

**DRAFT 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

1.1 MAYOR'S REPORT

SPEECH BY THE MAYOR OF ELIAS MOTSOALEDI LOCAL MUNICIPALITY CLLR DAVID TLADI DURING THE TABLING OF DRAFT 2023/2024 INTEGRATED DEVELOPMENT PLAN (IDP) ANNUAL REVIEW, AND 2023/24 TO 2025/26 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF-BUDGET PLAN)

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

We are gathered here today to table before Council the DRAFT 2023/2024 Integrated Development Plan (IDP) annual review, and 2023/24 to 2025/26 Medium Term Revenue and Expenditure Framework (MTREF-Budget plan) .

Honourable Speaker, We are meeting, on the last day of the important month of Human Rights, as we are all aware that the Human Right's Month it's about acknowledging those rights that are enshrined in our constitution, the cracks of this recognition it's about respect and not discriminating against each other.

South Africa this year commemorate Human Rights Month under the theme: "Consolidating and Sustaining Human Rights Culture into the Future". Government uses the month of March to promote respect for basic human rights for all and restoring human dignity in line with the Bill of Rights.

The history of Human Rights Day is grounded in the Sharpeville Massacre that took place on the 21 of March 1960, where the apartheid police shot and killed 69 people during a peaceful protest march. The month is also used to honour those who fought for our liberation and to celebrate the many rights guaranteed under our Constitution that we continue to enjoy today.

BACKGROUND AND LEGISLATIVE REQUIREMENT The Constitution of the Republic of South Africa (section 152 and 153) outlines the objectives of local government, which are to:

- Provide democratic and accountable government for communities;
- Provide basic services in a sustainable manner;

- Promote socio-economic development;
- To give priority to the basic needs of communities; and
- Encourage the involvement of communities in matters of local government.

To this end, municipalities are required to plan and facilitate development in an integrated manner, ensuring that resources are utilised efficiently and effectively to alleviate poverty and inequality, provide basic services and promote sustainable development. The Municipal Systems Act (MSA) outlines the objectives and procedures for integrated planning for municipalities. Section 23 (1) of the Act states that every municipality must undertake developmentally-orientated planning so as to ensure that it –

- Strives to achieve the objects of local government set out in Section 152 of the Constitution;
- Gives effect to its developmental duties as required by Section 153 of the Constitution; and
- Together with other organs of state contributes to the progressive realisation of the fundamental rights contained in Sections 24, 25, 26, 27 and 29 of the Constitution.

Honourable Speaker, as required by the Municipal Systems Act (Act 32 of 2000), each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan (IDP). The IDP is a strategic plan that guides and informs all planning processes, activities, decision making, budgeting and management in the municipality. According to Section 34 of the Municipal Systems Act (Act 32 of 2000) a municipal council must review its IDP annually. IDP Review is the assessment and evaluation of the Integrated Development Plan and municipal performance.

Auditor General Audit of the Municipality

The South African Local Government Association (Salga) has awarded Elias Motsoaledi Local Municipality under the leadership of the collective Council, with three awards for 100% MIG spending and for the sustaining unqualified audit opinion 2021/2022 for the second consecutive year at salga municipal awards held at the Ranch Resort last week.

Honourable Councillor

I now indicate the specific allocation for 2023/2024 and compare it with those of 2022 /2023 financial year.

The total operating revenue budget amounts R 749 million and operating expenditure budget amounts to R 580 million resulting with the operating surplus of R 169 million.

The operating expenditure budget represents 87 percent of the total expenditure budget and the capital budget on the other hand represents 13 percent of the total expenditure budget. The 2023/2024 total expenditure budget is 1 per cent less than the 2022/2023. The decrease is mainly due to decrease in Division of Revenue Act (DoRA) allocation in 2023/2024 financial year and a decrease in internally funded projects due to unhealthy municipal financial position.

REVENUE GENERATION ASSUMPTIONS

The total grants allocated to the municipality in terms of the 2023/2024 Division of Revenue Bill amount to R 444 million over the medium-term, reflecting an increase of R25 million (5.97%) over the 2022/2023 DoRA allocation.

The operating revenue budget for 2023/2024 amount to R 749 million which reflect an increase of R 121 million over the 2022/2023 operating revenue budget which is tantamount to an increase of 19.27 per cent. The audited operating revenue amounts to R562 million for 2021/22.

Honourable Councillor

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

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

THE TARIFF INCREASES ARE AS FOLLOWS:

The Energy Regulator NERSA has approved a 18.65 per cent tariff increase starting from April 2023 and this figure accounts for a 9.05 per cent increase in 2023/24.

The Elias Motsoaledi Local Municipality tariff will increase by 5.3 per cent as NERSA haven't issued municipal tariff increase as yet and the tariff will be implemented accordingly however after the issuance of tariff increase by NERSA before 30 May 2023, municipality will reassess the increase. The 5.3 per cent increase Honourable Speaker is calculated taking into account the affordability of the community, we serve.

Honourable Speaker, property rates tariff will increase in 2023/2024 by 5.3 per cent which is in line with Consumer Price Inflation (CPI)

OPERATING EXPENDITURE GUIDELINES AND ASSUMPTIONS

The total operating expenditure budget for 2023/2024 amount to R 580 million reflecting the increase of R 15 million over the 2022/2023 budget year which is equivalent to an increase of 3 per cent.

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

The employee's remuneration cost; bulk purchases and contracted services amounts to R 182 million; R 112 million and R 73 million respectively which represent 63 per cent of a total operating expenditure. The audited operating expenditure amounts to R524 million for 2021/22.

CAPITAL EXPENDITURE ASSUMPTIONS

Honourable Speaker, the total capital expenditure for 2023/2024 amount to R86 million reflecting a decrease of R19 million over the 2022/2023 adjusted budget.

The difference in capital budget for the two financial years is mainly due to a decrease in internally funded project and Integrated National Electrification Grant as per Division of Revenue Act (DoRA).

The 2023/2024 capital expenditure will be funded mainly from capital conditional grants allocation and internally generated funds as follows:

- R 65 million Municipal Infrastructure Grant (MIG) specifically for roads projects
- R 14 million Integrated National Electrification Programme (INEP) for electricity reticulation
- R 6 million internally generated funds

HONOURABLE SPEAKER AND HONORABLE COUNCILLORS:

I now urge this house adopt the tabled 2023/2024 Reviewed Draft Integrated

Development Plan (IDP) as stipulated in today's agenda and approve for public consultation.

Kgotso

Executive Summary

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

Section 17 of Municipal Finance Management Act (MFMA) requires the municipality to prepare an annual budget in the prescribed format. National Treasury's MFMA circular 123 have 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 operating budget makes it difficult to accommodate all the wards within the area of jurisdiction of the municipality in terms of capital projects implementations due to minimal collection rate especially of 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 base line allocations contained in that adjustment were adopted as the upper limits for the new base lines 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.
- 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	DRAFT BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET
TOTAL REVENUE	708 787 483	749 203 293	784 572 706	793 925 746
LESS: TRANSFER RECOGNISED CAPITAL	80 525 901	79 756 000	76 283 000	79 692 000
OPERATING REVENUE	628 261 582	669 447 293	708 289 706	714 233 746
OPERATING EXPENDITURE	557 071 329	580 233 739	611 810 027	651 887 881
TRANSFERS - CAPITAL	79 606 001	79 756 000	76 283 000	79 692 000
SURPLUS/(DEFECIT)	71 190 253	89 213 554	96 479 678	62 345 865
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 R89, 214 million; R96, 480 million and R62, 346 million respectively throughout the MTREF period.

Total operating revenue and expenditure for 2023/24 financial year amounts to R669, 447 million and R580 234 million respectively. The budget increases steadily in the outer years.

Total capital expenditure amounting to R85, 915 is inclusive of conditional grants in terms DoRA allocation to the tune of R79, 756 and internally funded projects R6, 159.

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	116 590	122 303	128 052
Investment revenue	1 368	585	1 780	3 652	2 152	2 152	1 218	1 955	2 051	2 147
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	124 132	130 214	136 335
Total Revenue (excluding capital transfers and contributions)	454 012	538 018	487 643	601 351	628 262	628 262	364 015	669 447	708 290	714 234

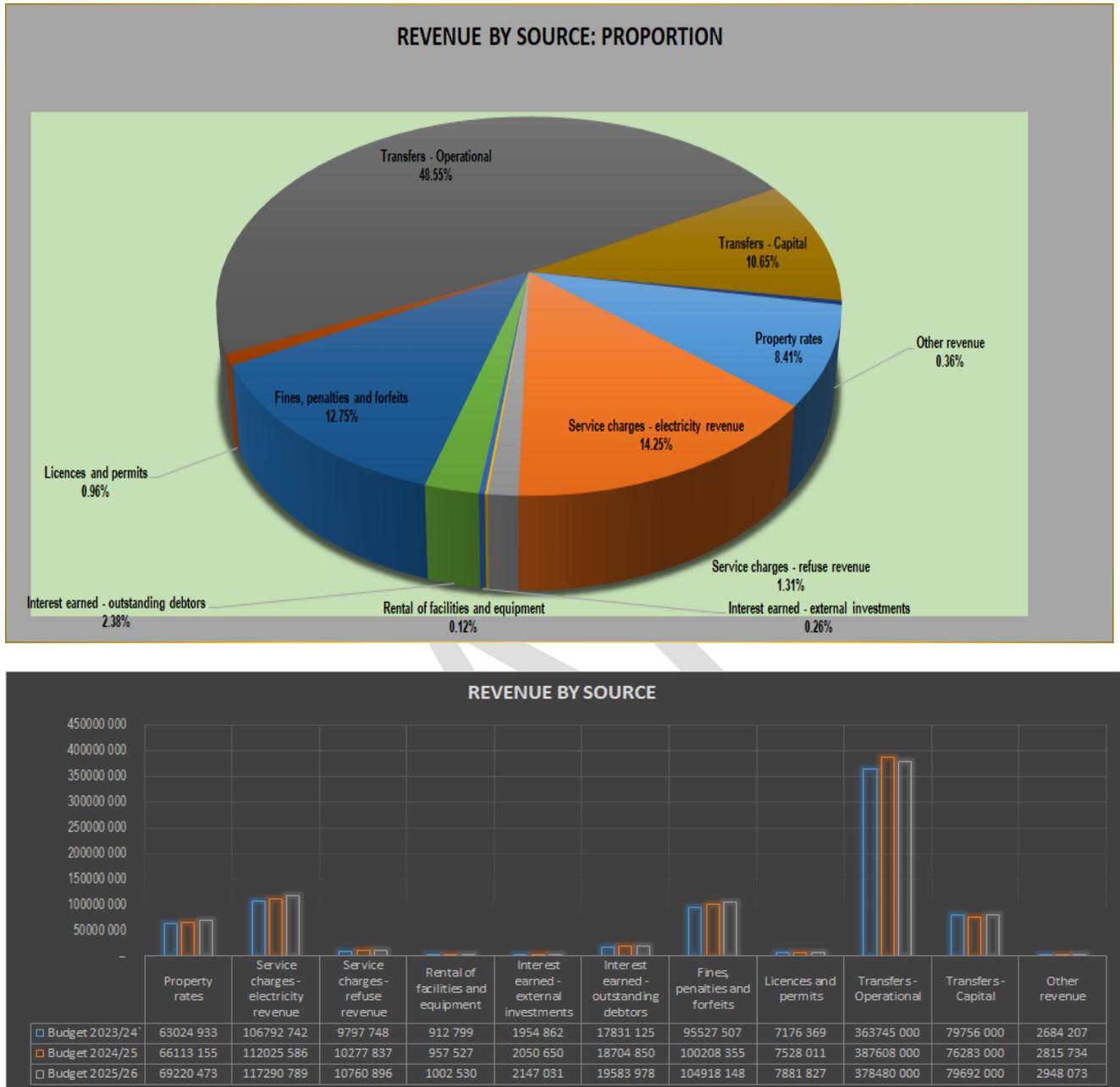


Figure 1 Main operational revenue categories for the 2023/24 financial year

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 54% for 2023/24 financial year making it clear that the municipality is still grants dependent and the level of dependency is not gradually going down. In addition, revenue to be generated from rates and services charges amounts to 10% and 18% respectively.

In the 2023/24 financial year, revenue from rates and services charges add up to R179, 615 million translating to 28%. This increases to R188, 417 million, and R197, 272 million in the respective financial outer years of the MTREF.

Service charges is the second largest revenue source totaling 18% or R116, 590 million and increases to R122, 303 million and R128, 052 million respectively in the outer years. The third largest source is fines that amounts to R95, 528 million in 2023/24 financial year and R100, 208 million and R104, 918 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 CATEGORY	ADDITIONAL REBATES
Residential Properties	20%
Business, commercial and mining properties	25%
Industrial properties	0%
Agricultural Properties	0%
State Owned Properties for benefit of the public	20%
Public Service Infrastructure properties	0%
Public Benefit Organization Properties/OLD Age	0%
Vacant	Levied per category
Municipal properties	Not levied
Unknown properties	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 18.65 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 18.65 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;
- 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	182 253	187 714	196 536
Remuneration of councillors	25 065	24 845	25 567	25 580	27 126	27 126	16 999	28 564	29 963	31 371
Depreciation & asset impairment	56 514	58 788	57 070	59 780	60 910	60 910	–	64 138	67 281	70 443
Finance charges	2 361	2 123	526	2 185	1 555	1 555	575	931	471	1 568
Inventory consumed and bulk purchases	96 089	112 407	135 835	148 283	134 635	134 635	87 506	152 936	169 213	187 324
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	148 236	153 751	160 975
Total Expenditure	491 384	553 212	510 319	597 283	557 071	557 071	309 622	580 234	611 810	651 888

The budgeted allocation for employee related costs and remuneration of councillors for the 2023/24 financial year totals R210, 921 million, which equals 36% of the total operating expenditure. Based on MFMA circular 123, the two outer-years' salary increases have been factored into this budget at CPI percentage increase of 4.9% and 4.7% respectively. The CPI is also applied on remuneration for councillors for outer years

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget. The provision of debt impairment was determined based on the annual average collection rate of 65% and the credit control policy of the municipality. For the 2023/24 financial year this amount equates to R30, 772 million and escalates to R32, 280 million in 2024/25 and R33, 797 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 R64, 138 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 and 12.7% in 2024/25.

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 13% or R73 400 million of the total operational budget for the 2023/24 financial year and increases to R76, 952 million and increases to R80, 613 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.

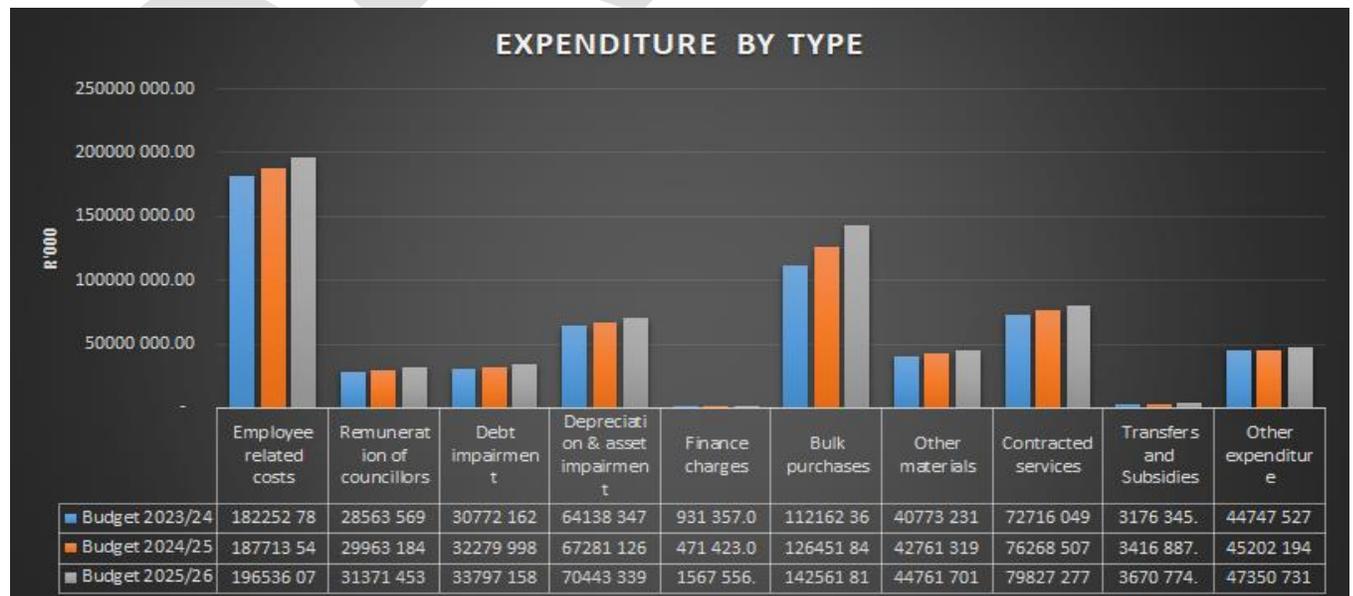
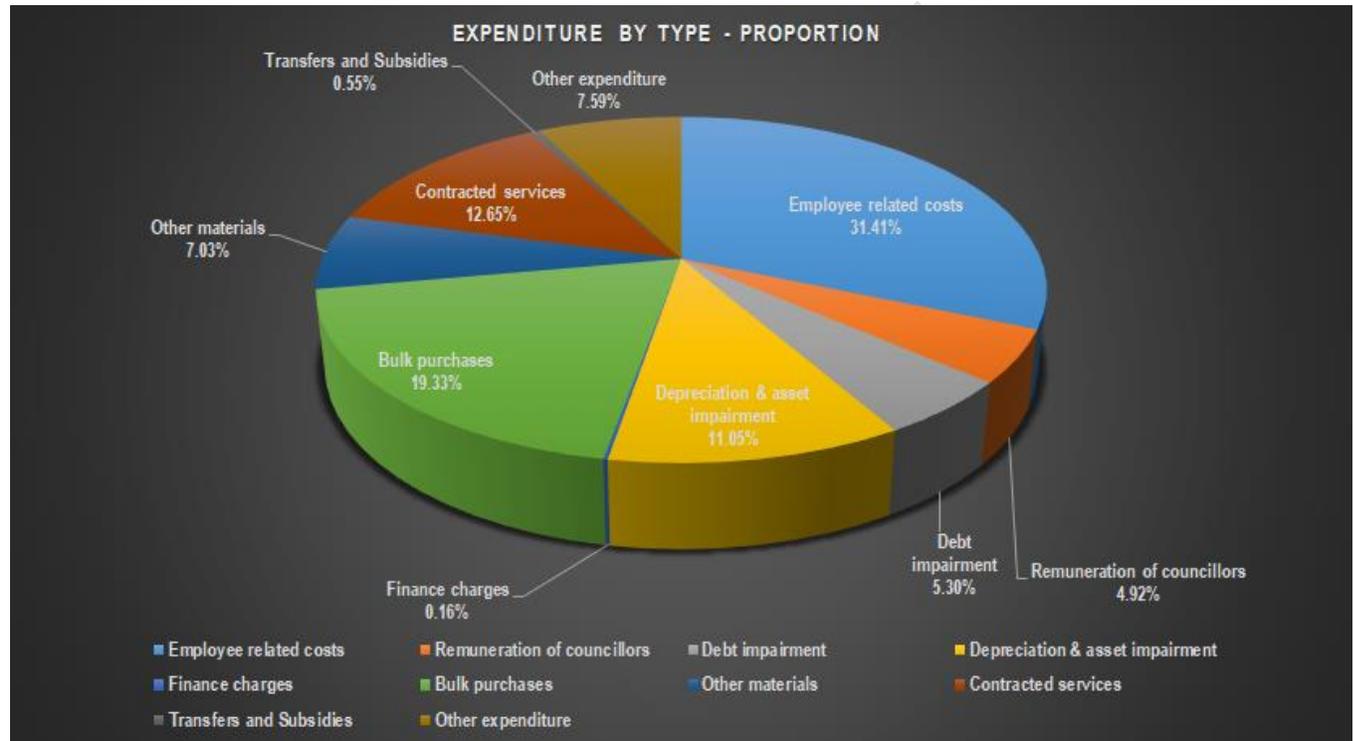


Figure 2 Main operational expenditure categories for the 2023/24 financial year

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 R34, 770 million in 2023/24 then increases to R36, 474 million and increases to R38, 188 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 2.34% 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 R34, 770 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 R34, 770.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists of households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Details relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 10 MBRR A10 (Basic Service Delivery Measurement) on.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act and this package covers all the basic services provided by EMLM and these services include, property rates rebates, service charges electricity, and refuse removal.

1.6 Capital expenditure

The major portion of capital expenditure budget is appropriated in vote 6 and for 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, Office furniture, and other equipment while Community Services – the appropriations are for fencing of cemeteries and landfill sites.

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

- Electricity related projects – R15 million

- Roads related projects – R46 million
- Operational equipment – R1.2 million
- Solid waste infrastructure – R23 million
- Solid water infrastructure – 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.

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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	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands										
Financial Performance										
Property rates	35 773	39 442	39 913	44 645	59 853	59 853	59 853	63 025	66 114	69 220
Service charges	95 493	102 363	107 753	117 968	110 719	110 719	110 719	116 591	122 304	128 051
Investment revenue	2 059	585	2 308	3 652	2 152	2 152	2 152	1 955	2 051	2 147
Transfer and subsidies - Operational	273 218	351 908	307 637	338 906	338 906	338 906	338 906	363 746	387 607	378 478
Other own revenue	40 480	37 795	49 891	96 180	116 631	116 631	116 631	124 134	130 211	136 336
Total Revenue (excluding capital transfers and contributions)	447 023	532 093	507 502	601 351	628 262	628 262	628 262	669 450	708 287	714 230
Employee costs	141 837	150 619	159 935	185 316	172 137	172 137	172 137	182 261	187 709	196 529
Remuneration of councillors	24 575	24 279	25 217	25 580	27 126	27 126	27 126	28 564	29 963	31 368
Depreciation and amortisation	57 128	59 566	52 826	59 780	60 910	60 910	60 910	64 139	67 280	70 445
Finance charges	3 538	3 635	1 608	2 185	1 555	1 555	1 555	931	472	1 567
Inventory consumed and bulk purchases	97 588	114 683	136 470	148 283	134 577	134 577	134 577	152 937	169 216	187 324
Transfers and subsidies	16 380	16 576	1 547	3 292	2 673	2 673	2 673	3 176	3 418	3 671
Other expenditure	143 350	182 359	152 592	172 846	158 094	158 094	158 094	148 229	153 755	160 979
Total Expenditure	484 395	551 718	530 194	597 283	557 071	557 071	557 071	580 237	611 812	651 882
Surplus/(Deficit)	(37 372)	(19 625)	(22 692)	4 068	71 190	71 190	71 190	89 214	96 475	62 348
Transfers and subsidies - capital (monetary allocations)	92 156	68 450	74 316	79 606	79 606	79 606	79 606	79 756	76 284	79 692
Transfers and subsidies - capital (in-kind)	-	-	-	-	920	920	920	-	-	-
Surplus/(Deficit) after capital transfers & contributions	54 784	48 825	51 624	83 674	151 716	151 716	151 716	168 970	172 759	142 040
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	54 784	48 825	51 624	83 674	151 716	151 716	151 716	168 970	172 759	142 040
Capital expenditure & funds sources										
Capital expenditure	137 736	314 061	304 391	98 041	105 377	105 377	105 377	85 915	85 430	86 687
Transfers recognised - capital	105 766	92 891	76 801	79 606	79 606	79 606	79 606	79 756	76 283	79 691
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	5 361	10 368	6 196	18 435	25 771	25 771	25 771	6 159	9 148	6 996
Total sources of capital funds	111 128	103 259	82 998	98 041	105 377	105 377	105 377	85 915	85 430	86 687
Financial position										
Total current assets	162 253	159 556	197 905	158 965	189 662	189 662	189 662	300 344	262 735	227 550
Total non current assets	1 102 583	1 123 426	1 185 917	1 325 025	1 332 140	1 332 140	1 332 140	1 322 101	1 361 243	1 377 050
Total current liabilities	146 916	123 737	148 707	120 343	92 782	92 782	92 782	64 967	74 054	69 847
Total non current liabilities	75 862	75 090	99 335	113 710	108 953	108 953	108 953	110 801	107 606	127 026
Community wealth/Equity	987 275	1 088 437	1 134 293	1 249 936	1 320 067	1 320 067	1 320 067	1 446 877	1 442 318	1 407 727
Cash flows										
Net cash from (used) operating	(111 061)	(294 223)	(277 884)	89 841	120 186	120 186	120 186	95 450	124 867	87 388
Net cash from (used) investing	(83 604)	(76 404)	(65 577)	(76 246)	(87 235)	(87 235)	(87 235)	(79 015)	(86 739)	(88 547)
Net cash from (used) financing	1 351	(8 534)	(4 413)	(7 459)	(8 280)	(8 280)	(8 280)	-	-	-
Cash/cash equivalents at the year end	(169 169)	(379 161)	(341 049)	20 382	36 185	36 185	36 185	18 945	57 072	55 914
Cash backing/surplus reconciliation										
Cash and investments available	1 084 977	1 108 105	1 165 031	1 332 927	1 307 500	1 307 500	1 307 500	1 369 054	1 425 005	1 401 757
Application of cash and investments	145 794	107 468	85 745	98 998	(56 879)	(56 879)	(56 879)	(86 281)	(35 313)	(39 136)
Balance - surplus (shortfall)	939 183	1 000 637	1 079 286	1 233 929	1 364 379	1 364 379	1 364 379	1 455 336	1 460 318	1 440 893
Asset management										
Asset register summary (WDV)	1 006 677	1 030 166	1 056 393	1 214 356	1 092 129	1 092 129	1 092 129	1 220 889	1 263 225	1 277 621
Depreciation	56 514	59 188	57 070	59 780	60 910	60 910	60 910	64 139	67 280	70 445
Renewal and Upgrading of Existing Assets	33 693	37 061	(8 228)	74 456	75 077	75 077	75 077	68 965	70 283	71 732
Repairs and Maintenance	11 117	18 143	37 236	34 697	38 068	38 068	38 068	32 986	34 602	36 227
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	17 567	16 537	18 263	13 644	24 936	24 936	24 936	26 434	27 832	29 269
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

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	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
Revenue - Functional									
Governance and administration	225 320	275 808	256 207	281 883	292 750	292 750	304 626	310 903	301 639
Executive and council	46 559	56 129	55 019	53 728	53 728	53 728	55 444	56 531	49 950
Finance and administration	169 811	206 248	190 004	214 701	225 568	225 568	235 298	239 464	237 177
Internal audit	8 950	13 430	11 184	13 455	13 455	13 455	13 884	14 908	14 512
Community and public safety	36 265	32 043	24 366	96 507	118 460	118 460	124 150	130 946	134 826
Community and social services	9 633	11 515	10 535	10 998	10 975	10 975	11 327	12 160	11 845
Sport and recreation	12 104	17 675	11 586	17 075	17 050	17 050	17 595	18 892	18 392
Public safety	14 529	2 853	2 244	68 435	90 435	90 435	95 228	99 894	104 589
Economic and environmental services	138 942	148 383	128 540	124 248	125 082	125 082	130 503	135 451	137 437
Planning and development	21 248	30 386	24 294	20 920	21 441	21 441	22 674	21 766	21 278
Road transport	116 541	116 380	101 348	102 518	102 830	102 830	106 992	112 787	115 285
Environmental protection	1 153	1 617	2 898	811	811	811	836	898	874
Trading services	145 640	150 235	152 846	178 318	172 496	172 496	189 924	207 273	220 023
Energy sources	117 514	116 232	123 719	145 384	137 915	137 915	142 609	155 532	166 706
Waste management	28 126	34 003	29 126	32 935	34 581	34 581	47 314	51 740	53 318
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	546 168	606 468	561 959	680 957	708 787	708 787	749 203	784 573	793 926
Expenditure - Functional									
Governance and administration	218 135	240 463	208 324	220 755	227 151	227 151	227 956	238 646	250 957
Executive and council	50 877	43 307	41 975	47 573	43 516	43 516	45 616	47 568	49 828
Finance and administration	160 902	189 110	155 900	163 419	171 522	171 522	169 399	177 514	186 937
Internal audit	6 356	8 045	10 449	9 764	12 113	12 113	12 940	13 564	14 193
Community and public safety	25 269	73 578	40 240	89 593	57 610	57 610	61 124	64 119	67 133
Community and social services	5 097	7 157	11 679	8 174	6 361	6 361	6 893	7 230	7 570
Sport and recreation	6 833	8 292	10 059	16 175	9 739	9 739	10 255	10 758	11 263
Public safety	13 339	58 129	18 502	65 243	41 510	41 510	43 976	46 131	48 299
Economic and environmental services	101 700	94 704	91 149	120 750	117 613	117 613	114 522	114 904	120 295
Planning and development	14 923	12 907	16 794	20 798	17 809	17 809	19 578	15 317	16 037
Road transport	86 178	81 178	74 157	99 257	99 804	99 804	94 945	99 587	104 258
Environmental protection	598	618	197	696	0	0	0	0	0
Trading services	146 281	144 468	170 605	166 185	154 697	154 697	176 632	194 141	213 503
Energy sources	102 696	104 032	125 582	134 925	114 298	114 298	131 404	146 698	163 831
Waste management	43 584	40 435	45 024	31 260	40 399	40 399	45 228	47 443	49 672
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	491 384	553 212	510 319	597 283	557 071	557 071	580 234	611 810	651 888
Surplus/(Deficit) for the year	54 784	53 256	51 640	83 674	151 716	151 716	168 970	172 763	142 038

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.

Table A3 - Budgeted Financial Performance (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	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote									
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	74 595	86 858	83 055	103 972	114 767	114 767	120 955	121 694	126 660
Vote 4 - Corporate Services	40 504	51 431	46 074	50 627	50 700	50 700	52 321	56 176	49 691
Vote 5 - Community Services	69 521	75 047	64 581	138 801	162 889	162 889	181 772	193 575	199 301
Vote 6 - Technical Services	251 794	251 715	239 933	265 908	258 261	258 261	267 533	283 752	300 349
Vote 7 - Developmental Planning	14 650	21 988	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
Total Revenue by Vote	546 168	606 468	561 959	680 957	708 787	708 787	749 203	784 573	793 926
Expenditure by Vote to be appropriated									
Vote 1 - Executive & Council	42 975	37 311	35 993	35 371	37 710	37 710	39 730	41 700	43 681
Vote 2 - Municipal Manager	49 330	47 145	45 860	41 983	47 114	47 114	46 103	48 505	50 778
Vote 3 - Budget & Treasury	63 144	79 320	53 340	66 301	64 034	64 034	60 754	63 576	66 575
Vote 4 - Corporate Services	24 723	31 806	28 369	36 714	32 357	32 357	33 567	35 230	36 884
Vote 5 - Community Services	76 526	122 250	93 637	130 751	106 870	106 870	115 683	121 350	127 052
Vote 6 - Technical Services	205 574	205 570	218 275	248 110	233 072	233 072	245 706	266 086	289 894
Vote 7 - Developmental Planning	8 942	8 333	12 208	15 057	12 251	12 251	13 687	9 138	9 567
Vote 8 - Executive Support	20 169	21 476	22 638	22 996	23 663	23 663	25 003	26 226	27 456
Total Expenditure by Vote	491 384	553 212	510 319	597 283	557 071	557 071	580 234	611 810	651 888
Surplus/(Deficit) for the year	54 784	53 256	51 640	83 674	151 716	151 716	168 970	172 763	142 038

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	106 793	112 026	117 289
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	10 762
Sale of Goods and Rendering of Services		529	1 120	727	1 138	1 116	1 116	1 116	1 213	1 268	1 331
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		(9 465)	13 500	3 526	3 946	4 452	4 452	4 452	4 688	4 918	5 149
Interest earned from Current and Non Current Assets		2 059	585	2 308	3 652	2 152	2 152	2 152	1 955	2 051	2 147
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	1 544	1 618
Non-Exchange Revenue											
Property rates	2	35 773	39 442	39 913	44 645	59 853	59 853	59 853	63 025	66 114	69 220
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		14 570	2 861	2 236	68 520	90 719	90 719	90 719	95 527	100 208	104 918
Licences or permits		3 939	4 635	5 966	6 315	6 815	6 815	6 815	7 176	7 528	7 882
Transfer and subsidies - Operational		273 218	351 908	307 637	338 906	338 906	338 906	338 906	363 746	387 607	378 478
Interest		21 644	3 341	15 229	14 870	10 870	10 870	10 870	13 144	13 787	14 435
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	669 450	708 287	714 230
Expenditure											
Employee related costs	2	141 837	150 619	159 935	185 316	172 137	172 137	172 137	182 261	187 709	196 529
Remuneration of councillors		24 575	24 279	25 217	25 580	27 126	27 126	27 126	28 564	29 963	31 368
Bulk purchases - electricity	2	81 428	88 246	97 964	109 638	94 532	94 532	94 532	112 163	126 452	142 562
Inventory consumed	8	16 160	26 438	38 505	38 645	40 045	40 045	40 045	40 774	42 763	44 761
Debt impairment	3	13 957	61 327	19 690	61 181	29 223	29 223	29 223	30 772	32 280	33 798
Depreciation and amortisation		57 128	59 566	52 826	59 780	60 910	60 910	60 910	64 139	67 280	70 445
Interest		3 538	3 635	1 608	2 185	1 555	1 555	1 555	931	472	1 567
Contracted services		88 242	77 129	88 573	63 265	76 643	76 643	76 643	73 401	76 949	80 611
Transfers and subsidies		16 380	16 576	1 547	3 292	2 673	2 673	2 673	3 176	3 418	3 671
Irrecoverable debts written off		-	1	-	-	-	-	-	-	-	-
Operational costs		36 412	43 481	37 818	48 400	52 228	52 228	52 228	44 056	44 526	46 570
Losses on disposal of Assets		4 847	421	5 899	-	-	-	-	-	-	-
Other Losses		(108)	-	612	-	-	-	-	-	-	-
Total Expenditure		484 395	551 718	530 194	597 283	557 071	557 071	557 071	580 237	611 812	651 882
Surplus/(Deficit)		(37 372)	(19 625)	(22 692)	4 068	71 190	71 190	71 190	89 214	96 475	62 348
Transfers and subsidies - capital (monetary allocations)	6	92 156	68 450	74 316	79 606	79 606	79 606	79 606	79 756	76 284	79 692
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	920	920	920	-	-	-
Surplus/(Deficit) after capital transfers & contributions		54 784	48 825	51 624	83 674	151 716	151 716	151 716	168 970	172 759	142 040
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		54 784	48 825	51 624	83 674	151 716	151 716	151 716	168 970	172 759	142 040
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		54 784	48 825	51 624	83 674	151 716	151 716	151 716	168 970	172 759	142 040
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	54 784	48 825	51 624	83 674	151 716	151 716	151 716	168 970	172 759	142 040

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

- Operating revenue is R669, 447 million in 2023/24 and escalates to R708, 290 million and R714, 234 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 R116, 590 million for the 2023/24 financial year and increasing to R122, 303 million in 2024/25 and increasing to R128, 052 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 CPI. Additionally consideration have been taken that there is new electrification at Masakeneng whereby the municipality will realize revenue on prepaid electricity however based on yearly mid-year performance the variance is mostly unfavorable therefore the increase is based solely on CPI.
4. An increase in revenue sources below was based on CPI:
 - Fines
 - Interest earned - outstanding debtors
 - Licences and permits
 - Other Revenue
 - Property Rates
 - Rental of facilities and equipment
 - Service charges - refuse revenue
5. Transfers recognized operational – includes the local government equitable share, financial management grant, extended public works programme grant and the allocation is as per DORA.
6. 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.
7. Interest on outstanding debtors – an increase is due to an increase in debtors computed at prime rate (currently 10.75%) plus 1%.
8. Operating expenditure is R580, 234 million in 2023/24 and escalates to R611, 810 million and R651, 888 million in the outer years.
9. 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.
10. Bulk purchases increase by 18.65% as per approved ESKOM tariff by NERSA.
11. Finance cost is based on finance lease amortization schedule for the second year which reduced as compared to first year.
12. Transfer and grants – free basic electricity subsidies increased by 18.65% in line with bulk purchases
13. Contracted services – the decrease is due to once-off operational projects i.e feasibility study *amongst others*
14. An increase in expenditure sources below was based on CPI:
 - Debt impairment

- Depreciation
 - Remuneration of councillors
15. An increase in employee related cost is due to majority of director's posts being vacant and chances to fill all posts in 2023-24 are very high and CPI adjustment.
16. The decrease in other expenditure is due to once-off projects and decrease in other items as implementation of cost containment measures.
17. 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 has increased due 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		
	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	1 856	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	1 856	1 000	1 200	1 200
Internal audit	-	-	-	-	-	-	-	-	-	-
Community and public safety	-	2 063	498	3 935	3 533	3 533	2 399	100	100	100
Community and social services	-	598	498	1 538	1 403	1 403	1 323	-	-	-
Sport and recreation	-	1 465	-	1 680	1 264	1 264	875	100	-	-
Public safety	-	-	-	718	865	865	201	-	100	100
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	69 833	62 035	57 924	74 106	74 131	74 131	50 772	68 865	71 783	72 534
Planning and development	-	-	-	1 100	1 075	1 075	1 075	-	100	100
Road transport	69 833	62 035	57 924	73 006	73 056	73 056	49 697	68 865	71 683	72 434
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	20 378	19 894	28 030	18 500	24 674	24 674	9 630	15 950	12 150	12 658
Energy sources	18 954	19 894	28 030	17 250	22 524	22 524	9 311	14 950	12 050	12 558
Waste management	1 424	-	-	1 250	2 150	2 150	319	1 000	100	100
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	92 168	85 102	88 355	98 041	105 377	105 377	64 658	85 915	85 433	86 692
Funded by:										
National Government	56 721	79 029	74 316	79 606	79 606	79 606	55 228	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	79 606	79 606	55 228	79 756	76 283	79 692
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	13 975	6 073	14 040	18 435	25 771	25 771	9 430	6 159	9 150	7 000
Total Capital Funding	92 168	85 102	88 355	98 041	105 377	105 377	64 658	85 915	85 433	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 R76 million however the internal generated funding is based on the surplus from A7 cash flow, which is exclusive of non-cash item.

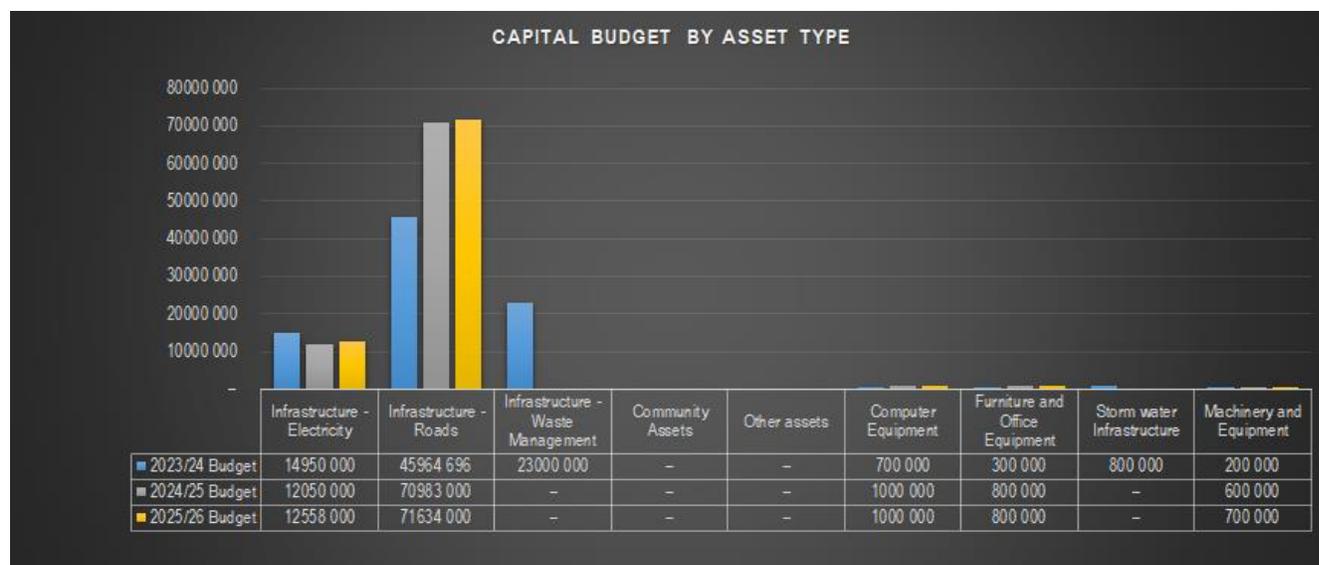


Table A5A - Budgeted Capital Expenditure by vote

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	1 856	700	1 000	1 000
Vote 5 - Community Services	-	-	-	4 368	4 887	4 887	2 198	1 000	-	-
Vote 6 - Technical Services	46 151	7 468	46 398	29 334	34 708	34 708	20 127	53 965	74 683	57 249
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	46 151	8 574	47 222	35 202	42 635	42 635	24 182	55 665	75 683	58 249
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	100	200	200
Vote 6 - Technical Services	43 960	74 557	40 635	60 922	60 872	60 872	38 881	29 850	9 050	27 743
Vote 7 - Developmental Planning	-	-	-	1 100	1 075	1 075	1 075	-	100	100
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	46 017	76 528	41 133	62 839	62 742	62 742	40 476	30 250	9 750	28 443
Total Capital Expenditure - Vote	92 168	85 102	88 355	98 041	105 377	105 377	64 658	85 915	85 433	86 692

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

- 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 R55, 665 million has been allocated of the total R85, 915 million. This allocation increases to R75, 683 million in 2024/25 and decrease to R58, 249 million in 2025/26.
3. Single-year capital expenditure has been appropriated at R30, 250 million for the 2023/24 financial year and declines to R9, 750 million in 2024/25 and then increases to R28, 443 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	39 345	39 345	39 345	47 745	67 197	30 213
Trade and other receivables from exchange transactions	1	52 376	60 881	62 735	50 360	6 243	6 243	6 243	66 385	64 126	62 459
Receivables from non-exchange transactions	1	57 805	26 329	38 665	29 312	116 140	116 140	116 140	158 918	101 527	105 451
Current portion of non-current receivables		167	304	548	119	119	119	119	-	-	-
Inventory	2	8 964	11 082	20 355	10 005	10 701	10 701	10 701	15 245	17 245	16 205
VAT		26 014	38 560	44 886	45 007	17 113	17 113	17 113	12 050	12 641	13 222
Other current assets		14 989	15 576	15 998	-	0	0	0	-	-	-
Total current assets		162 253	159 556	197 905	158 965	189 662	189 662	189 662	300 344	262 735	227 550
Non current assets											
Investments		1 465	1 465	1 465	17 278	17 628	17 628	17 628	17 647	18 034	18 438
Investment property		69 961	81 077	96 399	48 547	51 621	51 621	51 621	48 547	48 547	48 547
Property, plant and equipment	3	1 030 663	1 040 399	1 087 576	1 258 405	1 261 912	1 261 912	1 261 912	1 254 924	1 293 682	1 309 085
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	519	516	516
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		1 102 583	1 123 426	1 185 917	1 325 025	1 332 140	1 332 140	1 332 140	1 322 101	1 361 243	1 377 050
TOTAL ASSETS		1 264 836	1 282 983	1 383 822	1 483 989	1 521 802	1 521 802	1 521 802	1 622 445	1 623 978	1 604 600
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		11 547	3 014	4 766	7 459	8 280	8 280	8 280	7 242	6 548	6 638
Consumer deposits		5 525	5 797	5 621	5 700	(5 701)	(5 701)	(5 701)	6 174	6 228	6 515
Trade and other payables from exchange transactions	4	101 802	88 109	99 323	87 876	85 549	85 549	85 549	34 139	50 000	44 001
Trade and other payables from non-exchange transactions	5	5 616	1 207	6 489	13 296	12 677	12 677	12 677	11 081	4 637	5 741
Provision		1 131	630	1 142	4 990	(9 046)	(9 046)	(9 046)	5 254	5 512	5 771
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	1 129	1 182
Total current liabilities		146 916	123 737	148 707	120 343	92 782	92 782	92 782	64 967	74 054	69 847
Non current liabilities											
Financial liabilities	6	2 251	(338)	14 616	17 458	12 701	12 701	12 701	13 186	6 638	21 312
Provision	7	44 002	53 749	61 137	45 546	45 546	45 546	45 546	46 097	47 778	50 024
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		29 609	21 679	23 583	50 705	50 705	50 705	50 705	51 318	53 190	55 690
Total non current liabilities		75 862	75 090	99 335	113 710	108 953	108 953	108 953	110 601	107 606	127 026
TOTAL LIABILITIES		222 778	198 827	248 042	234 053	201 735	201 735	201 735	175 568	181 660	196 873
NET ASSETS		1 042 059	1 084 156	1 135 780	1 249 936	1 320 067	1 320 067	1 320 067	1 446 877	1 442 318	1 407 727
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	987 275	1 088 437	1 134 293	1 230 936	1 320 067	1 320 067	1 320 067	1 446 877	1 442 318	1 407 727
Reserves and funds	9	-	-	-	19 000	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	987 275	1 088 437	1 134 293	1 249 936	1 320 067	1 320 067	1 320 067	1 446 877	1 442 318	1 407 727

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents assets less liabilities as “accounting” community wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- 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.
- 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:
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
6. Current portion of non-current receivables has been reclassified to receivables from non-exchange transactions due to the change of the template.
7. 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	54 458	57 127	59 811
Service charges		1 020	1 954	1 530	122 534	128 609	128 609	128 609	114 472	121 119	123 672
Other revenue		6 862	(68)	287	17 751	20 175	20 175	20 175	23 069	24 195	25 337
Transfers and Subsidies - Operational	1	32 527	36 298	115 158	338 906	338 906	338 906	338 906	334 698	357 135	346 575
Transfers and Subsidies - Capital	1	–	4	–	79 606	79 606	79 606	79 606	79 756	76 284	79 692
Interest		–	44	1 236	3 852	2 152	2 152	2 152	1 955	2 051	2 147
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(151 471)	(332 455)	(396 095)	(507 223)	(494 238)	(494 238)	(494 238)	(512 027)	(512 574)	(548 276)
Finance charges		–	–	–	(2 185)	(2 688)	(2 688)	(2 688)	(931)	(471)	(1 568)
Transfers and Subsidies	1	–	–	–	(3 292)	(2 673)	(2 673)	(2 673)	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(111 061)	(294 223)	(277 884)	89 841	120 186	120 186	120 186	95 450	124 867	87 388
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		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(83 604)	(76 404)	(65 577)	(81 790)	(89 705)	(89 705)	(89 705)	(79 015)	(86 739)	(88 547)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(83 604)	(76 404)	(65 577)	(76 246)	(87 235)	(87 235)	(87 235)	(79 015)	(86 739)	(88 547)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		1 351	(8 534)	(4 413)	(7 459)	(8 280)	(8 280)	(8 280)	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 351	(8 534)	(4 413)	(7 459)	(8 280)	(8 280)	(8 280)	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		(193 314)	(379 161)	(347 874)	6 137	24 670	24 670	24 670	16 435	38 127	(1 158)
Cash/cash equivalents at the year begin:	2	24 145	–	6 825	14 245	11 514	11 514	11 514	2 510	18 945	57 072
Cash/cash equivalents at the year end:	2	(169 169)	(379 161)	(341 049)	20 382	36 185	36 185	36 185	18 945	57 072	55 914

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 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, printing and stationary) and post-employment medical aid benefits and long service leave – current service and interest charge. Mscoa eliminated store items to be non-funding and in true essences store items are not funded where department's requests item from stores. Funding is required when the municipality procures goods from service provider therefore Treasury must consider this matter during funding process.

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

Included other cash flow payment is retention release amongst others.

As per National Treasury guideline, transfer and grant is aligned to Transferred to Revenue/Capital Expenditure as opposed to “withdrawals” hence the treatment of the amount is slightly different from the norm and transferred to revenue/capital expenditure is no longer part of the chat hence data strings are not pulling however the payment is currently included in payment to suppliers and employees item.

Cash flow from investing activities

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

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

Cash flow from financing activities

The repayment of borrowings relates to finance lease agreement the municipality entered into and the amount is based on the amortisation schedule.

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate CPI rate or slightly higher over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term. The rate of revenue collection is budgeted as a percentage of annual billings as follows: property rates 84.1%; Services charges electricity 99.6%; Services charges refuse 55.9%; other revenue 100%; Rental on facilities 100%; traffic fines 13.1% and Interest on outstanding debtors of 54.7%. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

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

Table A8 – Budgeted cash backed reserves/ accumulated surplus reconciliation

Description	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	(169 169)	(379 161)	(341 049)	20 382	36 185	36 185	36 185	18 945	57 072	55 914
Other current investments > 90 days		223 483	446 867	418 504	54 140	9 404	9 404	9 404	95 185	74 250	36 758
Investments - Property, plant and equipment	1	1 030 663	1 040 399	1 087 576	1 258 405	1 261 912	1 261 912	1 261 912	1 254 924	1 293 682	1 309 085
Cash and investments available:		1 084 977	1 108 105	1 165 031	1 332 927	1 307 500	1 307 500	1 307 500	1 369 054	1 425 005	1 401 757
Application of cash and investments											
Trade payables from Non-exchange transactions: Other		300	198	465	3 292	3 138	3 138	3 138	4 181	3 378	4 896
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	45 339	17 323	(14 510)	45 007	(11 865)	(11 865)	(11 865)	12 050	12 641	13 222
Other working capital requirements	3	95 586	86 672	97 701	25 687	(40 128)	(40 128)	(40 128)	(108 843)	(57 973)	(64 207)
Other provisions		4 569	3 275	2 090	6 012	(8 024)	(8 024)	(8 024)	6 331	6 641	6 953
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	19 000	-	-	-	-	-	-
Total Application of cash and investments:		145 794	107 468	85 745	98 998	(56 879)	(56 879)	(56 879)	(86 281)	(35 313)	(39 136)
Surplus(shortfall)		939 183	1 000 637	1 079 286	1 233 929	1 364 379	1 364 379	1 364 379	1 455 336	1 460 318	1 440 893

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.

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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	16 950	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	14 950	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	15 750	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	300	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	32 060	32 060	24 609	400	400
Roads Infrastructure	10 527	39 222	39 750	28 631	28 891	28 891	2 609	300	300
Electrical Infrastructure	-	-	5 124	-	-	-	-	-	-
Solid Waste Infrastructure	-	7 719	-	2 092	2 092	2 092	22 000	-	-
Infrastructure	10 527	46 940	44 874	30 723	30 983	30 983	24 609	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	44 092	44 092	44 356	70 683	71 334
Roads Infrastructure	10 828	12 370	18 534	41 433	41 133	41 133	43 356	70 683	71 334
Solid Waste Infrastructure	-	-	-	-	1 000	1 000	1 000	-	-
Infrastructure	10 828	12 370	18 534	41 433	42 133	42 133	44 356	70 683	71 334
Community Facilities	-	602	498	1 300	884	884	-	-	-
Community Assets	-	602	498	1 300	884	884	-	-	-
Operational Buildings	1 299	-	-	1 100	1 075	1 075	-	-	-
Other Assets	1 299	-	-	1 100	1 075	1 075	-	-	-
Total Capital Expenditure	92 168	85 102	88 355	98 041	105 377	105 377	85 915	85 433	86 692

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									
Roads Infrastructure	72 701	51 592	58 284	70 064	70 024	70 024	45 965	70 983	71 634
Storm water Infrastructure	-	-	-	-	-	-	800	-	-
Electrical Infrastructure	16 111	20 000	27 456	17 250	22 524	22 524	14 950	12 050	12 558
Solid Waste Infrastructure	-	7 719	-	3 342	4 242	4 242	23 000	-	-
Infrastructure	88 812	79 311	85 740	90 656	96 790	96 790	84 715	83 033	84 192
Community Facilities	-	1 202	498	2 718	1 991	1 991	-	-	-
Community Assets	-	1 202	498	2 718	1 991	1 991	-	-	-
Operational Buildings	1 299	2 339	-	1 558	1 737	1 737	-	-	-
Other Assets	1 299	2 339	-	1 558	1 737	1 737	-	-	-
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	300	800	800
Machinery and Equipment	1 492	1 200	214	1 610	1 400	1 400	200	600	700
Transport Assets	-	-	1 079	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	92 168	85 102	88 355	98 041	105 377	105 377	85 915	85 433	86 692
ASSET REGISTER SUMMARY - PPE (WDV)	1 137 096	1 184 924	1 307 733	1 311 438	1 311 438	1 250 030	1 325 008	1 329 984	1 334 330
Roads Infrastructure	623 424	629 659	635 955	656 236	660 042	660 042	660 703	661 363	662 025
Electrical Infrastructure	98 813	99 801	100 799	104 014	104 014	104 014	104 118	104 222	104 326
Solid Waste Infrastructure	15 421	15 575	15 731	16 232	16 232	16 232	17 044	17 215	17 387
Infrastructure	737 658	745 035	752 485	776 483	780 289	780 289	781 864	782 800	783 737
Community Assets	88 070	88 951	89 840	92 705	92 705	92 705	92 798	92 891	92 984
Heritage Assets	440	445	449	463	463	463	487	491	496
Investment properties	40 364	40 767	41 175	42 488	42 488	42 488	44 612	45 059	45 509
Other Assets	68 412	69 096	69 787	72 012	72 012	72 012	75 613	76 369	77 133
Intangible Assets	285	288	291	300	185	185	194	196	198
Computer Equipment	4 556	4 601	4 647	4 796	4 796	4 796	4 801	4 805	4 810
Furniture and Office Equipment	3 454	3 489	3 524	3 636	3 636	3 636	3 640	3 643	3 647
Machinery and Equipment	29 425	29 720	30 017	30 974	30 974	30 974	31 005	31 036	31 067
Transport Assets	50 066	50 567	51 073	52 701	49 010	49 010	49 059	49 108	49 157
Land	114 365	151 966	264 445	234 879	234 879	173 471	240 935	243 585	245 591
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 137 096	1 184 924	1 307 733	1 311 438	1 311 438	1 250 030	1 325 008	1 329 984	1 334 330
EXPENDITURE OTHER ITEMS	67 163	74 162	95 416	97 506	103 346	103 346	98 908	103 755	108 631
Depreciation	56 514	58 788	57 070	59 780	60 910	60 910	64 138	67 281	70 443
Repairs and Maintenance by Asset Class	10 649	15 373	38 346	37 726	42 436	42 436	34 770	36 474	38 188
Roads Infrastructure	161	4 892	13 895	15 467	21 167	21 167	11 940	12 525	13 114
Electrical Infrastructure	2 180	1 845	12 201	8 263	5 763	5 763	6 172	6 475	6 779
Solid Waste Infrastructure	2 778	2 993	4 175	1 722	2 722	2 722	3 043	3 192	3 342
Infrastructure	5 119	9 729	30 270	25 453	29 653	29 653	21 155	22 191	23 234
Community Facilities	-	-	166	594	544	544	573	601	629
Operational Buildings	1 497	1 845	541	1 129	1 495	1 495	1 575	1 652	1 730
Other Assets	1 497	1 845	541	1 129	1 495	1 495	1 575	1 652	1 730
Intangible Assets	-	425	38	200	100	100	211	221	231
Machinery and Equipment	1 306	1 520	3 214	6 556	6 849	6 849	7 262	7 618	7 976
Transport Assets	2 727	1 854	4 117	3 794	3 794	3 794	3 995	4 191	4 388
TOTAL EXPENDITURE OTHER ITEMS	67 163	74 162	95 416	97 506	103 346	103 346	98 908	103 755	108 631
Renewal and upgrading of Existing Assets as % of total capex	24.6%	71.1%	72.3%	77.1%	72.3%	72.3%	77.7%	83.2%	82.7%
Renewal and upgrading of Existing Assets as % of deprecn	40.1%	102.9%	112.0%	126.4%	125.0%	125.0%	111.5%	105.7%	101.8%
R&M as a % of PPE	1.0%	1.5%	3.5%	3.0%	3.4%	3.4%	2.7%	2.8%	3.0%
Renewal and upgrading and R&M as a % of PPE	3.0%	6.0%	8.0%	9.0%	9.0%	9.0%	8.0%	8.0%	8.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to construct and/procure new assets, renewal, and upgrading of existing assets, as well as spending on repairs and maintenance by asset class.
- 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 78% 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.

Table A10 – Service Delivery

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)	-	-	-	-	-	-	-	-	-
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
Households receiving Free Basic Service									
Electricity/other energy (50kwh per household per month)	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-
Refuse (average litres per week)	-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	-	-	-	-	-	-	-	-	-
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in	5 741	5 741	9 017	9 017	9 017	9 017	16 217	17 077	17 914
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	-	-	-	-	-	-
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

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 will be 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. 	1-31 July 2022
	<ul style="list-style-type: none"> • EXCO provides political guidance over the budget process and priorities that must inform preparations of the budget. 	1-31 July 2022
	<ul style="list-style-type: none"> • Tabling of the draft 2023-2024 IDP and Budget process plan to IDP steering committee/technical committee for comments and inputs. 	15 July 2022
	<ul style="list-style-type: none"> • Tabling of the 2023-2024 IDP and Budget process plan to council structures for approval 	29 July 2022

MONTH	ACTIVITY	Target date
August 2022	<ul style="list-style-type: none"> Ward-to-Ward based analysis data collection 	10 August 2022 -30 September 2022
	<ul style="list-style-type: none"> 4th Quarter Performance Lekgotla 	26 August 2022
	<ul style="list-style-type: none"> Submit AFS (Annual Financial Statements) for 2021/22 to AG. 	31 August 2022
	<ul style="list-style-type: none"> Submit 2020/21 cumulative Performance Report to AG & Council Structures 	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. 	29 October 2022
	<ul style="list-style-type: none"> Collate information from ward-based data. 	1-31 October 2022
	<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 	1-31 October 2022
	<ul style="list-style-type: none"> 1ST Quarter Performance Lekgotla (2022/23) 	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 	01 December 2022
	<ul style="list-style-type: none"> IDP Steering/technical Committee meeting to present the analysis phase data 	02 December 2022

MONTH	ACTIVITY	Target date
	<ul style="list-style-type: none"> IDP Representative Forum to present the analysis report 	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
March 2023	<ul style="list-style-type: none"> Submission of 2022-2023 Draft Budget to Budget Steering Committee Council considers the 2022-2023 Draft IDP and Budget. Publish the 2022-2023 Draft IDP and Budget for public comments. Adoption of Oversight Report for 2021-2022. 	16 March 2023 31 March 2023 31 March 2023
APPROVAL PHASE		

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

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

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

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

- 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:

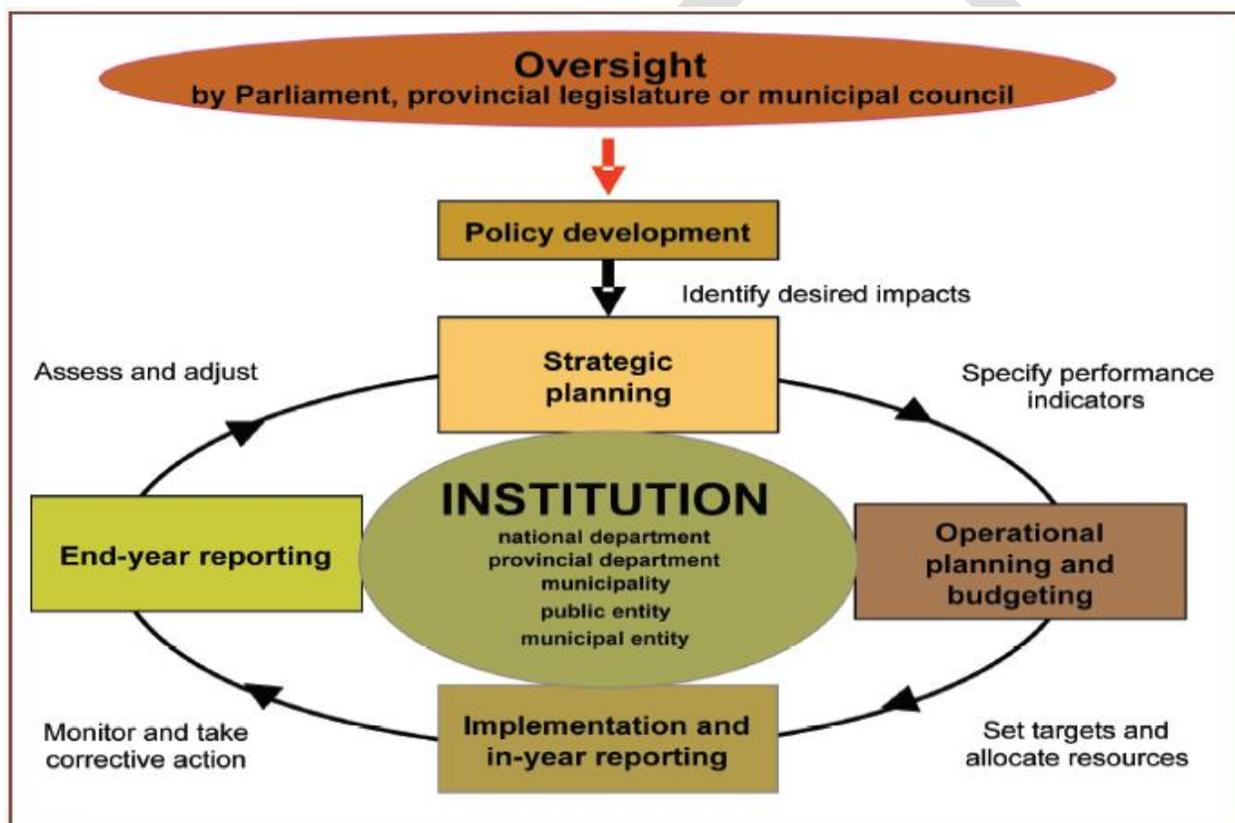


Figure 4 Planning, budgeting and reporting cycle

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.

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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 75 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

2.4.2 Asset Management, 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 99.6%; Services charges refuse 55.9%; other revenue 100%; Traffic fines 13.1%. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the municipality, household formation growth rate and the poor household change rate. In addition, the following are some of the assumptions that have direct impact on debtors and collection rate as well revenue generation:

- Property rates – 75%
- Service charge electricity - 99.6%
- Service charge refuse removal - 55.9%
- Rental on facilities - 100%
- Other revenue – 100%
- Interest on outstanding debtors - 54.7%
- Traffic fines – 13%

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

Salary increases

MFMA circular 122 and 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 100% 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

The following table is a breakdown of the operating revenue over the medium-term and presents operating surplus of R61, 586 million in 2023/24 that is relatively enough.

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 R61, 586 million, R71, 159 million and R38, 520 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.

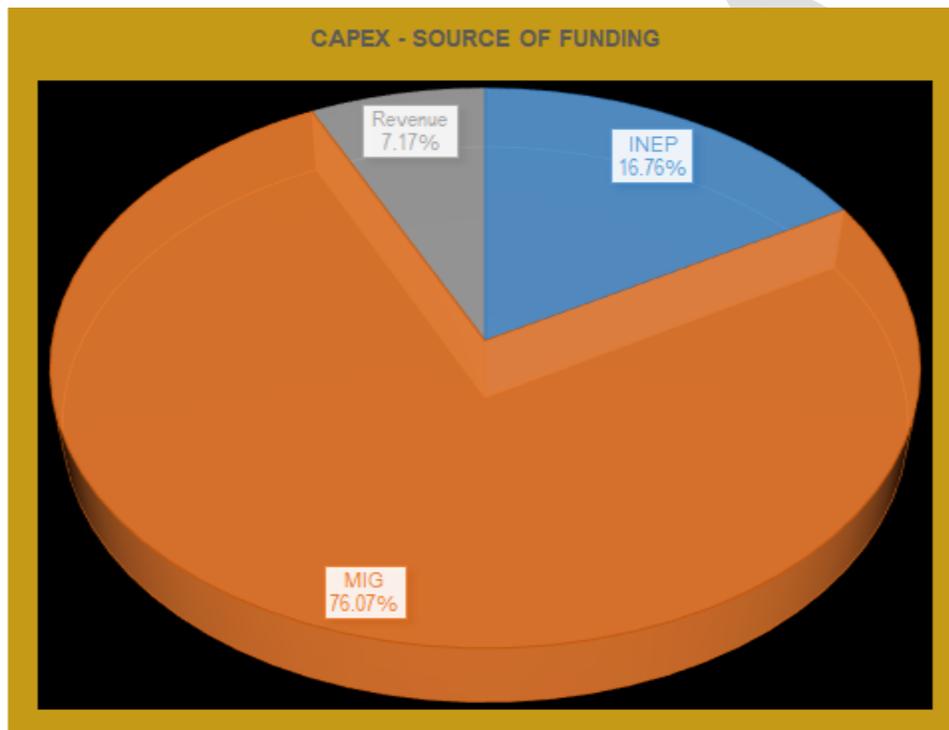


Figure 6 Breakdown of the source of funding for 2023/24 MTREF

Capital grants and receipts equate to 87% 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 13% of capital budgets is funded from internally generated revenue.

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Table SA1 – Supporting detail to budgeted financial performance

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
REVENUE ITEMS:										
Property rates										
Total Property Rates	41 514	45 183	48 931	53 662	68 870	68 870	45 485	79 242	83 190	87 134
<i>Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	5 741	5 741	9 017	9 017	9 017	9 017	9 017	16 217	17 077	17 914
Net Property Rates	35 773	39 442	39 913	44 645	59 853	59 853	36 468	63 025	66 113	69 220
Service charges - electricity revenue										
Total Service charges - electricity revenue	87 068	88 812	98 371	108 186	101 418	101 418	63 608	106 793	112 026	117 291
<i>Less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>										
<i>Less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	–	–	–	–	–	–	–	–	–	–
Net Service charges - electricity revenue	87 068	88 812	98 371	108 186	101 418	101 418	63 608	106 793	112 026	117 291
Service charges - refuse revenue										
Total refuse removal revenue	8 425	8 926	9 383	9 781	9 302	9 302	6 241	9 798	10 278	10 761
Total landfill revenue	–	–	–	–	–	–	–	–	–	–
<i>Less Revenue Foregone (in excess of one removal a week)</i>	–	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (removed once a week)										
Net Service charges - refuse revenue	8 425	8 926	9 383	9 781	9 302	9 302	6 241	9 798	10 278	10 761
Other Revenue by source	–	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–	–
Other Revenue	15 893	23 001	2 055	1 524	2 907	2 907	10 635	2 684	2 816	2 948
Total 'Other' Revenue	15 893	23 001	2 055	1 524	2 907	2 907	10 635	2 684	2 816	2 948
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	149 468	160 455	105 966	119 788	107 955	107 955	73 001	113 607	115 817	121 260
Pension and UIF Contributions	–	–	19 666	26 725	20 765	20 765	13 798	21 909	22 871	23 946
Medical Aid Contributions	–	–	5 522	7 057	6 163	6 163	3 921	6 490	6 808	7 128
Overtime	–	–	1 055	1 163	347	347	247	364	381	399
Motor Vehicle Allowance	–	–	13 204	16 220	14 307	14 307	9 498	15 065	15 804	16 546
Cellphone Allowance	–	–	2 002	1 592	2 005	2 005	1 324	2 111	2 214	2 318
Housing Allowances	–	–	220	230	253	253	168	266	279	293
Other benefits and allowances	–	–	10 640	11 590	15 806	15 806	9 937	16 649	17 464	18 285
Payments in lieu of leave	–	–	624	442	4 283	4 283	1 007	4 510	4 731	4 954
Long service awards	–	–	1 288	510	253	253	168	1 281	1 344	1 407
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–	–
sub-total	149 468	160 455	160 187	185 316	172 137	172 137	113 069	182 253	187 714	196 536

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
Less: Employees costs capitalised to PPE	-	-	-	-	-	-	-	-	-	-
Total Employee related costs	149 468	160 455	160 187	185 316	172 137	172 137	113 069	182 253	187 714	196 536
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	56 514	58 788	57 070	59 780	60 910	60 910	-	64 138	67 281	70 443
Lease amortisation	-	-	-	-	-	-	-	-	-	-
Capital asset impairment	-	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	56 514	58 788	57 070	59 780	60 910	60 910	-	64 138	67 281	70 443
Bulk purchases - electricity										
Electricity bulk purchases	81 428	88 182	97 949	109 638	94 532	94 532	58 056	112 162	126 452	142 562
Total bulk purchases	81 428	88 182	97 949	109 638	94 532	94 532	58 056	112 162	126 452	142 562
Transfers and grants										
Cash transfers and grants	-	-	-	-	-	-	-	-	-	-
<i>Non-cash transfers and grants</i>	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	3 275	2 591	3 292	2 673	2 673	1 033	3 176	3 417	3 671
<i>Contracted services</i>										
<i>Outsourced Services</i>	-	-	-	53 872	62 286	62 286	42 925	57 104	59 891	62 681
<i>Consultants and Professional Services</i>	-	-	-	4 334	4 239	4 239	2 357	4 738	4 970	5 204
<i>Contractors</i>	90 969	75 365	77 956	8 959	10 756	10 756	6 124	10 874	11 407	11 943
Total contracted services	90 969	75 365	77 956	67 165	77 281	77 281	51 406	72 716	76 269	79 827
Other Expenditure By Type										
Collection costs	-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-
Audit fees	-	-	-	-	-	-	-	-	-	-
Other Expenditure	53 902	54 626	44 245	44 500	51 532	51 532	39 034	44 748	45 202	47 351
Total 'Other' Expenditure	53 902	54 626	44 245	44 500	51 532	51 532	39 034	44 748	45 202	47 351
Repairs and Maintenance by Expenditure Item										
Inventory Consumed (Project Maintenance)		9 955	37 886	32 328	34 610	34 610	25 250	26 198	27 482	28 774
Contracted Services	10 649	4 993	-	5 164	7 726	7 726	5 246	8 361	8 770	9 183
Other Expenditure		425	460	234	100	100	28	211	221	231
Total Repairs and Maintenance Expenditure	10 649	15 373	38 346	37 726	42 436	42 436	30 524	34 770	36 474	38 188
Inventory Consumed - Other	14 661	24 225	37 886	38 645	40 103	40 103	29 450	40 773	42 761	44 762
Total Inventory Consumed & Other Material	14 661	24 225	37 886	38 645	40 103	40 103	29 450	40 773	42 761	44 762

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

Description	Vote 1 - Executive & Council	Vote 2 - Municipal Manager	Vote 3 - Budget & Treasury	Vote 4 - Corporate Services	Vote 5 - Community Services	Vote 6 - Technical Services	Vote 7 - Developmental Planning	Vote 8 - Executive Support	Total
	R'000	R'000	R'000	R'000	R'000	R'000			R'000
Revenue By Source									
Property rates	-	-	63 025	-	-	-	-	-	63 025
Service charges - electricity revenue	-	-	-	-	-	106 793	-	-	106 793
Service charges - refuse revenue	-	-	-	-	9 798	-	-	-	9 798
Rental of facilities and equipment	-	-	-	-	-	913	-	-	913
Interest earned - external investments	-	-	1 955	-	-	-	-	-	1 955
Interest earned - outstanding debtors	-	-	13 143	-	1 270	3 418	-	-	17 831
Fines, penalties and forfeits	-	-	-	-	95 284	23	221	-	95 528
Licences and permits	-	-	-	-	7 176	-	-	-	7 176
Other revenue	-	-	1 500	98	128	6	952	-	2 684
Transfers and subsidies	48 780	48 017	41 332	52 223	68 117	76 624	13 250	15 401	363 745
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	48 780	48 017	120 955	52 321	181 772	187 777	14 423	15 401	669 447
Expenditure By Type									
Employee related costs	-	13 795	31 886	13 267	61 179	29 873	9 626	22 627	182 253
Remuneration of councillors	28 564	-	-	-	-	-	-	-	28 564
Debt impairment	-	-	4 735	-	22 509	3 528	-	-	30 772
Depreciation & asset impairment	-	-	6	1 062	2 110	60 960	-	-	64 138
Finance charges	-	-	35	-	-	896	-	-	931
Bulk purchases - electricity	-	-	-	-	-	112 162	-	-	112 162
Inventory consumed	39	374	1 545	80	2 940	34 821	974	-	40 773
Contracted services	2 752	30 382	11 740	5 100	21 608	-	53	1 082	72 716
Transfers and subsidies	550	-	-	1 833	-	793	-	-	3 176
Other expenditure	7 827	1 554	10 807	12 225	5 336	2 672	3 034	1 293	44 748
Losses	-	-	-	-	-	-	-	-	-
Total Expenditure	39 730	46 103	60 754	33 567	115 683	245 706	13 687	25 003	580 234
Surplus/(Deficit)	9 050	1 913	60 201	18 754	66 090	(57 929)	736	(9 602)	89 214
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	79 756	-	-	79 756
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	9 050	1 913	60 201	18 754	66 090	21 827	736	(9 602)	168 970

Table SA3 – Supporting detail of budgeted financial position

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
ASSETS										
Consumer debtors										
Consumer debtors	66 059	77 298	96 531	61 834	64 191	64 191	118 073	69 351	73 113	76 741
Less: Provision for debt impairment	–	–	–	–	–	–	–	–	–	–
Total Consumer debtors	66 059	77 298	96 531	61 834	64 191	64 191	118 073	69 351	73 113	76 741
Debt impairment provision	–	–	–	–	–	–	–	–	–	–
Balance at the beginning of the year	–	–	–	–	–	–	–	–	–	–
Contributions to the provision	–	–	–	–	–	–	–	–	–	–
Bad debts written off	–	–	–	–	–	–	–	–	–	–
Balance at end of year	–	–	–	–	–	–	–	–	–	–
Materials and Supplies										
Opening Balance	22 084	8 964	11 082	20 355	20 355	20 355	20 355	12 160	38 571	66 267
Acquisitions	1 541	26 342	47 159	28 295	31 908	31 908	34 123	67 185	70 457	73 750
Issues	(14 661)	(24 225)	(37 886)	(38 645)	(40 103)	(40 103)	(29 450)	(40 773)	(42 761)	(44 762)
Adjustments	–	–	–	–	–	–	–	–	–	–
Write-offs	–	–	–	–	–	–	–	–	–	–
Closing balance - Materials and Supplies	8 964	11 082	20 355	10 005	12 160	12 160	25 028	38 571	66 267	95 255
Closing Balance - Inventory & Consumables	8 964	11 082	20 355	10 005	12 160	12 160	25 028	38 571	66 267	95 255
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	1 602 076	1 687 555	1 719 300	1 889 639	1 893 145	1 893 145	1 784 388	1 913 005	1 924 351	1 935 132
Leases recognised as PPE	21 776	19 357	19 357	19 357	19 357	19 357	19 357	19 550	19 746	19 943
Less: Accumulated depreciation	593 189	650 591	650 591	650 591	650 591	650 591	650 591	657 097	663 668	670 304
Total Property, plant and equipment (PPE)	1 030 663	1 056 321	1 088 067	1 258 405	1 261 912	1 261 912	1 153 154	1 275 458	1 280 430	1 284 771
LIABILITIES										
Current liabilities - Borrowing	–	–	–	–	–	–	–	–	–	–
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	10 975	2 441	6 638	7 459	6 638	6 638	1 810	7 246	6 548	6 638
Total Current liabilities - Borrowing	10 975	2 441	6 638	7 459	6 638	6 638	1 810	7 246	6 548	6 638
Trade and other payables										
Trade Payables	99 051	85 091	97 677	94 682	91 168	91 168	113 119	107 125	110 351	113 604
Other creditors	193	193	–	–	4 013	4 013	–	–	–	–
Unspent conditional transfers	5 616	1 207	6 489	6 489	4 504	4 504	12 710	–	–	–
VAT	–	–	–	–	–	–	–	–	–	–
Total Trade and other payables	104 861	86 491	104 167	101 172	99 684	99 684	125 828	107 125	110 351	113 604
Non current liabilities - Borrowing										
Borrowing	2 444	–	12 702	17 458	12 701	12 701	14 616	13 186	6 638	21 312
Finance leases (including PPP asset element)	31 232	23 302	12 702	17 458	12 701	12 701	14 616	13 186	6 638	21 312
Total Non current liabilities - Borrowing	33 676	23 302	12 702	17 458	12 701	12 701	14 616	13 186	6 638	21 312
Provisions - non-current										
Retirement benefits	5 908	3 088	31 146	96 252	96 252	96 252	84 720	96 252	100 968	105 713
Refuse landfill site rehabilitation	36 387	45 546	51 867	–	–	–	–	–	–	–
Other	3 281	6 495	2 943	–	–	–	–	–	–	–
Total Provisions - non-current	45 575	55 129	85 956	96 252	96 252	96 252	84 720	96 252	100 968	105 713
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	987 275	1 042 059	1 084 183	1 147 264	1 142 821	1 142 821	1 143 081	1 223 689	1 326 788	1 408 350
GRAP adjustments	–	–	–	–	–	–	–	–	–	–
Restated balance	987 275	1 042 059	1 084 183	1 147 264	1 142 821	1 142 821	1 143 081	1 223 689	1 326 788	1 408 350
Surplus/(Deficit)	54 784	53 256	51 640	83 674	151 716	151 716	111 038	168 970	172 763	142 038
Transfers to/from Reserves	–	–	–	–	–	–	–	–	–	–
Depreciation offsets	–	–	–	–	–	–	–	–	–	–
Other adjustments	–	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	1 042 059	1 095 315	1 135 823	1 230 938	1 294 537	1 294 537	1 254 119	1 392 659	1 499 551	1 550 388
Reserves										
Housing Development Fund	–	–	–	–	–	–	–	–	–	–
Capital replacement	–	–	–	–	–	–	–	–	–	–
Self-insurance	–	–	–	–	–	–	–	–	–	–
Other reserves	–	–	–	19 000	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–	–	–
Total Reserves	–	–	–	19 000	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	1 042 059	1 095 315	1 135 823	1 249 938	1 294 537	1 294 537	1 254 119	1 392 659	1 499 551	1 550 388

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 & 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
Executive & Council To Strengthen participatory governance within the governance	Sound Governance	41 231	49 347	49 272	47 271	47 271	47 271	48 780	49 377	42 986
Office of the Municipal Manager Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	35 643	47 408	37 701	46 531	46 531	46 531	48 017	51 557	46 187
Budget & Treasury To implement sound financial management practices	Sustainable financial growth/Viability	74 595	86 858	83 055	103 972	114 767	114 767	120 955	121 694	126 660
Corporate Services Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	40 504	51 431	46 074	50 627	50 700	50 700	52 321	56 176	49 691
Community Services Facilitate promotion of health and well being of communities	improved social well being	69 521	75 047	64 581	138 801	162 889	162 889	181 772	193 575	199 301
Technical Services Reduction in the level services delivery backlogs. To facilitate economic growth and sustainable job creation	Accessible and sustainable infrastructure and basic services	251 794	251 715	239 933	265 908	258 261	258 261	267 533	283 752	300 349
Development Planning To provide a systematic integrated spatial/land development policy. Increase regularisation of built environment	Integrated human settlement	14 650	21 988	16 808	12 923	13 445	13 445	14 423	12 906	12 654
Executive Support Facilitate promotion of health and well being of communities	improved social well being	18 229	22 675	24 534	14 925	14 925	14 925	15 401	15 537	16 097
Total Revenue (excluding capital transfers and contributions)		546 168	606 468	561 959	680 957	708 787	708 787	749 203	784 573	793 926

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 & 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
Executive & Council To Strengthen participatory governance within the governance	Sound Governance	42 975	37 311	35 993	35 371	37 710	37 710	39 730	41 700	43 681
Municipal Manager Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	49 330	47 145	45 860	41 983	47 114	47 114	46 103	48 505	50 778
Budget & Treasury To implement sound financial management practices	Sustainable financial growth/Viability	63 144	79 320	53 340	66 301	64 034	64 034	60 754	63 576	66 575
Corporate Services Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	24 723	31 806	28 369	36 714	32 357	32 357	33 567	35 230	36 884
Community Services Facilitate promotion of health and well being of communities	improved social well being	76 526	122 250	93 637	130 751	106 870	106 870	115 683	121 350	127 052
Technical Services Reduction in the level services delivery backlogs. To facilitate economic growth and sustainable job creation	Accessible and sustainable infrastructure and basic services	205 574	205 570	218 275	248 110	233 072	233 072	245 706	266 086	289 894
Development Planning To provide a systematic intergrated spatial/land development policy. Increase regularisation of built environment	Intergrated human settlement	8 942	8 333	12 208	15 057	12 251	12 251	13 687	9 138	9 567
Executive Support 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	25 003	26 226	27 456
Total Expenditure		491 384	553 212	510 319	597 283	557 071	557 071	580 234	611 810	651 888

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 & 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
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	5 682	5 682	1 100	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	95 580	95 580	83 815	83 733	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	-	100	100
Executive & Council										
Facilitate promotion of health and well being of communities	improved social well being	-	-	-	-	-	-	-	100	100
Total Capital Expenditure		92 168	85 102	88 355	98 041	105 377	105 377	85 915	85 433	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 & 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
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 (GKP)	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 of people from employment equity target groups employed in the three highest level of management in compliance with a municipality's approved employment equity plan (GKPI)	3	3	3	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

Description	Unit of measurement	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
Vote 5 - Community Services										
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)	17%	17%	17%	17%	17%	17%	17%	17%	17%
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	Number of community safety forum meeting held	4	4	4	4	4	4	4	4	4
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	630	630	630	630	630	630	630	630	630
To facilitate economic growth and sustainable job creation	% development of lighting master plan	100%	100%	100%	100%	100%	100%	100%	100%	100%
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	8	8	8	8	8	8	8	8	8
To facilitate economic growth and sustainable job creation	% Roads signs, main holes, temporary bridges and sign boards	100%	100%	100%	100%	100%	100%	100%	100%	100%
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, main holes, temporary bridges and sign boards	100%	100%	100%	100%	100%	100%	100%	100%	100%
To facilitate economic growth and sustainable job creation	Percentage of Household Electrified relative to backlog	100%	100%	100%	100%	100%	100%	100%	100%	100%
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	1	1	1	1	1	1	1	1	1
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	% of inspections conducted on building construction with an approved plan to ensure compliance with National Building Regulations and Building Standards	100%	100%	100%	100%	100%	100%	100%	100%	100%
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	Number of SMME's and Co-operatives capacity building workshops held by 30 June	4	4	4	4	4	4	4	4	4
To facilitate economic growth and sustainable job creation	Number of Review of LED Strategy	1	1	1	1	1	1	1	1	1
Vote 9 - Executive Support										
KPA 4 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
Facilitate promotion of health and well-being of communities	Number of Transversal programmes implemented in terms of mainstreaming with respect to HIV/AIDS, Gender, Disabled, Woman and Children Rights by the 30 June	4	4	4	4	4	4	4	4	4
To strengthen participatory governance within the community	Number of quarterly reports submitted to Council in terms of items raised during public participation, within the mandate of Council, that are processed and resolved within (3) months	4	4	4	4	4	4	4	4	4
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	4	4	4	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

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%	0.83%	0.16%	0.08%	0.24%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.70%	7.04%	2.77%	3.67%	3.40%	3.40%	2.05%	0.30%	0.15%	0.47%
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%	225.92%	299.69%	342.74%
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%	225.92%	299.69%	342.74%
Liquidity Ratio	Monetary Assets/Current Liabilities	1.54%	7.01%	12.37%	20.08%	34.76%	34.76%	8.93%	77.99%	128.11%	148.95%
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%	82.11%	0.00%	0.00%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		88.64%	79.47%	67.30%	99.95%	104.85%	104.85%	82.11%	0.00%	0.00%	0.00%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	26.35%	18.67%	24.06%	20.75%	22.22%	22.22%	54.64%	22.22%	22.08%	22.95%
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%	0.00%	0.00%	0.00%
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%	31.06%	27.22%	26.50%	27.52%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	36.94%	32.51%	38.09%	35.07%	31.56%	31.56%		31.49%	30.73%	31.91%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.35%	2.86%	7.86%	6.27%	6.75%	6.75%		5.19%	5.15%	5.35%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.97%	11.32%	11.81%	10.30%	9.94%	9.94%	0.16%	9.72%	9.57%	10.08%
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	-	-	-	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services (Available cash + Investments)/monthly fixed operational expenditure	90.50%	72.70%	78.92%	76.28%	81.44%	81.44%	186.09%	82.41%	82.59%	82.69%
iii. Cost coverage		6.05%	18.98%	43.03%	60.55%	114.45%	114.45%	54.07%	0.00%	0.00%	0.00%

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	62 464	69 458	69 458	69 458	73 278	77 235	77 235
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		62 464	62 464	69 458	69 458	69 458	73 278	77 235	77 235
Electricity (< min.service level)		-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-
Other energy sources		3 895	3 895	3 480	3 480	3 480	3 000	3 162	3 162
Below Minimum Service Level sub-total		3 895	3 895	3 480	3 480	3 480	3 000	3 162	3 162
Total number of households		66 359	66 359	72 938	72 938	72 938	76 278	80 397	80 397
Refuse:									
Removed at least once a week		6 616 042	6 616 042	6 611 534	6 611 534	6 611 534	6 611 534	6 611 534	6 611 534
Minimum Service Level and Above sub-total		6 616 042	6 616 042	6 611 534	6 611 534	6 611 534	6 611 534	6 611 534	6 611 534
Removed less frequently than once a week		405	405	405	405	405	406	406	406
Using communal refuse dump		1 993	1 993	1 993	1 993	1 993	1 999	1 999	1 999
Using own refuse dump		38 712	38 712	42 524	42 524	42 524	42 525	42 525	42 525
Other rubbish disposal		703	703	703	703	703	704	704	704
No rubbish disposal		8 504	8 504	8 504	8 504	8 504	8 506	8 506	8 506
Below Minimum Service Level sub-total		50 317	50 317	54 129	54 129	54 129	54 140	54 140	54 140
Total number of households		6 666 359	6 666 359	6 665 663	6 665 663	6 665 663	6 665 674	6 665 674	6 665 674

Municipal in-house 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
Energy:									
Electricity (at least min.service level)		62 464	62 464	69 458	69 458	69 458	73 278	77 235	77 235
Electricity - prepaid (min.service level)									
Minimum Service Level and Above sub-total		62 464	62 464	69 458	69 458	69 458	73 278	77 235	77 235
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)									
Other energy sources		3 895	3 895	3 480	3 480	3 480	3 000	3 162	3 162
Below Minimum Service Level sub-total		3 895	3 895	3 480	3 480	3 480	3 000	3 162	3 162
Total number of households		66 359	66 359	72 938	72 938	72 938	76 278	80 397	80 397
Refuse:									
Removed at least once a week		16 042	16 042	11 534	11 534	11 534	11 534	11 534	11 534
Minimum Service Level and Above sub-total		16 042	16 042	11 534	11 534	11 534	11 534	11 534	11 534
Removed less frequently than once a week		405	405	405	405	405	406	406	406
Using communal refuse dump		1 993	1 993	1 993	1 993	1 993	1 999	1 999	1 999
Using own refuse dump		38 712	38 712	42 524	42 524	42 524	42 525	42 525	42 525
Other rubbish disposal		703	703	703	703	703	704	704	704
No rubbish disposal		8 504	8 504	8 504	8 504	8 504	8 506	8 506	8 506
Below Minimum Service Level sub-total		50 317	50 317	54 129	54 129	54 129	54 140	54 140	54 140
Total number of households		66 359	66 359	65 663	65 663	65 663	65 674	65 674	65 674

Table SA10 – Funding measurement

Description	MFMA section	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	1 929	6 848	14 710	24 063	41 034	41 034	11 964	18 945	57 072	55 914
Cash + investments at the yr end less applications - R'000	18(1)b	(19 812)	(16 076)	5 582	27 123	55 293	55 293	91 556	9 289	73 953	104 065
Cash year end/monthly employee/supplier payments	18(1)b	0.06	0.19	0.43	0.61	1.14	1.14	0.54	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	54 784	53 256	51 640	83 674	151 716	151 716	111 038	168 970	172 763	142 038
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	-1.50%	1.64%	4.12%	-1.11%	-6.00%	-43.67%	-0.70%	-1.10%	-1.30%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	69.49%	63.28%	80.99%	69.66%	69.30%	69.30%	103.28%	0.00%	0.00%	0.00%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	10.63%	44.71%	13.33%	37.62%	17.13%	17.13%	0.00%	17.13%	17.13%	17.13%
Capital payments % of capital expenditure	18(1)c;19	91.40%	100.57%	87.10%	83.42%	85.13%	85.13%	99.36%	0.00%	0.00%	0.00%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grants % of Govt. legislated/gazetted allocations	18(1)a								0.00%	0.00%	0.00%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	-16.00%	16.80%	6.40%	11.90%	0.00%	42.50%	6.60%	5.10%	4.80%
Long term receivables % change - incr(decr)	18(1)a	N.A.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
R&M % of Property Plant & Equipment	20(1)(vi)	1.03%	1.46%	3.52%	3.00%	3.36%	3.36%	3.02%	2.73%	2.85%	2.97%
Asset renewal % of capital budget	20(1)(vi)	11.42%	55.86%	50.79%	32.36%	30.42%	30.42%	0.00%	28.64%	0.47%	0.46%

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	15 789			
No. of supplementary valuations	1	1	1	2	2	2			
No. of objections by rate payers				44	44	44			
No. of appeals by rate payers				-	-	-			
No. of successful objections				10	10	10			
No. of successful objections > 10%				4	4	4			
Supplementary valuation	1	1	1	157	157	157			
Public service infrastructure value (Rm)				2 925	2 925	2 925			
Municipality owned property value (Rm)				285 916	285 916	285 916			
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)				2 280	2 280	2 280			
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:	0	0	0	212 185	212 185	212 185	0	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	69 220
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	10 429
Phase-in reductions/discouts (R'000)									
Total rebates, exemptns, reductns, discs (R'000)	-	-	-	9 017	9 017	9 017	9 495	9 961	10 429

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	50khw	50khw	50khw	50khw	50khw	50khw	50khw
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 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
Parent municipality									
Securities - National Government	-	-	-	17 278 459	17 278 459	17 278 459	17 647 009	18 033 618	18 438 398
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	17 647 009	18 033 618	18 438 398
Consolidated total:	-	-	-	17 278 459	17 278 459	17 278 459	17 647 009	18 033 618	18 438 398

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 & 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
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	13 186	6 638	21 312
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	13 186	6 638	21 312
Total Borrowing	33 676	23 302	12 702	17 458	12 701	12 701	13 186	6 638	21 312

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
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	102	102	267	-	-	-			
Current year receipts	273 218	351 807	307 637	338 906	338 906	338 906	363 745	387 608	378 480
Conditions met - transferred to revenue	273 218	351 908	307 637	338 906	338 906	338 906	363 745	387 608	378 480
Conditions still to be met - transferred to liabilities	102	-	267	-	-	-			
Total operating transfers and grants revenue	273 218	351 908	307 637	338 906	338 906	338 906	363 745	387 608	378 480
Total operating transfers and grants - CTBM	102	-	267	-	-	-	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	1 979	525	6 222	6 222	-	-			
Current year receipts	59 958	83 636	74 316	79 606	79 606	79 606	79 756	76 283	79 692
Conditions met - transferred to revenue	56 721	79 029	74 316	79 606	79 606	79 606	79 756	76 283	79 692
Conditions still to be met - transferred to liabilities	5 215	5 131	6 223	6 222					
Total capital transfers and grants revenue	78 193	79 029	74 316	79 606	79 606	79 606	79 756	76 283	79 692
Total capital transfers and grants - CTBM	5 515	5 431	6 223	6 222	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	351 410	430 938	381 953	418 512	418 512	418 512	443 501	463 891	458 172
TOTAL TRANSFERS AND GRANTS - CTBM	5 616	5 431	6 490	6 222	-	-	-	-	-

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 Councillor remuneration	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
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	14 851	14 184	15 253	14 476	14 986	14 986	15 780	16 553	17 331
Pension and UIF Contributions	1 644	1 600	1 863	2 504	2 996	2 996	3 155	3 310	3 465
Medical Aid Contributions	417	396	194	89	89	89	93	98	103
Motor Vehicle Allowance	5 354	5 167	5 281	5 536	6 144	6 144	6 470	6 787	7 106
Cellphone Allowance	2 804	2 708	2 738	2 753	2 652	2 652	2 793	2 930	3 068
Other benefits and allowances	–	223	238	223	259	259	273	286	300
Sub Total - Councillors	25 068	24 279	25 567	25 580	27 126	27 126	28 564	29 963	31 371
% increase		-3%	5%	0%	6%	0%	5%	5%	5%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 304	3 947	3 197	4 315	2 769	2 769	2 916	3 059	3 202
Pension and UIF Contributions	163	141	88	338	140	140	147	155	162
Medical Aid Contributions	79	81	80	1 464	257	257	271	284	298
Motor Vehicle Allowance	660	420	186	519	251	251	264	277	290
Cellphone Allowance	161	114	85	166	79	79	83	88	92
Other benefits and allowances	445	1 846	211	312	201	201	211	222	232
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	5 813	6 549	3 847	7 112	3 697	3 697	3 893	4 084	4 276
% increase		13%	-41%	85%	-48%	0%	5%	5%	5%
Other Municipal Staff									
Basic Salaries and Wages	90 220	93 585	102 769	115 473	104 223	104 223	110 692	112 758	118 058
Pension and UIF Contributions	17 856	18 983	19 579	26 387	20 625	20 625	21 762	22 716	23 784
Medical Aid Contributions	5 391	5 228	5 442	5 593	5 906	5 906	6 219	6 524	6 830
Overtime	1 261	1 353	1 055	1 163	347	347	364	381	399
Motor Vehicle Allowance	11 107	12 066	13 018	15 702	14 056	14 056	14 801	15 527	16 256
Cellphone Allowance	1 757	1 901	1 917	1 426	1 925	1 925	2 027	2 127	2 227
Housing Allowances	174	206	220	230	253	253	266	279	293
Other benefits and allowances	8 146	2 655	10 429	11 279	15 605	15 605	16 437	17 242	18 053
Payments in lieu of leave	494	6 688	624	442	4 283	4 283	4 510	4 731	4 954
Long service awards	446	1 405	1 288	510	253	253	1 281	1 344	1 407
Sub Total - Other Municipal Staff	136 852	144 070	156 340	178 204	167 476	167 476	178 360	183 630	192 260
% increase		5%	9%	14%	-6%	0%	6%	3%	5%
Total Parent Municipality	167 733	174 898	185 754	210 897	198 299	198 299	210 816	217 677	227 908
		4%		6%			0%		5%
TOTAL SALARY, ALLOWANCES & BENEFITS	167 733	174 898	185 754	210 897	198 299	198 299	210 816	217 677	227 908
% increase		4%	6%	14%	-6%	0%	6%	3%	5%
TOTAL MANAGERS AND STAFF	142 665	150 619	160 187	185 316	171 173	171 173	182 253	187 714	196 536

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

Disclosure of Salaries, Allowances & Benefits	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Councillors						
Speaker	521	77	246	–	–	844
Chief Whip	491	72	234	–	–	797
Executive Mayor	595	97	319	–	–	1 011
Executive Committee	2 277	1 244	1 310	–	–	4 830
Total for all other councillors	11 401	1 665	8 015	–	–	21 081
Total Councillors	15 284	3 155	10 124	–	–	28 564
Senior Managers of the Municipality						
Municipal Manager (MM)	891	70	285	–	–	1 247
Chief Finance Officer	590	65	195	–	–	849
Director Community Services	346	54	76	–	–	476
Director Infrastructure	355	47	55	–	–	456
Director Development Planning	375	50	58	–	–	483
Director Corporate Services	276	32	75	–	–	383
Total Senior Managers of the Municipality	2 832	317	744	–	–	3 893
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	18 116	3 472	10 868	–	–	32 457

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
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	61	-	61	61	-	61	61	-	61
Board Members of municipal entities	-	-	-	-	-	-	-	-	-
Municipal employees									
Municipal Manager and Senior Managers	7	-	7	7	-	6	6	-	6
Other Managers	35	34	-	35	34	-	35	34	-
Professionals	46	41	8	46	41	7	46	41	7
Finance	27	26	8	27	26	7	27	26	7
Spatial/town planning	9	5	-	9	5	-	9	5	-
Other	10	10	-	10	10	-	10	10	-
Technicians	63	35	-	63	35	-	63	35	-
Information Technology	5	5	-	5	5	-	5	5	-
Roads	44	16	-	44	16	-	44	16	-
Electricity	7	7	-	7	7	-	7	7	-
Refuse	-	-	-	-	-	-	-	-	-
Other	7	7	-	7	7	-	7	7	-
Clerks (Clerical and administrative)	118	118	-	118	118	-	118	118	-
Service and sales workers	14	14	-	14	14	-	14	14	-
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades	-	-	-	-	-	-	-	-	-
Plant and Machine Operators	25	25	-	25	25	-	25	25	-
Elementary Occupations	96	96	-	96	96	-	96	96	-
TOTAL PERSONNEL NUMBERS	465	363	76	465	363	74	464	363	74
% increase				0%	0%	-3%	-0.2%	0.0%	0.0%
Total municipal employees headcount	370	267	67	370	267	67	370	267	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

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
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
8 899	8 899	8 899	8 899	8 899	8 899	8 899	8 899	8 899	8 899	8 899	8 899	106 793	112 026	117 291
816	816	816	816	816	816	816	816	816	816	816	816	9 798	10 278	10 761
83	44	65	56	56	101	164	99	31	37	57	120	913	958	1 003
-	215	322	102	-	190	123	455	59	346	143	-	1 955	2 051	2 147
1 486	1 486	1 486	1 486	1 486	1 486	1 486	1 486	1 486	1 486	1 486	1 486	17 831	18 705	19 584
7 961	7 961	7 961	7 961	7 961	7 961	7 961	7 961	7 961	7 961	7 961	7 961	95 528	100 208	104 918
598	598	598	598	598	598	598	598	598	598	598	598	7 176	7 528	7 882
147 144	3 444	-	-	1 070	129 166	-	712	82 209	-	-	-	363 745	387 608	378 480
313	252	289	247	240	262	176	171	162	182	164	226	2 684	2 816	2 948
												-	-	-
172 552	28 967	25 688	25 418	26 378	154 732	25 476	26 449	107 473	25 577	25 377	25 359	669 447	708 290	714 234
15 188	15 188	15 188	15 188	15 188	15 188	15 188	15 188	15 188	15 188	15 188	15 188	182 253	187 714	196 536
2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	28 564	29 963	31 371
2 564	2 564	2 564	2 564	2 564	2 564	2 564	2 564	2 564	2 564	2 564	2 564	30 772	32 280	33 797
5 345	5 345	5 345	5 345	5 345	5 345	5 345	5 345	5 345	5 345	5 345	5 345	64 138	67 281	70 443
101	96	89	87	81	78	74	67	64	57	53	85	931	471	1 568
9 347	9 347	9 347	9 347	9 347	9 347	9 347	9 347	9 347	9 347	9 347	9 347	112 162	126 452	142 562
4 750	3 745	3 538	2 217	2 634	2 944	2 202	6 106	4 556	2 518	2 125	3 438	40 773	42 761	44 762
7 261	6 926	6 672	6 249	6 648	5 447	7 058	6 394	4 820	4 939	4 678	5 623	72 716	76 269	79 827
265	265	265	265	265	265	265	265	265	265	265	265	3 176	3 417	3 671
3 363	2 738	3 103	3 151	3 567	3 604	3 550	3 826	5 023	4 015	4 468	4 338	44 748	45 202	47 351
												-	-	-
50 564	48 594	48 491	46 792	48 020	47 162	47 973	51 483	49 552	46 617	46 413	48 573	580 234	611 810	651 888
121 989	(19 627)	(22 802)	(21 375)	(21 642)	107 570	(22 497)	(25 033)	57 921	(21 040)	(21 036)	(23 214)	89 214	96 480	62 346
18 850	-	24 292	3 388	-	17 486	-	3 388	8 963	-	3 388	-	79 756	76 283	79 692
												-	-	-
140 839	(19 627)	1 490	(17 986)	(21 642)	125 055	(22 497)	(21 645)	66 884	(21 040)	(17 648)	(23 214)	168 970	172 763	142 038
												-	-	-
18 850	-	24 292	3 388	-	17 486	-	3 388	3 388	8 963	-	(79 756)	-	-	-
												0	-	-
159 689	(19 627)	25 782	(14 598)	(21 642)	142 541	(22 497)	(18 257)	70 273	(12 077)	(17 648)	(102 970)	168 970	172 763	142 038

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	24 676	9 552	6 842	6 614	6 486	20 580	6 545	6 889	12 932	6 803	6 566	6 469	120 955	121 694	126 660
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	38 267	9 473	9 472	9 473	9 473	33 574	9 469	9 470	24 688	9 468	9 469	9 476	181 772	193 575	199 301
Vote 6 - Technical Services	62 986	9 233	33 545	12 631	9 242	56 400	9 351	12 673	30 311	9 223	12 632	9 307	267 533	283 752	300 349
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	191 403	28 967	49 981	28 806	26 378	172 217	25 476	29 838	116 436	25 577	28 765	25 359	749 203	784 573	793 926
Expenditure by Vote to be appropriated															
Vote 1 - Executive & Council	3 730	3 162	3 460	3 402	3 242	3 029	3 202	3 409	3 178	3 322	3 271	3 323	39 730	41 700	43 681
Vote 2 - Municipal Manager	4 429	4 919	4 104	3 535	3 972	3 865	4 888	3 562	3 159	2 885	2 948	3 837	46 103	48 505	50 778
Vote 3 - Budget & Treasury	4 731	4 668	4 752	5 229	5 551	4 495	5 247	5 753	4 603	5 467	5 134	5 125	60 754	63 576	66 575
Vote 4 - Corporate Services	3 160	2 552	2 644	2 538	2 550	2 709	2 821	2 513	3 775	2 614	2 700	2 991	33 567	35 230	36 884
Vote 5 - Community Services	10 148	9 439	9 813	9 503	9 519	9 487	9 422	9 440	9 751	9 640	9 681	9 839	115 683	121 350	127 052
Vote 6 - Technical Services	21 143	20 714	20 536	19 669	19 847	20 114	19 449	23 271	21 857	19 683	19 177	20 247	245 706	266 086	289 894
Vote 7 - Developmental Planning	1 108	1 152	1 213	945	1 409	1 231	987	1 324	1 064	992	1 376	886	13 687	9 138	9 567
Vote 8 - Executive Support	2 115	1 988	1 968	1 971	1 932	2 233	1 957	2 210	2 165	2 014	2 126	2 324	25 003	26 226	27 456
Total Expenditure by Vote	50 564	48 594	48 491	46 792	48 020	47 162	47 973	51 483	49 552	46 617	46 413	48 573	580 234	611 810	651 888
Surplus/(Deficit) before assoc.	140 839	(19 627)	1 490	(17 986)	(21 642)	125 055	(22 497)	(21 645)	66 884	(21 040)	(17 648)	(23 214)	168 970	172 763	142 038
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	140 839	(19 627)	1 490	(17 986)	(21 642)	125 055	(22 497)	(21 645)	66 884	(21 040)	(17 648)	(23 214)	168 970	172 763	142 038

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	91 655	9 561	6 857	6 623	6 491	85 404	6 555	6 892	64 730	6 808	6 574	6 476	304 626	310 903	301 639
Executive and council	12 173	-	-	-	-	24 303	-	-	18 967	-	-	-	55 444	56 531	49 950
Finance and administration	73 178	9 561	6 857	6 623	6 491	56 408	6 555	6 892	42 875	6 808	6 574	6 476	235 298	239 464	237 177
Internal audit	6 305	-	-	-	-	4 692	-	-	2 888	-	-	0	13 884	14 908	14 512
Community and public safety	20 486	7 948	7 947	7 948	7 948	17 686	7 944	7 945	14 460	7 943	7 944	7 951	124 150	130 946	134 826
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	7 936	7 936	7 936	7 936	7 936	7 936	7 936	7 936	7 936	7 936	7 936	95 228	99 894	104 589
Economic and environmental services	41 378	1 350	25 068	738	1 831	40 367	868	1 504	15 107	717	751	823	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	31 369	649	24 961	659	658	33 615	767	702	11 589	640	660	724	106 992	112 787	115 285
Environmental protection	493	-	-	-	-	212	-	-	131	-	-	-	836	898	874
Trading services	37 882	10 108	10 108	13 497	10 108	28 761	10 108	13 497	22 140	10 108	13 497	10 108	189 924	207 273	220 023
Energy sources	21 810	9 186	9 186	12 574	9 186	14 858	9 186	12 574	13 102	9 186	12 574	9 186	142 609	155 532	166 706
Waste management	16 072	922	922	922	922	13 903	922	922	9 038	922	922	922	47 314	51 740	53 318
Total Revenue - Functional	191 403	28 967	49 981	28 806	26 378	172 217	25 476	29 838	116 436	25 577	28 765	25 359	749 203	784 573	793 926
Expenditure - Functional															
Governance and administration	20 250	19 772	17 933	18 075	19 886	18 422	19 475	21 221	18 783	17 769	17 341	19 028	227 956	238 646	250 957
Executive and council	4 392	3 637	3 831	3 910	3 639	3 493	3 916	3 784	3 635	3 871	3 627	3 883	45 616	47 568	49 828
Finance and administration	14 661	13 849	12 505	13 202	15 524	14 217	13 774	16 310	14 496	13 495	13 272	14 094	169 399	177 514	186 937
Internal audit	1 197	2 285	1 598	963	723	712	1 786	1 127	652	403	443	1 051	12 940	13 564	14 193
Community and public safety	5 390	5 030	5 245	5 039	5 111	4 964	4 998	4 994	5 132	5 059	5 038	5 123	61 124	64 119	67 133
Community and social services	469	347	353	328	387	350	334	337	352	310	340	2 986	6 893	7 230	7 570
Sport and recreation	1 203	1 010	1 223	1 044	1 128	1 015	1 049	1 004	1 106	1 048	994	(1 569)	10 255	10 758	11 263
Public safety	3 718	3 673	3 669	3 667	3 596	3 600	3 615	3 654	3 674	3 701	3 703	3 706	43 976	46 131	48 299
Economic and environmental services	10 357	9 005	9 553	9 580	8 920	8 802	9 371	10 153	9 868	9 345	9 760	9 810	114 522	114 904	120 295
Planning and development	1 655	1 580	1 757	1 349	1 918	1 700	1 410	1 806	1 579	1 416	1 816	1 591	19 578	15 317	16 037
Road transport	8 702	7 425	7 796	8 230	7 002	7 102	7 961	8 347	8 289	7 929	7 944	8 218	94 945	99 587	104 258
Environmental protection	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trading services	14 567	14 787	15 759	14 098	14 104	14 974	14 128	15 114	15 770	14 443	14 274	14 613	176 632	194 141	213 503
Energy sources	10 557	11 137	11 938	10 433	10 440	11 211	10 451	11 443	11 954	10 654	10 442	10 745	131 404	146 698	163 831
Waste management	4 010	3 651	3 821	3 665	3 663	3 763	3 678	3 671	3 816	3 790	3 832	3 868	45 228	47 443	49 672
Total Expenditure - Functional	50 564	48 594	48 491	46 792	48 020	47 162	47 973	51 483	49 552	46 617	46 413	48 573	580 234	611 810	651 888
Surplus/(Deficit) before assoc.	140 839	(19 627)	1 490	(17 986)	(21 642)	125 055	(22 497)	(21 645)	66 884	(21 040)	(17 648)	(23 214)	168 970	172 763	142 038
Share of surplus/ (deficit) of associate													-	-	-
Surplus/(Deficit)	140 839	(19 627)	1 490	(17 986)	(21 642)	125 055	(22 497)	(21 645)	66 884	(21 040)	(17 648)	(23 214)	168 970	172 763	142 038

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	2 423	3 707	4 576	6 715	2 204	6 974	8 095	1 310	8 439	1 688	2 674	5 160	53 965	74 683	57 249
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2 582	3 814	4 791	6 817	2 409	7 184	8 226	1 495	8 523	1 990	2 674	5 160	55 665	75 683	58 249
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	6	1	4	5	1	5	5	9	15	-	5	100	200	200
Vote 6 - Technical Services	6 901	1 035	3 706	917	4 545	1 349	427	1 174	880	791	5 834	2 291	29 850	9 050	27 743
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	100	100
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	6 945	1 141	3 707	921	4 650	1 350	432	1 279	889	806	5 834	2 297	30 250	9 750	28 443
Total Capital Expenditure	9 527	4 954	8 497	7 737	7 059	8 534	8 658	2 775	9 412	2 796	8 508	7 457	85 915	85 433	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	8 978	1 807	8 132	6 338	5 678	7 391	6 993	894	8 855	1 351	5 671	6 776	68 865	71 783	72 534
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	100	100
Road transport	8 978	1 807	8 132	6 338	5 678	7 391	6 993	894	8 855	1 351	5 671	6 776	68 865	71 683	72 434
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	505	2 960	238	1 395	1 072	1 142	1 661	1 689	547	1 228	2 837	676	15 950	12 150	12 658
Energy sources	347	2 934	149	1 293	1 072	932	1 529	1 590	464	1 128	2 837	676	14 950	12 050	12 558
Waste management	159	26	89	102	-	211	132	99	84	100	-	-	1 000	100	100
Other													-	-	-
Total Capital Expenditure - Functional	9 527	4 954	8 497	7 737	7 059	8 534	8 658	2 775	9 412	2 796	8 508	7 457	85 915	85 433	86 692
Funded by:															
National Government	9 315	4 621	7 745	6 760	6 712	7 788	8 369	2 366	8 764	2 401	8 087	6 829	79 756	76 283	79 692
Provincial Government													-	-	-
District Municipality													-	-	-
Transfers and subsidies - capital (monetary allocations)													-	-	-
Transfers recognised - capital	9 315	4 621	7 745	6 760	6 712	7 788	8 369	2 366	8 764	2 401	8 087	6 829	79 756	76 283	79 692
Borrowing													-	-	-
Internally generated funds	213	333	753	977	348	746	290	409	648	396	420	628	6 159	9 150	7 000
Total Capital Funding	9 527	4 954	8 497	7 737	7 059	8 534	8 658	2 775	9 412	2 796	8 508	7 457	85 915	85 433	86 692

Table SA30 – Budgeted 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	4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	4 538	54 458	57 127	59 811
Service charges - electricity revenue	11 386	8 079	5 694	6 635	7 695	8 658	7 560	7 491	6 533	11 620	13 585	13 364	108 300	114 644	116 892
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	514	514	514	514	514	514	514	514	514	514	514	514	6 173	6 475	6 780
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	-	216	322	102	-	190	123	455	59	346	144	-	1 955	2 051	2 147
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	997	826	1 054	867	756	2 012	853	705	990	1 739	761	1 043	12 603	13 221	13 842
Licences and permits	596	486	513	599	519	801	543	685	533	613	600	694	7 183	7 535	7 890
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	144 720	1 054	(2 388)	(2 393)	(1 310)	126 770	(2 383)	(1 784)	79 715	(2 381)	(2 414)	(2 507)	334 698	357 135	346 575
Other revenue	224	206	275	220	226	178	171	161	158	172	159	219	2 370	2 482	2 602
Cash Receipts by Source	163 058	15 962	10 587	11 138	12 994	143 761	12 084	12 865	93 072	17 199	17 945	17 987	528 652	561 628	557 541
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	76 284	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	181 909	15 962	34 879	14 526	12 994	161 247	12 084	16 253	102 035	17 199	21 333	17 987	608 408	637 912	637 233
Cash Payments by Type															
Employee related costs	13 457	13 457	13 457	13 457	13 457	32 107	13 457	13 457	13 457	13 457	13 457	13 457	180 134	185 491	194 209
Remuneration of councillors	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	28 564	29 963	31 371
Finance charges	163	144	137	133	59	24	32	30	22	17	32	138	931	471	1 568
Bulk purchases - electricity	15 703	8 412	5 047	4 486	5 608	6 730	3 365	4 486	10 095	12 338	14 581	21 311	112 162	126 452	142 562
Acquisitions - water & other inventory	3 420	3 325	3 431	3 737	2 264	2 297	2 956	3 336	3 024	1 844	1 309	2 374	33 318	34 941	36 574
Contracted services	5 833	5 242	5 453	5 875	6 538	6 761	6 482	5 693	5 852	6 377	6 713	6 581	73 400	76 952	80 613
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	4 697	2 860	3 519	2 819	3 346	2 594	3 475	3 909	3 376	3 333	3 715	7 514	45 156	45 749	47 947
Cash Payments by Type	45 653	35 820	33 426	32 888	33 653	52 894	32 146	33 290	38 205	39 746	42 188	53 755	473 665	500 019	534 844
Other Cash Flows/Payments by Type															
Capital assets	-	10 701	5 615	8 002	8 860	7 207	7 040	7 887	3 974	7 890	2 685	9 153	79 015	86 739	88 547
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	4 264	-	6 215	5 000	5 738	1 000	1 025	1 025	4 792	3 000	1 000	6 235	39 293	13 026	15 000
Total Cash Payments by Type	49 917	46 521	45 255	45 890	48 251	61 101	40 212	42 203	46 971	50 637	45 872	69 143	591 973	599 784	638 391
NET INCREASE/(DECREASE) IN CASH HELD	131 992	(30 559)	(10 377)	(31 364)	(35 257)	100 145	(28 128)	(25 950)	55 064	(33 437)	(24 539)	(51 156)	16 435	38 127	(1 158)
Cash/cash equivalents at the month/year begin:	2 510	134 501	103 943	93 566	62 203	26 946	127 091	98 963	73 013	128 077	94 640	70 100	2 510	18 945	57 072
Cash/cash equivalents at the month/year end:	134 501	103 943	93 566	62 203	26 946	127 091	98 963	73 013	128 077	94 640	70 100	18 945	18 945	57 072	55 914

Table SA31 – Not applicable

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/Sub-class									
Infrastructure	67 457	20 000	22 332	18 500	23 674	23 674	18 330	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	16 600	12 050	12 558
Power Plants	-	-	-	-	3 400	3 400	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-	-
MV Substations	-	-	-	50	-	-	800	-	-
MV Switching Stations	-	-	-	-	-	-	-	-	-
MV Substations	-	-	-	50	-	-	800	-	-
Capital Spares	-	-	-	200	200	200	150	200	200
Solid Waste Infrastructure	-	-	-	1 250	1 150	1 150	930	-	-
Landfill Sites	-	-	-	-	-	-	300	-	-
Waste Transfer Stations	-	-	-	-	-	-	300	-	-
Capital Spares	-	-	-	1 250	1 150	1 150	330	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	418	238	238	-	-	-
Community Facilities	-	-	-	418	238	238	-	-	-
Capital Spares	-	-	-	418	238	238	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
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	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	300	185	185	-	-	-
Unspecified	-	-	-	300	185	185	-	-	-
Computer Equipment	38	250	824	700	2 135	2 135	1 000	1 000	1 000
Computer Equipment	38	250	824	700	2 135	2 135	1 000	1 000	1 000
Furniture and Office Equipment	526	800	-	500	1 139	1 139	950	800	800
Furniture and Office Equipment	526	800	-	500	1 139	1 139	950	800	800
Machinery and Equipment	1 492	1 200	214	1 610	1 400	1 400	300	500	600
Machinery and Equipment	1 492	1 200	214	1 610	1 400	1 400	300	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	20 580	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	30 983	30 983	24 809	300	300
Roads Infrastructure	10 527	39 222	39 750	28 631	28 891	28 891	2 809	300	300
Roads	10 527	39 222	39 750	28 331	28 331	28 331	2 609	-	-
Road Structures									
Road Furniture				300	560	560	200	300	300
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	5 124	-	-	-	-	-	-
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Substations									
MV Switching Stations									
MV Networks			5 124						
Capital Spares									
Solid Waste Infrastructure	-	7 719	-	2 092	2 092	2 092	22 000	-	-
Landfill Sites		7 719		2 092	2 092	2 092	22 000	-	-
Waste Transfer Stations									
Waste Processing Facilities									
Capital Spares									
Community Assets	-	600	-	1 000	869	869	1 000	-	-
Community Facilities	-	600	-	1 000	869	869	1 000	-	-
Halls									
Centres									
Cemeteries/Crematoria	-	600		1 000	869	869	1 000	-	-
Taxi Ranks/Bus Terminals									
Capital Spares									
Other assets	-	-	-	-	208	208	-	-	-
Operational Buildings	-	-	-	-	208	208	-	-	-
Municipal Offices					208	208	-	-	-
Pay/Enquiry Points									
Workshops									
Intangible Assets	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	-	-	-	-	-	-	70	100	100
Machinery and Equipment							70	100	100
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets									
Land	-	-	-	-	-	-	-	-	-
Land									
Total Capital Expenditure on renewal of existing assets	10 527	47 540	44 874	31 723	32 060	32 060	25 879	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	21 155	22 191	23 234
Roads Infrastructure	161	4 892	13 895	15 467	21 167	21 167	11 940	12 525	13 114
Roads	161	4 892	13 895	15 467	21 167	21 167	11 940	12 525	13 114
Road Structures									
Road Furniture									
Capital Spares									
Electrical Infrastructure	2 180	1 845	12 201	8 263	5 763	5 763	6 172	6 475	6 779
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Substations									
MV Switching Stations									
MV Networks	2 180	1 845	12 201	8 263	5 763	5 763	6 172	6 475	6 779
Capital Spares									
Solid Waste Infrastructure	2 778	2 993	4 175	1 722	2 722	2 722	3 043	3 192	3 342
Landfill Sites	2 778	2 993	4 175	1 722	2 722	2 722	3 043	3 192	3 342
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points									
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									
Building Plan Offices									
Workshops									
Stores				34	-	-			
Capital Spares									
Intangible Assets	-	425	38	200	100	100	211	221	231
Licences and Rights	-	425	38	200	100	100	211	221	231
Solid Waste Licenses									
Computer Software and Applications		425	38	200	100	100	211	221	231
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	7 262	7 618	7 976
Machinery and Equipment	1 306	1 520	3 214	6 556	6 849	6 849	7 262	7 618	7 976
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	34 770	36 474	38 188

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	47 287	49 604	51 935
Roads Infrastructure	41 047	34 060	36 877	39 097	39 759	39 759	41 832	43 882	45 944
Roads	41 047	34 060	36 877	39 097	39 759	39 759	41 832	43 882	45 944
Road Furniture									
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
HV Substations									
HV Switching Station									
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
Parks									
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
Water Rights									
Solid Waste Licenses									
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	64 138	67 281	70 443

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	42 133	42 133	45 356	70 683	71 334
Roads Infrastructure	10 828	12 370	18 534	41 433	41 133	41 133	43 356	70 683	71 334
Roads	10 828	12 370	18 534	41 433	41 133	41 133	43 356	70 683	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	2 000	-	-
Landfill Sites	-	-	-	-	1 000	1 000	2 000	-	-
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-	-	-
Community Assets	-	602	498	1 300	884	884	-	-	-
Community Facilities	-	602	498	1 300	884	884	-	-	-
Parks	-	602	-	1 300	884	884	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
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	44 092	44 092	45 646	70 683	71 334

Table SA35 – Future financial implications of the capital budget

Not applicable

Table SA36– Detailed capital budget

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	Aircons	New	Machinery and Equipment	Transport Assets	Revenue	300 000	200 000	150 000	200 000	200 000
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	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 Motetema High view	New	Electrical Infrastructure	MV Networks	INEP	-	-	2 000 000	2 000 000	-
Technical Services	Electrification of Ntswelemotse	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 Vlakkfontein	New	Electrical Infrastructure	MV Networks	INEP	1 476 012	-	1 000 000	-	-
Technical Services	Installation of high mast lights in various location	New	Electrical Infrastructure	MV Networks	Revenue	-	-	-	1 000 000	1 000 000
Technical Services	Groblersdal Lanfillsite	New	Solid Waste Infrastructure	Landfill Sites	MIG	-	2 092 365	22 000 000	-	-
Technical Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	Revenue	-	940 000	100 000	-	-
Technical Services	Culverts and Road signs	New	Roads Infrastructure	Roads	Revenue	-	560 000	-	300 000	300 000
Technical Services	Groblersdal Stormwater	New	Roads Infrastructure	Roads	Revenue	-	-	800 000	-	-
Technical Services	Masakaneng Roads	New	Roads Infrastructure	Roads	COGHSTA	299 764	-	-	-	-
Technical Services	Motetema Streets Upgrade	New	Roads Infrastructure	Roads	Revenue	-	3 500 000	2 608 696	-	-
Technical Services	Refurbishment of Roosenekal Network	New	Electrical Infrastructure	MV Networks	Revenue	-	-	-	2 000 000	3 000 000
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	-	6 512 520	9 479 000	-	-
Technical Services	Upgrading of Stompo Bus Road	New	Roads Infrastructure	Roads	MIG	-	800 000	-	-	18 242 600
Technical Services	Upgrading of Dipakapakeng 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 Hlogotlou-Bopanang Road	Upgrading	Roads Infrastructure	Roads	Revenue	-	800 000	-	-	-
Technical Services	Upgrading of Kgobokwane-Kgaphamadi Road	Upgrading	Roads Infrastructure	Roads	MIG	-	800 000	-	21 658 600	33 341 400
Technical Services	Pole Mounted Transformers and Miniature Substations	New	Electrical Infrastructure	MV Networks	Revenue	-	-	-	400 000	-

Function+A1:L56A37AA1:L57	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	Upgrading of Malaeneng A Ntwane Access Road	Upgrading	Roads Infrastructure	Roads	MIG	-	750	-	10 000	19 750
Technical Services	Upgrading of Mokomong access road to Mar	Upgrading	Roads Infrastructure	Roads	MIG	-	700	22 500	21 700	-
Technical Services	Upgrading of Maraganeng internal Access ro	Upgrading	Roads Infrastructure	Roads	MIG	-	750	11 377	14 924	-
Technical Services	Upgrading of Tafelkop Bapeding Bus route	Upgrading	Roads Infrastructure	Roads	Revenue	-	-	-	800	-
Technical Services	Infrastructure Office Furniture	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	-	-	100	100
Technical Services	Machinery and Equipment(tools)	New	Machinery and Equipment	Machinery and Equipment	Revenue	-	-	-	100	100
Technical Services	Ring Main Units	New	Roads Infrastructure	Roads	Revenue	-	-	-	450	-
Technical Services	Upgrading of Masoing Bus route	Upgrading	Roads Infrastructure	Roads	Revenue	-	850	-	-	-
Technical Services	Upgrading of Talane Bus route	Upgrading	Roads Infrastructure	Roads	Revenue	-	-	-	800	-
Technical Services	Upgrading of Tafelkop stadium 600	Upgrading	Roads Infrastructure	Roads	MIG	17 652	27 001	-	-	-
Information Technology	Computer Equipment	New	Computer Equipment	Computer Equipment	Revenue	860	2 135	700	1 000	1 000
Human Resources	Furniture and Office Equipment	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	720	300	100	100
Fleet Management	Vehicles	New	Transport Assets	Transport Assets	Revenue	1 079	238	-	-	-
Executive and council	Council Office Furniture	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	-	-	100	100
Finance	Finance Office Furniture	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	-	-	100	100
Community Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	Revenue	-	-	-	500	600
Community Services	Community Services Office Furniture	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	-	-	100	100
Community Services	Furniture and Office Equipment	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	419	-	100	100
Community Services	Professional Lawn Mowers and Industrial Bruch Cutters	New	Machinery and Equipment	Machinery and Equipment	Revenue	-	-	100	-	-
Community Services	Fencing of Elandsdoom Cemeteries	Renewal	Community Facilities	Cemeteries/Crematoria	Revenue	500	869	-	-	-
Community Services	Upgrading and Development of Parks	Upgrading	Community Facilities	Parks	Revenue	-	884	-	-	-
Community Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	Revenue	-	380	-	-	-
Community Services	Street litter Bibs	New	Machinery and Equipment	Machinery and Equipment	Revenue	-	800	-	-	-
Community Services	500 Twenty skip bins 500	New	Solid Waste Infrastructure	Capital Spares	Revenue	-	291	-	-	-
Community Services	Disaster Management Centre & Emergency Relief Store room	New	Community Facilities	Centres	Revenue	-	454	-	-	-
Community Services	No Illegal Dumping	New	Solid Waste Infrastructure	Capital Spares	Revenue	-	59	-	-	-
Community Services	Two trailers	New	Community assets	Machinery and Equipment	Revenue	-	80	-	-	-
Community Services	Record Management System	New	Intangible Assets	Unspecified	Revenue	-	185	-	-	-
Community Services	Fencing of Rossenekal Landfill Site	New	Solid Waste Infrastructure	Landfill Sites	Revenue	-	1 000	1 000	-	-
Community Services	Gable Roof	New	Other assets	Municipal Offices	Revenue	-	208	-	-	-
Technical Services	Electrification of Rossenekal	New	Electrical Infrastructure	MV Networks	Revenue	3 588	-	-	-	-
Technical Services	Groblerdal Smart Metering	New	Electrical Infrastructure	MV Networks	Revenue	5 124	-	-	-	-
Economic Development Planning	Razor Fencing of Portion 39 of Farm Klipbank 26 JS (Game Farm)	New	Land	Land	Revenue	-	1 075	-	-	-
Economic Development Planning	Development Planning Office Furniture	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	-	-	100	100
Municipal Manager	Municipal Manager Office Furniture	New	Furniture and Office Equipment	Furniture and Office Equipment	Revenue	-	-	-	100	100
						88 355	105 377	85 915	85 433	86 692

2.12 Legislation compliance status

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

1. In year reporting

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

2. Internship programme

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

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and/or outsourced and it is fully functional.

5. Annual Report

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

13 Compliance with MFMA Circular 71

2.13.1 Financial Position

Asset Management

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

Debtors' management

- Collection rate – 75% average
The ratio is lower than the norm of 95% and this is due to low collection rate on refuse removal and non-payment of property rates in some townships and last low collection rate on traffic fines as this is the second largest source of revenue of the municipality.
- Net debtors days – 151 days
The ratio is way more than the norm of 30 days and this is also attributed to collection rate that is lower than the norm

Liquidity Management

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

Liability Management

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

2.13.2 Financial Position

Efficiency

- Net operating surplus margin – 6%
The budget shows that the municipality will be able to recover operational cost and generate surplus that will assist in funding capital budget.
- Net surplus/deficit electricity – 0%
The ratio is within the norm range of between 0% and 15%, however it should be noted that the total revenue budget is inclusive of capital transfers and grants.

- Net surplus/deficit refuse – 75%
The ratio is not within the norm range of between 0% and 15% and as a result, the refuse removal service appears to be rendered in a sustainable manner.

Revenue management

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

Expenditure management

- Creditors payment period (trade creditors) – 29 days
The ratio is slightly less than the norm of 30 days and this is an indication that the municipality might experience cash flow problems in a long run.
- Remuneration (employee related cost and councillors remuneration) – 34%
The ratio is within the norm range of between 25% and 40%
- Contracted services to total operating expenditure – 14%
The ratio is more than the norm range of between 2% and 5% and this is indicative of the fact that the municipality is still relying on consultants and outsourcing of certain services.

Expenditure management

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

QUALITY CERTIFICATE

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS 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.



MM KGWALE
MUNICIPAL MANAGER

DRAFT