

SCHEDULE B

ADJUSTMENT BUDGET AND SUPPORTING DOCUMENTATION OF RAMOTSHERE MOILOA LOCAL MUNICIPALITY



ADJUSTMENT BUDGET OF RAMOTSHERE MOILOA LOCAL MUNICIPALITY



2023/24 TO 2024/26 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

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

SAPS	South African Police Service	SMME	Small Micro and Medium Enterprises
SDBIP	Service Delivery Budget		
	Implementation Plan		

Part 1 – Adjustment Budget

1.1 Mayor's Report

Honourable Speaker of Council-Cllr. P, Letshufi, Honourable Chairperson of Municipal Public Accounts-Cllr. Gasealaswe

Members of the Mayoral Committee, Managers, all protocol observed

Honourable Speaker

The Ramotshere Moiloa Local Municipality Council approved an annual budget for the 2023/24 financial year of R 559.93 million, comprising of R 518.98 million Operating Expenditure and R41.7 million for Capital expenditure.

During the mid-term assessment (section 72 report tabled in council on 31 January 2024) it was recommended that an adjustment to the approved budget be prepared.

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

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

Revenue:

Property rates to be adjusted upwards by R15 million from R108.94 million to 123.96 million

Sales of electricity to be adjusted upwards by R25.96 million from R96.22 million to R122.18million.

Expenditure

- Finance costs to be adjusted upward from R1million to R6million,
 - Depreciation adjusted downward from R45.12 million to R28.47million
 - Debt impairment adjusted upward from R38.37million to R79.55 million
 - Contracted services adjusted upwards from R26.55 million to R53.16 million
 - Other expenses adjusted downward from R70.3 million to R65.34million
-

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

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

1.2 Executive Summary

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

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

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

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

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

- The 2023/24 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 2024/25 annual budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

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

Table 1 Consolidated Overview of the 2023/24 MTREF

	Budget Year 2023/24			Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Total Adjustments	Adjusted Budget	Adjusted Budget	Adjusted Budget
Operating Revenue	514,157,248	66,505,328	554,011,226	615,502,330	652,432,470
Capital Revenue	43,876,000	(2,864,000)	40,941,000	45,761,000	47,726,000
	558,033,248	63,641,328	594,952,226	661,263,330	700,158,470
Operating Expenditure	488,347,069	30,638,901	518,985,971	539,558,270	571,931,767
Capital Expenditure	41,700,000	16,252,000	57,872,000	-	-
	530,047,069	46,890,901	576,857,971	539,558,270	571,931,767

The proposed adjustment budget of Ramotshere Moiloa Local municipality for the 2023/24 financial year totals R 576 million, comprising of R 518 million Operating Expenditure and R 57.87 million for Capital expenditure.

1.3 Operating Revenue Framework

For Ramotshere Moiloa Local Municipality to continue improving the quality of services provided to its communities it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence

difficult choices must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy.
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service.
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA).
- Increase ability to extend new services and recover costs.
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2023/24 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Choose name from list - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -												
Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	96,224	-	-	-	-	-	25,961	25,961	122,185	129,516	137,287
Service charges - Water	2	9,373	-	-	-	-	-	20	20	9,393	9,957	10,554
Service charges - Waste Water Management	2	828	-	-	-	-	-	-	-	828	877	930
Service charges - Waste Management	2	15,972	-	-	-	-	-	30	30	16,002	16,963	17,980
Sale of Goods and Rendering of Services												
Agency services												
Interest		8						306	306	314	333	353
Interest earned from Receivables												
Interest earned from Current and Non Current Assets								78	78	78	82	87
Dividends												
Rent on Land												
Rental from Fixed Assets		12								12	13	13
Licence and permits		10,000						4,000	4,000	14,000	14,840	15,730
Operational Revenue												
Non-Exchange Revenue												
Property rates	2	108,936	-	-	-	-	-	15,020	15,020	123,956	131,393	139,277
Surcharges and Taxes												
Fines, penalties and forfeits		3,000						2,285	2,285	5,285	5,602	5,938
Licences or permits												
Transfer and subsidies - Operational		251,436						(888)	(888)	250,548	265,581	281,516
Interest												
Fuel Levy												
Operational Revenue		18,360					-	(6,950)	(6,950)	11,410	12,095	12,821
Gains on disposal of Assets												
Other Gains												
Discontinued Operations												
Total Revenue (excluding capital transfers and contributions)		514,149	-	-	-	-	-	39,862	39,862	554,011	587,252	622,487

ADJUSTMENT BUDGET ASSUMPTIONS

The table above shows the operating revenue as well as the grants. The tabled revenue budget is R554m and total revenue raised as at 31 December 2023 is R294m. The budget is adjusted upward by R39m to R595m.

Service charges and Property rates

The significant increase is on service charges, mostly on electricity. Projected increase on electricity is as a result of planned activities by the management which include among others revenue protection plans, re-installation of smart meters in identified households, replacement on all bridged meters as well proper alignment of tariffs to correct property classifications in line with the valuation roll.

The municipality through valuation roll reconciliation and billing system identified lot of variances between property classification and rates used. This will result in an increase in rates revenue where most properties that were incorrectly classified in the billing system will be rated correctly. This also affects electricity tariffs that were used on same properties. During December 2023, we received R14m from both national and provincial departments of rural development. This

gave the municipality as boost in terms of revenue billable and cash flow. The proposed adjustment is inclusive of this revenue. through installation of new meters TID roll over process, will increase electricity revenue collection. The process will address issues around illegal connections, meter tampering, etc. There is an allocation of R2m towards procurement of smart meters in order to address all the revenue leaks in electricity. The municipality already has 200 single phase meters in store that can be installed instantly to all identified households as stated below. Commitment from technical services department is really needed to deal address the identified challenges.

PROGRESS ON THE TID ROLL OVER PROCESS

Through the appointed electricity vendor, MBL Smart Solutions, progress has been made in ward 15 and 16 with the following areas being covered already:

WARD 15

- ☐ Ikageleng
- ☐ Naledi
- ☐ Extentions 1,2 and 3
- ☐ One door area
- ☐ Henryville

WARD 16

- ☐ Skierlik
- ☐ Mmamokete
- ☐ Sandvlakte
- ☐ Coetzee Street

As at end of January 2024 a total of 1132 households were covered with reported number of faulty meters reported. These meters were either tempered with or households had direct connections to electricity with no meters installed or removed. These are households that need immediate attention for meter replacement and installation. A total of 240 faults has been reported (ward 15-158) and (ward 16- 82).

The following challenges have been identified to date:

- ☐ Tempered meters
 - ☐ By-passed meters with either damaged or burnt meters
 - ☐ Damaged keypads
 - ☐ Incompatibility to roll do TID Roll over
 - ☐ No meters in households
-

- ☐ Use of conventional meters
- ☐ Cables cut off without proper follow up by electricity unit officials
- ☐ Installation of meters without wiring to connect electricity
- ☐ Delays in ward 16 by the councilor to provide list of recruits in the area
- ☐ Refusal of entry by some residents
- ☐ Closed gates hindering access

Public safety revenue (agency fees) was originally not budgeted for however during the course of the financial year evidence came to light that there is revenue due from the provincial department of public safety. By midyear already R760k was collected from the department and we project that over the remaining period of the financial year.

Table 3 Operating Transfers and Grant Receipts

	MTREF BUDGET 2023/2024	ACTUALS YTD AS 31 Dec 2023	ADJUSTMENTS 2023/2024	FINAL ASJUSTED 2023/24 BUDGET
TRANSFERS	295,311,876	203,663,436	2,047,000	291,488,876
Finance Management Grant	2,300,000	435	-	2,300,000
Expanded Public Works Programme	1,715,000	-	-	1,715,000
Equitable Share	231,416,000	173,561,001	-	231,416,000
Municipal Infrastructure Grant	43,876,000	30,102,000	2,935,000	40,941,000
Dept .Sport Arts and Culture	888,000	-	888,000	-
Workshop_NMMDM	15,000,000	-	-	15,000,000
Integrated National Electrification Programme	-	-	-	-
Water Grant_NMMDM	-	-	-	-
LG-Seta	116,876	-	-	116,876

NMMDM Grant

There is no adjustment on the R15m originally forecasted from NMMDM even though there is no confirmation from the District Municipality that the grant will be paid. Skepticism should be exercised by Council to establish whether indeed this will eventually be paid or not, if not then an adjustment might be necessary to reflect that and seemingly all projected spending relating to funded by this grant should be reconsidered on the basis of cost versus revenue concept. Engagements between political heads of both municipalities are at advanced stages to

persuade the district municipality to release the funds to the Ramotshere Moiloa, as a result there is bit of hope that the funds may be paid soon as through the government lekgotla NMMDM has reported to have allocated over R100m towards service delivery issues within the district.

MIG Grant

The MIG is reduced by R2.9m from original allocation of R43.88m to R41m

as per DORA Amendment Bill Gazette 49500 of 24 October 2023 and hence the budget is adjusted.

Table 9 Summary of operating expenditure by standard classification item

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

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Expenditure By Type												
Employee related costs		184,864	–	–	–	–	–	(14,650)	(14,650)	170,214	180,427	191,253
Remuneration of councillors		12,420	–	–	–	–	–	1,367	1,367	13,787	14,614	15,491
Bulk purchases - electricity		92,401	–	–	–	–	–	34	34	92,435	97,981	103,860
Inventory consumed		27,434	–	–	–	–	–	(17,465)	(17,465)	9,969	10,567	11,201
Debt impairment		38,181	–	–	–	–	–	41,371	41,371	79,552	84,325	89,385
Depreciation and amortisation		45,121	–	–	–	–	–	(16,650)	(16,650)	28,471	30,179	31,990
Interest		1,000	–	–	–	–	–	5,053	5,053	6,053	6,416	6,801
Contracted services		26,550	–	–	–	–	–	26,613	26,613	53,163	56,353	59,734
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–
Operational costs		70,376	–	–	–	–	–	(5,035)	(5,035)	65,341	69,262	73,417
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		498,347	–	–	–	–	–	20,639	20,639	518,986	550,125	583,133

The budgeted allocation for employee related costs for the 2023/24 adjusted from R184.86 to R170.21 million, and Councilor's remuneration from R 12.42 million to R13.79 million.

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

The cost associated with the remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been considered in compiling the Municipality's budget.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

As part of the compilation of the 2023/24 adjustment MTREF, own funded capital expenditure has been adjusted from zero to R19 million for acquisition of plant, property and equipment to accelerate service delivery.

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 Capital expenditure

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

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

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

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		

Capital expenditure - Vote													
Multi-year expenditure to be adjusted	2												
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2												
Vote 1 - Executive and Council		-	-	-	-	-	60	60	60	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	76	76	76	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	2,500	2,500	2,500	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		41,700	-	-	-	-	(2,864)	(2,864)	38,836	45,761	47,726	-	-
Vote 10 - Road Transport		-	-	-	-	-	14,400	14,400	14,400	-	-	77,672	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	2,000	2,000	2,000	-	-	-	-
Capital single-year expenditure sub-total		41,700	-	-	-	-	16,172	16,172	57,872	45,761	125,398	-	-
Total Capital Expenditure - Vote		41,700	-	-	-	-	16,172	16,172	57,872	45,761	125,398	-	-
Capital Expenditure - Functional													
Governance and administration		-	-	-	-	-	136	136	136	-	-	-	-
Executive and council							60	60	60				
Finance and administration							76	76	76				
Internal audit							-	-	-				
Community and public safety		-	-	-	-	-	2,500	2,500	2,500	-	-	-	-
Community and social services							2,500	2,500	2,500				
Sport and recreation							-	-	-				
Public safety							-	-	-				
Housing							-	-	-				
Health							-	-	-				
Economic and environmental services		41,700	-	-	-	-	11,616	11,616	53,316	45,761	47,726	-	-
Planning and development		41,700					(2,784)	(2,784)	38,916	45,761	47,726	-	-
Road transport							14,400	14,400	14,400				
Environmental protection							-	-	-				
Trading services		-	-	-	-	-	2,000	2,000	2,000	-	-	-	-
Energy sources							-	-	-				
Water management							-	-	-				
Waste water management							-	-	-				
Waste management							2,000	2,000	2,000				
Other							-	-	-				
Total Capital Expenditure - Functional	3	41,700	-	-	-	-	16,252	16,252	57,952	45,761	47,726	-	-
Funded by:													
National Government		41,700					(2,864)	(2,864)	38,836				
Provincial Government							-	-	-				
District Municipality							-	-	-				
Transfers and subsidies - capital (in-kind)							-	-	-				
Transfers recognised - capital	4	41,700	-	-	-	-	(2,864)	(2,864)	38,836	-	-	-	-
Borrowing							-	-	-				
Internally generated funds							19,036	19,036	19,036				
Total Capital Funding		41,700	-	-	-	-	16,172	16,172	57,872	-	-	-	-

For 2023/24 an amount of R41.70 million has been appropriated for the development of infrastructure funded by Municipal Infrastructure Grant. The budget development of infrastructure is adjusted by R2.78 million.

The total capital expenditure is budget is revised from R 41.70 million to R 57.9 million and the significant difference is made by R 19 million of programmes funded by internally generated funds.

Figure 1 Capital Infrastructure Program

Department	Project Description	BUDGET 2023/2024	ACTUAL YTD	ADJUSTMEN T 2023/2024	FINAL BUDGET
Project Management Unit	MIG Projects	41,620,000	22,836,870	(2,784,000)	38,836,000
Mechanical Workshop	New Vehicle(TLB)	2,000,000	1,308,699	1,000,000	3,000,000
Mechanical Workshop	NP 200 *4 (Finance, Corporate, LED, Political office)	-	-	1,000,000	1,000,000
Mechanical Workshop	Replacement of Petrol Tank			4,000,000	4,000,000
Office of the Mayor	OFFICE FURNITURE	-	-	45,000	45,000
Office of the Mayor	AIRCONS	-	-	15,000	15,000
Office of the CFO	SMALL BOARDROOM TABLE AND CHAIRS	-	-	40,000	40,000
Office of the CFO	EXECUTIVE CHAIR	-	-	24,000	24,000
Office of the CFO	AIRCONDITIONER	-	-	12,000	12,000
Refuse Removal	REFUSE TRUCK	-	-	2,000,000	2,000,000
Municipal Works	Internal Road Reseal	-	-	6,000,000	6,000,000
Municipal Works	BOMAG ROLLER	-	-	400,000	400,000
Municipal Buildings	BACK UP POWER SUPPLY	-	-	2,500,000	2,500,000
		43,620,000	24,145,569	14,252,000	57,872,000

1.5 Annual Budget Tables - Parent Municipality

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

Choose name from list - Table B1 Adjustments Budget Summary -

Choose name from list - Table B1 Adjustments Budget Summary -											
Description	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	108,936	-	-	-	-	-	15,020	15,020	123,956	131,393	139,277
Service charges	122,397	-	-	-	-	-	26,011	26,011	148,408	157,313	166,752
Investment revenue	-	-	-	-	-	-	78	78	78	82	87
Transfers recognised - operational	251,436	-	-	-	-	-	(888)	(888)	250,548	265,581	281,516
Other own revenue	31,380	-	-	-	-	-	(359)	(359)	31,022	32,883	34,856
Total Revenue (excluding capital transfers and contributions)	514,149	-	-	-	-	-	39,862	39,862	554,011	587,252	622,487
Employee costs	184,864	-	-	-	-	-	(14,650)	(14,650)	170,214	180,427	191,253
Remuneration of councillors	12,420	-	-	-	-	-	1,367	1,367	13,787	14,614	15,491
Depreciation & asset impairment	83,302	-	-	-	-	-	24,721	24,721	108,023	114,505	121,375
Finance charges	1,000	-	-	-	-	-	5,053	5,053	6,053	6,416	6,801
Inventory consumed and bulk purchases	119,834	-	-	-	-	-	(17,431)	(17,431)	102,403	108,548	115,060
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	96,926	-	-	-	-	-	21,579	21,579	118,505	125,615	133,152
Total Expenditure	498,347	-	-	-	-	-	20,639	20,639	518,986	550,125	583,133
Surplus/(Deficit)	15,802	-	-	-	-	-	19,223	19,223	35,025	37,127	39,354
Transfers and subsidies - capital (monetary allocations)	43,876	-	-	-	-	-	(2,935)	(2,935)	40,941	45,761	47,726
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	59,678	-	-	-	-	-	16,288	16,288	75,966	82,888	87,080
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	59,678	-	-	-	-	-	16,288	16,288	75,966	82,888	87,080
Capital expenditure & funds sources											
Capital expenditure	41,700	-	-	-	-	-	16,172	16,172	57,872	45,761	125,398
Transfers recognised - capital	41,700	-	-	-	-	-	(2,864)	(2,864)	38,836	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	19,036	19,036	19,036	-	-
Total sources of capital funds	41,700	-	-	-	-	-	16,172	16,172	57,872	-	-
Financial position											
Total current assets	157,506	-	-	-	-	-	92,238	92,238	249,744	408,439	409,898
Total non current assets	681,020	-	-	-	-	-	-	-	681,020	721,882	765,194
Total current liabilities	172,233	-	-	-	-	-	-	-	172,233	172,233	172,233
Total non current liabilities	40,397	-	-	-	-	-	-	-	40,397	40,397	40,397
Community wealth/Equity	625,888	-	-	-	-	-	65,524	65,524	691,412	889,439	943,083
Cash flows											
Net cash from (used) operating	58,650	-	-	-	-	-	87,971	87,971	146,621	389,329	391,989
Net cash from (used) investing	(56,700)	-	-	-	-	-	(1,172)	(1,172)	(57,872)	(96,620)	(87,620)
Net cash from (used) financing	20,000	-	-	-	-	-	(20,000)	(20,000)	-	(25,000)	(25,000)
Cash/cash equivalents at the year end	38,675	-	-	-	-	-	74,773	74,773	113,448	282,709	295,369
Cash backing/surplus reconciliation											
Cash and investments available	38,675	-	-	-	-	-	74,773	74,773	113,448	282,709	295,369
Application of cash and investments	(66,907)	-	-	-	-	-	(4,298)	(4,298)	(71,205)	(47,747)	(46,720)
Balance - surplus (shortfall)	105,582	-	-	-	-	-	79,071	79,071	184,653	330,456	342,089
Asset Management											
Asset register summary (WDV)	621,554	-	-	-	-	-	-	-	621,554	32,967	33,279
Depreciation	45,121	-	-	-	-	-	(16,650)	(16,650)	28,471	30,179	31,990
Renewal and Upgrading of Existing Assets	-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	3,080	-	-	-	-	-	2,785	2,785	5,866	6,217	6,591
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table B1 - Budget Summary

1. Table B1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
 2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
 3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
 4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.
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Table 12 MBRR Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

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

Standard Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
<i>Governance and administration</i>		217,233	-	-	-	-	-	25,116	25,116	242,349	256,890	272,303
Executive and council		44,467	-	-	-	-	-	-	-	44,467	47,135	49,964
Finance and administration		163,969	-	-	-	-	-	25,116	25,116	189,085	200,430	212,456
Internal audit		8,797	-	-	-	-	-	-	-	8,797	9,324	9,884
<i>Community and public safety</i>		25,725	-	-	-	-	-	(832)	(832)	24,893	26,386	27,970
Community and social services		17,121	-	-	-	-	-	(832)	(832)	16,289	17,267	18,302
Sport and recreation		7,953	-	-	-	-	-	-	-	7,953	8,430	8,936
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		651	-	-	-	-	-	-	-	651	690	731
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		155,655	-	-	-	-	-	(13,338)	(13,338)	142,317	150,856	159,907
Planning and development		66,418	-	-	-	-	-	(20,123)	(20,123)	46,294	49,072	52,016
Road transport		89,237	-	-	-	-	-	6,785	6,785	96,022	101,784	107,891
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		159,413	-	-	-	-	-	25,981	25,981	185,394	224,768	238,254
Energy sources		96,224	-	-	-	-	-	25,961	25,961	122,185	157,766	167,232
Water management		24,373	-	-	-	-	-	20	20	24,393	25,857	27,408
Waste water management		17,868	-	-	-	-	-	(30)	(30)	17,838	18,908	20,042
Waste management		20,948	-	-	-	-	-	30	30	20,978	22,236	23,571
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	558,025	-	-	-	-	-	36,927	36,927	594,952	658,900	698,434
Expenditure - Functional												
<i>Governance and administration</i>		155,595	-	-	-	-	-	93,869	93,869	249,463	264,431	280,297
Executive and council		44,467	-	-	-	-	-	3,917	3,917	48,385	51,288	54,365
Finance and administration		102,331	-	-	-	-	-	87,515	87,515	189,846	201,237	213,311
Internal audit		8,797	-	-	-	-	-	2,436	2,436	11,233	11,907	12,621
<i>Community and public safety</i>		22,598	-	-	-	-	-	(7,072)	(7,072)	15,526	16,457	17,445
Community and social services		14,194	-	-	-	-	-	(7,152)	(7,152)	7,042	7,464	7,912
Sport and recreation		7,753	-	-	-	-	-	41	41	7,794	8,262	8,758
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		651	-	-	-	-	-	39	39	689	731	774
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		159,657	-	-	-	-	-	(61,143)	(61,143)	98,514	104,425	110,690
Planning and development		69,267	-	-	-	-	-	(18,949)	(18,949)	50,318	53,337	56,537
Road transport		90,390	-	-	-	-	-	(42,194)	(42,194)	48,196	51,088	54,153
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		160,498	-	-	-	-	-	(5,015)	(5,015)	155,483	164,994	174,894
Energy sources		113,413	-	-	-	-	-	(1,131)	(1,131)	112,282	119,201	126,353
Water management		15,523	-	-	-	-	-	(1,902)	(1,902)	13,620	14,438	15,304
Waste water management		18,319	-	-	-	-	-	(1,713)	(1,713)	16,606	17,602	18,658
Waste management		13,244	-	-	-	-	-	(269)	(269)	12,975	13,754	14,579
<i>Other</i>		-	-	-	-	-	-	-	-	-	1,038,315	-
Total Expenditure - Functional	3	498,347	-	-	-	-	-	20,639	20,639	518,986	1,588,623	583,326
Surplus/ (Deficit) for the year		59,678	-	-	-	-	-	16,288	16,288	75,966	(929,723)	115,108

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

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

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

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

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Executive and Council		44,467	-	-	-	-	-	-	-	44,467	47,135	49,964
Vote 2 - Finance and Administration		148,052	-	-	-	-	-	25,116	25,116	173,168	183,558	194,572
Vote 3 - Internal Audit		8,797	-	-	-	-	-	-	-	8,797	9,324	9,884
Vote 4 - Community and Social Services		33,038	-	-	-	-	-	(832)	(832)	32,206	34,138	36,186
Vote 5 - Sport and Recreation		7,953	-	-	-	-	-	-	-	7,953	8,430	8,936
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		651	-	-	-	-	-	-	-	651	690	731
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		66,418	-	-	-	-	-	(20,123)	(20,123)	46,294	49,072	52,016
Vote 10 - Road Transport		89,237	-	-	-	-	-	6,785	6,785	96,022	101,784	107,891
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		96,224	-	-	-	-	-	25,961	25,961	122,185	129,516	137,287
Vote 13 - Water Management		24,373	-	-	-	-	-	20	20	24,393	25,857	27,408
Vote 14 - Waste Water Management		17,868	-	-	-	-	-	(30)	(30)	17,838	18,908	20,042
Vote 15 - Waste Management		20,948	-	-	-	-	-	30	30	20,978	22,236	23,571
Total Revenue by Vote	2	558,025	-	-	-	-	-	36,927	36,927	594,952	630,649	668,488
Expenditure by Vote	1											
Vote 1 - Executive and Council		42,820	-	-	-	-	-	3,916	3,916	46,737	51,288	54,365
Vote 2 - Finance and Administration		118,284	-	-	-	-	-	95,054	95,054	213,338	223,408	236,813
Vote 3 - Internal Audit		8,797	-	-	-	-	-	8,797	8,797	17,593	11,907	12,621
Vote 4 - Community and Social Services		14,194	-	-	-	-	-	(7,223)	(7,223)	6,971	29,524	31,295
Vote 5 - Sport and Recreation		7,753	-	-	-	-	-	41	41	7,794	8,262	8,758
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		405	-	-	-	-	-	284	284	689	731	774
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		26,878	-	-	-	-	-	(16,154)	(16,154)	10,724	53,337	56,537
Vote 10 - Road Transport		81,510	-	-	-	-	-	(35,813)	(35,813)	45,697	51,088	54,153
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		113,413	-	-	-	-	-	12,828	12,828	126,241	119,201	126,353
Vote 13 - Water Management		15,523	-	-	-	-	-	(1,902)	(1,902)	13,620	14,438	15,304
Vote 14 - Waste Water Management		18,319	-	-	-	-	-	(1,713)	(1,713)	16,606	17,602	18,658
Vote 15 - Waste Management		13,244	-	-	-	-	-	(269)	(269)	12,975	13,754	14,579
Total Expenditure by Vote	2	461,140	-	-	-	-	-	57,846	57,846	518,986	594,538	630,211
Surplus/ (Deficit) for the year	2	96,885	-	-	-	-	-	(20,919)	(20,919)	75,966	36,111	38,278

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

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

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

Choose name from list - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -												
Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	96,224	-	-	-	-	-	25,961	25,961	122,185	129,516	137,287
Service charges - Water	2	9,373	-	-	-	-	-	20	20	9,393	9,957	10,554
Service charges - Waste Water Management	2	828	-	-	-	-	-	-	-	828	877	930
Service charges - Waste Management	2	15,972	-	-	-	-	-	30	30	16,002	16,963	17,980
Sale of Goods and Rendering of Services									-	-	-	-
Agency services									-	-	-	-
Interest		8						306	306	314	333	353
Interest earned from Receivables									-	-	-	-
Interest earned from Current and Non Current Assets								78	78	78	82	87
Dividends									-	-	-	-
Rent on Land									-	-	-	-
Rental from Fixed Assets		12							-	12	13	13
Licence and permits		10,000						4,000	4,000	14,000	14,840	15,730
Operational Revenue									-	-	-	-
Non-Exchange Revenue												
Property rates	2	108,936	-	-	-	-	-	15,020	15,020	123,956	131,393	139,277
Surcharges and Taxes									-	-	-	-
Fines, penalties and forfeits		3,000						2,285	2,285	5,285	5,602	5,938
Licences or permits									-	-	-	-
Transfer and subsidies - Operational		251,436						(888)	(888)	250,548	265,581	281,516
Interest									-	-	-	-
Fuel Levy									-	-	-	-
Operational Revenue		18,360					-	(6,950)	(6,950)	11,410	12,095	12,821
Gains on disposal of Assets									-	-	-	-
Other Gains									-	-	-	-
Discontinued Operations									-	-	-	-
Total Revenue (excluding capital transfers and contributions)		514,149	-	-	-	-	-	39,862	39,862	554,011	587,252	622,487
Expenditure By Type												
Employee related costs		184,864	-	-	-	-	-	(14,650)	(14,650)	170,214	180,427	191,253
Remuneration of councillors		12,420						1,367	1,367	13,787	14,614	15,491
Bulk purchases - electricity		92,401	-	-	-	-	-	34	34	92,435	96,651	101,097
Inventory consumed		27,434	-	-	-	-	-	(17,465)	(17,465)	9,969	10,567	11,201
Debt impairment		38,181						41,371	41,371	79,552	84,325	89,385
Depreciation and amortisation		45,121						(16,650)	(16,650)	28,471	30,179	31,990
Interest		1,000						5,053	5,053	6,053	6,416	6,801
Contracted services		26,550	-	-	-	-	-	26,613	26,613	53,163	56,353	59,734
Transfers and subsidies									-	-	-	-
Irrecoverable debts written off									-	-	-	-
Operational costs		70,376					-	(5,035)	(5,035)	65,341	69,262	73,417
Losses on disposal of Assets									-	-	-	-
Other Losses									-	-	-	-
Total Expenditure		498,347	-	-	-	-	-	20,639	20,639	518,986	548,795	580,370
Surplus/(Deficit)		15,802	-	-	-	-	-	19,223	19,223	35,025	38,456	42,117
Transfers and subsidies - capital (monetary allocations)		43,876						(2,935)	(2,935)	40,941	45,761	47,726
Transfers and subsidies - capital (in-kind - all)									-	-	-	-
Surplus/(Deficit) before taxation		59,678	-	-	-	-	-	16,288	16,288	75,966	84,217	89,843
Income Tax									-	-	-	-
Surplus/(Deficit) after taxation		59,678	-	-	-	-	-	16,288	16,288	75,966	84,217	89,843
Share of Surplus/Deficit attributable to Joint Venture									-	-	-	-
Share of Surplus/Deficit attributable to Minorities									-	-	-	-
Surplus/(Deficit) attributable to municipality		59,678	-	-	-	-	-	16,288	16,288	75,966	84,217	89,843
Share of Surplus/Deficit attributable to Associate									-	-	-	-
Intercompany/Parent subsidiary transactions									-	-	-	-
Surplus/ (Deficit) for the year	1	59,678	-	-	-	-	-	16,288	16,288	75,966	84,217	89,843

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

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

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. 8	Nat. or Prov. Govt 9	Other Adjsts. 10	Total Adjsts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		-	-	-	-	-	-	60	60	60	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	76	76	76	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	2,500	2,500	2,500	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		41,700	-	-	-	-	-	(2,864)	(2,864)	38,836	45,761	47,726
Vote 10 - Road Transport		-	-	-	-	-	-	14,400	14,400	14,400	-	77,672
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	2,000	2,000	2,000	-	-
Capital single-year expenditure sub-total		41,700	-	-	-	-	-	16,172	16,172	57,872	45,761	125,398
Total Capital Expenditure - Vote		41,700	-	-	-	-	-	16,172	16,172	57,872	45,761	125,398
Capital Expenditure - Functional												
Governance and administration		-	-	-	-	-	-	136	136	136	-	-
Executive and council								60	60	60		
Finance and administration								76	76	76		
Internal audit								-	-	-		
Community and public safety		-	-	-	-	-	-	2,500	2,500	2,500	-	-
Community and social services								2,500	2,500	2,500		
Sport and recreation								-	-	-		
Public safety								-	-	-		
Housing								-	-	-		
Health								-	-	-		
Economic and environmental services		41,700	-	-	-	-	-	11,616	11,616	53,316	45,761	47,726
Planning and development		41,700						(2,784)	(2,784)	38,916	45,761	47,726
Road transport								14,400	14,400	14,400		
Environmental protection								-	-	-		
Trading services		-	-	-	-	-	-	2,000	2,000	2,000	-	-
Energy sources								-	-	-		
Water management								-	-	-		
Waste water management								-	-	-		
Waste management								2,000	2,000	2,000		
Other								-	-	-		
Total Capital Expenditure - Functional	3	41,700	-	-	-	-	-	16,252	16,252	57,952	45,761	47,726
Funded by:												
National Government		41,700						(2,864)	(2,864)	38,836		
Provincial Government								-	-	-		
District Municipality								-	-	-		
Transfers and subsidies - capital (in-kind)								-	-	-		
Transfers recognised - capital	4	41,700	-	-	-	-	-	(2,864)	(2,864)	38,836	-	-
Borrowing								-	-	-		
Internally generated funds								19,036	19,036	19,036		
Total Capital Funding		41,700	-	-	-	-	-	16,172	16,172	57,872	-	-

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

1. Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
 2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations
 3. Single-year capital expenditure has been adjusted to R 57.9 million for the 2023/24 financial year.
 4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
 5. The capital programme is funded from capital grants and transfers as well as internally generated funds
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Table 16 MBRR Table B6 - Budgeted Financial Position

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

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
ASSETS												
Current assets												
Cash and cash equivalents		38,675	–	–	–	–	–	74,773	74,773	113,448	282,709	295,369
Trade and other receivables from exchange transactions	1	–	–	–	–	–	–	–	–	–	–	–
Receivables from non-exchange transactions	1	–	–	–	–	–	–	–	–	–	–	–
Current portion of non-current receivables	2	146,265	–	–	–	–	–	–	–	146,265	146,265	146,265
Inventory		(17,434)	–	–	–	–	–	7,465	7,465	(9,969)	(9,969)	(9,969)
VAT		–	–	–	–	–	–	–	–	–	–	–
Other current assets		–	–	–	–	–	–	–	–	–	–	–
Total current assets		167,506	–	–	–	–	–	82,238	82,238	249,744	419,006	431,666
Non current assets												
Investments		–	–	–	–	–	–	–	–	–	–	–
Investment property		–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	680,593	–	–	–	–	–	–	–	680,593	721,429	764,714
Biological assets		–	–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–	–
Heritage assets		405	–	–	–	–	–	–	–	405	429	455
Intangible assets		23	–	–	–	–	–	–	–	23	24	25
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–	–
Total non current assets		681,020	–	–	–	–	–	–	–	681,020	721,882	765,194
TOTAL ASSETS		848,527	–	–	–	–	–	82,238	82,238	930,765	1,140,887	1,196,860
LIABILITIES												
Current liabilities												
Bank overdraft		–	–	–	–	–	–	–	–	–	–	–
Financial liabilities		169,564	–	–	–	–	–	–	–	169,564	169,564	169,564
Consumer deposits		2,668	–	–	–	–	–	–	–	2,668	2,668	2,668
Trade and other payables from exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Trade and other payables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Provisions		–	–	–	–	–	–	–	–	–	–	–
VAT		–	–	–	–	–	–	–	–	–	–	–
Other current liabilities		–	–	–	–	–	–	–	–	–	–	–
Total current liabilities		172,233	–	–	–	–	–	–	–	172,233	172,233	172,233
Non current liabilities												
Borrowing	1	–	–	–	–	–	–	–	–	–	–	–
Provisions	1	40,397	–	–	–	–	–	–	–	40,397	40,397	40,397
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		–	–	–	–	–	–	–	–	–	–	–
Total non current liabilities		40,397	–	–	–	–	–	–	–	40,397	40,397	40,397
TOTAL LIABILITIES		212,630	–	–	–	–	–	–	–	212,630	212,630	212,630
NET ASSETS	2	635,896	–	–	–	–	–	82,238	82,238	718,134	928,257	984,230
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		69,686	–	–	–	–	–	33,002	33,002	102,689	121,705	128,227
Funds and Reserves		–	–	–	–	–	–	–	–	–	–	–
Other		566,210	–	–	–	–	–	49,236	49,236	615,446	806,552	856,003
TOTAL COMMUNITY WEALTH/EQUITY		635,896	–	–	–	–	–	82,238	82,238	718,134	928,257	984,230

Explanatory notes to Table B6 - Budgeted Financial Position

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

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

3. This table providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions;
 - Changes in net assets; and
 - Reserves
 4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
 5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.
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Table 17 MBRR Table B7 - Budgeted Cash Flow Statement

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

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		114,615						(52,453)	(52,453)	62,162	65,361	65,361
Service charges		95,341						61,671	61,671	157,012	107,100	112,118
Other revenue		25,235						25,296	25,296	50,532	19,243	21,354
Transfers and Subsidies - Operational	1	237,733						(2,185)	(2,185)	235,548	251,878	247,370
Transfers and Subsidies - Capital	1	888						40,124	40,124	41,012	50,761	55,726
Interest		-						11,435	11,435	11,435	13	13
Dividends		-					-		-	-		
Payments												
Suppliers and employees		(414,045)						9,135	9,135	(404,909)	(97,981)	(103,860)
Finance charges		(1,000)						(5,053)	(5,053)	(6,053)	(6,000)	(5,000)
Transfers and Subsidies	1	(117)							-	(117)	(1,046)	(1,094)
NET CASH FROM/(USED) OPERATING ACTIVITIES		58,650	-	-	-	-	-	87,971	87,971	146,621	389,329	391,989
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE									-	-		
Decrease (increase) in non-current receivables		(15,000)						15,000	15,000	-	(35,000)	(30,000)
Decrease (increase) in non-current investments									-	-		
Payments												
Capital assets		(41,700)						(16,172)	(16,172)	(57,872)	(51,620)	(57,620)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(56,700)	-	-	-	-	-	(1,172)	(1,172)	(57,872)	(86,620)	(87,620)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									-	-		
Borrowing long term/refinancing									-	-		
Increase (decrease) in consumer deposits		20,000						(20,000)	(20,000)	-	25,000	25,000
Payments												
Repayment of borrowing									-	-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		20,000	-	-	-	-	-	(20,000)	(20,000)	-	25,000	25,000
NET INCREASE/ (DECREASE) IN CASH HELD		21,950	-	-	-	-	-	66,799	66,799	88,749	327,709	329,369
Cash/cash equivalents at the year begin:	2	16,725						7,974	7,974	24,699	15,000	16,000
Cash/cash equivalents at the year end:	2	38,675						74,773	74,773	113,448	342,709	345,369

Explanatory notes to Table B7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

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

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

Choose name from list - Table B6 Cash backed reserves/accumulated surplus reconciliation -												
Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
<u>Cash and investments available</u>												
Cash/cash equivalents at the year end	1	38,675	-	-	-	-	-	66,799	66,799	105,474	(116,504)	(144,338)
Other current investments > 90 days		(38,675)	-	-	-	-	-	(66,799)	(66,799)	(105,474)	116,504	144,338
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	-	-	-	-	-	-	-	-	-	-
<u>Applications of cash and investments</u>												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing									-	-		
Statutory requirements												
Other working capital requirements	2	-	-					-	-	-	-	-
Other provisions												
Long term investments committed		-	-					-	-	-	-	-
Reserves to be backed by cash/investments		-	-					-	-	-	-	-
Total Application of cash and investments:		-	-	-	-	-	-	-	-	-	-	-
Surplus(shortfall)												

Explanatory notes to Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. The table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Choose name from list - Table B9 Asset Management -													
Description		Ref	Budget Year 2023/24								Budget Year +1 2024/25		Budget Year +2 2025/26
R thousands			Original Budget A	Prior Adjusted Δ1	Accum. Funds B	Multi-year capital C	Unfore. Unavoid. D	Nat. or Prov. Govt E	Other Adjuts. F	Total Adjuts. G	Adjusted Budget H	Adjusted Budget I	
CAPITAL EXPENDITURE													
Total Renewal Assets to be adjusted			1	41,700	-	-	-	-	16,252	16,252	57,952	45,761	47,726
	Roads Infrastructure		41,700						(284)	(284)	41,416	45,761	47,726
	Storm water Infrastructure												
	Electrical Infrastructure												
	Water Supply Infrastructure												
	Sewerage Infrastructure												
	Solid Waste Infrastructure												
	Rail Infrastructure												
	Coastal Infrastructure												
	Information and Communication Infrastructure												
	Infrastructure		41,700						(284)	(284)	41,416	45,761	47,726
	Community Facilities												
	Sport and Recreation Facilities												
	Community Assets												
	Heritage Assets												
	Revenue Generating												
	Non-revenue Generating												
	Investment properties												
	Operational Buildings								4,000	4,000	4,000		
	Housing												
	Other Assets								4,000	4,000	4,000		
	Biological or Cultivated Assets												
	Services												
	Licences and Rights												
	Intangible Assets												
	Computer Equipment												
	Furniture and Office Equipment								136	136	136		
	Machinery and Equipment												
	Transport Assets								12,400	12,400	12,400		
	Land												
	Zoo's, Marine and Non-biological Animals												
	Mature												
	Inventures												
	Living Resources												
Total Renewal of Existing Assets to be adjusted			2										
	Roads Infrastructure												
	Storm water Infrastructure												
	Electrical Infrastructure												
	Water Supply Infrastructure												
	Sewerage Infrastructure												
	Solid Waste Infrastructure												
	Rail Infrastructure												
	Coastal Infrastructure												
	Information and Communication Infrastructure												
	Infrastructure												
	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												
	Inventures												
	Living Resources												
Total Upgrading of Existing Assets to be adjusted			2a										
	Roads Infrastructure												
	Storm water Infrastructure												
	Electrical Infrastructure												
	Water Supply Infrastructure												
	Sewerage Infrastructure												
	Solid Waste Infrastructure												
	Rail Infrastructure												
	Coastal Infrastructure												
	Information and Communication Infrastructure												
	Infrastructure												
	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												
	Inventures												
	Living Resources												
Total Capital Expenditure to be adjusted			4	41,700	-	-	-	-	16,252	16,252	57,952	45,761	47,726
ASSET REGISTER SUMMARY - PPE (WDV)			5	621,554	-	-	-	-	-	-	621,554	32,967	33,279
	Roads Infrastructure		24,033								24,033	21,832	22,145
	Storm water Infrastructure												
	Electrical Infrastructure		58,555								58,555		
	Water Supply Infrastructure												
	Sewerage Infrastructure												
	Solid Waste Infrastructure												
	Rail Infrastructure												
	Coastal Infrastructure												
	Information and Communication Infrastructure												
	Infrastructure		82,588								82,588	21,832	22,145
	Community Assets		45,438								45,438	6,708	6,708
	Heritage Assets		405								405	-	-
	Investment properties												
	Other Assets		4,513								4,513	85	85
	Biological or Cultivated Assets												
	Intangible Assets		545								545	800	800
	Computer Equipment		1,042								1,042	657	657
	Furniture and Office Equipment		2								2	733	733
	Machinery and Equipment		3,538								3,538	1,633	1,632
	Transport Assets		435,581								435,581	519	519
	Land		47,904								47,904		
	Zoo's, Marine and Non-biological Animals												
	Mature												
	Inventures												
	Living Resources												
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)			5	621,554	-	-	-	-	-	-	621,554	32,967	33,279
EXPENDITURE OTHER ITEMS													
Depreciation & asset impairment													
Renewal and Maintenance by asset class			3	45,121	-	-	-	-	(16,650)	(16,650)	28,471	30,179	31,990
	Roads Infrastructure												
	Storm water Infrastructure												
	Electrical Infrastructure												
	Water Supply Infrastructure												
	Sewerage Infrastructure												
	Solid Waste Infrastructure												
	Rail Infrastructure												
	Coastal Infrastructure												
	Information and Communication Infrastructure												
	Infrastructure												
	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												
	Inventures												
	Living Resources												
TOTAL EXPENDITURE OTHER ITEMS to be adjusted				45,121	-	-	-	-	(16,650)	(16,650)	28,471	30,179	31,990
Renewal and upgrading of Existing Assets as % of deprecn				0.0%	0.0%						0.0%	0.0%	0.0%
R&M as a % of PPE				0.0%	0.0%						0.0%	0.0%	0.0%
Renewal and upgrading and R&M as a % of PPE				0.0%	0.0%						0.0%	0.0%	0.0%

Explanatory notes to Table B9 - Asset Management

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

Legislation compliance status

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

1. In year reporting

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

2. Internship programme

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

3. Budget and Treasury Office

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

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a final stage and will be finalized after approval of the 2023/24 Adjustment MTREF in February 2024 directly aligned and informed by the Adjusted 2023/24 Budget

6. Annual Report

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

7. Policies

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

9. Risk Management

A Risk Committee has been established and is functional

1.6 Municipal manager's quality certificate

I, municipal manager of Ramotshere Moiloa Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal Manager of Ramotshere Moiloa Local Municipality (NW 385)

Signature _____

Date _____