

SCHEDULE A

ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF RAMOTSHERE MOILOA LOCAL MUNICIPALITY



**ANNUAL BUDGET OF
RAMOTSHERE MOILOA LOCAL MUNICIPALITY**



2023/24 TO 2025/26

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

Copies of this document can be viewed:

- In the foyers of all municipal buildings
- All public libraries within the municipality
- At www.treasury.gov.za
- At www.ramotshere.gov.za

Table of Contents

| | |
|--|-------------------------------------|
| PART 1 – ANNUAL BUDGET | 1 |
| 1.1 MAYOR’S REPORT | 1 |
| 1.2 COUNCIL RESOLUTIONS..... | ERROR! BOOKMARK NOT DEFINED. |
| 1.3 EXECUTIVE SUMMARY | 1 |
| 1.4 OPERATING REVENUE FRAMEWORK..... | 3 |
| 1.5 OPERATING EXPENDITURE FRAMEWORK | 24 |
| 1.6 CAPITAL EXPENDITURE..... | 28 |
| 1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY | 31 |
| 2 PART 2 – SUPPORTING DOCUMENTATION..... | 48 |
| 2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS..... | 48 |
| 2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP | 50 |
| 2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS | 52 |
| 2.4 OVERVIEW OF BUDGET RELATED-POLICIES | 58 |
| 2.5 OVERVIEW OF BUDGET ASSUMPTIONS..... | 65 |
| 2.6 OVERVIEW OF BUDGET FUNDING | 67 |
| 2.7 ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS..... | 80 |
| 2.8 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS | 80 |
| 2.9 CAPITAL EXPENDITURE DETAILS | ERROR! BOOKMARK NOT DEFINED. |
| 2.10 LEGISLATION COMPLIANCE STATUS..... | 81 |
| 2.11 MUNICIPAL MANAGER’S QUALITY CERTIFICATE | 83 |

List of Tables

| | |
|---|---|
| Table 1 Consolidated Overview of the 2022/23 MTREF | 3 |
| Table 2 Summary of revenue classified by main revenue source..... | 5 |
| Table 3 Operating Transfers and Grant Receipts | 6 |
| Table 4 Comparison of proposed rates to levied for the 2023/24 financial year | 9 |

List of Figures

Figure 1 Capital Infrastructure Programme 30
Figure 2 Planning, budgeting and reporting cycle 53
Figure 3 Breakdown of operating revenue over the 2023/24 MTREF 69

Abbreviations and Acronyms

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

| | | | |
|------|--|-------|---|
| PMS | Performance Management System | SALGA | South African Local Government Association |
| PPE | Property Plant and Equipment | SAPS | South African Police Service |
| PPP | Public Private Partnership | SDBIP | Service Delivery Budget Implementation Plan |
| PTIS | Public Transport Infrastructure System | SMME | Small Micro and Medium Enterprises |
| RG | Restructuring Grant | | |
| RSC | Regional Services Council | | |

Part 1 – Annual Budget

1.1 Mayor’s Report

Honourable Speaker of Council-Cllr. P. L. Lesufi, Honourable Chairperson of Municipal Public Accounts-Cllr. R Mogorosi

Members of the Mayoral Committee, Managers, all protocol observed.

Honourable Speaker,

The proposed budget of Ramotshere Moiloa Local Municipality for the 2023/24 financial year totals R 555.7 million, comprising of R 498.3 million Operating Expenditure and R 57.6 million for Capital expenditure.

The decline in the growth is due to the decrease in National and Provincial allocation and steady tariffs on property rates.

I 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 112,115 and 124 were used to guide the compilation of the 2023/24 MTREF. Given the Arrear debt to ESKOM, the municipality should consider

reviewing the indigent policy to limit the provision of basic services to registered indigents consumers only.

The main challenges experienced during the compilation of the 2023/24 MTREF can be summarised as follows:

- 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.
- The weak economic growth has put pressure on consumers' ability to pay for services.
- Transfers from national government are growing more slowly than in the past.
- Wage increases for municipal staff and the need to fill critical vacancies.

The following budget principles and guidelines directly informed the compilation of the 2023/24 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;
- There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending;
- 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;
- No guideline has been given as yet with regards to the increase of electricity tariffs
- Ngaka Modiri Molema District Municipality has committed R15 million provision for grants for our municipality for 2023/24 financial year for Free Basic Services, but confirmation has not been made available.

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

Table 1 Consolidated Overview of the 2023/24 MTREF

| | MTREF 2023/24 Budget | MTREF 2024/25 Budget | MTREF 2025/26 Budget |
|--------------------------|----------------------|----------------------|----------------------|
| Total Revenue | 558,025,129 | 564,403,601 | 573,218,673 |
| Operating Expenditure | 498,347,114 | 536,318,776 | 566,698,863 |
| Surplus/(Deficit) | 59,678,015 | 28,084,825 | 6,519,810 |
| Capital Expenditure | 57,615,000 | 56,404,000 | 59,716,754 |
| Total Budget | 555,962,114 | 592,722,776 | 626,415,617 |

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

Summary of revenue classified by main revenue source

NW385 Ramotshere Moiloa - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| R thousand | | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | |
| Service charges - Electricity | 2 | 61,084 | 53,605 | 53,274 | 75,515 | 59,230 | 59,230 | - | 95,611 | 100,106 | 104,813 |
| Service charges - Water | 2 | 8,956 | 8,850 | 8,626 | 8,415 | 8,415 | 8,415 | - | 8,873 | 9,305 | 9,756 |
| Service charges - Waste Water Management | 2 | 388 | 436 | 259 | 591 | 591 | 591 | - | 828 | 866 | 906 |
| Service charges - Waste Management | 2 | 10,999 | 11,395 | 11,911 | 14,653 | 14,857 | 14,857 | 23 | 15,972 | 16,707 | 17,476 |
| Sale of Goods and Rendering of Services | | 453 | 654 | 739 | 14,223 | 1,743 | 1,743 | 36 | 1,752 | 1,940 | 2,149 |
| Agency services | | - | - | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 65 | - | - | - | - | - | - | - | - | - |
| Interest earned from Current and Non Current Assets | | 104 | 1 | 15 | 8 | 8 | 8 | - | 8 | 9 | 9 |
| Dividends | | 1,719 | 661 | 790 | - | - | - | - | - | - | - |
| Rent on Land | | - | - | - | - | - | - | - | - | - | - |
| Rental from Fixed Assets | | 398 | 97 | 92 | 5 | 5 | 5 | 10 | 12 | 13 | 13 |
| Licence and permits | | - | - | - | 2,924 | 2,924 | 2,924 | - | 8,000 | 8,368 | 8,753 |
| Operational Revenue | | 1,570 | 933 | 12,417 | 5,923 | 15,923 | 15,923 | 1 | 17,721 | 10,287 | 11,843 |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | 2 | 66,715 | 53,664 | 60,938 | 183,838 | 114,994 | 114,994 | - | 108,935 | 108,936 | 108,936 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 939 | 569 | 355 | 532 | 532 | 532 | 76 | 3,000 | 3,138 | 3,282 |
| Licences or permits | | 1,100 | 1,643 | 3,476 | 4,500 | 4,500 | 4,500 | - | 2,000 | 2,092 | 2,188 |
| Transfer and subsidies - Operational | | 178,805 | 218,936 | 186,742 | 230,906 | 218,906 | 218,906 | - | 251,436 | 251,878 | 247,370 |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | - | - | 44 | - | - | - | - | - | - | - |
| Other Gains | | - | - | - | - | - | - | - | - | - | - |
| Discontinued Operations | | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 333,296 | 351,444 | 339,678 | 542,031 | 442,626 | 442,626 | 146 | 514,149 | 513,643 | 517,493 |

Revenue allocated from National and Provincial government forms a significant percentage of the revenue basket for the Municipality. In the 2022/23 financial year, operational revenue from grants amounted to R 230million. This amount has increased to R 251 million in the 2023/24 year which makes up 49% of the total operational revenue. The total revenue of the municipality amounts to R 558 million of which 52 % is from Capital and Operational grants.

The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates revenue is the second largest revenue source comprises of 20% of the total revenue. For the 2022/23-year, revenue from service charges amounted to 15% per cent of the total revenue. Revenue from service charges increases to 22 % to R122 million in 2023/24.

Total grants and transfers totals R 295 million in the 2023/24 financial year and steadily increase to R 302 million by 2024/25. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 2 Operating Transfers and Grant Receipts

| Grants and Transfers | MTREF 2023/24 Budget | MTREF 2024/25 Budget | MTREF 2025/26 Budget |
|---|----------------------|----------------------|----------------------|
| Finance Management Grant | 2,300,000 | 2,300,000 | 2,438,000 |
| Expanded Public Works Programme | 1,715,000 | | - |
| Equitable Share | 231,416,000 | 248,650,000 | 244,932,000 |
| Municipal Infrastructure Grant | 43,876,000 | 45,761,000 | 47,726,000 |
| Dept .Sport Arts and Culture | 888,000 | 928,000 | - |
| Workshop_NMMDM | 15,000,000 | | - |
| Integrated National Electrification Programme | - | 5,000,000 | 8,000,000 |
| Water Grant_NMMDM | - | | - |
| LG-Seta | 116,876 | | - |
| | 295,311,876 | 302,639,000 | 303,096,000 |

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were considered to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's

inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom tariffs is far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality falls outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.3.1 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.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2023/24 financial year based on a zero per cent increase from 1 July 2019 is contained below:

Table 4 Comparison of proposed rates to levied for the 2023/24 financial year

|  RAMOTSHERE - MOILOA LOCAL MUNICIPALITY - "NW385" DRAFT TARIFF STRUCTURE - PROPERTY RATES 2023/24 FINANCIAL YEAR | | | | | | | | | | | | |
|---|--------------------------|------------|-------------------------|--------------|----------|--|----------------------------------|---|--|--|---------|---------------------|
| Notice is hereby given that in terms of Section 75A of the Local Government Municipal Systems Act (Act No:32 of 2000) Ramotshere Moiloa Local Municipality passed the following fees, tariffs and charges, rates for the 2022/2023 financial year as per Council Resolution No:on the May 2021, with effect from 1 July 2023. All tariffs are VAT exclusive. | | | | | | | | | | | | |
| PROPERTY RATES | CATEGORY OF PROPERTY | | | | | | | | | | | |
| | Residential/ Domestic | Industrial | Business/ Commercial | Agricultural | Mining | properties owned by organ of state used for public service purpose | Public Service Infrastructure | Property owned by public benefit organisations and used for specific public benefit activities | Property used for multi purpose, subject to section 9 | Property owned used for specific place for worship | Vacant | Special Category |
| Basic Charge - (in the Rand value) All areas | 0.01696 | 0.03392 | 0.03392 | 0.00424 | 0.03392 | 0.00424 | 0.00424 | 0.01696 | 0.03392 | 0.16960 | 0.33920 | |
| Rebates - % | | | | | | | | 100% | | 100% | | 10% |
| Retired and disabled persons on residential properties | - | - | - | - | - | - | - | | | | | - |
| Owner with income less than R5000 per | 50% | - | - | - | - | - | - | | | | | - |
| Owner with income between R5001 and R10 000 | 40% | - | - | - | - | - | - | | | | | - |
| Exemptions As contemplated in paragraph 10 (1) and (2) of the Municipal Property Rates Policy | | | | | | | | | | | | |
| Reductions | | | | | | | | | | | | |
| Municipal Property Rates Act 2004 | R15,000 | | | R15,000 | | | | | | | | |
| % Discount - full settlement of rates before 30 September each year | 10% | 10% | 10% | 10% | | | | | 10% | 10% | | 10% |
| CONSUMER DEPOSITS - (Rand value) | R 3,071 | R 15,352 | R 36,845 | R - | R 36,845 | R 36,845 | R 36,845 | R 12,282 | R 12,282 | R 12,282 | R - | R 6,140 |

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.

A tariff increases of 5 per cent from 1 July 2023 for water is proposed and 12 kℓ water per month will be granted free of charge to all residents.


A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 5 Proposed Water Tariffs

|  RAMOTSHERE - MOILOA LOCAL MUNICIPALITY - "NW385" DRAFT WATER TARRIFFS FOR 2023/2024 | | | |
|--|---|----------------|---------------|
| Notice is hereby given that in terms of Section 75A of the Local Government Municipal Systems Act (Act No:32 of 2000) Ramotshere Moiloa Local Municipality passed the following fees, tariffs and charges, rates for the 2023/2024 financial year as per Council Resolution No:.....on the May 2023, with effect from 1 July 2023. All tariffs are VAT exclusive. | | | |
| SERVICE TYPE | DETAILED DESCRIPTION | FINANCIAL YEAR | |
| | | 2022/2023 | 2023/2024 |
| WATER SERVICES | | | |
| <i>Consumption</i> | | | |
| Residential/Domestic - (per kl) | | | |
| | 0-12 Free Basic Water - Registered indigents | R 0.00 | R 0.00 |
| | 0-15 | R 7.34 | R 7.71 |
| | OVER 15.1 - 30 | R 8.25 | R 8.66 |
| | OVER 30.1 - 45 | R 9.17 | R 9.63 |
| | OVER 45.1 - 60 | R 10.12 | R 10.63 |
| | OVER 60.1 | R 11.00 | R 11.55 |
| Industrial/Bulk - (per kl) | | | |
| | 0-300 | R 12.50 | R 13.13 |
| | OVER 301 - 600 | R 14.68 | R 15.41 |
| | OVER 601 | R 16.87 | R 17.71 |
| Businesses/Commercial (per kl) | | | |
| | 0-300 | R 12.50 | R 13.13 |
| | OVER 301-600 | R 15.06 | R 15.81 |
| | OVER 601 | R 17.44 | R 18.31 |
| Government (per kl) | | | |
| | 0-300 | R 6.83 | R 7.17 |
| | OVER 301-600 | R 8.36 | R 8.78 |
| | OVER 601 | R 9.48 | R 9.95 |
| Prepaid meters (per kl) | | | |
| Not yet applicable | | | |
| Water Connections | | | |
| Connection size payable with application | | | |
| | Pipe not exceeding 24 metres in length | | |
| | 15mm | R 2,365.49 | R 2,483.76 |
| | 20mm | R 3,323.53 | R 3,489.71 |
| | 25mm | R 4,892.98 | R 5,137.63 |
| | 40-80mm (deposit of R300 is payable before service is rendered) balance immediately thereafter | Cost plus 15% | Cost plus 15% |
| | 100-150mm (Deposit of R300 is payable before service is rendered) balance immediately thereafter | Cost plus 15% | Cost plus 15% |
| | Pipe exceeding 24 metres in length | | |
| | Any size | Cost plus 15% | Cost plus 15% |
| <i>Final service invoice would be issued after completion. Deposit equivalent to 40% of estimated cost is payable when application is lodged.</i> | | | |
| NO CONNECTION WORK WILL START WITHOUT PRIOR SUBMISSION OF COMPLETED APPLICATION FORMS | | | |
| Re-connection fees for water cut-offs | | | |
| | 2500kl | R 4,888.26 | R 5,132.67 |
| Funerals - Water Tankers | | | |
| | 5000kl | R 917.13 | R 962.99 |
| | | R 1,834.28 | R 1,925.99 |

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.

| RAMOTSHERE MOILOA LOCAL MUNICIPALITY | | | |
|---|--------------|---|-----------|
| | |  | |
| DRAFT ELECTRICITY TARIFFS 2023/2024 | | | |
| Notice is hereby given that in terms of Section 75A of the Local Government Municipal Systems Act (Act No:32 of 2000) Ramotshere Moiloa Local Municipality passed the following fees, tariffs and charges, rates for the 2022/2023 financial year as per Council Resolution No:on the May 2021, with effect from 1 July 2023. All tariffs are VAT exclusive. | | | |
| | UNITS | 2022/2023 | 2023/2024 |
| DOMESTIC | | | |
| Domestic Prepaid | | | |
| Energy Charge | >0kWh | 2.0500 | 2.3575 |
| Basic Charge | | 0.00 | 0.00 |
| Domestic Conventional & Outside Borders | | | |
| Block 1 | (0- 50kWh) | 1.4470 | 1.6641 |
| Block 2 | (51-350kWh) | 1.8769 | 2.1584 |
| Block 3 | (351-600kWh) | 2.5324 | 2.9123 |
| Block 4 | (>600kWh) | 2.8081 | 3.2293 |
| Basic Charge | | 239.55 | 275.48 |
| COMMERCIAL | | | |
| Commercial Prepaid | | | |
| Energy Charge | >0kWh | 3.0495 | 3.5069 |
| Basic charge | | 239.07 | 274.93 |
| Commercial Conventional | | | |
| Basic charge | | 241.06 | 277.22 |
| Energy Charge | >0kWh | 2.8342 | 3.2593 |
| INDUSTRIAL | | | |
| Government Low Tension | | | |
| Demand Charge | 0>kVA | 327.41 | 376.52 |
| Energy Charge | 0>kWh | 1.4403 | 1.6563 |
| Basic Charge | | 219.64 | 252.59 |
| Agriculture | | | |
| Energy charge | 0>kWh | 1.6739 | 1.9250 |
| Basic Charge | | 649.03 | 746.38 |
| Government | | | |
| Energy charge | 0>kWh | 1.6979 | 1.9526 |
| Basic Charge | | 355.09 | 408.35 |
| Agriculture low tension | | | |
| Demand Charge | 0>kVA | 337.33 | 387.93 |
| Energy Charge | | 1.4403 | 1.6563 |
| Basic Charge | | 239.07 | 274.93 |
| Industrial Low tension | | | |
| Energy Charge | 0>KWh | 1.2568 | 1.4453 |
| Demand Charge | 0>kVA | 327.42 | 376.53 |
| Basic Charge | | 208.81 | 240.13 |

In line with NERSA’s recommendations, Ramotshere Moiloa Local Municipality conducted a Cost of Supply Study to assess the cost reflectivity of their 2020/21 electricity tariffs.

The objective of this Cost Of Sales study was:

- To determine the Municipality's revenue requirement for the electricity service
- To apportion all costs required to service customers in each customer class in a fair and equitable manner.
- To determine if current tariffs were reflective of the costs associated with providing electricity to each customer category.

The Cost Of Sales is an important, but not deterministic, input to tariff design. It enables a municipality (and the Regulator) to assess:

- a. Revenue sufficiency of proposed tariffs and the financial sustainability of the utility.
- b. That tariffs reflect the costs associated with rendering the services and that customers are treated equitably and pay in general proportion to use of services.
- c. The reasonableness of the low-income tariff determination is in line with guiding policy: including access to a free basic service plus lifeline tariff based on operation and maintenance only.
- d. Whether environmental objectives are being encouraged; and
- e. The transparency of subsidies and surcharges.

The following principles drawn from Cost Of Sales will be used in the tariff schedule development:

- Tariffs should align with the Electricity Pricing Policy
- Tariffs should be cost-reflective where feasible
- Cross subsidization of indigent customers should be done as follows:
 - Indigent customers should not be charged fixed charges
 - The energy charge must cover marginal energy costs as far as possible
- Domestic customers should have cost reflective tariffs as follows:
 - A basic charge to reflect the fixed retail and network costs
 - An energy charge that covers the full energy cost, losses and surplus mark-up.
 - Where fixed charges are not possible (e.g. prepaid customers), energy charges should cover all fixed and variable costs
- Commercial, agricultural and industrial customers should have cost reflectivity charges as follows:
 - Basic charge to cover fixed retail costs
 - Capacity charge based on maximum demand to cover fixed network capital costs and Eskom's Network Maximum Demand costs.
 - Maximum demand charge based on monthly maximum demand to recover variable network demand-driven costs.

- Energy charges should be time-of-use as far as possible, otherwise seasonal or flat where possible.

1.3.4 Sanitation and Impact of Tariff Increases

A tariff increase of 5 per cent for sanitation from 1 July 2023 is proposed. This is based on the input cost assumptions related to water. The following factors also contribute to the proposed tariff increase:

The following table compares the current and proposed tariffs:

Table 6 Comparison between current sanitation charges and increases

| SERVICE TYPE | DETAILED DESCRIPTION | FINANCIAL YEAR | |
|---|---|----------------|------------|
| | | 2022/2023 | 2023/2024 |
| SANITATIONS SERVICES | | | |
| Disposal of chemical toilets - per kilolitre | | R 159.73 | R 167.72 |
| Sewage tariffs | | | |
| | Residential/Domestic - basic | R 19.31 | R 20.28 |
| | Residential/Domestic - (first point) | R 19.31 | R 20.28 |
| | Residential/Domestic - (next point) | R 9.29 | R 9.75 |
| | Government - basic | R 22.11 | R 23.22 |
| | Government - per point | R 26.10 | R 27.41 |
| | Businesses/Commercial - basic | R 22.11 | R 23.22 |
| | Businesses/Commercial - point | R 26.10 | R 27.41 |
| Suction tariffs - per kilolitre | | | |
| 0 - 10kl | | R 113.24 | R 118.90 |
| 11 - 20kl | | R 56.63 | R 59.46 |
| 21 - 30kl | | R 37.75 | R 39.64 |
| 22 - 40kl | | R 28.31 | R 29.73 |
| 41 - 50kl | | R 22.65 | R 23.78 |
| 51 - 60kl | | R 18.87 | R 19.81 |
| 61 - 70kl | | R 16.18 | R 16.99 |
| 71 - 80kl | | R 14.12 | R 14.83 |
| 81 - 90kl | | R 12.58 | R 13.21 |
| 91 - 100kl | | R 12.71 | R 13.35 |
| <i>The tariff levied for sewer charges is based on the number of service points per, property per category.</i> | | | |
| Additional sewerage connection installed by council | | | |
| | Cleaning sewerage blockages and assisting private institutions with their own pump stations | R 9,354.80 | R 9,822.54 |
| | Office hours: per half an hour or part thereof | R 825.43 | R 866.70 |
| | After hours: per half an hour or part thereof | R 1,100.56 | R 1,155.59 |

1.3.5 Waste Removal and Impact of Tariff Increases

A 5 per cent increase in the waste removal tariff is proposed from 1 July 2023. Any increase higher than 5 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2023:

Table 7 Comparison between current waste removal fees and increases

| REFUSE REMOVAL SERVICES | | FINANCIAL YEAR | |
|-------------------------|----------------------|----------------|------------|
| | | 2022/2023 | 2023/2024 |
| Monthly levies payable | | | |
| BUSINESS | Business 1X Week | R 366.62 | R 384.95 |
| | Business 2X Week | R 549.11 | R 576.57 |
| | Business 3X Week | R 1,243.25 | R 1,305.41 |
| | Business 3X Week | R 1,647.35 | R 1,729.72 |
| | Bulk Removal 1X Week | R 824.49 | R 865.71 |
| | Bulk Removal 3X Week | R 1,243.25 | R 1,305.41 |
| GOVERNMENT | Bulk Removal 1X Week | R 915.74 | R 961.53 |
| | Bin 1X Week | R 130.36 | R 136.88 |
| | MILITARY BASE | R 923.25 | R 969.41 |
| RESIDENTIAL | Bin 1X Week | R 130.36 | R 136.88 |
| | Bin 2X Week | R 154.79 | R 162.53 |
| | | | |

Rental Charges

| | | | FINANCIAL YEAR | |
|----------------------------|-----------------|-------------------------------------|----------------|-------------|
| PUBLIC AMENITIES | | | 2022/2023 | 2023/2024 |
| Rental of Sites and Camps | | | | |
| | Per day | | R 458.57 | R 481.50 |
| | per month | | R 12,839.90 | R 13,481.90 |
| Town Halls | | | | |
| | | Zeerust and Lehurutsho Civic Centre | | |
| | Normal days | | R 4,585.69 | R 4,814.97 |
| | Public holidays | | R 4,040.59 | R 4,242.62 |
| | | Groot Marico Hall | R 553.74 | R 581.43 |
| | | Ikageleng Hall | R 553.74 | R 581.43 |
| | | Shalimar Park Hall | R 1,012.32 | R 1,062.94 |
| Refundable deposit payable | | | | |
| | | Zeerust and Lehurutsho Civic Centre | R 4,040.59 | R 4,242.62 |
| | | Groot Marico Hall | R 2,201.13 | R 2,311.19 |
| | | Ikageleng Hall | R 2,311.13 | R 2,426.69 |
| | | Shalimar Park Hall | R 2,201.13 | R 2,311.19 |

Libraries Fees

| | | | FINANCIAL YEAR | |
|---|----------|--|----------------|---------------|
| LIBRARY SERVICES | | | 2022/2023 | 2023/2024 |
| Registration fees | | | | |
| | Children | | Free | Free |
| | Adults | | Free | Free |
| Lost materials (books, magazines etc.) | | | cost plus 15% | cost plus 15% |
| Overdue items/late submission - per day | | | R 28.84 | R 30.28 |
| Card replacement-manual - per card | | | R 19.39 | R 20.36 |
| Card replacement-electronic- per card | | | R 27.46 | R 28.83 |
| Reference information internet(A4) - per copy | | | R 1.84 | R 1.93 |
| Reference information internet(A3) - per copy | | | R 3.72 | R 3.91 |
| Additional items(e.g. extra books) -per item | | | R 3.72 | R 3.91 |
| Library photocopies(A4 each) - per copy | | | R 2.77 | R 2.91 |
| Library photocopies(A3 each) - per copy | | | R 3.29 | R 3.45 |

Public Works

| | | | FINANCIAL YEAR | |
|--------------|--|--|----------------|------------|
| PUBLIC WORKS | | | 2022/2023 | 2023/2024 |
| | | | | |
| | | Re-instatement of road crossings | R 3,851.97 | R 4,044.57 |
| | | Construction of new curb entrances | R 3,851.97 | R 4,044.57 |
| | | Cutting of grasses at school premises and play grounds- minimum charge' | R 3,668.54 | R 3,851.97 |
| | | Cutting of grasses at private and open places of premises - per square meter | R 404.92 | R 425.17 |
| | | | | |

Community Services

| COMMUNITY SERVICES | | | FINANCIAL YEAR | |
|---|---|------------|----------------|------------|
| | | | 2022/2023 | 2023/2024 |
| Burial Fees | | | | |
| | Municipal residents | | | |
| | Children under 12 years and stillborn babies | R 328.79 | R 345.23 | |
| | over 12 years | R 917.13 | R 962.99 | |
| Reserved Plots/graves | | | | |
| | Municipal residents | | | |
| | Single | R 1,742.56 | R 1,829.69 | |
| | Double | R 2,934.83 | R 3,081.57 | |
| | Non-residents | | | |
| | Single | R 1,834.28 | R 1,925.99 | |
| | Double | R 3,301.69 | R 3,466.77 | |
| Exumation of graves | | | | |
| | Municipal residents | | | |
| | Children under 12 years and stillborn babies | R 640.27 | R 672.28 | |
| | over 12 years | R 917.13 | R 962.99 | |
| | Non-residents | | | |
| | Children under 12 years and stillborn babies | R 830.61 | R 872.14 | |
| | over 12 years | R 1,429.34 | R 1,500.81 | |
| Memorial Walls | | | | |
| | Municipal residents | R 366.86 | R 385.20 | |
| | Non-residents | R 733.71 | R 770.40 | |
| Extension of graves | | | R 733.71 | R 770.40 |
| Burial on Saturdays, Sundays and public holidays | | | R 917.13 | R 962.99 |
| Burial before or after hours - during the week | | | R 1,100.57 | R 1,155.60 |
| Cleaning of Private Stands | | | | |
| | For an 800 square metres stand (for developed and vacant stands) | | | R 2,800.00 |
| | R3.50 per square metres | | | |

Town Planning

| TOWN PLANNING SERVICES | | FINANCIAL YEAR | |
|--|--|----------------------------------|-------------------------------------|
| | | 2022/2023 | 2023/2024 |
| Building Plans | New Construction up to 80 square metres | R 354.67 | R 372.40 |
| | New construction above 80 square metres | R 354.67 | R 372.40 |
| | Alterations and extension up to 80 square metres | R 558.31 | R 586.23 |
| | Alterations and extension above 80 square metres | R 588.35 | R 617.77 |
| | Additions e.g. Carports, swimming pools, tennis courts, summer houses, Lapas, underground petrol tanks and structure which may legally be considered as additions to property | R 1,025.33 | R 1,076.60 |
| | Resubmission fee if the above plans approval has elapsed after 12 months if plans are cancelled after its approval, no refund would be made | R 1,022.18 | R 1,073.29 |
| Town Planning | Application for amendment of Land Use Scheme | R 2,043.16 | R 2,145.32 |
| | Application for Consent Use | R 2,043.16 | R 2,145.32 |
| | Application for Written Consent | R 799.32 | R 839.29 |
| | Application for Subdivision of property into 5 or less portions | R 799.32 | R 839.29 |
| | Application for Subdivision of more than 5 Portions - 1st 5 properties = R735 then R120 in terms of each portion above 5 | R120 per property in excess of 5 | R128.40 per property in excess of 5 |
| | Application for Subdivision in terms of Act 70 of 1970 | R 799.32 | R 839.29 |
| | Application for Exemption of Subdivision of land | R 799.32 | R 839.29 |
| | Application for consolidation of land | R 799.32 | R 839.29 |
| | Application of Exemption of Consolidation | R 798.67 | R 838.60 |
| | Application for Township Establishment | R 3,889.52 | R 4,084.00 |
| | Application for extension of boundaries of an approved township | R 1,986.11 | R 2,085.42 |
| | Application of Relaxation of Building Line | R 399.23 | R 419.19 |
| | Application for Removal, Amendment or Suspension of Restrictive or Obsolete Condition, Servitude or Resevation Registered against the Title of the Land | R 2,054.58 | R 2,157.31 |
| | Application for Appeal | R 2,853.38 | R 2,996.05 |
| | Application for phasing or substantial change of the township rezoning | R 2,054.58 | R 2,157.31 |
| | Application for consideration of a Site Development Plan (In terms of Clause 23 of RMLM Land Scheme,2017) | R 833.55 | R 875.23 |
| | Application for Amendment or Cancellation of a General Plan | R 2,053.89 | R 2,156.58 |
| | Application for permanent Closure of Public Place | R 2,043.16 | R 2,145.32 |
| | Zoning Certificate | R 80.41 | R 84.43 |
| | Regulation 38 Certificate (In terms of | R 80.41 | R 84.43 |
| | Deeds Search | R 23.35 | R 24.52 |
| | Plan printouts per copy | R 108.33 | R 113.75 |
| FINES | Fines & penalties for contravention of land use scheme and SPLUM by -laws for rezoning, concern use, subdivisions and consolidations | | |
| | Contravention of Section 58 | | R 5,000.00 |
| | Contravention of Section 174(1)(b) | | R 2,000.00 |
| | Contravention of Section 174(1)(c) | | R 2,000.00 |
| | Contravention of Section 174(1)(e) | | R 2,000.00 |
| | Contravention of Section 174(1)(g) | | R 2,000.00 |
| Building Deposits | All prospective builders are required to pay a deposit before they start constructing their property. This deposit is meant for any damage that the builder might cause to municipal property and is refundable after the completion of the construction work. The refund would only be made after the area has been properly cleaned and certified as such by the municipal building inspector and that no damage has been caused to the municipal infrastructure in the area. | | |
| | Residential/Domestic | R 4,949.07 | R 5,196.52 |
| | Business/ Commercial | R 9,337.48 | R 9,804.35 |
| | Industrial/Bulk | R 115,822.20 | R 121,613.31 |
| | Institutional | R 6,786.81 | R 7,126.15 |
| Business Inspection Book | | R 891.18 | R 935.74 |
| Lost book replacement fee | | R 733.71 | R 770.40 |
| Lost document search and print per copy | | R 93.44 | R 98.11 |
| Issuing of zoning certificates | | R 69.22 | R 72.68 |
| Issuing of clearance certificate | | R 359.93 | R 377.93 |
| Issuing of valuation certificates | | R 366.86 | R 385.20 |
| Posters, banners and billboards | | R 276.87 | R 290.71 |
| | Poster erection | R 276.87 | R 290.71 |
| | Banners erection | R 640.27 | R 672.28 |
| | Posters removal :each illegal erection | R 458.57 | R 481.50 |
| | Banners removal: each illegal erection | R 735.44 | R 772.21 |
| Residents names, addresses, erf, roll | | | |
| | Per list | R 403.19 | R 423.35 |
| | List per ward | R 550.28 | R 577.79 |
| | List per township | R 422.23 | R 443.34 |
| | List of businesses | R 1,322.07 | R 1,388.17 |
| | Full voter's roll list | R 1,322.07 | R 1,388.17 |
| Application and other fees for land matters | The following application fees are payable when the council is to place an advertisement as required in terms of statutory provisions: | R 6,236.53 | R 6,548.36 |
| | Fees payable on application for the change of rezoning or special consent | R 3,118.26 | R 3,274.17 |
| | Fees payable for the sale or lease of solitary lanes | R 7,153.66 | R 7,511.34 |
| | Fees payable for advertisement for the sale and lease of land by council as per council resolution | R 22,383.31 | R 23,502.48 |
| | <i>Over and above the fees a deposit for survey, approval or any other charge would be levied</i> | | |

| SERVICE TYPE | DETAILED DESCRIPTION | FINANCIAL YEAR | |
|--|---|----------------------------------|----------------------------------|
| | | 2021/2022 | 2022/2023 |
| TOWN PLANNING SERVICES | | | |
| Building Plans | | | |
| | New Construction up to 80 square metres | R 337.78 | R 354.67 |
| | New construction above 80 square metres | R 337.78 | R 354.67 |
| | Alterations and extension up to 80 square metres | R 531.72 | R 558.31 |
| | Alterations and extension above 80 square metres | R 560.33 | R 588.35 |
| | Additions e.g. Carports, swimming pools, tennis courts, summer houses, Lapas, underground petrol tanks and structure which may legally be considered as additions to property | R 976.50 | R 1,025.33 |
| | Resubmission fee if the above plans approval has elapsed after 12 months if plans are cancelled after its approval, no refund would be made | R 973.50 | R 1,022.18 |
| Town Planning | | | |
| | Application for amendment of Land Use Scheme | R 1,945.87 | R 2,043.16 |
| | Application for Consent Use | R 1,945.87 | R 2,043.16 |
| | Application for Written Consent | R 761.26 | R 799.32 |
| | Application for Subdivision of property into 5 or less portions | R 761.26 | R 799.32 |
| | Application for Subdivision of more than 5 Portions - 1st 5 properties = R735 then R120 in terms of each portion above 5 | R114 per property in excess of 5 | R120 per property in excess of 5 |
| | Application for Subdivision in terms of Act 70 of 1970 | R 761.26 | R 799.32 |
| | Application for Exemption of Subdivision of land | R 761.26 | R 799.32 |
| | Application for consolidation of land | R 761.26 | R 799.32 |
| | Application of Exemption of Consolidation | R 760.64 | R 798.67 |
| | Application for Township Establishment | R 3,704.30 | R 3,889.52 |
| | Application for extension of boundaries of an approved township | R 1,891.53 | R 1,986.11 |
| | Application of Relaxation of Building Line | R 380.22 | R 399.23 |
| | Application for Removal, Amendment or Suspension of Restrictive or Obsolete Condition, Servitude or Reservation Registered against the Title of the Land | R 1,956.74 | R 2,054.58 |
| | Application for Appeal | R 2,717.50 | R 2,853.38 |
| | Application for phasing or substantial change of the township rezoning | R 1,956.74 | R 2,054.58 |
| | Application for consideration of a Site Development Plan (In terms of Clause 23 of RMLM Land Scheme,2017) | R 793.86 | R 833.55 |
| | Application for Amendment or Cancellation of a General Plan | R 1,956.09 | R 2,053.89 |
| | Application for permanent Closure of Public Place | R 1,945.87 | R 2,043.16 |
| | Zoning Certificate | R 76.58 | R 80.41 |
| | Regulation 38 Certificate (In terms of | R 76.58 | R 80.41 |
| | Deeds Search | R 22.24 | R 23.35 |
| | Plan printouts per copy | R 103.17 | R 108.33 |
| Building Deposits | | | |
| | All prospective builders are required to pay a deposit before they start constructing their property. This deposit is meant for any damage that the builder might cause to municipal property and is refundable after the completion of the construction work. The refund would only be made after the area has been properly cleaned and certified as such by the municipal building inspector and that no damage has been caused to the municipal infrastructure in the area. | | |
| | Residential/Domestic | R 4,713.40 | R 4,949.07 |
| | Business/ Commercial | R 8,892.84 | R 9,337.48 |
| | Industrial/Bulk | R 110,306.86 | R 115,822.20 |
| | Institutional | R 6,463.63 | R 6,786.81 |
| Business Inspection Book | | | |
| | Lost book replacement fee | R 848.74 | R 891.18 |
| | Lost document search and print per copy | R 698.77 | R 733.71 |
| | Issuing of zoning certificates | R 88.99 | R 93.44 |
| | Issuing of clearance certificate | R 65.92 | R 69.22 |
| | Issuing of valuation certificates | R 342.79 | R 359.93 |
| | Posters, banners and billboards | R 349.39 | R 366.86 |
| | Poster erection | R 263.69 | R 276.87 |
| | Banners erection | R 609.78 | R 640.27 |
| | Posters removal :each illegal erection | R 436.73 | R 458.57 |
| | Banners removal: each illegal erection | R 700.42 | R 735.44 |
| Residents names, addresses, erf, roll | | | |
| | Per list | R 383.99 | R 403.19 |
| | List per ward | R 524.08 | R 550.28 |
| | List per township | R 402.12 | R 422.23 |
| | List of businesses | R 1,259.11 | R 1,322.07 |
| | Full voter's roll list | R 1,259.11 | R 1,322.07 |
| Application and other fees for land matters | | | |
| | The following application fees are payable when the council is to place an advertisement as required in terms of statutory provisions: | R 5,939.55 | R 6,236.53 |
| | Fees payable on application for the change of rezoning or special consent | R 2,969.77 | R 3,118.26 |
| | Fees payable for the sale or lease of solitary lanes | R 6,813.01 | R 7,153.66 |
| | Fees payable for advertisement for the sale and lease of land by council as per council resolution | R 21,317.44 | R 22,383.31 |
| | <i>Over and above the fees a deposit for survey, approval or any other charge would be levied</i> | | |

Public Safety

| PUBLIC SAFETY | | FINANCIAL YEAR | |
|---------------|---|----------------|------------|
| | | 2022/2023 | 2023/2024 |
| Taxi fee | | | |
| | Daily fee | R 183.42 | R 192.59 |
| | Monthly package | R 5,502.82 | R 5,777.96 |
| Vehicles | | | |
| | Licencing and tests (various fees per roads traffic act/statutes) | | |
| | Pound: Tow-in of vehicles(per vehicle) | R 1,100.57 | R 1,155.60 |
| | Escort fees | R 1,283.99 | R 1,348.19 |
| | Keeping of vehicles per day | R 733.71 | R 770.40 |

Local Economic Development

| BUSINESS LICENCES - per annum | | FINANCIAL YEAR | |
|-------------------------------|--|----------------|------------|
| | | 2022/2023 | 2023/2024 |
| | Hawkers and Spaza shops | R 1,121.33 | R 1,177.40 |
| | Super Markets | R 3,668.54 | R 3,851.97 |
| | Hardware Shops | R 3,668.54 | R 3,851.97 |
| | Furniture Shops | R 3,668.54 | R 3,851.97 |
| | Banks | R 3,668.54 | R 3,851.97 |
| | Motor Dealers, Fuel stations and Garages | R 3,668.54 | R 3,851.97 |
| | Restaurants/ Fast foods | R 3,668.54 | R 3,851.97 |
| | Liquor store | R 3,668.54 | R 3,851.97 |
| | General dealers(SMME) | R 3,301.69 | R 3,466.77 |
| | Private Educational | R 3,668.54 | R 3,851.97 |
| | Clothing Shops | R 3,668.54 | R 3,851.97 |
| | Chemists | R 3,668.54 | R 3,851.97 |
| | Private Doctors, Lawyers | R 3,668.54 | R 3,851.97 |
| | Hospitality Businesses | R 3,668.54 | R 3,851.97 |
| | Any other business in the municipal area | R 3,668.54 | R 3,851.97 |

Penalties and Interests

| PENALTIES & INTEREST | | FINANCIAL YEAR | |
|--|---|----------------------------|----------------------------|
| | | 2022/2023 | 2023/2024 |
| Damage to council Properties | | | |
| | Street Lights ,poles and fittings | Replacement costs plus 15% | Replacement costs plus 15% |
| | Metres | Replacement costs plus 15% | Replacement costs plus 15% |
| | Roads, pavements etc | Replacement costs plus 15% | Replacement costs plus 15% |
| | Water/sewerage mains, pipes | Replacement costs plus 15% | Replacement costs plus 15% |
| | Barriers, fencing and road signs | Replacement costs plus 15% | Replacement costs plus 15% |
| % Monthly interest rate on overdue accounts - not paid within 60 days | | 2% p/a | 2% p/a |
| Collection charge - accounts handed over to debt collectors | | 25% | 25% |
| Dishonoured cheques - per cheque | | R 245.56 | R 257.84 |
| Meter Testing | | Cost plus 15% | Cost plus 15% |
| <i>payable when application is made. If the meter is found to be faulty and not tempered with, the amount paid will be refunded</i> | | | |
| Special Meter reading | A basic charge for each special meter reading requested by the customer payable on application | R 308.63 | R 324.06 |
| Illegal parking area | If the owner of a property is unable to provide sufficient space for or parking bay on his/her property and the | R 22,308.32 | R 23,423.74 |
| Pound Fees - per head, per day | | | |
| | Hourses, cattle and donkeys | R 349.55 | R 367.03 |
| | Sheep, goats, pigs and dogs | R 164.39 | R 172.61 |
| Separate holding charges - each | | | |
| | Stallion, bull and boar | R 643.72 | R 675.91 |
| | Ostrich, Ram and other domestic or any pet animals | R 475.87 | R 499.66 |
| Driving of animals | | R 110.74 | R 116.28 |
| Trespassing | | R 372.05 | R 390.65 |
| <i>Council will not be held liable for loss or injury to an animal held in the pound. Council will not be responsible for loss or injury to any animal held in the</i> | | | |
| Unauthorized/illegal road construction - plus reinstatement costs | | R 4,888.26 | R 5,132.67 |
| Unauthorized cutting of tree(s) whether in the municipal property or not - per tree | | R 488.83 | R 513.27 |
| Illegal water and electricity connections | | R 6,575.70 | R 6,904.49 |
| Illegal reconnection after cut-offs first time offenders | | | |
| | Water | R 5,502.82 | R 5,777.96 |
| | Electricity | R 10,487.09 | R 11,011.44 |
| Illegal reconnection after cut-offs second and third time offenders | | Court action | Court action |

1.4 Operating Expenditure Framework

The Municipality's expenditure framework for the 2023/24 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;
- Implementation of the approved funding plan and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan, no funding allocation can be made.

The following table is a high-level summary of the 2023/24 budget and MTREF (classified per main type of operating expenditure):

Table 8 Summary of operating expenditure by standard classification item

NW385 Ramotshere Moiloa - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| Expenditure | | | | | | | | | | | |
| Employee related costs | 2 | 137,025 | 157,199 | 161,724 | 182,336 | 182,036 | 182,036 | 2,152 | 184,865 | 197,566 | 212,799 |
| Remuneration of councillors | | 16,996 | 18,308 | 15,581 | 15,539 | 15,539 | 15,539 | 503 | 12,420 | 13,277 | 14,193 |
| Bulk purchases - electricity | 2 | 56,093 | 60,986 | 72,407 | 56,000 | 81,012 | 81,012 | - | 92,401 | 96,651 | 101,097 |
| Inventory consumed | 8 | - | - | - | 2,500 | 30,340 | 30,340 | - | 28,209 | 30,326 | 29,703 |
| Debt impairment | 3 | 28,573 | 4,839 | 6,892 | - | - | - | - | 38,181 | 39,937 | 41,774 |
| Depreciation and amortisation | | 34,008 | 16,388 | 17,794 | 45,121 | 45,121 | 45,121 | - | 45,121 | 45,122 | 45,123 |
| Interest | | 6,557 | 2,607 | 5,029 | 1,456 | 4,000 | 4,000 | - | 1,000 | 1,046 | 1,094 |
| Contracted services | | 51,848 | 44,475 | 72,195 | 41,074 | 48,295 | 48,295 | - | 39,770 | 38,872 | 40,593 |
| Transfers and subsidies | | 730 | 779 | 510 | - | - | - | 28 | - | - | - |
| Irrecoverable debts written off | | 6,966 | 385 | - | 38,181 | 38,181 | 38,181 | - | - | - | - |
| Operational costs | | 31,927 | 59,513 | 57,945 | 50,751 | 52,202 | 52,202 | 45 | 56,381 | 73,521 | 80,322 |
| Losses on disposal of Assets | | - | - | - | - | - | - | - | - | - | - |
| Other Losses | | 3,039 | 1,355 | 5,730 | - | - | - | - | - | - | - |
| Total Expenditure | | 373,760 | 366,834 | 415,808 | 432,958 | 496,726 | 496,726 | 2,727 | 498,347 | 536,319 | 566,699 |
| Surplus/(Deficit) | | (40,465) | (15,390) | (76,130) | 109,073 | (54,100) | (54,100) | (2,581) | 15,802 | (22,676) | (49,206) |
| Transfers and subsidies - capital (monetary allocations) | 6 | 45,544 | 26,270 | 52,265 | 42,105 | 55,705 | 55,705 | - | 43,876 | 50,761 | 55,726 |
| Transfers and subsidies - capital (in-kind) | 6 | - | 313 | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 5,079 | 11,193 | (23,865) | 151,178 | 1,605 | 1,605 | (2,581) | 59,678 | 28,085 | 6,520 |
| Income Tax | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after income tax | | 5,079 | 11,193 | (23,865) | 151,178 | 1,605 | 1,605 | (2,581) | 59,678 | 28,085 | 6,520 |
| Share of Surplus/Deficit attributable to Joint Venture | | - | - | - | - | - | - | - | - | - | - |
| Share of Surplus/Deficit attributable to Minorities | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | 5,079 | 11,193 | (23,865) | 151,178 | 1,605 | 1,605 | (2,581) | 59,678 | 28,085 | 6,520 |
| Share of Surplus/Deficit attributable to Associate | 7 | - | - | - | - | - | - | - | - | - | - |
| Intercompany/Parent subsidiary transactions | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 1 | 5,079 | 11,193 | (23,865) | 151,178 | 1,605 | 1,605 | (2,581) | 59,678 | 28,085 | 6,520 |

The budgeted allocation for employee related costs for the 2023/24 financial year totals R184.8 million, which equals 37.0% of the total operating expenditure. This excludes the Councilor's remuneration of R 12.4 million. Based on the three-year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.9 per cent for the 2023/24 financial year.

The cost associated with the remuneration of Councilor's 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 2023/24 MTREF contracted services expenditure was critically evaluated and operational efficiencies were enforced. In the 2023/24 financial year, this expenditure totals R 40 million and make up 8% of operating expenditure.

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.

1.4.1 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 5 000 or more indigent households during the 2023/24 financial year, this process is reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.5 Capital expenditure

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

| Item Description | MTREF 2023/24 Budget | MTREF 2024/25 Budget | MTREF 2025/26 Budget | Department |
|--|----------------------|----------------------|----------------------|---------------------|
| | - | - | - | HR |
| Air Conditionres | 100,000 | - | - | Libraries |
| Fax\scanners\copiers | 85,000 | 85,000 | 85,000 | Libraries |
| Computer Equipments | - | - | - | MPAC |
| Furniture_ Tables and Chairs | 500,000 | - | - | Mun_Buildings |
| Mass refuse bins | 600,000 | 600,000 | 600,000 | Refuse |
| Servicing of illegal dumps-machinery | 1,000,000 | 1,000,000 | 1,000,000 | Refuse |
| Concrete fencing of land fill site | - | - | - | Refuse |
| Purchase of land for Zeerust cemetery | 1,500,000 | - | - | Cemeteries |
| Purchase of Land (Groot Marico cemetery) | 1,000,000 | - | - | Cemeteries |
| Chain saws,Hand saws,Garden Scissors,Rakes | 200,000 | - | - | Parks |
| Brush cutters/Bush cutters | - | - | - | Parks |
| Upgrading of Ikageleng Park | - | - | - | Parks |
| perimeter fence_Palisade | 250,000 | - | - | Security |
| DLTC | 2,500,000 | - | - | Traffic |
| Cameras VTS | - | - | - | Traffic |
| Extension of VTS | - | - | - | Traffic |
| DLTC Shelter | - | - | - | Traffic |
| Blue lamps | 150,000 | | | Traffic |
| Generator | 40,000 | | | Traffic |
| (Traffic firearms: Fire Protection) | 250,000 | | | Traffic |
| Computer Equipments : ICT | 500,000 | 800,000 | 800,000 | ICT |
| (Project Fees): Acquisitions) | - | 500,000 | 500,000 | ICT |
| MIG_Projects Roads | - | - | - | PMU |
| INEP Projects Electricity | - | 5,000,000 | 8,000,000 | Electricity |
| Transformers | 3,000,000 | 3,138,000 | 3,282,348 | Electricity |
| Street Lights | 3,500,000 | 3,661,000 | 3,829,406 | Electricity |
| Testing of equipments | 100,000 | - | - | Electricity |
| Stanby Generators - Service | 420,000 | - | - | Water |
| Yellow Fleet | - | - | - | Mechanical Workshop |
| Tools and equipments | 300,000 | - | - | Municipal Works |
| Upgrading of Dinokana (Ward 9) Roads and Storm Water (Cer | 3,300,000 | 3,300,000 | 3,300,000 | PMU |
| Upgrading of Dinokana (Ward 10) Roads and Storm Water | 5,220,000 | 5,220,000 | 5,220,000 | PMU |
| Upgrading of Kruisrevier (Ward 15) Roads and Storm Water | 7,100,000 | 7,100,000 | 7,100,000 | PMU |
| Upgrading of Mokgola (Ward 7) Roads and Storm Water | 5,000,000 | 5,000,000 | 5,000,000 | PMU |
| Ikageleng Roads and Storm Water Phase 4 Ext 1&3 (Ward 15) | 2,500,000 | 2,500,000 | 2,500,000 | PMU |
| Moshana Roads and Storm Water Ditampaneng and Sikwane | 2,000,000 | 2,500,000 | 2,500,000 | PMU |
| Lekgopung Roads and Storm Water Clinic Road (Ward 1) | 2,000,000 | 2,500,000 | 2,500,000 | PMU |
| Masebudule Roads and Storm Water Phase 3 (Ward 17) | 2,000,000 | 2,500,000 | 2,500,000 | PMU |
| Dinokana Roads and Storm Water (Ward 12) Phase 2 | 2,000,000 | 2,500,000 | 2,500,000 | PMU |
| Dinokana Roads and Storm Water Seferella Section (Ward 11) | 2,500,000 | 2,500,000 | 2,500,000 | PMU |
| Suping Staad High Mast Lights | - | - | - | PMU |
| Driefontein High Mast Lights (Ward 3) | 2,000,000 | 2,000,000 | 2,000,000 | PMU |
| Motswedi High Mast Lights (Ward 5) | 2,000,000 | 2,000,000 | 2,000,000 | PMU |
| Swartkop High Mast Lights | - | - | - | PMU |
| Fencing Zeerust Land Fill Site | 4,000,000 | 2,000,000 | 2,000,000 | PMU |
| PMU | - | - | - | PMU |
| | 57,615,000 | 56,404,000 | 59,716,754 | |

Table 10 2023/24 Medium-term capital budget per vote

| Vote Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| R thousand | 1 | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure, to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive and Council | | - | - | 1,456 | 10 | - | - | - | - | - | - |
| Vote 2 - Finance and Administration | | 29,690 | (1,026) | 14,000 | 2,000 | 587 | 587 | - | - | - | - |
| Vote 3 - Internal Audit | | - | - | 910 | - | - | - | - | - | - | - |
| Vote 4 - Community and Social Services | | 489 | 136 | - | 5,100 | 450 | 450 | - | - | - | - |
| Vote 5 - Sport and Recreation | | - | - | 910 | 600 | 150 | 150 | - | - | - | - |
| Vote 6 - Public Safety | | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - Housing | | - | - | 1,274 | - | - | - | - | - | - | - |
| Vote 8 - Other | | - | - | 546 | - | - | - | - | - | - | - |
| Vote 9 - Planning and Development | | 7,472 | 12,035 | (19,262) | 40,000 | 53,600 | 53,600 | - | - | - | - |
| Vote 10 - Road Transport | | - | - | 1,092 | 3,270 | 6 | 6 | - | - | - | - |
| Vote 11 - Environmental Protection | | - | - | 182 | - | - | - | - | - | - | - |
| Vote 12 - Energy Sources | | 2,468 | 15,118 | 5,420 | - | - | - | - | - | - | - |
| Vote 13 - Water Management | | 538 | - | 1,274 | - | - | - | - | - | - | - |
| Vote 14 - Waste Water Management | | (4) | 4 | 1,092 | - | - | - | - | - | - | - |
| Vote 15 - Waste Management | | - | - | 1,092 | 1,950 | 650 | 650 | - | - | - | - |
| Capital multi-year expenditure sub-total | 7 | 40,652 | 26,267 | 9,983 | 52,930 | 55,443 | 55,443 | - | - | - | - |
| Single-year expenditure, to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive and Council | | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Finance and Administration | | - | - | - | - | - | - | 500 | 1,300 | 1,300 | |
| Vote 3 - Internal Audit | | - | - | - | - | - | - | 250 | - | - | |
| Vote 4 - Community and Social Services | | - | - | - | - | - | - | 3,185 | 85 | 85 | |
| Vote 5 - Sport and Recreation | | - | - | - | - | - | - | 200 | - | - | |
| Vote 6 - Public Safety | | - | - | - | - | - | - | - | - | - | |
| Vote 7 - Housing | | - | - | - | - | - | - | - | - | - | |
| Vote 8 - Other | | - | - | - | - | - | - | - | - | - | |
| Vote 9 - Planning and Development | | - | - | - | - | - | 1,300 | 41,620 | 41,620 | 41,620 | |
| Vote 10 - Road Transport | | - | - | - | - | - | - | 3,240 | - | - | |
| Vote 11 - Environmental Protection | | - | - | - | - | - | - | - | - | - | |
| Vote 12 - Energy Sources | | - | - | - | - | - | - | 6,600 | 11,799 | 15,112 | |
| Vote 13 - Water Management | | - | - | - | - | - | - | 420 | - | - | |
| Vote 14 - Waste Water Management | | - | - | - | - | - | - | - | - | - | |
| Vote 15 - Waste Management | | - | - | - | - | - | - | 1,600 | 1,600 | 1,600 | |
| Capital single-year expenditure sub-total | | - | - | - | - | - | 1,300 | 57,615 | 56,404 | 59,717 | |
| Total Capital Expenditure - Vote | | 40,652 | 26,267 | 9,983 | 52,930 | 55,443 | 55,443 | 1,300 | 57,615 | 56,404 | 59,717 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| Governance and administration | | 29,690 | (1,026) | 14,000 | 2,010 | 587 | 587 | - | 500 | 1,300 | 1,300 |
| Executive and council | | - | - | - | 10 | - | - | - | 500 | 1,300 | 1,300 |
| Finance and administration | | 29,690 | (1,026) | 14,000 | 2,000 | 587 | 587 | - | - | - | - |
| Internal audit | | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 489 | 136 | - | 5,700 | 600 | 600 | - | 3,635 | 85 | 85 |
| Community and social services | | 489 | 136 | - | 5,100 | 450 | 450 | - | 3,435 | 85 | 85 |
| Sport and recreation | | - | - | - | 600 | 150 | 150 | - | 200 | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 7,472 | 12,035 | (19,262) | 43,270 | 53,606 | 53,606 | 1,300 | 44,860 | 41,620 | 41,620 |
| Planning and development | | 7,472 | 12,035 | (19,262) | 40,000 | 53,600 | 53,600 | 1,300 | 41,620 | 41,620 | 41,620 |
| Road transport | | - | - | - | 3,270 | 6 | 6 | - | 3,240 | - | - |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 3,002 | 15,122 | 4,147 | 1,950 | 650 | 650 | - | 8,620 | 13,399 | 16,712 |
| Energy sources | | 2,468 | 15,118 | 4,147 | - | - | - | - | 6,600 | 11,799 | 15,112 |
| Water management | | 538 | - | - | - | - | - | - | 420 | - | - |
| Waste water management | | (4) | 4 | - | - | - | - | - | - | - | - |
| Waste management | | - | - | - | 1,950 | 650 | 650 | - | 1,600 | 1,600 | 1,600 |
| Other | | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 3 | 40,652 | 26,267 | (1,116) | 52,930 | 55,443 | 55,443 | 1,300 | 57,615 | 56,404 | 59,717 |
| Funded by: | | | | | | | | | | | |
| National Government | | 9,024 | 9,839 | (19,262) | 40,000 | 53,600 | 53,600 | 1,300 | 41,620 | 46,620 | 49,620 |
| Provincial Government | | - | - | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (in-kind) | | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 9,024 | 9,839 | (19,262) | 40,000 | 53,600 | 53,600 | 1,300 | 41,620 | 46,620 | 49,620 |
| Borrowing | 6 | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 7 | - | - | - | 12,930 | 1,143 | 1,143 | - | 15,995 | 9,784 | 10,097 |
| Total Capital Funding | 7 | 9,024 | 9,839 | (19,262) | 52,930 | 54,743 | 54,743 | 1,300 | 57,615 | 56,404 | 59,717 |

For 2023/24 an amount of R 57.6 million has been appropriated for the development of infrastructure. In the outer years this amount totals R 56.4 million, and R 59.7 million, respectively for each of the financial years.

Figure 1 Capital Infrastructure Programmes

| Capital Budget per Programme | MTREF 2023/24 Budget | MTREF 2024/25 Budget | MTREF 2025/26 Budget |
|---------------------------------|----------------------|----------------------|----------------------|
| Road Infrastructure | 41,620,000 | 41,620,000 | 41,620,000 |
| Electrical Infrastructure | 6,600,000 | 11,799,000 | 15,111,754 |
| Computer Equipments and Cameras | 585,000 | 1,385,000 | 1,385,000 |
| land and Buildings | 6,250,000 | 1,000,000 | 1,000,000 |
| Machinery and Equipments | 1,960,000 | 600,000 | 600,000 |
| Office Furniture | 600,000 | - | - |
| Yellow Fleet | - | - | - |
| | 57,615,000 | 56,404,000 | 59,716,754 |

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 2023/24 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 11 MBRR Table A1 - Budget Summary

NW385 Ramotshere Moiloa - Table A1 Budget Summary

| Description | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|--|-----------------|-----------------|-----------------|----------------------|------------------|--------------------|-------------------|---|------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| R thousands | | | | | | | | | | |
| Financial Performance | | | | | | | | | | |
| Property rates | 66,715 | 53,664 | 60,938 | 183,838 | 114,994 | 114,994 | - | 108,935 | 108,936 | 108,936 |
| Service charges | 81,427 | 74,285 | 74,070 | 99,174 | 83,093 | 83,093 | 23 | 121,285 | 126,984 | 132,950 |
| Investment revenue | 104 | 1 | 15 | 8 | 8 | 8 | - | 8 | 9 | 9 |
| Transfer and subsidies - Operational | 178,805 | 218,936 | 186,742 | 230,906 | 218,906 | 218,906 | - | 251,436 | 251,878 | 247,370 |
| Other own revenue | 6,245 | 4,557 | 17,913 | 28,105 | 25,625 | 25,625 | 124 | 32,485 | 25,837 | 28,229 |
| Total Revenue (excluding capital transfers and contributions) | 333,296 | 351,444 | 339,678 | 542,031 | 442,626 | 442,626 | 146 | 514,149 | 513,643 | 517,493 |
| Employee costs | 137,025 | 157,199 | 161,724 | 182,336 | 182,036 | 182,036 | 2,152 | 184,865 | 197,566 | 212,799 |
| Remuneration of councillors | 16,996 | 18,308 | 15,581 | 15,539 | 15,539 | 15,539 | 503 | 12,420 | 13,277 | 14,193 |
| Depreciation and amortisation | 34,008 | 16,388 | 17,794 | 45,121 | 45,121 | 45,121 | - | 45,121 | 45,122 | 45,123 |
| Finance charges | 6,557 | 2,607 | 5,029 | 1,456 | 4,000 | 4,000 | - | 1,000 | 1,046 | 1,094 |
| Inventory consumed and bulk purchases | 56,093 | 60,986 | 72,407 | 58,500 | 111,352 | 111,352 | - | 120,609 | 126,977 | 130,800 |
| Transfers and subsidies | 730 | 779 | 510 | - | - | - | 28 | - | - | - |
| Other expenditure | 122,352 | 110,567 | 142,763 | 130,006 | 138,678 | 138,678 | 45 | 134,332 | 152,330 | 162,689 |
| Total Expenditure | 373,760 | 366,834 | 415,808 | 432,958 | 496,726 | 496,726 | 2,727 | 498,347 | 536,319 | 566,699 |
| Surplus/(Deficit) | (40,465) | (15,390) | (76,130) | 109,073 | (54,100) | (54,100) | (2,581) | 15,802 | (22,676) | (49,206) |
| Transfers and subsidies - capital (monetary allocations) | 45,544 | 26,270 | 52,265 | 42,105 | 55,705 | 55,705 | - | 43,876 | 50,761 | 55,726 |
| Transfers and subsidies - capital (in-kind) | - | 313 | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 5,079 | 11,193 | (23,865) | 151,178 | 1,605 | 1,605 | (2,581) | 59,678 | 28,085 | 6,520 |
| Share of Surplus/Deficit attributable to Associate | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 5,079 | 11,193 | (23,865) | 151,178 | 1,605 | 1,605 | (2,581) | 59,678 | 28,085 | 6,520 |
| Capital expenditure & funds sources | | | | | | | | | | |
| Capital expenditure | 40,652 | 26,267 | (1,116) | 52,930 | 55,443 | 55,443 | 1,300 | 57,615 | 56,404 | 59,717 |
| Transfers recognised - capital | 9,024 | 9,839 | (19,262) | 40,000 | 53,600 | 53,600 | 1,300 | 41,620 | 46,620 | 49,620 |
| Borrowing | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | - | - | - | 12,930 | 1,143 | 1,143 | - | 15,995 | 9,784 | 10,097 |
| Total sources of capital funds | 9,024 | 9,839 | (19,262) | 52,930 | 54,743 | 54,743 | 1,300 | 57,615 | 56,404 | 59,717 |
| Financial position | | | | | | | | | | |
| Total current assets | 31,550 | 42,126 | 15,792 | 463,428 | 332,467 | 332,467 | 121 | 246,250 | 91,824 | 64,682 |
| Total non current assets | (2,337) | (12,981) | (10,673) | 22,710 | 25,223 | 25,223 | - | 698,183 | 15,733 | 16,045 |
| Total current liabilities | 53,187 | 11,477 | 12,842 | 371,819 | 356,213 | 356,213 | 767 | 379,279 | 262,665 | 189,929 |
| Total non current liabilities | (12,722) | 8,705 | 14,579 | - | - | - | - | 86,761 | - | - |
| Community wealth/Equity | 17,122 | 917 | 817 | - | - | - | - | 577,646 | - | - |
| Cash flows | | | | | | | | | | |
| Net cash from (used) operating | 24,453 | 7,351 | 2,946 | 900,523 | 679,866 | 679,866 | - | 79,297 | 43,097 | 22,141 |
| Net cash from (used) investing | - | 5,945 | 337 | (59,065) | (54,743) | (54,743) | - | (72,615) | (91,404) | (89,717) |
| Net cash from (used) financing | (126) | (95) | (189) | - | - | - | (10) | 20,000 | 25,000 | 25,000 |
| Cash/cash equivalents at the year end | 5,249 | 12,523 | 1,611 | 841,458 | 625,123 | 625,123 | 110 | 43,406 | 20,099 | (22,476) |
| Cash backing/surplus reconciliation | | | | | | | | | | |
| Cash and investments available | 49,120 | 60,300 | 72,238 | 375,125 | 247,281 | 247,281 | 121 | 152,581 | 10,077 | (17,832) |
| Application of cash and investments | 17,314 | 468 | 7,021 | 368,988 | 350,086 | 350,086 | (756) | 293,259 | 244,734 | 170,936 |
| Balance - surplus (shortfall) | 31,807 | 59,833 | 65,217 | 6,137 | (102,805) | (102,805) | 877 | (140,678) | (234,657) | (188,769) |
| Asset management | | | | | | | | | | |
| Asset register summary (WDV) | 17,442 | 1,576 | (19,858) | 22,710 | 25,223 | 25,223 | - | 666,486 | 15,733 | 16,045 |
| Depreciation | 34,008 | 16,388 | 17,794 | 45,121 | 45,121 | 45,121 | - | 45,121 | 45,122 | 45,123 |
| Renewal and Upgrading of Existing Assets | 5,152 | 4,084 | - | 1,500 | - | - | - | 6,600 | 7,299 | 7,612 |
| Repairs and Maintenance | 6,089 | 7,189 | 9,569 | 38,820 | 30,120 | 30,120 | - | 33,139 | 34,031 | 33,939 |
| Free services | | | | | | | | | | |
| Cost of Free Basic Services provided | 1,776 | 2,037 | 2,051 | - | - | - | 2,000 | 2,000 | 2,069 | - |
| Revenue cost of free services provided | 0 | 0 | - | - | - | - | - | - | - | - |
| Households below minimum service level | | | | | | | | | | |
| Water: | - | - | - | - | - | - | - | - | - | - |
| Sanitation/sewerage: | - | - | - | - | - | - | - | - | - | - |
| Energy: | - | - | - | - | - | - | - | - | - | - |
| Refuse: | - | - | - | - | - | - | - | - | - | - |

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections

highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.

Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

NW385 Ramotshere Moiloa - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

| Functional Classification Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| R thousand | 1 | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 155,404 | 209,028 | 166,510 | 300,879 | 232,239 | 232,239 | 217,233 | 224,992 | 223,450 |
| Executive and council | | 45,956 | 96,970 | 32,381 | 50,121 | 50,121 | 50,121 | 44,467 | 47,779 | 47,065 |
| Finance and administration | | 103,065 | 107,931 | 131,716 | 243,413 | 174,773 | 174,773 | 163,969 | 167,761 | 167,075 |
| Internal audit | | 6,383 | 4,128 | 2,413 | 7,345 | 7,346 | 7,346 | 8,797 | 9,452 | 9,310 |
| <i>Community and public safety</i> | | 16,714 | 17,210 | 27,208 | 30,078 | 30,078 | 30,078 | 25,725 | 27,610 | 26,293 |
| Community and social services | | 7,313 | 9,790 | 17,735 | 19,058 | 19,058 | 19,058 | 17,121 | 18,366 | 17,186 |
| Sport and recreation | | 8,597 | 6,322 | 8,060 | 10,615 | 10,615 | 10,615 | 7,953 | 8,545 | 8,418 |
| Public safety | | - | - | - | - | - | - | - | - | - |
| Housing | | 804 | 1,098 | 1,413 | 405 | 405 | 405 | 651 | 699 | 689 |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 110,787 | 72,719 | 93,966 | 136,894 | 136,014 | 136,014 | 155,655 | 155,022 | 158,052 |
| Planning and development | | 60,038 | 30,390 | 62,208 | 71,914 | 71,034 | 71,034 | 66,418 | 59,510 | 63,138 |
| Road transport | | 50,749 | 42,329 | 31,758 | 64,980 | 64,980 | 64,980 | 89,237 | 95,512 | 94,914 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 95,513 | 79,461 | 104,578 | 116,285 | 100,000 | 100,000 | 159,413 | 156,779 | 165,424 |
| Energy sources | | 67,704 | 51,096 | 68,250 | 76,100 | 59,816 | 59,816 | 96,224 | 105,748 | 113,485 |
| Water management | | 11,956 | 12,961 | 19,796 | 20,453 | 20,453 | 20,453 | 24,373 | 9,805 | 10,256 |
| Waste water management | | 581 | 629 | 463 | 629 | 629 | 629 | 17,868 | 19,174 | 18,942 |
| Waste management | | 15,272 | 14,775 | 16,068 | 19,103 | 19,103 | 19,103 | 20,948 | 22,053 | 22,742 |
| <i>Other</i> | 4 | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 2 | 378,418 | 378,418 | 392,263 | 584,136 | 498,331 | 498,331 | 558,025 | 564,404 | 573,219 |
| Expenditure - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 179,640 | 160,654 | 181,675 | 195,904 | 212,688 | 212,688 | 187,965 | 208,981 | 225,703 |
| Executive and council | | 51,464 | 44,187 | 38,776 | 47,098 | 50,830 | 50,830 | 44,467 | 52,170 | 61,618 |
| Finance and administration | | 120,283 | 108,694 | 136,544 | 141,461 | 153,857 | 153,857 | 134,701 | 146,395 | 152,220 |
| Internal audit | | 7,894 | 7,773 | 6,354 | 7,345 | 8,001 | 8,001 | 8,797 | 10,416 | 11,865 |
| <i>Community and public safety</i> | | 16,720 | 20,010 | 16,708 | 26,045 | 22,065 | 22,065 | 25,983 | 24,472 | 25,360 |
| Community and social services | | 9,798 | 12,254 | 9,570 | 16,201 | 13,171 | 13,171 | 17,379 | 15,227 | 15,543 |
| Sport and recreation | | 5,645 | 6,329 | 6,336 | 9,438 | 8,488 | 8,488 | 7,953 | 8,549 | 9,074 |
| Public safety | | - | - | - | - | - | - | - | - | - |
| Housing | | 1,277 | 1,427 | 803 | 405 | 405 | 405 | 651 | 695 | 743 |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 75,299 | 80,192 | 80,022 | 127,238 | 116,131 | 116,131 | 172,897 | 175,834 | 182,556 |
| Planning and development | | 9,951 | 11,592 | 11,816 | 32,880 | 32,050 | 32,050 | 69,267 | 69,653 | 72,339 |
| Road transport | | 65,349 | 68,600 | 68,206 | 94,358 | 84,081 | 84,081 | 103,630 | 106,181 | 110,217 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 99,372 | 106,680 | 133,376 | 120,629 | 145,970 | 145,970 | 160,025 | 173,283 | 183,769 |
| Energy sources | | 66,343 | 72,846 | 85,775 | 76,339 | 97,951 | 97,951 | 120,013 | 130,654 | 139,676 |
| Water management | | 9,638 | 10,341 | 12,649 | 14,012 | 13,966 | 13,966 | 6,849 | 6,669 | 6,212 |
| Waste water management | | 13,013 | 13,511 | 16,383 | 15,206 | 21,991 | 21,991 | 18,319 | 20,334 | 21,420 |
| Waste management | | 10,379 | 9,981 | 18,570 | 15,072 | 12,062 | 12,062 | 14,844 | 15,626 | 16,461 |
| <i>Other</i> | 4 | - | - | - | - | - | - | - | - | - |
| Total Expenditure - Functional | 3 | 371,032 | 367,535 | 411,781 | 469,816 | 496,854 | 496,854 | 546,869 | 582,570 | 617,387 |
| Surplus/(Deficit) for the year | | 7,386 | 10,882 | (19,518) | 114,319 | 1,477 | 1,477 | 11,157 | (18,166) | (44,169) |

References

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 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) and so does not balance to the operating revenue shown on Table A4.
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 A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

NW385 Ramotshere Moiloa - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| Revenue by Vote | | | | | | | | | | |
| Vote 1 - Executive and Council | 1 | 45,956 | 96,970 | 32,381 | 50,121 | 50,121 | 50,121 | 44,467 | 47,779 | 47,065 |
| Vote 2 - Finance and Administration | | 91,691 | 92,773 | 113,719 | 223,623 | 154,983 | 154,983 | 148,052 | 150,659 | 150,228 |
| Vote 3 - Internal Audit | | 17,757 | 19,286 | 20,409 | 27,135 | 27,135 | 27,135 | 24,713 | 26,554 | 26,157 |
| Vote 4 - Community and Social Services | | 7,313 | 9,790 | 17,735 | 19,058 | 19,058 | 19,058 | 17,121 | 18,366 | 17,186 |
| Vote 5 - Sport and Recreation | | 8,597 | 6,322 | 8,060 | 10,615 | 10,615 | 10,615 | 7,953 | 8,545 | 8,418 |
| Vote 6 - Public Safety | | - | - | - | - | - | - | - | - | - |
| Vote 7 - Housing | | 804 | 1,098 | 1,413 | 405 | 405 | 405 | 651 | 699 | 689 |
| Vote 8 - Other | | - | - | - | - | - | - | - | - | - |
| Vote 9 - Planning and Development | | 60,038 | 30,390 | 62,208 | 71,914 | 71,034 | 71,034 | 66,418 | 59,510 | 63,138 |
| Vote 10 - Road Transport | | 50,749 | 42,329 | 31,758 | 64,980 | 64,980 | 64,980 | 89,237 | 95,512 | 94,914 |
| Vote 11 - Environmental Protection | | - | - | - | - | - | - | - | - | - |
| Vote 12 - Energy Sources | | 67,704 | 51,096 | 68,250 | 76,100 | 59,816 | 59,816 | 96,224 | 105,748 | 113,485 |
| Vote 13 - Water Management | | 11,956 | 12,961 | 19,796 | 20,453 | 20,453 | 20,453 | 24,373 | 9,805 | 10,256 |
| Vote 14 - Waste Water Management | | 581 | 629 | 463 | 629 | 629 | 629 | 17,868 | 19,174 | 18,942 |
| Vote 15 - Waste Management | | 15,272 | 14,775 | 16,068 | 19,103 | 19,103 | 19,103 | 20,948 | 22,053 | 22,742 |
| Total Revenue by Vote | 2 | 378,418 | 378,418 | 392,263 | 584,136 | 498,331 | 498,331 | 558,025 | 564,404 | 573,219 |
| Expenditure by Vote to be appropriated | | | | | | | | | | |
| Vote 1 - Executive and Council | 1 | 51,464 | 44,187 | 38,776 | 47,098 | 50,830 | 50,830 | 44,467 | 52,170 | 61,618 |
| Vote 2 - Finance and Administration | | 107,845 | 94,704 | 121,233 | 121,736 | 135,957 | 135,957 | 118,784 | 130,628 | 135,665 |
| Vote 3 - Internal Audit | | 20,332 | 21,763 | 21,665 | 27,071 | 25,901 | 25,901 | 24,713 | 26,183 | 28,421 |
| Vote 4 - Community and Social Services | | 9,798 | 12,254 | 9,570 | 16,201 | 13,171 | 13,171 | 17,379 | 15,227 | 15,543 |
| Vote 5 - Sport and Recreation | | 5,645 | 6,329 | 6,336 | 9,438 | 8,488 | 8,488 | 7,953 | 8,549 | 9,074 |
| Vote 6 - Public Safety | | - | - | - | - | - | - | - | - | - |
| Vote 7 - Housing | | 1,277 | 1,427 | 803 | 405 | 405 | 405 | 651 | 695 | 743 |
| Vote 8 - Other | | - | - | - | - | - | - | - | - | - |
| Vote 9 - Planning and Development | | 9,951 | 11,592 | 11,816 | 32,880 | 32,050 | 32,050 | 69,267 | 69,653 | 72,339 |
| Vote 10 - Road Transport | | 65,349 | 68,600 | 68,206 | 94,358 | 84,081 | 84,081 | 103,630 | 106,181 | 110,217 |
| Vote 11 - Environmental Protection | | - | - | - | - | - | - | - | - | - |
| Vote 12 - Energy Sources | | 66,343 | 72,846 | 85,775 | 76,339 | 97,951 | 97,951 | 120,013 | 130,654 | 139,676 |
| Vote 13 - Water Management | | 9,638 | 10,341 | 12,649 | 14,012 | 13,966 | 13,966 | 6,849 | 6,669 | 6,212 |
| Vote 14 - Waste Water Management | | 13,013 | 13,511 | 16,383 | 15,206 | 21,991 | 21,991 | 18,319 | 20,334 | 21,420 |
| Vote 15 - Waste Management | | 10,379 | 9,981 | 18,570 | 15,072 | 12,062 | 12,062 | 14,844 | 15,626 | 16,461 |
| Total Expenditure by Vote | 2 | 371,032 | 367,535 | 411,781 | 469,816 | 496,854 | 496,854 | 546,869 | 582,570 | 617,387 |
| Surplus/(Deficit) for the year | 2 | 7,386 | 10,882 | (19,518) | 114,319 | 1,477 | 1,477 | 11,157 | (18,166) | (44,169) |

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 14 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

| NW385 Ramotshere Moiloa - Table A4 Budgeted Financial Performance (revenue and expenditure) | | | | | | | | | | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| Revenue | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | |
| Service charges - Electricity | 2 | 61,084 | 53,605 | 53,274 | 75,515 | 59,230 | 59,230 | - | 95,611 | 100,106 | 104,813 |
| Service charges - Water | 2 | 8,956 | 8,850 | 8,626 | 8,415 | 8,415 | 8,415 | - | 8,873 | 9,305 | 9,756 |
| Service charges - Waste Water Management | 2 | 388 | 436 | 259 | 591 | 591 | 591 | - | 828 | 866 | 906 |
| Service charges - Waste Management | 2 | 10,999 | 11,395 | 11,911 | 14,653 | 14,857 | 14,857 | 23 | 15,972 | 16,707 | 17,476 |
| Sale of Goods and Rendering of Services | | 453 | 654 | 739 | 14,223 | 1,743 | 1,743 | 36 | 1,752 | 1,940 | 2,149 |
| Agency services | | - | - | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 65 | - | - | - | - | - | - | - | - | - |
| Interest earned from Current and Non Current Assets | | 104 | 1 | 15 | 8 | 8 | 8 | - | 8 | 9 | 9 |
| Dividends | | 1,719 | 661 | 790 | - | - | - | - | - | - | - |
| Rent on Land | | - | - | - | - | - | - | - | - | - | - |
| Rental from Fixed Assets | | 398 | 97 | 92 | 5 | 5 | 5 | 10 | 12 | 13 | 13 |
| Licence and permits | | - | - | - | 2,924 | 2,924 | 2,924 | - | 8,000 | 8,368 | 8,753 |
| Operational Revenue | | 1,570 | 933 | 12,417 | 5,923 | 15,923 | 15,923 | 1 | 17,721 | 10,287 | 11,843 |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | 2 | 66,715 | 53,664 | 60,938 | 183,838 | 114,994 | 114,994 | - | 108,935 | 108,936 | 108,936 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 939 | 569 | 355 | 532 | 532 | 532 | 76 | 3,000 | 3,138 | 3,282 |
| Licences or permits | | 1,100 | 1,643 | 3,476 | 4,500 | 4,500 | 4,500 | - | 2,000 | 2,092 | 2,188 |
| Transfer and subsidies - Operational | | 178,805 | 218,936 | 186,742 | 230,906 | 218,906 | 218,906 | - | 251,436 | 251,878 | 247,370 |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | - | - | 44 | - | - | - | - | - | - | - |
| Other Gains | | - | - | - | - | - | - | - | - | - | - |
| Discontinued Operations | | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 333,296 | 351,444 | 339,678 | 542,031 | 442,626 | 442,626 | 146 | 514,149 | 513,643 | 517,493 |
| Expenditure | | | | | | | | | | | |
| Employee related costs | 2 | 137,025 | 157,199 | 161,724 | 182,336 | 182,036 | 182,036 | 2,152 | 184,865 | 197,566 | 212,799 |
| Remuneration of councillors | | 16,996 | 18,308 | 15,581 | 15,539 | 15,539 | 15,539 | 503 | 12,420 | 13,277 | 14,193 |
| Bulk purchases - electricity | 2 | 56,093 | 60,986 | 72,407 | 56,000 | 81,012 | 81,012 | - | 92,401 | 96,651 | 101,097 |
| Inventory consumed | 8 | - | - | - | 2,500 | 30,340 | 30,340 | - | 28,209 | 30,326 | 29,703 |
| Debt impairment | 3 | 28,573 | 4,839 | 6,892 | - | - | - | - | 38,181 | 39,937 | 41,774 |
| Depreciation and amortisation | | 34,008 | 16,388 | 17,794 | 45,121 | 45,121 | 45,121 | - | 45,121 | 45,122 | 45,123 |
| Interest | | 6,557 | 2,607 | 5,029 | 1,456 | 4,000 | 4,000 | - | 1,000 | 1,046 | 1,094 |
| Contracted services | | 51,848 | 44,475 | 72,195 | 41,074 | 48,295 | 48,295 | - | 39,770 | 38,872 | 40,593 |
| Transfers and subsidies | | 730 | 779 | 510 | - | - | - | 28 | - | - | - |
| Irrecoverable debts written off | | 6,966 | 385 | - | 38,181 | 38,181 | 38,181 | - | - | - | - |
| Operational costs | | 31,927 | 59,513 | 57,945 | 50,751 | 52,202 | 52,202 | 45 | 56,381 | 73,521 | 80,322 |
| Losses on disposal of Assets | | - | - | - | - | - | - | - | - | - | - |
| Other Losses | | 3,039 | 1,355 | 5,730 | - | - | - | - | - | - | - |
| Total Expenditure | | 373,760 | 366,834 | 415,808 | 432,958 | 496,726 | 496,726 | 2,727 | 498,347 | 536,319 | 566,699 |
| Surplus/(Deficit) | | (40,465) | (15,390) | (76,130) | 109,073 | (54,100) | (54,100) | (2,581) | 15,802 | (22,676) | (49,206) |
| Transfers and subsidies - capital (monetary allocations) | 6 | 45,544 | 26,270 | 52,265 | 42,105 | 55,705 | 55,705 | - | 43,876 | 50,761 | 55,726 |
| Transfers and subsidies - capital (in-kind) | 6 | - | 313 | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 5,079 | 11,193 | (23,865) | 151,178 | 1,605 | 1,605 | (2,581) | 59,678 | 28,085 | 6,520 |
| Income Tax | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after income tax | | 5,079 | 11,193 | (23,865) | 151,178 | 1,605 | 1,605 | (2,581) | 59,678 | 28,085 | 6,520 |
| Share of Surplus/Deficit attributable to Joint Venture | | - | - | - | - | - | - | - | - | - | - |
| Share of Surplus/Deficit attributable to Minorities | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | 5,079 | 11,193 | (23,865) | 151,178 | 1,605 | 1,605 | (2,581) | 59,678 | 28,085 | 6,520 |
| Share of Surplus/Deficit attributable to Associate | 7 | - | - | - | - | - | - | - | - | - | - |
| Intercompany/Parent subsidiary transactions | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 1 | 5,079 | 11,193 | (23,865) | 151,178 | 1,605 | 1,605 | (2,581) | 59,678 | 28,085 | 6,520 |

Table 15 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

| Vote Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| R thousand | 1 | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive and Council | | - | - | 1,456 | 10 | - | - | - | - | - | - |
| Vote 2 - Finance and Administration | | 29,690 | (1,026) | 14,000 | 2,000 | 587 | 587 | - | - | - | - |
| Vote 3 - Internal Audit | | - | - | 910 | - | - | - | - | - | - | - |
| Vote 4 - Community and Social Services | | 489 | 136 | - | 5,100 | 450 | 450 | - | - | - | - |
| Vote 5 - Sport and Recreation | | - | - | 910 | 600 | 150 | 150 | - | - | - | - |
| Vote 6 - Public Safety | | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - Housing | | - | - | 1,274 | - | - | - | - | - | - | - |
| Vote 8 - Other | | - | - | 546 | - | - | - | - | - | - | - |
| Vote 9 - Planning and Development | | 7,472 | 12,035 | (19,262) | 40,000 | 53,600 | 53,600 | - | - | - | - |
| Vote 10 - Road Transport | | - | - | 1,092 | 3,270 | 6 | 6 | - | - | - | - |
| Vote 11 - Environmental Protection | | - | - | 182 | - | - | - | - | - | - | - |
| Vote 12 - Energy Sources | | 2,468 | 15,118 | 5,420 | - | - | - | - | - | - | - |
| Vote 13 - Water Management | | 538 | - | 1,274 | - | - | - | - | - | - | - |
| Vote 14 - Waste Water Management | | (4) | 4 | 1,092 | - | - | - | - | - | - | - |
| Vote 15 - Waste Management | | - | - | 1,092 | 1,950 | 650 | 650 | - | - | - | - |
| Capital multi-year expenditure sub-total | 7 | 40,652 | 26,267 | 9,983 | 52,930 | 55,443 | 55,443 | - | - | - | - |
| Single-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive and Council | | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Finance and Administration | | - | - | - | - | - | - | 500 | 1,300 | 1,300 | - |
| Vote 3 - Internal Audit | | - | - | - | - | - | - | 250 | - | - | - |
| Vote 4 - Community and Social Services | | - | - | - | - | - | - | 3,185 | 85 | 85 | - |
| Vote 5 - Sport and Recreation | | - | - | - | - | - | - | 200 | - | - | - |
| Vote 6 - Public Safety | | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - Housing | | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Other | | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - Planning and Development | | - | - | - | - | - | 1,300 | 41,620 | 41,620 | 41,620 | - |
| Vote 10 - Road Transport | | - | - | - | - | - | - | 3,240 | - | - | - |
| Vote 11 - Environmental Protection | | - | - | - | - | - | - | 6,600 | 11,799 | 15,112 | - |
| Vote 12 - Energy Sources | | - | - | - | - | - | - | 420 | - | - | - |
| Vote 13 - Water Management | | - | - | - | - | - | - | 1,600 | 1,600 | 1,600 | - |
| Vote 14 - Waste Water Management | | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - Waste Management | | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | - | - | - | - | - | 1,300 | 57,615 | 56,404 | 59,717 | - |
| Total Capital Expenditure - Vote | | 40,652 | 26,267 | 9,983 | 52,930 | 55,443 | 55,443 | 1,300 | 57,615 | 56,404 | 59,717 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| Governance and administration | | 29,690 | (1,026) | 14,000 | 2,010 | 587 | 587 | - | 500 | 1,300 | 1,300 |
| Executive and council | | - | - | - | 10 | - | - | - | 500 | 1,300 | 1,300 |
| Finance and administration | | 29,690 | (1,026) | 14,000 | 2,000 | 587 | 587 | - | - | - | - |
| Internal audit | | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 489 | 136 | - | 5,700 | 600 | 600 | - | 3,635 | 85 | 85 |
| Community and social services | | 489 | 136 | - | 5,100 | 450 | 450 | - | 3,435 | 85 | 85 |
| Sport and recreation | | - | - | - | 600 | 150 | 150 | - | 200 | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 7,472 | 12,035 | (19,262) | 43,270 | 53,606 | 53,606 | 1,300 | 44,860 | 41,620 | 41,620 |
| Planning and development | | 7,472 | 12,035 | (19,262) | 40,000 | 53,600 | 53,600 | 1,300 | 41,620 | 41,620 | 41,620 |
| Road transport | | - | - | - | 3,270 | 6 | 6 | - | 3,240 | - | - |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 3,002 | 15,122 | 4,147 | 1,950 | 650 | 650 | - | 8,620 | 13,399 | 16,712 |
| Energy sources | | 2,468 | 15,118 | 4,147 | - | - | - | - | 6,600 | 11,799 | 15,112 |
| Water management | | 538 | - | - | - | - | - | - | 420 | - | - |
| Waste water management | | (4) | 4 | - | - | - | - | - | - | - | - |
| Waste management | | - | - | - | 1,950 | 650 | 650 | - | 1,600 | 1,600 | 1,600 |
| Other | | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 3 | 40,652 | 26,267 | (1,116) | 52,930 | 55,443 | 55,443 | 1,300 | 57,615 | 56,404 | 59,717 |
| Funded by: | | | | | | | | | | | |
| National Government | | 9,024 | 9,839 | (19,262) | 40,000 | 53,600 | 53,600 | 1,300 | 41,620 | 46,620 | 49,620 |
| Provincial Government | | - | - | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (in-kind) | | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 9,024 | 9,839 | (19,262) | 40,000 | 53,600 | 53,600 | 1,300 | 41,620 | 46,620 | 49,620 |
| Borrowing | 6 | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | - | - | - | 12,930 | 1,143 | 1,143 | - | 15,995 | 9,784 | 10,097 |
| Total Capital Funding | 7 | 9,024 | 9,839 | (19,262) | 52,930 | 54,743 | 54,743 | 1,300 | 57,615 | 56,404 | 59,717 |

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national 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 appropriated at R58million for the 2023/24 financial year and remains relatively constant over the MTREF at levels of R 56 million and R 60 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 programmes is funded from capital grants and transfers and internally generated funds

Table 16 MBRR Table A6 - Budgeted Financial Position

NW385 Ramotshere Moiloa - Table A6 Budgeted Financial Position

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| R thousand | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash and cash equivalents | | (19,189) | (2,991) | 8,976 | 452,265 | 226,389 | 226,389 | 121 | 52,593 | 53,297 | 22,991 |
| Trade and other receivables from exchange transactions | 1 | 68,310 | 69,006 | 69,314 | (77,140) | 20,893 | 20,893 | - | 99,988 | (43,220) | (40,824) |
| Receivables from non-exchange transactions | 1 | (31,394) | (29,723) | (64,460) | 90,803 | 115,525 | 115,525 | - | 112,197 | 112,074 | 112,218 |
| Current portion of non-current receivables | | (651) | (863) | (398) | - | - | - | - | - | - | - |
| Inventory | 2 | 323 | 1,676 | 1,582 | (2,500) | (30,340) | (30,340) | - | (18,528) | (30,326) | (29,703) |
| VAT | | 14,159 | 6,219 | 779 | - | - | - | - | - | - | - |
| Other current assets | | (7) | (1,197) | 0 | - | - | - | - | - | - | - |
| Total current assets | | 31,550 | 42,126 | 15,792 | 463,428 | 332,467 | 332,467 | 121 | 246,250 | 91,824 | 64,682 |
| Non current assets | | | | | | | | | | | |
| Investments | | - | (5,714) | -6,051,425.00 | - | - | - | - | - | - | - |
| Investment property | | 146 | (84) | -83,883.00 | - | - | - | - | 44,932 | - | - |
| Property, plant and equipment | 3 | 863 | (5,188) | (1,811) | 20,710 | 24,636 | 24,636 | - | 652,302 | 14,933 | 15,245 |
| Biological assets | | - | - | - | - | - | - | - | - | - | - |
| Living and non-living resources | | - | - | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | 405 | - | - |
| Intangible assets | | (1,479) | 195 | (203) | 2,000 | 587 | 587 | - | 545 | 800 | 800 |
| Trade and other receivables from exchange transactions | | (1,867) | (2,190) | (2,523) | - | - | - | - | - | - | - |
| Non-current receivables from non-exchange transactions | | - | - | - | - | - | - | - | - | - | - |
| Other non-current assets | | - | - | - | - | - | - | - | - | - | - |
| Total non current assets | | (2,337) | (12,981) | (10,673) | 22,710 | 25,223 | 25,223 | - | 698,183 | 15,733 | 16,045 |
| TOTAL ASSETS | | 29,214 | 29,145 | 5,120 | 486,138 | 357,690 | 357,690 | 121 | 944,433 | 107,557 | 80,728 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Bank overdraft | | - | - | - | - | - | - | - | - | - | - |
| Financial liabilities | | (1,185) | (66) | 105 | - | - | - | - | - | 371 | - |
| Consumer deposits | | 126 | 95 | 189 | - | - | - | 10 | 2,516 | - | - |
| Trade and other payables from exchange transactions | 4 | 27,306 | 505 | 4,893 | 371,819 | 356,213 | 356,213 | - | 352,172 | 260,950 | 188,214 |
| Trade and other payables from non-exchange transactions | 5 | 2,788 | 4,688 | 4,244 | - | - | - | - | 17,654 | 1,715 | 1,715 |
| Provision | | 10,824 | 2,067 | 504 | - | - | - | - | - | - | - |
| VAT | | 13,328 | 4,189 | 847 | - | - | - | 756 | 5,653 | - | - |
| Other current liabilities | | 0 | - | 2,059 | - | - | - | - | 915 | - | - |
| Total current liabilities | | 53,187 | 11,477 | 12,842 | 371,819 | 356,213 | 356,213 | 767 | 379,279 | 262,665 | 189,929 |
| Non current liabilities | | | | | | | | | | | |
| Financial liabilities | 6 | (9,171) | 3,834 | 8,843 | - | - | - | - | 1,569 | - | - |
| Provision | 7 | (3,551) | 4,260 | 5,246 | - | - | - | - | 42,596 | - | - |
| Long term portion of trade payables | | - | - | - | - | - | - | - | - | - | - |
| Other non-current liabilities | | - | 611 | 490 | - | - | - | - | 42,596 | - | - |
| Total non current liabilities | | (12,722) | 8,705 | 14,579 | 371,819 | 356,213 | 356,213 | 767 | 86,761 | 262,665 | 189,929 |
| TOTAL LIABILITIES | | 40,465 | 20,181 | 27,421 | 371,819 | 356,213 | 356,213 | 767 | 466,041 | 262,665 | 189,929 |
| NET ASSETS | | (11,251) | 8,964 | (22,301) | 114,319 | 1,477 | 1,477 | (646) | 478,392 | (155,108) | (109,202) |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated surplus/(deficit) | 8 | 17,122 | 917 | 817 | - | - | - | - | 577,646 | - | - |
| Reserves and funds | 9 | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 10 | 17,122 | 917 | 817 | - | - | - | - | 577,646 | - | - |

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in

order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table A6 is 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 A7 - Budgeted Cash Flow Statement

NW385 Ramotshere Moiloa - Table A7 Budgeted Cash Flows

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | | - | - | - | 93,143 | - | - | - | 76,255 | 65,361 | 65,361 |
| Service charges | | - | - | - | 132,652 | 36,157 | 36,157 | - | 95,301 | 107,100 | 112,118 |
| Other revenue | | - | - | - | 32,513 | - | - | - | 27,460 | 19,243 | 21,354 |
| Transfers and Subsidies - Operational | 1 | - | (3,454) | (7,233) | 231,790 | 231,790 | 231,790 | - | 251,436 | 251,878 | 247,370 |
| Transfers and Subsidies - Capital | 1 | - | - | - | 42,105 | 55,705 | 55,705 | - | 43,876 | 50,761 | 55,726 |
| Interest | | - | - | - | - | - | - | - | 14 | 13 | 13 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | 24,453 | 10,805 | 10,179 | 366,863 | 352,213 | 352,213 | - | (414,045) | (450,213) | (478,708) |
| Finance charges | | - | - | - | 1,456 | 4,000 | 4,000 | - | (1,000) | (1,046) | (1,094) |
| Transfers and Subsidies | 1 | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 24,453 | 7,351 | 2,946 | 900,523 | 679,866 | 679,866 | - | 79,297 | 43,097 | 22,141 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current receivables | | - | 5,714 | 337 | (6,051) | - | - | - | (15,000) | (35,000) | (30,000) |
| Decrease (increase) in non-current investments | | - | 230 | - | (84) | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Capital assets | | - | - | - | (52,930) | (54,743) | (54,743) | - | (57,615) | (56,404) | (59,717) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | - | 5,945 | 337 | (59,065) | (54,743) | (54,743) | - | (72,615) | (91,404) | (89,717) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | (126) | (95) | (189) | - | - | - | (10) | 20,000 | 25,000 | 25,000 |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | (126) | (95) | (189) | - | - | - | (10) | 20,000 | 25,000 | 25,000 |
| NET INCREASE/(DECREASE) IN CASH HELD | | 24,327 | 13,200 | 3,094 | 841,458 | 625,123 | 625,123 | (10) | 26,682 | (23,307) | (42,575) |
| Cash/cash equivalents at the year begin: | 2 | (19,078) | (677) | (1,484) | - | - | - | 121 | 16,725 | 43,406 | 20,099 |
| Cash/cash equivalents at the year end: | 2 | 5,249 | 12,523 | 1,611 | 841,458 | 625,123 | 625,123 | 110 | 43,406 | 20,099 | (22,476) |

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.

2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Table 18 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NW385 Ramotshere Moiloa - Table A8 Cash backed reserves/accumulated surplus reconciliation

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|------------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| R thousand | | | | | | | | | | | |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 5,249 | 12,523 | 1,611 | 841,458 | 625,123 | 625,123 | 110 | 15,327 | (34,728) | (67,600) |
| Other current investments > 90 days | | 43,871 | 53,491 | 76,679 | (466,333) | (377,842) | (377,842) | 10 | 137,254 | 44,804 | 49,767 |
| Investments - Property, plant and equipment | 1 | - | (5,714) | (6,051) | - | - | - | - | - | - | - |
| Cash and investments available: | | 49,120 | 60,300 | 72,238 | 375,125 | 247,281 | 247,281 | 121 | 152,581 | 10,077 | (17,832) |
| Application of cash and investments | | | | | | | | | | | |
| Trade payables from Non-exchange transactions: Other | | - | - | - | - | - | - | - | - | - | - |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | 832 | 2,031 | (432) | - | - | - | (756) | (5,653) | - | - |
| Other working capital requirements | 3 | 27,306 | 505 | 6,950 | 368,988 | 350,086 | 350,086 | - | 333,840 | 254,777 | 181,575 |
| Other provisions | | (10,824) | (2,067) | 503 | - | - | - | - | (915) | - | - |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | - | - | - | - | - | - | - | - | - | - |
| Total Application of cash and investments: | | 17,314 | 468 | 7,021 | 368,988 | 350,086 | 350,086 | (756) | 327,272 | 254,777 | 181,575 |
| Surplus (shortfall) | | 31,807 | 59,833 | 65,217 | 6,137 | (102,805) | (102,805) | 877 | (174,691) | (244,700) | (199,408) |

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves - Total Reserves to be backed by cash/investments excl Valuation reserve

Other working capital requirements

| | | | | | | | | | | |
|---------------|-----------------|--------------|----------------|------------------|------------------|------------------|----------|------------------|------------------|------------------|
| Debtors | - | - | - | 2,831 | 6,127 | 6,127 | - | 18,332 | 6,173 | 6,639 |
| Creditors due | 27,306 | 505 | 6,950 | 371,819 | 356,213 | 356,213 | - | 352,172 | 260,950 | 188,214 |
| Total | (27,306) | (505) | (6,950) | (368,988) | (350,086) | (350,086) | - | (333,840) | (254,777) | (181,575) |

Debtors collection assumptions

| | | | | | | | | | | |
|-------------------------------------|--------|--------|-------|--------|---------|---------|------|---------|--------|--------|
| Balance outstanding - debtors | 34,397 | 36,229 | 1,932 | 13,664 | 136,418 | 136,418 | - | 212,184 | 68,854 | 71,394 |
| Estimate of debtors collection rate | 0.0% | 0.0% | 0.0% | 20.7% | 4.5% | 4.5% | 0.0% | 8.6% | 9.0% | 9.3% |

Long term investments committed

Balance (Insert description; eg sinking fund)

| | | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|---|
| | - | - | - | - | - | - | - | - | - | - |
|--|---|---|---|---|---|---|---|---|---|---|

Reserves to be backed by cash/investments

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Housing Development Fund | - | - | - | - | - | - | - | - | - | - |
| Capital replacement | | | | | | | | | | |
| Self-insurance | | | | | | | | | | |
| Compensation for Occupational Injuries and Diseases | | | | | | | | | | |
| Employee Benefit | | | | | | | | | | |
| Non-current Provisions | | | | | | | | | | |
| Valuation | | | | | | | | | | |
| Investment in associate account | | | | | | | | | | |
| Capitalisation | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - |

Explanatory notes to Table A8 - 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 A9 - Asset Management

NW385 Ramotshere Moiloa - Table A9 Asset Management

| R thousand | Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|------------|--|-----|----------------|----------------|----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | | Added Outcomes | Added Outcomes | Added Outcomes | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| | CAPITAL EXPENDITURE | | 6,008 | 19,544 | 19,262 | 51,430 | 54,743 | 54,743 | 42,805 | 37,005 | 37,005 |
| | TOTAL ASSETS | 1 | 6,008 | 19,544 | 19,262 | 40,000 | 53,600 | 53,600 | 39,120 | 36,620 | 36,620 |
| | Roads Infrastructure | | - | 16,734 | 16,734 | - | - | - | - | - | - |
| | Storm water Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Electrical Infrastructure | | 2,196 | 2,196 | 2,196 | - | - | - | - | - | - |
| | Water Supply Infrastructure | | 3,143 | 615 | 2,528 | - | - | - | - | - | - |
| | Sanitation Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Solid Waste Infrastructure | | 244 | - | - | 1,500 | - | - | - | - | - |
| | Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Infrastructure | | 6,008 | 19,544 | 19,262 | 41,500 | 53,600 | 53,600 | 39,120 | 36,620 | 36,620 |
| | Community Facilities | | - | - | - | 3,000 | 350 | 350 | 2,500 | - | - |
| | Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - |
| | Community Assets | | - | - | - | 3,000 | 350 | 350 | 2,500 | - | - |
| | Heritage Assets | | - | - | - | - | - | - | - | - | - |
| | Revenue Generating | | - | - | - | - | - | - | - | - | - |
| | Non-revenue Generating | | - | - | - | - | - | - | - | - | - |
| | Investment properties | | - | - | - | - | - | - | - | - | - |
| | Operational Buildings | | - | - | - | - | - | - | - | - | - |
| | Housing | | - | - | - | - | - | - | - | - | - |
| | Other Assets | | - | - | - | - | - | - | - | - | - |
| | Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - |
| | Services | | - | - | - | - | - | - | - | - | - |
| | Licences and Rights | | - | - | - | - | - | - | - | - | - |
| | Intangible Assets | | - | - | - | - | - | - | - | - | - |
| | Computer Equipment | | - | - | - | 1,510 | 587 | 587 | 500 | 300 | 300 |
| | Furniture and Office Equipment | | - | - | - | 2,090 | - | - | 500 | - | - |
| | Machinery and Equipment | | - | - | - | 1,430 | 206 | 206 | 185 | 85 | 85 |
| | Transport Assets | | - | - | - | 2,000 | - | - | - | - | - |
| | Land | | - | - | - | - | - | - | - | - | - |
| | Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| | Mature | | - | - | - | - | - | - | - | - | - |
| | Inventory | | - | - | - | - | - | - | - | - | - |
| | Living Resources | | - | - | - | - | - | - | - | - | - |
| | Total Replacement of Existing Assets | 2 | - | - | - | 1,000 | - | - | 6,600 | 6,799 | 7,112 |
| | Roads Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Storm water Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Electrical Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Water Supply Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Sanitation Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Solid Waste Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Infrastructure | | 6,008 | 19,544 | 19,262 | 41,500 | 53,600 | 53,600 | 45,720 | 43,419 | 43,732 |
| | Community Facilities | | - | - | - | 3,000 | 350 | 350 | 2,500 | - | - |
| | Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - |
| | Community Assets | | - | - | - | 3,000 | 350 | 350 | 2,500 | - | - |
| | Heritage Assets | | - | - | - | - | - | - | - | - | - |
| | Revenue Generating | | - | - | - | - | - | - | - | - | - |
| | Non-revenue Generating | | - | - | - | - | - | - | - | - | - |
| | Investment properties | | - | - | - | - | - | - | - | - | - |
| | Operational Buildings | | - | - | - | - | - | - | - | - | - |
| | Housing | | - | - | - | - | - | - | - | - | - |
| | Other Assets | | - | - | - | - | - | - | - | - | - |
| | Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - |
| | Services | | - | - | - | - | - | - | - | - | - |
| | Licences and Rights | | - | - | - | - | - | - | - | - | - |
| | Intangible Assets | | - | - | - | 500 | - | - | 500 | 500 | 500 |
| | Computer Equipment | | - | - | - | 500 | - | - | 500 | 500 | 500 |
| | Furniture and Office Equipment | | - | - | - | - | - | - | - | - | - |
| | Machinery and Equipment | | - | - | - | - | - | - | - | - | - |
| | Transport Assets | | - | - | - | - | - | - | - | - | - |
| | Land | | - | - | - | - | - | - | - | - | - |
| | Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| | Mature | | - | - | - | - | - | - | - | - | - |
| | Inventory | | - | - | - | - | - | - | - | - | - |
| | Living Resources | | - | - | - | - | - | - | - | - | - |
| | Total Upgrading of Existing Assets | 6 | 5,152 | 4,084 | 4,084 | 500 | - | - | - | 500 | 500 |
| | Roads Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Storm water Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Electrical Infrastructure | | 1,008 | - | - | - | - | - | - | - | - |
| | Water Supply Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Sanitation Infrastructure | | 4,084 | 4,084 | - | - | - | - | - | - | - |
| | Solid Waste Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Infrastructure | | 5,152 | 4,084 | 4,084 | 500 | - | - | - | 500 | 500 |
| | Community Facilities | | - | - | - | - | - | - | - | - | - |
| | Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - |
| | Community Assets | | - | - | - | - | - | - | - | - | - |
| | Heritage Assets | | - | - | - | - | - | - | - | - | - |
| | Revenue Generating | | - | - | - | - | - | - | - | - | - |
| | Non-revenue Generating | | - | - | - | - | - | - | - | - | - |
| | Investment properties | | - | - | - | - | - | - | - | - | - |
| | Operational Buildings | | - | - | - | - | - | - | - | - | - |
| | Housing | | - | - | - | - | - | - | - | - | - |
| | Other Assets | | - | - | - | - | - | - | - | - | - |
| | Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - |
| | Services | | - | - | - | - | - | - | - | - | - |
| | Licences and Rights | | - | - | - | - | - | - | - | - | - |
| | Intangible Assets | | - | - | - | - | - | - | - | - | - |
| | Computer Equipment | | - | - | - | - | - | - | - | - | - |
| | Furniture and Office Equipment | | - | - | - | - | - | - | - | - | - |
| | Machinery and Equipment | | - | - | - | - | - | - | - | - | - |
| | Transport Assets | | - | - | - | - | - | - | - | - | - |
| | Land | | - | - | - | - | - | - | - | - | - |
| | Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| | Mature | | - | - | - | - | - | - | - | - | - |
| | Inventory | | - | - | - | - | - | - | - | - | - |
| | Living Resources | | - | - | - | - | - | - | - | - | - |
| | Total Capital Expenditure | 4 | 11,160 | 23,628 | 19,262 | 52,930 | 54,743 | 54,743 | 49,405 | 44,304 | 44,617 |
| | Roads Infrastructure | | - | 16,734 | 16,734 | 40,000 | 53,600 | 53,600 | 39,120 | 36,620 | 36,620 |
| | Storm water Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Electrical Infrastructure | | 3,689 | 2,196 | 2,196 | - | - | - | 6,600 | 6,799 | 7,112 |
| | Water Supply Infrastructure | | 3,143 | 615 | 2,528 | - | - | - | - | - | - |
| | Sanitation Infrastructure | | 4,084 | 4,084 | - | - | - | - | - | - | - |
| | Solid Waste Infrastructure | | 244 | - | - | 1,500 | - | - | - | - | - |
| | Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - |
| | Infrastructure | | 11,160 | 23,628 | 19,262 | 41,500 | 53,600 | 53,600 | 45,720 | 43,419 | 43,732 |
| | Community Facilities | | - | - | - | 3,000 | 350 | 350 | 2,500 | - | - |
| | Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - |
| | Community Assets | | - | - | - | 3,000 | 350 | 350 | 2,500 | - | - |
| | Heritage Assets | | - | - | - | - | - | - | - | - | - |
| | Revenue Generating | | - | - | - | - | - | - | - | - | - |
| | Non-revenue Generating | | - | - | - | - | - | - | - | - | - |
| | Investment properties | | - | - | - | - | - | - | - | - | - |
| | Operational Buildings | | - | - | - | - | - | - | - | - | - |
| | Housing | | - | - | - | - | - | - | - | - | - |
| | Other Assets | | - | - | - | - | - | - | - | - | - |
| | Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - |
| | Services | | - | - | - | - | - | - | - | - | - |
| | Licences and Rights | | - | - | - | - | - | - | - | - | - |
| | Intangible Assets | | - | - | - | 500 | - | - | 500 | 500 | 500 |
| | Computer Equipment | | - | - | - | 500 | - | - | 500 | 500 | 500 |
| | Furniture and Office Equipment | | - | - | - | - | - | - | - | - | - |
| | Machinery and Equipment | | - | - | - | - | - | - | - | - | - |
| | Transport Assets | | - | - | - | - | - | - | - | - | - |
| | Land | | - | - | - | - | - | - | - | - | - |
| | Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| | Mature | | - | - | - | - | - | - | - | - | - |
| | Inventory | | - | - | - | - | - | - | - | - | - |
| | Living Resources | | - | | | | | | | | |

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% 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 A10 - Basic Service Delivery Measurement

NW385 Ramotshere Moiloa - Table A10 Basic service delivery measurement

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|--|-----|---------|---------|---------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| Household service targets | 1 | | | | | | | | | |
| Water: | | | | | | | | | | |
| Piped water inside dwelling | | - | - | - | - | - | - | - | - | - |
| Piped water inside yard (but not in dwelling) | | - | - | - | - | - | - | - | - | - |
| Using public tap (at least min.service level) | 2 | - | - | - | - | - | - | - | - | - |
| Other water supply (at least min.service level) | 4 | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | | | | | | | | | |
| Using public tap (< min.service level) | 3 | - | - | - | - | - | - | - | - | - |
| Other water supply (< min.service level) | 4 | - | - | - | - | - | - | - | - | - |
| No water supply | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | | | | | | | | | |
| Total number of households | 5 | - | - | - | - | - | - | - | - | - |
| 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) | | - | - | - | - | - | - | - | - | - |
| Electricity - prepaid (min.service level) | | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | | | | | | | | | |
| Electricity (< min.service level) | | - | - | - | - | - | - | - | - | - |
| Electricity - prepaid (< min. service level) | | - | - | - | - | - | - | - | - | - |
| Other energy sources | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | | | | | | | | | |
| Total number of households | 5 | - | - | - | - | - | - | - | - | - |
| Refuse: | | | | | | | | | | |
| Removed at least once a week | | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | | | | | | | | | |
| Removed less frequently than once a week | | - | - | - | - | - | - | - | - | - |
| Using communal refuse dump | | - | - | - | - | - | - | - | - | - |
| Using own refuse dump | | - | - | - | - | - | - | - | - | - |
| Other rubbish disposal | | - | - | - | - | - | - | - | - | - |
| No rubbish disposal | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | | | | | | | | | |
| Total number of households | 5 | - | - | - | - | - | - | - | - | - |
| Households receiving Free Basic Service | 7 | | | | | | | | | |
| 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) | | - | - | - | - | - | - | - | - | - |
| Informal Settlements | | | | | | | | | | |
| Cost of Free Basic Services provided - Formal Settlements (R'000) | | | | | | | | | | |
| Water (6 kilolitres per indigent household per month) | | - | - | - | - | - | - | 500 | 500 | 500 |
| Sanitation (free sanitation service to indigent households) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (50kwh per indigent household per month) | | 1,775 | 2,037 | 2,051 | - | - | - | 1,500 | 1,569 | 1,641 |
| Refuse (removed once a week for indigent households) | | - | - | - | - | - | - | - | - | - |
| Cost of Free Basic Services provided - Informal Formal Settlements (R'000) | | 0 | 0 | - | - | - | - | - | - | - |
| Total cost of FBS provided | 8 | 1,776 | 2,037 | 2,051 | - | - | - | 2,000 | 2,069 | 2,141 |
| Highest level of free service provided per household | | | | | | | | | | |
| Property rates (R value threshold) | | | | | | | | | | |
| Water (kilolitres per household per month) | | | | | | | | | | |
| Sanitation (kilolitres per household per month) | | | | | | | | | | |
| Sanitation (Rand per household per month) | | | | | | | | | | |
| Electricity (kwh per household per month) | | | | | | | | | | |
| Refuse (average litres per week) | | | | | | | | | | |
| Revenue cost of subsidised services provided (R'000) | 9 | | | | | | | | | |
| 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) | | 0 | 0 | - | - | - | - | - | - | - |
| 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 | | | | | | | | | | |
| Other | 6 | | | | | | | | | |
| Total revenue cost of subsidised services provided | | 0 | 0 | - | - | - | - | - | - | - |

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

2 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 Portfolio Chairpersons, Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor

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

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

2.1.1 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 2023/24 MTREF, based on the approved 2022/23 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2023/24 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2022/23 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.2 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2023/24 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2023/24 MTREF:

- 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 2022/23 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 112 and 115 has been taken into consideration in the planning and prioritisation process

2.2 Overview of alignment of annual budget with IDP

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

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

development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

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 2023/24 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.

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:

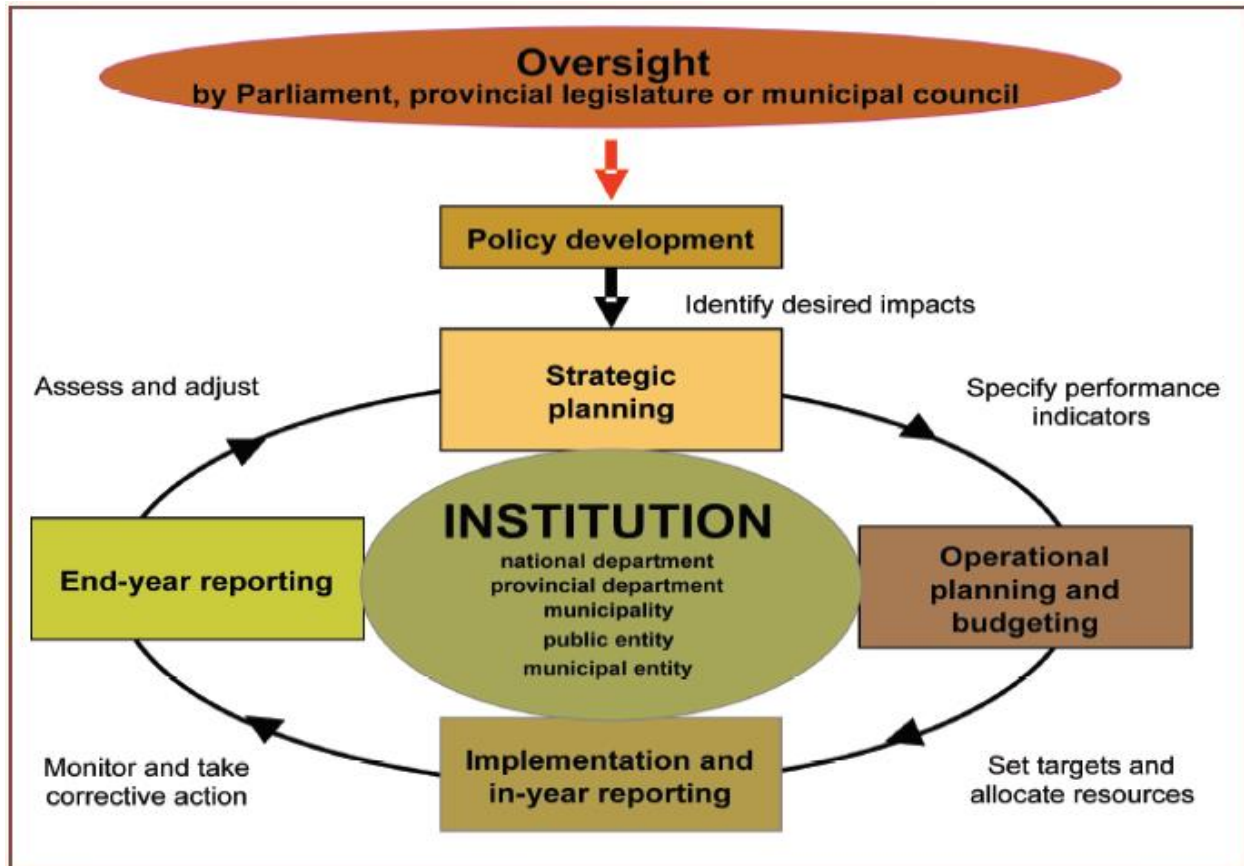


Figure 2 Planning, budgeting and reporting cycle

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).

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

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long-term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Ramotshere Moiloa Local Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. Ramotshere Moiloa Local Municipality's creditworthiness does not allow it to borrow funds to fund capital expenditure. The following financial performance indicators have formed part of the compilation of the 2023/24 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing.

2.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2020/21 MTREF the current ratio is 1 in the 2021/22 financial year and 1. This means there was no movement in the municipality's ability to pay its short term debts.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2021/22 financial year the ratio was 0.9 and in the 2020/21 it was also 0.9 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality,

which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.3.1.6 Other Indicators

- Employee costs as a percentage of operating revenue continues to increase over the MTREF.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2023/24 financial year 2 080 registered indigents have been provided for in the budget. This is due to the proper capturing of indigents on the municipality's indigent database. In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water, 50 kwh of electricity, 6kl sanitation as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

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

2.4 Overview of budget related-policies

SUMMARY OF CHANGES TO POLICIES

2.4.1 Cash Management and Investment Policy

- ✓ No changes in the policy

2.4.2 Indigent Management policy.

- ✓ Addition of new point chapter 3 clause 22(1)(c)(i) (aa)- The supply of electricity be limited to 20 ampere circuit breakers.

2.4.3 Credit Control and Debt Collection policy.

- ✓ The following clause under Section 24 (5) (Refunds) of the policy has been removed
or by the issue a cheque.
- ✓ The following clause under Section 25(6) (Payment facilities and methods for payments) has been removed from the policy:
- ✓ it will be within the sole discretion of the municipality whether to accept a cheque as payment of any amount due.
- ✓ Cheque option on the application forms.

- ✓ The banks no longer accept cheques, so the provisions are no longer relevant.

2.4.4 Rates policy

- ✓ No changes in the policy

2.4.5 Supply Chain Management Policy

2.4.5.1 The following should be incorporated under Clause 12.18 (Procurement of goods and services under contracts secured by other organs of state)

- e) The need for procuring goods or service through a contract secured by other state shall be recorded on the demand management plan and on the minutes of the specification
- f) When considering any contract secured by other organ of state, reports and supporting documents shall go through the committee system of the municipality
- g) Such service shall be sourced from an existing contract, with the same specification, terms and condition, in case of a long term or short-term contract, the contract shall lapse the same period as indicated on the contract of the principal organ of state or the organ of state which appointed the service provider or supplier.

2.4.5.2 Implications for the organ of the state who is a contract owner

- a) The application of regulation 32 in a procurement process effectively means that the accounting officer of the original contracting organ of state is willing to forfeit a portion of its contract that has not already been utilized to the Accounting officer who is requesting to procure under the contract.

- b) it may also mean the accounting officer may no longer procure goods and services from the contract anymore as the balance of the contract would have been allocated to the municipality or municipal entity that is requesting to procure under that contract.

- c) The accounting officer of the original contracting organ of the state undertakes such decision with knowledge that the original contracting organ of the state no longer requires the remaining portion of that contract. The accounting officer of the original contracting organ of the state must notify the accounting officer of the municipality or municipal entity that is procuring under the original contract of all changes to the contract.

2.4.5.3 panel of consultants/ list of approved service providers and framework agreements

- (a) RMLM must not participate on a panel secured another organ of the state as a panel of consultants or list of service providers or a panel of approved service providers is not a contract.

- (b) RMLM may only participate on framework agreements by organ of state, for example, State Information Technology Agency, the relevant treasury, that are empowered by legislation to arrange such on behalf of the organs of the state.

2.4.5.4 SCM Regulation 28 make the following provision:

28. Bid evaluation committees

- (1) A bid evaluation committee must—
 - (a) evaluate bids in accordance with—
 - (i) the specifications for a specific procurement; and

- (ii) the points system as must be set out in the supply chain management policy of the municipality or municipal entity in terms of regulation 27(2)(f) and as prescribed in terms of the Preferential Procurement Policy Framework Act;
- (b) evaluate each bidder's ability to execute the contract;
- (c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears; and
- (d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

Clause 12.11 sub section 5 of the municipal policy makes the following provision:

- (5) The responsible agent and the SCM compliance officer or delegated official (who is not a member of the Evaluation or Adjudication committee) must carry out a preliminary evaluation of all valid bids received and submit a draft bid evaluation report to the bid evaluation committee for consideration, this will happen only if the municipality have enough staff in scm.

The clause should be removed as its contrary to the SCM Regulation. The evaluation should be done by the Bid Evaluation Committee.

The following provisions pertaining variations should be incorporated into the municipal policy:

Amendments/ Expansion/ Extension/ Variation of contracts

- 1) Requests for amendments / expansion / extension / variation of contracts must be considered by the Bid Adjudication Committee.

- 2) Any amendments / expansion / extension / variation of a contract must be done in accordance with the provisions of the contract itself and in compliance with the NLM's delegation policy, provided that:
- (a) the requirements of section 33 of the MFMA are met; and
 - (b) the extension of the contract does not amount to the provision of new goods or services, such that the purposes of this policy are defeated.
 - (c) Project Managers must as far as possibly refrain from extending/expanding contracts and/or allowing variation orders as it increases the risks, reflects possible flaws in the planning process and it creates an uncompetitive environment, possibly unfairly prejudicing other possible vendors.
 - (d) The extension of a contract must be finalised before the current expiry date of the contract.
 - (e) Must comply with the provision of National Treasury Circular 62 that states that contracts may be expanded or varied by not more than 20% for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services of the original value of the contract.
 - (f) Any expansion or variation more than the thresholds stipulated in (e) above must be dealt with in terms of the provisions of section 116(3) of the MFMA and will be regarded as an amendment to the contract.
 - (g) Variations are not applicable to transversal term contracts, facilitated by the relevant treasuries on behalf of municipalities and municipal entities and, specific term contracts.

2.4.6 Asset Management policy

- ✓ The asset management policy is comprehensive and does cover all the process of managing assets through their lifecycle and includes their purchase, maintenance, use, disposal, and the management of risks

2.4.7 Tariff policy

- ✓ The municipal tariff policy reflects the principles referred to in terms of the provisions of section 74(2) of the Systems Act and addresses the matters referred to in terms of the provisions of section 74(3) of the same Act, as well as a schedule containing the municipal tariffs of the Municipality pertaining to the municipal services as set out in the tariff policy

2.4.8 UIFW policy

- ✓ The current policy is not consistent with the MFMA, Circulars and regulation and it is not comprehensive. A comprehensive policy should be developed for consideration
- ✓ The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The Financial Modelling and Scenario Planning Policy has directly informed the compilation of the 2021/22 MTREF with the emphasis on affordability and long-term sustainability. The policy dictates the approach to longer term financial modelling. The outcomes are then filtered into the budget process. The model and scenario planning outcomes are taken to Council every November and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features of the policy is the emphasis on financial sustainability. Amongst others,

the following has been modelled as part of the financial modelling and scenario planning process:

- Approved 2020/21 Adjustments Budget;
- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

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

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy)

2.5 Overview of budget assumptions

2.5.1 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.

2.5.2 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 (65 per cent) of annual billings. Cash flow is assumed to be 65 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.

2.5.3 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors 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.

2.5.4 Salary increases

The percentage increase for year 1 (2023/24) is 6.9%, with 6.9% and 6.9% increment for outer years respectfully.

2.5.5 Impact of national, provincial and local policies

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

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

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

2.5.6 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 2023/24 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 27 Breakdown of the operating revenue over the medium-term

NW385 Ramotshere Moiloa - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| Revenue | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | |
| Service charges - Electricity | 2 | 61,084 | 53,605 | 53,274 | 75,515 | 59,230 | 59,230 | - | 95,611 | 100,106 | 104,813 |
| Service charges - Water | 2 | 8,956 | 8,850 | 8,626 | 8,415 | 8,415 | 8,415 | - | 8,873 | 9,305 | 9,756 |
| Service charges - Waste Water Management | 2 | 388 | 436 | 259 | 591 | 591 | 591 | - | 828 | 866 | 906 |
| Service charges - Waste Management | 2 | 10,999 | 11,395 | 11,911 | 14,653 | 14,857 | 14,857 | 23 | 15,972 | 16,707 | 17,476 |
| Sale of Goods and Rendering of Services | | 453 | 654 | 739 | 14,223 | 1,743 | 1,743 | 36 | 1,752 | 1,940 | 2,149 |
| Agency services | | - | - | - | - | - | - | - | - | - | - |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 65 | - | - | - | - | - | - | - | - | - |
| Interest earned from Current and Non Current Assets | | 104 | 1 | 15 | 8 | 8 | 8 | - | 8 | 9 | 9 |
| Dividends | | 1,719 | 661 | 790 | - | - | - | - | - | - | - |
| Rent on Land | | - | - | - | - | - | - | - | - | - | - |
| Rental from Fixed Assets | | 398 | 97 | 92 | 5 | 5 | 5 | 10 | 12 | 13 | 13 |
| Licence and permits | | - | - | - | 2,924 | 2,924 | 2,924 | - | 8,000 | 8,368 | 8,753 |
| Operational Revenue | | 1,570 | 933 | 12,417 | 5,923 | 15,923 | 15,923 | 1 | 17,721 | 10,287 | 11,843 |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | 2 | 66,715 | 53,664 | 60,938 | 183,838 | 114,994 | 114,994 | - | 108,935 | 108,936 | 108,936 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 939 | 569 | 355 | 532 | 532 | 532 | 76 | 3,000 | 3,138 | 3,282 |
| Licences or permits | | 1,100 | 1,643 | 3,476 | 4,500 | 4,500 | 4,500 | - | 2,000 | 2,092 | 2,188 |
| Transfer and subsidies - Operational | | 178,805 | 218,936 | 186,742 | 230,906 | 218,906 | 218,906 | - | 251,436 | 251,878 | 247,370 |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | - | - | 44 | - | - | - | - | - | - | - |
| Other Gains | | - | - | - | - | - | - | - | - | - | - |
| Discontinued Operations | | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 333,296 | 351,444 | 339,678 | 542,031 | 442,626 | 442,626 | 146 | 514,149 | 513,643 | 517,493 |

Figure 3 Breakdown of operating revenue over the 2023/24 MTREF

NW385 Ramotshere Moiloa - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| Expenditure | | | | | | | | | | | |
| Employee related costs | 2 | 137,025 | 157,199 | 161,724 | 182,336 | 182,036 | 182,036 | 2,152 | 184,865 | 197,566 | 212,799 |
| Remuneration of councillors | | 16,996 | 18,308 | 15,581 | 15,539 | 15,539 | 15,539 | 503 | 12,420 | 13,277 | 14,193 |
| Bulk purchases - electricity | 2 | 56,093 | 60,986 | 72,407 | 56,000 | 81,012 | 81,012 | - | 92,401 | 96,651 | 101,097 |
| Inventory consumed | 8 | - | - | - | 2,500 | 30,340 | 30,340 | - | 28,209 | 30,326 | 29,703 |
| Debt impairment | 3 | 28,573 | 4,839 | 6,892 | - | - | - | - | 38,181 | 39,937 | 41,774 |
| Depreciation and amortisation | | 34,008 | 16,388 | 17,794 | 45,121 | 45,121 | 45,121 | - | 45,121 | 45,122 | 45,123 |
| Interest | | 6,557 | 2,607 | 5,029 | 1,456 | 4,000 | 4,000 | - | 1,000 | 1,046 | 1,094 |
| Contracted services | | 51,848 | 44,475 | 72,195 | 41,074 | 48,295 | 48,295 | - | 39,770 | 38,872 | 40,593 |
| Transfers and subsidies | | 730 | 779 | 510 | - | - | - | 28 | - | - | - |
| Irrecoverable debts written off | | 6,966 | 385 | - | 38,181 | 38,181 | 38,181 | - | - | - | - |
| Operational costs | | 31,927 | 59,513 | 57,945 | 50,751 | 52,202 | 52,202 | 45 | 56,381 | 73,521 | 80,322 |
| Losses on disposal of Assets | | - | - | - | - | - | - | - | - | - | - |
| Other Losses | | 3,039 | 1,355 | 5,730 | - | - | - | - | - | - | - |
| Total Expenditure | | 373,760 | 366,834 | 415,808 | 432,958 | 496,726 | 496,726 | 2,727 | 498,347 | 536,319 | 566,699 |

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.

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

The proposed tariff increases for the 2023/24 MTREF on the different revenue categories are:

Table 28 Proposed tariff increases over the medium-term

|  RAMOTSHERE - MOILOA LOCAL MUNICIPALITY - "NW385" DRAFT TARIFF STRUCTURE - PROPERTY RATES 2023/24 FINANCIAL YEAR | | | | | | | | | | | | |
|---|--|------------|------------|--------------|----------|--|----------------------------------|---|---|--|---------|---------------------|
| Notice is hereby given that in terms of Section 75A of the Local Government Municipal Systems Act (Act No:32 of 2000) Ramotshere Moiloa Local Municipality passed the following fees, tariffs and charges, rates for the 2022/2023 financial year as per Council Resolution No:on the May 2021, with effect from 1 July 2023. All tariffs are VAT exclusive. | | | | | | | | | | | | |
| PROPERTY RATES | CATEGORY OF PROPERTY | | | | | | | | | | | |
| | Residential/ Domestic | Industrial | Commercial | Agricultural | Mining | properties owned by organ of state used for public service purpose | Public Service Infrastructure | Property owned by public benefit organisations and used for specific public benefit activities | Property owned by public benefit organisations used for multi purpose, subject to section 9 | Property owned used for specific place for worship | Vacant | Special Category |
| Basic Charge - (in the Rand value) All areas | 0.01696 | 0.03392 | 0.03392 | 0.00424 | 0.03392 | 0.00424 | 0.00424 | 0.01696 | 0.03392 | 0.16960 | 0.33920 | |
| Rebates - % | | | | | | | | 100% | | 100% | | 10% |
| Retired and disabled persons on residential properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Owner with income less than R5000 per | 50% | - | - | - | - | - | - | - | - | - | - | - |
| Owner with income between R5001 and R10 000 | 40% | - | - | - | - | - | - | - | - | - | - | - |
| Exemptions | As contemplated in paragraph 10 (1) and (2) of the Municipal Property Rates Policy | | | | | | | | | | | |
| Reductions | | | | | | | | | | | | |
| Municipal Property Rates Act 2004 | R15,000 | | | R15,000 | | | | | | | | |
| % Discount - full settlement of rates before 30 September each year | 10% | 10% | 10% | 10% | | | | | 10% | 10% | | 10% |
| CONSUMER DEPOSITS - (Rand value) | R 3,071 | R 15,352 | R 36,845 | R - | R 36,845 | R 36,845 | R 36,845 | R 12,282 | R 12,282 | R 12,282 | R - | R 6,140 |

Revenue to be generated from property rates is R 109 million in the 2023/24 financial year which represents 20 per cent of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The Municipality is still in a process of further data verification and validation relating to the valuation roll. In addition, there are still outstanding objections. As the levying of property rates is considered a strategic revenue source, supplementary valuation process

will be undertaken in in the 2022/23 till 2024/25 financial years. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

Table 31 Sources of capital revenue over the MTREF

| Item Description | MTREF 2023/24 Budget | MTREF 2024/25 Budget | MTREF 2025/26 Budget |
|---|----------------------|----------------------|----------------------|
| FUNDING | | | |
| Municipal Infrastructure Grant | 41,620,000 | 41,620,000 | 41,620,000 |
| Integrated National Electrification Programme | - | 5,000,000 | 8,000,000 |
| Internal Funding | 15,995,000 | 9,784,000 | 10,096,754 |
| | 57,615,000 | 56,404,000 | 59,716,754 |

Figure 8 Sources of capital revenue for the 2023/2024 financial year

Capital grants and receipts equates to 72 per cent of the total funding source which represents R57 million for the 2023/24 financial year.

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

The following table is a detailed analysis of the Municipality's borrowing liability

2.6.3 Cash Flow Management

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

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

Table 34 MBRR Table A7 - Budget cash flow statement

NW385 Ramtoshere Moiloa - Table A7 Budgeted Cash Flows

| Description | Ref | 2019/20 | 2020/21 | 2021/22 | Current Year 2022/23 | | | | 2023/24 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2023/24 | Budget Year +1 2024/25 | Budget Year +2 2025/26 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | | - | - | - | 93,143 | - | - | - | 76,255 | 65,361 | 65,361 |
| Service charges | | - | - | - | 132,652 | 36,157 | 36,157 | - | 95,301 | 107,100 | 112,118 |
| Other revenue | | - | - | - | 32,513 | - | - | - | 27,460 | 19,243 | 21,354 |
| Transfers and Subsidies - Operational | 1 | - | (3,454) | (7,233) | 231,790 | 231,790 | 231,790 | - | 251,436 | 251,878 | 247,370 |
| Transfers and Subsidies - Capital | 1 | - | - | - | 42,105 | 55,705 | 55,705 | - | 43,876 | 50,761 | 55,726 |
| Interest | | - | - | - | - | - | - | - | 14 | 13 | 13 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | 24,453 | 10,805 | 10,179 | 366,863 | 352,213 | 352,213 | - | (414,045) | (450,213) | (478,708) |
| Finance charges | | - | - | - | 1,456 | 4,000 | 4,000 | - | (1,000) | (1,046) | (1,094) |
| Transfers and Subsidies | 1 | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 24,453 | 7,351 | 2,946 | 900,523 | 679,866 | 679,866 | - | 79,297 | 43,097 | 22,141 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current receivables | | - | 5,714 | 337 | (6,051) | - | - | - | (15,000) | (35,000) | (30,000) |
| Decrease (increase) in non-current investments | | - | 230 | - | (84) | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Capital assets | | - | - | - | (52,930) | (54,743) | (54,743) | - | (57,615) | (56,404) | (59,717) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | - | 5,945 | 337 | (59,065) | (54,743) | (54,743) | - | (72,615) | (91,404) | (89,717) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | (126) | (95) | (189) | - | - | - | (10) | 20,000 | 25,000 | 25,000 |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | (126) | (95) | (189) | - | - | - | (10) | 20,000 | 25,000 | 25,000 |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 24,327 | 13,200 | 3,094 | 841,458 | 625,123 | 625,123 | (10) | 26,682 | (23,307) | (42,575) |
| Cash/cash equivalents at the year begin: | 2 | (19,078) | (677) | (1,484) | - | - | - | 121 | 16,725 | 43,406 | 20,099 |
| Cash/cash equivalents at the year end: | 2 | 5,249 | 12,523 | 1,611 | 841,458 | 625,123 | 625,123 | 110 | 43,406 | 20,099 | (22,476) |

The above table shows that cash and cash equivalents of the Municipality are steadily decreasing in 2023/24 financial year however a positive cash balance of R 43 million to a is maintained.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

2.6.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short-term debt at the end of the financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are

insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 74.7, 76.0 and 75.5 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 75 per cent performance target, the cash flow statement has been conservatively determined. In addition, the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and

adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 3.9, 4.2 and 4.4 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position

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

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.5.11 *Consumer debtors change (Current and Non-current)*

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

2.6.5.12 *Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.13 *Asset renewal/rehabilitation expenditure level*

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

2.7 Annual budgets and SDBIPs – internal departments

The SDBIP's for the different departments will in terms of section 53(1)(c)(ii) of the MFMA be tabled and approved by the Mayor within 28 days after the approval of the annual budget

2.8 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.9 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 five 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 draft stage and will be finalised after approval of the 2023/24 MTREF in June 2023 directly aligned and informed by the 2023/24 MTREF.

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

2.10 Municipal manager’s quality certificate

I, Municipal Manager of Ramotshere Moilola 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 Moilola Local Municipality (NW 385)

Signature _____

Date _____