886	22 908	31 834	35 707	26 629	26 629	36 587	37 135	38 794
Vote 5 - Community Services	75 742	80 775	121 710	109 512	110 688	110 688	130 867	135 100	139 735
Vote 6 - Technical Services	179 372	184 956	196 147	228 211	226 006	226 006	248 110	260 227	271 769
Vote 7 - Developmental Planning	8 057	8 942	8 333	13 293	9 215	9 215	15 057	14 465	15 111
Vote 8 - Executive Support	19 169	20 169	21 476	15 657	21 955	21 955	23 006	23 988	25 042
<b>Total Expenditure by Vote</b>	<b>464 328</b>	<b>470 514</b>	<b>542 774</b>	<b>532 675</b>	<b>525 975</b>	<b>525 975</b>	<b>597 282</b>	<b>613 682</b>	<b>638 210</b>
<b>Surplus/(Deficit) for the year</b>	<b>52 410</b>	<b>68 705</b>	<b>53 256</b>	<b>93 283</b>	<b>100 850</b>	<b>100 850</b>	<b>83 674</b>	<b>96 404</b>	<b>112 574</b>

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

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 organizational structure of the Municipality.



**Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue By Source</b>										
Property rates	32 756	35 773	39 442	38 865	42 616	42 616	33 241	44 645	46 609	48 707
Service charges - electricity revenue	79 752	87 068	88 812	104 214	121 343	121 343	83 335	108 186	112 947	118 029
Service charges - refuse revenue	7 854	8 425	8 926	9 276	9 568	9 568	7 809	9 781	10 212	10 671
Rental of facilities and equipment	1 644	897	1 007	898	958	958	674	1 004	1 048	1 095
Interest earned - external investments	2 133	2 059	585	1 900	2 432	2 432	1 570	3 652	3 669	3 675
Interest earned - outstanding debtors	9 188	12 179	16 841	12 860	18 360	18 360	15 287	18 817	19 645	20 529
Fines, penalties and forfeits	44 486	14 570	2 861	65 071	30 986	30 986	289	68 520	71 535	74 754
Licences and permits	4 707	3 939	4 635	5 240	6 026	6 026	5 059	6 315	6 593	6 890
Transfers and subsidies	245 283	273 218	351 908	307 637	307 637	307 637	296 532	338 906	359 874	384 977
Other revenue	1 180	1 056	1 819	664	6 829	6 829	2 056	1 524	1 591	1 663
Gains	16 946	7 880	10 743	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>445 930</b>	<b>447 064</b>	<b>527 580</b>	<b>546 626</b>	<b>546 753</b>	<b>546 753</b>	<b>445 851</b>	<b>601 351</b>	<b>633 722</b>	<b>670 990</b>
<b>Expenditure By Type</b>										
Employee related costs	141 238	141 837	150 619	163 212	154 891	154 891	130 978	185 315	193 476	202 098
Remuneration of councillors	23 235	24 575	24 279	27 334	25 386	25 386	20 645	25 580	26 638	27 340
Debt impairment	45 339	13 957	61 328	48 632	48 932	48 932	-	61 181	62 477	63 928
Depreciation & asset impairment	56 338	56 422	59 166	58 392	57 692	57 692	-	59 780	62 410	65 156
Finance charges	4 401	3 538	3 635	3 729	845	845	232	2 185	2 326	2 472
Bulk purchases - electricity	72 759	81 428	88 182	110 035	100 035	100 035	60 401	109 638	114 462	119 613
Inventory consumed	17 484	16 160	26 421	19 551	32 727	32 727	30 467	38 644	41 634	43 422
Contracted services	69 384	88 242	77 126	61 602	65 086	65 086	51 713	63 265	57 830	59 383
Transfers and subsidies	5 846	2 984	1 402	3 784	3 271	3 271	2 428	3 292	3 436	3 588
Other expenditure	23 839	36 348	50 194	36 404	37 110	37 110	25 240	48 401	48 993	51 209
Losses	4 464	5 024	421	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>464 328</b>	<b>470 514</b>	<b>542 774</b>	<b>532 675</b>	<b>525 975</b>	<b>525 975</b>	<b>322 105</b>	<b>597 282</b>	<b>613 682</b>	<b>638 210</b>
<b>Surplus/(Deficit)</b>	<b>(18 397)</b>	<b>(23 451)</b>	<b>(15 194)</b>	<b>13 951</b>	<b>20 778</b>	<b>20 778</b>	<b>123 747</b>	<b>4 068</b>	<b>20 040</b>	<b>32 780</b>
Transfers and subsidies - capital (monetary allocations)	70 766	70 685	68 450	79 332	79 772	79 772	56 324	79 606	76 364	79 794
Transfers and subsidies - capital (monetary allocations)	-	21 471	-	-	300	300	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	41	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>52 410</b>	<b>68 705</b>	<b>53 256</b>	<b>93 283</b>	<b>100 850</b>	<b>100 850</b>	<b>180 070</b>	<b>83 674</b>	<b>96 404</b>	<b>112 574</b>
Taxation	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>52 410</b>	<b>68 705</b>	<b>53 256</b>	<b>93 283</b>	<b>100 850</b>	<b>100 850</b>	<b>180 070</b>	<b>83 674</b>	<b>96 404</b>	<b>112 574</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>52 410</b>	<b>68 705</b>	<b>53 256</b>	<b>93 283</b>	<b>100 850</b>	<b>100 850</b>	<b>180 070</b>	<b>83 674</b>	<b>96 404</b>	<b>112 574</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>52 410</b>	<b>68 705</b>	<b>53 256</b>	<b>93 283</b>	<b>100 850</b>	<b>100 850</b>	<b>180 070</b>	<b>83 674</b>	<b>96 404</b>	<b>112 574</b>

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

- Operating revenue is R680, 957 million in 2022/23 and escalates to R710, 086 million and R750, 784 million in the outer years.
- Services charges relating to electricity and refuse removal, these revenue sources contribute significantly to the revenue basket of the municipality and the contribution thereof totals R117, 968 million for the 2022/23 financial year and increasing to R123, 158 million in 2023/24 and increasing to R128, 701 million in 2024/25 financial year.
- Service charges electricity is based on the actual performance in conjunction with the audited amount and CPI. Additionally there is new electrification at Masakeneng whereby the municipality will realize revenue on prepaid electricity. The project to normalize Roosenekaal is completed therefore more revenue will be realized and distribution loss will be reduced.

4. Services charges relating to refuse removal is increasing from R9.6 million to R9.8 million and the increase is reasonable and in line with CPI limit.
5. Property rates budget amount is based on the actual performance and CPI increase.
6. Transfers recognized operational – includes the local government equitable share, financial management grant, extended public works programme grant and the allocation is as per DORA.
7. Rental of facilities and equipment is increased from R958 thousand in adjustment budget to R1 million which is in line with CPI.
8. Interest on external investment is budgeted to increase from R2.4 million to R3.7 million due to investments the municipality anticipate to make and the deposit that the municipality has with Eskom that generate interest and its only realized at year end. Furthermore, a portion of Masakaneng will be electrified 2022/23 financial year resulting in interest increase.
9. Interest on outstanding debtors – The increase is due to an increase in debtors. Note must be taken that municipality wrote off debt amounting to R14.7 million in 2020-21 financial year hence slight increase. Additionally the municipality reviewed credit control policy to reduce interest rate from 15% to be based on bank prime rate as on 30 June of the previous financial year plus 1% per annum. (Refer to paragraph 3.6.1 of the aforementioned policy)
10. Fines are anticipated to increase from R30. 9 million to R68. 5 million and the municipality realized less than anticipated for the period of July to April. The municipality appointed the new service provider and the contract will commence 1 June 2022. The reason for the fines amount of nine months is due to the systems of capturing fines that is not linked to the main financial system, the municipality will process journals from the information received from the Traffic department. The previous two years were anomalies, the municipality managed to bill revenue amounting to R50 million (audited amount) in 2019 when the speed camera contract was active. In addition, the municipality installed cameras on every municipal entrance to identify vehicles with warrant of arrest to as in revenue collection.
11. Increase in other revenue is in line with CPI. During adjustment budget there was an oversight of including all proceeds to be derived from sale of investment property in other revenue line item.
12. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.
13. An increase in employee related cost is due to majority of director's posts being vacant and chances to fill all posts in 2022-23 are very high as it's the beginning of new council cycle. In addition the municipality froze certain post in compliance with funding plan requirements during adjustment budget therefore all posts are budgeted for in 2022-23 hence the jump. Furthermore, the increment on payment in lieu of leave due to the attached circular from SALGA that stipulates that employees may cash in leave days, and provision for employees who might resign during the financial year. The municipality also reviewed organogram and new posts were added and budgeted for hence an increase from draft budget amount.
14. Debt impairment decreased by 0.2% compared to the audited amount. Debt that the municipality wrote off has a huge impact on the methodology the municipality is using suggested by Auditor General hence a slide decrease.

Note must be taken that an increase in consumer debtors has a minimal impact in terms of the allocation in the likelihood of debt being impairment taking into account that they considered the newest.

15. Depreciation increased from R57, 692 million in 2021/22 to R59, 780 million and the increase is due to acquisition of assets (refer to SA36 for assets the municipality anticipate to procure).
16. Contracted services budget amount is based on the contract amount of all service providers hence in increase of 15%.
17. The budgeted amount on finance charges the figure is guided by the amortization schedule for finance lease obligation.
18. An increase in other expenditure of 25% is due to commission on speed camera and is as per the contract.
19. Inventory consumed increase is due an increase the municipality made on repairs and maintenance in an attempt to work towards achieving the norm as per circular 71.
20. Increase on the following categories of expenditure are based on CPI limit:
  - Remuneration of councillors
  - Transfer s and grants

**Table A5 - Budgeted Capital Expenditure by standard classification and funding source**

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>	15 399	3 032	1 169	1 360	1 939	1 939	1 649	1 500	2 288	2 181
Executive and council	-	-	-	-	-	-	-	-	-	-
Finance and administration	15 399	3 032	1 169	1 360	1 939	1 939	1 649	1 500	2 288	2 181
Internal audit	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	-	967	4 126	800	500	500	498	3 935	2 470	500
Community and social services	-	967	2 063	600	500	500	498	1 515	1 500	-
Sport and recreation	-	-	598	200	-	-	-	1 680	970	500
Public safety	-	-	1 465	-	-	-	-	740	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	82 615	63 516	57 025	63 584	58 284	58 284	43 692	73 756	75 686	65 345
Planning and development	-	-	-	1 100	-	-	-	1 100	500	-
Road transport	82 615	63 516	57 025	62 484	58 284	58 284	43 692	72 656	75 186	65 345
Environmental protection	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	7 817	31 127	20 352	22 288	33 512	33 512	17 944	18 850	13 000	25 294
Energy sources	6 283	22 365	20 216	21 988	33 512	33 512	17 944	17 600	12 000	23 494
Waste management	1 534	8 762	136	300	-	-	-	1 250	1 000	1 800
<b>Other</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	105 831	98 642	82 672	88 032	94 234	94 234	63 783	98 041	93 444	93 320
<b>Funded by:</b>										
National Government	75 766	70 685	72 583	79 332	79 772	79 772	49 975	79 606	76 364	79 794
Provincial Government	-	-	-	-	300	300	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations)	-	21 471	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	75 766	92 156	72 583	79 332	80 072	80 072	49 975	79 606	76 364	79 794
<b>Borrowing</b>	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>	30 065	6 486	10 089	8 700	14 163	14 163	13 808	18 435	17 080	13 526
<b>Total Capital Funding</b>	105 831	98 642	82 672	88 032	94 234	94 234	63 783	98 041	93 444	93 320

**Explanatory notes to Table A5 - Budgeted Capital Expenditure by standard classification and funding source**

Capital projects are funded from Municipal Infrastructure Grant (MIG); Integrated National Electrification Programme (INEP) and internal generated revenue.

From table A4 point of view the municipality has budgeted for non-cash items, the effect thereof is the surplus of R8 million however the internal generated funding is based on the surplus from A7 cash flow, which is exclusive of non-cash item.

**Table A5A - Budgeted Capital Expenditure by vote**

Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Capital expenditure - Vote</b>										
Multi-year expenditure to be appropriated										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1 400	-	1 105	460	860	860	569	1 500	2 288	2 181
Vote 5 - Community Services	1 600	-	-	300	-	-	-	4 345	3 470	1 500
Vote 6 - Technical Services	30 199	42 574	7 468	40 840	58 280	58 280	43 050	22 815	56 867	68 082
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	500	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>33 199</b>	<b>42 574</b>	<b>8 574</b>	<b>41 600</b>	<b>59 140</b>	<b>59 140</b>	<b>43 619</b>	<b>28 660</b>	<b>63 125</b>	<b>71 763</b>
<b>Single-year expenditure to be appropriated</b>										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	100	-	-	-	-	-	-
Vote 4 - Corporate Services	800	633	-	-	-	-	-	-	-	-
Vote 5 - Community Services	522	1 424	1 972	800	500	500	498	840	-	800
Vote 6 - Technical Services	71 310	54 011	72 126	44 432	34 595	34 595	19 667	67 441	30 319	20 757
Vote 7 - Developmental Planning	-	-	-	1 100	-	-	-	1 100	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>72 632</b>	<b>56 068</b>	<b>74 098</b>	<b>46 432</b>	<b>35 095</b>	<b>35 095</b>	<b>20 165</b>	<b>69 381</b>	<b>30 319</b>	<b>21 557</b>
<b>Total Capital Expenditure - Vote</b>	<b>105 831</b>	<b>98 642</b>	<b>82 672</b>	<b>88 032</b>	<b>94 234</b>	<b>94 234</b>	<b>63 783</b>	<b>98 041</b>	<b>93 444</b>	<b>93 320</b>

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

1. Table A5 is a breakdown of the capital programme 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 departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2022/23 R28, 660 million has been allocated of the total R98, 041 million. This allocation decreases to R93, 444 million in 2023/24 and further decrease to R93, 320 million in 2024/25.
3. Single-year capital expenditure has been appropriated at R69, 381 million for the 2022/23 financial year and declines to R30, 319 million in 2023/24 and then increases to R21, 557 million in 2024/25 financial year.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as

informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years. The capital programme is funded from capital grants and transfers and internally generated funds from current year surpluses.

**Table A6 - Budgeted Financial Position**

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>ASSETS</b>										
<b>Current assets</b>										
Cash	12 313	1 939	6 857	8 536	17 310	17 310	6 504	24 162	33 351	56 317
Call investment deposits	11 838	-	(0)	23 315	0	0	40 192	-	-	-
Consumer debtors	57 095	73 780	85 205	63 924	62 496	62 496	104 363	61 834	63 043	64 345
Other debtors	63 162	77 133	51 011	60 917	62 765	62 765	56 051	62 845	64 833	66 902
Current portion of long-term receivables	215	167	119	-	119	119	-	119	119	119
Inventory	6 245	8 964	10 308	8 606	8 826	8 826	11 318	10 005	10 896	11 883
<b>Total current assets</b>	<b>150 867</b>	<b>161 982</b>	<b>153 500</b>	<b>165 299</b>	<b>151 516</b>	<b>151 516</b>	<b>218 429</b>	<b>158 966</b>	<b>172 242</b>	<b>199 567</b>
<b>Non current assets</b>										
Long-term receivables	-	-	-	-	-	-	-	-	-	-
Investments	774	1 465	1 465	15 502	15 502	15 502	-	17 278	18 739	19 533
Investment property	56 614	69 169	78 842	60 343	55 840	55 840	80 622	48 547	54 902	55 781
Investment in Associate	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1 012 816	1 043 024	1 068 849	1 229 095	1 230 150	1 230 150	1 120 042	1 258 405	1 340 979	1 425 667
Biological	-	-	-	-	-	-	-	-	-	-
Intangible	39	31	23	31	31	31	23	331	331	331
Other non-current assets	463	463	463	463	463	463	1 928	463	463	463
<b>Total non current assets</b>	<b>1 070 707</b>	<b>1 114 152</b>	<b>1 149 641</b>	<b>1 305 435</b>	<b>1 301 987</b>	<b>1 301 987</b>	<b>1 202 615</b>	<b>1 325 024</b>	<b>1 415 414</b>	<b>1 501 775</b>
<b>TOTAL ASSETS</b>	<b>1 221 573</b>	<b>1 276 134</b>	<b>1 303 141</b>	<b>1 470 733</b>	<b>1 453 503</b>	<b>1 453 503</b>	<b>1 421 044</b>	<b>1 483 991</b>	<b>1 587 655</b>	<b>1 701 342</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft	-	-	-	-	-	-	-	-	-	-
Borrowing	10 197	11 547	3 014	12 271	12 271	12 271	1 872	7 459	7 496	7 541
Consumer deposits	5 383	5 525	5 806	5 700	5 212	5 212	5 744	5 700	6 426	6 219
Trade and other payables	128 834	125 198	110 663	87 165	88 763	88 763	116 800	101 172	105 387	76 462
Provisions	3 272	4 569	3 394	5 950	5 950	5 950	2 253	6 012	6 277	6 559
<b>Total current liabilities</b>	<b>147 686</b>	<b>146 840</b>	<b>122 877</b>	<b>111 087</b>	<b>112 197</b>	<b>112 197</b>	<b>126 669</b>	<b>120 343</b>	<b>125 586</b>	<b>96 781</b>
<b>Non current liabilities</b>										
Borrowing	13 469	141	(2 496)	19 468	19 467	19 467	2 058	17 458	18 226	19 047
Provisions	77 517	73 611	76 088	95 439	95 439	95 439	75 428	96 252	100 487	105 009
<b>Total non current liabilities</b>	<b>90 986</b>	<b>73 752</b>	<b>73 592</b>	<b>114 907</b>	<b>114 907</b>	<b>114 907</b>	<b>77 486</b>	<b>113 710</b>	<b>118 714</b>	<b>124 057</b>
<b>TOTAL LIABILITIES</b>	<b>238 672</b>	<b>220 592</b>	<b>196 469</b>	<b>225 994</b>	<b>227 104</b>	<b>227 104</b>	<b>204 155</b>	<b>234 054</b>	<b>244 300</b>	<b>220 838</b>
<b>NET ASSETS</b>	<b>982 902</b>	<b>1 055 542</b>	<b>1 106 672</b>	<b>1 244 739</b>	<b>1 226 399</b>	<b>1 226 399</b>	<b>1 216 888</b>	<b>1 249 937</b>	<b>1 343 355</b>	<b>1 480 504</b>
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated Surplus/(Deficit)	982 902	1 055 542	1 106 672	1 234 739	1 216 399	1 216 399	1 206 888	1 230 937	1 324 055	1 465 504
Reserves	-	-	-	10 000	10 000	10 000	10 000	19 000	19 300	15 000
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>982 902</b>	<b>1 055 542</b>	<b>1 106 672</b>	<b>1 244 739</b>	<b>1 226 399</b>	<b>1 226 399</b>	<b>1 216 888</b>	<b>1 249 937</b>	<b>1 343 355</b>	<b>1 480 504</b>

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

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

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. 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.
4. 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.
5. Table A6 is supported by an extensive table of notes that provide 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 non-current;
  - Changes in net assets; and
  - Reserves.
6. Included in trade and other payables are the following non-cash items:
  - Accrued leave pay
  - Accrued bonus

**Table A7 - Budgeted Cash Flow Statement**

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates	31 681	31 709	31 342	29 997	34 083	34 083	23 909	40 092	41 856	43 740
Service charges	80 553	84 645	77 667	107 419	99 738	99 738	81 564	122 534	127 921	133 674
Other revenue	12 447	8 327	8 390	20 923	22 389	22 389	51 048	17 752	18 533	19 367
Transfers and Subsidies - Operational	257 644	259 582	348 217	307 637	307 637	307 637	307 767	338 906	359 874	384 977
Transfers and Subsidies - Capital	81 240	87 557	67 732	79 332	79 772	79 772	79 332	79 606	76 364	79 794
Interest	2 133	1 368	585	3 018	2 432	2 432	2 832	3 652	2 938	2 912
<b>Payments</b>										
Suppliers and employees	(355 418)	(399 637)	(429 256)	(443 509)	(443 527)	(443 527)	(437 242)	(508 739)	(531 401)	(554 234)
Finance charges	(2 797)	(2 361)	(2 123)	(3 729)	(845)	(845)	(237)	(2 185)	(2 326)	(2 472)
Transfers and Grants	-	(1 244)	(1 523)	(3 784)	(513)	(513)	(2 428)	3 292	3 436	3 588
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>107 485</b>	<b>69 945</b>	<b>101 031</b>	<b>97 304</b>	<b>101 165</b>	<b>101 165</b>	<b>106 545</b>	<b>94 909</b>	<b>97 197</b>	<b>111 345</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE	2 867		451	-	5 544	5 544	-	5 544	-	-
Decrease (increase) in non-current receivables			-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(1 118)	-	(348)	-	-	-	-	(1 776)	(1 461)	(794)
<b>Payments</b>										
Capital assets	(82 439)	(84 244)	(85 238)	(80 993)	(84 002)	(84 002)	(63 783)	(81 790)	(79 288)	(80 549)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(80 690)</b>	<b>(84 244)</b>	<b>(85 135)</b>	<b>(80 993)</b>	<b>(78 458)</b>	<b>(78 458)</b>	<b>(63 783)</b>	<b>(78 021)</b>	<b>(80 749)</b>	<b>(81 343)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits	-			325	325	325	(40)	488	237	505
<b>Payments</b>										
Repayment of borrowing	(8 843)	(7 948)	(10 978)	(12 271)	(12 271)	(12 271)	(2 441)	(7 459)	(7 496)	(7 541)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(8 843)</b>	<b>(7 948)</b>	<b>(10 978)</b>	<b>(11 947)</b>	<b>(11 947)</b>	<b>(11 947)</b>	<b>(2 481)</b>	<b>(6 971)</b>	<b>(7 259)</b>	<b>(7 036)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>17 952</b>	<b>(22 247)</b>	<b>4 919</b>	<b>4 364</b>	<b>10 761</b>	<b>10 761</b>	<b>40 281</b>	<b>9 917</b>	<b>9 188</b>	<b>22 966</b>
Cash/cash equivalents at the year begin:	6 225	24 177	1 929	27 487	6 848	6 848	6 415	14 245	24 163	33 351
<b>Cash/cash equivalents at the year end:</b>	<b>24 177</b>	<b>1 929</b>	<b>6 848</b>	<b>31 852</b>	<b>17 609</b>	<b>17 609</b>	<b>46 696</b>	<b>24 163</b>	<b>33 351</b>	<b>56 317</b>

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

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash level of the Municipality is projected to consistently increase, however the achievement of these results, requires implementation of stringent credit control.
4. The 2022/23 MTREF has been informed by the planning principle of ensuring adequate cash and cash equivalent over the medium-term and as a result, the Cash and Investment management policy is now in place.
5. Capital assets payment is exclusive of retention amounting to 10% of the work done.

**Cash flow from operating activities**

Receipts and payments are in line with budget made under table A4. Payments to suppliers and employees exclude non-cash items relating to store issues (inventory consumed) amongst others. Mscoa eliminated store items to be non-funding and in true essences store items are not funded where department's requests item from stores. Funding is required when the municipality procures goods from service provider therefore Treasury must consider this matter during funding process.

Included in the property rates and service charges is interest on outstanding debtors computed using its collection rate of 54.7%.

Included in payment to suppliers and employees are other cash payment like retention release amongst others.

As per National Treasury guideline, transfer and grant is aligned to Transferred to Revenue/Capital Expenditure as opposed to "withdrawals" hence the treatment of the amount is slightly different from the norm.

#### **Cash flow from investing activities**

Proceeds from disposal of property plant and equipment adjustment is as a result of land and municipal house to be in terms of the funding plan (Refer to the funding plan).

An increase in non-current investments is due to an interest accrued on ESKOM and the actual deposit the municipality will make on a portion electrified at Masakaneng.

The budget on capital assets takes into account retention and anticipated unspent portion of conditional grant.

#### **Cash flow from financing activities**

The repayment of borrowings relates to finance lease agreement the municipality entered into.

#### **Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate CPI rate or slightly higher 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 budgeted as a percentage of annual billings as follows: property rates 84.1%; Services charges electricity 99.7%; Services charges refuse 73.8%; other revenue 100%; Rental on facilities 100%; traffic fines 13.1% and Interest on outstanding debtors of 54.7%. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Comparing A7 Capital assets and A5 total Capex the inconsistency is due retention that will be held by the municipality and unspent conditional grant.



**Table A8 – Budgeted cash backed reserves/ accumulated surplus reconciliation**

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	24 177	1 929	6 848	31 852	17 609	17 609	46 696	24 163	33 351	56 317
Other current investments > 90 days	(26)	9	9	(0)	(299)	(299)	0	(0)	–	–
Non current assets - Investments	774	1 465	1 465	15 502	15 502	15 502	–	17 278	18 739	19 533
<b>Cash and investments available:</b>	<b>24 924</b>	<b>3 403</b>	<b>8 322</b>	<b>47 354</b>	<b>32 812</b>	<b>32 812</b>	<b>46 696</b>	<b>41 441</b>	<b>52 090</b>	<b>75 850</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers	23 851	5 616	1 207	1 207	32 030	32 030	24 811	10 004	1 231	987
Unspent borrowing	–	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	45 007	45 078	45 168
Other working capital requirements	9 390	(13 069)	(9 492)	(6 949)	(34 594)	(34 594)	(82 271)	4 266	15 029	(16 001)
Other provisions	–	–	–	–	–	–	–	–	–	–
Long term investments committed	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–	–	–	–	(19 000)	(19 300)	(15 000)
<b>Total Application of cash and investments:</b>	<b>33 241</b>	<b>(7 453)</b>	<b>(8 285)</b>	<b>(5 742)</b>	<b>(2 564)</b>	<b>(2 564)</b>	<b>(57 460)</b>	<b>40 277</b>	<b>42 038</b>	<b>15 154</b>
<b>Surplus(shortfall)</b>	<b>(8 317)</b>	<b>10 856</b>	<b>16 607</b>	<b>53 096</b>	<b>35 376</b>	<b>35 376</b>	<b>104 156</b>	<b>1 164</b>	<b>10 052</b>	<b>60 696</b>

**Explanatory notes - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the above table, it is clearly indicated that the municipality has surplus over MTREF.
6. The balance of the cash reserves as at 31 May 2022 is R10 million and expect to receive R9 million by the end of the week (03 June 2022). For outer year. The municipality will rely on VAT refunds for reserves to be backed by cash in the two outer years.

Table A9 - Asset Management

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>54 192</b>	<b>69 514</b>	<b>24 589</b>	<b>24 908</b>	<b>35 451</b>	<b>35 451</b>	<b>22 485</b>	<b>15 680</b>	<b>15 020</b>
Roads Infrastructure	34 057	51 346	–	500	–	–	–	–	–
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	13 487	16 111	20 000	21 348	33 212	33 212	17 600	12 000	11 494
Solid Waste Infrastructure	–	–	–	200	–	–	1 250	–	800
<b>Infrastructure</b>	<b>47 545</b>	<b>67 457</b>	<b>20 000</b>	<b>22 048</b>	<b>33 212</b>	<b>33 212</b>	<b>18 850</b>	<b>12 000</b>	<b>12 294</b>
<b>Community Facilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>820</b>	<b>370</b>	<b>–</b>
Community Assets	–	–	–	100	–	–	820	370	–
<b>Operational Buildings</b>	<b>4 947</b>	<b>–</b>	<b>2 339</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>435</b>	<b>500</b>	<b>–</b>
Other Assets	4 947	–	2 339	–	–	–	435	500	–
<b>Licences and Rights</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Intangible Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>300</b>	<b>200</b>	<b>–</b>
<b>Computer Equipment</b>	<b>1 000</b>	<b>38</b>	<b>250</b>	<b>460</b>	<b>860</b>	<b>860</b>	<b>700</b>	<b>1 044</b>	<b>1 091</b>
<b>Furniture and Office Equipment</b>	<b>400</b>	<b>526</b>	<b>800</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>500</b>	<b>1 044</b>	<b>1 090</b>
<b>Machinery and Equipment</b>	<b>300</b>	<b>1 492</b>	<b>1 200</b>	<b>400</b>	<b>300</b>	<b>300</b>	<b>880</b>	<b>522</b>	<b>545</b>
<b>Transport Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>800</b>	<b>1 079</b>	<b>1 079</b>	<b>–</b>	<b>–</b>	<b>–</b>
Land	–	–	–	1 100	–	–	–	–	–
<b>Total Renewal of Existing Assets</b>	<b>41 466</b>	<b>10 527</b>	<b>47 540</b>	<b>39 750</b>	<b>39 750</b>	<b>39 750</b>	<b>35 800</b>	<b>9 350</b>	<b>28 800</b>
Roads Infrastructure	40 944	10 527	39 222	39 750	39 750	39 750	30 800	3 300	21 463
Solid Waste Infrastructure	–	–	7 719	–	–	–	4 000	6 050	7 337
<b>Infrastructure</b>	<b>40 944</b>	<b>10 527</b>	<b>46 940</b>	<b>39 750</b>	<b>39 750</b>	<b>39 750</b>	<b>34 800</b>	<b>9 350</b>	<b>28 800</b>
<b>Community Facilities</b>	<b>522</b>	<b>–</b>	<b>600</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
<b>Community Assets</b>	<b>522</b>	<b>–</b>	<b>600</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
<b>Total Upgrading of Existing Assets</b>	<b>1 600</b>	<b>12 127</b>	<b>12 973</b>	<b>23 374</b>	<b>19 034</b>	<b>19 034</b>	<b>39 756</b>	<b>68 414</b>	<b>49 500</b>
Roads Infrastructure	–	10 828	12 370	13 184	18 534	18 534	37 356	65 314	48 000
Electrical Infrastructure	–	–	–	340	–	–	–	–	–
Solid Waste Infrastructure	1 600	–	–	9 150	–	–	–	1 000	1 000
<b>Infrastructure</b>	<b>1 600</b>	<b>10 828</b>	<b>12 370</b>	<b>22 674</b>	<b>18 534</b>	<b>18 534</b>	<b>37 356</b>	<b>65 314</b>	<b>48 000</b>
Community Facilities	–	–	602	700	500	500	1 300	2 100	500
<b>Community Assets</b>	<b>–</b>	<b>–</b>	<b>602</b>	<b>700</b>	<b>500</b>	<b>500</b>	<b>1 300</b>	<b>2 100</b>	<b>500</b>
Operational Buildings	–	1 299	–	–	–	–	1 100	–	–
Other Assets	–	1 299	–	–	–	–	1 100	–	–
<b>Total Capital Expenditure</b>	<b>97 258</b>	<b>92 168</b>	<b>85 102</b>	<b>88 032</b>	<b>94 234</b>	<b>94 234</b>	<b>98 041</b>	<b>93 444</b>	<b>93 320</b>
Roads Infrastructure	75 001	72 701	51 592	53 434	58 284	58 284	68 156	68 614	69 463
Electrical Infrastructure	13 487	16 111	20 000	21 688	33 212	33 212	17 600	12 000	11 494
Solid Waste Infrastructure	1 600	–	7 719	9 350	–	–	5 250	7 050	9 137
<b>Infrastructure</b>	<b>90 089</b>	<b>88 812</b>	<b>79 311</b>	<b>84 472</b>	<b>91 496</b>	<b>91 496</b>	<b>91 006</b>	<b>87 664</b>	<b>90 094</b>
Community Facilities	522	–	1 202	800	500	500	3 120	2 470	500
Community Assets	522	–	1 202	800	500	500	3 120	2 470	500
Operational Buildings	4 947	1 299	2 339	–	–	–	435	–	–
<b>Other Assets</b>	<b>4 947</b>	<b>1 299</b>	<b>2 339</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 100</b>	<b>500</b>	<b>–</b>
<b>Licences and Rights</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>300</b>	<b>200</b>	<b>–</b>
<b>Intangible Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>300</b>	<b>200</b>	<b>–</b>
<b>Computer Equipment</b>	<b>1 000</b>	<b>38</b>	<b>250</b>	<b>460</b>	<b>860</b>	<b>860</b>	<b>700</b>	<b>1 044</b>	<b>1 091</b>
<b>Furniture and Office Equipment</b>	<b>400</b>	<b>526</b>	<b>800</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>500</b>	<b>1 044</b>	<b>1 090</b>
<b>Machinery and Equipment</b>	<b>300</b>	<b>1 492</b>	<b>1 200</b>	<b>400</b>	<b>300</b>	<b>300</b>	<b>880</b>	<b>522</b>	<b>545</b>
<b>Transport Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>800</b>	<b>1 079</b>	<b>1 079</b>	<b>–</b>	<b>–</b>	<b>–</b>
Land	–	–	–	1 100	–	–	–	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>97 258</b>	<b>92 168</b>	<b>85 102</b>	<b>88 032</b>	<b>94 234</b>	<b>94 234</b>	<b>98 041</b>	<b>93 444</b>	<b>93 320</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>1 101 118</b>	<b>1 137 119</b>	<b>1 290 396</b>	<b>1 302 263</b>	<b>1 302 263</b>	<b>1 185 780</b>	<b>1 257 970</b>	<b>1 341 679</b>	<b>1 332 005</b>
Roads Infrastructure	659 987	702 904	850 395	585 541	764 519	648 035	743 305	1 006 970	1 027 978
Electrical Infrastructure	43 800	46 342	44 849	60 336	41 103	41 103	41 133	7 129	4 059
Solid Waste Infrastructure	14 429	11 708	11 292	70 049	147 814	147 814	148 490	1 412	804
<b>Infrastructure</b>	<b>718 216</b>	<b>760 954</b>	<b>906 536</b>	<b>715 925</b>	<b>953 436</b>	<b>836 953</b>	<b>932 929</b>	<b>1 015 510</b>	<b>1 032 842</b>
Community Assets	19 526	18 203	17 395	46 829	16 164	16 164	38 974	32 423	31 380
<b>Heritage Assets</b>	<b>463</b>	<b>463</b>	<b>463</b>	<b>463</b>	<b>463</b>	<b>463</b>	<b>463</b>	<b>463</b>	<b>463</b>
<b>Investment properties</b>	<b>56 614</b>	<b>69 169</b>	<b>78 842</b>	<b>60 343</b>	<b>55 840</b>	<b>55 840</b>	<b>55 840</b>	<b>55 840</b>	<b>55 840</b>
<b>Other Assets</b>	<b>66 008</b>	<b>60 267</b>	<b>63 185</b>	<b>185 658</b>	<b>59 039</b>	<b>59 039</b>	<b>59 245</b>	<b>7 391</b>	<b>4 731</b>
<b>Intangible Assets</b>	<b>39</b>	<b>31</b>	<b>23</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>278</b>	<b>265</b>	<b>207</b>
<b>Computer Equipment</b>	<b>2 135</b>	<b>1 424</b>	<b>1 714</b>	<b>7 314</b>	<b>1 882</b>	<b>1 882</b>	<b>1 689</b>	<b>2 733</b>	<b>3 824</b>
<b>Furniture and Office Equipment</b>	<b>2 251</b>	<b>2 045</b>	<b>2 868</b>	<b>598</b>	<b>2 279</b>	<b>2 279</b>	<b>2 750</b>	<b>3 794</b>	<b>4 885</b>
<b>Machinery and Equipment</b>	<b>19 580</b>	<b>18 581</b>	<b>17 652</b>	<b>1 367</b>	<b>15 518</b>	<b>15 518</b>	<b>16 200</b>	<b>16 722</b>	<b>17 268</b>
<b>Transport Assets</b>	<b>29 117</b>	<b>22 145</b>	<b>17 591</b>	<b>14 354</b>	<b>13 775</b>	<b>13 775</b>	<b>13 053</b>	<b>11 321</b>	<b>9 447</b>
<b>Land</b>	<b>187 168</b>	<b>183 836</b>	<b>184 126</b>	<b>269 381</b>	<b>183 836</b>	<b>183 836</b>	<b>183 836</b>	<b>183 836</b>	<b>183 836</b>

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>CAPITAL EXPENDITURE</b>									
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>									
<b>EXPENDITURE OTHER ITEMS</b>	<b>68 426</b>	<b>67 540</b>	<b>77 309</b>	<b>77 598</b>	<b>89 112</b>	<b>89 112</b>	<b>98 425</b>	<b>104 044</b>	<b>108 579</b>
<b>Depreciation</b>	<b>56 338</b>	<b>56 422</b>	<b>59 166</b>	<b>58 392</b>	<b>57 692</b>	<b>57 692</b>	<b>59 780</b>	<b>62 410</b>	<b>65 156</b>
Repairs and Maintenance by Asset Class	12 088	11 117	18 143	19 205	31 419	31 419	38 644	41 634	43 422
Roads Infrastructure	3 713	630	7 661	7 802	11 748	11 748	14 319	16 235	16 897
Electrical Infrastructure	1 000	2 180	1 845	2 033	9 099	9 099	9 536	9 955	10 393
<b>Solid Waste Infrastructure</b>	<b>3 704</b>	<b>2 778</b>	<b>2 993</b>	<b>2 821</b>	<b>4 681</b>	<b>4 681</b>	<b>4 442</b>	<b>4 637</b>	<b>4 841</b>
Infrastructure	8 418	5 587	12 498	12 656	25 528	25 528	28 297	30 828	32 132
Community Facilities	-	-	-	385	185	185	594	620	648
<b>Community Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>385</b>	<b>185</b>	<b>185</b>	<b>594</b>	<b>620</b>	<b>648</b>
<b>Operational Buildings</b>	<b>1 000</b>	<b>1 497</b>	<b>1 845</b>	<b>1 756</b>	<b>616</b>	<b>616</b>	<b>2 645</b>	<b>2 764</b>	<b>2 889</b>
<b>Other Assets</b>	<b>1 000</b>	<b>1 497</b>	<b>1 845</b>	<b>1 756</b>	<b>616</b>	<b>616</b>	<b>2 645</b>	<b>2 764</b>	<b>2 889</b>
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>425</b>	<b>187</b>	<b>60</b>	<b>60</b>	<b>200</b>	<b>209</b>	<b>218</b>
<b>Machinery and Equipment</b>	<b>1 670</b>	<b>1 306</b>	<b>1 520</b>	<b>2 083</b>	<b>2 441</b>	<b>2 441</b>	<b>3 695</b>	<b>3 859</b>	<b>4 032</b>
<b>Transport Assets</b>	<b>1 000</b>	<b>2 727</b>	<b>1 854</b>	<b>2 139</b>	<b>2 589</b>	<b>2 589</b>	<b>3 213</b>	<b>3 354</b>	<b>3 504</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>68 426</b>	<b>67 540</b>	<b>77 309</b>	<b>77 598</b>	<b>89 112</b>	<b>89 112</b>	<b>98 425</b>	<b>104 044</b>	<b>108 579</b>
Renewal and upgrading of Existing Assets as % of total capex	48.8%	29.5%	73.1%	71.7%	67.8%	67.8%	75.9%	83.2%	83.9%
Renewal and upgrading of Existing Assets as % of deprecn	91.7%	51.6%	102.1%	108.1%	110.8%	110.8%	124.5%	124.6%	120.2%
R&M as a % of PPE	1.2%	1.1%	1.7%	1.6%	2.6%	2.6%	3.0%	3.0%	3.0%
Renewal and upgrading and R&M as a % of PPE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.0%	9.0%	8.0%

### Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to construct and/procure new assets, renewal, and upgrading of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal and upgrading of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality allocated 76% of the capital budget to the renewal and upgrading of existing assets which is considered to be an achievement.
3. The renewal and upgrading of existing assets target has been met throughout the MTEF period, however, the achievement of repairs and maintenance target remains a challenge.

Table A10 – Service Delivery

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Household service targets</b>									
<b>Energy:</b>									
Electricity (at least min.service level)	62 464	62 464	69 458	69 458	69 458	73 278	77 235	77 235	77 235
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	62 464	62 464	69 458	69 458	69 458	73 278	77 235	77 235	77 235
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	3 895	3 895	3 480	3 480	3 480	3 000	3 162	3 162	3 162
Below Minimum Service Level sub-total	3 895	3 895	3 480	3 480	3 480	3 000	3 162	3 162	3 162
<b>Total number of households</b>	<b>66 359</b>	<b>66 359</b>	<b>72 938</b>	<b>72 938</b>	<b>72 938</b>	<b>76 278</b>	<b>80 397</b>	<b>80 397</b>	<b>80 397</b>
<b>Refuse:</b>									
Removed at least once a week	6 616 042	6 616 042	6 611 534	6 611 534	6 611 534	6 611 534	6 611 534	6 611 534	6 611 534
Minimum Service Level and Above sub-total	6 616 042	6 616 042	6 611 534	6 611 534	6 611 534	6 611 534	6 611 534	6 611 534	6 611 534
Removed less frequently than once a week	405	405	405	405	405	406	406	406	406
Using communal refuse dump	1 993	1 993	1 993	1 993	1 993	1 999	1 999	1 999	1 999
Using own refuse dump	38 712	38 712	42 524	42 524	42 524	42 525	42 525	42 525	42 525
Other rubbish disposal	703	703	703	703	703	704	704	704	704
No rubbish disposal	8 504	8 504	8 504	8 504	8 504	8 506	8 506	8 506	8 506
Below Minimum Service Level sub-total	50 317	50 317	54 129	54 129	54 129	54 140	54 140	54 140	54 140
<b>Total number of households</b>	<b>6 666 359</b>	<b>6 666 359</b>	<b>6 665 663</b>	<b>6 665 663</b>	<b>6 665 663</b>	<b>6 665 674</b>	<b>6 665 674</b>	<b>6 665 674</b>	<b>6 665 674</b>
<b>Households receiving Free Basic Service</b>									
Electricity/other energy (50kwh per household per month)	-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)	-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>									
Electricity/other energy (50kwh per indigent household per month)	-	-	-	-	-	-	1 006	1 050	1 097
Refuse (removed once a week for indigent households)	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 006</b>	<b>1 050</b>	<b>1 097</b>
<b>Highest level of free service provided per household</b>									
Property rates (R value threshold)									
Electricity (kwh per household per month)									
Refuse (average litres per week)									
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) ( impermissable values per section 17 of MPRA)									
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA	5 684	5 741	5 741	9 017	9 017	9 017	9 450	9 866	10 310
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	<b>5 684</b>	<b>5 741</b>	<b>5 741</b>	<b>9 017</b>	<b>9 017</b>	<b>9 017</b>	<b>9 450</b>	<b>9 866</b>	<b>10 310</b>

## 2 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 Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aim of the Budget Steering Committee is to ensure:

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

#### 2.1.1 Budget Process Overview

Section 21 (1)(b) of the MFMA prescribes that the Mayor of a Municipality must at least 10 months before the start of a financial year, table in Council a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget and also the review of the Integrated Development Plan. Due to COVID-19 pandemic, some of the activities in the process plan will be conducted through virtual meetings, telephonic discussions and other electronic means.

The municipality hopes to conclude the review process for the 2022-2023 IDP by the end of May 2022. The process plan will be implemented from July 2021 financial year. Below is the timetable for the IDP/ budget process for 2022-2023 Municipal fiscal year.

#### IDP and Budget Process Plan for the 2022/2023 financial year

MONTH	ACTIVITY	Target date
<b>PREPARATORY PHASE</b>		
July 2021	<ul style="list-style-type: none"> <li>• Review of previous year's IDP/Budget process with MTEF included.</li> <li>• EXCO provides political guidance over the budget process and priorities that must inform preparations of the budget.</li> </ul>	1-31 July 2021  1-31 July 2021

	<ul style="list-style-type: none"> <li>• Tabling of the draft 2022-2023 IDP and Budget process plan to IDP steering committee/technical committee for comments and inputs.</li> </ul>	29 July 2021
August 2021	<ul style="list-style-type: none"> <li>• Tabling of the 2022-2023 IDP and Budget process plan to council structures for approval</li> <li>• Ward-to-Ward based analysis data collection</li> <li>• 4<sup>th</sup> Quarter Performance Lekgotla</li> <li>• Submit AFS (Annual Financial Statements) for 2019/20 to AG.</li> <li>• Submit 2020/21 cumulative Performance Report to AG &amp; Council Structures</li> </ul>	31 August 2021  17 August 2021 -30 September 2021  17 August 2021  31 August 2021  31 August 2021
<b>ANALYSIS PHASE</b>		
September 2021	<ul style="list-style-type: none"> <li>• Council determines strategic objectives for service delivery through IDP review processes and the development of the next 3 year budget (including review of sector departments plans).</li> <li>• Determine revenue projections and propose tariffs and draft initial allocations per function and department for 2022-2023 financial year.</li> <li>• Electronic Consultations with provincial and national sector departments on sector specific programmes for alignment (schools, libraries, clinics, water, electricity, roads, etc).</li> <li>• Finalize ward based data compilation for verification in December 2021.</li> </ul>	01 September 2021-December 2021
<b>STRATEGIES PHASE</b>		
October 2021	<ul style="list-style-type: none"> <li>• Quarterly (1st) review of 2021/22 budget, related policies, amendments (if necessary), any related consultative process.</li> <li>• Collate information from ward based data.</li> <li>• Begin preliminary preparations on proposed budget for 2022/23 financial year with consideration being given to partial performance of 2021/22.</li> <li>• 1ST Quarter Performance Lekgotla (2021/22)</li> </ul>	29 October 2021  1-31 October 2021  1-31 October 2021  29 October 2021
<b>PROJECTS PHASE</b>		
November 2021	<ul style="list-style-type: none"> <li>• Confirm IDP projects with district and sector departments.</li> </ul>	1-30 November 2021

	<ul style="list-style-type: none"> <li>Engage with sector departments' strategic sessions to test feasibility of attendance to planned sessions.</li> <li>Review and effect changes on initial IDP draft.</li> </ul>	
<b>INTEGRATION PHASE</b>		
December 2021	<ul style="list-style-type: none"> <li>Consolidated Analysis Phase report in place</li> </ul>	01 December 2021
	<ul style="list-style-type: none"> <li>IDP Steering/technical Committee meeting to present the analysis phase data</li> </ul>	02 December 2021
	<ul style="list-style-type: none"> <li>IDP Representative Forum to present the analysis report</li> </ul>	07 December 2021

### 2.1.2 IDP and Service Delivery and Budget Implementation Plan

The IDP Process Plan and the Budget Time Schedule for the 2022/23 MTREF was tabled in Council in August 2021.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2022/23 MTREF based on the approved 2020/21 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2022/23 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance for 2020/21 financial year. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### 2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2022/23 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2022/23 MTREF:

- The Municipality growth (looking mainly on additional revenue from the new mall and traffic fines)
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, etc)
- Performance trends (2021/22)
- The approved 2021/22 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtors payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for service
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 115 has been taken into consideration in the planning and prioritisation process.

## **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 coordinate 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:

- 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);
- National Spatial Development Perspective (NSDP) and
- National Priority Outcomes.

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.

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.

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 developmental priorities mentioned above.

Developmental priority	Outcome	Role of EMLM	Output
Spatial Rationale	<b>Outcome 8 &amp;9</b>	<ul style="list-style-type: none"> <li>• Provide land for human settlement</li> <li>• Zoning and rezoning of land</li> <li>• Prevent land invasions</li> </ul>	More efficient land utilization and release state land.
Access to basic service delivery	<b>Outcome 6</b>	<ul style="list-style-type: none"> <li>• Provision of electricity</li> <li>• Roads and storm water control</li> </ul>	Reliable infrastructure services
Local Economic Development	<b>Outcome 7,4 &amp;11</b>	<ul style="list-style-type: none"> <li>• Creation of jobs</li> <li>• Support to emerging businesses (SMME"s)</li> <li>• Promote tourism</li> </ul>	Improved employment and municipal economy
Financial sound management	<b>Outcome 9 &amp;12</b>	<ul style="list-style-type: none"> <li>• Financial management and planning</li> <li>• Comply with legal financial requirements</li> <li>• Revenue enhancement</li> </ul>	Sound financial management

Good Governance and public participation	<b>Outcome 9</b>	<ul style="list-style-type: none"> <li>• Community participations</li> <li>• Intergovernmental relations</li> </ul>	Full participation of all structures and communities
Organizational Development	<b>Outcome 9</b>	<ul style="list-style-type: none"> <li>• Human resource development and management</li> <li>• Organizational structure development</li> <li>• Executive and Council support</li> </ul>	Vibrant institution
Social services	<b>Outcome 1, 2 &amp;10</b>	<ul style="list-style-type: none"> <li>• Education support and co-ordination</li> <li>• Facilitation of health services</li> <li>• Community development services</li> </ul>	Improved community services

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

The social package assists residents that have difficulty in paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality.

For the 2022/23 financial year anticipated indigents to be registered have been provided for in the budget and the indigent-base is expected to steadily increase in the MTREF period. In terms of the Municipality's indigent policy registered households are entitled to 50 kwh of electricity, free waste removal, as well as special property rates rebates. Special discount on property rates will also be given to pensioners.

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 MBRR A10 (Basic Service Delivery Measurement) on.

### 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, assesses 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:

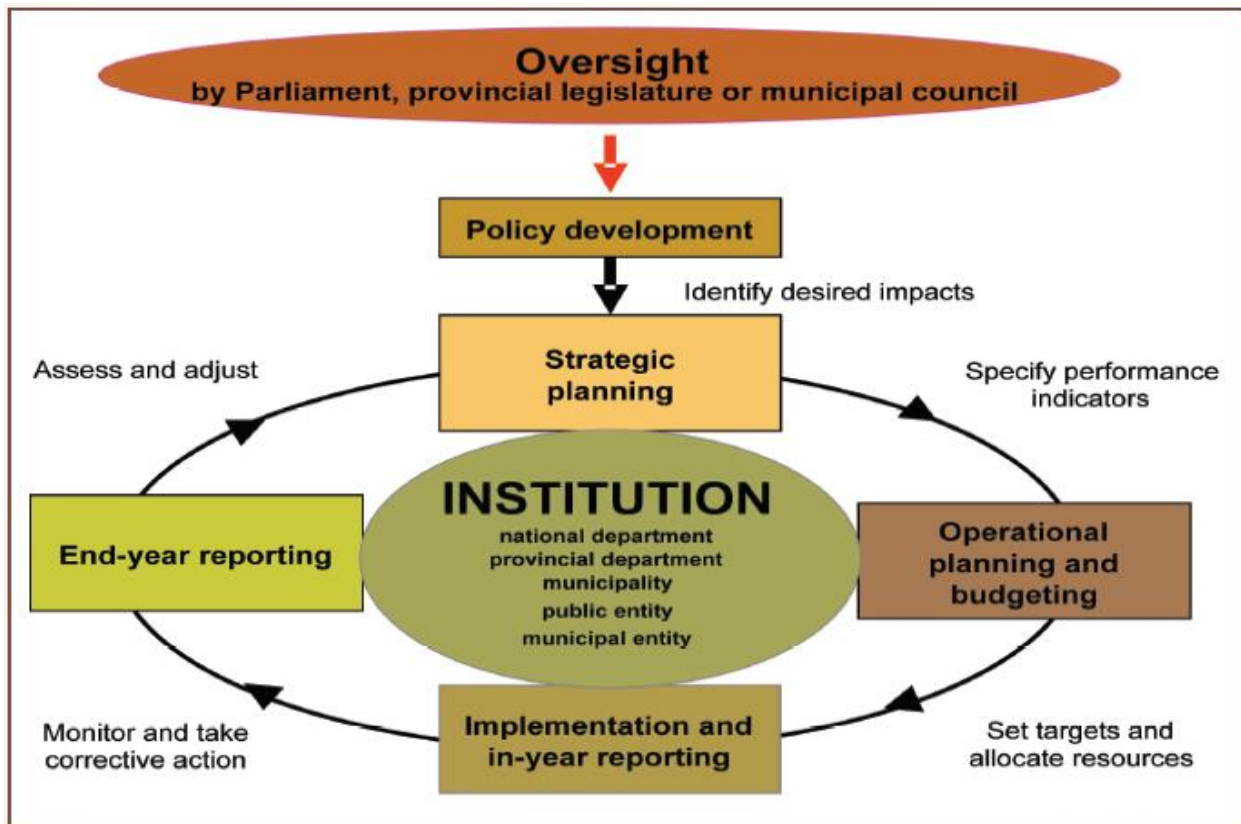


Figure 4 Planning, budgeting and reporting cycle

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 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 the Municipality in its integrated performance management system are aligned to the Framework of Managing Programme Performance Information issued by the National Treasury:

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

## **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 Collection Policy as approved by Council in the past is 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 Integrated Indigent Exit Programme aims 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 2022/23 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 75 per cent on current billings. 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. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

### **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. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

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 Policy**

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

### **2.4.4 Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council in September 2007 and the policy has been getting reviewed on annual basis and the changes made now are incorporated and presented in the resolutions paragraph.

### **2.4.5 Budget 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 the past and is getting reviewed every financial year in respect of both Operating and Capital Budget Fund Transfers.

### **2.4.6 Cash Management and Investment Policy**

The municipality's Cash Management and Investment Policy was amended by Council in February 2013. 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 equivalent required at any point in time and introduces 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 policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation.

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

- Basic Social Services Package (Indigent Policy), and
- Petty Cash Policy

## 2.5 Overview of budget assumptions

### External factors

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.

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

There are five key factors that have been taken into consideration in the compilation of the 2022/23 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
- The increase in the cost of remuneration.

### Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate CPI rate or slightly higher 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 budgeted as a percentage of annual billings as follows: property rates 84.1%; Services charges electricity 99.7%; Services charges refuse 73.8%; other revenue 100%; Traffic fines 13.1%. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### 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. In addition, the following are some of the assumptions that have direct impact on debtors and collection rate as well revenue generation:

- Property rates – 84.1%
- Service charge electricity - 99.7%
- Service charge refuse removal - 73.8%
- Rental on facilities - 100%
- Other revenue – 100%



- Interest on outstanding debtors - 54.7%
- Traffic fines – 13%

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.

### **Salary increases**

MFMA circular 115 and 116 did not stipulate the salary increase projection and as a result, the proposal on salary and wage collective agreement was used. The proposed salary increase to be as follows:

- 2022/23 – CPI 4.8%
- 2023/24 – CPI 4.4%
- 2024/25 – CPI 4.5%

### **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.

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

It is estimated that a spending rate of at least 95% will be achieved on operating expenditure and 100% on the capital programme for the 2022/23 MTREF of which performance has been factored into the cash flow budget.

## 2.6 Overview of budget funding

### 2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term and presents operating surplus of R16, 613 million in 2022/23 that is not relatively enough.

#### Figure 5 Breakdown of operating revenue over the 2022/23 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity 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 76 per cent annual collection rate 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.

The proposed tariff increases for the 2022/23 MTREF on the different revenue categories are:

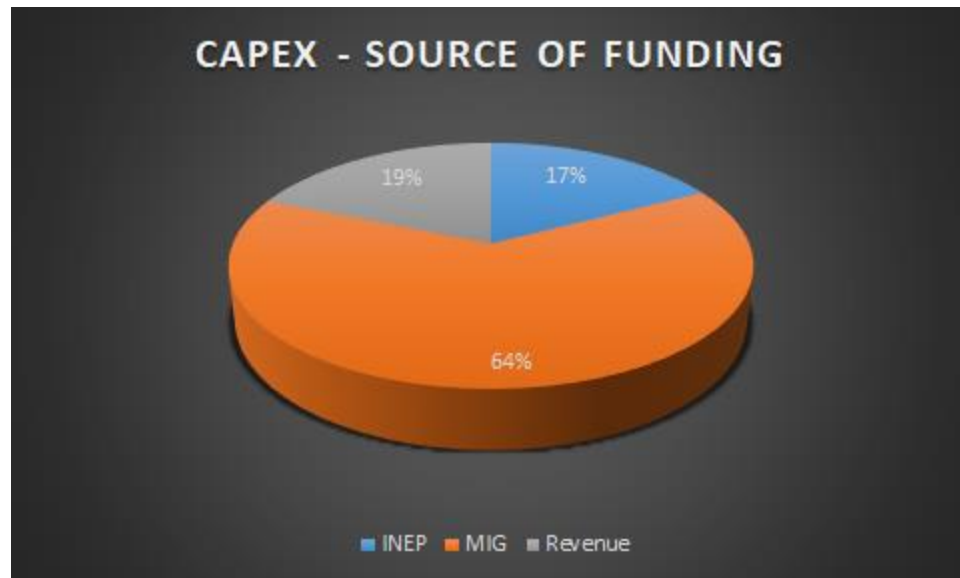
- Property rates
- Refuse removal
- Electricity
- Other

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted actual surplus of R4, 068 million, R20, 040 million and R32, 780 million in each of the financial years. This surplus is not intended to fund capital expenditure from own sources.

**2.6.2 Medium-term outlook: capital revenue**

**Sources of capital revenue over the MTREF**

The above table is graphically represented as follows for the 2022/23 financial year.



**Figure 6 Breakdown of the source of funding for 2022/23 MTREF**

Capital grants and receipts equate to 81% of the total funding source which represents R79, 606 million for the 2022/23 financial year and decreases to R76, 364 million and increases to R79, 794 million in 2023/24 and 2024/25 financial years respectively. Only 19% of capital budgets is funded from internally generated revenue.

Table SA1 – Supporting details to budgeted financial performance

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>REVENUE ITEMS:</b>										
<b>Property rates</b>										
Total Property Rates	38 441	41 514	48 459	47 883	51 633	51 633	42 258	54 095	56 475	59 017
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	5 684	5 741	9 017	9 017	9 017	9 017	9 017	9 450	9 866	10 310
<b>Net Property Rates</b>	<b>32 756</b>	<b>35 773</b>	<b>39 442</b>	<b>38 865</b>	<b>42 616</b>	<b>42 616</b>	<b>33 241</b>	<b>44 645</b>	<b>46 609</b>	<b>48 707</b>
<b>Service charges - electricity revenue</b>										
Total Service charges - electricity revenue	80 771	88 202	89 998	105 174	122 518	122 518	84 397	109 193	113 997	119 126
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)	—	—	—	—	—	—	—	—	—	—
<b>Less Cost of Free Basis Services (50 kwh per indigent household per month)</b>	<b>1 019</b>	<b>1 134</b>	<b>1 186</b>	<b>960</b>	<b>1 175</b>	<b>1 175</b>	<b>1 062</b>	<b>1 006</b>	<b>1 050</b>	<b>1 097</b>
<b>Net Service charges - electricity revenue</b>	<b>79 752</b>	<b>87 068</b>	<b>88 812</b>	<b>104 214</b>	<b>121 343</b>	<b>121 343</b>	<b>83 335</b>	<b>108 186</b>	<b>112 947</b>	<b>118 029</b>
Service charges - refuse revenue										
Total refuse removal revenue	7 854	8 425	8 926	9 276	9 568	9 568	7 809	9 781	10 212	10 671
Total landfill revenue	—	—	—	—	—	—	—	—	—	—
Less Revenue Foregone (in excess of one removal a week to indigent households)	—	—	—	—	—	—	—	—	—	—
<b>Less Cost of Free Basis Services (removed once a week to indigent households)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Service charges - refuse revenue</b>	<b>7 854</b>	<b>8 425</b>	<b>8 926</b>	<b>9 276</b>	<b>9 568</b>	<b>9 568</b>	<b>7 809</b>	<b>9 781</b>	<b>10 212</b>	<b>10 671</b>
Other Revenue by source										
Fuel Levy	—	—	—	—	—	—	—	—	—	—
Other Revenue	1 180	1 056	1 819	664	6 829	6 829	2 056	1 524	1 591	1 663
<b>Total "Other" Revenue</b>	<b>1 180</b>	<b>1 056</b>	<b>1 819</b>	<b>664</b>	<b>6 829</b>	<b>6 829</b>	<b>2 056</b>	<b>1 524</b>	<b>1 591</b>	<b>1 663</b>
<b>EXPENDITURE ITEMS:</b>										
<b>Employee related costs</b>										
Basic Salaries and Wages	89 736	90 723	88 806	105 440	101 514	101 514	84 359	119 787	125 053	130 613
Pension and UIF Contributions	16 988	17 980	19 124	27 425	19 720	19 720	16 343	26 724	27 907	29 154
Medical Aid Contributions	5 390	5 637	5 308	4 642	5 455	5 455	4 554	7 057	7 368	7 699
Overtime	2 166	1 443	1 353	1 005	1 197	1 197	926	1 163	1 214	1 268
Motor Vehicle Allowance	11 120	11 717	12 487	13 227	13 210	13 210	10 945	16 220	16 937	17 696
Cellphone Allowance	1 682	1 954	2 015	1 435	2 002	2 002	1 666	1 592	1 662	1 736
Housing Allowances	171	179	206	202	217	217	182	230	241	251
Other benefits and allowances	8 398	8 694	11 097	8 948	10 405	10 405	10 352	539	561	585
Payments in lieu of leave	1 089	425	6 688	173	421	421	605	442	461	482
Long service awards	1 020	439	1 405	714	749	749	1 046	510	533	557
Post-retirement benefit obligations	3 477	2 646	2 130	—	—	—	—	—	—	—
<b>sub-total</b>	<b>141 238</b>	<b>141 837</b>	<b>150 619</b>	<b>163 212</b>	<b>154 891</b>	<b>154 891</b>	<b>130 978</b>	<b>185 315</b>	<b>193 476</b>	<b>202 098</b>
<b>Less: Employees costs capitalised to PPE</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Employee related costs</b>	<b>141 238</b>	<b>141 837</b>	<b>150 619</b>	<b>163 212</b>	<b>154 891</b>	<b>154 891</b>	<b>130 978</b>	<b>185 315</b>	<b>193 476</b>	<b>202 098</b>
<b>Total Depreciation &amp; asset impairment</b>										
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	54 943	55 800	58 780	58 342	57 642	57 642	—	59 780	62 410	65 156
Lease amortisation	46	8	8	51	51	51	—	—	—	—
Capital asset impairment	1 349	614	378	—	—	—	—	—	—	—
<b>Total Depreciation &amp; asset impairment</b>	<b>56 338</b>	<b>56 422</b>	<b>59 166</b>	<b>58 392</b>	<b>57 692</b>	<b>57 692</b>	<b>—</b>	<b>59 780</b>	<b>62 410</b>	<b>65 156</b>
<b>Total bulk purchases</b>										
Bulk purchases - electricity										
Electricity bulk purchases	72 759	81 428	88 182	110 035	100 035	100 035	60 401	109 638	114 462	119 613
<b>Total bulk purchases</b>	<b>72 759</b>	<b>81 428</b>	<b>88 182</b>	<b>110 035</b>	<b>100 035</b>	<b>100 035</b>	<b>60 401</b>	<b>109 638</b>	<b>114 462</b>	<b>119 613</b>
<b>Total transfers and grants</b>										
Transfers and grants										
Cash transfers and grants	—	—	102	130	130	130	—	—	—	—
Non-cash transfers and grants	5 846	2 984	1 300	3 654	3 141	3 141	2 428	3 292	3 436	3 588
<b>Total transfers and grants</b>	<b>5 846</b>	<b>2 984</b>	<b>1 402</b>	<b>3 784</b>	<b>3 271</b>	<b>3 271</b>	<b>2 428</b>	<b>3 292</b>	<b>3 436</b>	<b>3 588</b>
<b>Contracted services</b>										
Outsourced Services	47 858	60 086	60 656	51 129	50 799	50 799	44 251	51 154	46 069	47 089
Consultants and Professional Services	14 491	15 700	9 142	3 831	4 215	4 215	3 188	7 777	7 069	7 376
Contractors	7 035	12 456	7 328	6 641	10 072	10 072	4 273	4 334	4 692	4 918
<b>Total contracted services</b>	<b>69 384</b>	<b>88 242</b>	<b>77 126</b>	<b>61 602</b>	<b>65 086</b>	<b>65 086</b>	<b>51 713</b>	<b>63 265</b>	<b>57 830</b>	<b>59 383</b>
<b>Total "Other" Expenditure</b>										
Other Expenditure By Type										
Collection costs	—	—	—	—	—	—	—	—	—	—
Contributions to 'other' provisions	317	1 272	1 303	1 531	1 531	1 531	1 520	1 655	1 725	1 799
Audit fees	5 333	6 245	4 492	—	—	—	—	—	—	—
Other Expenditure	18 188	28 831	44 399	34 873	35 579	35 579	23 720	46 747	47 268	49 410
<b>Total "Other" Expenditure</b>	<b>23 839</b>	<b>36 348</b>	<b>50 194</b>	<b>36 404</b>	<b>37 110</b>	<b>37 110</b>	<b>25 240</b>	<b>48 401</b>	<b>48 993</b>	<b>51 209</b>
<b>Total Inventory Consumed &amp; Other Material</b>										
Repairs and Maintenance by Expenditure Item										
Inventory Consumed (Project Maintenance)	8 801	7 077	15 019	16 337	26 767	26 767	26 845	24 358	26 718	27 848
Contracted Services	3 287	4 040	3 124	2 681	4 591	4 591	3 361	14 239	14 866	15 522
Other Expenditure	—	—	—	187	60	60	38	48	50	52
Total Repairs and Maintenance Expenditure	12 088	11 117	18 143	19 205	31 419	31 419	30 245	38 644	41 634	43 422
Inventory Consumed - Other	17 484	16 160	26 421	19 551	32 727	32 727	30 467	38 644	41 634	43 422
<b>Total Inventory Consumed &amp; Other Material</b>	<b>17 484</b>	<b>16 160</b>	<b>26 421</b>	<b>19 551</b>	<b>32 727</b>	<b>32 727</b>	<b>30 467</b>	<b>38 644</b>	<b>41 634</b>	<b>43 422</b>

Table SA2 – Matrix Financial Performance Budget (revenue sources and expenditure type and vote)

Description	Vote 1 - Executive & Council	Vote 2 - Municipal Manager	Vote 3 - Budget & Treasury	Vote 4 - Corporate Services	Vote 5 - Community Services	Vote 6 - Technical Services	Vote 7 - Developme ntal Planning	Vote 8 - Executive Support	Total
	R'000	R'000	R'000	R'000	R'000	R'000			R'000
<b>Revenue By Source</b>									
Property rates	–	–	44 645	–	–	–	–	–	44 645
Service charges - electricity revenue	–	–	–	–	–	108 186	–	–	108 186
Service charges - refuse revenue	–	–	–	–	9 781	–	–	–	9 781
Rental of facilities and equipment	–	–	–	–	–	1 004	–	–	1 004
Interest earned - external investments	–	–	3 652	–	–	–	–	–	3 652
Interest earned - outstanding debtors	–	–	14 870	–	–	3 946	–	–	18 817
Fines, penalties and forfeits	–	–	–	–	68 498	22	–	–	68 520
Licences and permits	–	–	–	–	6 315	–	–	–	6 315
Other revenue	–	–	664	20	170	81	590	–	1 524
Transfers and subsidies	47 271	46 531	40 141	50 607	54 036	73 062	12 334	14 925	338 906
Gains	–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>47 271</b>	<b>46 531</b>	<b>103 972</b>	<b>50 627</b>	<b>138 801</b>	<b>186 301</b>	<b>12 923</b>	<b>14 925</b>	<b>601 351</b>
<b>Expenditure By Type</b>									
Employee related costs	–	14 221	28 659	18 427	58 232	33 857	10 865	21 054	185 315
Remuneration of councillors	25 580	–	–	–	–	–	–	–	25 580
Debt impairment	–	–	7 949	–	46 756	6 476	–	–	61 181
Depreciation & asset impairment	–	–	6	779	2 004	56 992	–	–	59 780
Finance charges	–	–	87	–	–	2 099	–	–	2 185
Bulk purchases - electricity	–	–	–	–	–	109 638	–	–	109 638
Inventory consumed	34	369	1 125	85	3 076	33 031	925	–	38 644
Contracted services	2 112	25 925	15 955	4 094	14 029	–	50	1 100	63 265
Transfers and subsidies	544	–	–	1 741	–	1 006	–	–	3 292
Other expenditure	7 100	1 468	12 524	11 460	6 770	5 010	3 216	852	48 401
Losses	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>35 371</b>	<b>41 982</b>	<b>66 303</b>	<b>36 587</b>	<b>130 867</b>	<b>248 110</b>	<b>15 057</b>	<b>23 006</b>	<b>597 282</b>
<b>Surplus/(Deficit)</b>	<b>11 900</b>	<b>4 548</b>	<b>37 669</b>	<b>14 041</b>	<b>7 934</b>	<b>(61 808)</b>	<b>(2 133)</b>	<b>(8 082)</b>	<b>4 068</b>
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	79 606	–	–	79 606
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>11 900</b>	<b>4 548</b>	<b>37 669</b>	<b>14 041</b>	<b>7 934</b>	<b>17 798</b>	<b>(2 133)</b>	<b>(8 082)</b>	<b>83 674</b>

Table SA3 – Supporting details to budgeted financial position

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>ASSETS</b>										
Consumer debtors										
Consumer debtors	57 095	73 780	85 205	63 924	62 496	62 496	104 363	18 453	19 265	20 132
Less: Provision for debt impairment	–	–	–	–	–	–	–	43 381	43 777	44 213
<b>Total Consumer debtors</b>	<b>57 095</b>	<b>73 780</b>	<b>85 205</b>	<b>63 924</b>	<b>62 496</b>	<b>62 496</b>	<b>104 363</b>	<b>61 834</b>	<b>63 043</b>	<b>64 345</b>
Debt impairment provision										
Balance at the beginning of the year	–	–	–	–	–	–	–	62 787	63 773	64 839
Contributions to the provision	–	–	–	–	–	–	–	(19 406)	(19 996)	(20 626)
Bad debts written off	–	–	–	–	–	–	–	–	–	–
<b>Balance at end of year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>43 381</b>	<b>43 777</b>	<b>44 213</b>
<b>Materials and Supplies</b>										
Opening Balance										
Acquisitions	23 729	25 124	36 729	28 157	41 553	41 553	41 786	48 649	52 530	55 306
Issues	(17 484)	(16 160)	(26 421)	(19 551)	(32 727)	(32 727)	(30 467)	(38 644)	(41 634)	(43 422)
Adjustments	–	–	–	–	–	–	–	–	–	–
Write-offs	–	–	–	–	–	–	–	–	–	–
Closing balance - Materials and Supplies	6 245	8 964	10 308	8 606	8 826	8 826	11 318	10 005	10 896	11 883
<b>Closing Balance - Inventory &amp; Consumables</b>	<b>6 245</b>	<b>8 964</b>	<b>10 308</b>	<b>8 606</b>	<b>8 826</b>	<b>8 826</b>	<b>11 318</b>	<b>10 005</b>	<b>10 896</b>	<b>11 883</b>
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	1 529 277	1 610 057	1 693 283	1 229 095	1 230 150	1 230 150	1 120 042	1 802 993	1 919 711	2 009 567
Leases recognised as PPE	26 156	26 156	26 156	–	–	–	–	12 265	13 062	13 124
Less: Accumulated depreciation	542 617	593 189	650 591	–	–	–	–	556 853	591 795	597 024
<b>Total Property, plant and equipment (PPE)</b>	<b>1 012 816</b>	<b>1 043 024</b>	<b>1 068 849</b>	<b>1 229 095</b>	<b>1 230 150</b>	<b>1 230 150</b>	<b>1 120 042</b>	<b>1 258 405</b>	<b>1 340 979</b>	<b>1 425 667</b>
<b>LIABILITIES</b>										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–	–
<b>Current portion of long-term liabilities</b>	<b>10 197</b>	<b>11 547</b>	<b>3 014</b>	<b>12 271</b>	<b>12 271</b>	<b>12 271</b>	<b>1 872</b>	<b>7 459</b>	<b>7 496</b>	<b>7 541</b>
<b>Total Current liabilities - Borrowing</b>	<b>10 197</b>	<b>11 547</b>	<b>3 014</b>	<b>12 271</b>	<b>12 271</b>	<b>12 271</b>	<b>1 872</b>	<b>7 459</b>	<b>7 496</b>	<b>7 541</b>
Trade and other payables										
Trade Payables	86 946	100 322	81 457	71 056	38 465	38 465	77 772	87 876	100 720	71 887
Other creditors	5 024	1 405	6 358	5 370	9 613	9 613	9 895	3 292	3 436	3 588
Unspent conditional transfers	23 851	5 616	1 207	1 207	32 030	32 030	24 811	10 004	1 231	987
VAT	13 012	17 855	21 642	9 532	8 655	8 655	4 323	–	–	–
<b>Total Trade and other payables</b>	<b>128 834</b>	<b>125 198</b>	<b>110 663</b>	<b>87 165</b>	<b>88 763</b>	<b>88 763</b>	<b>116 800</b>	<b>101 172</b>	<b>105 387</b>	<b>76 462</b>
Non current liabilities - Borrowing										
Borrowing	–	–	–	–	–	–	–	–	–	–
<b>Finance leases (including PPP asset element)</b>	<b>13 469</b>	<b>141</b>	<b>(2 496)</b>	<b>19 468</b>	<b>19 467</b>	<b>19 467</b>	<b>2 058</b>	<b>17 458</b>	<b>18 226</b>	<b>19 047</b>
<b>Total Non current liabilities - Borrowing</b>	<b>13 469</b>	<b>141</b>	<b>(2 496)</b>	<b>19 468</b>	<b>19 467</b>	<b>19 467</b>	<b>2 058</b>	<b>17 458</b>	<b>18 226</b>	<b>19 047</b>
Provisions - non-current										
Retirement benefits	–	–	–	–	–	–	–	–	–	–
Refuse landfill site rehabilitation	77 517	73 611	76 088	95 439	95 439	95 439	75 428	96 252	100 487	105 009
Other	–	–	–	–	–	–	–	–	–	–
<b>Total Provisions - non-current</b>	<b>77 517</b>	<b>73 611</b>	<b>76 088</b>	<b>95 439</b>	<b>95 439</b>	<b>95 439</b>	<b>75 428</b>	<b>96 252</b>	<b>100 487</b>	<b>105 009</b>
<b>CHANGES IN NET ASSETS</b>										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	–	–	–	–	–	–	–	1 147 263	1 227 651	1 352 930
GRAP adjustments	–	–	–	–	–	–	–	–	–	–
Restated balance	–	–	–	–	–	–	–	1 147 263	1 227 651	1 352 930
Surplus/(Deficit)	52 410	68 705	53 256	93 283	100 850	100 850	180 070	83 674	96 404	112 574
Transfers to/from Reserves	–	–	–	–	–	–	–	–	–	–
Depreciation offsets	–	–	–	–	–	–	–	–	–	–
Other adjustments	–	–	–	–	–	–	–	–	–	–
<b>Accumulated Surplus/(Deficit)</b>	<b>52 410</b>	<b>68 705</b>	<b>53 256</b>	<b>93 283</b>	<b>100 850</b>	<b>100 850</b>	<b>180 070</b>	<b>1 230 937</b>	<b>1 324 055</b>	<b>1 465 504</b>
Reserves										
Housing Development Fund	–	–	–	–	–	–	–	–	–	–
Capital replacement	–	–	–	10 000	10 000	10 000	10 000	19 000	19 300	15 000
Self-insurance	–	–	–	–	–	–	–	–	–	–
Other reserves	–	–	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–	–	–
<b>Total Reserves</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10 000</b>	<b>10 000</b>	<b>10 000</b>	<b>10 000</b>	<b>19 000</b>	<b>19 300</b>	<b>15 000</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>52 410</b>	<b>68 705</b>	<b>53 256</b>	<b>103 283</b>	<b>110 850</b>	<b>110 850</b>	<b>190 070</b>	<b>1 249 937</b>	<b>1 343 355</b>	<b>1 480 504</b>

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

Strategic Objective	Goal	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Executive &amp; Council</b>										
To Strengthen participatory governance within the governance	Sound Governance	35 733	41 231	49 347	42 820	42 820	42 820	47 271	50 490	54 040
<b>Office of the Municipal Manager</b>										
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	24 626	35 643	47 408	42 149	42 149	42 149	46 531	49 699	53 194
<b>Budget &amp; Treasury</b>										
To implement sound financial management practices	Sustainable financial growth/Viability	62 771	80 180	95 077	74 785	93 243	93 243	103 972	104 205	113 713
<b>Corporate Services</b>										
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	43 715	40 504	51 431	46 749	46 748	46 748	50 627	55 143	59 019
<b>Community Services</b>										
Facilitate promotion of health and well being of communities	improved social well being	99 096	69 521	75 047	130 531	97 480	97 480	138 801	148 018	155 635
<b>Technical Services</b>										
Reduction in the level services delivery backlogs. To facilitate economic growth and sustainable job creation	Accessible and sustainable infrastructure and basic services	228 262	239 261	232 976	250 001	265 336	265 336	265 907	274 419	285 431
<b>Development Planning</b>										
To provide a systematic integrated spatial/land development policy. Increase regularisation of built environment	Integrated human settlement	7 022	14 650	22 069	17 052	17 179	17 179	12 923	12 171	12 690
<b>Executive Support</b>										
Facilitate promotion of health and well being of communities	improved social well being	15 513	18 229	22 675	21 871	21 871	21 871	14 925	15 941	17 062
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>516 738</b>	<b>539 220</b>	<b>596 030</b>	<b>625 958</b>	<b>626 825</b>	<b>626 825</b>	<b>680 957</b>	<b>710 086</b>	<b>750 784</b>

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

Strategic Objective	Goal	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Executive &amp; Council</b> To Strengthen participatory governance within the governance	Sound Governance	37 702	42 975	37 311	37 114	33 832	33 832	35 371	36 852	38 000
<b>Municipal Manager</b> Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	46 078	51 145	47 145	36 199	38 707	38 707	41 982	43 300	44 529
<b>Budget &amp; Treasury</b> To implement sound financial management practices	Sustainable financial growth/Viability	74 321	58 643	78 817	56 980	58 943	58 943	66 303	62 615	65 231
<b>Corporate Services</b> Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	23 886	22 908	31 834	35 707	26 629	26 629	36 587	37 135	38 794
<b>Community Services</b> Facilitate promotion of health and well being of communities	Improved social well being	75 742	80 775	121 710	109 512	110 688	110 688	130 867	135 100	139 735
<b>Technical Services</b> Reduction in the level services delivery backlogs. To facilitate economic growth and sustainable job creation	Accessible and sustainable infrastructure and basic services	179 372	184 956	196 147	228 211	226 006	226 006	248 110	260 227	271 769
<b>Development Planning</b> To provide a systematic integrated spatial/land development policy. Increase regularisation of built environment	Integrated human settlement	8 057	8 942	8 333	13 293	9 215	9 215	15 057	14 465	15 111
<b>Executive Support</b> Facilitate promotion of health and well being of communities	Improved social well being	19 169	20 169	21 476	15 657	21 955	21 955	23 006	23 988	25 042
<b>Total Expenditure</b>		<b>464 328</b>	<b>470 514</b>	<b>542 774</b>	<b>532 675</b>	<b>525 975</b>	<b>525 975</b>	<b>597 282</b>	<b>613 682</b>	<b>638 210</b>



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

Strategic Objective	Goal	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Budget &amp; Treasury</b> To implement sound financial management practices	Sustainable financial growth/Viability	-	-	-	100	-	-	-	-	-
<b>Corporate Services</b> Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	2 200	633	1 105	460	860	860	1 500	2 288	2 181
<b>Community Services</b> Facilitate promotion of health and well being of communities	improved social well being	2 122	1 424	1 972	1 100	500	500	5 185	3 470	2 300
<b>Technical Services</b> Reduction in the level services delivery backlogs. To facilitate economic growth and sustainable job creation	Accessible and sustainable infrastructure and basic services	101 509	96 585	79 594	85 272	92 874	92 874	90 256	87 186	88 839
<b>Development Planning</b> To provide a systematic integrated spatial/land development policy. Increase regularisation of built environment	Integrated human settlement	-	-	-	1 100	-	-	1 100	500	-
<b>Executive Support</b> Facilitate promotion of health and well being of communities	improved social well being	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>		<b>105 831</b>	<b>98 642</b>	<b>82 672</b>	<b>88 032</b>	<b>94 234</b>	<b>94 234</b>	<b>98 041</b>	<b>93 444</b>	<b>93 320</b>

Table SA7 - Measurable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Vote 2 - Municipal Manager</b>										
<b>KPA 2: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION</b>										
Improved efficiency and effectiveness of the Municipal Administration	% of KPIs and projects attaining organisational targets (total organisation)	95%	95%	95%	0%	0%	0%	0%	0%	0%
Improved efficiency and effectiveness of the Municipal Administration	Final SDEIP approved by Mayor within 28 days after approval of Budget	1	1	1	0	0	0	0	0	0
<b>KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>										
To implement sound Financial management practices	% spend of the Total Operational Budget excluding non-cash items	98%	100%	100%	100%	100%	100%	100%	100%	100%
To implement sound Financial management practices	% of remuneration compared to total operating expenditure	37%	38%	38%	38%	38%	38%	38%	38%	38%
<b>KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>										
To strengthen participatory governance within the community	Number of final audited Annual Report submitted to Council on or before end of January	1	1	1	0	0	0	0	0	0
To strengthen participatory governance within the community	% of Council meetings resolutions implemented within the prescribed timeframes (3 months)	100%	100%	100%	0%	0%	0%	0%	0%	0%
To strengthen participatory governance within the community	Number Final IDP tabled and approved by Council by the 31 May	1	1	1	0	0	0	0	0	0
<b>KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>										
To create a culture of accountability and transparency	% of Auditor General matters resolved as per the approved audit action plan by 30 June 2018	100%	100%	100%	0%	0%	0%	0%	0%	0%
To create a culture of accountability and transparency	% execution of identified risk management plan within prescribed timeframes per quarter	100%	100%	100%	0%	0%	0%	0%	0%	0%
<b>KPA 3: LOCAL ECONOMIC DEVELOPMENT</b>										
To facilitate economic growth and sustainable job creation	Number of Grant agreement signed between EMLM and dept. of public works stipulating the EPWP targets	1	1	1	n/a	n/a	n/a	n/a	n/a	n/a
<b>Vote 3 - Budget and Treasury</b>										
<b>KPA 4 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>										
To provide free basic services to registered indigents	% of registered indigent households with access to free basic electricity services by 30 June (GKPI)	38%	60%	60%	60%	60%	60%	60%	60%	60%
<b>KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>										
To implement sound Financial management practices	Cost coverage ratio by the 30 June 2018 (GKPI)	4.02	4.01	4.01	0	0	0	0	0	0
To implement sound Financial management practices	% Collection Rate	89%	89%	89%	0	0	0	0	0	0
To implement sound Financial management practices	Number of assets verification reports submitted to municipal manager by 30 June	1	2	2	0	0	0	0	0	0
<b>KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>										
Compliance to MFMA legislation	Audited Annual Financial Statements (AFS) and Audit report submitted to council by 31 December	1	1	1	0	0	0	0	0	0
Compliance to MFMA legislation	number of monthly SCM deviation reports submitted to municipal manager	15	12	12	0	0	0	0	0	0
Compliance to MFMA legislation	% Payment of creditors within 30 days	100%	100%	100%	0%	0%	0%	0%	0%	0%
<b>Vote 4 - Corporate Services</b>										
<b>KPA 2: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION</b>										
To attract, develop and retain ethical and best human capital	Number of people from employment equity target groups employed in the three highest level of management in compliance with a municipality's approved employment equity plan (GKPI)	3	3	3	n/a	n/a	n/a	n/a	n/a	n/a
To attract, develop and retain ethical and best human capital	% of budget spent implementing the Workplace Skills Plan by the 30 June (GKPI)	81%	1%	1%	0%	0%	0%	0%	0%	0%
To attract, develop and retain ethical and best human capital	Number of organizational structure reviewed and aligned to the IDP and Budget by 30 June	1	1	1	0	0	0	0	0	0
<b>Vote 5 - Community Services</b>										
<b>KPA 4 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>										
Reduction in the level of Service Delivery backlogs	% of households with access to a minimum level of basic waste removal by 30 June 2018 (once per week) (GKPI)	15%	17%	17%	0%	0%	0%	0%	0%	0%
To facilitate promotion of education upliftment within communities	Number of initiatives held to promote library facilities by 30 June	4	4	4	0	0	0	0	0	0
To ensure communities are contributing towards climate change and reduction of carbon footprint	Number of waste minimization projects initiated by 30 June (Environmental awareness programmes)	4	4	4	n/a	n/a	n/a	n/a	n/a	n/a
Increase the accessibility of emergency services to the community	Number of disaster awareness campaigns conducted by 30 June	4	4	4	opex	opex	opex	opex	opex	opex
Facilitate safe and secure neighborhoods	Number of community safety forum meeting held	4	4	4	0	0	0	0	0	0
<b>Vote 6 - Technical Services</b>										
<b>KPA 3: LOCAL ECONOMIC DEVELOPMENT</b>										
To facilitate economic growth and sustainable job creation	Number of additional jobs to be created using the Expanded Public Works Programme guidelines and other municipal programmes	471	630	630	n/a	n/a	n/a	n/a	n/a	n/a
To facilitate economic growth and sustainable job creation	% development of lighting master plan	85%	100%	100%	n/a	n/a	n/a	n/a	n/a	n/a
To facilitate economic growth and sustainable job creation	Number of additional households living in formal areas provided with electricity connections	0	1000	1000	21 348 000	21 788 000	21 788 000	17 000 000	0	0
To facilitate economic growth and sustainable job creation	Kilometers of new paved roads to be built kilometers of roads resurfaced/rehabilitated/resealed	6	8	8	0	0	0	0	0	0
To facilitate economic growth and sustainable job creation	% Development of roads master plan and maintenance plan	0%	100%	100%	n/a	n/a	n/a	n/a	n/a	n/a
To facilitate economic growth and sustainable job creation	% Roads signs, main holes, temporary bridges and sign boards	100%	100%	100%	500 000%	0%	0%	300 000%	0%	0%
To facilitate economic growth and sustainable job creation	Percentage of Household Electrified relative to backlog	100%	100%	100%	0%	0%	0%	0%	0%	0%
<b>Vote 8 - Development Planning</b>										
<b>KPA 1: SPATIAL DEVELOPMENT ANALYSIS AND RATIONALE</b>										
To provide a systematic integrated spatial / land development policy	Number of informal settlements targeted for upgrading	5	1	1	0	0	0	0	0	0
To provide a systematic integrated spatial / land development policy	% Development of a Spatial Development Framework	100%	100%	100%	n/a	n/a	n/a	n/a	n/a	n/a
To provide a systematic integrated spatial / land development policy	% of Site demarcation projects completed	100%	100%	100%	n/a	n/a	n/a	n/a	n/a	n/a
To provide a systematic integrated spatial / land development policy	% projects implemented based on SPT/LUMA	100%	100%	100%	n/a	n/a	n/a	n/a	n/a	n/a
To provide a systematic integrated spatial / land development policy	% of land use applications received and processed within 90 days	100%	100%	100%	0%	0%	0%	0%	0%	0%
Increase regularisation of built environment	% of new building plans of less than 500 square metres assessed within 10 days of receipt of plans	100%	100%	100%	0%	0%	0%	0%	0%	0%
Increase regularisation of built environment	% of new building plans of more than 500 square meters assessed within 28 days of receipt of plans	100%	100%	100%	0%	0%	0%	0%	0%	0%
Increase regularisation of built environment	% of inspections conducted on building construction with an approved plan to ensure compliance with National Building Regulations and Building Standards	100%	100%	100%	0%	0%	0%	0%	0%	0%
<b>KPA 3: LOCAL ECONOMIC DEVELOPMENT</b>										
To facilitate economic growth and sustainable job creation	Number of job opportunities provided through EPWP grant by 30 June	35	70	70	2 199 000	2 199 000	0	0	0	0
To facilitate economic growth and sustainable job creation	Number of networking events held by 30 June	1	2	3	0	0	0	0	0	0
To facilitate economic growth and sustainable job creation	Number of SMMEs and Co-operatives capacity building workshops held by 30 June	5	4	4	0	0	0	100 000%	0	0
To facilitate economic growth and sustainable job creation	Number of Review of LED Strategy	1	1	1	n/a	n/a	n/a	n/a	n/a	n/a
<b>Vote 9 - Executive Support</b>										
<b>KPA 4 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>										
Facilitate promotion of health and well-being of communities	Number of Transversal programmes implemented in terms of mainstreaming with respect to HIV/AIDS, Gender, Disabled, Woman and Children Rights by the 30 June	2	4	4	0	0	0	0	0	0
To strengthen participatory governance within the community	Number of quarterly reports submitted to Council in terms of items raised during public participation, within the mandate of Council, that are processed and resolved within (3) months	2	4	4	n/a	n/a	n/a	n/a	n/a	n/a
To strengthen participatory governance within the community	Number of Community Satisfaction Surveys conducted by the 30 June	1	1	1	0	0	0	0	0	0
<b>KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>										
To create a culture of accountability and transparency	Number of MPAC quarterly reports submitted to council	4	4	4	0	0	0	0	0	0
Facilitates promotion of health and well-being of communities	Number of Mayor outreach projects initiated by 30 June	2	2	2	623	492	492	746 421%	0	0
Facilitates promotion of health and well-being of communities	Number of Speaker's outreach projects initiated by 30 June	3	2	2	208	208	208	267 771%	0	0
Facilitates promotion of health and well-being of communities	number of MPAC outreach projects initiated by 30 June	1	1	1	1 000	1 000	1 000	1 098 000%	0	0
And so on for the rest of the Votes										

Table SA8 – Performance indicators and benchmarks

Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Interest & Principal Paid /Operating Expenditure	2.85%	2.44%	2.69%	3.00%	2.49%	2.49%	0.83%	4.54%	4.57%	4.55%
Finance charges & Repayment of borrowing /Own Revenue	6.60%	6.61%	8.32%	6.69%	5.49%	5.49%	1.79%	10.33%	10.24%	10.16%
Borrowing/Capital expenditure excl. transfers and grants and contributions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Long Term Borrowing/ Funds & Reserves	0.00%	0.00%	0.00%	194.68%	194.67%	194.67%	20.58%	91.89%	94.44%	126.98%
Current assets/current liabilities	102.15%	110.31%	124.92%	148.80%	135.04%	135.04%	172.44%	142.14%	165.06%	168.10%
Current assets less debtors > 90 days/current liabilities	102.15%	110.31%	124.92%	148.80%	135.04%	135.04%	172.44%	142.14%	165.06%	168.10%
Monetary Assets/Current Liabilities	16.35%	1.32%	5.58%	28.67%	15.43%	15.43%	36.86%	17.81%	18.96%	20.08%
Last 12 Mths Receipts/Last 12 Mths Billing		93.25%	88.64%	79.47%	90.19%	77.12%	77.12%	84.80%	100.22%	100.22%
	93.25%	88.64%	79.47%	90.19%	77.12%	77.12%	84.80%	100.22%	100.22%	100.22%
Total Outstanding Debtors to Annual Revenue	27.02%	33.79%	25.84%	22.84%	22.93%	22.93%	35.98%	20.75%	20.20%	19.58%
Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.40%	4.50%	4.50%
% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	359.63%	5199.67%	1189.51%	223.09%	218.45%	218.45%	166.55%	457.02%	411.21%	388.29%
Total Volume Losses (kW)	16 148 505	15 424 200	15 424 200	14 242 000	14 242 000	14 242 000	14 242 000	13 020 000	11 000 000	10 000 000
Total Cost of Losses (Rand '000)	15 936 175	15 468 368	15 468 368	15 000 000	15 000 000	15 000 000	15 000 000	12 500 000	13 500 000	13 000 000
% Volume (units purchased and generated less units sold)/units purchased and generated	23.00%	19.00%	19.00%	18.00%	18.00%	18.00%	18.00%	10.00%	10.00%	10.00%
Employee costs/(Total Revenue - capital revenue)	31.67%	31.73%	28.55%	29.86%	28.33%	28.33%	29.38%	30.82%	30.53%	30.12%
Total remuneration/(Total Revenue - capital revenue)	35.29%	37.41%	33.15%	34.86%	32.97%	32.97%		35.07%	34.73%	34.19%
R&M/(Total Revenue excluding capital revenue)	2.71%	2.49%	3.44%	3.51%	5.75%	5.75%		6.43%	6.57%	6.47%
FC&D/(Total Revenue - capital revenue)	13.62%	13.41%	11.90%	11.36%	10.71%	10.71%	0.05%	10.30%	10.22%	10.08%
(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	21.54	15.04	11.49	16.25	16.25	16.25	5.23	8.93	9.05	9.45
Total outstanding service debtors/annual revenue received for services	98.74%	114.31%	98.66%	81.46%	71.86%	71.86%	128.27%	76.28%	74.93%	73.59%
(Available cash + Investments)/monthly fixed operational expenditure	79.69%	6.31%	19.34%	89.98%	51.42%	51.42%	197.44%	50.70%	46.24%	47.99%

Table SA9 – Social, economic and demographic statistics and assumptions

Total municipal services	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets (000)									
Energy:									
Electricity (at least min.service level)	62 464	62 464	69 458	69 458	69 458	73 278	77 235	77 235	77 235
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
<b>Minimum Service Level and Above sub-total</b>	<b>62 464</b>	<b>62 464</b>	<b>69 458</b>	<b>69 458</b>	<b>69 458</b>	<b>73 278</b>	<b>77 235</b>	<b>77 235</b>	<b>77 235</b>
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	3 895	3 895	3 480	3 480	3 480	3 000	3 162	3 162	3 162
Below Minimum Service Level sub-total	3 895	3 895	3 480	3 480	3 480	3 000	3 162	3 162	3 162
<b>Total number of households</b>	<b>66 359</b>	<b>66 359</b>	<b>72 938</b>	<b>72 938</b>	<b>72 938</b>	<b>76 278</b>	<b>80 397</b>	<b>80 397</b>	<b>80 397</b>
Refuse:									
Removed at least once a week	6 616 042	6 616 042	6 611 534	6 611 534	6 611 534	6 611 534	6 611 534	6 611 534	6 611 534
<b>Minimum Service Level and Above sub-total</b>	<b>6 616 042</b>	<b>6 616 042</b>	<b>6 611 534</b>	<b>6 611 534</b>	<b>6 611 534</b>	<b>6 611 534</b>	<b>6 611 534</b>	<b>6 611 534</b>	<b>6 611 534</b>
Removed less frequently than once a week	405	405	405	405	405	406	406	406	406
Using communal refuse dump	1 993	1 993	1 993	1 993	1 993	1 999	1 999	1 999	1 999
Using own refuse dump	38 712	38 712	42 524	42 524	42 524	42 525	42 525	42 525	42 525
Other rubbish disposal	703	703	703	703	703	704	704	704	704
No rubbish disposal	8 504	8 504	8 504	8 504	8 504	8 506	8 506	8 506	8 506
Below Minimum Service Level sub-total	50 317	50 317	54 129	54 129	54 129	54 140	54 140	54 140	54 140
<b>Total number of households</b>	<b>6 666 359</b>	<b>6 666 359</b>	<b>6 665 663</b>	<b>6 665 663</b>	<b>6 665 663</b>	<b>6 665 674</b>	<b>6 665 674</b>	<b>6 665 674</b>	<b>6 665 674</b>

Table SA10 – Funding measurement

Description	MFMA section	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Funding measures</b>											
Cash/cash equivalents at the year end - R'000	18(1)b	24 177	1 929	6 848	31 852	17 609	17 609	46 696	19 310	18 023	19 438
Cash + investments at the yr end less applications - R'000	18(1)b	(8 317)	10 856	16 607	53 096	35 376	35 376	104 156	8 047	23 842	22 843
Cash year end/monthly employee/supplier payments	18(1)b	0.80	0.06	0.19	0.90	0.51	0.51	1.97	0.51	0.46	0.48
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	52 410	68 705	53 256	93 283	100 850	100 850	180 070	83 674	96 404	112 574
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	3.06%	-1.50%	5.06%	7.90%	-6.00%	-34.32%	-12.29%	-1.60%	-1.50%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	68.67%	76.07%	71.44%	66.78%	66.00%	66.00%	105.94%	69.84%	69.84%	69.83%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	37.67%	10.63%	44.71%	31.92%	28.20%	28.20%	0.00%	37.62%	36.80%	36.03%
Capital payments % of capital expenditure	18(1)c,19	77.90%	85.40%	103.10%	92.00%	89.14%	89.14%	100.00%	81.60%	87.09%	97.43%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grants % of Govt. legislated/gazetted allocations	18(1)a								0.00%	0.00%	0.00%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	25.40%	-9.80%	-8.40%	0.40%	0.00%	27.90%	-0.50%	2.60%	2.60%
Long term receivables % change - incr(decr)	18(1)a	N.A.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
R&M % of Property Plant & Equipment	20(1)(vi)	1.19%	1.07%	1.70%	1.56%	2.55%	2.55%	3.45%	3.07%	3.10%	3.26%
Asset renewal % of capital budget	20(1)(vi)	39.18%	17.24%	58.12%	45.15%	47.62%	47.62%	0.00%	36.52%	10.01%	30.86%
<b>Supporting indicators</b>											
% incr total service charges (incl prop rates)	18(1)a		9.06%	4.50%	11.06%	13.90%	0.00%	-28.32%	-6.29%	4.40%	4.50%
% incr Property Tax	18(1)a		9.21%	10.26%	-1.46%	9.65%	0.00%	-22.00%	4.76%	4.40%	4.50%
% incr Service charges - electricity revenue	18(1)a		9.17%	2.00%	17.34%	16.44%	0.00%	-31.32%	-10.84%	4.40%	4.50%
% incr Service charges - refuse revenue	18(1)a		7.27%	5.94%	3.93%	3.14%	0.00%	-18.38%	2.23%	4.40%	4.50%
% incr in	18(1)a		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total billable revenue</b>											
18(1)a	120 363	131 266	137 179	152 356	173 526	173 526	173 526	124 385	162 613	169 768	177 407
Service charges	120 363	131 266	137 179	152 356	173 526	173 526	173 526	124 385	162 613	169 768	177 407
Property rates	32 756	35 773	39 442	38 865	42 616	42 616	42 616	33 241	44 645	46 609	48 707
Service charges - electricity revenue	79 752	87 068	88 812	104 214	121 343	121 343	121 343	83 335	108 186	112 947	118 029
Service charges - refuse removal	7 854	8 425	8 926	9 276	9 568	9 568	9 568	7 809	9 781	10 212	10 671
Service charges - other	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 644	897	1 007	898	958	958	958	674	1 004	1 048	1 095
Capital expenditure excluding capital grant funding	30 065	6 486	10 089	8 700	14 163	14 163	14 163	13 808	18 435	17 080	13 526
Cash receipts from ratepayers	18(1)a	124 682	124 681	117 399	158 339	156 210	156 210	156 521	180 729	188 680	197 170
Ratepayer & Other revenue	18(1)a	181 568	163 907	164 343	237 089	236 684	236 684	147 749	258 793	270 179	282 338
Change in consumer debtors (current and non-current)		16 578	30 608	(14 745)	(11 493)	(10 954)	(10 954)	24 080	(43)	3 196	3 372
Operating and Capital Grant Revenue	18(1)a	316 049	343 902	420 359	386 969	387 409	387 409	352 856	418 512	436 238	464 771
Capital expenditure - total	20(1)(vi)	105 831	98 642	82 672	88 032	94 234	94 234	63 783	98 041	93 444	93 320
Capital expenditure - renewal	20(1)(vi)	41 466	17 002	48 051	39 750	44 874	44 874		35 800	9 350	28 800
<b>Supporting benchmarks</b>											
Growth guideline maximum		0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
CPI guideline		0.043	0.039	0.046	0.05	0.05	0.05	0.05	0.054	0.056	0.054
DoRA operating grants total MFY											
DoRA capital grants total MFY											
Provincial operating grants											
Provincial capital grants											
District Municipality grants											
Total gazetted/advised national, provincial and district grants									-	-	-
Average annual collection rate (arrears inclusive)											
<b>DoRA operating</b>											
Local Government Equitable Share									334 260	357 024	382 127
Finance Management									2 850	2 850	2 850
EPWP Incentive									1 796	-	-
									<b>338 906</b>	<b>359 874</b>	<b>384 977</b>
<b>DoRA capital</b>											
Municipal Infrastructure Grant (MIG)									62 606	65 364	68 300
Intergrated National Electrification Grant									17 000	11 000	11 494
									<b>79 606</b>	<b>76 364</b>	<b>79 794</b>

Description	MFMA section	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Trend</b>											
Change in consumer debtors (current and non-current)		16 578	30 608	(14 745)	24 080	(43)	3 196	3 372	-	-	-
Total Operating Revenue		445 930	447 064	527 580	546 626	546 753	546 753	445 851	601 351	633 722	670 990
Total Operating Expenditure		464 328	470 514	542 774	532 675	525 975	525 975	322 105	597 282	613 682	638 210
Operating Performance Surplus/(Deficit)		(18 397)	(23 451)	(15 194)	13 951	20 778	20 778	123 747	4 068	20 040	32 780
Cash and Cash Equivalents (30 June 2012)									19 310		
<b>Revenue</b>											
% Increase in Total Operating Revenue			0.25%	18.01%	3.61%	0.02%	0.00%	-18.45%	9.99%	5.38%	5.88%
% Increase in Property Rates Revenue			9.21%	10.26%	-1.46%	9.65%	0.00%	-22.00%	4.76%	4.40%	4.50%
% Increase in Electricity Revenue			9.17%	2.00%	17.34%	16.44%	0.00%	-31.32%	-10.84%	4.40%	4.50%
% Increase in Property Rates & Services Charges			9.06%	4.50%	11.06%	13.90%	0.00%	-28.32%	-6.29%	4.40%	4.50%
<b>Expenditure</b>											
% Increase in Total Operating Expenditure			1.33%	15.36%	-1.86%	-1.26%	0.00%	-38.76%	13.56%	2.75%	4.00%
% Increase in Employee Costs			0.42%	6.19%	8.36%	-5.10%	0.00%	-15.44%	19.64%	4.40%	4.46%
% Increase in Electricity Bulk Purchases			11.91%	8.30%	24.78%	-9.09%	0.00%	-39.62%	9.60%	4.40%	4.50%
Average Cost Per Budgeted Employee Position (Remuneration)				405 981.73	403 988.98				503 572.78		
Average Cost Per Councillor (Remuneration)				398 012.41	448 103.46				419 348.47		
R&M % of PPE		1.20%	1.10%	1.70%	1.60%	2.60%	2.60%		3.10%	3.10%	3.30%
Asset Renewal and R&M as a % of PPE		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
Debt Impairment % of Total Billable Revenue		37.67%	10.63%	44.71%	31.92%	28.20%	28.20%	0.00%	37.62%	36.80%	36.03%
<b>Capital Revenue</b>											
Internally Funded & Other (R'000)		30 065	6 486	10 089	8 700	14 163	14 163	13 808	18 435	17 080	13 526
Borrowing (R'000)		-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)		75 766	92 156	72 583	79 332	80 072	80 072	49 975	79 606	76 364	79 794
Internally Generated funds % of Non Grant Funding		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Borrowing % of Non Grant Funding		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grant Funding % of Total Funding		71.59%	93.42%	87.80%	90.12%	84.97%	84.97%	78.35%	81.20%	81.72%	85.51%
<b>Capital Expenditure</b>											
Total Capital Programme (R'000)		105 831	98 642	82 672	88 032	94 234	94 234	63 783	98 041	93 444	93 320
Asset Renewal		51 639	29 128	60 422	63 124	63 908	63 908	63 908	75 556	77 764	78 300
Asset Renewal % of Total Capital Expenditure		48.79%	29.53%	73.09%	71.71%	67.82%	67.82%	100.20%	77.07%	83.22%	83.90%
<b>Cash</b>											
Cash Receipts % of Rate Payer & Other		68.67%	76.07%	71.44%	66.78%	66.00%	66.00%	105.94%	69.84%	69.84%	69.83%
Cash Coverage Ratio		0.80	0.06	0.19	0.90	0.51	0.51	1.97	0.51	0.46	0.48
<b>Borrowing</b>											
Credit Rating (2009/10)									0		
Capital Charges to Operating		2.85%	2.44%	2.69%	3.00%	2.49%	2.49%	0.83%	4.54%	4.57%	4.55%
Borrowing Receipts % of Capital Expenditure		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Reserves</b>											
Surplus/(Deficit)		(8 317)	10 856	16 607	53 096	35 376	35 376	104 156	8 047	23 842	22 843
Free Services											
Free Basic Services as a % of Equitable Share		0.43%	0.42%	0.34%	0.32%	0.39%	0.39%		0.30%	0.29%	0.29%
Free Services as a % of Operating Revenue (excl operational transfers)		2.83%	3.30%	5.13%	3.77%	3.77%	3.77%		3.60%	3.60%	3.60%
<b>High Level Outcome of Funding Compliance</b>											
Total Operating Revenue		445 930	447 064	527 580	546 626	546 753	546 753	445 851	601 351	633 722	670 990
Total Operating Expenditure		464 328	470 514	542 774	532 675	525 975	525 975	322 105	597 282	613 682	638 210
Surplus/(Deficit) Budgeted Operating Statement		(18 397)	(23 451)	(15 194)	13 951	20 778	20 778	123 747	4 068	20 040	32 780
Surplus/(Deficit) Considering Reserves and Cash Backing		(8 317)	10 856	16 607	53 096	35 376	35 376	104 156	8 047	23 842	22 843
MTREF Funded (1) / Unfunded (0)		-	1	1	1	1	1	1	1	1	1
MTREF Funded ü / Unfunded ü		x	✓	✓	✓	✓	✓	✓	✓	✓	✓

Table SA11 – Property rates summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Valuation:</b>									
<b>Date of valuation:</b>	2017/01/07	2018/01/07	2019/01/07	2020/01/07					
Financial year valuation used	2017-18	2018-19	2019/20	2021-22					
Municipal by-laws s6 in place? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)	No	No	Yes	Yes			No		
Municipal partnership s38 used? (Y/N)	No	No	No	No	No	No	No	No	No
No. of assistant valuers (FTE)	-	-	-	-					
No. of data collectors (FTE)	-	-	-	-					
No. of internal valuers (FTE)	0	0	0	0					
No. of external valuers (FTE)				0					
Valuation appeal board established? (Y/N)	No	No	No	No					
Implementation time of new valuation roll (mths)	12	12	12	12			12		
No. of properties	18 703	20 215	20 215	20 215	20 215	20 215	21 104	21 104	21 316
No. of sectional title values	-	-	-	-					
No. of unreasonably difficult properties s7(2)	-	-	-	-					
No. of supplementary valuations	1	1	1	1	1	1	1	1	1
No. of successful objections > 10%									
Supplementary valuation	-	1	1	1	1	1	1	1	1
Public service infrastructure value (Rm)		0	1	1	1	1	1	1	1
Municipality owned property value (Rm)			1	1	1	1	1	1	1
<b>Valuation reductions:</b>									
Valuation reductions-R15,000 threshold (Rm)	404 200	404 200	405 200	405 200	405 200	405 200	405 200	405 200	405 200
Total valuation reductions:	404 200	404 200	405 200	405 200	405 200	405 200	405 200	405 200	405 200
Total value used for rating (Rm)	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558	4 848 918	4 848 918	4 848 918
Total market value (Rm)	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558	4 644 558	4 848 918	4 848 918	4 848 918
<b>Rating:</b>									
Residential rate used to determine rate for other categories? (Y/N)	No	No	No	No			No		
Differential rates used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)	No	No	No	No	No	No	No	No	No
Special rating area used? (Y/N)	No	No	No	No					
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)	30000	30000	30000	30000			30000		
Non-residential prescribed ratio s19? (%)	0	0	0	0					
<b>Rate revenue:</b>									
Rate revenue budget (R'000)	33 010	36 658	38 345	38 865	42 616	42 616	44 491	40 032	41 793
Rate revenue expected to collect (R'000)	32 502	29 610	26 841	29 997	34 083	34 083	34 514	36 033	37 654
Expected cash collection rate (%)	98.46%	80.77%	70.00%	77.18%	79.98%	79.98%	77.58%	90.01%	90.10%
Special rating areas (R'000)									
Rebates, exemptions - indigent (R'000)	2 250	2 250	2 500	2 500	2 500	2 500	2 500	2 500	2 500
Rebates, exemptions - pensioners (R'000)	200	200	200	200	200	200	200	200	200
Rebates, exemptions - other (R'000)	2 450	2 450	2 700	2 700	2 700	2 700	2 700	2 700	2 700
Total rebates, exemptns, reductns, discs (R'000)	4 900	4 900	5 400	5 400	5 400	5 400	5 400	5 400	5 400

Table SA12a – Property rates by Category: Current year

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Public benefit organs.	Mining Props.
<b>Current Year 2021/22</b>									
<b>Valuation:</b>									
No. of properties	18 790	36	406	3 931	1 069	2 064	56	108	
No. of sectional title property values									
No. of unreasonably difficult properties s7(2)									
No. of supplementary valuations									
Supplementary valuation (Rm)									
No. of valuation roll amendments									
No. of objections by rate-payers									
No. of appeals by rate-payers									
No. of appeals by rate-payers finalised									
No. of successful objections									
No. of successful objections > 10%									
Estimated no. of properties not valued									
Years since last valuation (select)	5	5	5	5	5	5	5	5	5
Frequency of valuation (select)	5	5	5	5	5	5	5	5	5
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market	Market	
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land only	Land & impr.	Land & impr.	Land & impr.	Land & impr.	
Phasing-in properties s21 (number)									0
Combination of rating types used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Flat rate used? (Y/N)	No	No	No	No	No	No	No	No	
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	
<b>Valuation reductions:</b>									
Valuation reductions-public infrastructure (Rm)	1 680								
Valuation reductions-nature reserves/park (Rm)									
Valuation reductions-mineral rights (Rm)									
Valuation reductions-R15,000 threshold (Rm)	281 850								
Valuation reductions-public worship (Rm)	2 610								
Valuation reductions-other (Rm)	227 370								
<b>Total valuation reductions:</b>									
Total value used for rating (Rm)									-
Total land value (Rm)	4 417 949								
Total value of improvements (Rm)									
Total market value (Rm)	5 060 062								-
<b>Rating:</b>									
Average rate		0	0	0	0	0	0	0	-
Rate revenue budget (R'000)									
Rate revenue expected to collect (R'000)	39 675 306					-		0	-
Expected cash collection rate (%)	1	1	1	1	1	-	1	1	-



Table SA12b – Property rates by Category: Budget year

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Public benefit organs.	Mining Props.
<b>Budget Year 2022/23</b>									
<b>Valuation:</b>									
No. of properties	12 269.00	45.00	399.00	3 310.00	1 251.00	2 201.00	74.00	23.00	
No. of sectional title property values									
No. of unreasonably difficult properties s7(2)									
No. of supplementary valuations									
Supplementary valuation (Rm)									
No. of valuation roll amendments									
No. of objections by rate-payers	33.00		7.00						
No. of appeals by rate-payers									
No. of appeals by rate-payers finalised									
No. of successful objections	8.00								
No. of successful objections > 10%	2.00								
Estimated no. of properties not valued									
Years since last valuation (select)	<1	<1	<1	<1	<1	<1	<1	<1	
Frequency of valuation (select)	5	5	5	5	5	5	5	5	
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market	Market	
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	
Phasing-in properties s21 (number)									0
Combination of rating types used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Flat rate used? (Y/N)	No	No	No	No	No	No	No	No	
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	
<b>Valuation reductions:</b>									
Valuation reductions-public infrastructure (Rm)	2 220								
Valuation reductions-nature reserves/park (Rm)									
Valuation reductions-mineral rights (Rm)									
Valuation reductions-R15,000 threshold (Rm)	184 035								
Valuation reductions-public worship (Rm)									
Valuation reductions-other (Rm)	216 870								
Total valuation reductions:									
Total value used for rating (Rm)									–
Total land value (Rm)	2 493 381								
Total value of improvements (Rm)									
Total market value (Rm)	4 647 994								–
<b>Rating:</b>									
Average rate	0.01	0.02	0.02	0.00	0.01	0.01	0.00	0.00	-
Rate revenue budget (R '000)									
Rate revenue expected to collect (R'000)	0	0	0	0	0	–	0	0	–
Expected cash collection rate (%)	85.00%	68.00%	68.00%	85.00%	100.00%	0.00%	50.00%	50.00%	

Table SA13a – Service tariffs by category

Description	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
					Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Property rates (rate in the Rand)</b>							
Residential properties	0.0079	0.0083	0.0087	0.0090	0.0094	0.0099	0.0103
Residential properties - vacant land	0.0079	0.0083	0.0087	0.0090	0.0094	0.0099	0.0103
Formal/informal settlements							
Small holdings	0.0020	0.0021	0.0022	0.0023	0.0024	0.0025	0.0026
Farm properties - used	0.0020	0.0021	0.0022	0.0023	0.0024	0.0025	0.0026
Farm properties - not used							
Industrial properties					0.0025	0.0026	0.0026
Business and commercial properties	0.0016	0.0016	0.0171	0.0178	0.0187	0.0195	0.0203
State-owned properties							
Municipal properties							
Public service infrastructure	0.0079	0.0083	0.0022	0.0023	0.0024	0.0025	0.0026
Privately owned towns serviced by the owner							
State trust land							
Restitution and redistribution properties							
Protected areas							
National monuments properties							
<b>Exemptions, reductions and rebates (Rands)</b>							
Residential properties							
R15 000 threshold rebate	15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate	30 000	30 000	30 000	30 000	30 000	30 000	30 000
Indigent rebate or exemption							
Pensioners/social grants rebate or exemption							
Temporary relief rebate or exemption							
Bona fide farmers rebate or exemption							
<b>Electricity tariffs</b>							
<b>Domestic</b>							
Basic charge/ fixed fee (Rands/month)	169.950	205.300	198.880	227.900	244.920	281.660	323.910
Service point - vacant land (Rands/month)							
FBE	50khw	50khw	50khw	50khw	50khw	50khw	50khw
Life-line tariff - meter	1.420	1.447	1.546	1.654	1.654	1.654	1.654
Life-line tariff - prepaid	0.804	0.805	0.995	1.057	1.057	1.057	1.057
Flat rate tariff - meter (c/kwh)	1.120	1.122	1.323	1.405	1.405	1.405	1.405
Flat rate tariff - prepaid(c/kwh)	1.424	1.426	1.753	1.861	1.861	1.861	1.861
Meter - IBT Block 1 (c/kwh)	0.924	1.034	105.690	121.110	130.160	149.680	172.130
Meter - IBT Block 2 (c/kwh)	0.807	1.329	141.190	161.790	173.880	199.960	229.950
Meter - IBT Block 3 (c/kwh)	0.892	1.871	186.160	213.320	229.260	263.640	303.190
<b>Waste management tariffs</b>							
<b>Domestic</b>							
Street cleaning charge							
Basic charge/ fixed fee	81.256	87.254	92.730	96.350	100.970	105.410	110.160
80l bin - once a week							
250l bin - once a week							

Table SA13b – Service tariffs by category explanatory

Description	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Exemptions, reductions and rebates (Rands)</b>								
R15 000 threshold rebate	R15 000 threshold rebate	30 000	30 000	30 000	30 000	30 000	30 000	30 000
<b>Electricity tariffs</b>								
Domestic Conventional (Residential) - Basic Charge	(fill in thresholds)	155.080	332.310	198.880	227.900	244.920	281.660	323.910
Block 1( 0 - 50kwh)	(fill in thresholds)	0.916	1.198	105.690	121.110	130.160	149.680	172.130
Block 2(51 - 350kwh)	(fill in thresholds)	1.167	1.525	141.190	161.790	173.880	199.960	229.950
Block 3(351 kwh - >)	(fill in thresholds)	1.522	1.989	186.160	213.320	229.260	263.640	303.190
Business/ Commercial/ Government	(fill in thresholds)	-	-	149.070	170.820	183.580	211.120	242.780
Basic Charge (40A - 60A)	(fill in thresholds)	400.000	522.800	218.070	249.890	268.550	308.840	355.160
Basic Charge (Medium)	(fill in thresholds)	150.000	195.690	352.980	404.480	434.690	499.900	574.880
Industrial	(fill in thresholds)							
> 100A	(fill in thresholds)				-	-	-	-
Basic Charge	(fill in thresholds)	1 024.520	1 339.048	1 211.710	1 388.500	1 492.220	1 716.050	1 973.460
Energy Charge	(fill in thresholds)	1.560	2.039	184.810	211.770	227.590	261.730	300.990
Agriculture - Basic Charge	(fill in thresholds)	1 100.450	1 438.288	211.460	242.320	260.420	299.480	344.400
Agriculture - Energy Charge	(fill in thresholds)	1.240	1.621	194.560	222.950	239.600	275.540	316.880

Table SA14 – Household bills

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Monthly Account for Household - 'Middle Income Range'</b>										
Rates and services charges:										
Property rates	415	500	402	528	528	528	6%	557	587	619
Electricity: Basic levy	1 260	1 280	228	1 352	1 352	1 352	5%	1 425	1 501	1 582
Electricity: Consumption	1 260	1 280	949	1 352	1 352	1 352	5%	1 425	1 501	1 582
Water: Basic levy	-	-	-	-	-	-	0%	-	-	-
Water: Consumption	-	-	-	-	-	-	0%	-	-	-
Sanitation	-	-	-	-	-	-	0%	-	-	-
Refuse removal	120	150	96	158	158	158	0%	158	176	1 582
Other										
sub-total	3 055	3 210	1 676	3 390	3 390	3 390	5%	3 565	3 763	5 363
VAT on Services	396	407	191	3 390	3 390	3 390	5%	3 565	3 763	5 363
Total large household bill:	3 451	3 617	1 867	6 780	6 780	6 780	5%	7 130	7 526	10 727
% increase/-decrease		5%	-48%	263%	0%	0%		5%	6%	43%
<b>Monthly Account for Household - 'Affordable Range'</b>										
Rates and services charges:										
Property rates	650	700	739	779	779	779	5%	819	863	905
Electricity: Basic levy	318	344	363	382	382	382	5%	401	422	442
Electricity: Consumption	1 292	1 309	1 382	1 457	1 457	1 457	5%	1 533	1 616	1 693
Water: Basic levy	-	-	-	-	-	-	0%	-	-	-
Water: Consumption	-	-	-	-	-	-	0%	-	-	-
Sanitation	-	-	-	-	-	-	0%	-	-	-
Refuse removal	272	294	310	327	327	327	5%	343	362	379
Other	-	-	-	-	-	-	0%	-	-	-
sub-total	2 532	2 647	2 794	2 945	2 945	2 945	5%	3 096	3 263	3 419
VAT on Services	282	292	252	325	325	325	11%	362	362	379
Total small household bill:	2 814	2 939	3 046	3 270	3 270	3 270	6%	3 458	3 624	3 798
% increase/-decrease		4%	4%	7%	0%	0%		6%	5%	5%
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>										
Rates and services charges:										
Property rates	60	70	74	78	78	78	4%	81	86	90
Electricity: Basic levy	1 312	1 338	1 413	1 489	1 489	1 489	6%	1 571	1 656	1 736
Electricity: Consumption	1 312	1 338	1 413	1 489	1 489	1 489	6%	1 571	1 656	1 736
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	-	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-
Refuse removal	89	100	106	111	111	111	5%	117	122	128
Other	-	-	-	-	-	-	-	-	-	-
sub-total	2 773	2 846	3 006	3 167	3 167	3 167	6%	3 341	3 520	3 689
VAT on Services	282	292	308	325	325	325	5%	342	361	378
Total small household bill:	3 055	3 138	3 314	3 492	3 492	3 492	6%	3 683	3 881	4 067
% increase/-decrease		3%	6%	5%	0%	0%		5%	5%	5%

Table SA17 – Borrowing

Borrowing - Categorised by type	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Parent municipality</b>									
Annuity and Bullet Loans	-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)	-	-	-	-	-	-	-	-	-
Instalment Credit	-	-	-	-	-	-	-	-	-
Financial Leases	13 469	141	(2 496)	19 468	19 467	19 467	17 458	18 226	19 047
PPP liabilities	-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-
Marketable Bonds	-	-	-	-	-	-	-	-	-
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	<b>13 469</b>	<b>141</b>	<b>(2 496)</b>	<b>19 468</b>	<b>19 467</b>	<b>19 467</b>	<b>17 458</b>	<b>18 226</b>	<b>19 047</b>
<b>Total Borrowing</b>	<b>13 469</b>	<b>141</b>	<b>(2 496)</b>	<b>19 468</b>	<b>19 467</b>	<b>19 467</b>	<b>17 458</b>	<b>18 226</b>	<b>19 047</b>

## 2.7 Expenditure on grants and reconciliation of unspent funds

Table SA18 - Transfers and Grants Receipts

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>245 283</b>	<b>273 218</b>	<b>351 908</b>	<b>307 767</b>	<b>307 767</b>	<b>307 767</b>	<b>338 906</b>	<b>359 874</b>	<b>384 977</b>
Local Government Equitable Share	237 511	269 013	347 526	302 788	302 788	302 788	334 260	357 024	382 127
Finance Management	1 770	2 235	2 600	2 650	2 650	2 650	2 850	2 850	2 850
EPWP Incentive	1 002	1 374	1 681	2 199	2 199	2 199	1 796	-	-
Disaster Relief Grant	-	596	-	-	-	-	-	-	-
Education Training and Development Practices SETA	-	-	102	130	130	130	-	-	-
Energy Efficiency and Demand Management	5 000	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Total Operating Transfers and Grants</b>	<b>245 283</b>	<b>273 218</b>	<b>351 908</b>	<b>307 767</b>	<b>307 767</b>	<b>307 767</b>	<b>338 906</b>	<b>359 874</b>	<b>384 977</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>71 830</b>	<b>73 921</b>	<b>68 891</b>	<b>79 332</b>	<b>79 332</b>	<b>79 332</b>	<b>79 606</b>	<b>76 364</b>	<b>79 794</b>
Municipal Infrastructure Grant (MIG)	61 832	54 921	53 891	57 984	57 984	57 984	62 606	65 364	68 300
Intergrated National Electrification Grant	9 998	19 000	15 000	21 348	21 348	21 348	17 000	11 000	11 494
<b>Provincial Government:</b>	<b>-</b>	<b>21 471</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Coghsta - Development	-	21 471	-	-	-	-	-	-	-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Total Capital Transfers and Grants</b>	<b>71 830</b>	<b>95 392</b>	<b>68 891</b>	<b>79 332</b>	<b>79 332</b>	<b>79 332</b>	<b>79 606</b>	<b>76 364</b>	<b>79 794</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>317 113</b>	<b>368 610</b>	<b>420 799</b>	<b>387 099</b>	<b>387 099</b>	<b>387 099</b>	<b>418 512</b>	<b>436 238</b>	<b>464 771</b>

Table SA19 - Expenditure on transfers and grants expenditure

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>245 283</b>	<b>273 218</b>	<b>351 908</b>	<b>307 767</b>	<b>307 767</b>	<b>307 767</b>	<b>338 906</b>	<b>359 874</b>	<b>384 977</b>
Local Government Equitable Share	237 511	269 013	347 526	302 788	302 788	302 788	334 260	357 024	382 127
Finance Management	1 770	2 235	2 600	2 650	2 650	2 650	2 850	2 850	2 850
EPWP Incentive	1 002	1 374	1 681	2 199	2 199	2 199	1 796	-	-
Disaster Relief Grant	-	596	-	-	-	-			
Education Training and Development Practices SETA	-	-	102	130	130	130			
Energy Efficiency and Demand Management	5 000	-	-	-	-	-			
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Total operating expenditure of Transfers and Grants:</b>	<b>245 283</b>	<b>273 218</b>	<b>351 908</b>	<b>307 767</b>	<b>307 767</b>	<b>307 767</b>	<b>338 906</b>	<b>359 874</b>	<b>384 977</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>70 766</b>	<b>70 685</b>	<b>68 450</b>	<b>79 332</b>	<b>79 772</b>	<b>79 772</b>	<b>79 606</b>	<b>76 364</b>	<b>79 794</b>
Municipal Infrastructure Grant (MIG)	60 769	51 731	53 891	57 984	57 984	57 984	62 606	65 364	68 300
Intergrated National Electrification Grant	9 997	18 954	14 559	21 348	21 788	21 788	17 000	11 000	11 494
<b>Provincial Government:</b>	<b>-</b>	<b>21 471</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Coghsta - Development	-	21 471	-	-	-	-			
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Total capital expenditure of Transfers and Grants</b>	<b>70 766</b>	<b>92 156</b>	<b>68 450</b>	<b>79 332</b>	<b>79 772</b>	<b>79 772</b>	<b>79 606</b>	<b>76 364</b>	<b>79 794</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>316 049</b>	<b>365 374</b>	<b>420 359</b>	<b>387 099</b>	<b>387 539</b>	<b>387 539</b>	<b>418 512</b>	<b>436 238</b>	<b>464 771</b>

Table SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	–	102	102	–	–	–			
Current year receipts	240 283	273 218	351 807	307 637	307 637	307 637	338 906	359 874	384 977
Conditions met - transferred to revenue	240 283	273 218	351 908	307 637	307 637	307 637	338 906	359 874	384 977
<b>Conditions still to be met - transferred to liabilities</b>	<b>–</b>	<b>102</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>			
<b>Provincial Government:</b>									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
<b>Total operating transfers and grants revenue</b>	<b>240 283</b>	<b>273 218</b>	<b>351 908</b>	<b>307 637</b>	<b>307 637</b>	<b>307 637</b>	<b>338 906</b>	<b>359 874</b>	<b>384 977</b>
<b>Total operating transfers and grants - CTBM</b>	<b>–</b>	<b>102</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Capital transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	915	1 979	525						
Current year receipts	76 830	59 958	83 636	79 332	80 072	80 072	79 606	76 364	79 794
Conditions met - transferred to revenue	75 766	56 721	79 029	79 332	80 072	80 072	79 606	76 364	79 794
<b>Conditions still to be met - transferred to liabilities</b>	<b>1 979</b>	<b>5 215</b>	<b>5 131</b>	<b>–</b>					
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	–	21 771	300		–	–			
Current year receipts	21 771	–	–						
Conditions met - transferred to revenue	–	21 471	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities	21 771	300	300						
<b>District Municipality:</b>									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue	75 766	78 193	79 029	79 332	80 072	80 072	79 606	76 364	79 794
Total capital transfers and grants - CTBM	23 750	5 515	5 431	–	–	–	–	–	–
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>316 049</b>	<b>351 410</b>	<b>430 938</b>	<b>386 969</b>	<b>387 709</b>	<b>387 709</b>	<b>418 512</b>	<b>436 238</b>	<b>464 771</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>23 750</b>	<b>5 616</b>	<b>5 431</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>



Table SA21 – Transfers and Grants made by the municipality

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Cash Transfers to Organisations</b>										
Education Training and Development Practices SETA	-	-	101 588	129 875	129 875	129 875	-	-	-	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>-</b>	<b>-</b>	<b>101 588</b>	<b>129 875</b>	<b>129 875</b>	<b>129 875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Groups of Individuals</b>										
Free Basic Electricity	1 018 802	1 134 214	1 185 822	959 968	1 459 968	1 459 968	1 062 103	1 006 046	1 050 313	1 096 526
Retirement Benefit	4 635 712	1 739 596	4 650	2 174 727	1 161 357	1 161 357	1 128 059	1 741 102	1 817 711	1 897 690
External Bursaries	191 772	110 000	110 000	519 500	519 500	519 500	237 654	544 436	568 391	593 400
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>	<b>5 846 286</b>	<b>2 983 810</b>	<b>1 300 472</b>	<b>3 654 195</b>	<b>3 140 825</b>	<b>3 140 825</b>	<b>2 427 816</b>	<b>3 291 585</b>	<b>3 436 414</b>	<b>3 587 617</b>
<b>TOTAL TRANSFERS AND GRANTS</b>	<b>5 846 286</b>	<b>2 983 810</b>	<b>1 402 060</b>	<b>3 784 070</b>	<b>3 270 700</b>	<b>3 270 700</b>	<b>2 427 816</b>	<b>3 291 585</b>	<b>3 436 414</b>	<b>3 587 617</b>

Table SA21 presents the transfers and grants to be paid out by the municipality and figures presented in the 2022/23 MTREF pertains to bursaries to be awarded to the deserving students residing within the area of jurisdiction of Elias Motsoaledi local municipality, medical aid contributions to designated former employees of the municipality, and lastly, free basic electricity given to registered indigents.

Table SA22 – Summary of councilor and benefits

Summary of Employee and Councillor remuneration	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	13 237	14 357	14 184	16 008	14 794	14 794	14 476	15 113	15 777
Pension and UIF Contributions	1 857	1 644	1 600	1 847	1 889	1 889	2 504	2 546	2 188
Medical Aid Contributions	317	417	396	399	319	319	89	93	97
Motor Vehicle Allowance	5 324	5 354	5 167	5 847	5 408	5 408	5 536	5 779	6 034
Cellphone Allowance	2 499	2 804	2 708	2 992	2 738	2 738	2 753	2 874	3 000
Other benefits and allowances	–	–	223	243	238	238	223	233	244
<b>Sub Total - Councillors</b>	<b>23 235</b>	<b>24 575</b>	<b>24 279</b>	<b>27 334</b>	<b>25 386</b>	<b>25 386</b>	<b>25 580</b>	<b>26 638</b>	<b>27 340</b>
<b>% increase</b>		<b>6%</b>	<b>-1%</b>	<b>13%</b>	<b>-7%</b>	<b>0%</b>	<b>1%</b>	<b>4%</b>	<b>3%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4 718	4 304	3 947	6 226	3 162	3 162	4 315	4 505	4 708
Pension and UIF Contributions	1 095	163	141	299	89	89	337	352	368
Medical Aid Contributions	252	79	81	92	52	52	1 464	1 528	1 597
Motor Vehicle Allowance	907	660	420	912	186	186	519	541	566
Cellphone Allowance	84	161	114	151	85	85	166	173	181
Other benefits and allowances	81	445	1 846	491	172	172	313	327	342
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>	<b>7 137</b>	<b>5 813</b>	<b>6 549</b>	<b>8 171</b>	<b>3 746</b>	<b>3 746</b>	<b>7 114</b>	<b>7 427</b>	<b>7 761</b>
<b>% increase</b>		<b>-19%</b>	<b>13%</b>	<b>25%</b>	<b>-54%</b>	<b>0%</b>	<b>90%</b>	<b>4%</b>	<b>4%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	85 022	90 220	93 585	99 214	98 352	98 352	115 472	120 548	125 905
Pension and UIF Contributions	16 149	17 856	18 983	27 125	19 631	19 631	26 387	27 554	28 786
Medical Aid Contributions	4 826	5 391	5 228	4 550	5 403	5 403	5 593	5 840	6 102
Overtime	1 774	1 261	1 353	1 005	1 197	1 197	1 163	1 214	1 268
Motor Vehicle Allowance	8 965	11 107	12 066	12 315	13 024	13 024	15 701	16 396	17 130
Cellphone Allowance	1 036	1 757	1 901	1 284	1 916	1 916	1 426	1 489	1 556
Housing Allowances	151	174	206	202	217	217	230	241	251
Other benefits and allowances	8 017	8 146	2 655	8 457	10 233	10 233	11 278	11 776	12 302
Payments in lieu of leave	892	494	6 688	173	421	421	442	461	482
Long service awards	180	446	1 405	714	749	749	510	533	557
<b>Sub Total - Other Municipal Staff</b>	<b>127 012</b>	<b>136 852</b>	<b>144 070</b>	<b>155 041</b>	<b>151 144</b>	<b>151 144</b>	<b>178 203</b>	<b>186 051</b>	<b>194 339</b>
<b>% increase</b>		<b>8%</b>	<b>5%</b>	<b>8%</b>	<b>-3%</b>	<b>0%</b>	<b>18%</b>	<b>4%</b>	<b>4%</b>
<b>Total Parent Municipality</b>	<b>157 384</b>	<b>167 240</b>	<b>174 898</b>	<b>190 546</b>	<b>180 276</b>	<b>180 276</b>	<b>210 897</b>	<b>220 115</b>	<b>229 439</b>
		<b>6%</b>		<b>5%</b>			<b>0%</b>		<b>4%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>157 384</b>	<b>167 240</b>	<b>174 898</b>	<b>190 546</b>	<b>180 276</b>	<b>180 276</b>	<b>210 897</b>	<b>220 115</b>	<b>229 439</b>
<b>% increase</b>		<b>6%</b>	<b>5%</b>	<b>9%</b>	<b>-5%</b>	<b>0%</b>	<b>17%</b>	<b>4%</b>	<b>4%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>134 149</b>	<b>142 665</b>	<b>150 619</b>	<b>163 212</b>	<b>154 891</b>	<b>154 891</b>	<b>185 317</b>	<b>193 478</b>	<b>202 100</b>

**Table SA23 – Salary, allowances & benefits of political office bearer/senior management**

<b>Disclosure of Salaries, Allowances &amp; Benefits</b>	<b>Salary</b>	<b>Contributions</b>	<b>Allowances</b>	<b>Performance Bonuses</b>	<b>In-kind benefits</b>	<b>Total Package</b>
<b>Councillors</b>						
Speaker	466	73	223	–	–	763
Chief Whip	437	69	212	–	–	718
Executive Mayor	583	92	491	–	–	1 166
Executive Committee	2 947	450	1 537	–	–	4 935
Total for all other councillors	10 042	1 909	6 048	–	–	17 999
<b>Total Councillors</b>	<b>14 476</b>	<b>2 592</b>	<b>8 512</b>	<b>–</b>	<b>–</b>	<b>25 580</b>
<b>Senior Managers of the Municipality</b>						
Municipal Manager (MM)	822	354	200	–	–	1 376
Chief Finance Officer	699	342	159	–	–	1 200
Director Infrastructure	699	342	159	–	–	1 200
Director Community Services	699	342	159	–	–	1 200
Director Development Planning	699	342	159	–	–	1 200
Director Corporate Services	699	342	159	–	–	1 200
Director Executive Support	699	342	159	–	–	1 200
<b>Total Senior Managers of the Municipality</b>	<b>5 014</b>	<b>2 408</b>	<b>1 155</b>	<b>–</b>	<b>–</b>	<b>8 577</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>19 489</b>	<b>5 001</b>	<b>9 667</b>	<b>–</b>	<b>–</b>	<b>34 157</b>

Table SA24 – Summary of personnel number

Summary of Personnel Numbers	2020/21			Current Year 2021/22			Budget Year 2022/23		
	Positions	Permanent Employees	Contract Employees	Positions	Permanent Employees	Contract Employees	Positions	Permanent Employees	Contract Employees
<b>Municipal Council and Boards of Municipal Entities</b>									
Councillors (Political Office Bearers plus Other Councillors)	61	-	61	61	-	61	61	-	61
Board Members of municipal entities	-	-	-	-	-	-	-	-	-
<b>Municipal employees</b>									
Municipal Manager and Senior Managers	7	-	7	7	-	7	6	-	6
Other Managers	35	34	1	35	34	-	-	-	-
Professionals	46	41	-	46	41	7	46	41	8
Finance	27	26	-	27	26	7	27	26	8
Spatial/town planning	9	5	-	9	5	-	9	5	-
Other	10	10	-	10	10	-	10	10	-
Technicians	316	288	-	316	288	-	316	288	-
Information Technology	5	5	-	5	5	-	5	5	-
Roads	44	16	-	44	16	-	44	16	-
Electricity	7	7	-	7	7	-	7	7	-
Refuse	7	7	-	7	7	-	7	7	-
Other			-			-			-
Clerks (Clerical and administrative)	118	118	-	118	118	-	118	118	-
Service and sales workers	14	14	-	14	14	-	14	14	-
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades	25	25	-	25	25	-	25	25	-
Plant and Machine Operators	96	96	-	96	96	-	96	96	-
Elementary Occupations			-			-			-
<b>TOTAL PERSONNEL NUMBERS</b>	<b>465</b>	<b>363</b>	<b>69</b>	<b>465</b>	<b>363</b>	<b>75</b>	<b>429</b>	<b>329</b>	<b>75</b>
% increase				0%	0%	9%	-7.7%	-9.4%	0.0%
Total municipal employees headcount									
Finance personnel headcount	60	59	1	60	59	-	60	59	-
Human Resources personnel headcount	34	34	-	34	34	-	34	34	-

**Table SA25 - Budgeted monthly revenue and expenditure**

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue By Source</b>															
Property rates	3 370	4 070	3 720	3 720	3 720	3 720	3 720	3 720	3 720	3 720	3 720	3 720	44 645	46 609	48 707
Service charges - electricity revenue	6 092	12 063	9 041	9 032	9 091	9 054	9 357	9 018	9 000	9 017	8 990	8 430	108 186	112 947	118 029
Service charges - refuse revenue	835	835	835	835	835	835	835	835	594	835	835	835	9 781	10 212	10 671
Rental of facilities and equipment	83	83	83	83	83	83	83	83	83	83	78	94	1 004	1 048	1 095
Interest earned - external investments	221	217	223	263	273	283	288	253	212	300	260	859	3 652	3 669	3 675
Interest earned - outstanding debtors	329	1 494	4 291	3 329	3 329	3 289	3 289	3 289	3 289	3 289	7 112	3 289	18 817	19 645	20 529
Fines, penalties and forfeits	4 518	11 628	6 149	4 001	4 904	5 986	7 992	5 934	2 780	3 876	4 782	5 972	68 520	71 535	74 754
Licences and permits	445	458	398	497	460	409	549	379	225	477	529	1 489	6 315	6 593	6 890
Transfers and subsidies	142 396	449	-	-	808	111 265	-	539	83 449	-	-	-	338 906	359 874	384 977
Other revenue	141	96	75	141	139	146	156	102	174	102	115	137	1 524	1 591	1 663
Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>158 430</b>	<b>31 394</b>	<b>24 816</b>	<b>18 903</b>	<b>20 642</b>	<b>135 071</b>	<b>23 309</b>	<b>21 193</b>	<b>100 566</b>	<b>18 739</b>	<b>26 421</b>	<b>21 866</b>	<b>601 351</b>	<b>633 722</b>	<b>670 990</b>
<b>Expenditure By Type</b>															
Employee related costs	15 461	15 441	15 441	15 441	15 441	15 441	15 441	15 441	15 441	15 441	15 441	15 441	185 315	193 476	202 098
Remuneration of councillors	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	25 580	26 638	27 340
Debt impairment	20 545	-	-	-	-	-	20 545	-	-	10 045	-	-	10 045	61 181	62 477
Depreciation & asset impairment	14 945	-	-	-	-	14 945	-	-	14 945	-	-	14 945	59 780	62 410	65 156
Finance charges	363	344	237	133	143	124	132	130	122	117	202	138	2 185	2 326	2 472
Bulk purchases - electricity	9 085	8 918	8 123	8 369	9 053	8 691	8 618	9 616	9 222	9 898	10 520	9 524	109 638	114 462	119 613
Inventory consumed	3 787	3 325	3 042	3 737	2 264	4 297	2 956	3 336	7 024	1 194	1 309	2 374	38 644	41 634	43 422
Contracted services	6 934	3 775	6 186	4 700	4 463	5 290	6 705	5 010	5 501	3 314	5 035	6 352	63 265	57 830	59 383
Transfers and subsidies	229	229	229	512	309	258	283	281	229	229	257	247	3 292	3 436	3 588
Other expenditure	8 282	4 164	4 209	3 121	2 951	5 790	3 337	3 517	2 926	3 100	4 402	2 601	48 401	48 993	51 209
Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>81 764</b>	<b>38 328</b>	<b>39 599</b>	<b>38 146</b>	<b>36 758</b>	<b>77 514</b>	<b>39 604</b>	<b>39 461</b>	<b>67 587</b>	<b>35 424</b>	<b>39 297</b>	<b>63 800</b>	<b>597 282</b>	<b>613 682</b>	<b>638 210</b>
<b>Surplus/(Deficit)</b>	<b>76 666</b>	<b>(6 934)</b>	<b>(14 783)</b>	<b>(19 243)</b>	<b>(16 115)</b>	<b>57 557</b>	<b>(16 295)</b>	<b>(18 268)</b>	<b>32 979</b>	<b>(16 685)</b>	<b>(12 876)</b>	<b>(41 934)</b>	<b>4 068</b>	<b>20 040</b>	<b>32 780</b>
Transfers and subsidies - capital (monetary allocations)	22 674	7 963	16 196	-	13 144	-	-	19 629	-	-	-	-	79 606	76 364	79 794
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	99 340	1 030	1 412	(19 243)	(2 971)	57 557	(16 295)	1 361	32 979	(16 685)	(12 876)	(41 934)	83 674	96 404	112 574
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-
<b>Surplus/(Deficit)</b>	<b>99 340</b>	<b>1 030</b>	<b>1 412</b>	<b>(19 243)</b>	<b>(2 971)</b>	<b>57 557</b>	<b>(16 295)</b>	<b>1 361</b>	<b>32 979</b>	<b>(16 685)</b>	<b>(12 876)</b>	<b>(41 934)</b>	<b>83 674</b>	<b>96 404</b>	<b>112 574</b>

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

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue by Vote</b>															
Vote 1 - Executive & Council	10 583	-	-	-	-	22 613	-	-	14 074	-	-	-	47 271	50 490	54 040
Vote 2 - Municipal Manager Town Secretary and Chief Executive	21 295	-	-	-	-	16 235	-	-	9 000	-	-	-	46 531	49 699	53 194
Vote 3 - Budget & Treasury	18 781	5 514	7 942	4 021	4 087	18 500	4 108	4 011	17 535	4 057	10 800	4 616	103 972	104 205	113 713
Vote 4 - Corporate Services	28 950	2	2	2	2	16 217	2	2	5 444	2	2	2	50 627	55 143	59 019
Vote 5 - Community Services	29 417	12 933	7 394	5 346	6 211	27 159	9 388	7 161	14 125	5 201	6 158	8 309	138 801	148 018	155 635
Vote 6 - Technical Services	56 564	20 441	25 651	9 446	22 650	28 251	9 771	29 061	36 357	9 431	9 413	8 870	265 907	274 419	285 431
Vote 7 - Developmental Planning	6 787	468	22	88	836	2 897	41	587	1 031	48	48	70	12 923	12 171	12 690
Vote 8 - Executive Support	8 727	-	-	-	-	3 198	-	-	3 000	-	-	-	14 925	15 941	17 062
<b>Total Revenue by Vote</b>	<b>181 104</b>	<b>39 358</b>	<b>41 012</b>	<b>18 903</b>	<b>33 787</b>	<b>135 071</b>	<b>23 309</b>	<b>40 822</b>	<b>100 566</b>	<b>18 739</b>	<b>26 421</b>	<b>21 866</b>	<b>680 957</b>	<b>710 086</b>	<b>750 784</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - Executive & Council	2 929	3 227	2 955	3 256	2 997	3 124	2 738	3 106	2 171	2 839	3 097	2 931	35 371	36 852	38 000
Vote 2 - Municipal Manager Town Secretary and Chief Executive	4 607	3 310	4 058	3 226	3 167	3 331	4 349	3 169	3 356	2 922	3 197	3 290	41 982	43 300	44 529
Vote 3 - Budget & Treasury	9 709	3 890	5 647	4 290	4 026	6 990	5 104	4 528	6 650	3 947	4 385	7 138	66 303	62 615	65 231
Vote 4 - Corporate Services	4 793	2 585	2 644	2 659	2 594	2 967	2 778	2 946	3 762	2 064	3 518	3 278	36 587	37 135	38 794
Vote 5 - Community Services	24 701	6 703	7 107	6 646	7 032	24 175	6 950	6 803	13 517	6 463	7 150	13 621	130 867	135 100	139 735
Vote 6 - Technical Services	31 827	15 304	14 058	14 834	13 734	33 207	14 827	15 892	35 149	14 128	14 698	30 452	248 110	260 227	271 769
Vote 7 - Developmental Planning	1 368	1 360	1 152	1 301	1 215	1 733	1 032	1 073	1 027	1 235	1 323	1 237	15 057	14 465	15 111
Vote 8 - Executive Support	1 828	1 949	1 980	1 933	1 994	1 988	1 826	1 944	1 955	1 827	1 929	1 854	23 006	23 988	25 042
<b>Total Expenditure by Vote</b>	<b>81 764</b>	<b>38 328</b>	<b>39 599</b>	<b>38 146</b>	<b>36 758</b>	<b>77 514</b>	<b>39 604</b>	<b>39 461</b>	<b>67 587</b>	<b>35 424</b>	<b>39 297</b>	<b>63 800</b>	<b>597 282</b>	<b>613 682</b>	<b>638 210</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>99 340</b>	<b>1 030</b>	<b>1 412</b>	<b>(19 243)</b>	<b>(2 971)</b>	<b>57 557</b>	<b>(16 295)</b>	<b>1 361</b>	<b>32 979</b>	<b>(16 685)</b>	<b>(12 876)</b>	<b>(41 934)</b>	<b>83 674</b>	<b>96 404</b>	<b>112 574</b>
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>99 340</b>	<b>1 030</b>	<b>1 412</b>	<b>(19 243)</b>	<b>(2 971)</b>	<b>57 557</b>	<b>(16 295)</b>	<b>1 361</b>	<b>32 979</b>	<b>(16 685)</b>	<b>(12 876)</b>	<b>(41 934)</b>	<b>83 674</b>	<b>96 404</b>	<b>112 574</b>

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

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue - Functional</b>															
<b>Governance and administration</b>	<b>93 357</b>	<b>5 515</b>	<b>7 944</b>	<b>4 022</b>	<b>4 089</b>	<b>84 242</b>	<b>4 109</b>	<b>4 013</b>	<b>55 114</b>	<b>4 059</b>	<b>10 802</b>	<b>4 618</b>	<b>281 883</b>	<b>295 300</b>	<b>318 244</b>
Executive and council	14 925	–	–	–	–	23 728	–	–	15 074	–	–	–	53 728	57 387	61 422
Finance and administration	72 223	5 515	7 944	4 022	4 089	56 268	4 109	4 013	37 039	4 059	10 802	4 618	214 701	223 543	241 441
Internal audit	6 209	–	–	–	–	4 246	–	–	3 000	–	–	–	13 455	14 371	15 381
<b>Community and public safety</b>	<b>13 937</b>	<b>11 635</b>	<b>6 156</b>	<b>4 008</b>	<b>4 911</b>	<b>17 183</b>	<b>7 999</b>	<b>5 941</b>	<b>10 087</b>	<b>3 891</b>	<b>4 789</b>	<b>5 970</b>	<b>96 507</b>	<b>100 941</b>	<b>105 713</b>
Community and social services	4 685	10	10	10	10	5 208	10	10	1 010	15	10	6	10 997	11 743	12 566
Sport and recreation	4 742	4	4	4	4	5 996	4	4	6 304	7	4	–	17 075	17 751	18 486
Public safety	4 511	11 621	6 142	3 994	4 897	5 978	7 985	5 927	2 773	3 868	4 775	5 965	68 435	71 446	74 661
<b>Economic and environmental services</b>	<b>49 695</b>	<b>1 015</b>	<b>16 705</b>	<b>674</b>	<b>8 505</b>	<b>10 114</b>	<b>678</b>	<b>17 672</b>	<b>16 227</b>	<b>615</b>	<b>674</b>	<b>1 673</b>	<b>124 248</b>	<b>127 956</b>	<b>133 284</b>
Planning and development	9 707	468	22	88	836	5 973	41	587	3 031	48	48	70	20 920	20 712	21 831
Road transport	39 478	547	16 682	586	7 668	3 841	638	17 085	13 197	566	626	1 603	102 518	106 222	110 396
Environmental protection	511	–	–	–	–	300	–	–	–	–	–	–	811	1 022	1 056
<b>Trading services</b>	<b>24 114</b>	<b>21 193</b>	<b>10 207</b>	<b>10 198</b>	<b>16 282</b>	<b>23 533</b>	<b>10 523</b>	<b>13 196</b>	<b>19 138</b>	<b>10 183</b>	<b>10 156</b>	<b>9 596</b>	<b>178 318</b>	<b>185 889</b>	<b>193 543</b>
Energy sources	10 765	20 357	9 372	9 362	15 447	15 271	9 687	12 361	15 331	9 348	9 321	8 761	145 384	148 811	154 117
Waste management	13 349	835	835	835	835	8 261	835	835	3 807	835	835	835	32 935	37 078	39 427
<b>Total Revenue - Functional</b>	<b>181 104</b>	<b>39 358</b>	<b>41 012</b>	<b>18 903</b>	<b>33 787</b>	<b>135 071</b>	<b>23 309</b>	<b>40 822</b>	<b>100 566</b>	<b>18 747</b>	<b>26 421</b>	<b>21 858</b>	<b>680 957</b>	<b>710 086</b>	<b>750 784</b>
<b>Expenditure - Functional</b>															
<b>Governance and administration</b>	<b>26 734</b>	<b>15 926</b>	<b>17 831</b>	<b>16 021</b>	<b>15 351</b>	<b>22 290</b>	<b>17 776</b>	<b>16 582</b>	<b>20 055</b>	<b>14 448</b>	<b>16 936</b>	<b>20 690</b>	<b>220 639</b>	<b>222 089</b>	<b>230 644</b>
Executive and council	3 587	3 900	3 672	3 819	3 580	3 688	3 378	3 659	2 925	3 373	3 698	3 558	42 838	44 629	46 107
Finance and administration	21 534	11 294	13 008	11 679	11 064	17 791	12 878	12 492	16 406	10 752	12 638	16 502	168 038	167 099	173 714
Internal audit	1 613	732	1 150	523	707	811	1 520	431	724	323	600	630	9 764	10 362	10 824
<b>Community and public safety</b>	<b>20 110</b>	<b>3 912</b>	<b>4 066</b>	<b>3 642</b>	<b>4 099</b>	<b>20 075</b>	<b>3 691</b>	<b>3 864</b>	<b>9 258</b>	<b>3 601</b>	<b>3 369</b>	<b>10 022</b>	<b>89 709</b>	<b>92 769</b>	<b>95 894</b>
Community and social services	511	507	477	450	501	481	439	485	474	460	491	2 898	8 174	8 529	8 908
Sport and recreation	1 775	1 326	1 751	1 384	1 455	1 895	1 381	1 364	1 716	1 341	788	–	16 175	16 898	17 645
Public safety	17 824	2 078	1 838	1 808	2 144	17 699	1 872	2 015	7 068	1 800	2 090	7 124	65 360	67 342	69 341
<b>Economic and environmental services</b>	<b>18 340</b>	<b>6 119</b>	<b>6 904</b>	<b>6 859</b>	<b>4 967</b>	<b>19 533</b>	<b>6 101</b>	<b>5 669</b>	<b>18 853</b>	<b>4 963</b>	<b>4 743</b>	<b>17 698</b>	<b>120 749</b>	<b>126 051</b>	<b>131 621</b>
Planning and development	1 834	1 914	1 679	1 724	1 739	2 165	1 456	1 517	1 524	1 684	1 800	1 761	20 797	20 432	21 319
Road transport	16 448	4 148	5 167	5 077	3 170	17 310	4 587	4 094	17 270	3 221	2 885	15 879	99 256	104 894	109 547
Environmental protection	58	58	58	58	58	58	58	58	58	58	58	58	696	724	754
<b>Trading services</b>	<b>16 581</b>	<b>12 371</b>	<b>10 798</b>	<b>11 624</b>	<b>12 340</b>	<b>15 616</b>	<b>12 036</b>	<b>13 347</b>	<b>19 421</b>	<b>12 412</b>	<b>13 452</b>	<b>16 188</b>	<b>166 185</b>	<b>172 773</b>	<b>180 051</b>
Energy sources	12 797	10 413	8 586	9 427	10 263	12 344	9 603	11 235	15 997	10 361	11 276	12 624	134 925	140 774	147 004
Waste management	3 784	1 959	2 212	2 197	2 077	3 272	2 433	2 112	3 425	2 051	2 176	3 563	31 260	31 999	33 047
<b>Total Expenditure - Functional</b>	<b>81 764</b>	<b>38 328</b>	<b>39 599</b>	<b>38 146</b>	<b>36 758</b>	<b>77 514</b>	<b>39 604</b>	<b>39 461</b>	<b>67 587</b>	<b>35 424</b>	<b>38 499</b>	<b>64 598</b>	<b>597 282</b>	<b>613 682</b>	<b>638 210</b>
Surplus/(Deficit) before assoc.	99 340	1 030	1 412	(19 243)	(2 971)	57 557	(16 295)	1 361	32 979	(16 677)	(12 078)	(42 740)	83 674	96 404	112 574
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	<b>99 340</b>	<b>1 030</b>	<b>1 412</b>	<b>(19 243)</b>	<b>(2 971)</b>	<b>57 557</b>	<b>(16 295)</b>	<b>1 361</b>	<b>32 979</b>	<b>(16 677)</b>	<b>(12 078)</b>	<b>(42 740)</b>	<b>83 674</b>	<b>96 404</b>	<b>112 574</b>

**Table SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Multi-year expenditure to be appropriated</b>															
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	185	391	125	82	68	91	271	-	27	-	140	119	1 500	2 288	2 181
Vote 5 - Community Services	309	400	187	307	195	943	28	200	1 150	180	-	448	4 345	3 470	1 500
Vote 6 - Technical Services	1 050	5 174	2 908	991	2 659	2 128	375	3 248	1 384	194	638	2 067	22 815	56 867	68 082
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	500	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>1 544</b>	<b>5 965</b>	<b>3 219</b>	<b>1 380</b>	<b>2 922</b>	<b>3 162</b>	<b>674</b>	<b>3 448</b>	<b>2 561</b>	<b>374</b>	<b>778</b>	<b>2 633</b>	<b>28 660</b>	<b>63 125</b>	<b>71 763</b>
<b>Single-year expenditure to be appropriated</b>															
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	-	100	-	340	100	100	-	-	-	200	-	-	840	-	800
Vote 6 - Technical Services	9 736	7 045	5 425	6 806	4 389	8 038	3 044	6 944	4 876	7 923	1 841	1 375	67 441	30 319	20 757
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-	-	1 100	1 100	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>9 736</b>	<b>7 145</b>	<b>5 425</b>	<b>7 146</b>	<b>4 489</b>	<b>8 138</b>	<b>3 044</b>	<b>6 944</b>	<b>4 876</b>	<b>8 123</b>	<b>1 841</b>	<b>2 475</b>	<b>69 381</b>	<b>30 319</b>	<b>21 557</b>
<b>Total Capital Expenditure</b>	<b>11 281</b>	<b>13 110</b>	<b>8 644</b>	<b>8 526</b>	<b>7 411</b>	<b>11 299</b>	<b>3 718</b>	<b>10 392</b>	<b>7 436</b>	<b>8 496</b>	<b>2 619</b>	<b>5 109</b>	<b>98 041</b>	<b>93 444</b>	<b>93 320</b>



Table SA 29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Capital Expenditure - Functional</b>															
<b>Governance and administration</b>	185	391	125	82	68	91	271	-	27	-	140	119	1 500	2 288	2 181
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration	185	391	125	82	68	91	271	-	27	-	140	119	1 500	2 288	2 181
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	309	100	187	647	195	643	28	200	1 000	180	-	448	3 935	2 470	500
Community and social services	74	-	187	107	130	43	28	-	500	-	-	448	1 515	1 500	-
Sport and recreation	235	-	-	200	65	500	-	-	500	180	-	-	1 680	970	500
Public safety	-	100	-	340	-	100	-	200	-	-	-	-	740	-	-
<b>Economic and environmental services</b>	9 739	11 366	6 325	7 463	3 998	6 643	1 586	9 028	6 063	8 061	1 893	1 590	73 756	75 686	65 345
Planning and development	-	-	-	365	161	-	140	-	-	270	-	163	1 100	500	-
Road transport	9 739	11 366	6 325	7 098	3 837	6 643	1 447	9 028	6 063	7 790	1 893	1 427	72 656	75 186	65 345
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	1 047	1 252	2 007	700	3 312	3 922	1 972	1 165	347	526	586	2 015	18 850	13 000	25 294
Energy sources	1 047	852	2 007	700	3 212	3 522	1 972	1 165	197	326	586	2 015	17 600	12 000	23 494
Waste management	-	400	-	-	100	400	-	-	150	200	-	-	1 250	1 000	1 800
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	11 281	13 110	8 644	8 891	7 572	11 299	3 858	10 392	7 436	8 767	2 619	4 172	98 041	93 444	93 320
Funded by:															
National Government	9 991	9 887	7 882	6 806	5 646	9 532	3 044	7 689	6 876	7 923	1 841	2 489	79 606	76 364	79 794
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	9 991	9 887	7 882	6 806	5 646	9 532	3 044	7 689	6 876	7 923	1 841	2 489	79 606	76 364	79 794
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>	1 290	3 223	762	2 085	1 926	1 767	814	2 703	561	844	778	1 683	18 435	17 080	13 526
<b>Total Capital Funding</b>	11 281	13 110	8 644	8 891	7 572	11 299	3 858	10 392	7 436	8 767	2 619	4 172	98 041	93 444	93 320

**Table SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Cash Receipts By Source</b>															
Property rates	3 092	5 914	3 519	2 914	2 914	3 374	2 914	2 914	2 914	2 914	3 798	2 914	40 092	41 856	43 740
Service charges - electricity revenue	9 882	9 225	11 190	9 132	9 191	9 154	9 057	9 118	9 030	9 117	11 081	9 649	114 826	119 873	125 264
Service charges - refuse revenue	642	642	642	642	642	642	642	642	642	642	642	643	7 708	8 047	8 409
Rental of facilities and equipment												-			
Interest earned - external investments	221	217	223	263	273	283	288	253	212	300	260	859	3 652	2 938	2 912
Interest earned - outstanding debtors												-			
Fines, penalties and forfeits	1 188	911	799	520	638	778	1 039	771	361	504	622	777	8 908	9 300	9 718
Licences and permits	445	458	398	497	460	409	549	379	225	477	529	1 489	6 315	6 593	6 890
Transfers and Subsidies - Operational	142 396	449	-	-	808	111 265	-	539	83 449	-	-	(0)	338 906	359 874	384 977
Other revenue	224	180	159	225	222	229	239	185	257	193	193	223	2 528	2 640	2 758
<b>Cash Receipts by Source</b>	<b>158 090</b>	<b>17 996</b>	<b>16 930</b>	<b>14 193</b>	<b>15 147</b>	<b>126 136</b>	<b>14 728</b>	<b>14 802</b>	<b>97 090</b>	<b>14 147</b>	<b>17 124</b>	<b>15 553</b>	<b>522 936</b>	<b>551 123</b>	<b>584 669</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations)	22 674	7 963	16 196	-	13 144	-	-	19 629	-	-	-	(0)	79 606	76 364	79 794
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	2 000	-	-	-	-	3 544	-	-	-	-	-	5 544	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	488	488	237	505
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(16 928)	16 578	350	-	-	-	-	-	-	-	-	(1 776)	(1 776)	(1 461)	(794)
<b>Total Cash Receipts by Source</b>	<b>163 835</b>	<b>44 537</b>	<b>33 476</b>	<b>14 193</b>	<b>28 291</b>	<b>126 136</b>	<b>18 272</b>	<b>34 431</b>	<b>97 090</b>	<b>14 147</b>	<b>17 124</b>	<b>15 266</b>	<b>606 799</b>	<b>626 263</b>	<b>664 174</b>
<b>Cash Payments by Type</b>															
Employee related costs	16 824	16 824	16 824	16 824	16 824	16 824	16 824	16 824	16 824	16 824	16 824	16 824	201 889	210 668	219 614
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	363	344	237	133	143	124	132	130	122	117	202	138	2 185	2 326	2 472
Bulk purchases - electricity	9 085	8 918	8 123	8 369	8 053	9 691	8 618	9 616	9 222	9 898	10 520	9 524	109 638	114 462	119 613
Acquisitions - water & other inventory	3 420	3 325	3 431	3 737	2 264	2 297	2 956	3 336	3 024	1 194	1 309	2 374	32 667	35 393	36 904
Contracted services	9 485	8 893	9 105	9 527	9 190	11 412	11 134	10 344	10 503	9 028	10 230	10 233	119 085	124 220	141 654
Transfers and grants - other	229	229	229	512	309	258	283	281	229	229	257	(6 337)	(3 292)	(3 436)	(3 588)
Other expenditure	7 378	4 633	4 291	3 600	3 121	5 376	2 856	3 667	3 157	3 114	4 458	2 752	48 401	48 993	51 209
<b>Cash Payments by Type</b>	<b>46 785</b>	<b>43 167</b>	<b>42 240</b>	<b>42 702</b>	<b>39 906</b>	<b>45 983</b>	<b>42 802</b>	<b>44 197</b>	<b>43 081</b>	<b>40 405</b>	<b>43 799</b>	<b>35 508</b>	<b>510 575</b>	<b>532 625</b>	<b>567 879</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	9 153	10 549	5 615	8 002	8 860	7 207	7 040	7 887	3 974	7 890	2 685	2 927	81 790	79 288	80 549
Repayment of borrowing	622	622	622	622	622	622	622	622	622	622	622	622	7 459	7 496	7 541
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	(2 942)	(2 942)	(2 335)	(14 760)
<b>Total Cash Payments by Type</b>	<b>56 559</b>	<b>54 337</b>	<b>48 477</b>	<b>51 326</b>	<b>49 387</b>	<b>53 812</b>	<b>50 464</b>	<b>52 706</b>	<b>47 677</b>	<b>48 916</b>	<b>47 105</b>	<b>36 115</b>	<b>596 882</b>	<b>617 075</b>	<b>641 209</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>114 232</b>	<b>(3 544)</b>	<b>(8 746)</b>	<b>(30 311)</b>	<b>(14 680)</b>	<b>78 638</b>	<b>(25 828)</b>	<b>(11 916)</b>	<b>55 669</b>	<b>(28 514)</b>	<b>(23 670)</b>	<b>(89 638)</b>	<b>9 916</b>	<b>9 187</b>	<b>22 965</b>
Cash/cash equivalents at the month/year begin:	14 245	128 478	124 933	116 187	85 876	71 196	149 834	124 006	112 090	167 758	139 245	115 575	14 245	24 161	33 349
<b>Cash/cash equivalents at the month/year end:</b>	<b>128 478</b>	<b>124 933</b>	<b>116 187</b>	<b>85 876</b>	<b>71 196</b>	<b>149 834</b>	<b>124 006</b>	<b>112 090</b>	<b>167 758</b>	<b>139 245</b>	<b>115 575</b>	<b>25 937</b>	<b>24 161</b>	<b>33 349</b>	<b>56 314</b>

Included in R201 889 million employee related cost is an amount of R25 580 million for remuneration for councillors as the guideline from National Treasury does not provide the alignment for remuneration of councillors. Refer below

Budgeted Monthly Cash Flow: Table SA30			
		IL001006004001006003	Skills Control - withdrawals
		IL001006004001007003	Pension Control - withdrawals
		IL001006004001008003	Medical Aid Control - withdrawals
		IL001006004001009003	Group life Control - withdrawals
		IL001006004010010003	Unions Control - withdrawals
		IL001006004001011003	Employee deductions FICS - withdrawals
		IL001006004001011003	Employee net Pay and Bond Payments - withdrawals
		IL001006004001013003	Garnishee Payment - withdrawals
	FD001	IL001006005003	Leave accrual - withdrawals
		IL001006009003	Long service awards - withdrawals
		IL001006012003	Pension and retirement contributions - withdrawals
		IL001006013003	PAYE deductions - withdrawals
		IL001006017003	Bonus - withdrawals
		IL001006021003	Overtime - withdrawals
		IL001006022003	Standby - withdrawals
		IL001013001004	Current: Defined benefit obligations - medical - actual employer benefit payment
		IL001013002004	Current: Defined benefit obligations - pension - actual employer benefit payment
		IL002002001004	Non -Current: Defined benefit obligations - medical - actual employer benefit payment
		IL002002002004	Non-Current: Defined benefit obligations - pension - actual employer benefit payment
Remuneration of councillors			

Table SA32–List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service	Monetary Value Agreement 2.
Ambition Partners Chartered Accountants	Yrs	3	Finance Consultation - Preparation of AFS and mSCOA Implementation	2021/06/30	6 996 391.56
Gubis 85 Solutions	Yrs	3	Security services	2022/06/30	41 028 081.00
Munsoft	Yrs	5	Financial system	2021/06/30	5 520 000.00
OB Media	Yrs	3	Desing and Printing Services	2023/03/18	As per tender rates
Sage VIP	Yrs	5	Payroll system	2021/06/30	As per tender rates
Knoryz	Yrs	3	Compliance Management System	2024/03/31	799 980.00
Leteral Unison	Yrs	3	Insurance services	2022/10/08	4 700 000.00
Nedbank	Yrs	5	Banking services	2022/06/30	As per tender rates
Arms-Audit & Risk Management Solutions	Yrs	3	Internal Audit co-sourcing services	2024/04/30	As per work done
MMB Consulting Inc	Yrs	3	Internal Audit co-sourcing services	2024/05/01	As per work done
Pheltau Investment	Yrs	3	Supply of refuse bags	2023/07/31	As per tender rates
PheladiNoko	Yrs	3	Supply of refuse bags	2023/07/31	As per tender rates
Stop and Go Properties	Yrs	3	Operation and Maintenance of Roossenekal Waste Disposal	2024/06/30	9 062 460.00
Just Breeze Tlou JV	Yrs	3	Refuse removal	2021/09/30	22 500 000.00
Afirrent (Pty) Ltd	Yrs	3	Lease of vehicles	2024/08/30	52 327 231.73
Gryling Properties 80 (Pty) Ltd	Yrs	3	Supply and Delivery of Catridges and Tonners	2023/03/18	As per tender rates
Manyemalang Construction & Projects			Supply and Delivery of Electrical Materials	2024/06/24	As per tender rates
Mpofu	Yrs	3	Supply and Delivery of Electrical Materials	2024/06/30	As per tender rates
Giftron Distribution CC	Yrs	3	Supply and Delivery of Electrical Materials	2024/06/24	As per tender rates
Max Prof	Yrs	3	Financial Management Services for VAT		8.63% of VAT claimed
Loskop Radio Communications CC JV Newstar Business Solutions	Yrs	3	Provision of a VHF DMR Digital Two-Way Communication System	2023/11/30	2 385 996.26
Lokonakonetse Consulting Services	Yrs	3	Telecommunication System Support and Maintenance	2023/08/31	9 516 249.80
Dzangi Consulting Services	Yrs	3	Event management	2024/05/18	As per tender rates
KDM Travel	Yrs	3	Travel and Accommodation Agency	2024/05/18	27% Commission
Reakgona Travel	Yrs	3	Travel and Accommodation Agency	2024/05/18	27% Commission
Kopane Travel/Theromba Travelling JV	Yrs	3	Travel and Accommodation Agency	2024/05/18	18% Commission
Babirwa Travel	Yrs	3	Travel and Accommodation Agency	2024/05/18	27% Commission
Matupunuka	Yrs	3	ICT support	2024/10/31	As per tender rates
Vapopax	Yrs	3	Supply and delivery of ashphalt	2024/09/14	As per tender rates
Dikgati Mphahlele Inc	Yrs	3	Panel of Legal Practitioners	2024/12/08	Approved Rates
Mohube Setsoalo Practioners	Yrs	3	Panel of Legal Practitioners	2024/12/08	Approved Rates
Mphoke PK Magane Inc	Yrs	3	Panel of Legal Practitioners	2024/12/08	Approved Rates
Mpoyana Ledwaba	Yrs	3	Panel of Legal Practitioners	2025/01/08	Approved Rates
Moloko Phoko	Yrs	3	Panel of Legal Practitioners	2025/01/08	Approved Rates
AfrikaInvest (Pty) Ltd	Yrs	3	Conduct Feasibility Study,Develop and the Implimentation of Alternative Energy	2024/08/31	As per tender document
Afritech Consulting Engeneering	Yrs	3	Consulting Engeneers	2023/06/30	13 184 000.00
Inami Projects (Pty) Ltd	Yrs	3	Supply and Delivery of PPE	2024/10/31	Approved Rates
Kebotse (Pty) Ltd	Yrs	3	Supply and Delivery of PPE	2024/10/24	Approved Rates
Makgonatsohle Trading Enteprise	Yrs	3	Mechanical Repairs and Servicing of Municipal Vehicles	2024/10/31	Approved Rates
Ntshiana Trading Enterprice CC	Yrs	3	Mechanical Repairs and Servicing of Municipal Vehicles	2024/10/31	Approved Rates
Ralema Consulting Engeneering	Yrs	1	Consulting Engeneers	nd of Project	6 525 000.00
SDVK Construction and Projects	Yrs	1	Construction of Tefelkop Stadium	nd of Project	39 636 066.46
Obakeng Media and Projects (Pty) Ltd	Yrs	3	Supply and Delivery of Catridges and Tonners	2023/03/18	As per tender rates
TBZ and Son Trading and Projects	Yrs	3	Supply and Delivery of Catridges and Tonners	2023/03/18	As per tender rates
Vision Print	Yrs	3	Design, Print and Production of Corporate	2024/08/31	As per tender document
Selape Map Trading & Projects	Yrs	3	Supply, Installation and Maintenance of Aircons	2024/10/20	As per tender document
Spectrum Utility Management	Yrs	3	Installation and Operation of Vending System	2023/01/31	As per service provided

**Capital expenditure details**

The following five tables present details of the municipality's capital expenditure programme, firstly on new assets, renewal of existing assets, repair and maintenance of assets, depreciation, and upgrading of existing assets.

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

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Capital expenditure on new assets by Asset Class</b>									
<b>Infrastructure</b>	47 545	67 457	20 000	22 048	28 088	28 088	18 850	12 000	12 294
<b>Roads Infrastructure</b>	34 057	51 346	-	500	-	-	-	-	-
Roads	34 057	51 346	-	500	-	-	-	-	-
Road Structures	-	-	-	-	-	-	-	-	-
Road Furniture	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
<b>Electrical Infrastructure</b>	13 487	16 111	20 000	21 348	28 088	28 088	17 600	12 000	11 494
HV Substations	-	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	400	-	-
MV Switching Stations	-	-	-	-	-	-	-	-	-
MV Networks	13 487	16 111	20 000	21 348	28 088	28 088	17 000	12 000	11 494
Capital Spares	-	-	-	-	-	-	200	-	-
<b>Solid Waste Infrastructure</b>	-	-	-	200	-	-	1 250	-	800
Landfill Sites	-	-	-	-	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-	-	800
Waste Processing Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	200	-	-	1 250	-	-
<b>Community Assets</b>	-	-	-	100	-	-	820	370	-
Community Facilities	-	-	-	100	-	-	820	370	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	0	100	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	820	370	-
<b>Other assets</b>	4 947	-	-	-	-	-	435	500	-
Municipal Offices	4 947	-	600	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	500	-
Workshops	-	-	1 739	-	-	-	-	-	-
Stores	-	-	-	-	-	-	435	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	300	200	-
Licences and Rights	-	-	-	-	-	-	300	200	-
<b>Computer Equipment</b>	1 000	38	250	460	860	860	700	1 044	1 091
Computer Equipment	1 000	38	250	460	860	860	700	1 044	1 091
<b>Furniture and Office Equipment</b>	400	526	800	400	300	300	500	1 044	1 090
Furniture and Office Equipment	400	526	800	400	300	300	500	1 044	1 090
<b>Machinery and Equipment</b>	300	1 492	1 200	-	-	-	880	522	545
Machinery and Equipment	300	1 492	1 200	-	-	-	880	522	545
<b>Transport Assets</b>	-	-	-	800	1 079	1 079	-	-	-
Transport Assets	-	-	-	800	1 079	1 079	-	-	-
<b>Land</b>	-	-	-	1 100	-	-	-	-	-
Land	-	-	-	1 100	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	<b>54 192</b>	<b>69 514</b>	<b>22 250</b>	<b>24 908</b>	<b>30 326</b>	<b>30 326</b>	<b>22 485</b>	<b>15 680</b>	<b>15 020</b>

**Table SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Capital expenditure on renewal of existing assets by Asset Class</b>									
<b>Infrastructure</b>	40 944	17 002	47 451	39 750	44 874	44 874	34 800	9 350	28 800
<b>Roads Infrastructure</b>	40 944	17 002	39 732	39 750	39 750	39 750	30 800	3 300	21 463
Roads	40 944	17 002	39 732	39 750	39 750	39 750	30 500	3 000	21 463
Road Structures	-	-	-	-	-	-	-	-	-
Road Furniture	-	-	-	-	-	-	300	300	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Electrical Infrastructure</b>	-	-	-	-	5 124	5 124	-	-	-
HV Substations	-	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	-	-	-	-	-	-
MV Networks	-	-	-	-	5 124	5 124	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Solid Waste Infrastructure</b>	-	-	7 719	-	-	-	4 000	6 050	7 337
Landfill Sites	-	-	7 719	-	-	-	4 000	6 050	7 337
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	522	-	600	-	-	-	1 000	-	-
Community Facilities	522	-	600	-	-	-	1 000	-	-
Cemeteries/Crematoria	522	-	600	-	-	-	1 000	-	-
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	41 466	17 002	48 051	39 750	44 874	44 874	35 800	9 350	28 800
<b>Renewal of Existing Assets as % of total capex</b>	407.6%	17.2%	58.1%	45.2%	47.6%	47.6%	36.5%	10.0%	30.9%
<b>Renewal of Existing Assets as % of deprecn"</b>	73.6%	30.1%	81.2%	68.1%	77.8%	77.8%	59.9%	15.0%	44.2%

Table SA34c - Repairs and maintenance expenditure by asset class

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Repairs and maintenance expenditure by Asset Class</b>									
<b>Infrastructure</b>	<b>8 418</b>	<b>5 587</b>	<b>12 498</b>	<b>12 656</b>	<b>25 528</b>	<b>25 528</b>	<b>28 297</b>	<b>30 828</b>	<b>32 132</b>
<b>Roads Infrastructure</b>	<b>3 713</b>	<b>630</b>	<b>7 661</b>	<b>7 802</b>	<b>11 748</b>	<b>11 748</b>	<b>14 319</b>	<b>16 235</b>	<b>16 897</b>
Roads	3 713	630	7 661	7 802	11 748	11 748	14 319	16 235	16 897
Road Structures	–	–	–	–	–	–	–	–	–
Road Furniture	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
<b>Electrical Infrastructure</b>	<b>1 000</b>	<b>2 180</b>	<b>1 845</b>	<b>2 033</b>	<b>9 099</b>	<b>9 099</b>	<b>9 536</b>	<b>9 955</b>	<b>10 393</b>
HV Substations	–	–	–	–	–	–	–	–	–
HV Switching Station	–	–	–	–	–	–	–	–	–
HV Transmission Conductors	–	–	–	–	–	–	–	–	–
MV Substations	–	–	–	–	–	–	–	–	–
MV Switching Stations	–	–	–	–	–	–	–	–	–
MV Networks	1 000	2 180	1 845	2 033	9 099	9 099	9 536	9 955	10 393
Capital Spares	–	–	–	–	–	–	–	–	–
<b>Solid Waste Infrastructure</b>	<b>3 704</b>	<b>2 778</b>	<b>2 993</b>	<b>2 821</b>	<b>4 681</b>	<b>4 681</b>	<b>4 442</b>	<b>4 637</b>	<b>4 841</b>
Landfill Sites	3 704	2 778	2 993	2 821	4 681	4 681	4 442	4 637	4 841
Waste Transfer Stations	–	–	–	–	–	–	–	–	–
Waste Processing Facilities	–	–	–	–	–	–	–	–	–
Waste Drop-off Points	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
<b>Community Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>385</b>	<b>185</b>	<b>185</b>	<b>594</b>	<b>620</b>	<b>648</b>
Community Facilities	–	–	–	385	185	185	594	620	648
Parks	–	–	–	385	185	185	594	620	648
<b>Other assets</b>	<b>1 000</b>	<b>1 497</b>	<b>1 845</b>	<b>1 756</b>	<b>616</b>	<b>616</b>	<b>2 645</b>	<b>2 764</b>	<b>2 889</b>
Operational Buildings	1 000	1 497	1 845	1 756	616	616	2 645	2 764	2 889
Municipal Offices	1 000	1 497	1 845	527	537	537	2 645	2 764	2 889
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Building Plan Offices	–	–	–	–	–	–	–	–	–
Workshops	–	–	–	–	–	–	–	–	–
Stores	–	–	–	1 229	79	79	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
<b>Intangible Assets</b>	<b>–</b>	<b>–</b>	<b>425</b>	<b>187</b>	<b>60</b>	<b>60</b>	<b>200</b>	<b>209</b>	<b>218</b>
Licences and Rights	–	–	425	187	60	60	200	209	218
Computer Software and Applications	–	–	425	187	60	60	200	209	218
<b>Computer Equipment</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computer Equipment	–	–	–	–	–	–	–	–	–
<b>Furniture and Office Equipment</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
<b>Machinery and Equipment</b>	<b>1 670</b>	<b>1 306</b>	<b>1 520</b>	<b>2 083</b>	<b>2 441</b>	<b>2 441</b>	<b>3 695</b>	<b>3 859</b>	<b>4 032</b>
Machinery and Equipment	1 670	1 306	1 520	2 083	2 441	2 441	3 695	3 859	4 032
<b>Transport Assets</b>	<b>1 000</b>	<b>2 727</b>	<b>1 854</b>	<b>2 139</b>	<b>2 589</b>	<b>2 589</b>	<b>3 213</b>	<b>3 354</b>	<b>3 504</b>
Transport Assets	1 000	2 727	1 854	2 139	2 589	2 589	3 213	3 354	3 504
<b>Total Repairs and Maintenance Expenditure</b>	<b>12 088</b>	<b>11 117</b>	<b>18 143</b>	<b>19 205</b>	<b>31 419</b>	<b>31 419</b>	<b>38 644</b>	<b>41 634</b>	<b>43 422</b>
<b>R&amp;M as a % of PPE</b>	<b>1.2%</b>	<b>1.1%</b>	<b>1.7%</b>	<b>1.6%</b>	<b>2.6%</b>	<b>2.6%</b>	<b>3.5%</b>	<b>3.3%</b>	<b>3.2%</b>
<b>R&amp;M as % Operating Expenditure</b>	<b>2.6%</b>	<b>2.4%</b>	<b>3.3%</b>	<b>3.6%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>12.0%</b>	<b>7.0%</b>	<b>7.1%</b>



Table SA34d – Depreciation of Assets

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Depreciation by Asset Class</b>									
<b>Infrastructure</b>	<b>41 906</b>	<b>42 280</b>	<b>45 751</b>	<b>43 068</b>	<b>42 368</b>	<b>42 368</b>	<b>44 007</b>	<b>45 943</b>	<b>47 965</b>
<b>Roads Infrastructure</b>	<b>37 403</b>	<b>37 427</b>	<b>40 919</b>	<b>38 002</b>	<b>37 502</b>	<b>37 502</b>	<b>39 127</b>	<b>40 848</b>	<b>42 646</b>
Roads	37 403	37 427	40 919	38 002	37 502	37 502	39 127	40 848	42 646
Road Structures	–	–	–	–	–	–	–	–	0
Storm water Infrastructure	–	–	–	399	399	399	418	436	455
Drainage Collection	–	–	–	–	–	–	418	436	455
Storm water Conveyance	–	–	–	399	399	399	–	–	–
Attenuation	–	–	–	–	–	–	–	–	–
<b>Electrical Infrastructure</b>	<b>3 788</b>	<b>4 156</b>	<b>4 280</b>	<b>3 954</b>	<b>3 754</b>	<b>3 754</b>	<b>3 724</b>	<b>3 888</b>	<b>4 059</b>
HV Substations	–	–	–	–	–	–	–	–	–
MV Substations	–	4 156	4 280	3 954	3 754	3 754	–	–	–
MV Networks	3 788	–	–	–	–	–	3 724	3 888	4 059
LV Networks	–	–	–	–	–	–	–	–	–
<b>Solid Waste Infrastructure</b>	<b>715</b>	<b>697</b>	<b>551</b>	<b>714</b>	<b>714</b>	<b>714</b>	<b>738</b>	<b>770</b>	<b>804</b>
Landfill Sites	715	697	551	714	714	714	738	770	804
Waste Transfer Stations	–	–	–	–	–	–	–	–	0
Capital Spares	–	–	–	–	–	–	–	–	0
<b>Community Assets</b>	<b>1 282</b>	<b>1 209</b>	<b>1 153</b>	<b>1 231</b>	<b>1 231</b>	<b>1 231</b>	<b>1 266</b>	<b>1 322</b>	<b>1 380</b>
Community Facilities	1 282	1 209	1 153	1 231	1 231	1 231	1 266	1 322	1 380
Parks	–	–	–	–	–	–	1 266	1 322	1 380
Public Open Space	1 282	1 209	1 153	1 231	1 231	1 231	–	–	–
<b>Heritage assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>
Other Heritage	–	–	–	5	5	5	6	6	6
<b>Other assets</b>	<b>4 529</b>	<b>3 953</b>	<b>3 935</b>	<b>4 140</b>	<b>4 140</b>	<b>4 140</b>	<b>4 229</b>	<b>4 415</b>	<b>4 610</b>
Operational Buildings	4 529	3 953	3 935	4 140	4 140	4 140	4 229	4 415	4 610
Municipal Offices	4 529	3 953	3 935	4 140	4 140	4 140	4 229	4 415	4 610
<b>Intangible Assets</b>	<b>46</b>	<b>8</b>	<b>8</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>53</b>	<b>56</b>	<b>58</b>
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	46	8	8	51	51	51	53	56	58
Water Rights	–	–	–	–	–	–	–	–	–
Computer Software and Applications	46	8	8	51	51	51	53	56	58
Load Settlement Software Applications	–	–	–	–	–	–	–	–	–
<b>Computer Equipment</b>	<b>681</b>	<b>644</b>	<b>459</b>	<b>692</b>	<b>692</b>	<b>692</b>	<b>725</b>	<b>757</b>	<b>791</b>
Computer Equipment	681	644	459	692	692	692	725	757	791
<b>Furniture and Office Equipment</b>	<b>525</b>	<b>672</b>	<b>623</b>	<b>590</b>	<b>590</b>	<b>590</b>	<b>618</b>	<b>645</b>	<b>673</b>
Furniture and Office Equipment	525	672	623	590	590	590	618	645	673
<b>Machinery and Equipment</b>	<b>1 727</b>	<b>2 784</b>	<b>2 684</b>	<b>2 864</b>	<b>2 864</b>	<b>2 864</b>	<b>2 961</b>	<b>3 091</b>	<b>3 227</b>
Machinery and Equipment	1 727	2 784	2 684	2 864	2 864	2 864	2 961	3 091	3 227
<b>Transport Assets</b>	<b>5 642</b>	<b>4 870</b>	<b>4 554</b>	<b>5 751</b>	<b>5 751</b>	<b>5 751</b>	<b>5 915</b>	<b>6 175</b>	<b>6 447</b>
Transport Assets	5 642	4 870	4 554	5 751	5 751	5 751	5 915	6 175	6 447
<b>Total Depreciation</b>	<b>56 338</b>	<b>56 422</b>	<b>59 166</b>	<b>58 392</b>	<b>57 692</b>	<b>57 692</b>	<b>59 780</b>	<b>62 410</b>	<b>65 156</b>

Table SA34e – Upgrading of Existing Assets

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Capital expenditure on upgrading of existing assets by Asset Class</b>									
<b>Infrastructure</b>	10 173	10 828	12 370	22 674	18 534	18 534	37 356	66 314	49 000
<b>Roads Infrastructure</b>	8 573	10 828	12 370	13 184	18 534	18 534	37 356	65 314	48 000
Roads	8 573	10 828	12 370	13 184	18 534	18 534	37 356	65 314	48 000
Road Structures	-	-	-	-	-	-	-	-	-
Road Furniture	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-	-	-	-
<b>Electrical Infrastructure</b>	-	-	-	340	-	-	-	-	-
HV Substations	-	-	-	-	-	-	-	-	-
MV Networks	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	340	-	-	-	-	-
<b>Solid Waste Infrastructure</b>	1 600	-	-	9 150	-	-	-	1 000	1 000
Landfill Sites	1 600	-	-	9 150	-	-	-	1 000	1 000
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	-	-	700	500	500	1 300	2 100	500
Community Facilities	-	-	-	700	500	500	1 300	2 100	500
Cemeteries/Crematoria	-	-	-	500	500	500	-	1 500	-
Parks	-	-	-	200	-	-	1 300	600	500
Public Open Space	-	-	-	-	-	-	-	-	-
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	1 299	-	-	-	-	1 100	-	-
Operational Buildings	-	1 299	-	-	-	-	1 100	-	-
Yards	-	-	-	-	-	-	1 100	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	10 173	12 127	12 370	23 374	19 034	19 034	39 756	68 414	49 500
<b>Upgrading of Existing Assets as % of total capex</b>	0.0%	12.3%	15.0%	26.6%	20.2%	20.2%	40.6%	73.2%	53.0%
<b>Upgrading of Existing Assets as % of deprecn"</b>	18.1%	21.5%	20.9%	40.0%	33.0%	33.0%	66.5%	109.6%	76.0%

Table SA35–Future financial implication of the capital budget

Vote Description	2022/23 Medium Term Revenue & Expenditure Framework			Forecasts			Present value
	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	
<b>Capital expenditure</b>							
Vote 1 - Executive & Council	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–
Vote 3 - Budget & Treasury	–	–	–	–	–	–	–
Vote 4 - Corporate Services	1 500	2 288	2 181	–	–	–	–
Vote 5 - Community Services	5 185	3 470	2 300	–	–	–	–
Vote 6 - Technical Services	90 256	87 186	88 839	–	–	–	–
Vote 7 - Developmental Planning	1 100	500	–	–	–	–	–
Vote 8 - Executive Support	–	–	–	–	–	–	–
<b>Total Capital Expenditure</b>	<b>98 041</b>	<b>93 444</b>	<b>93 320</b>	–	–	–	–
<b>Future operational costs by vote</b>							
Vote 1 - Executive & Council	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–
Vote 3 - Budget & Treasury	–	–	–	–	–	–	–
Vote 4 - Corporate Services	–	–	–	–	–	–	–
Vote 5 - Community Services	–	–	–	–	–	–	–
Vote 6 - Technical Services	–	–	–	–	–	–	–
Vote 7 - Developmental Planning	–	–	–	–	–	–	–
Vote 8 - Executive Support	–	–	–	–	–	–	–
List entity summary if applicable	–	–	–	–	–	–	–
<b>Total future operational costs</b>	–	–	–	–	–	–	–
<b>Future revenue by source</b>							
Property rates	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–
Rental of facilities and equipment	–	–	–	–	–	–	–
List other revenues sources if applicable	–	–	–	–	–	–	–
List entity summary if applicable	–	–	–	–	–	–	–
<b>Net Financial Implications</b>	<b>98 041</b>	<b>93 444</b>	<b>93 320</b>	–	–	–	–

Table SA36–Capital project list

Function	Project Description	Asset Class	Asset Sub-Class	Ward Location	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			
						Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
<b>Parent municipality:</b>									
<b>List all capital projects grouped by Function</b>									
Technical Services	Fencing of Groblersdal Substation	Electrical Infrastructure	MV Substations	Ward 13	-	400 000	-	-	
Technical Services	Aircons	Machinery and Equipment	Transport Assets	Whole of the municipality	300 000	200 000	-	-	
Technical Services	Electrification of Ga Posa	Electrical Infrastructure	MV Networks	Ward 10	4 530 000	-	1 800 000	3 000 000	
Technical Services	Electrification of Lenkwaneng Section	Electrical Infrastructure	MV Networks	Ward 30	-	-	-	-	
Technical Services	Normalisation of Rossenekal	Electrical Infrastructure	MV Networks	Ward 30	6 299 821	-	-	-	
Technical Services	Groblersdal Smart Metering	Electrical Infrastructure	MV Networks	Ward 30	5 124 276	-	-	-	
Technical Services	Electrification of Makapepa	Electrical Infrastructure	MV Networks	Ward 24	-	3 240 000	-	-	
Technical Services	Electrification of Maleoskop 601	Electrical Infrastructure	MV Networks	Ward 12	3 300 000	-	2 306 000	2 294 000	
Technical Services	Electrification of Mtsiphiri New stand A&B	Electrical Infrastructure	MV Networks	Ward 21	-	-	-	2 000 000	
Technical Services	Electrification of Masakaneng	Electrical Infrastructure	MV Networks	Ward 14	6 722 000	3 960 000	2 800 000	-	
Technical Services	Electrification of Magukubjane	Electrical Infrastructure	MV Networks	Ward 18	-	-	-	2 200 000	
Technical Services	Electrification of Mountain village	Electrical Infrastructure	MV Networks	Ward 27	-	-	1 800 000	-	
Technical Services	Electrification of Phomola	Electrical Infrastructure	MV Networks	Ward 22	-	2 000 000	-	-	
Technical Services	Electrification of Phooko	Electrical Infrastructure	MV Networks	Ward 9	-	4 000 000	-	-	
Technical Services	Electrification of Mattala Lehwelere	Electrical Infrastructure	MV Networks	Ward 14	4 428 000	-	-	-	
Technical Services	Electrification of Motelama High view	Electrical Infrastructure	MV Networks	Ward 27	-	-	2 294 000	-	
Technical Services	Electrification of Ntswelemolse	Electrical Infrastructure	MV Networks	Ward 4	-	-	-	2 000 000	
Technical Services	Electrification of Nyakelang Extension	Electrical Infrastructure	MV Networks	Ward 27	-	3 800 000	-	-	
Technical Services	Electrification of Rondebosch	Electrical Infrastructure	MV Networks	Ward 2	1 332 000	-	-	-	
Technical Services	Electrification of Viakfontein	Electrical Infrastructure	MV Networks	Ward 23	1 476 012	-	-	-	
Technical Services	Installation of high mast lights in various location	Electrical Infrastructure	MV Networks	Whole of the municipality	-	-	1 000 000	-	
Technical Services	Groblersdal Landfillsite	Solid Waste Infrastructure	Landfill Sites	Ward 13	-	4 000 000	6 050 000	7 337 000	
Technical Services	Culverts and Road signs	Roads Infrastructure	Roads	Whole of the municipality	-	300 000	300 000	-	
Technical Services	Masakaneng Roads	Roads Infrastructure	Roads	Ward 6	299 764	-	-	-	
Technical Services	kgapamadi Bus Road	Roads Infrastructure	Roads	Ward 21	-	-	-	4 463 000	
Technical Services	Motelama Streets Upgrade	Roads Infrastructure	Roads	Ward 30	-	3 500 000	3 000 000	-	
Technical Services	Mpheleng Construction of Road	Roads Infrastructure	Roads	Ward 5	-	-	-	12 000 000	
Technical Services	Rehabilitation of roads/streets in various wards	Roads Infrastructure	Roads	Whole of the municipality	-	-	-	5 000 000	
Technical Services	Upgrading of Nyakurone Internal Access Road(Int)	Roads Infrastructure	Roads	Ward 7	-	4 604 884	11 395 000	-	
Technical Services	Upgrading of Kgobokwane-Kgaphamadi Road	Roads Infrastructure	Roads	Ward 5	-	800 000	8 000 000	10 000 000	
Technical Services	Upgrading of Stompo Bus Road	Roads Infrastructure	Roads	Ward 4	-	800 000	-	10 000 000	
Technical Services	Upgrading of Dipakapakang Access Road	Roads Infrastructure	Roads	Ward 25	21 750 000	-	-	-	
Technical Services	Upgrading of Bloompoot Road	Roads Infrastructure	Roads	Ward 11	18 000 000	27 000 000	-	-	
Technical Services	Upgrading of Hlogotlou-Bopanang Road	Roads Infrastructure	Roads	Ward 20	-	800 000	6 000 000	3 500 000	
Technical Services	Upgrading of Malaeneng A Ntwane Access Road	Roads Infrastructure	Roads	Ward 8	-	900 000	8 000 000	12 000 000	
Technical Services	Upgrading of Maraganeng internal Access road (MIG)	Roads Infrastructure	Roads	Ward 16	-	900 000	23 919 000	-	
Technical Services	Upgrading of Mokumong access road to Marateng taxi rank (Int)	Roads Infrastructure	Roads	Ward 16	-	700 000	8 000 000	12 500 000	
Technical Services	Upgrading of Masoing Bus route	Roads Infrastructure	Roads	Ward 24	-	850 000	-	-	
Technical Services	Upgrading of Tafelkop stadium 600	Roads Infrastructure	Roads	Ward 28	18 234 000	27 001 116	-	-	
Information Technology	Computer Equipment	Computer Equipment	Computer Equipment	Whole of the municipality	860 000	700 000	1 044 000	1 090 980	
Human Resources	Furniture and Office Equipment	Furniture and Office Equipment	Furniture and Office Equipment	Whole of the municipality	-	500 000	1 044 000	1 089 936	
Fleet Management	Vehicles	Transport Assets	Transport Assets	Whole of the municipality	1 078 503	-	-	-	
Community Services	Machinery and Equipment	Machinery and Equipment	Machinery and Equipment	Whole of the municipality	-	500 000	522 000	545 490	
Community Services	Trailer Equipment Public Safety	Transport Assets	Transport Assets	Whole of the municipality	-	300 000	-	-	
Community Services	Fencing of Elandsdoorn Cemeteries	Community Facilities	Cemeteries/Crematoria	Ward 11	500 000	1 000 000	-	-	
Community Services	Upgrading and Development of Parks	Community Facilities	Parks	Ward 13	-	1 300 000	600 000	500 000	
Community Services	Street Litter Bins	Machinery and Equipment	Machinery and Equipment	Whole of the municipality	-	850 000	-	-	
Community Services	Professional Lawn Mowers and Industrial Brush Cutters	Machinery and Equipment	Machinery and Equipment	Whole of the municipality	-	380 000	370 000	-	
Community Services	Disaster Management Centre & Emergency Relief Store room	Community Facilities	Centres	Ward 13	-	435 000	-	-	
Corporate Service	Record Management System	Licences and Rights	Computer Software and Applications	Ward 13	-	300 000	200 000	-	
Community Services	No Illegal Dumping	Solid Waste Infrastructure	Capital Spares	Ward 13	-	100 000	-	-	
Community Services	Two trailers	Community assets	Machinery and Equipment	Whole of the municipality	-	80 000	-	-	
Community Services	Upgrading of Rosennekal Concrete Palisade	Solid Waste Infrastructure	Landfill Sites	Ward 30	-	-	1 000 000	1 000 000	
Community Services	6.3 500 Twenty skip bins	Solid Waste Infrastructure	Waste Drop-off Points	Whole of the municipality	-	300 000	-	-	
Community Services	Upgrading of Groblersdal Cemetry	Community Facilities	Cemeteries/Crematoria	Ward 13	-	-	1 500 000	-	
Economic Development Planning	Information Centre	Community Facilities	Centres	Ward 13	-	-	500 000	-	
Economic Development Planning	Fencing of Game Farm	Land		Ward 13	-	1 100 000	-	-	
Community Services	Blue lights Siren and Insignia	Transport Assets	Transport Assets	Whole of the municipality	-	440 000	-	-	
Community Services	Development of Moteti Waste Transfer station	Solid Waste Infrastructure	Waste Drop-off Points	Ward 2	-	-	-	800 000	
<b>Total</b>					<b>94 234 376</b>	<b>98 041 000</b>	<b>93 444 000</b>	<b>93 320 406</b>	

## 2.12 Legislation compliance status

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

### 1. In year reporting

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

### 2. Internship programme

The Municipality has five interns, to undergo training. Two in various divisions of the Financial Services Department and three in Internal Auditing.

### 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 and/or outsourced and it is fully functional.

### 5. Annual Report

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

## 13 Compliance with MFMA Circular 71

### 2.13.1 Financial Position

#### Asset Management

- Capital expenditure to Total Expenditure – 14%  
The ratio is within the norm range of between 10% and 20%
- Repairs and maintenance – 2%  
The ratio is way below the norm of 8% and this is attributed to budget constraint since the municipality need approximately R84 million for it to achieve the required norm of 8%.

#### Debtors' management

- Collection rate – 75% average  
The ratio is lower than the norm of 95% and this is due to low collection rate on refuse removal and non-payment of property rates in some townships and last low collection rate on traffic fines as this is the second largest source of revenue of the municipality.
- Net debtors days – 151 days

The ratio is way more than the norm of 30 days and this is also attributed to collection rate that is lower than the norm

### **Liquidity Management**

- Cash/ cost coverage ratio – 0.07  
The ration is less than 1 month and this portrays a negative picture about the liquidity position of the municipality
- Current ratio – 1.2:1  
The ratio is below the norm of 1.5 to 2:1

### **Liability Management**

- Capital cost (Interest paid and redemption) as a % of Total Operating Expenditure – 0, 23%  
The ratio is below the norm of 6 to 8 percent
- Borrowing to total revenue – -69%  
The ratio is also below the norm of 23% to 45%

## **2.13.2 Financial Position**

### **Efficiency**

- Net operating surplus margin – 6%  
The budget shows that the municipality will be able to recover operational cost and generate surplus that will assist in funding capital budget.
- Net surplus/deficit electricity – 0%  
The ratio is within the norm range of between 0% and 15%, however it should be noted that the total revenue budget is inclusive of capital transfers and grants.
- Net surplus/deficit refuse – 75%  
The ratio is not within the norm range of between 0% and 15% and as a result, the refuse removal service appears to be rendered in a sustainable manner.

### **Revenue management**

- Revenue growth – 10%  
The ratio is more than CPI of 4, 8%
- Revenue growth excluding capital transfers – 16%  
The ratio is more than CPI of 4, 8%

### **Expenditure management**

- Creditors payment period (trade creditors) – 29 days

The ratio is slightly less than the norm of 30 days and this is an indication that the municipality might experience cash flow problems in a long run.

- Remuneration (employee related cost and councillors remuneration) – 34%  
The ratio is within the norm range of between 25% and 40%
- Contracted services to total operating expenditure – 14%  
The ratio is more than the norm range of between 2% and 5% and this is indicative of the fact that the municipality is still relying on consultants and outsourcing of certain services.

#### **Expenditure management**

- Own funded capital expenditure to total capital expenditure – 26%  
  
No norm is proposed however, it can be concluded that funding mix of capital expenditure is currently undertaken.
- Own source of revenue to total operating revenue – 32%  
No norm is proposed however, the own revenue appear to be significantly increasing and the increase is mainly attributed to traffic fines revenue.

#### **Quality certificate**

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOALEDI LOCAL MUNICIPALITY**, hereby certify that the 2022/23 annual budget and supporting documentations have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the integrated development plan.