

SCHEDULE A

**ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF RAMOTSHERE
MOILOA LOCAL MUNICIPALITY**



**ANNUAL BUDGET OF
RAMOTSHERE MOILOA LOCAL MUNICIPALITY**



**2025/26 TO 2027/28
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

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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 Letshufi, Honourable Chairperson of Municipal Public Accounts-Cllr. Gasealahwe, members of the Mayoral Committee, the Provincial Executive Representative, Dr. Moatlhodi Dilotsotlhe, Senior Managers of the municipality, all protocol observed.

Honourable Speaker,

The proposed budget of Ramotshere Moiloa Local Municipality for the 2025/26 financial year totals R 548 992million, comprising of R497 636 million Operating Expenditure and R51 355 million for Capital expenditure.

The decline in the growth in revenue is due to the decrease in National and Provincial allocation and lack of growth in developments within the municipality thereby affecting the revenue base. The municipality should venture into attracting investors to its jurisdiction that will foster developments that will create jobs and increase in much needed revenue base. The lack of growth in revenue adversely affects non implementation of capital projects needed to provide service delivery to the rate payers and residents at large.

Capital budget is mainly funded from the Municipal Infrastructure Grant (MIG). This budget is aimed at addressing service delivery backlogs as listed in the Council's adopted IDP. Council should note that due to the dire economic conditions in the country and the world as a whole it is difficult to fully implement our IDP due to low and no growth in the economy, insufficient funding from the national fiscus as well lack of private sector funding, this further calls for Council to be creative in seeking alternative sources of funding in order to enable it to deliver needed basic services to the communities through partnership with the private sector and the international communities. The administration is currently embarking on a drive lure potential investors into the municipality with efforts to grow and change the outlook of the town with developments that will trigger job creation opportunities, increase in revenue base.

The budgeted collection rate for the 2025/26 financial year is 80% which is still below the 90% target set by National Treasury. The average collection rate in the second quarter of 2024/25 was sitting at 79%. The municipality's approval by National Treasury to participate in the smart meter project is expected to improve the revenue collection in the municipality. The expected return in this investment has been projected to bring in additional revenue of at least R8m in the first half of the financial year.

Management is applauded for prioritising debt collection and implementing cost containment measures in expenditure management. The municipality is in its second year of participation in the Eskom Debt relief program. National treasury is finalising the write off of the first one third of the debt under the relief of about R30m. We further appreciate all efforts of the finance team headed by our Chief Financial Officer, Mr. Kagiso Noke, for

maintaining the current account consistently for the past 17 months. Thank you team BTO for all your hard work.

I recommend that the Council approves and adopts the following resolutions:

1.2 Council Resolutions

See attached resolution 01/03/2025

1.3 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 were used to guide the compilation of the 2025/26 MTREF.

The main challenges experienced during the compilation of the 2025/26 MTREF can be summarized as follows:

- Ageing 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. *- /+9/
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.
- The effect of low collection rate, breaches in electricity meters, high distribution losses on electricity and water.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2025/26 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2025/26 MTREF

Description	FINAL BUDGET 2024/2025	BUDGET 2025/2026	BUDGET 2026/2027	BUDGET 2027/2028
Total Revenue	580 134 778	546 613 515	563 618 956	594 258 827
Operating Expenditure	622 279 608	497 636 878	528 954 265	540 096 963
Surplus/(Defici)	(42 144 830)	48 976 637	34 664 691	54 161 864
Capital Expenditure	77 297 568	51 355 407	46 961 225	8 500 000
Total Budget	699 577 176	548 992 285	575 915 490	548 596 963

The proposed budget of Ramotshere Moiloa Local municipality for the 2025/26 financial year totals R 548 992 285, comprising of R 497 636 878 Operating Expenditure and R51 355 407 for Capital expenditure.

Table 2 MBRR Table A1 - Budget Summary**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 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 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.

1.4 Table 3 Summary of revenue classified by main revenue source

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	79 529	128 172	-	-	82 640	110 762	117 271	125 164
Service charges - Water	2	-	-	11 484	14 239	-	-	11 321	21 059	21 763	22 307
Service charges - Waste Water Management	2	-	-	317	5 369	-	-	3 000	3 663	3 758	3 852
Service charges - Waste Management	2	-	-	12 403	12 601	-	-	9 194	9 775	11 187	11 466
Sale of Goods and Rendering of Services		-	-	572	429	-	-	5 373	963	513	517
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		-	-	-	330	-	-	2 911	4 184	4 373	4 482
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	3	-	-	-	14	1 371	1 428	13 712
Licence and permits		-	-	4 586	-	-	-	1 446	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	(15 862)	9 343	-	-	1 814	10 500	8 748	8 891
Non-Exchange Revenue											
Property rates	2	6 264	6 638	69 735	69 267	-	-	68 306	72 808	72 769	74 588
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	3 053	5 544	-	-	969	5 871	6 135	6 018
Licences or permits		-	-	1 996	14 686	-	-	122	6 360	6 646	6 519
Transfer and subsidies - Operational		-	-	235 745	249 138	-	-	246 947	250 608	255 774	262 155
Interest		-	-	1 461	10 453	-	-	113	5 500	5 748	5 891
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	860	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cont		6 264	6 638	405 882	519 572	-	-	434 170	503 426	516 112	545 564

The revenue projections are mainly based on the MFMA circular 129 December 2024, the projections are informed by consumer price index (CPI) 2025/26 (5.9%), 2026/27(4.5%) and 2027/28(2.5%)

➤ Electricity Services

The municipality identified Commercial (57) and Domestic (560) Prepaid meters as no-buy meters during October 2024. These meters have been earmarked for replacement using smart meters

grant roll-out technology project currently municipality is participating. The anticipated average revenue to be generated is as follows:

- R2 500 per meter per month has been projected as additional revenue to be generated totaling R1 710 000 on commercial.
- R500 per month per meter has been projected to be derived from these meters totaling R3 360 000

➤ **Water**

Currently the municipality is billing optimally when it comes to water service. The projected revenue are as follows:

Agriculture R636 842, Business R7 427 485 (385 customers), GOVT (16 customers) R176 262, Industrial (47 customers) R768 797, Churches (25 customers) R422 937, Residential (3496 HH) R13 181 079 = R22 613 402

- **Traffic fines** a projection based on an average of 6518 tickets totaling R5.8m with a target collection of 45%.
- **Sale of land** through planning and development unit projected to R13,5m over the MTREF. This was informed by the successful tabling of the land audit report. Exco took the following resolutions to council
- ✓ That a moratorium on land sales be lifted
 - ✓ That strategic land parcels along the N4 route be disposed off to potential developers through public request for proposals for high end development in town
 - ✓ That available municipal owned farms be leased to interested parties in order to generate revenue for the municipality.
- **Building Plans:** Provision for anticipated development mentioned above has been made as plans will be submitted to the municipality for approval. There are also plans to conduct property audit on existing buildings to identify transgressions and any developments done without the approval of the municipality, e.g. illegal tuckshops, backroom dwellings and flats built within primary residence dwelling. Anticipated revenue from this line item is R600 000 over the MTREF

1.5 Table 4 Summary of expenditure classified by source

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

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
Expenditure												
Employee related costs	2	-	-	161 884	164 064	175 200	175 200	114 092	176 663	181 637	186 266	
Remuneration of councillors		-	-	16 584	17 706	15 220	15 220	12 487	15 308	15 802	16 089	
Bulk purchases - electricity	2	-	-	93 065	101 737	113 737	113 737	81 180	100 000	104 500	107 113	
Inventory consumed	8	-	-	4 526	21 704	19 567	19 567	6 581	5 900	418	428	
Debt impairment	3	-	-	-	28 160	28 160	28 160	-	41 000	31 163	31 942	
Depreciation and amortisation		-	-	35 033	52 919	44 302	44 302	25 167	30 392	30 392	30 392	
Interest		-	-	(10 154)	6 053	6 053	6 053	(555)	3 049	6 291	6 448	
Contracted services		-	-	54 534	72 034	59 699	59 699	50 080	74 560	97 548	98 727	
Transfers and subsidies		-	-	712	-	-	-	-	-	-	-	
Irrecoverable debts written off		-	-	25 656	-	58 843	58 843	58 843	-	-	-	
Operational costs		-	-	51 529	64 443	84 096	84 096	32 743	50 765	61 204	62 692	
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	
Other Losses		-	-	-	-	-	-	-	-	-	-	
Total Expenditure		-	-	433 369	528 820	604 876	604 876	380 618	497 637	528 954	540 097	

The expenditure projections are mainly based on the MFMA circular 129 December 2024, the projections are informed by consumer price index (CPI) 2025/26 (5.9%), 2026/27(4.5%) and 2027/28(2.5%)

- ✓ **The employee related costs and councilors' remunerations** projected at 5.9%, MFMA circular 129 is not specific hence it is the discretion of municipality taking into account collective agreements. It should be noted that the municipality is still awaiting the revised organogram from COGTA. The budget provision of a % higher than the CPI index should cushion the municipality when that structure is finally approved and implemented. Consideration of such an eventuality will be dealt with during the adjustment budget should a need arises.
- ✓ **Debt impairment** is based on the 20% of uncollectable debt on the debtor's book
- ✓ **Finance charges** – there is not much increase since the Eskom Debt Relief was approved, only 5.9% on the current budget and there is relief in interest charges arising from non-payment of Eskom account.
- ✓ **Repairs and maintenance** – the norm is 8% of plant, property and equipment (PPE) and investment properties. RAMS has assisted municipalities in the district with road master plans in 2024/35 financial year. The cost of required repairs and maintenance to implement RAMS recommendations is currently at R46m. This will need to factored into the MTEF. The budget inputs are based on actual and historical data. Attention should be paid to the consumables stores vote where the infrastructure department purchases most of the items of repairs and maintenance from, especially water and electricity.

- ✓ **Cost of Bulk purchase on electricity-** The provision for bulk purchases has been set at R100m for the 2025/26 financial year. This cost will be aligned to the anticipated increase by NERSA when published.
- ✓ **Contracted services-** these are mainly services that are outsourced to service providers to render service for the municipality, The total contacted services amount to R60 million, the main ones are: the security and guarding services is R20,2million, financial system support R10 million and AFS compilation R8 million, outsourced repairs and maintenance, R12,7m, records management R3,5m as well as legal fees of R2,5m.
- ✓ **The other expenditures** include various operating line items, that is, printing and stationery, subsistence and travelling, entertainment allowance, accommodation, etc.

Some items included in other expenditure are repairs and maintenance in nature however due to mscoa mapping and charts they are included in this line item.

Table 5 Operating Transfers and Grant Receipts

	BUDGET 2025/2026	BUDGET 2026/2027	BUDGET 2027/2028
TRANSFERS	293,796,000	309,602,222	341,831,119
Finance Management Grant	2,300,000	500,000	500,000
Expanded Public Works Programme	1,754,000	1,832,930	1,878,753
Equitable Share	244,281,000	255,273,645	261,655,486
Municipal Infrastructure Grant	45,461,000	47,506,745	48,694,414
Dept .Sport Arts and Culture	-	1,327,986	13,611,857
Integrated National Electrification Programme	-	-	-
Water Grant _NMMDM	-	3,160,916	15,490,610
LG-Seta	-	-	-

Total grants and transfers totals R 293,796,000 in the 2025/26 financial year and steadily increased to R341,831,119 by 2027/28. The above table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term.

MBRR Table 6_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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		6 264	6 638	163 725	209 081	245 092	245 092	233 251	287 404	298 730
Executive and council		–	–	16 056	48 494	48 494	48 494	49 234	169 776	166 742
Finance and administration		6 264	6 638	144 737	152 700	188 711	188 711	179 148	112 760	127 119
Internal audit		–	–	2 932	7 886	7 886	7 886	4 869	4 869	4 869
<i>Community and public safety</i>		–	–	30 827	56 939	45 085	45 085	46 582	15 763	24 935
Community and social services		–	–	11 231	8 532	7 626	7 626	11 538	2 982	12 398
Sport and recreation		–	–	7 953	8 825	8 825	8 825	13 507	–	–
Public safety		–	–	10 914	39 144	28 196	28 196	19 920	12 782	12 537
Housing		–	–	730	438	438	438	1 617	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		–	–	105 762	92 762	87 114	87 114	114 095	106 473	107 804
Planning and development		–	–	48 895	70 670	65 020	65 020	74 157	66 535	67 866
Road transport		–	–	56 868	22 092	22 094	22 094	39 938	39 938	39 938
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		–	–	157 058	206 213	217 891	217 891	152 686	153 979	162 790
Energy sources		–	–	106 110	130 385	140 385	140 385	110 762	117 271	125 164
Water management		–	–	16 252	22 128	22 128	22 128	21 059	21 763	22 307
Waste water management		–	–	17 089	24 196	24 275	24 275	3 663	3 758	3 852
Waste management		–	–	17 606	29 503	31 102	31 102	17 201	11 187	11 466
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	6 264	6 638	457 373	564 996	595 182	595 182	546 614	563 619	594 259
Expenditure - Functional										
<i>Governance and administration</i>		–	–	211 688	239 068	314 721	314 721	217 812	226 573	230 687
Executive and council		–	–	44 257	45 918	54 439	54 439	48 807	50 429	51 502
Finance and administration		–	–	159 514	185 373	248 589	248 589	164 055	171 067	174 033
Internal audit		–	–	7 917	7 776	11 692	11 692	4 950	5 078	5 152
<i>Community and public safety</i>		–	–	33 295	44 805	34 399	34 399	50 560	51 749	53 043
Community and social services		–	–	6 534	17 938	8 010	8 010	24 716	24 046	24 647
Sport and recreation		–	–	9 433	8 838	8 154	8 154	8 840	9 934	10 183
Public safety		–	–	16 997	17 690	17 874	17 874	15 434	16 129	16 532
Housing		–	–	331	340	361	361	1 570	1 640	1 681
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		–	–	32 534	53 294	53 766	53 766	74 595	81 177	82 460
Planning and development		–	–	15 665	21 992	20 759	20 759	21 723	23 648	24 239
Road transport		–	–	16 869	31 301	33 007	33 007	52 873	57 529	58 220
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		–	–	155 852	193 660	203 991	203 991	154 669	169 454	173 907
Energy sources		–	–	109 596	122 877	149 762	149 762	114 472	123 255	126 324
Water management		–	–	12 350	25 833	15 493	15 493	10 208	9 468	9 942
Waste water management		–	–	14 194	28 346	16 724	16 724	15 492	17 036	17 462
Waste management		–	–	19 712	16 603	22 011	22 011	14 497	19 695	20 180
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	–	–	433 369	530 826	606 876	606 876	497 637	528 954	540 097
Surplus/(Deficit) for the year		6 264	6 638	24 004	34 169	(11 695)	(11 695)	48 977	34 665	54 162

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)

3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not 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. The main issues is attributed to cost reflective tariffs not be levied to consumers due to overburdening on cost or repairs, theft of infrastructure on electricity cables which distort the natural elements of tariffs. This results in the cost of repairs, maintenance and replacement of infrastructure to be exorbitant unnecessarily. Our communities are therefore urged as well to assist in protecting of our assets and safeguarding of our infrastructure as the consequence thereof goes back to the same consequences.
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.

MBRR Table7 A4 - Budgeted Financial Performance (revenue and expenditure)

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	79 529	128 172	138 172	138 172	82 657	110 762	117 271	125 164
Service charges - Water	2	-	-	11 484	14 239	14 239	14 239	11 332	21 059	21 763	22 307
Service charges - Waste Water Management	2	-	-	317	5 369	5 448	5 448	3 000	3 663	3 758	3 852
Service charges - Waste Management	2	-	-	12 403	12 601	14 200	14 200	9 023	9 775	11 187	11 466
Sale of Goods and Rendering of Services		-	-	572	429	654	654	6 638	963	513	517
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		-	-	516	330	4 281	4 281	2 911	4 184	4 373	4 482
Dividends		-	-	3 672	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	3	-	23	23	14	1 371	1 428	13 712
Licence and permits		-	-	4 586	-	44	44	1 446	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	(15 862)	9 343	21 137	21 137	1 814	10 500	8 748	8 891
Non-Exchange Revenue											
Property rates	2	6 264	6 638	69 735	69 267	83 615	83 615	68 300	72 808	72 769	74 588
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	3 053	5 544	5 674	5 674	972	5 871	6 135	6 018
Licences or permits		-	-	1 996	14 686	3 611	3 611	122	6 360	6 646	6 519
Transfer and subsidies - Operational		-	-	235 745	249 138	248 205	248 205	246 947	250 608	255 774	262 155
Interest		-	-	1 461	10 453	10 453	10 453	113	5 500	5 748	5 891
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	860	-	-	-	-	-	-	-
Other Gains		-	-	(111)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cont		6 264	6 638	409 958	519 572	549 758	549 758	435 289	503 426	516 112	545 564
Expenditure											
Employee related costs	2	-	-	161 884	164 064	175 200	175 200	114 092	176 663	181 637	186 266
Remuneration of councillors		-	-	16 584	17 706	15 220	15 220	12 487	15 308	15 802	16 089
Bulk purchases - electricity	2	-	-	93 065	101 737	113 737	113 737	81 180	100 000	104 500	107 113
Inventory consumed	8	-	-	4 526	21 704	19 567	19 567	6 581	5 900	418	428
Debt impairment	3	-	-	-	28 160	28 160	28 160	-	41 000	31 163	31 942
Depreciation and amortisation		-	-	35 033	52 919	44 302	44 302	25 167	30 392	30 392	30 392
Interest		-	-	(10 154)	6 053	6 053	6 053	(555)	3 049	6 291	6 448
Contracted services		-	-	54 534	72 034	59 699	59 699	50 080	74 560	97 548	98 727
Transfers and subsidies		-	-	712	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	25 656	-	58 843	58 843	58 843	-	-	-
Operational costs		-	-	51 529	64 443	84 096	84 096	32 743	50 765	61 204	62 692
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		-	-	433 369	528 820	604 876	604 876	380 618	497 637	528 954	540 097
Surplus/(Deficit)		6 264	6 638	(23 410)	(9 249)	(55 119)	(55 119)	54 671	5 789	(12 842)	5 467
Transfers and subsidies - capital (monetary)	6	-	-	48 163	45 424	45 424	45 424	65 519	43 188	47 507	48 694
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		6 264	6 638	24 752	36 175	(9 695)	(9 695)	120 189	48 977	34 665	54 162
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		6 264	6 638	24 752	36 175	(9 695)	(9 695)	120 189	48 977	34 665	54 162
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		6 264	6 638	24 752	36 175	(9 695)	(9 695)	120 189	48 977	34 665	54 162
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	6 264	6 638	24 752	36 175	(9 695)	(9 695)	120 189	48 977	34 665	54 162

MBRR Table 8 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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		–	–	18 988	56 380	56 380	56 380	54 102	174 645	171 611
Vote 2 - FINANCE AND ADMINISTRATION		6 264	6 638	116 401	120 382	156 393	156 393	136 261	95 138	109 497
Vote 3 - TECHNICAL SERVICES		–	–	249 964	253 160	263 253	263 253	238 505	247 858	257 578
Vote 4 - COMMUNITY AND SOCIAL SERVICES		–	–	63 621	107 176	96 921	96 921	87 432	26 950	36 401
Vote 5 - PLANNING AND DEVELOPMENT		–	–	8 627	27 897	22 235	22 235	30 313	19 028	19 172
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	6 264	6 638	457 600	564 996	595 182	595 182	546 614	563 619	594 259
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		–	–	52 174	53 695	66 132	66 132	53 757	55 507	56 654
Vote 2 - FINANCE AND ADMINISTRATION		–	–	119 049	155 710	227 666	227 666	147 133	153 523	157 356
Vote 3 - TECHNICAL SERVICES		–	–	161 796	208 303	219 433	219 433	208 175	222 370	226 101
Vote 4 - COMMUNITY AND SOCIAL SERVICES		–	–	85 415	82 983	74 837	74 837	70 950	80 229	82 227
Vote 5 - PLANNING AND DEVELOPMENT		–	–	12 736	19 733	18 808	18 808	17 622	17 325	17 758
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	–	–	431 170	520 424	606 876	606 876	497 637	528 954	540 097
Surplus/(Deficit) for the year	2	6 264	6 638	26 431	44 572	(11 695)	(11 695)	48 977	34 665	54 162

Explanatory notes to MBRR Table 9 A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the 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.

MBRR Table 10 A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional											
Governance and administration		-	-	21	16 320	11 772	11 772	1 657	3 100	9 000	1 500
Executive and council		-	-	-	70	130	130	-	60	-	-
Finance and administration		-	-	21	16 250	11 552	11 552	1 657	3 000	9 000	1 500
Internal audit		-	-	-	-	90	90	-	40	-	-
Community and public safety		-	-	-	4 510	5 510	5 510	-	6 000	6 000	-
Community and social services		-	-	-	3 210	2 210	2 210	-	6 000	6 000	-
Sport and recreation		-	-	-	1 300	3 300	3 300	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	47 720	56 675	56 675	47 086	40 755	31 161	7 000
Planning and development		-	-	-	39 570	50 215	50 215	45 739	37 755	24 161	-
Road transport		-	-	-	8 150	6 460	6 460	1 347	3 000	7 000	7 000
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	9 163	8 813	8 813	974	1 500	800	-
Energy sources		-	-	-	2 213	2 213	2 213	964	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	6 950	6 600	6 600	10	1 500	800	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	-	-	21	77 713	82 770	82 770	49 717	51 355	46 961	8 500
Funded by:											
National Government		-	-	-	43 783	54 548	54 548	46 703	37 755	24 161	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	-	43 783	54 548	54 548	46 703	37 755	24 161	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	33 720	28 012	28 012	2 844	13 600	22 800	8 500
Total Capital Funding	7	-	-	-	77 503	82 560	82 560	49 547	51 355	46 961	8 500

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 adjusted to R 51.35 million for the 2025/26 financial year and remains relatively constant over the MTREF at levels of R 46.96 million and R 8.5

million respectively for the two outer years. The amount of R37.75m is budgeted for new and upgrading of projects, the remaining balance will be used for previous retentions.

4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital grants and transfers as well as internally generated funds

Table MBRR Table 11- A7 - Budgeted Cash Flow

NW385 Ramotshere Moiloa - Table A7 Budgeted Cash Flows

Wototo Rameshware Wototo - Table A1 Budgeted Cash Flows											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	66 892	66 892	66 892	–	69 712	69 988	71 738
Service charges		–	–	–	128 304	139 226	139 226	–	135 941	166 679	175 858
Other revenue		–	–	–	26 681	28 708	28 708	(0)	22 064	23 471	35 657
Transfers and Subsidies - Operational	1	–	–	–	252 459	250 255	250 255	778 710	250 608	255 774	262 155
Transfers and Subsidies - Capital	1	–	–	–	45 424	45 424	45 424	–	43 188	47 507	48 694
Interest		–	–	–	–	–	–	–	9 684	10 120	10 373
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		–	–	(3 329)	(456 794)	(477 468)	(477 468)	(359 891)	(460 260)	(509 257)	(520 471)
Interest		–	–	–	(6 053)	(6 053)	(6 053)	–	(3 049)	(6 291)	(6 448)
Transfers and Subsidies	1	–	–	–	–	(37)	(37)	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	–	(3 329)	56 914	46 948	46 948	418 819	67 887	57 990	77 557
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	–	(87 093)	(93 318)	(93 318)	(938)	(65 033)	(54 138)	(9 788)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	(87 093)	(93 318)	(93 318)	(938)	(65 033)	(54 138)	(9 788)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	86	(359)	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	86	(359)	–	–
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	–	–	(3 329)	(30 179)	(46 370)	(46 370)	417 967	2 496	3 852	67 770
Cash/cash equivalents at the year end:	2	–	–	13 740	–	–	–	13 740	15 234	17 730	21 582
	2	–	–	10 411	(30 179)	(46 370)	(46 370)	431 706	17 730	21 582	89 352

1.5.1 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.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2025/26 financial year based on a zero per cent increase from 1 July 2025 is contained below:

Table MBRR Table 12- A6- Table A6 Budgeted Financial Position

NW385 Ramotshere Moiloa - Table A6 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		-	-	15 234	(28 849)	(42 089)	(42 089)	96 544	17 730	3 852	67 770
Trade and other receivables from exchange transactions	1	-	-	340 662	14 369	19 018	19 018	323 477	347 876	(28 247)	(28 953)
Receivables from non-exchange transactions	1	18 792	25 430	(140 287)	2 375	(50 946)	(50 946)	(135 269)	309 721	2 781	2 850
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	-	8 914	(20 404)	(19 567)	(19 567)	(2 474)	14 466	11 547	11 636
VAT		-	-	79 643	45 161	60 320	60 320	81 113	47 387	45 879	40 762
Other current assets		-	-	-	-	-	-	-	5 299	-	-
Total current assets		18 792	25 430	304 166	11 651	(33 265)	(33 265)	363 393	742 478	35 812	94 265
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	43 638 474.00	-	(1 400)	(1 400)	42 653	1 983	-	-
Property, plant and equipment	3	-	-	690 859	24 794	40 168	40 168	717 598	755 400	16 569	(21 892)
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	405	-	-	-	405	-	-	-
Intangible assets		-	-	15	-	(300)	(300)	12	-	-	-
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		-	-	734 917	24 794	38 468	38 468	760 668	757 384	16 569	(21 892)
TOTAL ASSETS		18 792	25 430	1 039 083	36 446	5 203	5 203	1 124 061	1 499 862	52 382	72 373
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	408	-	-	-	322	(359)	-	-
Consumer deposits		-	-	2 977	-	-	-	3 052	3 142	-	-
Trade and other payables from exchange transactions	4	-	-	161 910	2 276	13 391	13 391	153 132	162 013	2 101	2 154
Trade and other payables from non-exchange transactions	5	-	-	-	-	-	-	(10 744)	70 354	-	-
Provision		-	-	7 707	-	-	-	7 707	18 740	-	-
VAT		-	-	78 609	-	3 506	3 506	63 131	16 876	15 616	16 057
Other current liabilities		-	-	-	-	-	-	-	-	-	-
Total current liabilities		-	-	251 612	2 276	16 897	16 897	216 600	270 767	17 717	18 211
Non current liabilities											
Financial liabilities	6	-	-	1 088	-	-	-	1 088	1 190	-	-
Provision	7	-	-	87 761	-	-	-	87 761	40 397	-	-
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	46 681	-	-	-	46 681	-	-	-
Total non current liabilities		-	-	135 530	-	-	-	135 530	41 587	-	-
TOTAL LIABILITIES		-	-	387 141	2 276	16 897	16 897	352 130	312 354	17 717	18 211
NET ASSETS		18 792	25 430	651 941	34 169	(11 695)	(11 695)	772 131	1 187 508	34 665	54 162
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	18 792	25 430	698 622	36 175	(9 695)	(9 695)	818 812	1 187 508	34 665	54 162
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	18 792	25 430	698 622	36 175	(9 695)	(9 695)	818 812	1 187 508	34 665	54 162

Table MBRR Table 13 - Table A8 Cash backed reserves/accumulated surplus reconciliation

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

These amounts are in \$'000 unless stated otherwise. All figures are unaudited and are preliminary.											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	–	–	10 411	(30 179)	(46 370)	(46 370)	431 706	17 730	21 582	89 352
Other current investments > 90 days		–	–	4 823	330	4 281	4 281	(335 162)	–	(17 730)	(21 582)
Non current investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		–	–	15 234	(29 849)	(42 089)	(42 089)	96 544	17 730	3 852	67 770
Application of cash and investments											
Unspent conditional transfers		–	–	–	–	–	–	(10 744)	18 829	–	–
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	–	–	161 910	(12 033)	39 534	39 534	153 132	(457 377)	28 729	30 666
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		–	–	161 910	(12 033)	39 534	39 534	142 388	(438 548)	28 729	30 666
Surplus(shortfall) - Excluding Non-Current Creditors Trf		–	–	(146 677)	(17 817)	(81 624)	(81 624)	(45 844)	456 277	(24 877)	37 104
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf		–	–	(146 677)	(17 817)	(81 624)	(81 624)	(45 844)	456 277	(24 877)	37 104

Table MBRR Table 14 - Table A9 Asset Management

NW385 Ramotshere Moiloa - Table A9 Asset Management

NW365 Kamotshere Mooloa - Table A9 Asset management			Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Description	Audited Outcome		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
CAPITAL EXPENDITURE												
1	Total New Assets		-	-	-	67 913	76 120	76 120	50 905	46 961	8 500	
	Roads Infrastructure		-	-	-	150	150	150	7 000	5 000	-	
	Storm water Infrastructure		-	-	-	39 570	50 215	50 215	30 755	19 161	-	
	Electrical Infrastructure		-	-	-	2 213	2 213	2 213	-	-	-	
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	
	Solid Waste Infrastructure		-	-	-	5 980	4 600	4 600	1 500	800	-	
	Rail Infrastructure		-	-	-	-	-	-	-	-	-	
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-	
	Information and Communication Infrastructure		-	-	-	5 550	3 550	3 550	-	-	-	
	Infrastructure		-	-	-	53 463	60 728	60 728	39 255	24 961	-	
	Community Facilities		-	-	-	3 000	2 000	2 000	6 000	6 000	-	
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	
	Community Assets		-	-	-	3 000	2 000	2 000	6 000	6 000	-	
	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		-	-	-	1 120	1 240	1 240	150	-	-	
	Furniture and Office Equipment		-	-	-	2 020	1 512	1 512	800	-	-	
	Machinery and Equipment		-	-	-	1 890	1 060	1 060	3 000	7 000	7 000	
	Transport Assets		-	-	-	6 420	9 580	9 580	1 600	9 000	1 500	
	Land		-	-	-	-	-	-	-	-	-	
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	
	Mature		-	-	-	-	-	-	-	-	-	
	Immature		-	-	-	-	-	-	-	-	-	
	Living Resources		-	-	-	-	-	-	-	-	-	
2	Total Renewal of Existing Assets		-	-	-	-	-	-	-	-	-	
	Roads Infrastructure		-	-	-	-	-	-	-	-	-	
	Storm water Infrastructure		-	-	-	-	-	-	-	-	-	
	Electrical Infrastructure		-	-	-	-	-	-	-	-	-	
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	
	Sanitation 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		-	-	-	-	-	-	-	-	-	
	Immature		-	-	-	-	-	-	-	-	-	
	Living Resources		-	-	-	-	-	-	-	-	-	
6	Total Upgrading of Existing Assets		-	-	-	9 800	6 650	6 650	450	-	-	
	Roads Infrastructure		-	-	-	500	-	-	-	-	-	
	Storm water Infrastructure		-	-	-	-	-	-	-	-	-	
	Electrical Infrastructure		-	-	-	900	900	900	450	-	-	
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	
	Solid Waste Infrastructure		-	-	-	2 000	2 000	2 000	-	-	-	
	Rail Infrastructure		-	-	-	-	-	-	-	-	-	
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-	
	Information and Communication Infrastructure		-	-	-	5 050	1 050	1 050	-	-	-	
	Infrastructure		-	-	-	8 450	3 950	3 950	450	-	-	
	Community Facilities		-	-	-	700	2 700	2 700	-	-	-	
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	
	Community Assets		-	-	-	700	2 700	2 700	-	-	-	
	Heritage Assets		-	-	-	-	-	-	-	-	-	
	Revenue Generating		-	-	-	-	-	-	-	-	-	
	Non-revenue Generating		-	-	-	-	-	-	-	-	-	
	Investment properties		-	-	-	-	-	-	-	-	-	
	Operational Buildings		-	-	-	650	-	-	-	-	-	
	Housing		-	-	-	-	-	-	-	-	-	
	Other Assets		-	-	-	-	-	-	-	-	-	
	Biological or Cultivated Assets		-	-	-	650	-	-	-	-	-	
	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		-	-	-	-	-	-	-	-	-	
	Immature		-	-	-	-	-	-	-	-	-	
	Living Resources		-	-	-	-	-	-	-	-	-	
4	Total Capital Expenditure		-	-	-	77 713	82 770	82 770	51 355	46 961	8 500	
	Roads Infrastructure		-	-	-	650	150	150	7 000	5 000	-	
	Storm water Infrastructure		-	-	-	39 570	50 215	50 215	30 755	19 161	-	
	Electrical Infrastructure		-	-	-	3 113	3 113	3 113	450	-	-	
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	
	Solid Waste Infrastructure		-	-	-	7 980	6 600	6 600	1 500	800	-	
	Rail Infrastructure		-	-	-	-	-	-	-	-	-	
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-	
	Information and Communication Infrastructure		-	-	-	10 600	4 600	4 600	-	-	-	
	Infrastructure		-	-	-	61 913	64 678	64 678	39 705	24 961	-	
	Community Facilities		-	-	-	3 700	4 700	4 700	6 000	6 000	-	
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	
	Community Assets		-	-	-	3 700	4 700	4 700	6 000	6 000	-	
	Heritage Assets		-	-	-	-	-	-	-	-	-	
	Revenue Generating		-	-	-	-	-	-	-	-	-	
	Non-revenue Generating		-	-	-	-	-	-	-	-	-	
	Investment properties		-	-	-	-	-	-	-	-	-	
	Operational Buildings		-	-	-	650	-	-	-	-	-	
	Housing		-	-	-	-	-	-	-	-	-	
	Other Assets		-	-	-	650	-	-	-	-	-	
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	
	Services		-	-	-	-	-	-	-	-	-	
	Licences and Rights		-	-	-	-	-	-	-	-	-	
	Intangible Assets		-	-	-	-	-	-	-	-	-	
	Computer Equipment		-	-	-	1 120	1 240	1 240	150	-	-	
	Furniture and Office Equipment		-	-	-	2 020	1 512	1 512	800	-	-	
	Machinery and Equipment		-	-	-	1 890	1 060	1 060	3 000	7 000	7 000	
	Transport Assets		-	-	-	6 420	9 580	9 580	1 600	9 000	1 500	
	Land		-	-	-	-	-	-	-	-	-	
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	
	Mature		-	-	-	-	-	-	-	-	-	
	Immature		-	-	-	-	-	-	-	-	-	
	Living Resources		-	-	-	-	-	-	-	-	-	
TOTAL CAPITAL EXPENDITURE - Asset class			-	-	-	77 713	82 770	82 770	51 355	46 961	8 500	

ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	734 374	24 794	38 468	38 468	757 384	16 569	(21 892)
Roads Infrastructure		-	-	(344 504)	(9 833)	(18 190)	(18 190)	(16 972)	(24 892)	(29 892)
Storm water Infrastructure		-	-	61 374	29 167	48 215	48 215	30 755	19 161	-
Electrical Infrastructure		-	-	60 700	(7 290)	(1 687)	(1 687)	426 748	-	-
Water Supply Infrastructure		-	-	799 525	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	(10 403)	-	-	-	-	-
Solid Waste Infrastructure		-	-	5 274	7 081	3 800	3 800	40 489	800	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	10 550	4 550	4 550	-	-	-
Infrastructure		-	-	582 368	19 273	36 688	36 688	481 020	(4 931)	(29 892)
Community Assets		-	-	41 162	(1 119)	700	700	104 583	6 000	-
Heritage Assets		-	-	405	-	-	-	-	-	-
Investment properties		-	-	43 638	-	(1 400)	(1 400)	1 983	-	-
Other Assets		-	-	16 126	(1 896)	(2 750)	(2 750)	146 239	(12)	(12)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	15	-	(300)	(300)	-	-	-
Computer Equipment		-	-	1 760	466	-	-	1 945	(30)	(30)
Furniture and Office Equipment		-	-	2 135	1 884	762	762	5 197	(100)	(100)
Machinery and Equipment		-	-	8 212	805	(1 950)	(1 950)	7 708	6 642	6 642
Transport Assets		-	-	8 095	5 380	6 717	6 717	8 708	9 000	1 500
Land		-	-	30 458	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	734 374	24 794	38 468	38 468	757 384	16 569	(21 892)
EXPENDITURE OTHER ITEMS		-	-	39 891	63 854	52 450	52 450	42 583	56 398	55 789
Depreciation	7	-	-	35 033	52 919	44 302	44 302	30 392	30 392	30 392
Repairs and Maintenance by Asset Class	3	-	-	4 858	10 935	8 148	8 148	12 191	26 006	25 398
Roads Infrastructure		-	-	26	550	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	72	-	2 000	2 000	1 500	6 270	6 427
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	98	550	2 000	2 000	1 500	6 270	6 427
Community Facilities		-	-	127	2 350	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	2 030	730	730	-	-	-
Community Assets		-	-	127	4 380	730	730	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	98	-	6 000	6 000	2 900	10 816	11 086
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	98	-	6 000	6 000	2 900	10 816	11 086
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	12	250	250	250	1 500	2 613	2 678
Furniture and Office Equipment		-	-	79	-	30	30	45	47	48
Machinery and Equipment		-	-	288	630	4 280	4 280	1 480	1 542	1 589
Transport Assets		-	-	4 155	5 125	(5 142)	(5 142)	4 766	4 719	3 570
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		-	-	39 891	63 854	52 450	52 450	42 583	56 398	55 789

Table MBRR Table 15 - Table A10 Basic service delivery measurement

NW385 Ramotshere Moiloa - Table A10 Basic service delivery measurement										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast			
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	2 483	2 595	2 660
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	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	2 483	2 595	2 660
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	2 483	2 595	2 660
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	4 366	4 562	4 677
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	4 366	4 562	4 677
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	4 366	4 562	4 677
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	149	156	160
Electricity - prepaid (min.service level)		-	-	-	-	-	-	3 259	3 406	3 491
Minimum Service Level and Above sub-total		-	-	-	-	-	-	3 408	3 561	3 650
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	3 408	3 561	3 650
Refuse:										
Removed at least once a week		-	-	-	-	-	-	5 717	5 974	6 124
Minimum Service Level and Above sub-total		-	-	-	-	-	-	5 717	5 974	6 124
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	5 717	5 974	6 124
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	1 106	1 156	1 185
Sanitation (free minimum level service)		-	-	-	-	-	-	1 459	1 525	1 563
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	10 260	10 722	10 990
Refuse (removed at least once a week)		-	-	-	-	-	-	1 459	1 525	1 563
Informal Settlements		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	1 487	1 554	1 593
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	430	449	460
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	1 684	1 759	1 803
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	2 902	3 032	3 108
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided	8	-	-	-	-	-	-	6 502	6 795	6 965
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	100	105	107
Water (kilolitres per household per month)		-	-	-	112	-	-	12	13	13
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	100	105	107
Sanitation (Rand per household per month)		-	-	-	25	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	141	-	-	50	52	54
Refuse (average litres per week)		-	-	-	166	-	-	100	105	107
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		647	627	627	(14 348)	(14 348)	(14 348)	(14 039)	(14 671)	(15 038)
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	(1 000)	(1 000)	(1 554)	(1 624)	(1 665)
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	(572)	(572)	(448)	(469)	(480)
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	(1 149)	(1 149)	(1 758)	(1 837)	(1 883)
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	(1 500)	(1 500)	(3 028)	(3 164)	(3 243)
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		647	627	627	(14 348)	(18 569)	(18 569)	(20 827)	(21 765)	(22 309)

1.5.2 Table 12 Reconciliation of Property Rates

PROJECTED REVENUE FROM PROPERTY RATES 2025/2026				
AS PER CONSOLIDATED GVR 2024/2029				
CATEGORY	No.	TARIFF	Rebates	Projected Revenue
Residential	4838	0.013259		23,414,497.19
Industrial	185	0.026559		3,172,648.35
Business and Commercial	423	0.026559		30,700,920.36
Agricultural	2148	0.003320		13,305,742.09
Mining	9	0.026559		555,090.62
State Owned for Public Purpo	84	0.003320		1,167,240.71
PSI	177	0.003320		31,296.89
PBO	11	-	100.00%	-
Multi Use	84	0.026559		-
Vacant	23	0.265594		460,804.90
POW	59	-	100.00%	-
Municipal	3413	-	100.00%	-
Other	0	-		-
	11454	-		72,808,241.11

Table 13 _Proposed tariffs from Planning and Development Directorate

SERVICE TYPE	DETAILED DESCRIPTION	FINANCIAL YEAR 2025/26
Town Planning	Application for Township Establishment	R 6,000.00
	Application for phasing or substantial change of the township Rezoning	R 3,200.00
	Application for Consent Use	R 3,200.00
	Application for Subdivision of property into 5 or Less portions	R 1,200.00
	Application for Subdivision of property into more than 5 Portions	R 3,200.00
	Application for Subdivision in terms of Act 70 of 1970	R 1,500.00
	Application for Exemption of Subdivision of land	R 1,200.00
	Application for Consolidation	R 1,200.00
	Application for Exemption of Consolidation	R 1,200.00
	Application for extension of boundaries of an approved township	R 3,500.00
	Application for LUS Departure	R 800.00
	Application for Removal, Amendment or Suspension of Restrictive or Obsolete Condition, Servitude or Reservation Registered against the Title of the land	R 3,200.00
	Application for Appeal	R 3,200.00
	Application for consideration of Site Development Plan	R 1,200.00
	Application for Amendment or Cancellation of General Plan	R 3,200.00
	Application for permanent Closure of Public Place	R 3,200.00
	Zoning Certificate	R 220.00
	SPLUMA Certificate	R 220.00
	Regulation 38 Certificate	R 220.00
	Deeds Search	R 80.00
	Plan printouts per copy	R 168.00

1.5.3 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 5.9 per cent from 1 July 2025 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:

WATER CONSUMPTION						
Total number of customers per category	Total number of kw consumed	Total price inc.vat	Tariff 2024/2025 inc	2025/2026 Tariff	Total estimate 2025/2026	Grand total 2025/2026
AGRICULTURAL						
1		R 610,002.30	R15.89	R16.59	R636,842.40	R636,842.40
BUSINESS						
385		R7,114,448.80	R15.89	R16.59	R7,427,484.55	R7,427,484.55
GOVERNMENT						
16		R168,833.52	R8.68	R9.06	R176,262.19	R176,262.19
INDUSTRIAL						
47		R736,395.26	R15.89	R16.59	R768,796.65	R768,796.65
PLACE OF WORSHIP						
25		R405,112.16	R10.48	R10.95	R422,937.10	R422,937.10
RESIDENTIAL						
3496		R12,625,555.18	R10.48	R10.95	R13,181,079.61	R13,181,079.61
						R 22,613,402.50

1.5.4 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.

Circular 129 of the MFMA has urged that municipalities use the approved tariff increases approved by the regulator of 5.9 per cent for 2025/26

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

	DRAFT BUDGET 2025/26 REVENUE		
CATEGORY	BASIC ELECTRICITY	CONVENTIONAL ELECTRICITY	PREPAID ELECTRICITY
RESIDENTIAL	1,020,860.11	3,712,409.02	26,239,814.34
COMMERCIAL	1,217,688.33	46,256,987.43	12,548,389.32
GOVERNMENT	235,566.90	2,018,235.58	-
INDUSTRIAL	161,787.84	8,475,837.59	-
AGRICULTURAL	240,414.21	-	-
PLACE OF WORSHIP	61,935.42	172,041.99	-
TOTAL REVENUE	2,938,252.81	60,635,511.61	38,788,203.66

1.5.5 Sanitation and Impact of Tariff Increases

A tariff increase of 5.9 per cent for sanitation from 1 July 2025 is proposed. This is based on the input cost assumptions related to water. The following factors also contribute to the proposed tariff increase:

	DRAFT BUDGET 2025/26 REVENUE	
CATEGORY	SEWERAGE	BASIC SEWERAGE
RESIDENTIAL	1,436,363.62	1,661,261.42
COMMERCIAL	648,933.30	55,545.01
GOVERNMENT	229,517.85	20,432.67
INDUSTRIAL	5,242.80	15,998.76
AGRICULTURAL	1,991.40	1,671.99
PLACE OF WORSHIP	23,129.95	11,776.32
TOTAL REVENUE	2,345,178.92	1,766,686.17
% PER REV TYPE	2%	1%

1.5.6 Waste Removal and Impact of Tariff Increases

A 5.9per cent increase in the waste removal tariff is proposed from 1 July 2025. Any increase higher than 5.9 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

	DRAFT BUDGET 2025/26 REVENUE
CATEGORY	REFUSE
RESIDENTIAL	9,357,298.96
COMMERCIAL	2,440,169.83
GOVERNMENT	679,432.40
INDUSTRIAL	198,340.67
AGRICULTURAL	22,841.68
PLACE OF WORSHIP	76,882.58
TOTAL REVENUE	12,774,966.12

1.5.7 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 2025/26 financial year, this process is reviewed annually.

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

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 2025/26 MTREF, based on the approved 2024/25 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 2025/26 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 2024/25 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 2025/26 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 2025/26 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 2024/25 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 126, 112, 115 and 129 has been taken into consideration in the planning and prioritisation process.

2.1.3 Community Consultation

The draft 2025/26 MTREF as tabled before Council in March 2025 for community consultation was published on the municipality's website, and hard copies will be made available at customer care offices, municipal notice boards and various libraries.

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

Ward Committees will be utilised to facilitate the community consultation process in April 2024. The applicable dates and venues will be published in all the local newspapers and on the municipal website. Individual sessions will be scheduled with organised business to further ensure transparency and interaction. Other stakeholders involved in the consultation includes churches, non-governmental institutions and community-based organisations.

2.2 Overview of alignment of annual budget with IDP

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

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

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

The following table highlights the IDP's six strategic objectives or key performance areas for the 2024/25 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:

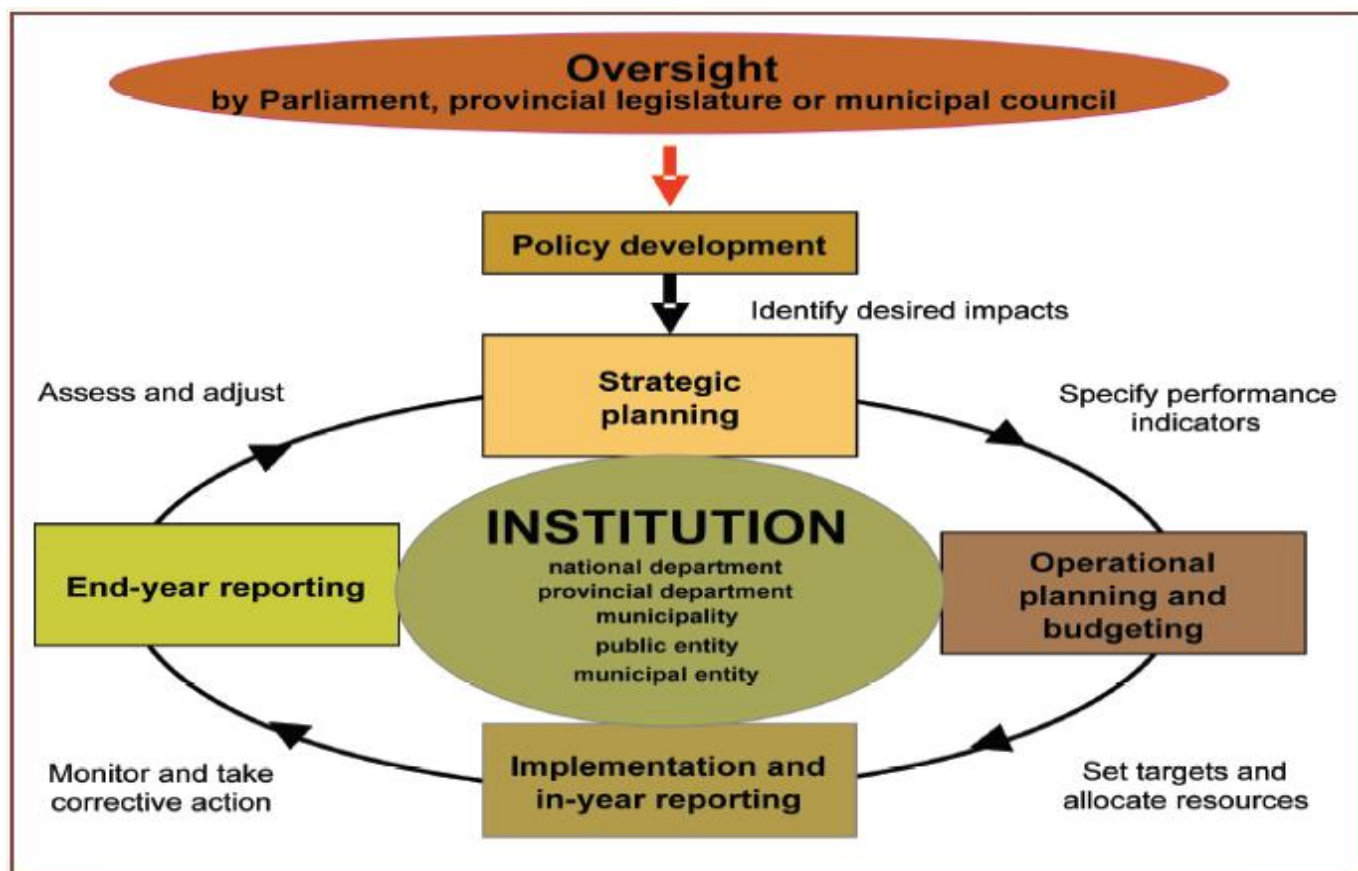


Figure 1 Planning, budgeting and reporting cycle

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

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.

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 2024/25 financial year 11090 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 free water, 50 kwh of electricity, 6kl sanitation as well as a discount on their property rates.

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 POLICIES

1. Budget Policy
2. Virement Policy
3. Property Rates Policy
4. Supply Chain Management Policy
5. PPE Policy
6. Inventory Management Policy
7. Unauthorised, Irregular, Fruitless and Wasteful Expenditure Management Policy
8. Insurance Policy
9. Tariff Policy
10. Borrowings, Fund and Reserve Policy
11. Payment to Creditors, Councillors and Employees Policy
12. Debt impairment Policy
13. Long Term Financial Planning Policy
14. Liquidity Policy
15. Investment and Cash Management Policy
16. Indigent Policy
17. Creditors Control and Debt Collection Policy
18. Assets Management Policy
19. Loss Control Policy

- 20. Telephone Usage Policy
- 21. Unclaimed Deposits Policy
- 22. Distribution Losses Policy
- 23. Travel and Subsistence Allowance Policy
- 24. Tariff By-law
- 25. Rates By-law
- 26. Preferential Procurement 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 (78 per cent) of annual billings. Cash flow is assumed to be 78 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 collective agreement regarding salaries/wages came into operation on 1 July 2018 and shall remain in force until 30 June 2021. The percentage increase for year 1 (2025/26) is 5.9%

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.

- Achievement of an 80 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

2.6 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

2.7 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.

2.8 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

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 2025/26 MTREF in June 2025 directly aligned and informed by the 2025/26 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 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 **LEKGETHO ISAAC MOKGATLHE**

Municipal Manager of Ramotshere Moiloa Local Municipality (NW 385)

Signature _____

Date _____