

**ANNUAL BUDGET
OF
ELIAS MOTSOLEDI LOCAL MUNICIPALITY**



**2023/24 TO 2025/26
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

ABBREVIATIONS AND ACRONYMS

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

Part 1- Annual Budget

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 the Municipal Finance Management Act (MFMA) requires the municipality to prepare an annual budget in the prescribed format. National Treasury's MFMA circular 123 has been used as guidance for the compilation of the 2023/24 MTREF. The main challenges experienced during the compilation of the 2023/24 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.
- Sufficient surplus anticipated to be realized from the operating budget makes it difficult to accommodate all the wards within the area of jurisdiction of the municipality in terms of capital projects implementation due to the minimal collection rate, especially for traffic fines.

The following budget principles and guidelines directly informed the compilation the 2023/24 MTREF:

- The 2022/23 adjustment budget priorities and targets as well as the baseline allocations contained in that adjustment were adopted as the upper limits for the new baselines for the 2023/24 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.
- Only justification of all increases or decreases in excess of target inflation band (3 – 6) determined by Treasury will be provided.
- Capital projects and activities funded from external grants are budgeted as per the gazetted amount as outlined in 2023/24 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:
 - Special projects and events;
 - Catering services
 - Refreshments and entertainment (R2 000 allocated per directorate for the entire financial year);
 - Ad hoc travelling;
 - Subsistence, travelling and conference fees, and
 - Overtime.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2023/24 Medium Term Revenue and Expenditure Framework:

SUMMARY OF 2023/24 MEDIUM TERM REVENUE EXPENDITURE FRAMEWORK

SUMMARY OF 2023/24 FINAL BUDGET				
	2022/23	2023/24	2024/25	2025/26
DESCRIPTION	ADJUSTED BUDGET	FINAL BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET
TOTAL REVENUE	708,787,483	760,519,743	811,633,670	840,967,398
LESS: TRANSFER RECOGNISED CAPITAL	80,525,901	79,756,000	76,283,000	79,692,000
OPERATING REVENUE	628,261,582	680,763,743	735,350,670	761,275,398
OPERATING EXPENDITURE	557,071,329	654,626,960	690,339,519	739,157,133
TRANSFERS - CAPITAL	79,606,001	79,756,000	76,283,000	79,692,000
SURPLUS/(DEFECIT)	71,190,253	26,136,783	45,011,151	22,118,265
CAPITAL EXPENDITURE	105,377,180	85,914,696	85,433,000	86,692,000

The above table is used as a testing tool for determination of municipal deficit or surplus throughout 2023/24 MTREF and as presented, the budget has a surplus of R26, 137 million; R45, 011 million and R22, 118 million respectively throughout the MTREF period.

Total operating revenue and expenditure for 2023/24 financial year amounts to R680, 764 million and R654, 627 million respectively. The budget increases steadily in the outer years.

Total capital expenditure amounting to R84, 156 million is inclusive of conditional grants in terms DoRA allocation to the tune of R79, 756 million and internally funded projects R4, 400 million.

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 2023/24 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance										
Property rates	35,773	39,442	39,913	44,645	59,853	59,853	36,468	63,025	66,113	69,220
Service charges	95,493	97,738	107,753	117,968	110,719	110,719	69,850	118,017	123,800	129,619
Investment revenue	1,368	585	1,780	3,652	2,152	2,152	1,218	2,306	2,491	2,594
Transfers recognised - operational	273,218	351,908	307,637	338,906	338,906	338,906	238,382	363,745	387,608	378,480
Other own revenue	48,160	48,345	30,560	96,180	116,631	116,631	18,098	125,987	138,191	146,422
Total Revenue (excluding capital transfers and contributions)	454,012	538,018	487,643	601,351	628,262	628,262	364,015	673,081	718,204	726,336

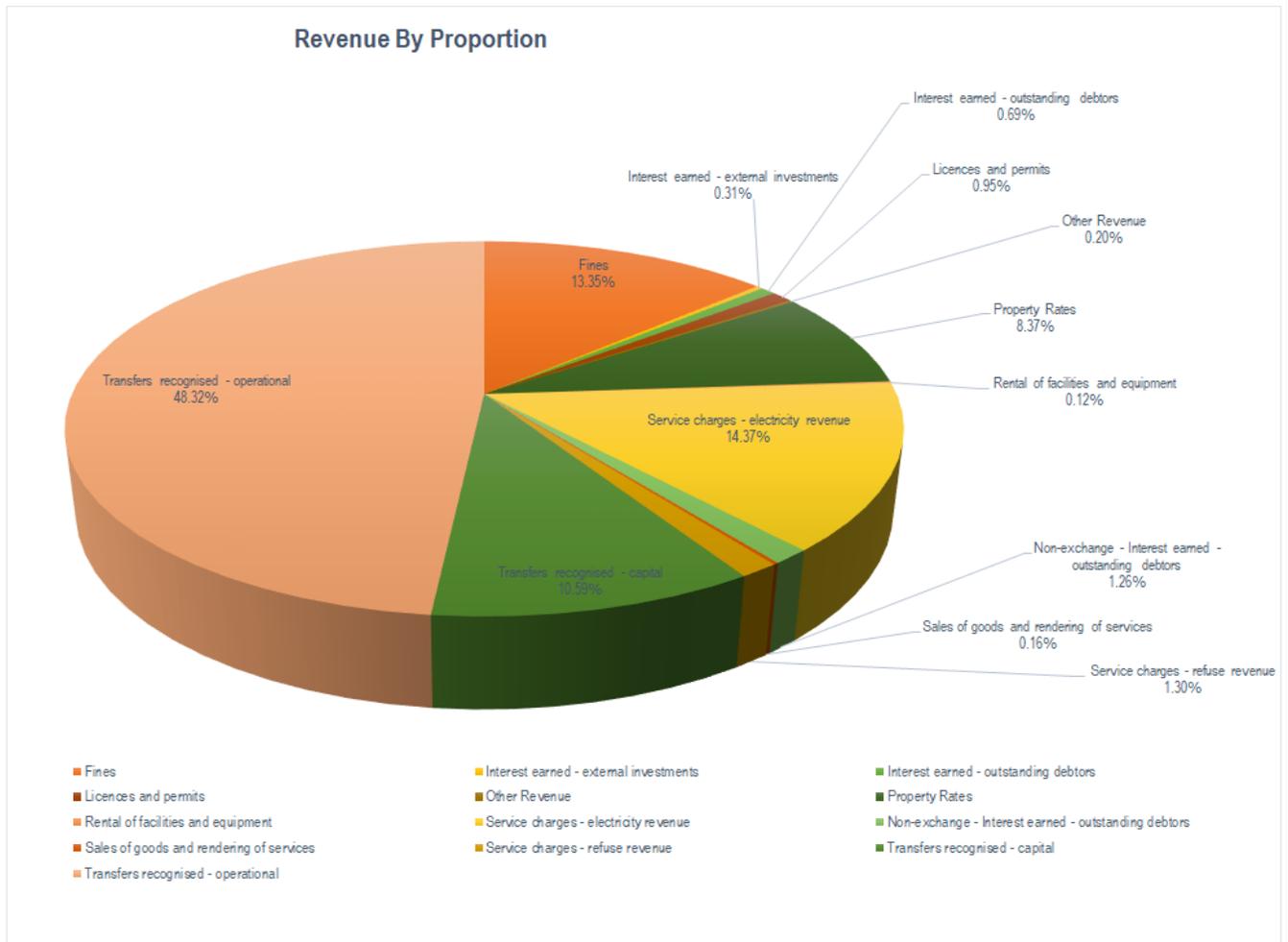


Figure 1 Main operational revenue categories for the 2023/24 financial year

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 R363, 745 million translating to 48% for 2023/24 financial year making it clear that the municipality is still grants dependent and the level of dependency is gradually going down. In addition, revenue to be generated from rates and services charges amounts to 8% and 15% respectively. In the 2023/24 financial year, revenue from rates and services charges add up to R181, 042 million translating to 23%. This increases to R189, 913 million, and R198, 839 million in the respective financial outer years of the MTREF.

Service charges is the second largest revenue source totaling 15% or R118, 017 million and increases to R123, 800 million and R129, 619 million respectively in the outer years. The third largest source is fines that amounts to R98, 528 million in 2023/24 financial year and R103, 355 million and R108, 213 million respectively in the outer years.

Operating Transfers and Grants Receipts

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:									
Operating Transfers and Grants									
National Government:	273 218	351 908	307 768	338 906	338 906	338 906	363 745	387 608	378 480
Local Government Equitable Share	269 013	347 526	302 789	334 260	334 260	334 260	358 519	384 758	375 492
Finance Management	2 235	2 600	2 650	2 850	2 850	2 850	2 850	2 850	2 988
EPWP Incentive	1 374	1 681	2 199	1 796	1 796	1 796	2 376	-	-
Disaster Relief Grant	596	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Management	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
Education Training and Development Practices SETA	-	102	130	-	-	-	-	-	-
Total Operating Transfers and Grants	273 218	351 908	307 768	338 906	338 906	338 906	363 745	387 608	378 480
Capital Transfers and Grants									
National Government:	73 921	68 891	79 332	79 606	79 606	79 606	79 756	76 283	79 692
Municipal Infrastructure Grant (MIG)	54 921	53 891	57 984	62 606	62 606	62 606	65 356	68 283	71 334
Intergrated National Electrification Grant	19 000	15 000	21 348	17 000	17 000	17 000	14 400	8 000	8 358
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
Coghsta - Development	21 471	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	73 921	68 891	79 332	79 606	79 606	79 606	79 756	76 283	79 692
TOTAL RECEIPTS OF TRANSFERS & GRANTS	347 139	420 799	387 100	418 512	418 512	418 512	443 501	463 891	458 172

The above table outlines the operating grants and transfers allocated to Elias Motsoaledi Local Municipality for 2023/24 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;

Property categories	Additional rebates
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,
- Rateable 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;
- Rateable 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;
- Rateable property registered in the name of benevolent or charitable organizations, or any rateable 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 18.7 per cent in the 2023/24 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 18.7 per cent in 2023/24.

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 landfill sites, 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 2023/24 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;
- Portion of operational surplus will be directed to funding the capital budget.

The table below is a high-level summary of the 2023/24 budget and MTREF classified per main type of operating expenditure.

Summary of operating expenditure by standard classification item

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance										
Employee costs	149,468	160,455	160,187	185,316	172,137	172,137	113,069	194,459	200,490	209,912
Remuneration of councillors	25,065	24,845	25,567	25,580	27,126	27,126	16,999	26,900	28,218	29,544
Depreciation & asset impairment	56,514	58,788	57,070	59,780	60,910	60,910	-	65,402	68,607	71,831
Finance charges	2,361	2,123	526	2,185	1,555	1,555	575	931	471	100
Inventory consumed and bulk purchases	96,089	112,407	135,835	148,283	134,635	134,635	87,506	153,791	170,267	194,836
Transfers and grants	3,059	3,275	2,591	3,292	2,673	2,673	1,033	3,176	3,417	3,671
Other expenditure	158,828	191,319	128,543	172,846	158,036	158,036	90,440	209,968	218,870	229,263
Total Expenditure	491,384	553,212	510,319	597,283	557,071	557,071	309,622	654,627	690,340	739,157

The budgeted allocation for employee related costs and remuneration of councilors for the 2023/24 financial year totals R210, 921 million, which equals 36% of the total operating expenditure. The municipality used government notice number 46470 (NO.R.2126) issued 2 June 2022 determination of upper limits of the salaries, allowances and benefits of different members of municipal council and government notice number 47538 (NO.2760) issued on 18 November 2022 upper limits of total remuneration packages payable to municipal manager and managers directly accountable to municipal manager and factored increase based on MFMA budget circular number 115 issued on 4 March 2022 of 4.8%. Based on MFMA circular 123, first budget year and the two outer-years' salary increases have been factored into this budget at CPI percentage increase of 5.3%, 4.9% and 4.7% respectively. The CPI is also applied on remuneration for councilors for outer years

The cost associated with the remuneration of councilors 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 60.4% and the Credit Control policy of the municipality. For the 2023/24 financial year this amount equates to R31, 472 million and escalates to R33, 014 million in 2024/25 and R34, 566 million 2025/26. 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 R65, 402 million for the 2023/24 financial year and equates to 11% 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 123 outlines the approved tariff increase by National Energy Regulator of South Africa (NERSA) for municipal bulk purchase from Eskom of 18.7% in 2023/24, 12.7% in 2024/25 and 17.7% in 2025/26. 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 R66 551 million of the total operational budget for the 2023/24 financial year and increases to R70, 286 million and increases to R73, 634 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 2023/24 financial year.

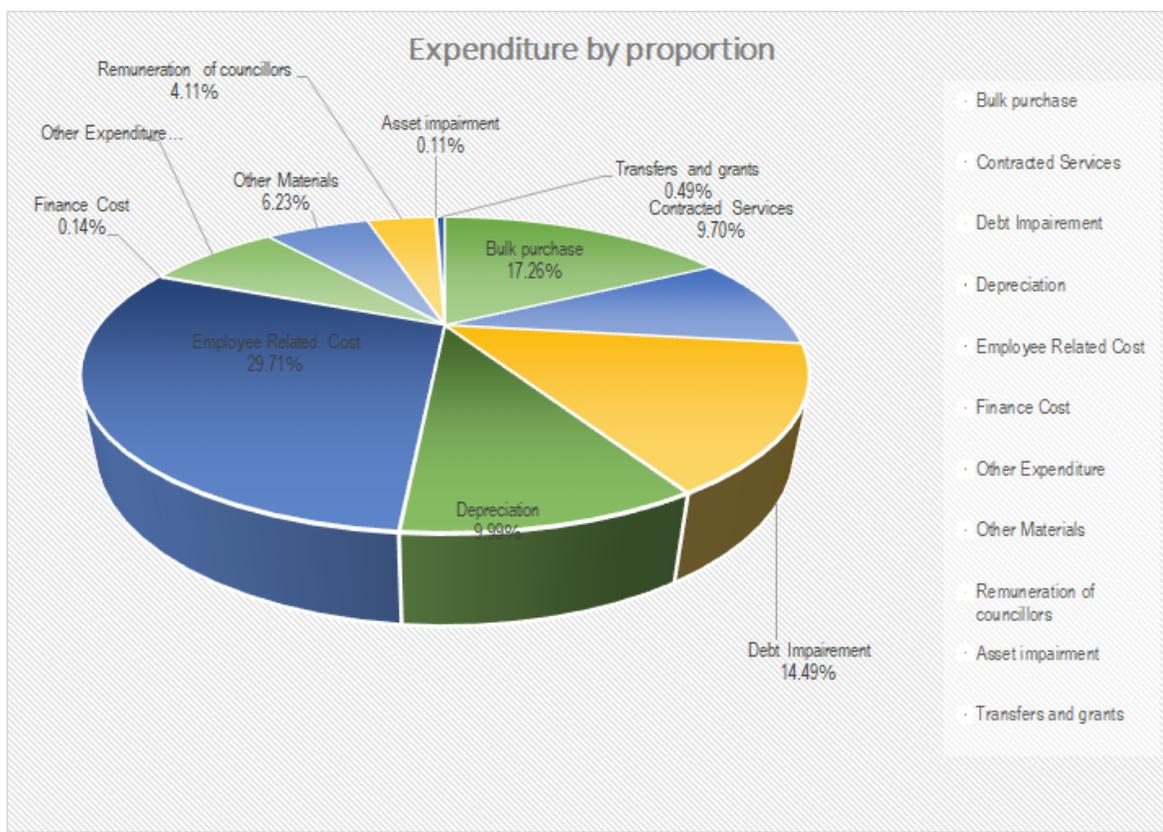


Figure 2 Main operational expenditure categories for the 2023/24 financial year

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 2023/24 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 2023/24 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 decreased from R41, 844 million in 2022/23 to R30, 871 million in 2023/24 then increases to R32, 341 million and increases to R33, 905 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 4.72% throughout the MTREF period and this percentage is however way below the set norm of 8% as stipulated by National Treasury.

For the 2023/24 financial year R18, 256 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, roads, maintenance

of website, machinery and equipment and transport assets. The overall budget for repairs and maintenance has decreased from R41, 844 million to R30, 871.

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, 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 2023/24 and 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 and other equipment while Community Services – the appropriation are for landfill site and office furniture.

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

- Electricity related projects – R15 million
- Roads related projects – R65.4 million
- Operational equipment – R2 million
- Solid waste infrastructure – R1 million
- Other assets – R0.8 million

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 2023/24 annual budget and MTREF.

Table A1 - Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24
R thousands											
Financial Performance											
Property rates	35,773	39,442	39,913	44,645	59,853	59,853	59,853	63,025	66,113	69,221	
Service charges	95,493	102,363	107,753	117,968	110,719	110,719	110,719	125,701	140,947	164,558	
Investment revenue	2,059	585	2,308	3,652	2,152	2,152	2,152	2,306	2,491	2,594	
Transfer and subsidies - Operational	273,218	351,908	307,637	338,906	338,906	338,906	338,906	363,745	387,608	378,480	
Other own revenue	40,480	37,795	49,891	96,180	116,631	116,631	116,631	125,987	138,192	146,423	
Total Revenue (excluding capital transfers and contributions)	447,023	532,093	507,502	601,351	628,262	628,262	628,262	680,764	735,351	761,276	
Employee costs	141,837	150,619	159,935	185,316	172,137	172,137	172,137	194,460	200,493	209,915	
Remuneration of councillors	24,575	24,279	25,217	25,580	27,126	27,126	27,126	26,490	27,788	29,094	
Depreciation and amortisation	57,128	59,566	52,826	59,780	60,910	60,910	60,910	66,153	69,291	72,657	
Interest	3,538	3,635	1,608	2,185	1,555	1,555	1,555	931	471	100	
Inventory consumed and bulk purchases	97,588	114,683	136,470	148,283	133,908	133,908	133,908	153,791	170,268	194,837	
Transfers and subsidies	16,380	16,576	1,547	3,292	2,233	2,233	2,233	3,176	3,417	3,671	
Other expenditure	143,350	182,359	152,624	172,846	157,194	157,194	157,194	208,216	218,186	228,439	
Total Expenditure	484,395	551,718	530,226	597,283	555,063	555,063	555,063	654,217	689,913	738,711	
Surplus/(Deficit)	(37,372)	(19,625)	(22,724)	4,068	73,199	73,199	73,199	26,547	45,438	22,565	
Transfers and subsidies - capital (monetary allocations)	92,156	68,450	74,316	79,606	111,606	111,606	111,606	79,756	76,283	79,692	
Transfers and subsidies - capital (in-kind)	-	-	-	920	920	920	920	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	54,784	48,825	51,592	83,674	185,725	185,725	185,725	106,303	121,721	102,257	
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	54,784	48,825	51,592	83,674	185,725	185,725	185,725	106,303	121,721	102,257	
Capital expenditure & funds sources											
Capital expenditure	137,736	314,061	304,418	98,041	139,386	139,386	139,386	84,156	86,523	86,692	
Transfers recognised - capital	105,766	92,891	76,801	79,606	111,606	111,606	111,606	79,756	76,283	79,692	
Borrowing	-	-	-	-	-	-	-	-	-	-	
Internally generated funds	5,361	10,368	6,223	18,435	27,780	27,780	27,780	4,400	10,240	7,000	
Total sources of capital funds	111,128	103,259	83,025	98,041	139,386	139,386	139,386	84,156	86,523	86,692	
Financial position											
Total current assets	162,253	159,556	198,770	158,965	222,669	222,669	222,669	248,465	306,139	323,887	
Total non current assets	1,102,583	1,123,426	1,185,944	1,325,025	1,366,149	1,366,149	1,366,149	1,378,138	1,396,262	1,411,232	
Total current liabilities	146,916	123,737	148,773	120,343	125,790	125,790	125,790	124,219	106,685	134,750	
Total non current liabilities	75,862	75,090	99,335	113,710	108,953	108,953	108,953	92,871	90,437	92,251	
Community wealth/Equity	987,275	1,088,437	1,136,638	1,249,936	1,354,075	1,354,075	1,354,075	1,409,513	1,506,279	1,508,119	
Cash flows											
Net cash from (used) operating	(111,061)	(294,223)	(277,884)	96,425	157,641	157,641	157,641	56,732	114,276	97,113	
Net cash from (used) investing	(82,913)	(76,404)	(65,577)	(75,896)	(86,885)	(86,885)	(86,885)	(71,634)	(76,472)	(76,557)	
Net cash from (used) financing	1,351	(8,534)	(4,413)	(7,459)	(8,280)	(8,280)	(8,280)	(7,009)	(5,151)	320	
Cash/cash equivalents at the year end	(168,478)	(379,161)	(341,049)	27,315	73,990	73,990	73,990	19,757	52,410	73,285	
Cash backing/surplus reconciliation											
Cash and investments available	3,403	8,290	16,184	41,440	88,974	88,974	88,974	18,804	50,460	70,289	
Application of cash and investments	60,133	73,632	120,476	15,696	5,440	5,440	5,440	(32,451)	(78,055)	(57,160)	
Balance - surplus (shortfall)	(56,730)	(65,343)	(104,292)	25,744	83,534	83,534	83,534	51,256	128,515	127,449	
Asset management											
Asset register summary (WDV)	1,006,677	1,030,166	1,056,420	1,214,356	1,092,129	1,092,129		1,273,184	1,209,343	1,142,386	
Depreciation	56,514	59,188	57,070	59,780	60,910	60,910		65,402	68,607	71,831	
Renewal and Upgrading of Existing Assets	33,693	37,061	(8,228)	74,456	109,086	109,086		66,356	71,083	71,734	
Repairs and Maintenance	11,117	18,143	37,236	34,697	37,410	37,410		29,085	30,511	31,945	
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-		-	-	-	
Revenue cost of free services provided	13,345	12,057	11,921	9,450	16,217	16,217		17,077	17,914	18,756	
Households below minimum service level											

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	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		230,864	283,899	259,344	281,883	292,750	292,750	300,481	308,188	300,358
Executive and council		46,559	56,129	55,019	53,728	53,728	53,728	55,444	56,531	49,950
Finance and administration		175,365	214,339	193,140	214,701	225,568	225,568	231,152	236,748	235,896
Internal audit		8,950	13,430	11,184	13,455	13,455	13,455	13,884	14,908	14,512
<i>Community and public safety</i>		36,265	32,058	24,389	96,507	118,459	118,459	129,150	136,191	140,317
Community and social services		9,633	11,530	10,535	10,998	10,975	10,975	11,327	12,160	11,845
Sport and recreation		12,104	17,675	11,608	17,075	17,050	17,050	17,595	18,892	18,392
Public safety		14,529	2,853	2,245	68,434	90,434	90,434	100,228	105,139	110,081
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		132,942	136,515	145,241	124,248	157,083	157,083	130,503	135,451	137,438
Planning and development		21,248	30,467	24,294	20,920	21,441	21,441	22,674	21,766	21,278
Road transport		110,541	104,431	118,049	102,518	134,831	134,831	106,992	112,787	115,285
Environmental protection		1,153	1,617	2,898	811	811	811	836	898	874
<i>Trading services</i>		139,107	148,071	152,846	178,318	172,496	172,496	200,386	231,805	262,855
Energy sources		110,981	114,068	123,719	145,384	137,915	137,915	151,238	177,739	206,694
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		28,126	34,003	29,126	32,935	34,581	34,581	49,148	54,066	56,160
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	539,179	600,543	581,819	680,957	740,787	740,787	760,520	811,634	840,968
Expenditure - Functional										
<i>Governance and administration</i>		213,590	240,500	211,493	220,755	226,867	226,867	227,933	238,958	249,924
Executive and council		52,756	43,134	41,975	42,838	43,516	43,516	45,702	47,658	49,923
Finance and administration		154,479	189,320	159,069	168,153	171,237	171,237	170,758	179,330	187,483
Internal audit		6,356	8,045	10,449	9,764	12,113	12,113	11,472	11,970	12,518
<i>Community and public safety</i>		28,578	73,588	35,674	87,993	38,110	38,110	47,736	50,076	52,429
Community and social services		5,097	7,158	11,679	8,174	6,511	6,511	9,467	9,931	10,397
Sport and recreation		8,996	8,300	10,081	16,175	9,788	9,788	14,805	15,530	16,260
Public safety		14,485	58,129	13,914	63,643	21,811	21,811	23,465	24,615	25,771
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		92,134	89,737	112,439	122,350	135,593	135,593	198,907	203,425	212,976
Planning and development		14,923	12,908	16,794	20,798	17,760	17,760	24,992	20,997	21,984
Road transport		76,613	76,212	95,447	100,857	117,833	117,833	173,220	181,699	190,229
Environmental protection		598	618	197	696	0	0	695	729	763
<i>Trading services</i>		150,093	147,893	170,621	166,185	154,493	154,493	179,641	197,455	223,382
Energy sources		105,742	114,953	125,598	134,925	114,307	114,307	133,039	148,571	172,201
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		44,351	32,940	45,024	31,260	40,186	40,186	46,602	48,884	51,181
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	484,395	551,718	530,226	597,283	555,063	555,063	654,217	689,913	738,711
Surplus/(Deficit) for the year		54,784	48,825	51,592	83,674	185,725	185,725	106,303	121,721	102,257

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) hence it does not balance to the operating revenue shown on Table A4.

Table A3 - Budgeted Financial Performance (by vote)

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Revenue by Vote	1									
Vote 1 - Executive & Council		41,231	49,347	49,272	47,271	47,271	47,271	48,780	49,377	42,986
Vote 2 - Municipal Manager		35,643	47,408	37,701	46,531	46,531	46,531	48,017	51,557	46,187
Vote 3 - Budget & Treasury		80,139	94,949	84,108	103,972	114,767	114,767	116,810	118,978	125,379
Vote 4 - Corporate Services		40,504	51,431	48,158	50,627	50,700	50,700	52,321	56,176	49,691
Vote 5 - Community Services		69,521	75,062	64,603	138,801	162,889	162,889	188,606	201,145	207,635
Vote 6 - Technical Services		239,261	237,602	256,634	265,908	290,261	290,261	276,162	305,958	340,338
Vote 7 - Developmental Planning		14,650	22,069	16,808	12,923	13,445	13,445	14,423	12,906	12,654
Vote 8 - Executive Support		18,229	22,675	24,534	14,925	14,925	14,925	15,401	15,537	16,097
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	539,179	600,543	581,819	680,957	740,787	740,787	760,520	811,634	840,968
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		43,040	37,311	35,993	35,371	37,710	37,710	37,797	39,673	41,559
Vote 2 - Municipal Manager		51,145	46,972	45,860	41,983	47,114	47,114	46,270	48,625	50,899
Vote 3 - Budget & Treasury		58,535	79,338	54,424	66,301	63,175	63,175	61,066	64,310	67,518
Vote 4 - Corporate Services		22,908	31,987	30,453	36,714	32,357	32,357	41,928	44,001	46,067
Vote 5 - Community Services		80,848	114,765	93,658	130,751	106,670	106,670	175,066	183,644	192,274
Vote 6 - Technical Services		198,808	211,535	234,992	248,110	232,122	232,122	254,734	275,714	304,855
Vote 7 - Developmental Planning		8,942	8,333	12,208	15,057	12,251	12,251	18,039	13,703	14,347
Vote 8 - Executive Support		20,169	21,476	22,638	22,996	23,663	23,663	19,327	20,244	21,191
Total Expenditure by Vote	2	484,395	551,718	530,226	597,283	555,063	555,063	654,217	689,913	738,711
Surplus/(Deficit) for the year	2	54,784	48,825	51,592	83,674	185,725	185,725	106,303	121,721	102,257

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Revenue by Vote	1									
Vote 1 - Executive & Council		41,231	49,347	49,272	47,271	47,271	47,271	48,780	49,377	42,986
1.1 - Mayor and Council: Chief Whip 6.1		-	-	-	-	-	-	-	-	-
1.2 - Mayor and Council: Council General - 101		31,916	37,489	40,987	35,981	35,981	35,981	37,131	39,868	30,809
1.3 - Mayor and Council: Executive committee 6.1		-	-	-	-	-	-	-	-	-
1.4 - Mayor and Council: Mayor - 100		5,096	6,487	4,554	6,176	6,176	6,176	6,373	4,843	6,661
1.5 - Mayor and Council: Speaker - 102		4,219	5,371	3,731	5,113	5,113	5,113	5,277	4,666	5,515
1.6 -		-	-	-	-	-	-	-	-	-
1.7 -		-	-	-	-	-	-	-	-	-
1.8 -		-	-	-	-	-	-	-	-	-
1.9 -		-	-	-	-	-	-	-	-	-
1.10 -		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		35,643	47,408	37,701	46,531	46,531	46,531	48,017	51,557	46,187
2.1 - Corporate Wide Strategic Planning (IDPs LEDs): Corpor		2,850	3,628	2,992	3,454	3,454	3,454	3,565	3,828	3,726
2.2 - Governance Function: Internal Audit - 202		8,950	13,430	11,184	13,455	13,455	13,455	13,884	14,908	14,512
2.3 - Legal Services: Legal Services - 203		4,512	5,743	4,175	5,468	5,468	5,468	5,642	6,058	5,897
2.4 - Municipal Manager - 200		5,328	6,782	5,747	6,457	6,457	6,457	6,663	7,155	6,965
2.5 - Risk Management: Risk Management - 204		14,003	17,824	13,602	17,697	17,697	17,697	18,262	19,608	15,087
2.6 -		-	-	-	-	-	-	-	-	-
2.7 -		-	-	-	-	-	-	-	-	-
2.8 -		-	-	-	-	-	-	-	-	-
2.9 -		-	-	-	-	-	-	-	-	-
2.10 -		-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury		80,139	94,949	84,108	103,972	114,767	114,767	116,810	118,978	125,379
3.1 - Asset Management: Asset Management - 301		10,993	16,496	14,800	4,775	4,775	4,775	4,928	4,291	5,150
3.2 - Finance: Finance - 300		64,743	72,848	64,114	93,861	104,655	104,655	106,375	108,775	114,473
3.3 - Supply Chain Management: Supply Chain Management		4,403	5,605	5,193	5,336	5,336	5,336	5,507	5,913	5,756
Vote 4 - Corporate Services		40,504	51,431	48,158	50,627	50,700	50,700	52,321	56,176	49,691
4.1 - Human Resources: Human Resources - 400		19,470	24,656	23,338	24,014	24,086	24,086	24,857	26,687	25,986
4.2 - Information Technology: Information Technology - 401		14,113	17,964	17,770	18,225	18,225	18,225	18,808	20,194	14,658
4.3 - Property Services: Property Services - 402		6,922	8,811	7,050	8,388	8,388	8,388	8,656	9,294	9,047
4.4 -		-	-	-	-	-	-	-	-	-
4.5 -		-	-	-	-	-	-	-	-	-
4.6 -		-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-
4.9 -		-	-	-	-	-	-	-	-	-
4.10 -		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		69,521	75,062	64,603	138,801	162,889	162,889	188,606	201,145	207,635
5.1 - Cemeteries Funeral Parlours and Crematoriums: Cemet		4,110	5,243	4,904	4,971	4,986	4,986	5,147	5,525	5,385
5.2 - Community Parks (including Nurseries): Parks - 502		10,101	15,157	9,160	13,635	13,635	13,635	14,070	15,108	14,706
5.3 - Disaster Management: Disaster Management - 503		2,607	2,560	2,429	2,437	2,437	2,437	2,515	2,700	2,629
5.4 - Libraries and Archives: Libraries - 504		2,916	3,727	3,203	3,589	3,551	3,551	3,665	3,935	3,832
5.5 - Police Forces Traffic and Street Parking Control: Police F		16,531	5,371	4,692	71,875	93,850	93,850	103,753	108,923	113,766
5.6 - Pollution Control: Pollution Control - 505		1,153	1,617	2,898	811	811	811	836	898	874
5.7 - Road and Traffic Regulation: Traffic Regulation - 508		3,976	7,384	8,191	8,548	9,038	9,038	9,471	9,991	10,283
5.8 - Solid Waste Removal: Solid Waste Removal - 500		28,126	34,003	29,126	32,935	34,581	34,581	49,148	54,066	56,160
5.9 - Sports Grounds and Stadiums: Sports Grounds and Stadi		-	-	-	-	-	-	-	-	-
5.10 -		-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services		239,261	237,602	256,634	265,908	290,261	290,261	276,162	305,958	340,338
6.1 - Electricity: Electricity - 601		110,981	114,068	123,719	145,384	137,915	137,915	151,238	177,739	206,694
6.2 - Fleet Management: Fleet Management - 602		17,968	21,717	18,563	22,013	22,013	22,013	22,716	20,391	23,743
6.3 - Project Management Unit: PMU - 603		3,748	4,770	4,493	4,542	4,542	4,542	4,687	5,032	4,898
6.4 - Roads: Roads - 600		106,564	97,046	109,859	93,969	125,792	125,792	97,521	102,797	105,002
Vote 7 - Developmental Planning		14,650	22,069	16,808	12,923	13,445	13,445	14,423	12,906	12,654
7.1 - Economic Development/Planning: Economic Developme		14,650	22,069	16,808	12,923	13,445	13,445	14,423	12,906	12,654
7.2 -		-	-	-	-	-	-	-	-	-
7.3 -		-	-	-	-	-	-	-	-	-
7.4 -		-	-	-	-	-	-	-	-	-
7.5 -		-	-	-	-	-	-	-	-	-
7.6 -		-	-	-	-	-	-	-	-	-
7.7 -		-	-	-	-	-	-	-	-	-
7.8 -		-	-	-	-	-	-	-	-	-
7.9 -		-	-	-	-	-	-	-	-	-
7.10 -		-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support		18,229	22,675	24,534	14,925	14,925	14,925	15,401	15,537	16,097
8.1 - Administrative and Corporate Support: Administrative and		14,524	17,959	18,257	9,434	9,434	9,434	9,735	10,453	10,175
8.2 - Marketing Customer Relations Publicity and Media Co-ord		3,705	4,716	6,277	5,491	5,491	5,491	5,666	5,084	5,922

Total Revenue by Vote	2	539,179	600,543	581,819	680,957	740,787	740,787	760,520	811,634	840,968
Expenditure by Vote	1									
Vote 1 - Executive & Council		43,040	37,311	35,993	35,371	37,710	37,710	37,797	39,673	41,559
1.1 - Mayor and Council: Chief Whip 6.1		723	721	748	757	1,146	1,146	798	837	877
1.2 - Mayor and Council: Council General - 101		30,102	24,482	22,216	21,226	23,045	23,045	22,446	23,546	24,653
1.3 - Mayor and Council: Executive committee 6.1		4,321	4,393	3,548	5,137	4,690	4,690	3,679	3,859	4,041
1.4 - Mayor and Council: Mayor - 100		2,953	1,688	5,205	2,756	2,740	2,740	2,747	2,905	3,063
1.5 - Mayor and Council: Speaker - 102		4,940	6,027	4,276	5,494	6,088	6,088	8,127	8,525	8,926
1.6 -		-	-	-	-	-	-	-	-	-
1.7 -		-	-	-	-	-	-	-	-	-
1.8 -		-	-	-	-	-	-	-	-	-
1.9 -		-	-	-	-	-	-	-	-	-
1.10 -		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		51,145	46,972	45,860	41,983	47,114	47,114	46,270	48,625	50,899
2.1 - Corporate Wide Strategic Planning (IDPs LEDs): Corporate		3,476	1,876	1,698	3,329	2,385	2,385	2,683	2,815	2,947
2.2 - Governance Function: Internal Audit - 202		6,356	8,045	10,449	9,764	12,113	12,113	11,472	11,970	12,518
2.3 - Legal Services: Legal Services - 203		10,089	8,555	3,917	4,644	4,824	4,824	4,422	4,639	4,857
2.4 - Municipal Manager - 200		9,716	5,823	5,982	7,467	5,807	5,807	7,905	7,986	8,364
2.5 - Risk Management: Risk Management - 204		21,507	22,673	23,813	16,778	21,985	21,985	19,788	21,216	22,214
2.6 -		-	-	-	-	-	-	-	-	-
2.7 -		-	-	-	-	-	-	-	-	-
2.8 -		-	-	-	-	-	-	-	-	-
2.9 -		-	-	-	-	-	-	-	-	-
2.10 -		-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury		58,535	79,338	54,424	66,301	63,175	63,175	61,056	64,310	67,518
3.1 - Asset Management: Asset Management - 301		6,715	6,737	8,732	10,455	8,611	8,611	9,836	10,215	10,803
3.2 - Finance: Finance - 300		46,382	67,775	41,030	52,127	50,203	50,203	47,150	49,826	52,245
3.3 - Supply Chain Management: Supply Chain Management		5,437	4,826	4,662	3,719	4,361	4,361	4,070	4,269	4,470
Vote 4 - Corporate Services		22,908	31,987	30,453	36,714	32,357	32,357	41,928	44,001	46,067
4.1 - Human Resources: Human Resources - 400		13,421	22,988	16,031	15,139	16,801	16,801	22,136	23,219	24,308
4.2 - Information Technology: Information Technology - 401		9,446	8,975	14,382	15,304	15,457	15,457	14,894	15,645	16,380
4.3 - Property Services: Property Services - 402		42	24	40	6,272	99	99	4,898	5,138	5,380
4.4 -		-	-	-	-	-	-	-	-	-
4.5 -		-	-	-	-	-	-	-	-	-
4.6 -		-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-
4.9 -		-	-	-	-	-	-	-	-	-
4.10 -		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		80,848	114,765	93,658	130,751	106,670	106,670	175,066	183,644	192,274
5.1 - Cemeteries Funeral Parlours and Crematoriums: Cemeteries		2,046	2,204	2,307	3,847	2,385	2,385	4,603	4,828	5,055
5.2 - Community Parks (including Nurseries): Parks - 502		8,528	7,804	9,563	13,901	9,248	9,248	13,649	14,318	14,991
5.3 - Disaster Management: Disaster Management - 503		904	2,615	6,985	1,894	1,685	1,685	2,146	2,251	2,357
5.4 - Libraries and Archives: Libraries - 504		2,147	2,338	2,387	2,434	2,441	2,441	2,718	2,851	2,985
5.5 - Police Forces Traffic and Street Parking Control: Police Forces		15,199	58,626	19,020	67,517	42,051	42,051	95,756	100,448	105,169
5.6 - Pollution Control: Pollution Control - 505		598	618	197	696	0	0	695	729	763
5.7 - Road and Traffic Regulation: Traffic Regulation - 508		7,075	7,619	8,176	9,203	8,675	8,675	8,898	9,334	9,773
5.8 - Solid Waste Removal: Solid Waste Removal - 500		44,351	32,940	45,024	31,260	40,186	40,186	46,602	48,884	51,181
5.9 - Sports Grounds and Stadiums: Sports Grounds and Stadiums		-	-	-	-	-	-	-	-	-
5.10 -		-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services		198,808	211,535	234,992	248,110	232,122	232,122	254,734	275,714	304,855
6.1 - Electricity: Electricity - 601		105,742	114,953	125,598	134,925	114,307	114,307	133,039	148,571	172,201
6.2 - Fleet Management: Fleet Management - 602		21,270	25,291	23,823	20,720	25,232	25,232	24,238	24,920	25,636
6.3 - Project Management Unit: PMU - 603		2,505	2,699	2,888	2,412	3,124	3,124	4,270	4,480	4,690
6.4 - Roads: Roads - 600		69,292	68,593	82,683	90,054	89,459	89,459	93,187	97,743	102,328
6.5 -		-	-	-	-	-	-	-	-	-
6.6 -		-	-	-	-	-	-	-	-	-
6.7 -		-	-	-	-	-	-	-	-	-
6.8 -		-	-	-	-	-	-	-	-	-
6.9 -		-	-	-	-	-	-	-	-	-
6.10 -		-	-	-	-	-	-	-	-	-
Vote 7 - Developmental Planning		8,942	8,333	12,208	15,057	12,251	12,251	18,039	13,703	14,347
7.1 - Economic Development/Planning: Economic Development/Planning		8,942	8,333	12,208	15,057	12,251	12,251	18,039	13,703	14,347
Vote 8 - Executive Support		20,169	21,476	22,638	22,996	23,663	23,663	19,327	20,244	21,191
8.1 - Administrative and Corporate Support: Administrative and Corporate Support		14,516	15,659	17,657	20,376	18,186	18,186	14,484	15,190	15,900
8.2 - Marketing Customer Relations Publicity and Media Co-ordination		5,653	5,817	4,981	2,620	5,477	5,477	4,843	5,054	5,291
Total Expenditure by Vote	2	484,395	551,718	530,226	597,283	555,063	555,063	654,217	689,913	738,711
Surplus/(Deficit) for the year	2	54,784	48,825	51,592	83,674	185,725	185,725	106,303	121,721	102,257

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	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	87,068	93,438	98,371	108,186	101,418	101,418	101,418	115,903	130,669	153,797
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	8,425	8,926	9,383	9,781	9,302	9,302	9,302	9,798	10,278	10,761
Sale of Goods and Rendering of Services		529	1,120	727	1,138	1,116	1,116	1,116	1,212	1,271	1,331
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		(9,465)	13,500	3,526	3,946	4,452	4,452	4,452	5,189	9,915	10,538
Interest earned from Current and Non Current Assets		2,059	585	2,308	3,652	2,152	2,152	2,152	2,306	2,491	2,594
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		897	1,007	1,019	1,004	867	867	867	913	958	1,003
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		527	714	1,328	386	1,791	1,791	1,791	1,473	1,545	1,617
Non-Exchange Revenue											
Property rates	2	35,773	39,442	39,913	44,645	59,853	59,853	59,853	63,025	66,113	69,221
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		14,570	2,861	2,236	68,520	90,719	90,719	90,719	100,528	105,453	110,410
Licences or permits		3,939	4,635	5,966	6,315	6,815	6,815	6,815	7,176	7,328	7,882
Transfer and subsidies - Operational		273,218	351,908	307,637	338,906	338,906	338,906	338,906	363,745	387,808	378,480
Interest		21,644	3,341	15,229	14,870	10,870	10,870	10,870	9,497	11,522	13,642
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		46	101	1,074	-	-	-	-	-	-	-
Other Gains		7,793	10,514	18,786	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cont		447,023	532,093	507,502	601,351	628,262	628,262	628,262	680,764	735,351	761,276
Expenditure											
Employee related costs	2	141,837	150,619	159,935	185,316	172,137	172,137	172,137	194,460	200,493	209,915
Remuneration of councillors		24,575	24,279	25,217	25,580	27,126	27,126	27,126	26,490	27,788	29,094
Bulk purchases - electricity	2	81,428	88,246	97,964	109,638	94,532	94,532	94,532	113,017	127,505	150,074
Inventory consumed	8	16,160	26,438	38,505	38,645	39,376	39,376	39,376	40,774	42,763	44,763
Debt impairment	3	13,957	61,327	19,690	61,181	29,223	29,223	29,223	94,855	99,503	104,180
Depreciation and amortisation		57,128	59,566	52,826	59,780	60,910	60,910	60,910	66,153	69,291	72,657
Interest		3,538	3,635	1,608	2,185	1,555	1,555	1,555	931	471	100
Contracted services		88,242	77,129	88,573	63,265	74,298	74,298	74,298	61,720	65,406	68,524
Transfers and subsidies		16,380	16,576	1,547	3,292	2,233	2,233	2,233	3,176	3,417	3,671
Irrecoverable debts written off		-	1	-	-	-	-	-	-	-	-
Operational costs		36,412	43,481	37,850	48,400	53,672	53,672	53,672	52,641	53,277	55,735
Losses on disposal of Assets		4,847	421	5,899	-	-	-	-	-	-	-
Other Losses		(108)	-	612	-	-	-	-	-	-	-
Total Expenditure		484,395	551,718	530,226	597,283	555,063	555,063	555,063	654,217	689,913	738,711
Surplus/(Deficit)		(37,372)	(19,625)	(22,724)	4,068	73,199	73,199	73,199	26,547	45,438	22,565
Transfers and subsidies - capital (monetary allocations)	6	92,156	68,450	74,316	79,606	111,606	111,606	111,606	79,756	76,283	79,692
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	920	920	920	-	-	-
Surplus/(Deficit) after capital transfers & contributions		54,784	48,825	51,592	83,674	185,725	185,725	185,725	106,303	121,721	102,257
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		54,784	48,825	51,592	83,674	185,725	185,725	185,725	106,303	121,721	102,257
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		54,784	48,825	51,592	83,674	185,725	185,725	185,725	106,303	121,721	102,257
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	54,784	48,825	51,592	83,674	185,725	185,725	185,725	106,303	121,721	102,257

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

1. Operating revenue is R680, 764 million in 2023/24 and escalates to R735, 351 million and R761, 276 million in the outer years.
2. 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 R118, 017 million for the 2023/24 financial year and increasing to R123 500 million in 2024/25 and increasing to R129, 619 million in 2025/26 financial year.
3. Service charges electricity is based on consideration of the actual performance and adjusted estimates for the remaining months of 2022/23 financial year and in conjunction with the audited amount and approved tariff. Additionally, consideration have been taken that there is new electrification project at Masakeneng area whereby the municipality will realize revenue on prepaid electricity.
4. Interest on external investment is budgeted to decrease from R2.2 million to R1.9 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 after taking into account interest that was captured twice on the system.
5. Interest on outstanding debtors – an increase is due to an increase in debtors computed at prime rate (currently 11.25%) plus 1%.
6. Fines, penalties and forfeits – currently all traffic fines issued as at 10 May 2023 amounts to R92 million (as pre traffic fines report attached) due to introduction of speed cameras on several municipal entrances hence an increase.
7. Transfers recognized operational – includes the local government equitable share, financial management grant, extended public works programme grant and the allocation is as per DORA.
8. Operational revenue – significant decrease was due to donated TLB amounting to R920 thousand during first half of 2022-23 financial year and its considered an anomaly.
9. An increase in revenue sources below was based on CPI:
 - Licences and permits
 - Property Rates
 - Rental of facilities and equipment
 - Service charges - refuse revenue
10. Operating expenditure is R654, 627 million in 2023/24 and escalates to R690, 340 million and R739, 157 million in the outer years.
11. 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.
12. Bulk purchases increase by 18.65% as per approved ESKOM tariff by the National Energy Regulator of South Africa (NERSA) and new electrification project in Masakaneng area..

13. Finance cost is based on finance lease amortization schedule for the second year which reduced as compared to first year. An increase in 2025-26 budget year is as a result of anticipated new finance lease contract the municipality will enter into.
14. Transfer and grants – free basic electricity subsidies increased by 18.65% in line with bulk purchases informed by NERSA tariff increase.
15. Contracted services – the decrease is due to once-off operational projects i.e feasibility study *amongst others* that were undertaken in 2022-23 financial year.
16. An increase in employee related cost is due to majority of director's posts were vacant and adjusted downwards in 2022-23 financial year and chances to fill all posts in 2023-24 are very high. In addition, other municipal staff costs were adjusted using consumer price index. Below is a breakdown of staff establishment and its related costs:

Row Labels	Sum of 2nd 2023-24 Annual Salary	Sum of 2nd 2024-25 Annual Salary	Sum of 2nd 2025-26 Annual Salary
FILLED	168,810,926	177,082,662	185,405,547
VACANT - FUNDED	20,257,534	21,250,153	22,248,911
VACANT - UNFUNDED	40,685,336	42,678,918	44,684,827
Grand Total	229,753,797	241,011,733	252,339,284
FILLEDVACANT - FUNDED	189,068,460.61	198,332,815.18	207,654,457.49
EPWP EMPLOYEES	3,271,765.00	-	-
POST EMPLOYMENT BENEFIT - INTEREST COST	2,118,636.00	2,222,449.16	2,326,904.27
TOTAL	194,458,861.61	200,555,264.34	209,981,361.76

17. Depreciation is based on anticipated additions, impairment loss reversal, consideration of unspent conditional grant and that some projects may be completed towards year end or at year end.
18. Debt impairment increase was due to an abrupt sharp increase in fines, penalties and forfeits revenue and the estimate is based on interim financial statements results.
19. Remuneration of councillors were budgeted using government notice number 46470 for determination of upper limits of the salaries, allowances and benefits of different members of municipal councils and adjusting upwards by 2022-23 and 2023-24 financial year consumer price index and slight estimation to guard against any excess above consumer price index.
20. The decrease in other expenditure is due to once-off projects and decrease in other items as implementation of cost containment measures.
21. Inventory consumed decreased due to decrease in store items issued and not anticipated to be kept at stores anymore i.e transformers. Though other material decreased, budget on fuel experienced a spike due to rapid load shedding.

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

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional										
Governance and administration	1,957	1,111	1,903	1,500	3,040	3,040	2,090	1,000	1,400	1,400
Executive and council	-	-	-				-	-	200	200
Finance and administration	1,957	1,111	1,903	1,500	3,040	3,040	2,090	1,000	1,200	1,200
Internal audit	-	-	-				-	-	-	-
Community and public safety	-	2,063	498	3,935	2,933	2,933	2,637	100	100	100
Community and social services	-	598	498	1,538	1,403	1,403	1,909	-	-	-
Sport and recreation	-	1,465	-	1,680	664	664	527	100	-	-
Public safety	-	-	-	718	865	865	201	-	100	100
Housing	-	-	-				-	-	-	-
Health	-	-	-				-	-	-	-
Economic and environmental services	69,833	62,035	57,924	74,106	108,740	108,740	61,528	66,256	72,873	72,534
Planning and development	-	-	-	1,100	1,075	1,075	1,075	-	390	100
Road transport	69,833	62,035	57,924	73,006	107,665	107,665	60,453	66,256	72,483	72,434
Environmental protection	-	-	-				-	-	-	-
Trading services	20,378	19,894	28,030	18,500	24,674	24,674	12,982	16,800	12,150	12,658
Energy sources	18,954	19,894	28,030	17,250	22,524	22,524	11,717	15,000	12,050	12,558
Waste management	1,424	-	-	1,250	2,150	2,150	1,265	1,800	100	100
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	92,168	85,102	88,355	98,041	139,386	139,386	79,237	84,156	86,523	86,692
Funded by:										
National Government	56,721	79,029	74,316	79,606	110,199	110,199	65,903	79,756	76,283	79,692
Provincial Government	21,471	-								
District Municipality	-	-					-	-	-	-
Transfers and subsidies - capital (monetary allocations)										
Transfers recognised - capital	78,193	79,029	74,316	79,606	110,199	110,199	65,903	79,756	76,283	79,692
Borrowing	-	-					-	-	-	-
Internally generated funds	13,975	6,073	14,040	18,435	29,187	29,187	13,334	4,400	10,240	7,000
Total Capital Funding	92,168	85,102	88,355	98,041	139,386	139,386	79,237	84,156	86,523	86,692

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 R18 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	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	1,105	824	1,500	3,040	3,040	2,090	700	1,000	1,000
Vote 5 - Community Services	-	-	-	4,368	4,287	4,287	3,382	1,000	-	-
Vote 6 - Technical Services	46,151	7,468	46,398	29,334	69,317	69,317	25,966	73,356	73,083	26,669
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	46,151	8,574	47,222	35,202	76,644	76,644	31,428	75,056	74,083	27,669
Single-year expenditure to be appropriated										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	100	100
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	100	100
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	100	100
Vote 4 - Corporate Services	633	-	-	-	-	-	-	300	100	100
Vote 5 - Community Services	1,424	1,972	498	818	795	795	520	900	200	200
Vote 6 - Technical Services	43,960	74,557	40,635	60,922	60,872	60,872	46,214	7,900	11,450	58,323
Vote 7 - Developmental Planning	-	-	-	1,100	1,075	1,075	1,075	-	390	100
Capital single-year expenditure sub-total	46,017	76,528	41,133	62,839	62,742	62,742	47,809	9,100	12,440	59,023
Total Capital Expenditure - Vote	92,168	85,102	88,355	98,041	139,386	139,386	79,237	84,156	86,523	86,692

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

1. Table A5 is a breakdown of the capital projects 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 2023/24 R75, 056 million has been allocated of the total R84, 156 million. This allocation decreases to R74, 083 million in 2024/25 and further decrease to R27, 669 million in 2025/26.
3. Single-year capital expenditure has been appropriated at R9, 100 million for the 2023/24 financial year and declines to R12, 440 million in 2024/25 and then increases to R59, 023 million in 2025/26 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 projects is funded from capital grants and transfers and internally generated funds from current year surpluses.

Table A6 - Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		1,939	6,825	14,719	24,162	71,345	71,345	71,345	18,804	50,460	70,289
Trade and other receivables from exchange transactions	1	52,376	60,881	71,728	50,360	6,243	6,243	6,243	69,351	58,570	47,509
Receivables from non-exchange transactions	1	57,805	26,329	30,537	29,312	116,140	116,140	116,140	109,569	140,669	158,360
Current portion of non-current receivables		167	304	548	119	119	119	119	119	119	119
Inventory	2	8,964	11,082	20,355	10,005	11,709	11,709	11,709	38,571	46,075	34,302
VAT		26,014	38,560	44,886	45,007	17,113	17,113	17,113	12,050	10,245	13,307
Other current assets		14,989	15,576	15,998	-	0	0	0	-	-	-
Total current assets		162,253	159,556	198,770	158,965	222,669	222,669	222,669	248,465	306,139	323,887
Non current assets											
Investments		1,465	1,465	1,465	17,278	17,628	17,628	17,628	-	-	-
Investment property		69,961	81,077	96,399	48,547	51,621	51,621	51,621	48,032	47,596	47,030
Property, plant and equipment	3	1,030,663	1,040,399	1,087,603	1,258,405	1,295,920	1,295,920	1,295,920	1,310,538	1,328,298	1,342,995
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		463	463	463	463	463	463	463	463	463	463
Intangible assets		31	23	14	331	516	516	516	606	514	418
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	18,499	19,390	20,325
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		1,102,583	1,123,426	1,185,944	1,325,025	1,366,149	1,366,149	1,366,149	1,378,138	1,396,262	1,411,232
TOTAL ASSETS		1,264,836	1,282,983	1,384,714	1,483,989	1,588,818	1,588,818	1,588,818	1,626,603	1,702,401	1,735,120
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		11,547	3,014	4,766	7,459	8,280	8,280	8,280	7,246	5,456	-
Consumer deposits		5,525	5,797	5,621	5,700	(5,701)	(5,701)	(5,701)	5,937	6,242	6,562
Trade and other payables from exchange transactions	4	101,802	88,109	99,389	87,876	118,447	118,447	118,447	99,306	80,097	110,953
Trade and other payables from non-exchange transactions	5	5,616	1,207	6,489	13,296	12,787	12,787	12,787	7,905	9,420	12,007
Provision		1,131	630	1,142	4,990	(9,046)	(9,046)	(9,046)	2,750	3,156	3,625
VAT		17,855	22,336	30,419	-	0	0	0	-	-	-
Other current liabilities		3,438	2,645	948	1,022	1,022	1,022	1,022	1,076	1,312	1,603
Total current liabilities		146,916	123,737	148,773	120,343	125,790	125,790	125,790	124,219	105,685	134,750
Non current liabilities											
Financial liabilities	6	2,251	(338)	14,616	17,458	12,701	12,701	12,701	5,456	-	-
Provision	7	44,002	53,749	61,137	45,546	45,546	45,546	45,546	46,097	47,863	48,933
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		29,609	21,679	23,583	50,705	50,705	50,705	50,705	41,318	42,574	43,318
Total non current liabilities		75,862	75,090	99,335	113,710	108,953	108,953	108,953	92,871	90,437	92,251
TOTAL LIABILITIES		222,778	198,827	248,109	234,053	234,743	234,743	234,743	217,091	196,122	227,000
NET ASSETS		1,042,059	1,084,156	1,136,606	1,249,936	1,354,075	1,354,075	1,354,075	1,409,513	1,506,279	1,508,119
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	987,275	1,088,437	1,136,638	1,230,936	1,354,075	1,354,075	1,354,075	1,409,513	1,506,279	1,508,119
Reserves and funds	9	-	-	-	19,000	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	987,275	1,088,437	1,136,638	1,249,936	1,354,075	1,354,075	1,354,075	1,409,513	1,506,279	1,508,119

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents assets less liabilities as “accounting” community wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. 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	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	40,092	50,336	50,336	50,336	54,392	58,227	62,147
Service charges		1,020	1,954	1,530	122,534	128,609	128,609	128,609	124,873	144,334	168,036
Other revenue		6,862	(68)	287	17,751	20,175	20,175	20,175	21,801	22,869	23,944
Transfers and Subsidies - Operational	1	32,527	36,298	115,158	338,906	338,906	338,906	338,906	363,745	387,608	378,480
Transfers and Subsidies - Capital	1	–	4	–	79,606	111,606	111,606	111,606	79,756	76,283	79,692
Interest		–	44	1,236	3,652	2,152	2,152	2,152	1,455	1,600	1,659
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(151,471)	(332,455)	(396,095)	(507,223)	(494,238)	(494,238)	(494,238)	(585,182)	(572,757)	(613,075)
Interest		–	–	–	(2,185)	(2,688)	(2,688)	(2,688)	(931)	(471)	(100)
Transfers and Subsidies	1	–	–	–	3,292	2,783	2,783	2,783	(3,176)	(3,417)	(3,671)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(111,061)	(294,223)	(277,884)	96,425	157,641	157,641	157,641	56,732	114,276	97,113
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	5,544	2,470	2,470	2,470	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		691	–	–	350	350	350	350	851	891	935
Payments											
Capital assets		(83,604)	(76,404)	(65,577)	(81,790)	(89,705)	(89,705)	(89,705)	(72,485)	(77,363)	(77,492)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(82,913)	(76,404)	(65,577)	(75,896)	(86,885)	(86,885)	(86,885)	(71,634)	(76,472)	(76,557)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	237	305	320
Payments											
Repayment of borrowing		1,351	(8,534)	(4,413)	(7,459)	(8,280)	(8,280)	(8,280)	(7,246)	(5,456)	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		1,351	(8,534)	(4,413)	(7,459)	(8,280)	(8,280)	(8,280)	(7,009)	(5,151)	320
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	237	305	320
Payments											
Repayment of borrowing		1,351	(8,534)	(4,413)	(7,459)	(8,280)	(8,280)	(8,280)	(7,246)	(5,456)	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		1,351	(8,534)	(4,413)	(7,459)	(8,280)	(8,280)	(8,280)	(7,009)	(5,151)	320
NET INCREASE/ (DECREASE) IN CASH HELD		(192,624)	(379,161)	(347,874)	13,070	62,475	62,475	62,475	(21,911)	32,653	20,875
Cash/cash equivalents at the year begin:	2	24,145	–	6,825	14,245	11,514	11,514	11,514	41,668	19,757	52,410
Cash/cash equivalents at the year end:	2	(168,478)	(379,161)	(341,049)	27,315	73,990	73,990	73,990	19,757	52,410	73,285

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 2023/24 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 and anticipated unspent conditional grant.

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 (R7, 455 million), printing and stationary (R2, 084 million)) and post-employment medical aid benefits – interest charge amounting to R2, 118 million).. 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 budget funding process.

Included in the property rates, service charge electricity and service charge refuse is interest on outstanding debtors computed using collection rate of 75%, 99.7% and 55.9% respectively.

Cash flow from investing activities

An increase in non-current investments is due to actual deposit the municipality will make on a portion electrified at Masakaneng for 2023-24 and 2024-25 financial years.

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 and its based on amortisation schedule (attached).

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate CPI rate and NERSA increase 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 75%; Services charges electricity 99.7%; Services charges refuse 55.9%; other revenue 100%; Rental on facilities 100% and traffic fines 10.9%. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Comparability

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

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation																
Description	Ref	2019/20			2020/21			2021/22			Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26					
Cash and investments available																
Cash/cash equivalents at the year end	1	(168,478)	(379,161)	(341,049)	27,315	73,990	73,990	73,990	19,757	52,410	73,285					
Other current investments > 90 days		170,417	385,986	355,769	(3,153)	(2,644)	(2,644)	(2,644)	(952)	(1,950)	(2,996)					
Non current Investments	1	1,465	1,465	1,465	17,278	17,628	17,628	17,628	-	-	-					
Cash and investments available:		3,403	8,290	16,184	41,440	88,974	88,974	88,974	18,804	50,460	70,289					
Application of cash and investments																
Trade payables from Non-exchange transactions: Other		5,317	1,008	6,024	10,004	9,539	9,539	9,539	3,900	5,159	4,745					
Unspent borrowing		-	-	-	-	-	-	-	-	-	-					
Statutory requirements	2	(45,339)	(17,323)	14,510	(45,007)	11,865	11,865	11,865	(12,050)	(10,245)	(13,307)					
Other working capital requirements	3	95,586	86,672	97,852	25,687	(7,940)	(7,940)	(7,940)	(28,127)	(77,437)	(53,826)					
Other provisions		4,569	3,275	2,090	6,012	(8,024)	(8,024)	(8,024)	3,826	4,468	5,228					
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-					
Reserves to be backed by cash/investments	5	-	-	-	19,000	-	-	-	-	-	-					
Total Application of cash and investments:		60,133	73,632	120,476	15,696	5,440	5,440	5,440	(32,451)	(78,055)	(57,160)					
Surplus(shortfall)		(56,730)	(65,343)	(104,292)	25,744	83,534	83,534	83,534	51,256	128,515	127,449					

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.

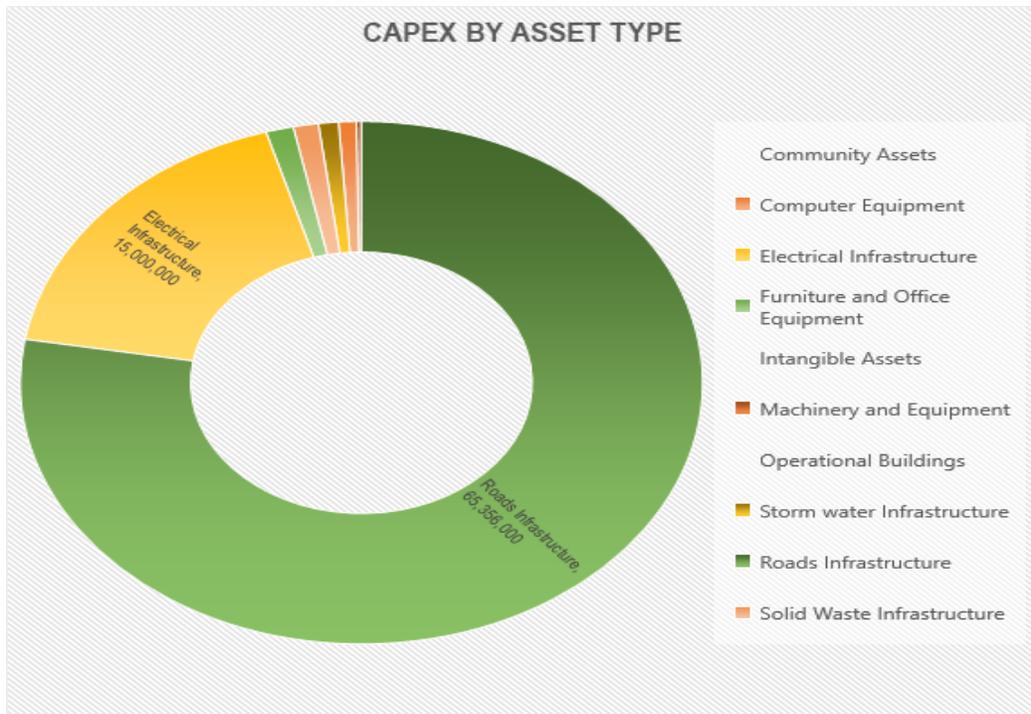
Table A9 - Asset Management

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CAPITAL EXPENDITURE									
Total New Assets	69,514	24,589	24,449	22,485	29,225	29,225	17,800	14,350	14,958
Roads Infrastructure	51,346	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	800	-	-
Electrical Infrastructure	16,111	20,000	22,332	17,250	22,524	22,524	15,000	12,050	12,558
Solid Waste Infrastructure	-	-	-	1,250	1,150	1,150	-	-	-
Infrastructure	67,457	20,000	22,332	18,500	23,674	23,674	15,800	12,050	12,558
Community Facilities	-	-	-	418	238	238	-	-	-
Community Assets	-	-	-	418	238	238	-	-	-
Operational Buildings	-	2,339	-	458	454	454	-	-	-
Other Assets	-	2,339	-	458	454	454	-	-	-
Licences and Rights	-	-	-	300	185	185	-	-	-
Intangible Assets	-	-	-	300	185	185	-	-	-
Computer Equipment	38	250	824	700	2,135	2,135	700	1,000	1,000
Furniture and Office Equipment	526	800	-	500	1,139	1,139	1,100	800	800
Machinery and Equipment	1,492	1,200	214	1,610	1,400	1,400	200	500	600
Transport Assets	-	-	1,079	-	-	-	-	-	-
Total Renewal of Existing Assets	10,527	47,540	44,874	31,723	55,762	55,762	-	400	400
Roads Infrastructure	10,527	39,222	39,750	28,631	31,500	31,500	-	300	300
Electrical Infrastructure	-	-	5,124	-	-	-	-	-	-
Solid Waste Infrastructure	-	7,719	-	2,092	23,185	23,185	-	-	-
Infrastructure	10,527	46,940	44,874	30,723	54,685	54,685	-	300	300
Community Facilities	-	600	-	1,000	869	869	-	-	-
Community Assets	-	600	-	1,000	869	869	-	-	-
Operational Buildings	-	-	-	-	208	208	-	-	-
Other Assets	-	-	-	-	208	208	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	100	100
Total Upgrading of Existing Assets	12,127	12,973	19,032	43,833	54,399	54,399	66,356	71,773	71,334
Roads Infrastructure	10,828	12,370	18,534	41,433	52,040	52,040	65,356	71,483	71,334
Solid Waste Infrastructure	-	-	-	-	1,000	1,000	1,000	-	-
Infrastructure	10,828	12,370	18,534	41,433	53,040	53,040	66,356	71,483	71,334
Community Facilities	-	602	498	1,300	284	284	-	-	-
Community Assets	-	602	498	1,300	284	284	-	-	-
Operational Buildings	1,299	-	-	1,100	1,075	1,075	-	290	-
Other Assets	1,299	-	-	1,100	1,075	1,075	-	290	-
Total Capital Expenditure	92,168	85,102	88,355	98,041	139,386	139,386	84,156	86,523	86,692

ASSET REGISTER SUMMARY - PPE (WDV)	5	1,006,677	1,030,166	1,056,420	1,214,356	1,092,129	1,092,129	1,273,184	1,209,343	1,142,386
<i>Roads Infrastructure</i>		570,335	587,852	576,360	655,100	536,216	536,216	1,242,897	1,197,228	1,149,412
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		46,351	45,226	55,131	41,133	51,107	51,107	(7,083)	(11,662)	(16,441)
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		11,708	18,282	23,371	175,474	24,433	24,433	223	(592)	(1,446)
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		628,394	651,360	654,863	871,707	611,756	611,756	1,236,037	1,184,974	1,131,526
Community Assets		18,203	17,395	15,675	16,429	14,409	14,409	(1,333)	(2,731)	(4,195)
Heritage Assets		463	463	463	463	463	463	463	463	463
Investment properties		69,961	81,077	96,399	48,547	51,621	51,621	48,032	47,596	47,030
Other Assets		60,307	63,444	59,161	59,350	187,934	187,934	(4,459)	(9,137)	(14,035)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		31	23	14	331	516	516	606	514	418
Computer Equipment		1,424	1,714	2,186	1,689	3,395	3,395	(274)	(297)	(367)
Furniture and Office Equipment		2,045	2,849	2,488	2,750	2,982	2,982	449	567	652
Machinery and Equipment		19,011	18,085	24,127	16,200	23,606	23,606	(2,718)	(5,189)	(7,713)
Transport Assets		23,001	18,448	27,208	13,053	21,611	21,611	(3,620)	(7,418)	(11,394)
Land		183,836	175,308	173,835	183,836	173,835	173,835	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,006,677	1,030,166	1,056,420	1,214,356	1,092,129	1,092,129	1,273,184	1,209,343	1,142,386
EXPENDITURE OTHER ITEMS		67,631	77,331	94,306	94,477	98,320	98,320	94,487	99,117	103,776
Depreciation	7	56,514	59,188	57,070	59,780	60,910	60,910	65,402	68,607	71,831
Repairs and Maintenance by Asset Class	3	11,117	18,143	37,236	34,697	37,410	37,410	29,085	30,511	31,945
<i>Roads Infrastructure</i>		1,275	8,193	13,895	14,217	20,031	20,031	10,940	11,476	12,015
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		1,434	1,997	12,201	9,536	5,763	5,763	6,073	6,371	6,670
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	1,243	1,304	1,365
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		2,710	10,190	26,096	23,753	25,794	25,794	18,255	19,150	20,050
Community Facilities		-	164	166	594	544	544	573	601	629
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	164	166	594	544	544	573	601	629
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		8,408	7,789	10,975	10,350	11,072	11,072	10,257	10,760	11,265
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		67,631	77,331	94,306	94,477	98,320	98,320	94,487	99,117	103,776
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		24.5%	11.8%	-2.7%	75.9%	78.3%	78.3%	78.8%	82.2%	82.7%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		59.6%	62.6%	-14.4%	124.5%	179.1%	179.1%	101.5%	103.6%	99.9%
<i>R&M as a % of PPE</i>		1.1%	1.8%	3.5%	2.9%	3.4%	3.4%	2.3%	2.5%	2.6%
<i>Renewal and upgrading and R&M as a % of PPE</i>		4.5%	5.4%	2.7%	9.0%	13.4%	13.4%	7.5%	8.4%	9.1%

Table A10 – Basic Service Delivery Measurement

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets									
Energy:									
Electricity (at least min.service level)	62,464	69,458	69,458	69,458	73,278	73,278	77,235	81,020	84,827
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	62,464	69,458	69,458	69,458	73,278	73,278	77,235	81,020	84,827
Electricity (< min.service level)	2,524	2,563	2,600	2,644	2,644	2,644	3,040	3,496	4,021
Electricity - prepaid (< min. service level)	2,543	2,593	2,600	2,794	2,794	2,794	3,213	3,695	4,250
Other energy sources	3,895	3,480	3,480	3,480	3,720	3,720	3,917	4,109	4,302
Below Minimum Service Level sub-total	8,962	8,636	8,680	8,918	9,158	9,158	10,171	11,301	12,573
Total number of households	71,426	78,094	78,138	78,376	82,436	82,436	87,406	92,320	97,400
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	6,612,145	6,612,740	6,613,339
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	6,612,145	6,612,740	6,613,339
Removed less frequently than once a week	405	405	405	405	405	406	428	448	470
Using communal refuse dump	1,993	1,993	1,993	1,993	1,993	1,999	2,105	2,208	2,312
Using own refuse dump	38,712	38,712	42,524	42,524	42,524	42,525	44,779	46,973	49,181
Other rubbish disposal	703	703	703	703	703	704	741	778	814
No rubbish disposal	8,504	8,504	8,504	8,504	8,504	8,506	8,957	9,396	9,837
Below Minimum Service Level sub-total	50,317	50,317	54,129	54,129	54,129	54,140	57,009	59,803	62,614
Total number of households	6,666,359	6,666,359	6,665,663	6,665,663	6,665,663	6,665,674	6,669,155	6,672,543	6,675,953
Households receiving Free Basic Service									
Electricity/other energy (50kwh per household per month)	100	106	112	135	135	135	156	186	223
Refuse (removed at least once a week)	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Total cost of FBS provided	-	-	-	-	-	-	-	-	-
Highest level of free service provided per household									
Property rates (R value threshold)									
Electricity (kwh per household per month)	180	199	211	245	245	245	282	337	404
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	5,741	5,741	9,017	9,017	9,017	9,017	16,217	17,077	17,914
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	5,741	5,741	9,017	9,017	9,017	9,017	16,217	17,077	17,914



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.
- 1.2 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 property plant and equipment. The municipality allocated 79% of the capital budget to the renewal and upgrading of existing assets which is considered to be an achievement.
2. 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.

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. 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 2023-2024 IDP by the end of May 2023. The process plan was implemented from July 2022 financial year. Below is the timetable for the IDP/ budget process for 2023/24 Municipal fiscal year.

IDP and Budget Process Plan for the 2023/2024 financial year

MONTH	ACTIVITY	Target date
PREPARATORY PHASE		
July 2022	<ul style="list-style-type: none"> Review of previous year's IDP/Budget process with MTEF included. EXCO provides political guidance over the budget process and priorities that must inform preparations of the budget. Tabling of the draft 2023-2024 IDP and Budget process plan to IDP steering committee/technical committee for comments and inputs. Tabling of the 2023-2024 IDP and Budget process plan to council structures for approval 	1-31 July 2022 1-31 July 2022 15 July 2022 29 July 2022
August 2022	<ul style="list-style-type: none"> Ward-to-Ward based analysis data collection 4th Quarter Performance Lekgotla Submit AFS (Annual Financial Statements) for 2021/22 to AG. Submit 2020/21 cumulative Performance Report to AG & Council Structures 	10 August 2022 -30 September 2022 26 August 2022 31 August 2022 31 August 2022
ANALYSIS PHASE		
September 2022	<ul style="list-style-type: none"> 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). Determine revenue projections, propose tariffs, and draft initial allocations per function and department for 2023-2024 financial year. Electronic Consultations with provincial and national sector departments on sector specific programmes for alignment (schools, libraries, clinics, water, electricity, roads, etc.). Finalize ward based data compilation for verification in December 2022 	01 September 2022-December 2022
STRATEGIES PHASE		
October 2022	<ul style="list-style-type: none"> Quarterly (1st) review of 2022/23 budget, related policies, amendments (if necessary), any related consultative process. Collate information from ward-based data. 	29 October 2022 1-31 October 2022

MONTH	ACTIVITY	Target date
	<ul style="list-style-type: none"> Begin preliminary preparations on proposed budget for 2023/24 financial year with consideration being given to partial performance of 2022/23 1ST Quarter Performance Lekgotla (2022/23) 	1-31 October 2022 28 October 2022
PROJECTS PHASE		
November 2022	<ul style="list-style-type: none"> Confirm IDP projects with district and sector departments. Engage with sector departments' strategic sessions to test feasibility of attendance to planned sessions. Review and effect changes on initial IDP draft. 	1-30 November 2022
INTEGRATION PHASE		
December 2022	<ul style="list-style-type: none"> Consolidated Analysis Phase report in place IDP Steering/technical Committee meeting to present the analysis phase data IDP Representative Forum to present the analysis report 	01 December 2022 02 December 2022 29 November 2022
January 2023	<ul style="list-style-type: none"> Review budget performance and prepare for adjustment Table Draft 2021/22 Annual Report to MPAC and Council. Submit Draft Annual Report to AG, Provincial Treasury and COGHSTA. Publish Draft Annual Report in the municipal jurisdiction (website etc.). Prepare Oversight Report for the 2021/22 financial year. Mid-Year Performance Lekgotla/Review/Strategic Planning Session, (review of IDP/Budget, related policies and consultative process 	11-18 January 2023 18 January 2023 18 January 2023
February 2023	<ul style="list-style-type: none"> Table Budget Adjustment. Submission of Draft IDP/Budget for 2023-2024 to Management. Submission of Draft IDP/Budget and plans to Portfolio Committees. Submission of 2022/23 Adjustment Budget to Budget Steering Committee Submission of 2023-2024 Draft IDP and Budget to EXCO Adjusted budget/IDP/SDBIP 2022/2023 	24 February 2023 02 February 2023 09-10 February 2023 16-17 February 2023 15 February 2023 28 February 2023

MONTH	ACTIVITY	Target date
March 2023	<ul style="list-style-type: none"> Submission of 2022-2023 Draft Budget to Budget Steering Committee 	16 March 2023
	<ul style="list-style-type: none"> Council considers the 2022-2023 Draft IDP and Budget. 	31 March 2023
	<ul style="list-style-type: none"> Publish the 2022-2023 Draft IDP and Budget for public comments. 	31 March 2023
	<ul style="list-style-type: none"> Adoption of Oversight Report for 2021-2022. 	31 March 2023
APPROVAL PHASE		
April 2023	<ul style="list-style-type: none"> Submit 2023-2024 Draft IDP and Budget to the National Treasury, Provincial Treasury and COGHSTA in both printed & electronic formats. 	06 April 2023
	<ul style="list-style-type: none"> Quarterly (3rd) review of 2022-2023 budget/IDP and related policies' amendment (if necessary) and related consultative process. 	28 April 2023
	<ul style="list-style-type: none"> IDP Technical committee to consider the draft 2023-2024 IDP 	11 April 2023
	<ul style="list-style-type: none"> IDP virtual/physical Representative Forum meeting to present the draft 2023-2024 IDP to various stakeholders 	13 April 2023
	<ul style="list-style-type: none"> Consultation with National and Provincial Treasury, community participation and stakeholder consultation on the draft 2023-2024 IDP. 	17 April 2023 -10 May 2023
May 2023	<ul style="list-style-type: none"> 3rd Quarter Performance Lekgotla (2022/23) 	03 May 2023
	<ul style="list-style-type: none"> Submission of 2023-2024 Final Budget to Budget Steering Committee 	15 May 2023
	<ul style="list-style-type: none"> Final Draft Budget/IDP/SDBIP 2023/2024 	26 May 2023
	<ul style="list-style-type: none"> Submission of Final Draft IDP/Budget for 2022/23 to the MPAC for recommendations to Council and Council for approval. 	26 May 2023
	<ul style="list-style-type: none"> Finalize SDBIPⁱ for 2023-2024. 	
	<ul style="list-style-type: none"> Develop Performance Agreements (Performance Plans) of MM, Senior Managers and Middle Managers for 2023-2024 performance year. 	
June 2023	<ul style="list-style-type: none"> Submission of the SDBIP to the Mayor and APAC or review. 	1-30 June 2023
	<ul style="list-style-type: none"> Submission of 2023-2024 Performance Agreements to the Mayor. 	

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The IDP process plan and the budget time schedule for the 2023/24 MTREF was tabled in Council in June 2022.

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 2023/24 MTREF based on the approved 2022/23 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 2023/24 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 2022/23 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 2023/24 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 2023/24 MTREF:

- The Municipality growth (looking mainly on additional revenue from traffic fines)
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, etc)
- Performance trends (2022/23)
- The approved 2022/23 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 123 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	Outcome 8 &9	<ul style="list-style-type: none"> • Provide land for human settlement • Zoning and rezoning of land • Prevent land invasions 	More efficient land utilization and release state land.
Access to basic service delivery	Outcome 6	<ul style="list-style-type: none"> • Provision of electricity • Roads and storm water control 	Reliable infrastructure services
Local Economic Development	Outcome 7,4 &11	<ul style="list-style-type: none"> • Creation of jobs • Support to emerging businesses (SMME"s) • Promote tourism 	Improved employment and municipal economy
Financial sound management	Outcome 9 &12	<ul style="list-style-type: none"> • Financial management and planning • Comply with legal financial requirements • Revenue enhancement 	Sound financial management
Good Governance and public participation	Outcome 9	<ul style="list-style-type: none"> • Community participations • Intergovernmental relations 	Full participation of all structures and communities
Organizational Development	Outcome 9	<ul style="list-style-type: none"> • Human resource development and management • Organizational structure development • Executive and Council support 	Vibrant institution
Social services	Outcome 1 , 2 &10	<ul style="list-style-type: none"> • Education support and co-ordination • Facilitation of health services • Community development services 	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 2023/24 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:

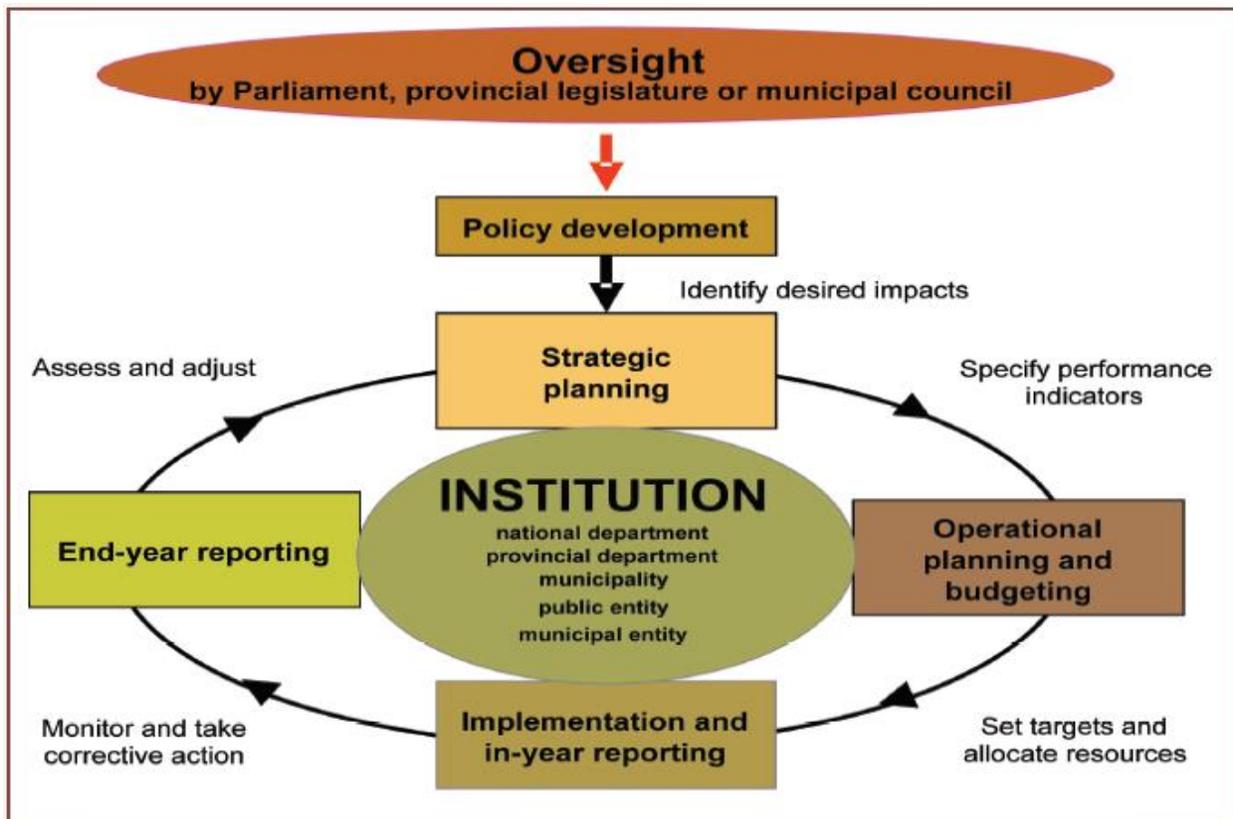


Figure 4 Planning, budgeting and reporting cycle

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 credit control and debt 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 2023/24 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 60.4 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. 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, 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 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 Virement Policy

The 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 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:

- Indigent
- Petty Cash
- Property rates
- Borrowing
- Cost containment
- Insurance management

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 2023/24 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 75%; Services charges electricity 99.7%; Services charges refuse 55.9%; other revenue 100%; Traffic fines 10.9%. 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 – 75%
- Service charge electricity - 99.7%
- Service charge refuse removal – 55.9%
- Rental on facilities - 100%
- Operating revenue – 100%
- Sale of goods – 100%
- Traffic fines – 10.9%

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 123 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:

- 2023/24 – CPI 5.3%
- 2024/25 – CPI 4.9%
- 2025/26 – CPI 4.7%

Impact of national, provincial and local policies

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

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

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

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 95% on the capital programme for the 2023/24 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

Figure 5 Breakdown of operating revenue over the 2023/24 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 75 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 2023/24 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 R18, 454 million, R27, 865 million and R12, 821 million in each of the financial years. This surplus is not entirely 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 2023/24 financial year.

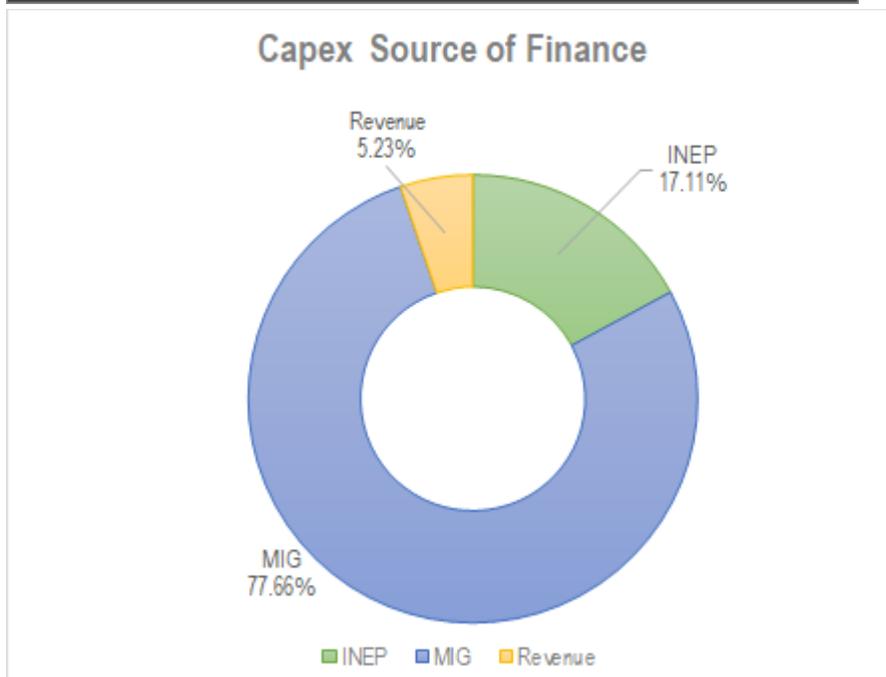
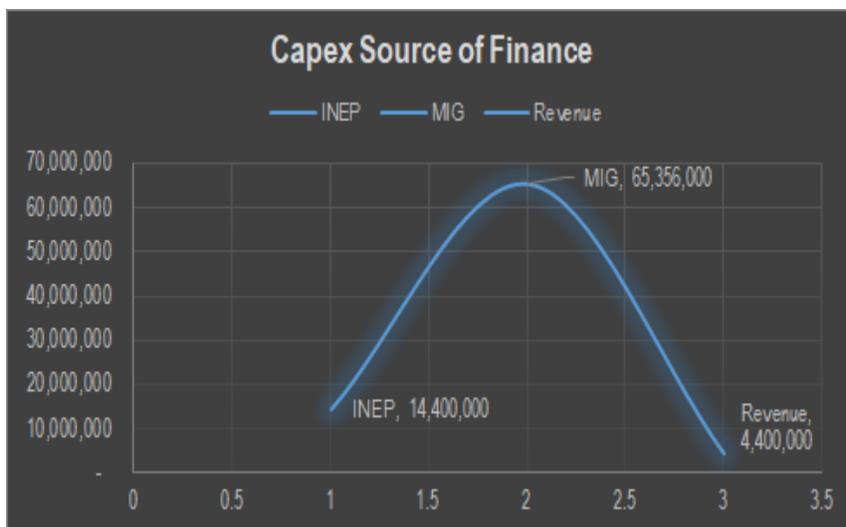


Figure 6 Breakdown of the source of funding for 2023/24 MTREF

Capital grants and receipts equate to 95% of the total funding source which represents R79, 756 million for the 2023/24 financial year and decreases to R76, 283 million and increases to R77, 492 million in 2024/25 and 2025/26 financial years respectively. Only 5% of capital budgets is funded from internally generated revenue.

Table SA1 – Supporting detail to budgeted financial performance

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
REVENUE ITEMS:											
Non-exchange revenue by source											
Exchange Revenue	6										
Total Property Rates		48,792	51,498	51,828	54,095	76,070	76,070	76,070	80,102	84,027	87,976
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		13,018	12,057	11,914	9,450	16,217	16,217	16,217	17,077	17,914	18,756
Net Property Rates		35,773	39,442	39,913	44,645	59,853	59,853	59,853	63,025	66,113	69,221
Exchange revenue service charges											
Service charges - Electricity	6										
Total Service charges - Electricity		87,394	93,438	98,377	108,186	101,418	101,418	101,418	115,903	130,669	153,797
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		326	-	6	-	-	-	-	-	-	-
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - Electricity		87,068	93,438	98,371	108,186	101,418	101,418	101,418	115,903	130,669	153,797
Service charges - Waste Management	6										
Total refuse removal revenue		8,425	8,926	9,383	9,781	9,302	9,302	9,302	9,798	10,278	10,761
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - Waste Management		8,425	8,926	9,383	9,781	9,302	9,302	9,302	9,798	10,278	10,761
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	92,830	97,532	101,402	119,788	106,992	106,992	106,992	128,941	131,903	138,102
Pension and UIF Contributions		18,015	19,129	20,762	26,748	20,765	20,765	20,765	25,377	26,509	27,755
Medical Aid Contributions		5,637	5,308	5,522	7,057	6,163	6,163	6,163	6,343	6,654	6,967
Overtime		1,443	1,353	1,065	1,163	347	347	347	1,232	1,292	1,353
Performance Bonus		7,284	8,032	8,024	11,053	11,182	11,182	11,182	9,783	10,263	10,745
Motor Vehicle Allowance		11,717	12,487	13,204	16,220	14,307	14,307	14,307	16,452	17,258	18,089
Cellphone Allowance		1,954	2,015	2,002	1,592	2,005	2,005	2,005	1,998	2,096	2,195
Housing Allowances		179	206	220	230	253	253	253	268	255	267
Other benefits and allowances		778	2,278	1,009	221	1,298	1,298	1,298	554	580	606
Payments in lieu of leave		3,497	6,721	1,439	442	4,283	4,283	4,283	35	37	39
Long service awards		709	707	713	510	1,217	1,217	1,217	824	864	905
Post-retirement benefit obligations	4	(2,805)	(5,897)	4,049	-	2,012	2,012	2,012	2,119	2,222	2,327
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		599	748	524	292	1,314	1,314	1,314	533	560	586
In kind benefits		-	-	-	-	-	-	-	-	-	-
sub-total	5	141,837	150,619	159,935	185,316	172,137	172,137	172,137	194,460	200,493	209,915
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	141,837	150,619	159,935	185,316	172,137	172,137	172,137	194,460	200,493	209,915

Depreciation and amortisation											
Depreciation of Property, Plant & Equipment		56,506	59,180	57,061	59,727	60,827	60,827	60,827	65,314	68,515	71,735
Lease amortisation		8	8	8	53	83	83	83	88	92	96
Capital asset impairment		614	378	(4,244)	-	-	-	-	751	685	825
Total Depreciation and amortisation	1	57,128	59,566	52,826	59,780	60,910	60,910	60,910	66,153	69,291	72,657
Bulk purchases - electricity											
Electricity bulk purchases		81,428	88,246	97,964	109,638	94,532	94,532	94,532	113,017	127,505	150,074
Total bulk purchases	1	81,428	88,246	97,964	109,638	94,532	94,532	94,532	113,017	127,505	150,074
Transfers and grants											
Cash transfers and grants		2,984	1,402	1,547	3,292	2,783	2,783	1,857	3,176	3,417	3,671
Non-cash transfers and grants		13,396	15,174	-	-	-	-	-	-	-	-
Total transfers and grants	1	16,380	16,576	1,547	3,292	2,783	2,783	1,857	3,176	3,417	3,671
Irrecoverable debts written off											
Outsourced Services		60,086	60,658	71,384	51,154	59,981	59,981	59,981	46,429	49,185	51,470
Consultants and Professional Services		15,700	9,142	7,497	4,334	4,239	4,239	4,239	6,668	7,177	7,584
Contractors		12,456	7,328	9,692	7,777	9,646	9,646	9,646	8,622	9,044	9,470
Total contracted services		88,242	77,129	88,573	63,265	73,866	73,866	73,866	61,720	65,406	68,524
Operational Costs											
Collection costs		-	-	-	2,100	663	663	663	691	717	742
Contributions to 'other' provisions		(1,013)	(0)	-	-	-	-	-	-	-	-
Audit fees		-	-	-	-	-	-	-	6,354	6,666	6,979
Other Operational Costs		37,425	43,481	37,850	46,300	53,173	53,173	53,173	45,596	45,894	48,014
Total Operational Costs	1	36,412	43,481	37,850	48,400	53,836	53,836	53,836	52,641	53,277	55,735
Repairs and Maintenance by Expenditure Item											
Employee related costs	8	-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		7,077	15,019	32,728	31,255	32,115	32,115	32,115	23,525	24,677	25,837
Contracted Services		4,040	3,124	4,509	3,442	5,003	5,003	5,003	5,561	5,833	6,107
Other Expenditure		-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	9	11,117	18,143	37,236	34,697	37,118	37,118	37,118	29,085	30,511	31,945
Inventory Consumed											
Inventory Consumed - Water		-	-	-	-	-	-	-	-	-	-
Inventory Consumed - Other		6,576	6,688	22,918	-	451	451	451	40,774	42,763	44,763
Total Inventory Consumed & Other Material		6,576	6,688	22,918	-	451	451	451	40,774	42,763	44,763

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

Description	Ref	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	Vote 9 -	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand																	
Revenue																	
Exchange Revenue																	
Service charges - Electricity	1	-	-	-	-	-	115,903	-	-	-	-	-	-	-	-	-	115,903
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		-	-	-	-	9,798	-	-	-	-	-	-	-	-	-	-	9,798
Sale of Goods and Rendering of Services		-	-	170	0	89	-	952	-	-	-	-	-	-	-	-	1,212
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	3,103	2,086	-	-	-	-	-	-	-	-	-	5,189
Interest earned from Current and Non Current Assets		-	-	1,455	-	-	851	-	-	-	-	-	-	-	-	-	2,306
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	913	-	-	-	-	-	-	-	-	-	913
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	1,330	97	39	6	-	-	-	-	-	-	-	-	-	1,473
Non-Exchange Revenue																	
Property rates		-	-	63,025	-	-	-	-	-	-	-	-	-	-	-	-	63,025
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	100,284	23	221	-	-	-	-	-	-	-	-	100,528
Licences or permits		-	-	-	-	7,176	-	-	-	-	-	-	-	-	-	-	7,176
Transfer and subsidies - Operational		48,780	48,017	41,332	52,223	68,117	76,624	13,250	15,401	-	-	-	-	-	-	-	363,745
Interest		-	-	9,497	-	-	-	-	-	-	-	-	-	-	-	-	9,497
Total Revenue (excluding capital transfers and contributions)		48,780	48,017	116,810	52,321	188,696	196,406	14,423	15,401	-	-	-	-	-	-	-	680,764
Expenditure																	
Employee related costs		-	13,813	29,229	21,628	60,015	38,846	13,978	16,951	-	-	-	-	-	-	-	194,460
Remuneration of councillors		26,490	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,490
Bulk purchases - electricity		-	-	-	-	-	113,017	-	-	-	-	-	-	-	-	-	113,017
Inventory consumed		39	374	1,545	80	3,240	34,522	974	-	-	-	-	-	-	-	-	40,774
Debt impairment		-	-	7,770	-	85,556	1,528	-	-	-	-	-	-	-	-	-	94,855
Depreciation and amortisation		-	-	521	1,062	2,110	62,460	-	-	-	-	-	-	-	-	-	66,153
Interest		-	-	35	-	-	866	-	-	-	-	-	-	-	-	-	931
Contracted services		2,899	24,088	9,690	5,100	18,808	-	53	1,082	-	-	-	-	-	-	-	61,720
Transfers and subsidies		550	-	-	1,833	-	793	-	-	-	-	-	-	-	-	-	3,176
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		7,820	7,995	12,266	12,225	5,336	2,672	3,034	1,293	-	-	-	-	-	-	-	52,841
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		37,797	45,278	61,956	41,928	175,965	254,734	18,639	19,327	-	-	-	-	-	-	-	654,217
Surplus/(Deficit)		10,983	1,747	55,754	10,393	13,540	(58,329)	(3,616)	(3,925)	-	-	-	-	-	-	-	26,547
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	79,756	-	-	-	-	-	-	-	-	-	79,756
Surplus/(Deficit) after capital transfers & contributions		10,983	1,747	55,754	10,393	13,540	21,427	(3,616)	(3,925)	-	-	-	-	-	-	-	106,303

Table SA3 – Supporting detail of budgeted financial position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
ASSETS											
Trade and other receivables from exchange transactions											
Electricity		19,833	24,579	24,913	(3,043)	10,106	10,106	10,106	59,952	60,335	60,783
Water		140	140	141	-	141	141	141	-	-	-
Waste		(9,274)	(9,560)	(12,733)	2,073	(9,557)	(9,557)	(9,557)	4,320	8,851	13,596
Waste Water		(3)	(3)	(3)	-	1,203	1,203	1,203	21,579	23,191	25,059
Other trade receivables from exchange transactions		68,135	67,505	89,769	-	78,843	78,843	78,843	-	-	-
Gross: Trade and other receivables from exchange transactions		78,831	82,660	102,086	(970)	80,736	80,736	80,736	85,851	92,378	99,438
Less: Impairment for debt		(26,456)	(21,779)	(30,358)	51,329	(74,493)	(74,493)	(74,493)	(16,500)	(33,808)	(51,929)
Impairment for Electricity		(1,786)	(1,301)	(1,769)	(6,476)	(5,119)	(5,119)	(5,119)	(1,528)	(3,131)	(4,810)
Impairment for Water		-	-	-	-	-	-	-	-	-	-
Impairment for Waste		(6,646)	(7,673)	(10,169)	(4,981)	(11,996)	(11,996)	(11,996)	(14,971)	(30,676)	(47,119)
Impairment for Waste Water		-	-	-	-	-	-	-	-	-	-
Impairment for other trade receivables from exchange transactions		(18,024)	(12,805)	(18,420)	62,787	(57,378)	(57,378)	(57,378)	-	-	-
Total net Trade and other receivables from Exchange Transactions		52,376	60,881	71,728	50,360	6,243	6,243	6,243	69,351	58,570	47,509
Receivables from non-exchange transactions											
Property rates		42,275	51,791	61,774	19,423	90,589	90,589	90,589	18,131	37,539	58,255
Less: Impairment of Property rates		(19,699)	(21,700)	(27,321)	(7,949)	(31,818)	(31,818)	(31,818)	(7,770)	(15,922)	(24,456)
Net Property rates		22,576	30,090	34,453	11,474	58,771	58,771	58,771	10,360	21,618	33,799
Other receivables from non-exchange transactions		178,951	(261)	(2,773)	59,612	78,060	78,060	78,060	169,794	263,680	346,714
Impairment for other receivables from non-exchange transactions		(143,722)	(3,500)	(1,142)	(41,774)	(20,691)	(20,691)	(20,691)	(70,585)	(144,629)	(222,153)
Net other receivables from non-exchange transactions		35,229	(3,762)	(3,916)	17,838	57,369	57,369	57,369	99,209	119,051	124,561
Total net Receivables from non-exchange transactions		57,805	26,329	30,537	29,312	116,140	116,140	116,140	109,569	140,669	158,360
Consumables											
Standard Rated											
Opening Balance		16,530	24,675	31,289	10,005	35,692	35,692	35,692	79,345	98,517	98,898
Acquisitions		8,145	6,614	19,733	-	-	-	-	-	-	-
Issues	7	-	-	(7,134)	-	(401)	(401)	(401)	(31,095)	(32,609)	(34,132)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		24,675	31,289	43,887	10,005	35,291	35,291	35,291	48,250	65,908	64,766
Zero Rated											
Opening Balance		(10,282)	(16,558)	(20,278)	-	(34,102)	(34,102)	(34,102)	-	(9,679)	(19,833)
Acquisitions		279	2,964	167	-	-	-	-	-	-	-
Issues	7	(6,555)	(6,683)	(13,992)	-	(50)	(50)	(50)	(9,679)	(10,154)	(10,631)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated		(16,558)	(20,278)	(34,102)	-	(34,152)	(34,152)	(34,152)	(9,679)	(19,833)	(30,464)
Finished Goods											
Opening Balance		-	774	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	774	(774)	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods		774	-	-	-	-	-	-	-	-	-

Land											
Opening Balance		-	-	-	-	10,500	10,500	10,500	-	-	-
Acquisitions		-	-	10,500	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		-	-	10,500	-	10,500	10,500	10,500	-	-	-
Closing Balance - Inventory & Consumables		8,964	11,082	20,355	10,005	11,709	11,709	11,709	38,571	46,075	34,302
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		1,581,758	1,649,161	1,752,496	1,802,993	1,892,590	1,892,590	1,892,590	1,375,852	1,462,127	1,548,559
Leases recognised as PPE	3	26,156	26,156	21,356	12,265	21,356	21,356	21,356	-	-	-
Less: Accumulated depreciation		577,251	634,918	686,249	556,853	618,025	618,025	618,025	65,314	133,829	205,564
Total Property, plant and equipment (PPE)	2	1,030,663	1,040,399	1,087,603	1,258,405	1,295,920	1,295,920	1,295,920	1,310,538	1,328,298	1,342,995
LIABILITIES											
Current liabilities - Financial liabilities											
Short-term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		11,547	3,014	4,766	7,459	8,280	8,280	8,280	7,246	5,456	-
Total Current liabilities - Financial liabilities		11,547	3,014	4,766	7,459	8,280	8,280	8,280	7,246	5,456	-
Trade and other payables from exchange transactions											
Trade and other payables from exchange transactions	5	101,802	88,109	99,389	87,876	118,477	118,477	118,477	99,306	80,097	110,953
Other trade payables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Trade payables from Non-exchange transactions: Unspent conditional Grants		5,317	1,008	6,024	10,004	9,539	9,539	9,539	3,900	5,159	4,745
Trade payables from Non-exchange transactions: Other		300	198	465	3,292	3,218	3,218	3,218	4,005	4,261	7,261
VAT		17,855	22,336	30,419	-	0	0	0	-	-	-
Total Trade and other payables from exchange transactions	2	125,274	111,651	136,297	101,172	131,234	131,234	131,234	107,211	89,518	122,960
Non current liabilities - Financial liabilities											
Borrowing	4	(193)	(338)	14,616	17,458	12,701	12,701	12,701	5,456	-	-
Other financial liabilities		2,444	(0)	-	-	-	-	-	-	-	-
Total Non current liabilities - Financial liabilities		2,251	(338)	14,616	17,458	12,701	12,701	12,701	5,456	-	-
Other non-current liabilities - non-current											
Retirement benefits		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		38,094	47,254	53,574	39,051	37,983	37,983	37,983	45,097	46,363	47,681
Other		5,908	6,495	7,563	6,495	7,563	7,563	7,563	1,000	1,500	1,251
Total Other non-current liabilities - non-current		44,002	53,749	61,137	45,546	45,546	45,546	45,546	46,097	47,863	48,933
CHANGES IN NET ASSETS											
Accumulated surplus/(deficit)											
Accumulated surplus/(deficit) - opening balance		952,402	1,042,048	1,084,157	1,147,262	1,168,351	1,168,351	1,168,351	1,303,210	1,384,558	1,405,862
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		952,402	1,042,048	1,084,157	1,147,262	1,168,351	1,168,351	1,168,351	1,303,210	1,384,558	1,405,862
Surplus/(Deficit)		54,784	48,825	51,592	83,674	185,725	185,725	185,725	106,303	121,721	102,257
Transfers to/from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		34,873	(6,794)	858	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	1,042,059	1,084,079	1,136,606	1,230,936	1,354,075	1,354,075	1,354,075	1,409,513	1,506,279	1,508,119
Reserves											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	19,000	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	-	-	-	19,000	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	1,042,059	1,084,079	1,136,606	1,249,936	1,354,075	1,354,075	1,354,075	1,409,513	1,506,279	1,508,119

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

Strategic Objective	Goal	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Executive & Council		41,231	49,347	49,272	47,271	47,271	47,271	48,780	49,377	42,986
To Strengthen participatory governance within the governance	Sound Governance									
Office of the Municipal Manager		35,643	47,408	37,701	46,531	46,531	46,531	48,017	51,557	46,187
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital									
Budget & Treasury		74,595	86,858	83,055	103,972	114,767	114,767	116,810	118,978	125,379
To implement sound financial management practices	Sustainable financial growth/Viability									
Corporate Services		40,504	51,431	46,074	50,627	50,700	50,700	52,321	56,176	49,691
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital									
Community Services		69,521	75,047	64,581	138,801	162,889	162,889	188,606	201,145	207,635
Facilitate promotion of health and well being of communities	improved social well being									
Technical Services		251,794	251,715	239,933	265,908	290,261	290,261	276,162	305,958	340,338
Reduction in the level services delivery backlogs. To facilitate economic growth and sustainable job creation	Accessible and sustainable infrastructure and basic services									
Development Planning		14,650	21,988	16,808	12,923	13,445	13,445	14,423	12,906	12,654
To provide a systematic intergrated spatial/land development policy. Increase regularisation of built environment	Intergrated human settlement									
Executive Support		18,229	22,675	24,534	14,925	14,925	14,925	15,401	15,537	16,097
Facilitate promotion of health and well being of communities	improved social well being									
Total Revenue (excluding capital transfers and contributions)		546,168	606,468	561,959	680,957	740,787	740,787	760,520	811,634	840,967

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

Strategic Objective	Goal	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Executive & Council										
To Strengthen participatory governance within the Municipal Manager	Sound Governance	42,975	37,311	35,993	35,371	37,710	37,710	37,797	39,672	41,558
Improved efficiency and effectiveness of the municipal administration Budget & Treasury	Capacitated and effective human capital	49,330	47,145	45,860	41,983	47,114	47,114	46,183	48,525	50,799
To implement sound financial management practices Corporate Services	Sustainable financial growth/Viability	63,144	79,320	53,340	66,301	63,175	63,175	61,143	64,409	67,617
Improved efficiency and effectiveness of the municipal administration Community Services	Capacitated and effective human capital	24,723	31,806	28,369	36,714	32,357	32,357	41,928	44,001	46,067
Facilitate promotion of health and well being of communities Technical Services	improved social well being	76,526	122,250	93,637	130,751	106,670	106,670	175,066	183,643	192,273
Reduction in the level services delivery backlogs. To facilitate Development Planning	Accessible and sustainable infrastructure and basic services	205,574	205,570	218,275	248,110	232,122	232,122	254,734	275,713	304,854
To provide a sytematic intergrated spatial/land development policy. Executive Support	Intergrated human settlement	8,942	8,333	12,208	15,057	12,251	12,251	18,038	13,703	14,347
Facilitate promotion of health and well being of communities	improved social well being	20,169	21,476	22,638	22,996	23,663	23,663	19,327	20,243	21,191
Total Expenditure		491,384	553,212	510,319	597,283	555,063	555,063	654,217	689,909	738,707

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

Strategic Objective	Goal	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Budget & Treasury										
To implement sound financial management practices	Sustainable financial growth/viability	-	-	-	-	-	-	-	100	100
Corporate Services										
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	633	1,105	824	1,500	3,040	3,040	1,000	1,100	1,100
Community Services										
Facilitate promotion of health and well being of communities	improved social well being	1,424	1,972	498	5,185	5,082	5,082	1,900	200	200
Technical Services										
Reduction in the level services delivery backlogs. To facilitate economic growth and sustainable job creation	Accessible and sustainable infrastructure and basic services	90,111	82,025	87,034	90,256	130,189	130,189	81,256	84,533	84,992
Development Planning										
To provide a systematic integrated spatial/land development policy. Increase regularisation of built environment	Integrated human settlement	-	-	-	1,100	1,075	1,075	-	390	100
Executive & Council										
Facilitate promotion of health and well being of communities	improved social well being	-	-	-	-	-	-	-	100	100
Municipal Manager										
Facilitate promotion of health and well being of communities	improved social well being	-	-	-	-	-	-	-	100	100
Allocations to other priorities										
Total Capital Expenditure		92,168	85,102	88,355	98,041	139,386	139,386	84,156	86,523	86,692

Table SA7 - Measurable performance objectives

Description	Unit of measurement	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Budget		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Vote 2 - Municipal Manager										
KPA 2: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION										
Improved efficiency and effectiveness of the Municipal Administration	% of KPIs and projects attaining organisational targets (total organisation)	95%	95%	95%	95%	95%	95%	95%	95%	95%
Improved efficiency and effectiveness of the Municipal Administration	Final SDBIP approved by Mayor within 28 days after approval of Budget	1	1	1	1	1	1	1	1	1
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
To implement sound Financial management practices	% spend of the Total Operational Budget excluding non-cash items	100%	100%	100%	100%	100%	100%	100%	100%	100%
To implement sound Financial management practices	% of remuneration compared to total operating expenditure	38%	38%	38%	38%	38%	38%	38%	38%	38%
KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
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	1	1	1	1	1	1
To strengthen participatory governance within the community	% of Council meetings resolutions implemented within the prescribed timeframe (3 months)	100%	100%	100%	100%	100%	100%	100%	100%	100%
To strengthen participatory governance within the community	Number Final IDP tabled and approved by Council by the 31 May	1	1	1	1	1	1	1	1	1
KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
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%	100%	100%	100%	100%	100%	100%
To create a culture of accountability and transparency	% execution of identified risk management plan within prescribed timeframes per quarter	100%	100%	100%	100%	100%	100%	100%	100%	100%
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
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	1	1	1	1	1	1
Vote 3 - Budget and Treasury										
KPA 4 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
To provide free basic services to registered indigents	% of registered indigent households with access to free basic electricity services by 30 June (GKPI)	60%	60%	60%	60%	60%	60%	60%	60%	60%
To provide free basic services to registered indigents										
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
To implement sound Financial management practices	Cost coverage ratio by the 30 June 2018 (GKPI)	4.01	4.01	4.01	4.01	4.01	4.01	4.01	4.01	4.01
To implement sound Financial management practices	% Collection Rate	89%	89%	89%	89%	89%	89%	89%	89%	89%
Number of assets verification reports submitted to municipal manager by 30 June		2	2	2	2	2	2	2	2	2
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
Compliance to MFMA legislation	Audited Annual Financial Statements (AFS) and Audit report submitted to council by 31 December	1	1	1	1	1	1	1	1	1
Compliance to MFMA legislation	number of monthly SCM deviation reports submitted to municipal manager	12	12	12	12	12	12	12	12	12
Compliance to MFMA legislation	% Payment of creditors within 30 days	100%	100%	100%	100%	100%	100%	100%	100%	100%
Vote 4 - Corporate Services										
KPA 2: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION										
To attract, develop and retain ethical and best human capital	Number or percentage of employees equity target groups employed in areas of highest level of management in compliance with a municipality's approved employment equity plan (GKPI)	3	3	3	3	3	3	3	3	3
To attract, develop and retain ethical and best human capital	% of budget spent implementing the Workplace Skills Plan by the 30 June (GKPI)	100%	100%	100%	100%	100%	100%	100%	100%	100%
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	1	1	1	1	1	1
Vote 5 - Community Services										
KPA 4 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
KPA 4 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
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)	0.165	0.165	0.165	0.165	0.165	0.165	0.165	0.165	0.165
To facilitate promotion of education upliftment within communities	Number of initiatives held to promote library facilities by 30 June	4	4	4	4	4	4	4	4	4
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	4	4	4	4	4	4
Increase the accessibility of emergency services to the community	Number of disaster awareness campaigns conducted by 30 June	4	4	4	4	4	4	4	4	4
Facilitate safe and secure neighborhoods										
Vote 6 - Technical Services										
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
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	63000%	63000%	63000%	63000%	63000%	63000%	63000%	63000%	63000%
To facilitate economic growth and sustainable job creation	% development of lighting master plan	1	1	1	1	1	1	1	1	1
To facilitate economic growth and sustainable job creation	Number of additional households living in formal areas provided with electricity connections	1000	1000	1000	1000	1000	1000	1000	1000	1000
To facilitate economic growth and sustainable job creation	Kilometers of new paved roads to be built/kilometers of roads resurfaced/rehabilitated/resealed	800%	800%	800%	800%	800%	800%	800%	800%	800%
To facilitate economic growth and sustainable job creation	% Development of roads master plan and maintenance plan	100%	100%	100%	100%	100%	100%	100%	100%	100%
To facilitate economic growth and sustainable job creation	% Roads signs, man holes, temporary bridges and sign boards	100%	100%	100%	100%	100%	100%	100%	100%	100%

To facilitate economic growth and sustainable job creation										
Vote 8 - Development Planning										
KPA 1: SPATIAL DEVELOPMENT ANALYSIS AND RATIONALE										
To provide a systematic integrated spatial / land development policy	Number of informal settlements targeted for upgrading	100%	100%	100%	100%	100%	100%	100%	100%	100%
To provide a systematic integrated spatial / land development policy	% Development of a Spatial Development Framework	100%	100%	100%	100%	100%	100%	100%	100%	100%
To provide a systematic integrated spatial / land development policy	% of Site demarcation projects completed	100%	100%	100%	100%	100%	100%	100%	100%	100%
To provide a systematic integrated spatial / land development policy	% projects implemented based on SPLUMA	100%	100%	100%	100%	100%	100%	100%	100%	100%
To provide a systematic integrated spatial / land development policy	% of land use applications received and processed within 90 days	100%	100%	100%	100%	100%	100%	100%	100%	100%
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%	100%	100%	100%	100%	100%	100%
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%	100%	100%	100%	100%	100%	100%
Increase regularisation of built environment										
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
To facilitate economic growth and sustainable job creation	Number of job opportunities provided through EPWP grant by 30 June	70	70	70	70	70	70	70	70	70
To facilitate economic growth and sustainable job creation	Number of networking events held by 30 June	2	2	2	2	2	2	2	2	2
To facilitate economic growth and sustainable job creation										
To facilitate economic growth and sustainable job creation										
Vote 9 - Executive Support										
KPA 4 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
Facilitates 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	4	4	4	0	0	0	4	4	4
To strengthen participatory governance within the community										
Public Participation	Number of Community Satisfaction Surveys conducted by the 30 June	1	1	1	1	1	1	1	1	1
KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
To create a culture of accountability and transparency	Number of MPAC quarterly reports submitted to council	4	4	4	0	0	0	4	4	4
Facilitates promotion of health and well-being of communities	Number of Mayoral outreach projects initiated by 30 June	2	2	2	0	0	0	2	2	2
Facilitates promotion of health and well-being of communities	Number of Speaker's outreach projects initiated by 30 June	2	2	2	0	0	0	2	2	2
Facilitates promotion of health and well-being of communities	number of MPAC outreach projects initiated by 30 June	1	1	1	0	0	0	1	1	1
And so on for the rest of the Votes										

Table SA8 – Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Credit Rating		332.59	267.29	290.04	279.86	298.50	298.50	682.83			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.10%	2.37%	0.98%	1.61%	1.77%	1.77%	0.58%	1.25%	0.86%	0.01%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.70%	7.04%	2.77%	3.67%	3.40%	3.40%	1.23%	2.58%	1.70%	0.03%
Borrowed funding of 'own' capital expenditure	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%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.00%	0.00%	0.00%	91.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Liquidity											
Current Ratio	Current assets/current liabilities	103.85%	121.13%	128.14%	132.09%	163.35%	163.35%	176.13%	171.50%	200.80%	245.72%
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	103.85%	121.13%	14.57%	4.69%	33.45%	33.45%	61.65%	171.50%	200.80%	245.72%
Liquidity Ratio	Monetary Assets/Current Liabilities	1.54%	7.01%	12.37%	20.08%	34.76%	34.76%	8.93%	12.40%	15.07%	16.67%
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		88.64%	79.47%	67.30%	99.95%	104.85%	104.85%	68.38%	85.13%	81.40%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		88.64%	79.47%	67.30%	99.95%	104.85%	104.85%	68.38%	85.13%	81.40%	75.48%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	26.35%	18.67%	24.06%	20.75%	22.22%	22.22%	34.21%	24.79%	23.72%	25.87%
Longstanding Debtors Recovered	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%
Creditors Management											
Creditors System Efficiency	% 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%
Creditors to Cash and Investments		5133.84%	1242.59%	664.02%	393.47%	222.18%	222.18%	945.51%	646.38%	553.56%	524.25%
Other Indicators											
Electricity Distribution Losses (2)	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	Employee costs/(Total Revenue - capital revenue)	32.92%	29.82%	32.85%	30.82%	27.40%	27.40%	23.75%	28.56%	27.26%	27.57%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	36.94%	32.51%	38.09%	35.07%	31.56%	31.56%		32.46%	31.04%	31.40%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.35%	2.86%	7.86%	6.27%	6.75%	6.75%		4.53%	4.40%	4.45%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.97%	11.32%	11.81%	10.30%	9.94%	9.94%	8.72%	9.74%	9.39%	9.45%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	15.64	29.84	16.20	25.16	25.16	25.16	11.24	12.18	15.21	16.74
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	90.50%	72.70%	78.92%	76.28%	81.44%	81.44%	154.71%	88.99%	83.85%	83.89%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.05%	18.98%	43.03%	60.55%	115.22%	115.22%	34.90%	38.05%	43.08%	43.10%

Table SA9 – Social, economic and geographic statistics and assumptions

Total municipal services	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets (000)									
Energy:									
Electricity (at least min.service level)	62,464	69,458	69,458	69,458	73,278	73,278	77,235	81,020	84,827
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	62,464	69,458	69,458	69,458	73,278	73,278	77,235	81,020	84,827
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	3,895	3,480	3,480	3,480	3,720	3,720	3,917	4,109	4,302
Below Minimum Service Level sub-total	3,895	3,480	3,480	3,480	3,720	3,720	3,917	4,109	4,302
Total number of households	66,359	72,938	72,938	72,938	76,998	76,998	81,152	85,129	89,130
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	6,612,145	6,612,740	6,613,339
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	6,612,145	6,612,740	6,613,339
Removed less frequently than once a week	405	405	405	405	405	406	428	448	470
Using communal refuse dump	1,993	1,993	1,993	1,993	1,993	1,999	2,105	2,208	2,312
Using own refuse dump	38,712	38,712	42,524	42,524	42,524	42,525	44,779	46,973	49,181
Other rubbish disposal	703	703	703	703	703	704	741	778	814
No rubbish disposal	8,504	8,504	8,504	8,504	8,504	8,506	8,957	9,396	9,837
Below Minimum Service Level sub-total	50,317	50,317	54,129	54,129	54,129	54,140	57,009	59,803	62,614
Total number of households	6,666,359	6,666,359	6,665,663	6,665,663	6,665,663	6,665,674	6,669,155	6,672,543	6,675,953
Municipal in-house services	2019/20	2020/21	2021/22	Current Year 2022/23			Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Energy:									
Electricity (at least min.service level)	62,464	69,458	69,458	69,458	73,278	73,278	77,235	81,020	84,827
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	62,464	69,458	69,458	69,458	73,278	73,278	77,235	81,020	84,827
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	3,895	3,480	3,480	3,480	3,720	3,720	3,917	4,109	4,302
Below Minimum Service Level sub-total	3,895	3,480	3,480	3,480	3,720	3,720	3,917	4,109	4,302
Total number of households	66,359	72,938	72,938	72,938	76,998	76,998	81,152	85,129	89,130
Refuse:									
Removed at least once a week	16,042	16,042	11,534	11,534	11,534	11,534	12,145	12,740	13,339
Minimum Service Level and Above sub-total	16,042	16,042	11,534	11,534	11,534	11,534	12,145	12,740	13,339
Removed less frequently than once a week	405	405	405	405	405	406	428	448	470
Using communal refuse dump	1,993	1,993	1,993	1,993	1,993	1,999	2,105	2,208	2,312
Using own refuse dump	38,712	38,712	42,524	42,524	42,524	42,525	44,779	46,973	49,181
Other rubbish disposal	703	703	703	703	703	704	741	778	814
No rubbish disposal	8,504	8,504	8,504	8,504	8,504	8,506	8,957	9,396	9,837
Below Minimum Service Level sub-total	50,317	50,317	54,129	54,129	54,129	54,140	57,009	59,803	62,614
Total number of households	66,359	66,359	65,663	65,663	65,663	65,674	69,155	72,543	75,953

Table SA10 – Funding measurement

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(169,169)	(379,161)	(341,049)	20,382	68,105	68,105	68,105	18,906	50,667	70,607
Cash + investments at the yr end less applications - R'000	18(1)b	2	939,183	1,000,637	1,088,154	1,233,929	1,398,090	1,398,090	1,398,090	1,406,940	1,495,790	1,488,823
Cash year end/monthly employee/supplier payments	18(1)b	3	(5.4)	(10.7)	(9.7)	0.5	1.9	1.9	1.9	0.4	1.1	1.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	54,784	48,825	51,592	83,674	185,725	185,725	185,725	106,303	121,721	102,257
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	2.0%	(1.9%)	4.1%	(1.1%)	(6.0%)	(6.0%)	4.6%	3.7%	6.9%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	4.5%	1.2%	1.0%	70.8%	70.4%	70.4%	70.4%	65.0%	67.2%	68.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7		43.2%	13.3%	37.6%	17.1%	17.1%	17.1%	50.3%	48.1%	44.6%
Capital payments % of capital expenditure	18(1)c,19	8	60.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr/(decr)	18(1)a	11	N.A.	(20.7%)	17.5%	(22.4%)	53.5%	0.0%	0.0%	46.2%	11.3%	3.3%
Long term receivables % change - incr/(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.8%	4.8%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.1%	1.7%	3.4%	2.8%	2.9%	2.9%	2.2%	2.3%	2.4%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	34.1%	3.4%	(5.5%)	36.5%	41.6%	41.6%	41.6%	0.0%	0.5%	0.5%

Table SA11 – Property rates summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
Valuation:										
Date of valuation:	2018/01/07	2019/01/07	2020/01/07	01/07/2021						
Financial year valuation used	2018-19	2019/20	2021-22	2022-23						
Municipal by-laws s6 in place? (Y/N)	Yes	Yes	Yes	Yes			Yes			
Municipal/assistant valuer appointed? (Y/N)	Yes	Yes	Yes	Yes			Yes			
Municipal partnership s38 used? (Y/N)	No	No	No	No						
No. of assistant valuers (FTE)	1.00	1.00	1.00	1.00						
No. of data collectors (FTE)	-	-	-	15.00						
No. of external valuers (FTE)	1	1	1	1						
No. of additional valuers (FTE)				0						
Valuation appeal board established? (Y/N)	No	No	No	Yes			Yes	Yes	Yes	
Implementation time of new valuation roll (mths)	12	12		8						
No. of properties	20 215	20 215	20 215	15 789			15 789			
No. of supplementary valuations	1	1	1	2			2			
No. of objections by rate payers				44			44			
No. of appeals by rate payers				-			-			
No. of successful objections				10			10			
No. of successful objections > 10%				4			4			
Supplementary valuation	1	1	1	157			157			
Public service infrastructure value (Rm)				2 925			2 925			
Municipality owned property value (Rm)				285 916			285 916			
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)				2 280			2 280			
Valuation reductions-R15,000 threshold (Rm)				141 345			141 345			
Valuation reductions-public worship (Rm)				57 850			57 850			
Valuation reductions-other (Rm)				10 710			10 710			
Total valuation reductions:	0	0	0	212 185			212 185	0	0	
Total market value (Rm)				8 575 341						
Rating:										
Residential rate used to determine rate for other categories? (Y/N)	Yes	Yes	Yes	Yes						
Differential rates used? (Y/N)	Yes	Yes	Yes	Yes						
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes						
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R'000)				44 645			59 853	59 853	63 025	66 113
Rate revenue expected to collect (R'000)				40 092			50 336	50 336		
Expected cash collection rate (%)				0			0	0		
Rebates, exemptions - other (R'000)				9 017			9 017	9 017	9 495	9 961
Phase-in reductions/discounts (R'000)										
Total rebates, exemptns, reductns, discs (R'000)	-	-	-	9 017			9 017	9 017	9 495	9 961

Table SA12a – Property rates by Category: Current year

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Mining Props.
Current Year 2022/23								
Valuation:								
No. of properties	11 096	45	330	2 956	1 251	34	75	2
No. of sectional title property values								
No. of unreasonably difficult properties s7(2)								
No. of supplementary valuations	19		49	65	24			
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%			4					
Estimated no. of properties not valued								
Years since last valuation (select)	<1	<1	<1	<1				
Frequency of valuation (select)	5	5	5	5				
Method of valuation used (select)	Other	Other	Other	Other	Other	Other	Other	Other
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)								
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?	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
Valuation reductions:								
Valuation reductions-public infrastructure (Rm)	2 280	2 280	2 280					
Valuation reductions-nature reserves/park (Rm)								
Valuation reductions-mineral rights (Rm)								
Valuation reductions-R15,000 threshold (Rm)	141 345	141 345	141 345					
Valuation reductions-public worship (Rm)	57 850	57 850	57 850					
Valuation reductions-other (Rm)	10 710	10 710	10 710					
Total valuation reductions:								
Total value used for rating (Rm)								
Total land value (Rm)								
Total value of improvements (Rm)								
Total market value (Rm)	4 192 914	84 911	1 897 196	5 378 784	404 130	318 694		700 000
Rating:								
Average rate								
Rate revenue budget (R '000)	(46 259 889)	(131 071)	(1 054 646)	(774 605)	(394 912)			
Rate revenue expected to collect (R'000)								
Expected cash collection rate (%)								

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.
Budget Year 2023/24									
Valuation:									
No. of properties	11 096.00	45.00	330.00	2 956.00	1 251.00	34.00	75.00		
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									
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)	1	1	1	1	1	1	1		
Frequency of valuation (select)	5	5	5	5	5	5	5		
Method of valuation used (select)	Other								
Base of valuation (select)	Land & impr.								
Phasing-in properties s21 (number)									
Combination of rating types used? (Y/N)									
Flat rate used? (Y/N)	No								
Is balance rated by uniform rate/variable rate?									
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)									
Valuation reductions-nature reserves/park (Rm)									
Valuation reductions-mineral rights (Rm)									
Valuation reductions-R15,000 threshold (Rm)									
Valuation reductions-public worship (Rm)									
Valuation reductions-other (Rm)									
Total valuation reductions:									
Total value used for rating (Rm)									
Total land value (Rm)									
Total value of improvements (Rm)									
Total market value (Rm)									
Rating:									
Average rate									
Rate revenue budget (R '000)									
Rate revenue expected to collect (R'000)									
Expected cash collection rate (%)									

Table SA13a – Tariffs by category

Description	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
					Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Property rates (rate in the Rand)							
Residential properties	0.0083	0.0087	0.0090	0.0094	0.0099	0.0104	0.0109
Residential properties - vacant land	0.0083	0.0087	0.0090	0.0094	0.0099	0.0104	0.0109
Formal/informal settlements							
Small holdings							
Farm properties - used	0.0021	0.0022	0.0023	0.0024	0.0025	0.0026	0.0027
Farm properties - not used	0.0021	0.0022	0.0023	0.0024	0.0025	0.0026	0.0027
Industrial properties	0.0021	0.0022	0.0023	0.0025	0.0026	0.0027	0.0028
Business and commercial properties	0.0016	0.0171	0.0178	0.0187	0.0020	0.0021	0.0022
Communal land - residential							
Communal land - small holdings							
Communal land - farm property							
Communal land - business and commercial							
State-owned properties	0.0083	0.0083	0.0083	0.0094	0.0099	0.0104	0.0109
Municipal properties							
Public service infrastructure	0.002	0.002	0.002	0.002	0.002	0.003	0.003
National monuments properties							
Exemptions, reductions and rebates (Rands)							
Residential properties							
R15 000 threshold rebate	15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Indigent rebate or exemption							
Pensioners/social grants rebate or exemption							
Bona fide farmers rebate or exemption							
Other rebates or exemptions	30 000	30 000	30 000	30 000	30 000	30 000	30 000
Electricity tariffs							
Domestic							
Basic charge/ fixed fee (Rands/month)	187.230	198.880	227.900	244.920	288.613	302.755	316.985
Service point - vacant land (Rands/month)	187	199	228	245	263.21603	276.11361	289.09095
FBE	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh
Life-line tariff - meter	1.447	1.546					
Life-line tariff - prepaid	0.805	0.995					
Flat rate tariff - meter (c/kwh)	1.122	1.323					
Flat rate tariff - prepaid(c/kwh)	1.426	1.753					
Meter - IBT Block 1 (c/kwh)	1.034	105.690					
Meter - IBT Block 2 (c/kwh)	1.329	141.190					
Meter - IBT Block 3 (c/kwh)	1.871	186.160					
Waste management tariffs							
Domestic							
Street cleaning charge							
Basic charge/ fixed fee	87.254	92.730	96.350	100.975	106.326	111.536	116.779
80l bin - once a week							
250l bin - once a week							

Table SA13b – Tariffs by category

Description	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
						Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Exemptions, reductions and rebates (Rands)								
	Residential Properties(Property Rates)				0.0094414	0.048	0.0099418	0.053
	Business,commercial and mining properties(Property rates)				0.0018652	0.048	0.0019641	0.053
	Agricultural Properties(Property rates)				0.002358	0.048	0.002483	0.053
	State Owned Properties for benefit of the public(Property rates)				0.0094414	0.048	0.0094865	0.053
	Public Service Infrastructure properties(Property rates)				0.002358	0.048	0.002483	0.053
	Public Benefit Organization Properties/OLD Age				0	0	0	0
Waste tariffs								
	Basic charge (Residential)				100.9711	106.32257	111.53237	116.7744
	Deposit New					2189.76	2297.0582	2405.02
	Retirement Homes/ RDP				86.412882	90.992765	95.45141	99.937626
	Basic charge (Commercial) 85 Litre Bin/Bin Liner							
	1 x per week				247.14128	260.23977	272.99151	285.82212
	2 x per week				370.16089	389.77942	408.87861	428.09591
	3 x per week				555.23565	584.66314	613.31163	642.13728
	4 x per week				741.6531	780.96071	819.22778	857.73149
	5 x per week				926.73923	975.85641	1023.6734	1071.786
Electricity tariffs								
	DOMESTIC PREPAID (RESIDENTIAL)				135.243	145.346	152.468	159.634
	Domestic Block 1 (C/kwh)				173.875	186.864	196.020	205.233
	Domestic Block 2 (C/kwh)				244.723	263.004	275.891	288.858
	Domestic Block 1 (C/kwh)				130.157	139.880	146.734	153.630
	Domestic Block 2 (C/kwh)				173.875	186.864	196.020	205.233
	Domestic Block 3 (C/kwh)				229.256	246.381	258.454	270.601
	Basic charge: R/month(Fixed charge wether electricity is consumed or not)				244.920	263.216	276.114	289.091
	Energy charge (40Amps to 60 Amps) c/kwh				183.580	197.293	206.960	216.687
	Energy charge 80Amps>c/kwh				246.805	265.241	278.238	291.315

Table SA14 – Household bills

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Rand/cent							% incr.			
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	500	528	528	528	528	528	5%	556	583	611
Electricity: Basic levy	1 280	1 352	1 352	1 352	1 352	1 352	5%	1 424	1 493	1 564
Electricity: Consumption	1 280	1 352	1 352	1 352	1 352	1 352	5%	1 424	1 493	1 564
Sanitation	-	-	-	-	-	-	-	-	-	-
Refuse removal	150	158	158	158	158	158	5%	166	175	183
Other	-	-	-	-	-	-	-	-	-	-
sub-total	3 210	3 390	3 390	3 390	3 390	3 390	5%	3 570	3 745	3 921
VAT on Services	407	429	429	429	429	429	5%	452	474	496
Total large household bill:	3 617	3 819	3 819	3 819	3 819	3 819	5%	4 021	4 218	4 417
% increase/-decrease		6%	0%	0%	0%	0%		5%	5%	5%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	700	739	739	779	779	779	5%	820	860	901
Electricity: Basic levy	344	363	363	382	382	382	5%	402	422	442
Electricity: Consumption	1 309	1 382	1 382	1 457	1 457	1 457	5%	1 534	1 609	1 685
Sanitation	-	-	-	-	-	-	-	-	-	-
Refuse removal	294	310	310	327	327	327	5%	344	361	378
Other	-	-	-	-	-	-	-	-	-	-
sub-total	2 647	2 794	2 794	2 945	2 945	2 945	5%	3 101	3 253	3 406
VAT on Services	292	308	308	325	325	325	5%	342	359	376
Total small household bill:	2 939	3 102	3 102	3 270	3 270	3 270	5%	3 443	3 612	3 782
% increase/-decrease		6%	0%	5%	0%	0%		5%	5%	5%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	70	74	74	78	78	78	5%	82	86	90
Electricity: Basic levy	1 338	1 413	1 413	1 489	1 489	1 489	5%	1 568	1 645	1 722
Electricity: Consumption	1 338	1 413	1 413	1 489	1 489	1 489	5%	1 568	1 645	1 722
Sanitation	-	-	-	-	-	-	-	-	-	-
Refuse removal	100	106	106	111	111	111	5%	117	123	128
Other	-	-	-	-	-	-	-	-	-	-
sub-total	2 846	3 006	3 006	3 167	3 167	3 167	5%	3 335	3 498	3 663
VAT on Services	292	308	308	325	325	325	5%	342	359	376
Total small household bill:	3 138	3 314	3 314	3 492	3 492	3 492	5%	3 677	3 857	4 039
% increase/-decrease		6%	0%	5%	0%	0%		5%	5%	5%

Table SA15 – Detail Investment Information

Investment type	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality									
Securities - National Government	-	-	-	17,278,459	17,278,459	17,278,459	18,498,516	19,389,874	20,325,176
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-	-
Municipal Bonds	-	-	-	-	-	-	-	-	-
Municipality sub-total	-	-	-	17,278,459	17,278,459	17,278,459	18,498,516	19,389,874	20,325,176
Consolidated total:	-	-	-	17,278,459	17,278,459	17,278,459	18,498,516	19,389,874	20,325,176

Table SA16 – Investment particulars by maturity

Not applicable

Table SA17 – Borrowings

Borrowing - Categorized by type	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality									
Annuity and Bullet Loans									
Long-Term Loans (non-annuity)									
Instalment Credit									
Financial Leases	33,676	23,302	12,702	17,458	12,701	12,701	7,246	5,456	–
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Financial derivatives									
Other Securities									
Municipality sub-total	33,676	23,302	12,702	17,458	12,701	12,701	7,246	5,456	–
Total Borrowing	33,676	23,302	12,702	17,458	12,701	12,701	7,246	5,456	–

2.7 Expenditure on grants and reconciliation of unspent funds

Table SA18 - Transfers and Grants Receipts

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:									
Operating Transfers and Grants									
National Government:	273 218	351 908	307 768	338 906	338 906	338 906	363 745	387 608	378 480
Local Government Equitable Share	269 013	347 526	302 789	334 260	334 260	334 260	358 519	384 758	375 492
Finance Management	2 235	2 600	2 650	2 850	2 850	2 850	2 850	2 850	2 988
EPWP Incentive	1 374	1 681	2 199	1 796	1 796	1 796	2 376	–	–
Disaster Relief Grant	596	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Management	–	–	–	–	–	–	–	–	–
District Municipality:	–	–	–	–	–	–	–	–	–
N/A									
Other grant providers:	–	–	–	–	–	–	–	–	–
Education Training and Development Practices SETA	–	102	130	–	–	–	–	–	–
Total Operating Transfers and Grants	273 218	351 908	307 768	338 906	338 906	338 906	363 745	387 608	378 480
Capital Transfers and Grants									
National Government:	73 921	68 891	79 332	79 606	79 606	79 606	79 756	76 283	79 692
Municipal Infrastructure Grant (MIG)	54 921	53 891	57 984	62 606	62 606	62 606	65 356	68 283	71 334
Intergrated National Electrification Grant	19 000	15 000	21 348	17 000	17 000	17 000	14 400	8 000	8 358
Provincial Government:	–	–	–	–	–	–	–	–	–
N/A									
District Municipality:	–	–	–	–	–	–	–	–	–
N/A									
Other grant providers:	–	–	–	–	–	–	–	–	–
Coghsta - Development	21 471	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	73 921	68 891	79 332	79 606	79 606	79 606	79 756	76 283	79 692
TOTAL RECEIPTS OF TRANSFERS & GRANTS	347 139	420 799	387 100	418 512	418 512	418 512	443 501	463 891	458 172

Table SA19 - Expenditure on transfers and grants expenditure

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	273 218	351 908	307 767	338 906	338 906	338 906	363 745	387 608	378 480
Local Government Equitable Share	269 013	347 526	302 788	334 260	334 260	334 260	358 519	384 758	375 492
Finance Management	2 235	2 600	2 650	2 850	2 850	2 850	2 850	2 850	2 988
EPWP Incentive	1 374	1 681	2 199	1 796	1 796	1 796	2 376	-	-
Disaster Relief Grant	596	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Management	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
Education Training and Development Practices SETA	-	102	130	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	273 218	351 908	307 767	338 906	338 906	338 906	363 745	387 608	378 480
Capital expenditure of Transfers and Grants									
National Government:	70 685	68 450	74 316	79 606	79 606	57 296	79 756	76 283	79 692
Municipal Infrastructure Grant (MIG)	51 731	53 891	57 924	62 606	62 606	48 076	65 356	68 283	71 334
Intergrated National Electrification Grant	18 954	14 559	16 392	17 000	17 000	9 220	14 400	8 000	8 358
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
Coghsta - Development	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	70 685	68 450	74 316	79 606	79 606	57 296	79 756	76 283	79 692
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	343 902	420 359	382 083	418 512	418 512	396 202	443 501	463 891	458 172

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	273 218	351 908	307 767	338 906	338 906	338 906	363 745	387 608	378 480
Local Government Equitable Share	269 013	347 526	302 788	334 260	334 260	334 260	358 519	384 758	375 492
Finance Management	2 235	2 600	2 650	2 850	2 850	2 850	2 850	2 850	2 988
EPWP Incentive	1 374	1 681	2 199	1 796	1 796	1 796	2 376	-	-
Disaster Relief Grant	596	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Management	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
Education Training and Development Practices SETA	-	102	130	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	273 218	351 908	307 767	338 906	338 906	338 906	363 745	387 608	378 480
Capital expenditure of Transfers and Grants									
National Government:	70 685	68 450	74 316	79 606	79 606	57 296	79 756	76 283	79 692
Municipal Infrastructure Grant (MIG)	51 731	53 891	57 924	62 606	62 606	48 076	65 356	68 283	71 334
Intergrated National Electrification Grant	18 954	14 559	16 392	17 000	17 000	9 220	14 400	8 000	8 358
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
Coghsta - Development	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	70 685	68 450	74 316	79 606	79 606	57 296	79 756	76 283	79 692
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	343 902	420 359	382 083	418 512	418 512	396 202	443 501	463 891	458 172

Table SA21 – Transfers and Grants made by the municipality

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Transfers to Organisations										
Education Training and Development Practices SETA	-	102	130	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	-	-	-	-	-	-	-	-	-	-
Groups of Individuals										
Free Basic Electricity	802	1 351	628	629	523	523	224	793	894	1 007
Retirement Benefit	1 757	1 815	1 752	2 163	1 650	1 650	544	1 833	1 923	2 014
External Bursaries	500	110	212	500	500	500	265	550	600	650
TOTAL NON-CASH TRANSFERS AND GRANTS	3 059	3 275	2 591	3 292	2 673	2 673	1 033	3 176	3 417	3 671
TOTAL TRANSFERS AND GRANTS	3 059	3 377	3 405	3 292	2 673	2 673	1 033	3 176	3 417	3 671

Table SA22 – Summary councilors and staff benefits

Summary of Employee and Councilor remuneration	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	14,851	14,184	15,253	14,476	14,986	14,986	16,222	17,017	17,817
Pension and UIF Contributions	1,644	1,600	1,863	2,504	2,996	2,996	2,060	2,161	2,263
Medical Aid Contributions	417	396	194	89	89	89	89	93	97
Motor Vehicle Allowance	5,354	5,167	5,281	5,536	6,144	6,144	5,399	5,664	5,930
Cellphone Allowance	2,804	2,708	2,738	2,753	2,652	2,652	2,489	2,611	2,733
Other benefits and allowances	–	223	238	223	259	259	230	241	253
Sub Total - Councillors	25,068	24,279	25,567	25,580	27,126	27,126	26,490	27,788	29,094
% increase		-3%	5%	0%	6%	0%	-2%	5%	5%
Senior Managers of the Municipality									
Basic Salaries and Wages	4,304	3,947	3,197	4,315	2,769	2,769	4,877	5,116	5,357
Pension and UIF Contributions	163	141	88	338	140	140	366	383	401
Medical Aid Contributions	79	81	80	1,464	257	257	211	221	232
Overtime	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	660	420	186	519	251	251	545	572	598
Cellphone Allowance	161	114	85	166	79	79	168	176	185
Other benefits and allowances	445	1,846	211	312	201	201	361	378	396
Sub Total - Senior Managers of Municipality	5,813	6,549	3,847	7,112	3,697	3,697	6,527	6,847	7,169
% increase		13%	-41%	85%	-48%	0%	77%	5%	5%
Other Municipal Staff									
Basic Salaries and Wages	90,220	93,585	102,769	115,473	104,223	104,223	124,064	126,786	132,745
Pension and UIF Contributions	17,856	18,983	19,579	26,387	20,625	20,625	25,011	26,125	27,353
Medical Aid Contributions	5,391	5,228	5,442	5,593	5,906	5,906	6,133	6,433	6,735
Overtime	1,261	1,353	1,055	1,163	347	347	1,232	1,292	1,353
Motor Vehicle Allowance	11,107	12,066	13,018	15,702	14,056	14,056	15,907	16,686	17,470
Cellphone Allowance	1,757	1,901	1,917	1,426	1,925	1,925	1,830	1,920	2,010
Housing Allowances	174	206	220	230	253	253	268	255	267
Other benefits and allowances	8,146	2,655	10,429	11,279	15,605	15,605	12,629	13,246	13,867
Payments in lieu of leave	494	6,688	624	442	4,283	4,283	35	37	39
Long service awards	446	1,405	1,288	510	253	253	824	864	905
Sub Total - Other Municipal Staff	136,852	144,070	156,340	178,204	167,476	167,476	187,932	193,643	202,743
% increase		5%	9%	14%	-6%	0%	12%	3%	5%
Total Parent Municipality	167,733	174,898	185,754	210,897	198,299	198,299	220,949	228,278	239,006
		4%		6%			0%		5%
TOTAL SALARY, ALLOWANCES & BENEFITS	167,733	174,898	185,754	210,897	198,299	198,299	220,949	228,278	239,006
% increase		4%	6%	14%	-6%	0%	11%	3%	5%
TOTAL MANAGERS AND STAFF	142,665	150,619	160,187	185,316	171,173	171,173	194,460	200,491	209,913

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

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Councillors						
Speaker	529	72	225	-	-	826
Chief Whip	496	68	214	-	-	777
Executive Mayor	661	90	271	-	-	1,022
Executive Committee	2,280	259	1,023	-	-	3,562
Total for all other councillors	12,257	1,660	6,386	-	-	20,302
Total Councillors	16,222	2,149	8,118	-	-	26,490
Senior Managers of the Municipality						
Municipal Manager (MM)	913	144	194	-	-	1,250
Chief Finance Officer	796	80	180	-	-	1,056
Director Community Services	782	111	161	-	-	1,055
Director Infrastructure	796	80	180	-	-	1,056
Director Development Planning	796	80	180	-	-	1,056
Director Corporate Services	796	80	180	-	-	1,056
Total Senior Managers of the Municipality	4,877	576	1,074	-	-	6,527
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	21,100	2,725	9,192	-	-	33,017

Table SA24 – Summary of Personal numbers

Summary of Personnel Numbers	2021/22			Current Year 2022/23			Budget Year 2023/24		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Councillors (Political Office Bearers plus Other Councillors)	61	0	61	61	0	61	61	0	61
Board Members of municipal entities	-	-	-	-	-	-	-	-	-
Municipal employees	370	267	67	370	267	67	269	196	67
Municipal Manager and Senior Managers	7	-	7	7	-	6	6	-	6
Other Managers	35	34	-	35	34	-	37	37	-
Professionals	46	41	8	46	41	7	73	66	7
Finance	27	26	8	27	26	7	36	29	7
Spatial/town planning	9	5	-	9	5	-	8	8	-
Information Technology	-	-	-	-	-	-	3	3	-
Roads	-	-	-	-	-	-	6	6	-
Electricity	-	-	-	-	-	-	3	3	-
Refuse	-	-	-	-	-	-	7	7	-
Other	10	10	-	10	10	-	10	10	-
Technicians	63	35	-	63	35	-	63	63	-
Finance	-	-	-	-	-	-	-	-	-
Spatial/town planning	-	-	-	-	-	-	-	-	-
Information Technology	5	5	-	5	5	-	5	5	-
Roads	44	16	-	44	16	-	44	44	-
Electricity	7	7	-	7	7	-	7	7	-
Other	7	7	-	7	7	-	7	7	-
Clerks (Clerical and administrative)	118	118	-	118	118	-	10	10	-
Service and sales workers	14	14	-	14	14	-	14	14	-
Plant and Machine Operators	25	25	-	25	25	-	25	25	-
Elementary Occupations	96	96	-	96	96	-	74	74	-
TOTAL PERSONNEL NUMBERS	465	363	76	465	363	74	363	289	74
% increase	-	-	-	-	-	(0)	(0)	(0)	-
Total municipal employees headcount	370	267	67	370	267	67	269	196	67
Finance personnel headcount	60	59	-	60	59	-	60	59	-
Human Resources personnel headcount	34	34	-	34	34	-	34	34	-

Monthly targets for revenue, expenditure and cash flow

Table SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2023/24												Medium Term Revenue and		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue By Source															
Property rates	5,252	5,252	5,252	5,252	5,252	5,252	5,252	5,252	5,252	5,252	5,252	5,252	63,025	66,113	69,220
Service charges - electricity revenue	28,489	4,868	1,391	6,143	5,679	5,447	3,767	9,659	5,563	9,388	6,259	29,250	115,903	130,669	153,797
Service charges - refuse revenue	816	816	816	816	816	816	816	816	816	816	816	816	9,798	10,278	10,761
Rental of facilities and equipment	83	44	65	56	56	101	164	99	31	37	57	120	913	958	1,003
Interest earned - external investments	-	215	322	-	-	190	123	455	-	150	-	851	2,306	2,491	2,594
Interest earned - outstanding debtors	1,205	893	910	1,194	1,021	1,261	1,092	1,361	1,090	1,582	1,812	1,265	14,686	21,437	24,180
Fines, penalties and forfeits	7,961	7,279	9,961	6,295	10,961	10,282	7,028	7,961	8,614	10,890	7,403	5,895	100,528	105,453	110,410
Licences and permits	1,764	301	86	380	352	337	233	598	344	581	388	1,811	7,176	7,528	7,882
Transfers and subsidies	147,144	3,444	-	-	1,070	129,166	-	712	82,209	-	-	-	363,745	387,608	378,480
Other revenue	313	252	289	247	240	262	176	171	162	182	164	226	2,684	2,816	2,948
Gains															
Total Revenue (excluding capital transfers and	193,027	23,364	19,092	20,383	25,447	153,115	18,652	27,084	104,083	28,880	22,151	45,486	680,764	735,351	761,275
Expenditure By Type															
Employee related costs	15,188	15,188	15,188	15,188	15,188	15,188	15,188	15,188	15,188	15,188	15,188	27,394	194,459	200,490	209,912
Remuneration of councillors	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207	26,490	27,788	29,094
Debt impairment	2,564	2,564	2,564	2,564	2,564	2,564	2,564	2,564	2,564	2,564	2,564	66,647	94,855	99,503	104,180
Depreciation & asset impairment	5,345	5,345	5,345	5,345	5,345	5,345	5,345	5,345	5,345	5,345	5,345	6,608	65,402	68,607	71,831
Finance charges	101	96	89	87	81	78	74	67	64	57	53	85	931	471	100
Bulk purchases - electricity	9,347	9,347	9,347	9,347	9,347	9,347	9,347	9,347	9,347	9,347	9,347	10,201	113,017	127,505	150,074
Inventory consumed	4,750	3,745	3,538	2,217	2,634	2,944	2,202	6,106	4,556	2,518	2,125	3,439	40,774	42,762	44,763
Contracted services	6,411	4,685	4,801	5,239	6,088	6,053	5,721	5,279	4,868	4,643	4,376	5,354	63,520	67,294	70,501
Transfers and subsidies	265	265	265	265	265	265	265	265	265	265	265	265	3,176	3,417	3,671
Other expenditure	3,363	2,738	3,103	3,151	3,567	3,604	3,550	3,826	5,023	4,015	4,468	10,432	50,842	51,388	53,757
Losses												751	751	685	825
Total Expenditure	49,541	46,180	46,447	45,610	47,287	47,596	46,463	50,194	49,427	46,149	45,938	133,385	654,217	689,909	738,707
Surplus/(Deficit)	143,485	(22,816)	(27,355)	(25,227)	(21,841)	105,520	(27,811)	(23,110)	54,656	(17,269)	(23,787)	(87,899)	26,547	45,441	22,569
Transfers and subsidies - capital (monetary allocations)	18,850	-	24,292	3,388	-	17,486	-	3,388	8,963	-	3,388	-	79,756	76,283	79,692
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													-	-	-
Transfers and subsidies - capital (in-kind - all)													-	-	-
Surplus/(Deficit) after capital transfers & contributor	162,335	(22,816)	(3,063)	(21,838)	(21,841)	123,006	(27,811)	(19,722)	63,619	(17,269)	(20,398)	(87,899)	106,303	121,724	102,261
Taxation													-	-	-
Attributable to minorities	18,850	-	24,292	3,388	-	17,486	-	3,388	3,388	8,963	-	(79,756)	-	-	-
Share of surplus/ (deficit) of associate												0	-	-	-
Surplus/(Deficit)	181,186	(22,816)	21,229	(18,450)	(21,841)	140,491	(27,811)	(16,334)	67,007	(8,306)	(20,398)	(167,655)	106,303	121,724	102,261

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

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote															
Vote 1 - Executive & Council	10,497	-	-	-	-	21,814	-	-	16,470	-	-	-	48,780	49,377	42,986
Vote 2 - Municipal Manager	22,887	-	-	-	-	14,300	-	-	10,830	-	-	0	48,017	51,557	46,187
Vote 3 - Budget & Treasury	24,173	9,148	6,446	6,120	6,132	20,266	6,263	6,644	12,652	6,504	6,348	6,114	116,810	118,978	125,379
Vote 4 - Corporate Services	20,004	9	15	10	5	16,680	9	3	15,566	5	8	6	52,321	56,176	49,691
Vote 5 - Community Services	39,766	8,494	10,960	7,689	12,226	35,835	8,171	9,770	25,089	12,581	9,201	8,823	188,606	201,145	207,635
Vote 6 - Technical Services	82,464	5,012	25,856	9,874	5,910	52,837	4,107	13,252	26,801	9,712	9,891	30,443	276,162	305,958	340,338
Vote 7 - Developmental Planning	6,011	701	107	79	1,173	4,373	101	802	807	77	90	100	14,423	12,906	12,654
Vote 8 - Executive Support	6,075	-	-	-	-	4,495	-	-	4,831	-	-	-	15,401	15,537	16,097
Total Revenue by Vote	211,877	23,364	43,384	23,771	25,447	170,601	18,652	30,472	113,046	28,880	25,539	45,486	760,520	811,634	840,967
Expenditure by Vote to be appropriated															
Vote 1 - Executive & Council	3,470	2,822	2,820	2,997	3,052	3,921	3,215	2,989	3,490	3,035	3,081	2,904	37,797	39,672	41,558
Vote 2 - Municipal Manager	4,396	4,887	4,072	3,510	3,939	4,228	4,856	3,529	3,127	2,914	2,915	3,808	46,183	48,525	50,799
Vote 3 - Budget & Treasury	6,844	3,877	3,867	4,455	4,770	7,425	4,363	5,035	6,423	4,726	4,197	5,160	61,143	64,409	67,617
Vote 4 - Corporate Services	3,703	3,094	3,187	3,080	3,092	3,251	3,369	3,056	4,318	3,165	3,247	5,366	41,928	44,001	46,067
Vote 5 - Community Services	25,238	10,060	8,308	10,909	10,623	12,170	9,375	13,001	10,806	13,041	11,165	40,371	175,066	183,643	192,273
Vote 6 - Technical Services	42,197	15,761	12,795	17,073	15,293	17,610	14,250	22,029	16,822	20,774	17,330	42,800	254,734	275,713	304,854
Vote 7 - Developmental Planning	1,429	1,473	1,534	1,266	1,730	2,053	1,308	1,645	1,385	1,313	1,697	1,207	18,038	13,703	14,347
Vote 8 - Executive Support	1,582	1,479	1,434	1,437	1,399	2,397	1,424	1,677	1,632	1,481	1,593	1,791	19,327	20,243	21,191
Total Expenditure by Vote	88,858	43,453	38,017	44,728	43,898	53,056	42,160	52,961	48,003	50,449	45,226	103,408	654,217	689,909	738,707
Surplus/(Deficit) before assoc.	123,019	(20,089)	5,367	(20,957)	(18,451)	117,545	(23,509)	(22,489)	65,043	(21,569)	(19,687)	(57,922)	106,303	121,724	102,261
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	123,019	(20,089)	5,367	(20,957)	(18,451)	117,545	(23,509)	(22,489)	65,043	(21,569)	(19,687)	(57,922)	106,303	121,724	102,261

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

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional															
Governance and administration	91,152	9,157	6,461	6,129	6,137	85,090	6,272	6,647	64,449	6,509	6,357	6,120	300,480	308,188	300,358
Executive and council	12,173	–	–	–	–	24,303	–	–	18,967	–	–	–	55,444	56,531	49,950
Finance and administration	72,674	9,157	6,461	6,129	6,137	56,095	6,272	6,647	42,594	6,509	6,357	6,120	231,152	236,748	235,896
Internal audit	6,305	–	–	–	–	4,692	–	–	2,888	–	–	0	13,884	14,908	14,512
Community and public safety	20,486	7,266	9,947	6,282	10,948	20,007	7,011	7,945	15,114	10,873	7,386	5,885	129,150	136,191	140,317
Community and social services	1,956	5	3	10	10	3,142	6	7	2,496	7	7	3,679	11,327	12,160	11,845
Sport and recreation	10,595	7	9	2	2	6,608	2	3	4,029	0	2	(3,663)	17,595	18,892	18,392
Public safety	7,936	7,254	9,936	6,270	10,936	10,257	7,003	7,936	8,590	10,865	7,378	5,870	100,228	105,139	110,081
Economic and environmental services	42,544	1,053	24,556	520	1,585	40,106	504	1,504	14,853	701	540	2,036	130,503	135,451	137,437
Planning and development	9,516	701	107	79	1,173	6,540	101	802	3,387	77	90	100	22,674	21,766	21,278
Road transport	32,535	352	24,449	441	412	33,354	402	702	11,335	623	450	1,937	106,992	112,787	115,285
Environmental protection	493	–	–	–	–	212	–	–	131	–	–	–	836	898	874
Trading services	57,695	5,888	2,420	10,840	6,777	25,398	4,865	14,376	18,630	10,797	11,256	31,445	200,386	231,805	262,855
Energy sources	41,288	4,966	1,498	9,818	5,855	11,295	3,943	13,154	9,592	9,675	9,834	30,323	151,238	177,739	206,694
Waste management	16,406	922	922	1,022	922	14,103	922	1,222	9,038	1,122	1,422	1,122	49,148	54,066	56,160
Total Revenue - Functional	211,877	23,364	43,384	23,771	25,447	170,601	18,652	30,472	113,046	28,880	25,539	45,486	760,520	811,634	840,967
Expenditure - Functional															
Governance and administration	24,024	17,924	16,314	17,063	17,577	22,492	18,497	18,102	20,289	16,951	16,515	22,185	227,933	238,956	249,922
Executive and council	4,301	3,466	3,359	3,673	3,617	4,554	4,097	3,532	4,115	3,752	3,605	3,632	45,702	47,658	49,922
Finance and administration	18,675	12,321	11,506	12,575	13,385	17,220	12,761	13,591	15,670	12,882	12,615	17,647	170,845	179,428	187,581
Internal audit	1,049	2,137	1,450	816	576	719	1,638	979	504	317	295	906	11,385	11,870	12,418
Community and public safety	21,629	6,801	4,890	7,595	7,364	8,338	6,101	9,705	7,334	9,610	7,671	21,833	118,872	124,697	130,557
Community and social services	650	528	534	509	568	888	515	518	533	491	522	3,210	9,467	9,930	10,397
Sport and recreation	1,644	1,368	1,573	1,412	1,474	1,432	1,410	1,382	1,472	1,433	1,368	(1,162)	14,805	15,530	16,260
Public safety	19,335	4,905	2,783	5,675	5,321	6,018	4,176	7,806	5,329	7,685	5,782	19,786	94,601	99,236	103,900
Economic and environmental services	11,055	9,704	10,252	10,473	9,813	11,981	10,284	11,066	9,781	10,738	11,153	11,471	127,771	128,802	134,846
Planning and development	2,038	1,964	2,140	1,733	2,302	2,895	1,794	2,189	1,963	1,800	2,200	1,975	24,992	20,997	21,984
Road transport	8,959	7,682	8,053	8,682	7,453	9,029	8,432	8,819	7,761	8,881	8,896	9,438	102,085	107,077	112,100
Environmental protection	58	58	58	58	58	58	58	58	58	58	58	58	695	729	763
Trading services	32,150	9,026	6,561	9,596	9,144	10,245	7,279	14,087	10,599	13,149	9,887	47,919	179,641	197,455	223,381
Energy sources	29,312	6,547	3,912	7,103	6,652	7,193	4,773	11,588	7,952	10,531	7,227	30,251	133,039	148,571	172,201
Waste management	2,838	2,479	2,649	2,493	2,492	3,051	2,506	2,500	2,647	2,618	2,660	17,668	46,602	48,884	51,181
Total Expenditure - Functional	88,858	43,453	38,017	44,728	43,898	53,056	42,160	52,961	48,003	50,449	45,226	103,408	654,217	689,909	738,707
Surplus/(Deficit) before assoc.	123,019	(20,089)	5,367	(20,957)	(18,451)	117,545	(23,509)	(22,489)	65,043	(21,569)	(19,687)	(57,922)	106,303	121,724	102,261
Share of surplus/ (deficit) of associate													–	–	–
Surplus/(Deficit)	123,019	(20,089)	5,367	(20,957)	(18,451)	117,545	(23,509)	(22,489)	65,043	(21,569)	(19,687)	(57,922)	106,303	121,724	102,261

Table SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Multi-year expenditure to be appropriated															
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	81	126	-	205	-	-	87	-	202	-	-	700	1,000	1,000
Vote 5 - Community Services	159	26	89	102	-	211	132	99	84	100	-	-	1,000	-	-
Vote 6 - Technical Services	1,168	3,682	3,955	6,762	5,629	11,821	4,969	3,047	8,498	3,768	7,749	12,308	73,356	73,083	26,669
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	1,327	3,788	4,170	6,864	5,833	12,031	5,101	3,232	8,582	4,070	7,749	12,308	75,056	74,083	27,669
Single-year expenditure to be appropriated															
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-	-	100	100
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	100	100
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-	-	-	-	100	100
Vote 4 - Corporate Services	-	100	-	-	100	-	-	100	-	-	-	-	300	100	100
Vote 5 - Community Services	44	266	1	514	5	1	35	5	9	15	-	5	900	200	200
Vote 6 - Technical Services	347	559	219	917	324	1,027	182	1,174	604	393	1,278	876	7,900	11,450	58,323
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	390	100
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	391	925	220	1,431	429	1,028	217	1,279	613	408	1,278	881	9,100	12,440	59,023
Total Capital Expenditure	1,718	4,713	4,390	8,295	6,262	13,059	5,318	4,512	9,195	4,478	9,027	13,189	84,156	86,523	86,692

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

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional															
Governance and administration	–	181	126	–	305	–	–	187	–	202	–	–	1,000	1,400	1,400
Executive and council	–	–	–	–	–	–	–	–	–	–	–	–	–	200	200
Finance and administration	–	181	126	–	305	–	–	187	–	202	–	–	1,000	1,200	1,200
Internal audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety	44	6	1	4	5	1	5	5	9	15	–	5	100	100	100
Community and social services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sport and recreation	44	6	1	4	5	1	5	5	9	15	–	5	100	–	–
Public safety	–	–	–	–	–	–	–	–	–	–	–	–	–	100	100
Economic and environmental services	1,168	1,307	4,025	6,386	4,881	11,916	3,622	2,631	8,589	3,033	6,190	12,508	66,256	72,873	72,534
Planning and development	–	–	–	–	–	–	–	–	–	–	–	–	–	390	100
Road transport	1,168	1,307	4,025	6,386	4,881	11,916	3,622	2,631	8,589	3,033	6,190	12,508	66,256	72,483	72,434
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services	505	3,220	238	1,905	1,072	1,142	1,691	1,689	597	1,228	2,837	676	16,800	12,150	12,658
Energy sources	347	2,934	149	1,293	1,072	932	1,529	1,590	514	1,128	2,837	676	15,000	12,050	12,558
Waste management	159	286	89	612	–	211	162	99	84	100	–	–	1,800	100	100
Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	1,718	4,713	4,390	8,295	6,262	13,059	5,318	4,512	9,195	4,478	9,027	13,189	84,156	86,523	86,692
Funded by:															
National Government	1,505	4,120	4,094	7,594	5,915	12,736	4,998	4,103	8,952	4,082	8,818	12,839	79,756	76,283	79,692
Provincial Government	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	1,505	4,120	4,094	7,594	5,915	12,736	4,998	4,103	8,952	4,082	8,818	12,839	79,756	76,283	79,692
Borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	213	593	296	701	348	323	320	409	243	396	209	350	4,400	10,240	7,000
Total Capital Funding	1,718	4,713	4,390	8,295	6,262	13,059	5,318	4,512	9,195	4,478	9,027	13,189	84,156	86,523	86,692

Table SA 30 – Budget Monthly Cash Flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Cash Receipts By Source													1		
Property rates	4,383	4,458	4,464	4,467	4,495	4,525	4,548	4,577	4,594	4,683	4,705	4,494	54,392	58,227	62,147
Service charges - electricity revenue	28,583	4,950	1,491	6,410	5,837	5,606	3,930	9,736	5,658	9,646	6,426	29,388	117,660	136,543	159,651
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	702	516	516	572	516	627	516	683	516	627	795	627	7,213	7,791	8,385
Rental of facilities and equipment	83	44	65	56	56	101	164	99	31	37	57	120	913	958	1,003
Interest earned - external investments	-	215	322	-	-	190	123	455	-	150	-	-	1,455	1,600	1,659
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	874	799	1,092	692	1,201	1,127	772	874	945	1,193	813	648	11,028	11,568	12,112
Licences and permits	1,764	301	86	380	352	337	233	598	344	581	388	1,811	7,176	7,528	7,882
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	147,144	3,444	-	-	1,070	129,166	-	712	82,209	-	-	-	363,745	387,608	378,480
Other revenue	313	252	289	247	240	262	176	171	162	182	164	226	2,684	2,816	2,948
Cash Receipts by Source	183,845	14,979	8,324	12,823	13,765	141,941	10,462	17,905	94,459	17,100	13,347	37,314	566,266	614,638	634,267
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	18,850	-	24,292	3,388	-	17,486	-	3,388	8,963	-	3,388	-	79,756	76,283	79,692
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	21	9	15	6	-	27	52	13	-	95	-	237	305	320
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	851	851	891	935
Total Cash Receipts by Source	202,696	15,000	32,625	16,226	13,772	159,427	10,489	21,346	103,435	17,100	16,831	38,165	647,110	692,118	715,213
Cash Payments by Type															
Employee related costs	15,502	15,526	15,502	15,510	15,502	21,741	15,517	15,505	15,505	15,516	15,508	15,506	192,340	198,267	207,585
Remuneration of councillors	2,237	2,237	2,237	2,237	2,237	2,297	2,237	2,237	2,237	2,237	2,237	2,237	26,900	28,218	29,544
Interest	101	96	89	87	81	78	74	67	64	57	53	85	931	471	100
Bulk purchases - electricity	9,601	9,347	9,347	9,347	9,347	9,347	9,347	9,347	9,347	9,347	9,547	9,747	113,017	127,505	150,074
Acquisitions - water & other inventory	5,572	2,560	3,169	2,373	933	1,851	1,623	3,703	2,579	2,346	2,193	4,418	33,319	34,942	36,575
Contracted services	6,411	4,685	4,801	5,239	6,088	6,053	5,721	5,279	4,868	4,643	4,376	5,354	63,520	67,294	70,501
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	196	66	66	66	66	66	270	151	66	66	66	2,031	3,176	3,417	3,671
Other expenditure	3,933	4,481	4,068	3,544	3,738	3,480	4,287	4,193	4,781	3,651	4,146	4,456	48,758	49,202	51,469
Cash Payments by Type	43,554	38,998	39,280	38,403	37,993	44,912	39,075	40,481	39,446	37,862	38,124	43,832	481,961	509,316	549,517
Other Cash Flows/Payments by Type															
Capital assets	6,040	3,044	3,769	3,842	6,451	3,407	4,530	12,018	7,104	5,871	5,364	11,044	72,485	77,363	77,492
Repayment of borrowing	578	583	588	592	597	602	606	611	615	620	625	630	7,246	5,456	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	40,000	-	-	-	67,329	107,329	67,329	67,329
Total Cash Payments by Type	50,173	42,625	43,637	42,836	45,041	48,921	44,211	93,110	47,164	44,353	44,113	122,835	669,021	659,465	694,338
NET INCREASE/(DECREASE) IN CASH HELD	152,522	(27,626)	(11,011)	(26,611)	(31,270)	110,506	(33,723)	(71,765)	56,271	(27,253)	(27,282)	(84,670)	(21,911)	32,653	20,875
Cash/cash equivalents at the month/year begin:	41,668	194,190	166,564	155,553	128,942	97,672	208,179	174,456	102,691	158,962	131,709	104,427	41,668	19,757	52,410
Cash/cash equivalents at the month/year end:	194,190	166,564	155,553	128,942	97,672	208,179	174,456	102,691	158,962	131,709	104,427	19,757	19,757	52,410	73,285

Table SA31 – Not applicable

Table SA32 – List of External Mechanisms

External mechanism	Period of agreement	Service provided	Expiry date	Monetary value of agreement
Name of the Organisation				
Munsoft Pty Ltd	3	Integrated Financial Management and Internal Control System	30 June 2023	As per SLA
Phutitau Investment Pty Ltd	3	Supply and delivery of refuse bags	31 July 2023	As per approved tender rates
Lenkonakonetse	3	Telecommunication Systems and Support Maintenance	30 August 2023	R9, 516 249
Loskop Radio	3	Provision of VHF DMR digital two way radio communication system	30 November 2023	R2 385 996
Matupunuka ICT Pty Ltd	3	Leasing of Photocopy machines	06 April 2024	R6 539 781
Knoryz	1	Services providers for Compliance management	18 April 2024	R799 980
MMB Consulting	3	Internal audit cpo-sourcing services	04 May 2024	As per approved tender rates
ARMS - Audit and Risk Management Solutions Pty Ltd	3	Internal audit cpo-sourcing services	04 May 2024	As per approved tender rates
Pheladi Noko B1 Funeral and Construction	3	Events management service providers	18 May 2024	As per approved tender rates
Kopanego Travel and Theromba Travelling JV	3	Travelling and Accommodation agencies	18 May 2024	As per approved tender rates
Dzangi Consulting Services	3	Service providers for events managements	18 May 2024	As per approved tender rates
KDM Travel Express	3	Service providers for traveling and accommodation agencies	18 May 2024	As per approved tender rates
Reakgona Travel Seivices and Projects	3	Travelling and Accommodation agencies	24 May 2024	As per approved tender rates
Ambition Partners Chartered Accountants Pty Ltd	3	Financial Management Services (AFS)	30 June 2024	R6 996 391.56
Manylemang Constructions and Projects	3	Supply of Electrical materials	30 June 2024	As and When Required
Gifron Distribution	3	Supply of Electrical materials	30 June 2024	As and When Required
Mpofu Electrical Services	3	Supply and delivery of Electrical materials	30 June 2024	As per approved tender rates
Maximum Profit Recovery	3	Services providers for Financial Management System	30 June 2024	8.63% Commission
OB Media Solutions	3	Design, Print and production of corporate publications	31 August 2024	As and When Required
Vision Print	3	Design, Print and production of corporate publications	31 August 2024	As and When Required
		Consultation to conduct feasibility study, develop and manage the implimention of alternative energy solution	31 August 2024	As per approved tender rates
Afrikainvest Pty Ltd	3	Supply and delivery of cold mix asphalt	14 September 2024	As and When Required
Afrent Pty Ltd	3	Provision of Turnkey Fleet Management	31 October 2024	R49 312 068
Syntell Pty Ltd	3	Rent to own contract for speed cameras and handling scanning devices	30 June 2025	R276 Claim per fine or ticket
Mashumi Construction Supply and Projects	3	Solid Waste Management Services	31 October 2025	R29 396 583
Mamphela Mamphela Holdings	3	Procurement of Information Technology	15 November 2025	As and When Required
Uniqueco Properties	5	Compilation of Evaluation and Supplementary Roll	30 June 2027	R2 804 490

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on new assets by Asset Class									
Infrastructure	67,457	20,000	22,332	18,500	23,674	23,674	15,800	12,050	12,558
Roads Infrastructure	51,346	-	-	-	-	-	-	-	-
Roads	51,346	-	-	-	-	-	-	-	-
Road Structures									
Road Furniture									
Capital Spares									
Storm water Infrastructure	-	-	-	-	-	-	800	-	-
Drainage Collection			-				800	-	-
Storm water Conveyance									
Electrical Infrastructure	16,111	20,000	22,332	17,250	22,524	22,524	15,000	12,050	12,558
Power Plants					3,400	3,400			
MV Substations				50	-	-	-	-	-
MV Networks	16,111	20,000	22,332	17,000	18,924	18,924	14,800	11,850	12,358
Capital Spares				200	200	200	200	200	200
Solid Waste Infrastructure	-	-	-	1,250	1,150	1,150	-	-	-
Landfill Sites			-				-	-	-
Waste Transfer Stations							-	-	-
Capital Spares				1,250	1,150	1,150	-	-	-
Community Assets	-	-	-	418	238	238	-	-	-
Community Facilities	-	-	-	418	238	238	-	-	-
Cemeteries/Crematoria									
Police									
Capital Spares				418	238	238	-	-	-
Other assets	-	2,339	-	458	454	454	-	-	-
Operational Buildings	-	2,339	-	458	454	454	-	-	-
Municipal Offices	-	600	-						
Workshops		1,739	-						
Stores	-	-	-	458	454	454	-	-	-
Intangible Assets	-	-	-	300	185	185	-	-	-
Licences and Rights	-	-	-	300	185	185	-	-	-
Unspecified				300	185	185			
Computer Equipment	38	250	824	700	2,135	2,135	700	1,000	1,000
Computer Equipment	38	250	824	700	2,135	2,135	700	1,000	1,000
Furniture and Office Equipment	526	800	-	500	1,139	1,139	1,100	800	800
Furniture and Office Equipment	526	800	-	500	1,139	1,139	1,100	800	800
Machinery and Equipment	1,492	1,200	214	1,610	1,400	1,400	200	500	600
Machinery and Equipment	1,492	1,200	214	1,610	1,400	1,400	200	500	600
Transport Assets	-	-	1,079	-	-	-	-	-	-
Transport Assets			1,079	-	-	-	-	-	-
Total Capital Expenditure on new assets	69,514	24,589	24,449	22,485	29,225	29,225	17,800	14,350	14,958

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on renewal of existing assets by Asset Class									
Infrastructure	10,527	46,940	44,874	30,723	54,685	54,685	-	300	300
Roads Infrastructure	10,527	39,222	39,750	28,631	31,500	31,500	-	300	300
Roads	10,527	39,222	39,750	28,331	30,940	30,940	-	-	-
Road Structures									
Road Furniture				300	560	560	-	300	300
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	5,124	-	-	-	-	-	-
MV Substations									
MV Switching Stations									
MV Networks			5,124						
LV Networks				-					
Capital Spares									
Solid Waste Infrastructure	-	7,719	-	2,092	23,185	23,185	-	-	-
Landfill Sites		7,719		2,092	23,185	23,185	-	-	-
Waste Transfer Stations									
Waste Processing Facilities									
Capital Spares									
Community Assets	-	600	-	1,000	869	869	-	-	-
Community Facilities	-	600	-	1,000	869	869	-	-	-
Libraries									
Cemeteries/Crematoria	-	600		1,000	869	869	-	-	-
Police									
Parks									
Other assets	-	-	-	-	208	208	-	-	-
Operational Buildings	-	-	-	-	208	208	-	-	-
Municipal Offices				-	208	208	-	-	-
Pay/Enquiry Points									
Workshops									
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	-	-	-	-	-	-	-	100	100
Machinery and Equipment							-	100	100
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets									
Total Capital Expenditure on renewal of existing assets	10,527	47,540	44,874	31,723	55,762	55,762	-	400	400

Table SA34c - Repairs and maintenance expenditure by asset class

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Repairs and maintenance expenditure by Asset Class									
Infrastructure	5,119	9,729	30,270	25,453	29,653	29,653	18,255	19,150	20,050
Roads Infrastructure	161	4,892	13,895	15,467	21,167	21,167	10,940	11,476	12,015
Roads	161	4,892	13,895	15,467	21,167	21,167	10,940	11,476	12,015
Road Structures									
Road Furniture									
Capital Spares									
Electrical Infrastructure	2,180	1,845	12,201	8,263	5,763	5,763	6,073	6,371	6,670
Power Plants									
HV Transmission Conductors									
MV Substations									
MV Networks	2,180	1,845	12,201	8,263	5,763	5,763	6,073	6,371	6,670
Capital Spares									
Solid Waste Infrastructure	2,778	2,993	4,175	1,722	2,722	2,722	1,243	1,304	1,365
Landfill Sites	2,778	2,993	4,175	1,722	2,722	2,722	1,243	1,304	1,365
Waste Transfer Stations									
Waste Processing Facilities									
Waste Separation Facilities									
Capital Spares									
Community Assets	-	-	166	594	544	544	573	601	629
Community Facilities	-	-	166	594	544	544	573	601	629
Parks			166	594	544	544	573	601	629
Other assets	1,497	1,845	541	1,129	1,495	1,495	1,575	1,652	1,730
Operational Buildings	1,497	1,845	541	1,129	1,495	1,495	1,575	1,652	1,730
Municipal Offices	1,497	1,845	541	1,095	1,495	1,495	1,575	1,652	1,730
Pay/Enquiry Points									
Workshops									
Stores				34	-	-			
Intangible Assets	-	425	38	200	100	100	211	221	231
Licences and Rights	-	425	38	200	100	100	211	221	231
Computer Software and Applications		425	38	200	100	100	211	221	231
Load Settlement Software Applications									
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	1,306	1,520	3,214	6,556	6,849	6,849	6,262	6,569	6,878
Machinery and Equipment	1,306	1,520	3,214	6,556	6,849	6,849	6,262	6,569	6,878
Transport Assets	2,727	1,854	4,117	3,794	3,794	3,794	3,995	4,191	4,388
Transport Assets	2,727	1,854	4,117	3,794	3,794	3,794	3,995	4,191	4,388
Total Repairs and Maintenance Expenditure	10,649	15,373	38,346	37,726	42,436	42,436	30,871	32,383	33,905

Table SA34d – Depreciation of Assets

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Depreciation by Asset Class/Sub-class									
Infrastructure	45,904	44,184	41,743	43,977	44,939	44,939	48,550	50,929	53,323
Roads Infrastructure	41,047	34,060	36,877	39,097	39,759	39,759	43,096	45,208	47,332
Roads	41,047	34,060	36,877	39,097	39,759	39,759	43,096	45,208	47,332
Road Structures									
Storm water Infrastructure	4	3,953	399	418	418	418	440	461	483
Drainage Collection	4	3,953	399	418	418	418	440	461	483
Storm water Conveyance									
Attenuation									
Electrical Infrastructure	4,156	5,501	3,754	3,724	4,024	4,024	4,238	4,445	4,654
Power Plants									
HV Substations									
HV Transmission Conductors			3,754	3,724	4,024	4,024	4,238	4,445	4,654
MV Networks	4,156	5,501							
Solid Waste Infrastructure	697	670	714	738	738	738	777	815	853
Landfill Sites	697	670	714	738	738	738	777	815	853
Waste Transfer Stations									
Capital Spares									
Community Assets	1,209	3,108	1,231	1,266	1,266	1,266	1,333	1,398	1,464
Community Facilities	1,209	3,108	1,231	1,266	1,266	1,266	1,333	1,398	1,464
Cemeteries/Crematoria	1,209	3,108							
Public Open Space			1,231	1,266	1,266	1,266	1,333	1,398	1,464
Heritage assets	-	-	5	6	6	6	6	6	7
Other Heritage			5	6	6	6	6	6	7
Other assets	-	-	4,140	4,229	4,229	4,229	4,453	4,672	4,891
Operational Buildings	-	-	4,140	4,229	4,229	4,229	4,453	4,672	4,891
Municipal Offices			4,140	4,229	4,229	4,229	4,453	4,672	4,891
Intangible Assets	1,169	402	53	83	51	51	88	92	96
Servitudes									
Licences and Rights	1,169	402	53	83	51	51	88	92	96
Computer Software and Applications	1,169	402	53	83	51	51	88	92	96
Computer Equipment	644	1,616	692	725	925	925	974	1,022	1,070
Computer Equipment	644	1,616	692	725	925	925	974	1,022	1,070
Furniture and Office Equipment	672	3,390	590	618	618	618	651	682	715
Furniture and Office Equipment	672	3,390	590	618	618	618	651	682	715
Machinery and Equipment	3,066	2,316	2,864	2,961	2,961	2,961	3,118	3,271	3,424
Machinery and Equipment	3,066	2,316	2,864	2,961	2,961	2,961	3,118	3,271	3,424
Transport Assets	3,849	3,772	5,751	5,915	5,915	5,915	6,228	6,534	6,841
Transport Assets	3,849	3,772	5,751	5,915	5,915	5,915	6,228	6,534	6,841
Total Depreciation	56,514	58,788	57,070	59,780	60,910	60,910	65,402	68,607	71,831

Table SA34e – Upgrading of Existing Assets

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on upgrading of existing assets by Asset Class									
Infrastructure	10,828	12,370	18,534	41,433	53,040	53,040	66,356	71,483	71,334
Roads Infrastructure	10,828	12,370	18,534	41,433	52,040	52,040	65,356	71,483	71,334
Roads	10,828	12,370	18,534	41,433	52,040	52,040	65,356	71,483	71,334
Road Structures									
Road Furniture									
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Drainage Collection									
Storm water Conveyance									
Attenuation									
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
HV Substations									
MV Networks									
LV Networks									
Solid Waste Infrastructure	-	-	-	-	1,000	1,000	1,000	-	-
Landfill Sites	-		-		1,000	1,000	1,000	-	-
Waste Transfer Stations									
Waste Processing Facilities									
Community Assets	-	602	498	1,300	284	284	-	-	-
Community Facilities	-	602	498	1,300	284	284	-	-	-
Cemeteries/Crematoria			498						
Parks		602		1,300	284	284			
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities									
Other assets	1,299	-	-	1,100	1,075	1,075	-	290	-
Operational Buildings	1,299	-	-	1,100	1,075	1,075	-	290	-
Municipal Offices	1,299		-						
Pay/Enquiry Points									
Yards				1,100	1,075	1,075	-	290	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets									
Total Capital Expenditure on upgrading of existing assets	12,127	12,973	19,032	43,833	54,399	54,399	66,356	71,773	71,334

Table SA35 – Future financial implications of the capital budget

Not applicable

Table SA36–Capital project list

Function	Project Description	Type	Asset Class	Asset Sub-Class	Source of Funding	Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	2023/24 Medium Term Revenue & Expenditure Framework		
								Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Technical Services	Alternative Energy Solution	Renewal	Electrical Infrastructure	Power Plants	Revenue	-	3,400,000	-	-	-
Technical Services	Electrification of Ga Posa	New	Electrical Infrastructure	MV Networks	Revenue	4,530,000	-	-	-	-
Technical Services	Electrification of Motsiphiri New stand A&B	New	Electrical Infrastructure	MV Networks	INEP	-	-	-	2,000,000	-
Technical Services	Electrification of Lenkwaneng Section	New	Electrical Infrastructure	MV Networks	INEP	-	-	-	1,800,000	1,800,000
Technical Services	Electrification of Magukubjane	New	Electrical Infrastructure	MV Networks	Revenue/INEP	-	-	400,000	1,000,000	2,358,000
Technical Services	Electrification of Makaepa	New	Electrical Infrastructure	MV Networks	Revenue/INEP	-	3,240,000	-	-	-
Technical Services	Electrification of Maleoskop 601	New	Electrical Infrastructure	MV Networks	INEP	3,300,000	1,924,407	-	-	2,000,000
Technical Services	Electrification of Masakaneng	New	Electrical Infrastructure	MV Networks	INEP	6,722,000	7,960,000	8,000,000	1,200,000	-
Technical Services	Electrification of Phooko	New	Electrical Infrastructure	MV Networks	INEP	-	-	1,400,000	-	-
Technical Services	Electrification of Matlala Lehwelere	New	Electrical Infrastructure	MV Networks	INEP	4,428,000	-	-	-	-
Technical Services	Electrification of Phomola	New	Electrical Infrastructure	MV Networks	INEP	-	2,000,000	2,000,000	-	-
Technical Services	Electrification of Motema High view	New	Electrical Infrastructure	MV Networks	INEP	-	-	2,000,000	2,000,000	-
Technical Services	Electrification of Ntswelotse	New	Electrical Infrastructure	MV Networks	INEP	-	-	-	-	2,200,000
Technical Services	Electrification of Nyakelang Extension	New	Electrical Infrastructure	MV Networks	INEP	-	3,800,000	-	-	-
Technical Services	Electrification of Rondebosch	New	Electrical Infrastructure	MV Networks	INEP	1,332,000	-	-	-	-
Technical Services	Electrification of Vlaktfontein	New	Electrical Infrastructure	MV Networks	INEP	1,476,012	-	1,000,000	-	-
Technical Services	Groblerdsdal Lanfillsite	New	Solid Waste Infrastructure	Landfill Sites	MIG	-	23,185,401	-	-	-
Technical Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	Revenue	-	940,000	-	-	-
Technical Services	Culverts and Road signs	New	Roads Infrastructure	Roads	Revenue	-	560,000	-	-	-
Technical Services	Groblerdsdal Stormwater	New	Roads Infrastructure	Roads	Revenue	-	-	800,000	-	-
Technical Services	Masakaneng Roads	New	Roads Infrastructure	Roads	COGHSTA	299,764	-	-	-	-
Technical Services	Motema Streets Upgrade	New	Roads Infrastructure	Roads	Revenue	-	6,108,696	-	-	-
Technical Services	Mpheleng Construction of Road	Renewal	Roads Infrastructure	Roads	Revenue	-	-	-	800,000	-
Technical Services	Upgrading of Nyakurone Internal Access Road(Int)	Upgrading	Roads Infrastructure	Roads	MIG	-	16,012,520	-	-	-
Technical Services	Upgrading of Stompo Bus Road	New	Roads Infrastructure	Roads	MIG	-	800,000	-	-	-
Technical Services	Upgrading of Dipakapeng Access Road	Upgrading	Roads Infrastructure	Roads	MIG	19,542,254	2,169,180	-	-	-
Technical Services	Upgrading of Bloompoot Road	Renewal	Roads Infrastructure	Roads	MIG	17,622,551	24,830,820	-	-	-
Technical Services	Upgrading of Hlogottlou-Bopanang Road	Upgrading	Roads Infrastructure	Roads	Revenue	-	800,000	-	-	-
Technical Services	Upgrading of Kgobokwane-Kgaphamadi Road	Upgrading	Roads Infrastructure	Roads	MIG	-	800,000	-	-	-
Community Services	Community Services Office Furniture	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	-	800,000	100,000	100,000
Community Services	Furniture and Office Equipment	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	419,250	-	100,000	100,000
Community Services	Professional Lawn Mowers and Industrial Brush Cutters	New	Machinery and Equipment	Machinery and Equipment	Revenue	-	380,000	100,000	-	-
Community Services	Fencing of Elandsdoorn Cemeteries	Renewal	Community Facilities	Cemeteries/Crematoria	Revenue	500,000	869,000	-	-	-
Community Services	Upgrading and Development of Parks	Upgrading	Community Facilities	Parks	Revenue	-	284,469	-	-	-
Community Services	Street litter Bins	New	Solid Waste Infrastructure	Capital Spares	Revenue	-	800,000	-	-	-
Community Services	500 Twenty skip bins 500	New	Solid Waste Infrastructure	Capital Spares	Revenue	-	290,600	-	-	-
						88,055,315	139,385,876	84,156,000	86,523,000	86,692,000

Function	Project Description	Type	Asset Class	Asset Sub-Class	Source of Funding	Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	2023/24 Medium Term Revenue & Expenditure Framework		
								Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Community Services	Disaster Management Centre & Emergency Relief Store room	New	Community Facilities	Centres	Revenue	-	454,300	-	-	-
Community Services	No Illegal Dumping	New	Solid Waste Infrastructure	Capital Spares	Revenue	-	59,000	-	-	-
Community Services	Two trailers	New	Community assets	Machinery and Equipment	Revenue	-	80,000	-	-	-
Community Services	Fencing of Roossenekal Landfill Site	New	Solid Waste Infrastructure	Landfill Sites	Revenue	-	1,000,000	1,000,000	-	-
Community Services	Gable Roof	New	Other assets	Municipal Offices	Revenue	-	208,000	-	-	-
Economic Development Planning	Razor Fencing of Portion 39 of Farm Klipbank 26 JS (Game Farm)	New	Land	Land	Revenue	-	1,075,000	-	290,000	-
Economic Development Planning	Development Planning Office Furniture	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	-	-	100,000	100,000
Executive and council	Council Office Furniture	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	-	-	100,000	100,000
Finance	Finance Office Furniture	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	-	-	100,000	100,000
Fleet Management	Vehicles	New	Transport Assets	Transport Assets	Revenue	1,078,503	237,500	-	-	-
Human Resources	Furniture and Office Equipment	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	720,001	300,000	100,000	100,000
Information Technology	Computer Equipment	New	Computer Equipment	Computer Equipment	Revenue	860,000	2,134,652	700,000	1,000,000	1,000,000
	Software Server	Multi	Intangible Assets	Unspecified	Revenue	-	185,000	-	-	-
Municipal Manager	Municipal Manager Office Furniture	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	-	-	100,000	100,000
Technical Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	Revenue	-	-	100,000	500,000	600,000
Technical Services	Upgrading of Malaeneng A Ntwane Access Road	Upgrading	Roads Infrastructure	Roads	MIG	-	750,000	10,000,000	19,750,000	-
Technical Services	Upgrading of Mokumong access road to Marateng taxi rank (Internal)	Upgrading	Roads Infrastructure	Roads	Revenue	-	700,000	-	-	-
Technical Services	Upgrading of Mokumong access road to Marateng taxi rank (Internal)	Upgrading	Roads Infrastructure	Roads	MIG	-	1,406,964	22,500,000	21,700,000	-
Technical Services	Upgrading of Maraganeng internal Access road	Upgrading	Roads Infrastructure	Roads	MIG	-	750,000	12,275,600	14,924,400	-
Technical Services	Upgrading of Kgobokwane-Kgaphamadi Road(MIG)	Upgrading	Roads Infrastructure	Roads	MIG	-	-	20,580,400	11,908,600	22,511,000
Technical Services	Upgrading of Tafelkop Bapeding Bus route	Upgrading	Roads Infrastructure	Roads	Revenue	-	-	-	800,000	10,000,000
Technical Services	Stompo Bus Road	Upgrading	Roads Infrastructure	Roads	MIG	-	-	-	-	18,242,600
Technical Services	Upgrading of Talane Bus route	Upgrading	Roads Infrastructure	Roads	MIG	-	-	-	-	10,580,400
Technical Services	Upgrading of Waalkral Bus route	Upgrading	Roads Infrastructure	Roads	MIG	-	-	-	-	10,000,000
Technical Services	Infrastructure Office Furniture	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	-	-	100,000	100,000
Technical Services	Machinery and Equipment(tools)	New	Machinery and Equipment	Machinery and Equipment	Revenue	-	-	-	100,000	100,000
Technical Services	Ring Main Units	New	Roads Infrastructure	Roads	Revenue	-	-	-	450,000	-
Technical Services	Pole Mounted Transformers and Miniature Substations	New	Electrical Infrastructure	MV Networks	Revenue	-	-	-	400,000	-
Technical Services	Installation of High Mast Light in Various Village	New	Electrical Infrastructure	MV Networks	Revenue	-	-	-	1,000,000	1,000,000
Technical Services	Upgrading of Masoing Bus route	Upgrading	Roads Infrastructure	Roads	Revenue	-	850,000	-	-	-
Technical Services	Upgrading of Waalkral Bus route	Upgrading	Roads Infrastructure	Roads	Revenue	-	-	-	800,000	-
Technical Services	Upgrading of Talane Bus route	Upgrading	Roads Infrastructure	Roads	Revenue	-	-	-	800,000	-
Technical Services	Refurbishment of Roossenekal Network	Upgrading	Roads Infrastructure	Roads	Revenue	-	-	-	2,000,000	3,000,000
Technical Services	Airconditioners	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	200,000	200,000	200,000	200,000
Technical Services	Culverts and Road signs	Renewal	Roads Infrastructure	Roads	Revenue	-	-	-	300,000	300,000
Technical Services	Upgrading of Tafelkop stadium 600	Upgrading	Roads Infrastructure	Roads	MIG	17,652,215	27,001,116	-	-	-
Technical Services	Electrification of Rossenekal	New	Electrical Infrastructure	MV Networks	Revenue	3,587,740	-	-	-	-
Technical Services	Grobledal Smart Metering	New	Electrical Infrastructure	MV Networks	Revenue	5,124,276	-	-	-	-
						88,055,315	139,385,876	84,156,000	86,523,000	86,692,000

QUALITY CERTIFICATE

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the 2023/24 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.

M.M KGWALE
MUNICIPAL MANAGER