

SCHEDULE B

ADJUSTMENT BUDGET AND SUPPORTING DOCUMENTATION OF RAMOTSHERE MOILOA LOCAL MUNICIPALITY



ADJUSTMENT BUDGET OF RAMOTSHERE MOILOA LOCAL MUNICIPALITY



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

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Abbreviations and Acronyms

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

SAPS South African Police Service

SMME Small Micro and Medium Enterprises

SDBIP Service Delivery Budget

Implementation Plan

Part 1 – Adjustment Budget

1.1 Mayor’s Report

Honourable Speaker of Council-Cllr. O. Moseki, Honourable Chairperson of Municipal Public Accounts-Clr. R Mogorosi

Members of the Mayoral Committee, Managers, all protocol observed

Honourable Speaker

The Ramotshere Moiloa Local Municipality Council approved an annual budget for the 2022/23 financial year of R 525.1 million, comprising of R 474.7 million Operating Expenditure and R50.3 million for Capital expenditure.

During the mid-term assessment (section 72 report tabled in council on 31 January 2023) it was recommended that an adjustment to the approved budget be prepared.

It is required in terms of MBRR regulation 23 that an adjustment budget be tabled no later than 28 February.

Below are the proposed adjustments that came as a result of material variances between the mid term budget and the mid-term actual figures.

Revenue:

Property rates to be adjusted downwards by R110.6 million from R183.7 million to R73 million

Sales of electricity to be adjusted downwards by R16 million from R76.5 million to R60.4 million.

Sales of bricks to be adjusted from R12.5 million to zero and sales of empty stands from R5 million from R3million

Expenditure

- Finance costs to be adjusted upward from R1.4million to R4million,
- Electricity bulk purchases adjusted upward from R56 million to R81million
- Store materials adjusted downward from R31million to R28 million

- Contracted services adjusted upwards from R24 million to R36million
- Other expenses adjusted downward from R80 million to R63.7 million

It is against this backdrop that the following adjustments to the budget are tabled for approval by Council.

The committee recommend that the Council approves and adopts the following resolutions:

1.2 Executive Summary

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

National Treasury's MFMA Circulars No 107 and 108 were used to guide the compilation of the 2022/23 MTREF.

The main challenges experienced during the compilation of the 2022/23 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy.
- The number of objections received on the new General Valuation.
- The pending Court Case by some residents with regards to the General valuation roll implemented on 01 July 2019.
- Aging and poorly maintained water, roads, and electricity infrastructure.
- Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable.
- Wage increases for municipal staff that continues to exceed consumer inflation, as well as the need to fill critical vacancies.

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

- The 2022/23 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2023/24 annual budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

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

Table 1 Consolidated Overview of the 2022/23 MTREF

| | MTREF 2022/23 Budget | Adjustment Budget | MTREF 2023/24 Budget | MTREF 2024/25 Budget |
|-----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Revenue | 586,335,689 | 458,769,405 | 598,819,883 | 623,244,784 |
| Operating Expenditure | 474,740,931 | 495,076,078 | 485,250,718 | 507,835,132 |
| Capital Expenditure | 50,380,000 | 57,943,000 | 64,490,400 | 66,816,580 |
| | 525,120,930.9 | 553,019,078.2 | 549,741,117.9 | 574,651,711.7 |

The proposed adjustment budget of Ramotshere Moiloa Local municipality for the 2022/23 financial year totals R 553 million, comprising of R 495 million Operating Expenditure and R 57.9 million for Capital expenditure.

1.3 Operating Revenue Framework

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

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

- National Treasury's guidelines and macroeconomic policy.
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- 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).
- Increase ability to extend new services and recover costs.
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

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

Table 2 Summary of revenue classified by main revenue source

Choose name from list - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

| Description | Ref | Budget Year 2022/23 | | | | | | | | | Budget Year | Budget Year |
|--|---------|---------------------|----------------|--------------|--------------------|------------------|--------------------|------------------|------------------|-----------------|----------------|----------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjus. | Total Adjus. | Adjusted Budget | +1 2023/24 | +2 2024/25 |
| R thousands | 1 | A | 3 A1 | 4 B | 5 C | 6 D | 7 E | 8 F | 9 G | 10 H | | |
| Revenue By Source | | | | | | | | | | | | |
| Property rates | 2 | 183,736 | - | - | - | - | - | (110,602) | (110,602) | 73,134 | 73,236 | 73,236 |
| Service charges - electricity revenue | 2 | 76,515 | - | - | - | - | - | (16,084) | (16,084) | 60,430 | 78,838 | 82,385 |
| Service charges - water revenue | 2 | 8,915 | - | - | - | - | - | - | - | 8,915 | 8,444 | 8,843 |
| Service charges - sanitation revenue | 2 | 791 | - | - | - | - | - | - | - | 791 | 594 | 629 |
| Service charges - refuse revenue | 2 | 15,255 | - | - | - | - | - | - | - | 15,255 | 14,712 | 15,401 |
| Rental of facilities and equipment | 5 | 5 | - | - | - | - | - | - | - | 5 | 5 | 5 |
| Interest earned - external investments | 8 | 8 | - | - | - | - | - | - | - | 8 | 8 | 9 |
| Interest earned - outstanding debtors | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 532 | 532 | - | - | - | - | - | - | - | 532 | 534 | 558 |
| Licences and permits | 7,424 | 7,424 | - | - | - | - | - | - | - | 7,424 | 7,935 | 8,292 |
| Agency services | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 230,906 | 230,906 | - | - | - | - | - | - | - | 230,906 | 232,249 | 248,532 |
| Other revenue | 2 | 20,145 | - | - | - | - | - | (14,480) | (14,480) | 5,665 | 15,533 | 16,232 |
| Gains | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 544,231 | - | - | - | - | - | (141,166) | (141,166) | 403,064 | 432,087 | 454,122 |

Property rates revenue is revised from R183million to R73 million, sales of electricity is adjusted from R76.5 million to R60.4 million and other service charges remains unchanged. There was also adjustment on other revenue from R20 million to R5.6 million.

Table 3 Operating Transfers and Grant Receipts

| | MTREF 2022/23 Budget | Adjustment Budget | MTREF 2023/24 Budget | MTREF 2024/25 Budget |
|---|----------------------|----------------------|----------------------|----------------------|
| Finance Management Grant | 2,300,000.0 | 2,300,000.0 | 2,300,000.0 | 2,300,000.0 |
| Expanded Public Works Programme | 1,383,000.0 | 1,383,000.0 | - | - |
| Equitable Share | 215,223,000.0 | 215,223,000.0 | 229,949,000.0 | 246,232,000.0 |
| Municipal Infrastructure Grant | 42,105,000.0 | 55,705,000.0 | 43,882,000.0 | 45,772,000.0 |
| Dept .Sport Arts and Culture | - | - | - | - |
| Workshop_NMMDM | 12,000,000.0 | 12,000,000.0 | - | - |
| Integrated National Electrification Programme | - | - | 10,000,000.0 | 10,449,000.0 |
| Water Grant_NMMDM | - | - | - | - |
| TOTAL | 273,011,000.0 | 286,611,000.0 | 286,131,000.0 | 304,753,000.0 |

There an adjustment of R 13.6 million on grant allocations from National and Provincial government. The table below depicts the grants allocated to the municipality for the 2022/23 financial year

1.3.1 Property Rates

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

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

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- Due to the increased market values of the properties in the General Valuation Roll, the municipality has opted not to increase the tariffs to compensate for the high values in the market values of the properties.

1.3.2 Sale of Water and Impact of Tariff Increases

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

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

1.3.3 Sale of Electricity and Impact of Tariff Increases

Registered indigents will again be granted 50 kWh per month free of charge. The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. However, there has not been any determination by NERSA since the impasse around Eskom's application.

The municipality has also gone further to remove the basic electricity charge for domestic prepaid customers. This charge has not been collected at point of sale but rather billed along with other charges, the collection of which is almost an impossible task. This has put immense pressure on the collection rate particularly on electricity sales.

The inadequate electricity bulk capital Municipality and the impact on service delivery and development remains a challenge for the Municipality. The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply).

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers.

1.3.4 Sanitation and Impact of Tariff Increases

A tariff increase of 4.5 per cent for sanitation was implemented from 1 July 2022. This is based on the input cost assumptions related to water. The following factors also contribute to the proposed tariff increase:

1.3.5 Waste Removal and Impact of Tariff Increases

A 4.5 per cent increase was implemented in the waste removal tariff from 1 July 2022. Any increase higher than 4.5 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

1.4 Operating Expenditure Framework

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

- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan, no funding allocation can be made.
- The approved funding plan

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

Table 9 Summary of operating expenditure by standard classification item

Choose name from list - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

| Description | Ref | Budget Year 2022/23 | | | | | | | | | | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
|---|-----|---------------------|------------------|----------------|----------------------|--------------------|----------------------|------------------|------------------|--------------------|-----------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted 3 | Accum. Funds 4 | Multi-year capital 5 | Unfore. Unavoid. 6 | Nat. or Prov. Govt 7 | Other Adjusts. 8 | Total Adjusts. 9 | Adjusted Budget 10 | Adjusted Budget | Adjusted Budget | |
| R thousands | 1 | A | A1 | B | C | D | E | F | G | H | | | |
| Total Revenue (excluding capital transfers and contributions) | | 544,333 | - | - | - | - | - | (141,166) | (141,166) | 403,166 | 432,087 | 454,122 | |
| Expenditure By Type | | | | | | | | | | | | | |
| Employee related costs | | 183,277 | - | - | - | - | - | - | - | 183,277 | 190,316 | 198,835 | |
| Remuneration of councillors | | 14,414 | - | - | - | - | - | - | - | 14,414 | 16,223 | 16,953 | |
| Debt impairment | | 38,181 | - | - | - | - | - | - | - | 38,181 | 38,181 | 38,181 | |
| Depreciation & asset impairment | | 45,121 | - | - | - | - | - | - | - | 45,121 | 45,121 | 45,121 | |
| Finance charges | | 1,456 | - | - | - | - | - | 2,544 | 2,544 | 4,000 | 1,520 | 1,588 | |
| Bulk purchases - electricity | | 56,078 | - | - | - | - | - | 24,934 | 24,934 | 81,012 | 58,464 | 61,095 | |
| Inventory consumed | | 31,010 | - | - | - | - | - | (2,025) | (2,025) | 28,985 | 24,344 | 25,299 | |
| Contracted services | | 24,998 | - | - | - | - | - | 11,302 | 11,302 | 36,300 | 39,835 | 40,901 | |
| Transfers and subsidies | | - | - | - | - | - | - | - | - | - | 850 | 650 | |
| Other expenditure | | 80,205 | - | - | - | - | - | (16,420) | (16,420) | 63,786 | 62,192 | 70,675 | |
| Losses | | - | - | - | - | - | - | - | - | - | - | - | |
| Total Expenditure | | 474,741 | - | - | - | - | - | 20,335 | 20,335 | 495,076 | 477,047 | 499,298 | |

The budgeted allocation for employee related costs for the 2022/23 financial year totals R183.2 million, and Councilor's remuneration R 14.4 million. There is no adjustment proposed on those items.

The items that are affected by adjustment on operating expenditure are finance charges, bulk purchases, store materials, contracted services and other expenditures

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 considered in compiling the Municipality's budget.

Bulk purchases are 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.

As part of the compilation of the 2022/23 adjustment MTREF, own funded capital expenditure has been adjusted from R10.3 million to R 4.3 million.

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

1.5 Capital expenditure

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

Table 10 2022/23 Medium-term capital budget per vote

Choose name from list - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

| Description | Ref | Budget Year 2022/23 | | | | | | | | | Budget Year | Budget Year |
|---|-----|---------------------|----------------|--------------|--------------------|------------------|--------------------|--------------|--------------|-----------------|-----------------|-----------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjus. | Total Adjus. | Adjusted Budget | +1 2023/24 | +2 2024/25 |
| | | A | A1 | B | C | D | E | F | G | H | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | | |
| Multi-year expenditure to be adjusted | | | | | | | | | | | | |
| Vote 1 - Executive and Council | 2 | - | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Finance and Administration | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - Community and Social Services | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Planning and Development | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Technical Department | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - [NAME OF VOTE 6] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 3 | - | - | - | - | - | - | - | - | - | - | - |
| Single-year expenditure to be adjusted | | | | | | | | | | | | |
| Vote 1 - Executive and Council | 2 | 10 | - | - | - | - | - | (10) | (10) | - | 13 | - |
| Vote 2 - Finance and Administration | | 2,250 | - | - | - | - | - | (1,663) | (1,663) | 587 | 7,220 | 7,450 |
| Vote 3 - Community and Social Services | | 6,120 | - | - | - | - | - | (2,364) | (2,364) | 3,756 | 3,470 | 3,240 |
| Vote 4 - Planning and Development | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Technical Department | | 42,000 | - | - | - | - | - | 11,600 | 11,600 | 53,600 | 53,788 | 56,127 |
| Vote 6 - [NAME OF VOTE 6] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | 50,380 | - | - | - | - | - | 7,563 | 7,563 | 57,943 | 64,490 | 66,817 |
| Total Capital Expenditure - Vote | | 50,380 | - | - | - | - | - | 7,563 | 7,563 | 57,943 | 64,490 | 66,817 |
| Capital Expenditure - Functional | | | | | | | | | | | | |
| Governance and administration | | 2,260 | - | - | - | - | - | (1,673) | (1,673) | 587 | 7,233 | 7,450 |
| Executive and council | | 10 | - | - | - | - | - | (10) | (10) | - | 13 | - |
| Finance and administration | | 2,250 | - | - | - | - | - | (1,663) | (1,663) | 587 | 7,220 | 7,450 |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 4,170 | - | - | - | - | - | (1,064) | (1,064) | 3,106 | 1,020 | 1,040 |
| Community and social services | | 1,600 | - | - | - | - | - | (1,150) | (1,150) | 450 | 120 | 140 |
| Sport and recreation | | 600 | - | - | - | - | - | (450) | (450) | 150 | 900 | 900 |
| Public safety | | 1,970 | - | - | - | - | - | 536 | 536 | 2,506 | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 40,000 | - | - | - | - | - | 13,600 | 13,600 | 53,600 | 41,688 | 43,483 |
| Planning and development | | - | - | - | - | - | - | - | - | - | - | - |
| Road transport | | 40,000 | - | - | - | - | - | 13,600 | 13,600 | 53,600 | 41,688 | 43,483 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 1,950 | - | - | - | - | - | (1,300) | (1,300) | 650 | 12,450 | 12,649 |
| Energy sources | | - | - | - | - | - | - | - | - | - | 10,000 | 10,449 |
| Water management | | - | - | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - | - | - |
| Waste management | | 1,950 | - | - | - | - | - | (1,300) | (1,300) | 650 | 2,450 | 2,200 |
| Other | | 2,000 | - | - | - | - | - | (2,000) | (2,000) | - | 2,100 | 2,195 |
| Total Capital Expenditure - Functional | 3 | 50,380 | - | - | - | - | - | 7,563 | 7,563 | 57,943 | 64,490 | 66,817 |
| Funded by: | | | | | | | | | | | | |
| National Government | | 40,000 | - | - | - | - | - | 13,600 | 13,600 | 53,600 | 51,688 | 53,932 |
| Provincial Government | | - | - | - | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 40,000 | - | - | - | - | - | 13,600 | 13,600 | 53,600 | 51,688 | 53,932 |
| Borrowing | | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 10,380 | - | - | - | - | - | (6,037) | (6,037) | 4,343 | 12,803 | 12,884 |
| Total Capital Funding | | 50,380 | - | - | - | - | - | 7,563 | 7,563 | 57,943 | 64,490 | 66,817 |

For 2022/23 an amount of R40 million has been appropriated for the development of infrastructure funded by Municipal Infrastructure Grant and R 10.3 million for other programs funded internally. The budget development of infrastructure is adjusted by R13.6 million from previous year roll-over as approved by Department of Cooperative Governance and Traditional Affairs.

The other adjustment made are reductions in capital expenditure funded internally due lack of funding, the original budget is from R10.3 million to R4.3 million.

The total capital expenditure is budget is revised from R 50.3 million to R 57.9 million and the significant difference is made by R 13.6 million roll-over approved.

Figure 1 Capital Infrastructure Program

| Capital Budget per Programme | MTREF 2022/23 Budget | Adjustment Budget | MTREF 2023/24 Budget | MTREF 2024/25 Budget |
|---------------------------------|----------------------|-------------------|----------------------|----------------------|
| Road Infrastructure | 40,000,000 | 53,600,000 | 41,687,900 | 43,483,400 |
| Electrical Infrastructure | - | - | 10,000,000 | 10,449,000 |
| Computer Equipments and Cameras | 1,280,000 | 593,000 | 2,012,500 | 2,000,000 |
| land and Buildings | 3,450,000 | 2,850,000 | - | - |
| Office Equipments | 100,000 | 100,000 | 120,000 | 140,000 |
| Machinery and Equipments | 2,550,000 | 800,000 | 3,350,000 | 3,100,000 |
| Office Furniture | 1,000,000 | - | 5,220,000 | 5,449,680 |
| Yellow Fleet | 2,000,000 | - | 2,100,000 | 2,194,500 |
| | 50,380,000 | 57,943,000 | 64,490,400 | 66,816,580 |

1.6 Annual Budget Tables - Parent Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2022/23 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 11 MBRR Table B1 - Budget Summary

Choose name from list - Table B1 Adjustments Budget Summary -

| Description | Budget Year 2022/23 | | | | | | | | | | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
|--|---------------------|-----------------|--------------|--------------------|------------------|--------------------|------------------|------------------|-----------------|-----------------|------------------------|------------------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget | |
| | A | 1 A1 | 2 B | 3 C | 4 D | 5 E | 6 F | 7 G | 8 H | | | |
| R thousands | | | | | | | | | | | | |
| Financial Performance | | | | | | | | | | | | |
| Property rates | 183,736 | - | - | - | - | - | (110,602) | (110,602) | 73,134 | 73,236 | 73,236 | |
| Service charges | 101,476 | - | - | - | - | - | (16,084) | (16,084) | 85,391 | 102,587 | 107,259 | |
| Investment revenue | 8 | - | - | - | - | - | - | - | 8 | 8 | 9 | |
| Transfers recognised - operational | 230,906 | - | - | - | - | - | - | - | 230,906 | 232,249 | 248,532 | |
| Other own revenue | 28,105 | - | - | - | - | - | (14,480) | (14,480) | 13,625 | 24,007 | 25,087 | |
| Total Revenue (excluding capital transfers and contributions) | 544,231 | - | - | - | - | - | (141,166) | (141,166) | 403,064 | 432,087 | 454,122 | |
| Employee costs | 183,277 | - | - | - | - | - | - | - | 183,277 | 190,316 | 198,835 | |
| Remuneration of councillors | 14,414 | - | - | - | - | - | - | - | 14,414 | 16,223 | 16,953 | |
| Depreciation & asset impairment | 45,121 | - | - | - | - | - | - | - | 45,121 | 45,121 | 45,121 | |
| Finance charges | 1,456 | - | - | - | - | - | 2,544 | 2,544 | 4,000 | 1,520 | 1,588 | |
| Inventory consumed and bulk purchases | 87,088 | - | - | - | - | - | 22,909 | 22,909 | 109,997 | 82,808 | 86,394 | |
| Transfers and grants | - | - | - | - | - | - | - | - | - | 850 | 650 | |
| Other expenditure | 143,384 | - | - | - | - | - | (5,117) | (5,117) | 138,267 | 140,208 | 149,757 | |
| Total Expenditure | 474,741 | - | - | - | - | - | 20,335 | 20,335 | 495,076 | 477,047 | 499,298 | |
| Surplus/(Deficit) | 69,490 | - | - | - | - | - | (161,501) | (161,501) | (92,012) | (44,960) | (45,176) | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 42,105 | - | - | - | - | - | 13,600 | 13,600 | 55,705 | 57,982 | 56,221 | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all) | - | - | - | - | - | - | - | - | - | - | - | |
| Surplus/(Deficit) after capital transfers & contributions | 111,595 | - | - | - | - | - | (147,901) | (147,901) | (36,307) | 13,022 | 11,045 | |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - | - | - | |
| Surplus/ (Deficit) for the year | 111,595 | - | - | - | - | - | (147,901) | (147,901) | (36,307) | 13,022 | 11,045 | |
| Capital expenditure & funds sources | | | | | | | | | | | | |
| Capital expenditure | 50,380 | - | - | - | - | - | 7,563 | 7,563 | 57,943 | 64,490 | 66,817 | |
| Transfers recognised - capital | 40,000 | - | - | - | - | - | 13,600 | 13,600 | 53,600 | 51,688 | 53,932 | |
| Borrowing | - | - | - | - | - | - | - | - | - | - | - | |
| Internally generated funds | 10,380 | - | - | - | - | - | (6,037) | (6,037) | 4,343 | 12,803 | 12,884 | |
| Total sources of capital funds | 50,380 | - | - | - | - | - | 7,563 | 7,563 | 57,943 | 64,490 | 66,817 | |
| Financial position | | | | | | | | | | | | |
| Total current assets | (31,010) | - | - | - | - | - | 2,025 | 2,025 | (28,985) | (53,329) | (78,628) | |
| Total non current assets | - | - | - | - | - | - | - | - | - | - | - | |
| Total current liabilities | 86,000 | - | - | - | - | - | 9,260 | 9,260 | 95,260 | 45,000 | 35,000 | |
| Total non current liabilities | - | - | - | - | - | - | - | - | - | - | - | |
| Community wealth/Equity | 111,595 | - | - | - | - | - | (147,901) | (147,901) | (36,307) | 13,022 | 11,045 | |
| Cash flows | | | | | | | | | | | | |
| Net cash from (used) operating | 100,580 | - | - | - | - | (24,934) | (54,449) | (79,383) | 21,197 | 560,866 | 586,890 | |
| Net cash from (used) investing | (30,380) | - | - | - | - | - | 12,437 | 12,437 | (17,943) | (48,957) | (50,584) | |
| Net cash from (used) financing | (15,000) | - | - | - | - | - | 5,000 | 5,000 | (10,000) | (35,000) | (30,000) | |
| Cash/cash equivalents at the year end | 69,689 | - | - | - | - | (24,934) | (37,012) | (61,946) | 7,743 | 476,909 | 506,306 | |
| Cash backing/surplus reconciliation | | | | | | | | | | | | |
| Cash and investments available | - | - | - | - | - | - | - | - | - | - | - | |
| Application of cash and investments | 100,149 | 55,379 | - | - | - | - | 9,260 | 9,260 | 64,639 | 90,000 | 85,000 | |
| Balance - surplus (shortfall) | (100,149) | (55,379) | - | - | - | - | (9,260) | (9,260) | (64,639) | (90,000) | (85,000) | |
| Asset Management | | | | | | | | | | | | |
| Asset register summary (WDV) | 646,133 | - | - | - | - | - | - | - | 646,133 | 703,133 | 763,133 | |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | |
| Renewal and Upgrading of Existing Assets | - | - | - | - | - | - | - | - | - | - | - | |
| Repairs and Maintenance | - | - | - | - | - | - | - | - | - | - | - | |
| Free services | | | | | | | | | | | | |
| Cost of Free Basic Services provided | - | - | - | - | - | - | - | - | - | - | - | |
| Revenue cost of free services provided | - | - | - | - | - | - | - | - | - | - | - | |
| Households below minimum service level | | | | | | | | | | | | |
| Water: | 15 | - | - | - | - | - | - | - | 15 | 15 | 15 | |
| Sanitation/sewerage: | - | - | - | - | - | - | - | - | - | - | - | |
| Energy: | 63 | - | - | - | - | - | - | - | 63 | 63 | - | |
| Refuse: | 33 | - | - | - | - | - | - | - | 33 | 33 | 33 | |

References

Explanatory notes to MBRR Table B1 - Budget Summary

1. Table B1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.

Table 12 MBRR Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Choose name from list - Table B2 Adjustments Budget Financial Performance (functional classification) -

| Standard Description | Ref | Budget Year 2022/23 | | | | | | | | | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
|--|----------|---------------------|----------------|--------------|--------------------|------------------|--------------------|------------------|------------------|-----------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | 1, 4 | A | 5 A1 | 6 B | 7 C | 8 D | 9 E | 10 F | 11 G | 12 H | | |
| Revenue - Functional | | | | | | | | | | | | |
| <i>Governance and administration</i> | | 300,879 | - | - | - | - | - | (110,602) | (110,602) | 190,277 | 307,735 | 320,590 |
| Executive and council | | 50,121 | - | - | - | - | - | - | - | 50,121 | 56,081 | 66,747 |
| Finance and administration | | 243,413 | - | - | - | - | - | (110,602) | (110,602) | 132,811 | 243,985 | 245,830 |
| Internal audit | | 7,345 | - | - | - | - | - | - | - | 7,345 | 7,669 | 8,014 |
| <i>Community and public safety</i> | | 30,078 | - | - | - | - | - | - | - | 30,078 | 30,139 | 31,583 |
| Community and social services | | 19,058 | - | - | - | - | - | - | - | 19,058 | 19,957 | 20,975 |
| Sport and recreation | | 10,615 | - | - | - | - | - | - | - | 10,615 | 9,759 | 10,166 |
| Public safety | | - | - | - | - | - | - | - | - | - | - | - |
| Housing | | 405 | - | - | - | - | - | - | - | 405 | 423 | 442 |
| Health | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 136,894 | - | - | - | - | - | (880) | (880) | 136,014 | 140,675 | 145,236 |
| Planning and development | | 71,914 | - | - | - | - | - | (880) | (880) | 71,034 | 71,337 | 71,905 |
| Road transport | | 64,980 | - | - | - | - | - | - | - | 64,980 | 69,338 | 73,331 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 118,485 | - | - | - | - | - | (16,084) | (16,084) | 102,400 | 120,271 | 125,836 |
| Energy sources | | 77,100 | - | - | - | - | - | (16,084) | (16,084) | 61,016 | 90,493 | 94,564 |
| Water management | | 20,953 | - | - | - | - | - | - | - | 20,953 | 8,987 | 9,391 |
| Waste water management | | 829 | - | - | - | - | - | - | - | 829 | 832 | 870 |
| Waste management | | 19,603 | - | - | - | - | - | - | - | 19,603 | 19,959 | 21,011 |
| <i>Other</i> | | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 2 | 586,336 | - | - | - | - | - | (127,566) | (127,566) | 458,769 | 598,820 | 623,245 |
| Expenditure - Functional | | | | | | | | | | | | |
| <i>Governance and administration</i> | | 211,964 | - | - | - | - | - | 1,561 | 1,561 | 213,525 | 209,524 | 223,005 |
| Executive and council | | 58,508 | - | - | - | - | - | (7,428) | (7,428) | 51,080 | 52,675 | 61,316 |
| Finance and administration | | 146,111 | - | - | - | - | - | 8,334 | 8,334 | 154,444 | 149,180 | 153,676 |
| Internal audit | | 7,345 | - | - | - | - | - | 655 | 655 | 8,000 | 7,669 | 8,014 |
| <i>Community and public safety</i> | | 27,245 | - | - | - | - | - | (4,580) | (4,580) | 22,665 | 35,105 | 36,230 |
| Community and social services | | 16,801 | - | - | - | - | - | (3,180) | (3,180) | 13,621 | 24,220 | 24,887 |
| Sport and recreation | | 10,038 | - | - | - | - | - | (1,400) | (1,400) | 8,638 | 10,462 | 10,901 |
| Public safety | | - | - | - | - | - | - | - | - | - | - | - |
| Housing | | 405 | - | - | - | - | - | 0 | 0 | 405 | 423 | 442 |
| Health | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 164,933 | - | - | - | - | - | 3,349 | 3,349 | 168,281 | 162,057 | 166,757 |
| Planning and development | | 71,980 | - | - | - | - | - | 12,270 | 12,270 | 84,250 | 72,556 | 74,408 |
| Road transport | | 92,953 | - | - | - | - | - | (8,922) | (8,922) | 84,031 | 89,501 | 92,349 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 120,979 | - | - | - | - | - | 27,569 | 27,569 | 148,548 | 143,055 | 148,659 |
| Energy sources | | 75,939 | - | - | - | - | - | 23,134 | 23,134 | 99,072 | 91,620 | 95,582 |
| Water management | | 13,762 | - | - | - | - | - | 310 | 310 | 14,072 | 15,559 | 16,144 |
| Waste water management | | 15,406 | - | - | - | - | - | 6,785 | 6,785 | 22,191 | 16,688 | 17,362 |
| Waste management | | 15,872 | - | - | - | - | - | (2,660) | (2,660) | 13,212 | 19,188 | 19,572 |
| <i>Other</i> | | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure - Functional | 3 | 525,121 | - | - | - | - | - | 27,898 | 27,898 | 553,019 | 549,741 | 574,652 |
| Surplus/ (Deficit) for the year | | 61,215 | - | - | - | - | - | (155,464) | (155,464) | (94,250) | 49,079 | 48,593 |

References

Explanatory notes to MBRR Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table B2 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 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital)
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

Table 13 MBRR Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Choose name from list - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

| Vote Description <i>[Insert departmental structure etc]</i> | Ref | Budget Year 2022/23 | | | | | | | | | Budget Year | Budget Year |
|--|-----|---------------------|----------|--------|------------|----------|---------------|-----------|----------------|----------|-------------|-------------|
| | | Original | Prior | Accum. | Multi-year | Unfore. | Nat. or Prov. | Other | Total Adjusts. | Adjusted | Adjusted | Adjusted |
| | | Budget | Adjusted | Funds | capital | Unavoid. | Govt | Adjusts. | 9 | Budget | Budget | Budget |
| R thousands | | 3 | 4 | 5 | 6 | 7 | 8 | 10 | | | | |
| | | A | A1 | B | C | D | E | F | G | H | | |
| Revenue by Vote | 1 | | | | | | | | | | | |
| Vote 1 - Executive and Council | | 57,466 | - | - | - | - | - | - | - | 57,466 | 63,750 | 74,760 |
| Vote 2 - Finance and Administration | | 236,380 | - | - | - | - | - | (110,602) | (110,602) | 125,778 | 238,615 | 240,852 |
| Vote 3 - Community and Social Services | | 82,264 | - | - | - | - | - | - | - | 82,264 | 82,744 | 86,713 |
| Vote 4 - Planning and Development | | 29,607 | - | - | - | - | - | (14,480) | (14,480) | 15,127 | 20,704 | 21,827 |
| Vote 5 - Technical Department | | 180,619 | - | - | - | - | - | (2,484) | (2,484) | 178,134 | 193,006 | 199,092 |
| Vote 6 - [NAME OF VOTE 6] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 586,336 | - | - | - | - | - | (127,566) | (127,566) | 458,769 | 598,820 | 623,245 |
| Expenditure by Vote | 1 | | | | | | | | | | | |
| Vote 1 - Executive and Council | | 65,853 | - | - | - | - | - | (6,773) | (6,773) | 59,081 | 60,344 | 69,329 |
| Vote 2 - Finance and Administration | | 134,637 | - | - | - | - | - | 6,059 | 6,059 | 140,695 | 143,805 | 148,693 |
| Vote 3 - Community and Social Services | | 80,054 | - | - | - | - | - | (5,918) | (5,918) | 74,136 | 86,644 | 88,880 |
| Vote 4 - Planning and Development | | 15,001 | - | - | - | - | - | (1,330) | (1,330) | 13,671 | 13,798 | 13,757 |
| Vote 5 - Technical Department | | 229,575 | - | - | - | - | 24,934 | 10,927 | 35,860 | 265,435 | 245,150 | 253,993 |
| Vote 6 - [NAME OF VOTE 6] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 525,121 | - | - | - | - | 24,934 | 2,965 | 27,898 | 553,019 | 549,741 | 574,652 |
| Surplus/ (Deficit) for the year | 2 | 61,215 | - | - | - | - | (24,934) | (130,531) | (155,464) | (94,250) | 49,079 | 48,593 |

Explanatory notes to MBRR Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table B3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 14 MBRR Table B4 - Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

| Description | Ref | Budget Year 2022/23 | | | | | | | | | Budget Year | Budget Year |
|--|-----|---------------------|----------------|--------------|--------------------|------------------|--------------------|------------------|------------------|-----------------|-----------------|-----------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjus. | Total Adjus. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | 1 | A | A1 | B | C | D | E | F | G | H | +1 2023/24 | +2 2024/25 |
| Revenue By Source | | | | | | | | | | | | |
| Property rates | 2 | 183,838 | - | - | - | - | - | (110,602) | (110,602) | 73,236 | 73,236 | 73,236 |
| Service charges - electricity revenue | 2 | 76,515 | - | - | - | - | - | (16,084) | (16,084) | 60,430 | 78,838 | 82,385 |
| Service charges - water revenue | 2 | 8,915 | - | - | - | - | - | - | - | 8,915 | 8,444 | 8,843 |
| Service charges - sanitation revenue | 2 | 791 | - | - | - | - | - | - | - | 791 | 594 | 629 |
| Service charges - refuse revenue | 2 | 15,255 | - | - | - | - | - | - | - | 15,255 | 14,712 | 15,401 |
| Rental of facilities and equipment | | 5 | | | | | | | | 5 | 5 | 5 |
| Interest earned - external investments | | 8 | | | | | | | | 8 | 8 | 9 |
| Interest earned - outstanding debtors | | - | | | | | | | | - | - | - |
| Dividends received | | - | | | | | | | | - | - | - |
| Fines, penalties and forfeits | | 532 | | | | | | | | 532 | 534 | 558 |
| Licences and permits | | 7,424 | | | | | | | | 7,424 | 7,935 | 8,292 |
| Agency services | | - | | | | | | | | - | - | - |
| Transfers and subsidies | | 230,906 | | | | | | | | 230,906 | 232,249 | 248,532 |
| Other revenue | 2 | 20,145 | - | - | - | - | - | (14,480) | (14,480) | 5,665 | 15,533 | 16,232 |
| Gains | | - | | | | | | | | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 544,333 | - | - | - | - | - | (141,166) | (141,166) | 403,166 | 432,087 | 454,122 |
| Expenditure By Type | | | | | | | | | | | | |
| Employee related costs | | 183,277 | - | - | - | - | - | - | - | 183,277 | 190,316 | 198,835 |
| Remuneration of councillors | | 14,414 | | | | | | | | 14,414 | 16,223 | 16,953 |
| Debt impairment | | 38,181 | | | | | | | | 38,181 | 38,181 | 38,181 |
| Depreciation & asset impairment | | 45,121 | - | - | - | - | - | - | - | 45,121 | 45,121 | 45,121 |
| Finance charges | | 1,456 | | | | | | 2,544 | 2,544 | 4,000 | 1,520 | 1,588 |
| Bulk purchases - electricity | | 56,078 | - | - | - | - | - | 24,934 | 24,934 | 81,012 | 58,464 | 61,095 |
| Inventory consumed | | 31,010 | - | - | - | - | - | (2,025) | (2,025) | 28,985 | 24,344 | 25,299 |
| Contracted services | | 24,998 | - | - | - | - | - | 11,302 | 11,302 | 36,300 | 39,835 | 40,901 |
| Transfers and subsidies | | - | | | | | | | | - | 850 | 650 |
| Other expenditure | | 80,205 | - | - | - | - | - | (16,420) | (16,420) | 63,786 | 62,192 | 70,675 |
| Losses | | - | | | | | | | | - | - | - |
| Total Expenditure | | 474,741 | - | - | - | - | - | 20,335 | 20,335 | 495,076 | 477,047 | 499,298 |
| Surplus/(Deficit) | | 69,592 | - | - | - | - | - | (161,501) | (161,501) | (91,910) | (44,960) | (45,176) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 42,105 | | | | | | 13,600 | 13,600 | 55,705 | 57,982 | 56,221 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | - | | | | | | | | - | - | - |
| Transfers and subsidies - capital (in-kind - all) | | - | | | | | | | | - | - | - |
| Surplus/(Deficit) before taxation | | 111,697 | - | - | - | - | - | (147,901) | (147,901) | (36,205) | 13,022 | 11,045 |
| Taxation | | - | | | | | | | | - | - | - |
| Surplus/(Deficit) after taxation | | 111,697 | - | - | - | - | - | (147,901) | (147,901) | (36,205) | 13,022 | 11,045 |
| Attributable to minorities | | - | | | | | | | | - | - | - |
| Surplus/(Deficit) attributable to municipality | | 111,697 | - | - | - | - | - | (147,901) | (147,901) | (36,205) | 13,022 | 11,045 |
| Share of surplus/ (deficit) of associate | | - | | | | | | | | - | - | - |
| Surplus/ (Deficit) for the year | | 111,697 | - | - | - | - | - | (147,901) | (147,901) | (36,205) | 13,022 | 11,045 |

Table 15 MBRR Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Choose name from list - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

| Description | Ref | Budget Year 2022/23 | | | | | | | | | Budget Year | Budget Year |
|--|-----|---------------------|----------------|--------------|--------------------|------------------|--------------------|--------------|--------------|-----------------|-------------|-------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjus. | Total Adjus. | Adjusted Budget | +1 2023/24 | +2 2024/25 |
| R thousands | | A | A1 | B | C | D | E | F | G | H | | |
| Capital expenditure - Vote | | | | | | | | | | | | |
| Multi-year expenditure to be adjusted | 2 | | | | | | | | | | | |
| Vote 1 - Executive and Council | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Finance and Administration | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - Community and Social Services | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Planning and Development | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Technical Department | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - [NAME OF VOTE 6] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 3 | - | - | - | - | - | - | - | - | - | - | - |
| Single-year expenditure to be adjusted | 2 | | | | | | | | | | | |
| Vote 1 - Executive and Council | | 10 | - | - | - | - | - | (10) | (10) | - | 13 | - |
| Vote 2 - Finance and Administration | | 2,250 | - | - | - | - | - | (1,663) | (1,663) | 587 | 7,220 | 7,450 |
| Vote 3 - Community and Social Services | | 6,120 | - | - | - | - | - | (2,364) | (2,364) | 3,756 | 3,470 | 3,240 |
| Vote 4 - Planning and Development | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Technical Department | | 42,000 | - | - | - | - | - | 11,600 | 11,600 | 53,600 | 53,788 | 56,127 |
| Vote 6 - [NAME OF VOTE 6] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | 50,380 | - | - | - | - | - | 7,563 | 7,563 | 57,943 | 64,490 | 66,817 |
| Total Capital Expenditure - Vote | | 50,380 | - | - | - | - | - | 7,563 | 7,563 | 57,943 | 64,490 | 66,817 |
| Capital Expenditure - Functional | | | | | | | | | | | | |
| Governance and administration | | 2,260 | - | - | - | - | - | (1,673) | (1,673) | 587 | 7,233 | 7,450 |
| Executive and council | | 10 | - | - | - | - | - | (10) | (10) | - | 13 | - |
| Finance and administration | | 2,250 | - | - | - | - | - | (1,663) | (1,663) | 587 | 7,220 | 7,450 |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 4,170 | - | - | - | - | - | (1,064) | (1,064) | 3,106 | 1,020 | 1,040 |
| Community and social services | | 1,600 | - | - | - | - | - | (1,150) | (1,150) | 450 | 120 | 140 |
| Sport and recreation | | 600 | - | - | - | - | - | (450) | (450) | 150 | 900 | 900 |
| Public safety | | 1,970 | - | - | - | - | - | 536 | 536 | 2,506 | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 40,000 | - | - | - | - | - | 13,600 | 13,600 | 53,600 | 41,688 | 43,483 |
| Planning and development | | - | - | - | - | - | - | - | - | - | - | - |
| Road transport | | 40,000 | - | - | - | - | - | 13,600 | 13,600 | 53,600 | 41,688 | 43,483 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 1,950 | - | - | - | - | - | (1,300) | (1,300) | 650 | 12,450 | 12,649 |
| Energy sources | | - | - | - | - | - | - | - | - | - | 10,000 | 10,449 |
| Water management | | - | - | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - | - | - |
| Waste management | | 1,950 | - | - | - | - | - | (1,300) | (1,300) | 650 | 2,450 | 2,200 |
| Other | | 2,000 | - | - | - | - | - | (2,000) | (2,000) | - | 2,100 | 2,195 |
| Total Capital Expenditure - Functional | 3 | 50,380 | - | - | - | - | - | 7,563 | 7,563 | 57,943 | 64,490 | 66,817 |
| Funded by: | | | | | | | | | | | | |
| National Government | | 40,000 | - | - | - | - | - | 13,600 | 13,600 | 53,600 | 51,688 | 53,932 |
| Provincial Government | | - | - | - | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 40,000 | - | - | - | - | - | 13,600 | 13,600 | 53,600 | 51,688 | 53,932 |
| Borrowing | | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 10,380 | - | - | - | - | - | (6,037) | (6,037) | 4,343 | 12,803 | 12,884 |
| Total Capital Funding | | 50,380 | - | - | - | - | - | 7,563 | 7,563 | 57,943 | 64,490 | 66,817 |

Explanatory notes to Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations
3. Single-year capital expenditure has been adjusted to R 57.9 million for the 2022/23 financial year and remains relatively constant over the MTREF at levels of R 64.4 million and R 66.8 million respectively for the two outer years.
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.
5. The capital programme is funded from capital grants and transfers as well as internally generated funds

Table 16 MBRR Table B6 - Budgeted Financial Position

Choose name from list - Table B6 Adjustments Budget Financial Position -

| Description | Ref | Budget Year 2022/23 | | | | | | | | | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
|--|-----|----------------------|---------------------------|------------------------|------------------------------|----------------------------|------------------------------|--------------------------|--------------------------|----------------------------|------------------------|------------------------|
| | | Original Budget A | Prior Adjusted 3 A1 | Accum. Funds 4 B | Multi-year capital 5 C | Unfore. Unavoid. 6 D | Nat. or Prov. Govt 7 E | Other Adjusts. 8 F | Total Adjusts. 9 G | Adjusted Budget 10 H | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | | |
| Current assets | | | | | | | | | | | | |
| Cash | | 429,265 | | | | | | | - | 429,265 | 423,113 | 494,779 |
| Call investment deposits | 1 | | | | | | | | - | | | |
| Consumer debtors | 1 | 9,146 | - | - | - | - | - | - | - | 9,146 | 36,656 | 36,012 |
| Other debtors | | 4,517 | | | | | | | - | 4,517 | 4,742 | 2,654 |
| Current portion of long-term receivables | | | | | | | | | - | | | |
| Inventory | | (2,500) | - | - | - | - | - | - | - | (2,500) | (2,610) | (2,727) |
| Total current assets | | 440,428 | - | - | - | - | - | - | - | 440,428 | 461,902 | 530,717 |
| Non current assets | | | | | | | | | | | | |
| Long-term receivables | | - | | | | | | | - | - | | |
| Investments | | | | | | | | | - | - | | |
| Investment property | | | | | | | | | - | - | | |
| Investment in Associate | | | | | | | | | - | - | | |
| Property, plant and equipment | 1 | 18,210 | - | - | - | - | - | - | - | 18,210 | 40,145 | (8,887) |
| Biological | | | | | | | | | - | - | | |
| Intangible | | 1,250 | | | | | | | - | 1,250 | 2,000 | 2,000 |
| Other non-current assets | | | | | | | | | - | - | | |
| Total non current assets | | 19,460 | - | - | - | - | - | - | - | 19,460 | 42,145 | (6,887) |
| TOTAL ASSETS | | 459,888 | - | - | - | - | - | - | - | 459,888 | 504,047 | 523,830 |
| LIABILITIES | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | |
| Bank overdraft | | | | | | | | | - | - | | |
| Borrowing | | - | - | - | - | - | - | - | - | - | - | - |
| Consumer deposits | | | | | | | | | - | - | | |
| Trade and other payables | | 348,819 | - | - | - | - | - | - | - | 348,819 | 398,599 | 421,144 |
| Provisions | | | | | | | | | - | - | | |
| Total current liabilities | | 348,819 | - | - | - | - | - | - | - | 348,819 | 398,599 | 421,144 |
| Non current liabilities | | | | | | | | | | | | |
| Borrowing | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Provisions | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Total non current liabilities | | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL LIABILITIES | | 348,819 | - | - | - | - | - | - | - | 348,819 | 398,599 | 421,144 |
| NET ASSETS | 2 | 111,069 | - | - | - | - | - | - | - | 111,069 | 105,447 | 102,686 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 140,206 | - | - | - | - | - | (149,926) | (149,926) | (9,720) | 34,756 | 33,616 |
| Reserves | | | | | | | | | | | | |
| TOTAL COMMUNITY WEALTH/EQUITY | | 140,206 | - | - | - | - | - | (149,926) | (149,926) | (9,720) | 34,756 | 33,616 |

Explanatory notes to Table B6 - Budgeted Financial Position

1. Table B6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e.

assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. This table providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 17 MBRR Table B7 - Budgeted Cash Flow Statement

Choose name from list - Table B7 Adjustments Budget Cash Flows -

| Description | Ref | Budget Year 2022/23 | | | | | | | | | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
|--|-----|---------------------|----------------|--------------|--------------------|------------------|--------------------|-----------------|-----------------|-----------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | A | 3 A1 | 4 B | 5 C | 6 D | 7 E | 8 F | 9 G | 10 H | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Property rates | | 110,241 | | | | | | (59,048) | (59,048) | 51,194 | 110,241 | 110,241 |
| Service charges | | 83,840 | | | | | | - | - | 83,840 | 86,927 | 90,839 |
| Other revenue | | 24,921 | | | | | | - | - | 24,921 | 20,618 | 21,545 |
| Transfers and Subsidies - Operational | 1 | 230,906 | | | | | | - | - | 230,906 | 232,249 | 248,532 |
| Transfers and Subsidies - Capital | 1 | 42,105 | | | | | | - | - | 42,105 | 53,882 | 56,221 |
| Interest | | 5 | | | | | | - | - | 5 | 5 | 5 |
| Dividends | | | | | | | | - | - | | | |
| Payments | | | | | | | | | | | | |
| Suppliers and employees | | (389,983) | | | | | (24,934) | 7,142 | (17,791) | (407,774) | 58,464 | 61,095 |
| Finance charges | | (1,456) | | | | | | (2,544) | (2,544) | (4,000) | (1,520) | (1,588) |
| Transfers and Grants | 1 | | | | | | | | - | - | | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 100,580 | - | - | - | - | (24,934) | (54,449) | (79,383) | 21,197 | 560,866 | 586,890 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | | | | | | | - | - | | |
| Decrease (increase) in non-current receivables | | 20,000 | | | | | | 20,000 | 20,000 | 40,000 | 15,533 | 16,232 |
| Decrease (increase) in non-current investments | | | | | | | | | - | - | | |
| Payments | | | | | | | | | | | | |
| Capital assets | | (50,380) | | | | | | (7,563) | (7,563) | (57,943) | (64,490) | (66,817) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (30,380) | - | - | - | - | - | 12,437 | 12,437 | (17,943) | (48,957) | (50,584) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Short term loans | | | | | | | | | - | - | | |
| Borrowing long term/refinancing | | | | | | | | | - | - | | |
| Increase (decrease) in consumer deposits | | (15,000) | | | | | | 5,000 | 5,000 | (10,000) | (35,000) | (30,000) |
| Payments | | | | | | | | | | | | |
| Repayment of borrowing | | | | | | | | | - | - | | |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | (15,000) | - | - | - | - | - | 5,000 | 5,000 | (10,000) | (35,000) | (30,000) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 55,200 | - | - | - | - | (24,934) | (37,012) | (61,946) | (6,746) | 476,909 | 506,306 |
| Cash/cash equivalents at the year begin: | 2 | 14,489 | | | | | | | - | 14,489 | | |
| Cash/cash equivalents at the year end: | 2 | 69,689 | | | | | (24,934) | (37,012) | (61,946) | 7,743 | 476,909 | 506,306 |

Explanatory notes to Table B7 - 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.

Table 18 MBRR Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Choose name from list - Table B8 Cash backed reserves/accumulated surplus reconciliation -

| Description | Ref | Budget Year 2022/23 | | | | | | | | | Budget Year | Budget Year |
|---|-----|---------------------|-----------------|--------------|--------------------|------------------|--------------------|----------------|----------------|------------------|-----------------|-----------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | A | A1 | B | C | D | E | F | G | H | | |
| Cash and investments available | | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 69,689 | - | - | - | - | (24,934) | (37,012) | (61,946) | 7,743 | 476,909 | 506,306 |
| Other current investments > 90 days | | (69,689) | - | - | - | - | 24,934 | 37,012 | 61,946 | (7,743) | (476,909) | (506,306) |
| Non current assets - Investments | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Cash and investments available: | | - | - | - | - | - | - | - | - | - | - | - |
| Applications of cash and investments | | | | | | | | | | | | |
| Unspent conditional transfers | | - | - | - | - | - | - | - | - | - | - | - |
| Unspent borrowing | | | | | | | | | | | | |
| Statutory requirements | | | - | | | | | | | | | |
| Other working capital requirements | 2 | 86,000 | - | | | | | 9,260 | 9,260 | 95,260 | 45,000 | 35,000 |
| Other provisions | | | | | | | | | | | | |
| Long term investments committed | | - | - | | | | | | | | | |
| Reserves to be backed by cash/investments | | 14,149 | 55,379 | | | | | | | 55,379 | 45,000 | 50,000 |
| Total Application of cash and investments: | | 100,149 | 55,379 | - | - | - | - | 9,260 | 9,260 | 150,639 | 90,000 | 85,000 |
| Surplus(shortfall) | | (100,149) | (55,379) | - | - | - | - | (9,260) | (9,260) | (150,639) | (90,000) | (85,000) |

Explanatory notes to Table B8 - 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. 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.

Explanatory notes to Table B9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

Table 20 MBRR Table B10 - Basic Service Delivery Measurement

Choose name from list - Table B10 Basic service delivery measurement -

| Description | Ref | Budget Year 2022/23 | | | | | | | | | | Budget Year | Budget Year |
|---|-----|---------------------|----------------|--------------|--------------------|------------------|--------------------|----------------|----------------|-----------------|-----------------|-------------|-------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | +1 2023/24 | +2 2024/25 |
| | | A | 7 A1 | 8 B | 9 C | 10 D | 11 E | 12 F | 13 G | 14 H | | | |
| Household service targets | 1 | | | | | | | | | | | | |
| Water: | | | | | | | | | | | | | |
| Piped water inside dwelling | | 10280.98151 | | | | | | | | 10 | | 10280.98151 | 10280.98151 |
| Piped water inside yard (but not in dwelling) | | 4296 | | | | | | | | 4 | | 4296 | 4296 |
| Using public tap (at least min.service level) | 2 | 523 | | | | | | | | 1 | | 523 | 523 |
| Other water supply (at least min.service level) | | 0 | | | | | | | | | | | |
| <i>Minimum Service Level and Above sub-total</i> | | 15 | | | | | | | | 15 | | 15 | 15 |
| Using public tap (< min.service level) | 3 | 14713 | | | | | | | | 15 | | 14713 | 14713 |
| Other water supply (< min.service level) | 3,4 | 220 | | | | | | | | 0 | | 220 | 220 |
| No water supply | | | | | | | | | | | | | |
| <i>Below Minimum Service Level sub-total</i> | | 15 | | | | | | | | 15 | | 15 | 15 |
| Total number of households | 5 | 30 | | | | | | | | 30 | | 30 | 30 |
| Sanitation/sewerage: | | | | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | | | | | | | | | | | | |
| Flush toilet (with septic tank) | | | | | | | | | | | | | |
| Chemical toilet | | | | | | | | | | | | | |
| Pit toilet (ventilated) | | | | | | | | | | | | | |
| Other toilet provisions (> min.service level) | | | | | | | | | | | | | |
| <i>Minimum Service Level and Above sub-total</i> | | | | | | | | | | | | | |
| Bucket toilet | | | | | | | | | | | | | |
| Other toilet provisions (< min.service level) | | | | | | | | | | | | | |
| No toilet provisions | | | | | | | | | | | | | |
| <i>Below Minimum Service Level sub-total</i> | | | | | | | | | | | | | |
| Total number of households | 5 | | | | | | | | | | | | |
| Energy: | | | | | | | | | | | | | |
| Electricity (at least min. service level) | | 505 | | | | | | | | | 505 | 505 | |
| Electricity - prepaid (> min.service level) | | 4941 | | | | | | | | 4,941 | | 4941 | |
| <i>Minimum Service Level and Above sub-total</i> | | 5,446 | | | | | | | | 5,446 | | 5,446 | |
| Electricity (< min.service level) | | 30877 | | | | | | | | 30,877 | | 30877 | |
| Electricity - prepaid (< min. service level) | | 32061 | | | | | | | | 32,061 | | 32061 | |
| Other energy sources | | | | | | | | | | | | | |
| <i>Below Minimum Service Level sub-total</i> | | 62,938 | | | | | | | | 62,938 | | 62,938 | |
| Total number of households | 5 | 68,384 | | | | | | | | 68,384 | | 68,384 | |
| Refuse: | | | | | | | | | | | | | |
| Removed at least once a week (min.service) | | | | | | | | | | | | | |
| <i>Minimum Service Level and Above sub-total</i> | | | | | | | | | | | | | |
| Removed less frequently than once a week | | 330 | | | | | | | | 330 | | 330 | 330 |
| Using communal refuse dump | | 351 | | | | | | | | 351 | | 351 | 351 |
| Using own refuse dump | | 29160 | | | | | | | | 29,160 | | 29160 | 29160 |
| Other rubbish disposal | | 441 | | | | | | | | 441 | | 441 | 441 |
| No rubbish disposal | | 2400 | | | | | | | | 2,400 | | 2400 | 2400 |
| <i>Below Minimum Service Level sub-total</i> | | 32,682 | | | | | | | | 32,682 | | 32,682 | 32,682 |
| Total number of households | 5 | 32,682 | | | | | | | | 32,682 | | 32,682 | 32,682 |
| Households receiving Free Basic Service | 15 | | | | | | | | | | | | |
| Water (6 kilolitres per household per month) | | | | | | | | | | | | | |
| Sanitation (free minimum level service) | | | | | | | | | | | | | |
| Electricity/other energy (50kwh per household per month) | | | | | | | | | | | | | |
| Refuse (removed at least once a week) | | | | | | | | | | | | | |
| Cost of Free Basic Services provided (R'000) | 16 | | | | | | | | | | | | |
| Water (6 kilolitres per indigent household per month) | | | | | | | | | | | | | |
| Sanitation (free sanitation service to indigent households) | | | | | | | | | | | | | |
| Electricity/other energy (50kwh per indigent household per month) | | 2,302 | | | | | | | | 2,302 | | 2,346 | 2,393 |
| Refuse (removed once a week for indigent households) | | | | | | | | | | | | | |
| Cost of Free Basic Services provided - Informal Formal Settlements (R'000) | | | | | | | | | | | | | |
| Total cost of FBS provided | | 2,302 | | | | | | | | 2,302 | | 2,346 | 2,393 |
| Highest level of free service provided | | | | | | | | | | | | | |
| Property rates (R'000 value threshold) | | | | | | | | | | | | | |
| Water (kilolitres per household per month) | | 1077 | | | | | | | | 1,077 | | 1077 | 1077 |
| Sanitation (kilolitres per household per month) | | 1392 | | | | | | | | 1,392 | | 1392 | 1392 |
| Sanitation (Rand per household per month) | | | | | | | | | | | 0 | 0 | 0 |
| Electricity (kw per household per month) | | 3287 | | | | | | | | 3,287 | | 3287 | 3287 |
| Refuse (average litres per week) | | 1392 | | | | | | | | 1,392 | | 1392 | 1392 |
| Revenue cost of free services provided (R'000) | 17 | | | | | | | | | | | | |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | | | | | | | | | | | | | |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA) | | | | | | | | | | | | | |
| Water (in excess of 6 kilolitres per indigent household per month) | | | | | | | | | | | | | |
| Sanitation (in excess of free sanitation service to indigent households) | | | | | | | | | | | | | |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | | | | | | | | | | | | | |
| Refuse (in excess of one removal a week for indigent households) | | | | | | | | | | | | | |
| Municipal Housing - rental rebates | | | | | | | | | | | | | |
| Housing - top structure subsidies | 6 | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | |
| Total revenue cost of subsidised services provided | | | | | | | | | | | | | |

Explanatory notes to Table B10 - Basic Service Delivery Measurement

1. Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

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

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

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

2.1.1 IDP and Service Delivery and Budget Implementation Plan

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

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

The IDP has been taken into a business and financial planning process leading up to the 2022/23 MTREF, based on the approved 2021/22 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.

2.1.2 Financial Modelling and Key Planning Drivers

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

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2020/21 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 98 and 99 has been taken into consideration in the planning and prioritisation process.

2.1.3 Community Consultation

The draft 2022/23 MTREF as tabled before Council in March 2022 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

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

Ward Committees will be utilised to facilitate the community consultation process in April 2023. The applicable dates and venues will be published in all the local newspapers and on the municipal website. Individual sessions will be scheduled with organised business to further ensure transparency and interaction. Other stakeholders involved in the consultation include churches, non-governmental institutions and community-based organisations.

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.

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

The following table highlights the IDP's six strategic objectives or key performance areas for the 2022/23 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 21 IDP Strategic Objectives

| KPA | KPA Description |
|------------|--|
| KPA 1 | TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT |
| KPA 2 | GOOD GOVERNANCE |
| KPA 3 | LOCAL ECONOMIC DEVELOPMENT |
| KPA 4 | FINANCIAL VIABILITY |
| KPA 5 | BASIC SERVICE DELIVERY AND INFRASTRUCTURE |
| KPA 6 | MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT |

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

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

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 Ramotshere Moiloa Local Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

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

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

The 2022/23 MTREF has therefore been directly informed by the IDP revision process and the SA 4, 5 and 6 tables below provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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:

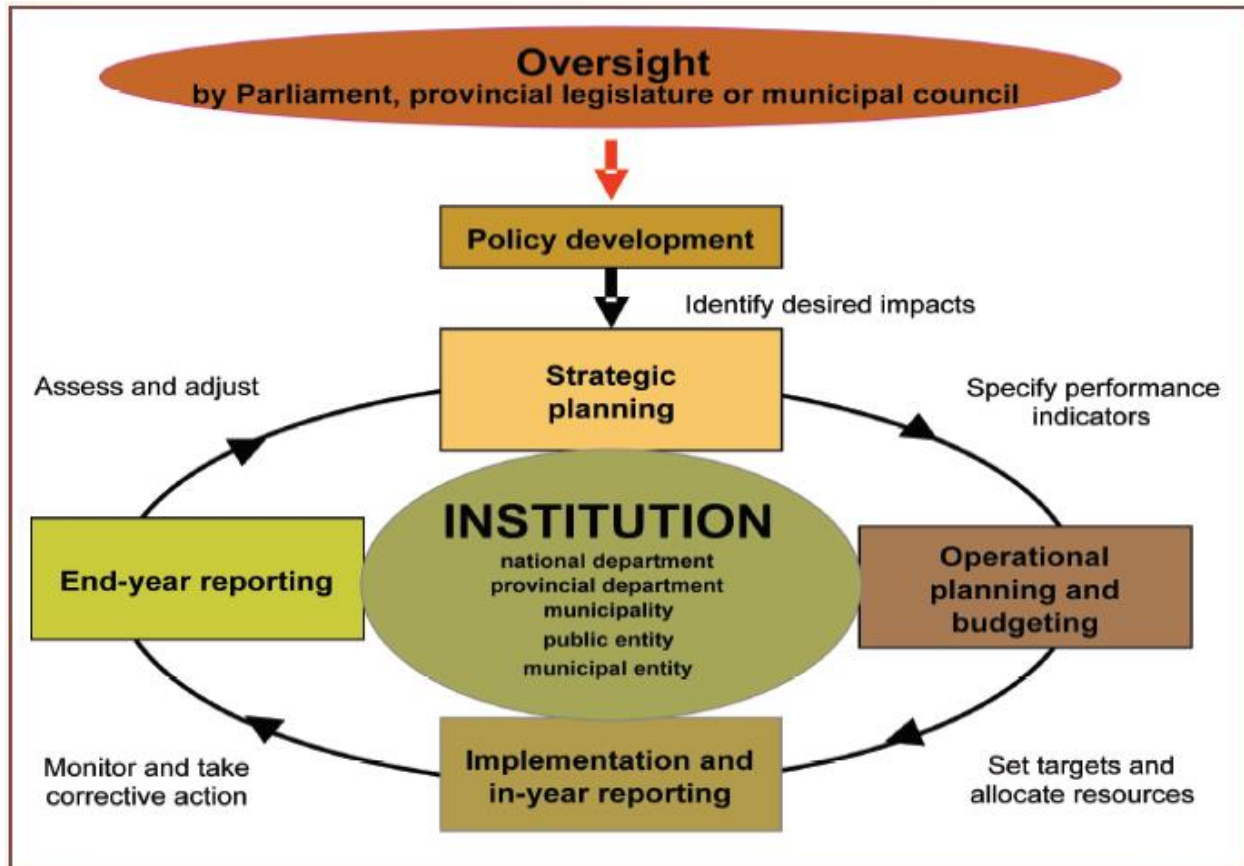


Figure 2 Planning, budgeting and reporting cycle

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).

2.4 Overview of budget assumptions

2.4.1 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.

2.4.2 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (75 per cent) of annual billings. Cash flow is assumed to be 75 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.4.3 Growth or decline in tax base of the municipality

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

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

2.4.4 Impact of national, provincial and local policies

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

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

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

2.4.5 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2022/23 MTREF of which performance has been factored into the cash flow budget.

2.5 Overview of budget funding

2.5.1 Medium-term outlook: operating revenue

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

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

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 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
- The ability to extend new services and obtain cost recovery levels.

2.5.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2022/23 medium-term capital programme:

Table 31 Sources of capital revenue over the MTREF

| FUNDING | MTREF 2022/23 Budget | Adjustment Budget | MTREF 2023/24 Budget | MTREF 2024/25 Budget |
|---|----------------------|-------------------|----------------------|----------------------|
| Municipal Infrastructure Grant | 40,000,000 | 53,600,000 | 41,687,900 | 43,483,400 |
| Integrated National Electrification Programme | - | - | 10,000,000 | 10,449,000 |
| Internal Funding | 10,380,000 | 4,343,000 | 10,702,500 | 10,689,680 |
| | 50,380,000 | 57,943,000 | 62,390,400 | 64,622,080 |

Figure 8 Sources of capital revenue for the 2022/2023 Adjustment Budget

Capital grants and receipts equates to 99 per cent of the total funding source which represents R53.6 million for the 2022/23 financial year.

As explained earlier, the borrowing capacity of the Municipality has essentially reached its limits.

Table 32 - Detail of borrowings

| RAMOTSHERE MOILOA LOCAL MUNICIPALITY | | | | |
|--|-----------------|-----------------|-----------------|----------------|
| LOAN REGISTER FOR THE PERIOD 31 JULY TO JUNE 2023 | | | | |
| PREPARED BY : L. NXAMANGELE | | | | |
| REVIEWED BY : O. TOFILE | | | | |
| ANNEXURE | | | | |
| DBSA | | | | |
| ACCOUNT | 61000571 | 61000135 | 61000026 | TOTAL |
| Balance as at 30 June 2022 | R 1,305,904.99 | R 530,416.42 | | R 1,836,321.41 |
| Balance brought down | R 1,305,904.99 | R 530,416.42 | | |
| Movements | R - | R - | | |
| Movements | R - | R - | | |
| Balance as at 31 July 2022 | R 1,305,904.99 | R 530,416.42 | | R 1,836,321.41 |
| Balance brought down | R 1,305,904.99 | R 530,416.42 | | |
| Movements | R - | R - | | |
| Movements | R - | R - | | |
| Balance as at 31 August 2022 | R 1,305,904.99 | R 530,416.42 | | R 1,836,321.41 |
| Balance brought down | R 1,305,904.99 | R 530,416.42 | | |
| Movements | R - | R - | | |
| Movements | R - | R - | | |
| Balance as at 30 September 2022 | R 1,305,904.99 | R 530,416.42 | | R 1,836,321.41 |
| Balance brought down | R 1,305,904.99 | R 530,416.42 | | |
| Movements | R 32,737.07 | R - | | |
| Movements | R -118,923.85 | R - | | |
| Balance as at 31 October 2022 | R 1,219,718.21 | R 530,416.42 | | R 1,750,134.63 |
| Balance brought down | R 1,219,718.21 | R 530,416.42 | | |
| Movements | R - | R - | | |
| Movements | R - | R - | | |
| Balance as at 31 November 2022 | R 1,219,718.21 | R 530,416.42 | | R 1,750,134.63 |
| Balance brought down | R 1,219,718.21 | R 530,416.42 | | |
| Movements | R - | R -85,016.86 | | |
| Movements | R - | R - | | |
| Balance as at 31 December 2022 | R 1,219,718.21 | R 445,399.56 | | R 1,665,117.77 |

Table 33 - Capital transfers and grants receipts

| Transfers and Grants | MTREF 2022/23 Budget | YTD Actual 31 Dec 2022 | Adjustment Budget | MTREF 2023/24 Budget | MTREF 2024/25 Budget |
|---|-----------------------------|-------------------------------|--------------------------|-----------------------------|-----------------------------|
| | 273,011,000 | 141,688,198 | 286,611,000 | 286,131,000 | 304,753,000 |
| Finance Management Grant | 2,300,000 | - | 2,300,000 | 2,300,000 | 2,300,000 |
| Expanded Public Works Programme | 1,383,000 | 346,000 | 1,383,000 | - | - |
| Equitable Share | 215,223,000 | 139,380,014 | 215,223,000 | 229,949,000 | 246,232,000 |
| Municipal Infrastructure Grant | 42,105,000 | - | 55,705,000 | 43,882,000 | 45,772,000 |
| Dept .Sport Arts and Culture | - | - | - | - | - |
| Workshop_NMMDM | 12,000,000 | 1,962,184 | 12,000,000 | - | - |
| Integrated National Electrification Program | - | - | - | 10,000,000 | 10,449,000 |
| Water Grant_NMMDM | - | - | - | - | - |
| LG-Seta | - | - | - | - | - |

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 is participating in the Municipal Financial Management Internship programme and has employed eight interns undergoing training in various divisions of the Financial Services Department.

3. Budget and Treasury Office

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

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a final stage and will be finalized after approval of the 2021/22 Adjustment MTREF in February 2022 directly aligned and informed by the Adjusted 2021/22 Budget

6. Annual Report

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

7. Policies

All financial related policies are reviewed on an annual basis or whenever the need arises and submitted with the budget for adoption by council.

9. Risk Management

A Risk Committee has been established and is functional

2.6 Municipal manager’s quality certificate

I, municipal manager of Ramotshere Moiloa Local Municipality, hereby certify that the annual budget and supporting documentation 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 of the municipality.

Print Name _____

Municipal Manager of Ramotshere Moiloa Local Municipality (NW 385)

Signature _____

Date _____