



Dr. Beyers Naudé

MUNICIPALITY | MUNISIPALITEIT | UMASIPALA

*rising together for development*

# **ANNUAL BUDGET 2024/25 – 2026/27**

CHURCH SQUARE  
PO BOX 71  
GRAAFF-REINET  
TEL: 049 807 5700  
FAX: 049 892 4319  
EMAIL: [municipality@bnlm.gov.za](mailto:municipality@bnlm.gov.za)  
[www.bnlm.gov.za](http://www.bnlm.gov.za)

# **TABLE OF CONTENTS**

## **PART 1 – ANNUAL BUDGET**

- 1.1 Mayor's Report
- 1.2 Council Resolutions
- 1.3 Executive Summary
- 1.4 Operating Revenue Framework
- 1.5 Operating Expenditure Framework
- 1.6 Capital Expenditure
- 1.7 Annual Budget Tables

## **PART 2 – SUPPORTING DOCUMENTATION**

- 2.1 Overview of annual budget process
- 2.2 Alignment of annual budget with Integrated Development Plan
- 2.3 Overview of budget related policies
- 2.4 Overview of budget assumptions
- 2.5 Overview of budget funding
- 2.6 Allocations and grants made by the municipality
- 2.7 Councillors' and employee benefits
- 2.8 Annual budgets and service delivery and budget implementation plans – Directorates
- 2.9 Legislation compliance status
- 2.10 Municipal Manager's quality certification

# **PART 1 – ANNUAL BUDGET**

## **1.1 MAYOR’S REPORT**

Honourable Speaker  
Honourable Councillors

### **Budget Overview**

The key service delivery priorities, as outlined in the IDP, informed the development of the Budget, including the need to maintain and improve the Municipality’s financial sustainability.

Furthermore, cost containment measures are being implemented to curb costs and to improve operational efficiency.

The Municipality faced the following significant challenges during the compilation of the 2024/25. MTREF:

1. Maintaining revenue collection rates at the targeted levels.
2. Maintaining electricity and water losses at acceptable levels.
3. Fully implementing cost containment measures.
4. Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure; and
5. Maintaining an acceptable cost coverage ratio.
6. Drought conditions currently faced by the municipality and surrounding areas.

The following budgeting principles and guidelines directly informed the compilation of the 2024/25. MTREF:

1. The priorities and targets, relating to the key strategic focus areas, as outlined in the IDP.
2. The level of property rates and tariff increases to consider the need to address maintenance and infrastructural backlogs.
3. The level of property rates and tariff increases to ensure the delivery of municipal services on a financially sustainable basis.
4. The need to enhance the municipality’s revenue base.
5. Implementation of the cost containment regulations.
6. No loan funding is available to support the Capital Budget, in view of financial affordability considerations.

The municipality is showing an operational surplus, however the budget remains unfunded, when we consider the current outstanding debtors’ and creditors’ balances. As it stands, agreements have been entered into with some creditors, but the full Eskom balance remains payable immediately, until such a time as an agreement is signed.

However, MFMA circular 124 has highlighted the Municipal Debt Relief that is conditional, and application based, has therefore been sanctioned where Eskom will write-off all debt municipalities owe as on 31 March 2023 (R398m). This will be done over three national financial years and require as a critical qualification that municipalities monthly honour their current (monthly consumption).

The municipality applied in September 2023 and was approved as from December 2023. The municipality is assessed monthly for compliance with MFMA circular 124. Upon meeting all the conditions, a compliance certificate is issued by National Treasury to the municipality as well as Eskom.

The debt will be written off in the following manner, 25% at the end of November 2024, another 25% at the end of November 2025 and the remaining 50% at the end of November 2026.

There are various reporting compliance requirements that have been proclaimed through the MFMA circulars 124, 127 and 128. The municipality has included these reporting requirements in the monthly s71 and quarterly s52 reports.

There is a general increase in revenue, as result of tariff increases and continued implementation of cost reflective tariffs. The revenue is also affected negatively by the impact of the ongoing drought and loadshedding which cuts across all services as most depend on electricity.

### **Revenue Budget**

Total operating revenue has increased by 2% or R10.5 million for the 2024/25 financial year, compared to the 2023/24 Adjustments Budget. This minimal increase is becoming a trend as it was a decrease of 6% (R33 million) in 2023/24 and is evident of the dire economic conditions the country is under.

The budgeted revenue for the fiscal year is forecast at R619 million which is made up of R404 million from municipal operations and R215 million from national government grants.

Funding for the 2024/25 Operating Budget is funded from various sources, the major sources being service charges such as electricity, water, sanitation and refuse collection (50%), property rates (8%), grants and subsidies received from National and Provincial Governments (35%).

To fund the 2024/25 Operating Budget, the following increases in property rates and service charges will be affected with effect from 1 July 2024:

Property rates:	Increase with 0%
Water:	Increase with 4.9%
Refuse:	Increase with 4.9%
Sewerage:	Increase with 4.9%
Sanitation:	Increase with 4.9%
Electricity:	Electricity tariff will increase with 10.85%. Please note that the increase is subject to approval by NERSA.

The budget provides for assistance to the poor and includes the following social package:

- Water – 6 kl free
- Electricity – 50 kwh free
- Refuse – 100% of monthly cost free.
- Sanitation – 100% of monthly cost free
- Property Rates- 100% of assessed rates.

### **Expenditure Budget**

Total operating expenditure for the 2024/25 financial year amounts to R545 million, resulting in a budgeted operating surplus of R74 million. Compared to the 2023/24 Adjustments Budget, operational expenditure decreased by R100 million (15%). The municipality is currently struggling financially, and cost containment measures are implemented. Cost containment measures include a monthly curb on overtime, acting allowances, and travel expenses. It also includes the stopping of non-essential procurement.

The major operating expenditure items for 2024/25 are remuneration (council and employees) (37%), bulk electricity purchases (22%), depreciation (12%), Repairs and Maintenance (8%) and other expenditure (21%).

A budget funding plan is also in place to ensure that only core municipal functions are prioritised in implementing the budget.

### **Capital Budget**

Of the total amount of R74 million for 2024/25, an amount of R63.4 million is budgeted for the development of infrastructure, which represents 86% of the total capital budget, Community development R9.9 million (13%) and Sound financial Management R830 thousand (1%).

The individual projects to be undertaken in the respective wards within the municipality have been outlined in the budget document.

### **BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES**

					BACK TO BASICS		
	INFRASTRUCTURE DEVELOPMENT	COMMUNITY DEVELOPMENT	INSTITUTIONAL DEVELOPMENT	LOCAL ECONOMIC DEVELOPMENT	GOOD GOVERNANCE & PUBLIC PARTICIPATION	SOUND FINANCIAL MANAGEMENT	TOTAL
CAPITAL EXPENDITURE	R63 411 795	R9 909 770	R0	R0	R0	R830 000	R74 151 565

### **Public participation**

The budget consultation process took place in the form of a series of meetings held throughout the municipal area with the elected public representatives, employees of the Municipality, Civil Society, business, labour, National and Provincial Governments on how the budget addresses the IDP priorities and objectives. The feedback flowing from these meetings was referred to the relevant Directorates for their attention.

All budget related policies have been reviewed and workshopped with top management. The budget was workshopped with councillors in April 2024. The policies were also subjected to public participation.

Comments were received verbally via the public hearings held in all wards. Comments were also received in writing via WhatsApp messages, Emails, and written inputs via letters.

Comments received were objections on mainly the following:

- Impact of the new valuation roll with higher property values.
- Poor state and maintenance of municipal infrastructure.
- Outsourcing of municipal services as opposed to insourcing.
- Value for money of outsourced services.
- Hiring of vehicles as opposed to buying municipal fleet.

Poor service delivery, high unemployment rate, affordability were the prevalent reasons for objections.

### **Conclusion**

The municipality in conjunction with the university of Stellenbosch is currently implementing a project to alleviate the scourge of Load shedding experienced within the municipality. The community is continuously updated on the progress of this important project.

The drought remains a huge challenge, however the municipality has explored alternative sources to alleviate the water shortage, for example boreholes. The recent heavy rains have also alleviated the demand on the boreholes as the dam level is more than 90%.

I would like to thank all residents, ward committees, sector departments and stakeholder groups who actively participated in the review of the IDP and preparation of the budget.

We look forward to building on our relationship with all stakeholders and continually improving on the municipality's planning processes.

CLR WILLWEM JACOBUS SYFERS  
MAYOR

## 1.2 COUNCIL RESOLUTIONS

The mayor recommends that the Council resolves that:

- 1 The annual budget of the Dr Beyers Naude Municipality for the financial year 2024/25 and the indicative allocations for the projected outer years 2025/26 and 2026/27; and the multi-year and single year capital appropriations be approved for the purpose of complying with section 24 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003, as set-out in the following tables:
  - 1.1 Consolidated Budget Summary – Schedule A1
  - 1.2 Budgeted Financial Performance (revenue and expenditure by standard classification) – Schedule A2
  - 1.3 Budgeted Financial Performance (revenue and expenditure by municipal vote) – Schedule A3
  - 1.4 Budgeted Financial Performance (revenue by source and expenditure by type) – Schedule A4
  - 1.5 and multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source – Schedule A5
- 2 The budgeted financial position, budgeted cash flows, cash-backed reserves/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:
  - 2.1 Budgeted Financial Position – Schedule A6
  - 2.2 Budgeted Cash Flows – Schedule A7
  - 2.3 Cash backed reserves and accumulated surplus reconciliation – Schedule A8
  - 2.4 Asset management – Schedule A9
  - 2.5 Basic service delivery measurement – Schedule A10
- 3 The service tariffs and property rates be increased as per the tariffs schedule with effect from 1 July 2024.
- 4 The indicative tariffs for 2024/2025 to 2026/2027 be increased as follows:

	2024/2025	2025/2026	2026/2027
Property rates	0%	4.6%	4.5%
Water	4.9%	4.6%	4.5%
Sanitation	4.9%	4.6%	4.5%
Refuse	4.9%	4.6%	4.5%
Electricity	10.85%	10.95%	10.92%

- 5 That the detailed capital budget as per Annexure C be approved
- 6 That the tariffs, fees, and charges as reflected on the tariff list, in terms of Section 30 (2) and (4) of the Local Government: Municipal Structures Act, Act No: 117 of 1998 (as amended), read with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, be approved with effect 1 July 2024.

- 7 That the following reviewed budget related policies be approved:
  - (a) Credit control and debt collection
  - (b) Tariff policy
  - (c) Supply Chain Management Policy
  - (d) Asset management policy
  - (e) Cash management, banking & investment policy
  - (f) Budget policy
  - (g) Virement policy
  - (h) Funding and reserve policy
  - (i) Borrowing policy
  - (j) Indigent support policy
  - (k) Rates Policy
  - (l) Contract Management Policy
  - (m) Unauthorised, Fruitless & Wasteful and Irregular Expenditure policy
  - (n) Rewards, gifts, and favours policy
  - (o) Inventory management policy
  - (p) Transport and fleet management policy
  - (q) Cost containment policy
  - (r) Long term financial planning policy
  
- 8 That the following reviewed by-laws be approved
  - (a) Tariff by-law
  - (b) Credit control and debt collection by-law
  - (c) Rates by-law
  
- 9 That the budget funding plan be approved.

### 1.3 EXECUTIVE SUMMARY

The key service delivery priorities, as outlined in the IDP, informed the development of the Budget, including the need to maintain and improve the Municipality's financial sustainability.

Furthermore, cost containment measures are being implemented to curb costs and to improve operational efficiency.

National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94, 98, 99, 107, 108, 115, 122, 123, 124, 127 and 128 were used to guide the compilation of the 2024/25 Medium Term Revenue and Expenditure Framework (MTREF).

The Municipality faced the following significant challenges during the compilation of the 2024/25. MTREF:

- Maintaining revenue collection rates at the targeted levels.
- Maintaining electricity and water losses at acceptable levels.
- Fully implementing cost containment measures.
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure; and
- Maintaining an acceptable cost coverage ratio.
- Drought conditions currently faced by the municipality and surrounding areas.

The following budgeting principles and guidelines directly informed the compilation of the 2024/25. MTREF:

- The priorities and targets, relating to the key strategic focus areas, as outlined in the IDP.
- The level of property rates and tariff increases to consider the need to address maintenance and infrastructural backlogs.
- The level of property rates and tariff increases to ensure the delivery of municipal services on a financially sustainable basis.
- The need to enhance the municipality's revenue base.
- Implementation of the cost containment regulations.
- No loan funding is available to support the Capital Budget, in view of financial affordability considerations.

In view of the, the following table represents an overview of the 2024/25 Medium-term Revenue and Expenditure Framework:

**Table 1 (Overview of the 2024/25 MTREF)**

	<b>Current Year</b>	<b>2024/25 Medium Term Revenue and Expenditure</b>		
	Adjusted Budget 2023/24 R	Budget Year 2024/25 R	Budget Year +1 2025/26 R	Budget Year +2 2026/27 R
Total Revenue	609 116 917.86	619 693 284.85	659 706 253.39	693 801 763.52
Total Expenditure	645 348 995.35	545 491 135.76	564 196 345.74	590 149 377.64
Surplus/(Deficit)	(36 232 077.49)	74 202 149.09	95 509 907.65	103 652 385.88
Capital Expenditure	74 070 299.00	74 151 564.62	70 869 526.09	600 000.00

The municipality is showing an operational surplus, however the budget remains unfunded, when we consider the current outstanding debtors' and creditors' balances. As it stands, agreements have been entered into with some creditors, but the full Eskom balance remains payable immediately, until such a time as an agreement is signed.

However, MFMA circular 124 has highlighted the Municipal Debt Relief that is conditional, and application based, has therefore been sanctioned where Eskom will write-off all debt municipalities owe as on 31 March 2023 (R398m). This will be done over three national financial years and require as a critical qualification that municipalities monthly honour their current (monthly consumption).

The municipality applied in September 2023 and was approved as from December 2023. The municipality is assessed monthly for compliance with MFMA circular 124. Upon meeting all the conditions, a compliance certificate is issued by National Treasury to the municipality as well as Eskom. The debt will be written off in the following manner, 25% at the end of November 2024, another 25% at the end of November 2025 and the remaining 50% at the end of November 2026.

There are various reporting compliance requirements that have been proclaimed through the MFMA circulars 124, 127 and 128. The municipality has included these reporting requirements in the monthly s71 and quarterly s52 reports.

There is a general increase in revenue, as result of tariff increases and continued implementation of cost reflective tariffs. The revenue is also affected negatively by the impact of the ongoing drought and loadshedding which cuts across all services as most depend on electricity.

Total operating revenue has increased by 2% or R10.5 million for the 2024/25 financial year, compared to the 2023/24 Adjustments Budget. This minimal increase is becoming a trend as it was a decrease of 6% (R33 million) in 2023/24 and is evident of the dire economic conditions the country is under.

The municipality completed investigations into cost of supply and a baseline tariff was established for each service in 2019 to 2022. Thorough investigations were also concluded on electricity tariffs, the effect of the wheeling agreement with Eskom and management has completed physical verification of bulk consumer meters. The intention of the physical verification was to ensure that all possible tampering is identified for these users, correct meters are installed and are functional and to ensure that each user is linked to the correct tariff. A lot of work has been performed and the project is expected to continue into the 2024/25 financial year.

For the two outer years, operational revenue increases by 6% and 5% respectively.

Total operating expenditure for the 2024/25 financial year amounts to R545 million, resulting in a budgeted operating surplus of R74 million. Compared to the 2023/24 Adjustments Budget, operational expenditure decreased by R100 million (15%). The municipality is currently struggling financially, and cost containment measures are implemented. Cost containment measures include a monthly curb on overtime, acting allowances, and travel expenses. It also includes the stopping of non-essential procurement.

For the two outer years, operational expenditure increases by 3% and then increases by 5% respectively. The 2024/25 and 2025/26 budgets reflect operating surpluses of R95 million and R103 million respectively.

The major operating expenditure items for 2024/25 are remuneration (council and employees) (37%), bulk electricity purchases (22%), depreciation (12%), Repairs and Maintenance (8%) and other expenditure (21%).

Funding for the 2024/25 Operating Budget is funded from various sources, the major sources being service charges such as electricity, water, sanitation and refuse collection (50%), property rates (8%), grants and subsidies received from National and Provincial Governments (35%).

To fund the 2024/25 Operating Budget, the following increases in property rates and service charges will be affected with effect from 1 July 2024:

Property rates:	Increase with 0%
Water:	Increase with 4.9%
Refuse:	Increase with 4.9%
Sewerage:	Increase with 4.9%
Sanitation:	Increase with 4.9%
Electricity:	Electricity tariff will increase with 10.85%. Please note that the increase is subject to approval by NERSA.

The municipality has conducted a cost of supply study on all tariffs in 2019 to 2022. The study revealed that all the services are currently being rendered at below cost which puts enormous strain on the cash flow of the municipality. It was therefore imperative that these tariffs be changed to include baseline tariffs. Due to the poor economic conditions, revenue and tariffs could not be increased with more than the proposed 4.9% by National Treasury.

The original capital budget of R74 million for 2024/25 is the same as in 2023/24 Adjustments Budget, this is due to reduction of grant funded projects for 2024/25, thus requiring the municipality to fund R2.7 million of the capital projects. The Capital Budget over the MTREF is funded from government grants and subsidies, as limited internal funding is available. Capital expenditure for 2024/25 will amount to R74 million.

The budget provides for assistance to the poor and includes the following social package:

- Water – 6 kl free
- Electricity – 50 kwh free
- Refuse – 100% of monthly cost free.
- Sanitation – 100% of monthly cost free
- Property Rates- 100% of assessed rates.

All budget related policies have been reviewed and workshopped with top management. The policies were workshopped with councillors. The policies are subjected to public participation. There are no significant changes to the policies, and the minor changes will be presented to council before final approval of this budget.

## 1.4 OPERATING REVENUE FRAMEWORK

The continued provision and expansion of municipal services is dependent on the Municipality generating sufficient revenues. Efficient and effective revenue management is thus of vital importance in ensuring the ongoing financial sustainability of the Municipality. Furthermore, in accordance with the MFMA, expenditure must be limited to the realistically anticipated revenues.

The Municipality's revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard.
- Tariff Policies.
- Property Rates Policy.
- Indigent Policy and provision of free basic services.
- The level of property rates and tariff increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to consider the maintenance and replacement of infrastructure, including the expansion of services.
- Determining fully cost reflective tariffs for trading services.
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Efficient revenue management, targeting a 95% annual collection rate for property rates and service charges.
- Impact of loadshedding on municipal service delivery.

The following table is a summary of the 2024/25 MTREF (classified by main revenue source):

**Table 2 (Summary of main revenue sources)**

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Financial Performance</b>										
Property rates	36 899	40 403	42 323	45 043	51 761	51 761	45 974	51 761	54 142	56 632
Service charges	204 567	231 029	218 157	248 196	311 209	311 209	264 504	311 209	325 525	340 499
Investment revenue	169	308	646	616	1 196	1 196	973	1 196	1 251	1 309
Transfer and subsidies - Operational	122 764	106 712	117 261	125 659	123 639	123 639	121 262	163 164	135 407	144 767
Other own revenue	16 668	22 277	40 144	33 622	45 558	45 558	44 027	39 681	41 506	43 416
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>381 066</b>	<b>400 729</b>	<b>418 531</b>	<b>453 136</b>	<b>533 363</b>	<b>533 363</b>	<b>476 740</b>	<b>567 011</b>	<b>557 831</b>	<b>586 622</b>

In the 2024/25 financial year, property rates and service charges amount to R362.6 million increases to R379.2 million and R396.7 million in the 2024/25 and 2025/26 financial years, respectively.

The following continued efforts to increase the revenue base were introduced in 2019 to 2023:

- Implementation of cost reflective tariffs after a cost of supply study was conducted.
- Implementation of drought tariff
- Introduction of environmental levy
- Introduction of the fire services levy
- Implementation of quarterly reconciliation of valuation roll to billing schedule.
- Implementation of NERSA compliant cost of supply study for electricity business

The following efforts to increase the revenue base will be introduced in 2024:

- Implementation of a new valuation roll with increased market values.

The service charges as stated above are the main source of funding for the municipality with a contribution of R310.8 million or 50% of the total budget. The individual service contribution to service charges is as follows:

- Electricity 46%
- Water 20%
- Refuse 7%
- Sanitation 27%

The following table provides a breakdown of the various operating and capital grants and subsidies allocated to the Municipality over the medium term:

	2024/25	2025/2026	2026/2027
<b>DORA GRANTS</b>			
<b>Operational grants</b>			
Equitable share	121 571 000	126 403 000	130 353 000
Local Government Financial Management Grant	3 000 000	3 000 000	3 000 000
Expanded Public Works Programme Integrated Grant for Municipalities	1 359 000	-	-
<b>Infrastructure grants</b>			
Municipal Infrastructure Grant	23 477 000	24 443 000	26 242 000
Integrated National Electrification Programme (Municipal) Grant	-	13 200 000	11 293 000
Water Services Infrastructure Grant	20 200 000	29 227 000	35 000 000
Municipal Disaster Recovery Grant	5 005 000	5 005 000	-
<b>Indirect grants (Allocations in kind)</b>			
Integrated National Electrification Programme (Eskom) Grant	-	365 000	5 669 000
Regional Bulk Infrastructure Grant	-	-	-
	<b>174 612 000</b>	<b>201 643 000</b>	<b>211 557 000</b>
<b>SBDM GRANTS</b>			
Fire services subsidy	2 201 000	2 201 000	2 201 000
<b>Transfers from Provincial Departments</b>			
Municipal Allocations from Provincial Departments			
<b>OFFICE OF THE PREMIER</b>			
Small Town Revitalisation Programme	4 000 000	30 000 000	34 644 000
<b>DEPARTMENT OF ECONOMIC DEVELOPMENT AND ENVIRONMENTAL AFFAIRS</b>			
Expanded Public Works Programme (EPWP), and Waste Management, Waste Greening and Cleaning, and Alien plants Eradication	2 332 000	-	-
<b>Department of sports, recreation, arts and culture</b>			
Library subsidy	3 105 000	3 105 000	3 211 000
<b>Other grants</b>			
SETA	333 120	333 120	333 120
	<b>11 971 120</b>	<b>35 639 120</b>	<b>40 389 120</b>
<b>TOTAL</b>	<b>186 583 120</b>	<b>237 282 120</b>	<b>251 946 120</b>

### 1.4.1 Property Rates

The following provisions in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).
- If the usage of a property changes during a financial year, the rebate applicable will be reduced *pro rata* for the balance of the financial year.
- Indigents receives 100% subsidy on the rates levied for the year.

The property rates tariff is standardised to ensure all owners in a category pays the same rate in all the towns in the municipality's jurisdiction. The prescribed ratio is applied.

The property rates 0% increase is influenced by the following:

- Implementation of the new valuation roll effectively from 1 July 2024
- Reduction in the rate factor to limit the increase in property values in the new valuation roll.
- Employee related costs increased by 4.9%.
- Providing for debt impairment.
- Increasing the revenue to ensure non-profit divisions are properly subsidised.

The current valuation roll has been implemented from 1 July 2019. This valuation roll will expire at the end of the 2023/2024 financial year (30 June 2024). The new general valuation roll will be implemented in the 2024/25 financial year, as from 1 July 2024.

### 1.4.2 Sale of Water and Impact of Tariff Increases

In accordance with National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94, 98, 99, 107,108, 115, 122, 123, 124, 127 and 128:

Municipalities are encouraged to review the level and structure of their water tariffs to ensure:

- Fully cost reflective water tariffs – tariffs should include the costs associated with bulk water purchases, the maintenance and renewal of purification plants, water networks and water reticulation expansion.
- Water tariffs are structured to protect basic levels of service; and
- Water tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that water tariffs are fully cost reflective by 2014/15. In this regard a cost of supply study was conducted, and the new baseline tariff will be introduced as the first step tariff. Dr Beyers Naude is a municipality which was formed through the amalgamation of 3 former municipalities. As a result of the amalgamation the municipality is also faced with trying to standardise tariffs within the different towns. A further cost of supply study has been done and is being introduced in the 2024/25 financial year and will be gradually phased-in over the MTREF.

The prevailing drought makes it difficult to improve revenue generation from this service. It is now more important to improve demand management, infrastructure maintenance, loss management, meter reading and tariff setting in respect of water services.

Ongoing accurate monitoring and reporting of municipal Non-Revenue Water (NRW) and water loss performance against set targets and baselines has become more critical. The municipality is currently monitoring water losses monthly but are faced with a huge number of metres that are faulty. This contributes to the inaccurate billing and collection of water tariffs. Grant funding has been received to

conduct a study on all faulty metres and areas of water losses. The project started during the 2017/18 financial year and was completed in the 2019/20 financial year. The replacement of meters commenced in 2021/22 and was completed in 2022/23. The impact of the project was minimal due to drought. The tariff will be increased with 4.9% from 1 July 2024. The proposed tariff increase is mainly influenced by the following:

- Employee related costs
- Repairs and maintenance of water infrastructure
- Providing for debt impairment.
- Implementation of cost reflective tariffs
- The prevailing drought

The water tariff structure is designed in such a manner that higher levels of water consumption are progressively charged at a higher rate. The drought tariff will also be implemented during the time of drought as currently experienced.

### **1.4.3 Sale of Electricity and Impact of Tariff Increases**

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In January 2024, NERSA approved tariff increases of 12.72 per cent in 2024/25. Considering the Eskom tariff increase, the Municipality's consumer tariffs will be increased by 10.85% in line to the cost of supply study to offset the additional electricity bulk purchase costs as from 1 July 2024.

The tariff increases are mainly influenced by the following:

- Employee related costs
- The cost of bulk electricity purchases
- Repairs and maintenance of electricity infrastructure
- Providing for debt impairment
- Implementing cost reflective tariffs

The population of the municipality is stagnant and minimal growth is expected over the MTREF. It is thus estimated that the revenue will only grow with percentage of price increases.

The proposed electricity tariff increases, still require approval by NERSA.

### **1.4.4 Sanitation and Impact of Tariff Increases**

In accordance with National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94, 98, 99, 107, 108, 115, 122, 123, 124, 127 and 128:

Municipalities are encouraged to review the level and structure of their water tariffs to ensure:

- Fully cost reflective sanitation tariffs – tariffs should include the costs associated with maintenance and renewal of treatment plants, sanitation networks and sanitation infrastructure expansion.
- Sanitation tariffs are structured to protect basic levels of service; and
- Sanitation tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that sanitation tariffs are fully cost reflective by 2014/15. In this regard the municipality conducted a cost of supply study to determine a new baseline tariff that was introduced in 2019/20. Dr Beyers Naude is a municipality which was formed through the amalgamation of 3 former municipalities. As a result of the amalgamation the municipality is also faced with trying to standardise tariffs within the different towns. The tariff policy of the municipality makes provision to phase in the standardised tariffs over a period of 3 years.

As a result, the tariff will increase of 4.9% as from 1 July 2024. The tariff increase is mainly influenced by the following:

- Employee related costs
- Repairs and maintenance of sanitation infrastructure
- Providing for debt impairment
- Implementing cost reflective tariffs

#### 1.4.5 Refuse Collection and Impact of Tariff Increases

National Treasury has urged municipalities to ensure that refuse tariffs are fully cost reflective by 2014/15. The tariffs should consider the need to maintain a cash-backed reserve to cover the future costs of the rehabilitation of landfill sites.

The revenue generated from refuse collection is not sufficient to ensure proper service delivery. The municipality is facing challenges with regards to infrastructure, fleet, and tools. The tariff increases by 4.9% for refuse collection and will thus be implemented as described above.

The proposed tariff increase is mainly influenced by the following:

- Employee related costs
- Implementation of environmental levy
- Providing for debt impairment
- Provision for landfill sites.
- Tariff not cost reflective.

### 1.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2024/25 budget and MTREF is informed by the following:

- The funding of the budget over the medium-term is informed by the requirements of Section 18 and 19 of the MFMA.
- A balanced budget approach by limiting operating expenditure to the operating revenue.

The following table is a high-level summary of the 2024/25 budget and MTREF (classified per main type of operating expenditure):

**Table 4 (Summary of operating expenditure by standard classification item)**

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Financial Performance</b>										
Employee costs	166 740	165 336	165 857	184 072	191 893	191 893	148 310	191 388	200 192	209 401
Remuneration of councillors	10 102	9 067	9 416	9 276	10 255	10 255	8 394	10 255	10 727	11 220
Depreciation and amortisation	56 633	64 708	66 714	65 308	65 308	65 308	50 665	65 308	68 313	71 455
Interest	22 132	29 682	57 371	10 452	72 387	72 387	39 544	-	-	-
Inventory consumed and bulk purchases	104 100	119 362	116 624	136 396	137 860	137 860	102 073	124 860	130 603	136 611
Transfers and subsidies	18	20	22	150	150	150	120	150	157	164
Other expenditure	165 083	187 807	201 118	148 643	176 464	176 464	99 727	153 529	154 204	161 298
<b>Total Expenditure</b>	<b>524 808</b>	<b>575 982</b>	<b>617 122</b>	<b>554 298</b>	<b>654 318</b>	<b>654 318</b>	<b>448 833</b>	<b>545 491</b>	<b>564 197</b>	<b>590 150</b>

The total operating expenditure decreased by R100million (15%) from R645 million in 2023/24 to R545 million in 2024/25. Below is a discussion of the main expenditure components.

## **Employee related costs**

The 2024/25 budget has general increase of 4.9%. This is based on the average CPI for the MTREF as per MFMA budget circular no 128. The total budget provision of R190.7 million has been allocated for the 2024/25 financial year.

Employee related costs in the 2024/25 Budget, represent 35% of the total operating expenditure.

### **Remuneration of Councillors**

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 preparing the budget.

### **Debt Impairment**

The provision for debt impairment was determined based on a targeted annual collection rate of 95%.

While this expenditure at R13.8 million represents a non-cash flow item, it is considered in determining the total costs associated with the rendering of municipal services and the realistically anticipated revenues.

### **Depreciation and Asset Impairment**

It is anticipated that depreciation will increase over the MTREF. The total cost of R65.2 million is allocated to the 2024/25 financial year.

### **Finance Charges**

Finance charges consist primarily of the repayment of interest on outstanding trade creditors. The municipality is currently facing severe cash flow problems and is unable to pay creditors within the 30 days as required by legislation. Interest will not be levied on the Eskom account due to the MFMA circular 124 Debt relief program approved by the National Treasury for the next 3 years ending November 2026.

### **Bulk Electricity Purchases**

The bulk purchases of electricity are budgeted at R117.8 million, representing 22% of the budget in 2024/25. NERSA has approved a 12.72% increase in the Eskom bulk tariff for the 2024/25 financial year. The impact of loadshedding has affected the bulk purchases negatively.

### **Repairs and Maintenance**

Repairs and maintenance for 2024/25 amounts to R43 million and equates to 8% of the total operating expenditure. The municipality anticipates increasing this amount over the MTREF as an improvement in revenue is noted.

Per National Treasury circular number 71 of 2014 on uniform Financial Ratios and Norms, Repairs and Maintenance as a % of Property, Plants and Equipment and Investment Property (Carrying Value) for the 2024/25 budget is 3%.

The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services. The norm is 8%.

A ratio below the norm is a reflection that insufficient monies are being spent on repairs and maintenance to the extent that it could increase impairment of useful assets. An increasing expenditure trend may be indicative of high asset-usage levels, which can prematurely require advanced levels of Repairs and Maintenance or a need for Asset Renewal / Replacements. Also, should an increasing expenditure trend suddenly drop to lower levels without an increase in the fixed asset value, this may be indicative of challenges in spending patterns. This may also indicate that the Municipality is experiencing cash flow problems and therefore unable to spend at appropriate levels on its repairs to existing assets or purchase of new assets thus impacting negatively on service delivery.

### **Contracted Services**

In the 2024/25 financial year, the budget provision amounts to R14.9 million and equates to 3% of the total operating expenditure.

### **Transfers and Subsidies**

In the 2024/25 financial year, the budget provision amounts to R30 thousand and includes transfers to the local SPCA.

### **Other Expenditure**

Other expenditure comprises of various line items relating to the daily operations of the municipality. The expenditure is R89.7 million in 2024/25 and equates to 16% of the total operating expenditure.

Other expenditure is made up of general expenses – other and vehicle expenses. Includes:

- Informal Settlement Closure- Koei Kamp – R1.3 million
- EPWP Waste Management, Waste Greening and Cleaning, and Alien plants Eradication – R2.3 million
- Title deed transfers – R250 thousand
- SPU – R250 thousand
- Audit fees and Audit Committee – R7.6 million.
- Review of Draf Dr BNLM SDF – R500 thousand
- Legal cost – R2.4 million
- Training – R1 million
- EPWP – R1.3 million
- FMG – R2.1 million
- PMU – R1 million
- Operating expenses – R51 million

#### **1.5.1 Priority relating to repairs and maintenance.**

The repairs and maintenance expenditure in the 2024/25 financial year is R43 million, compared to 2023/24 (R41.5 million) an increase of R1.5 million because of the maintaining of Repairs and maintenance plans.

In relation to the total operating expenditure, repairs and maintenance constitutes 8% for the 2024/25 financial year and 8% for the 2024/25 and 8% for the 2024/25 financial years, respectively.

#### **1.5.2 Free Basic Services: Indigent Support**

The indigent support assists indigent households that have limited financial ability to pay for municipal services. To qualify for free services, the households are required to register in terms of the Municipality's Indigent Policy, whilst the monthly household income may not exceed two state pensions. Detail relating to free services, cost of free basic services, as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

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

## 1.6 CAPITAL EXPENDITURE

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

**Table 6 (2024/25 Medium-term capital budget per vote)**

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Single-year expenditure to be appropriated</b>	2										
Vote 9 - MUNICIPAL MANAGER (31: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 10 - CORPORATE SERVICES: ADMINISTRN (32: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES: COMM SERV (33: CAPEX)		-	-	-	10 904	14 020	14 020	9 698	-	6 025	-
Vote 12 - CORPORATE SERVICES: PROTECTION (34: CAPEX)		-	-	-	-	-	-	1 302	-	-	-
Vote 13 - FINANCIAL SERVICES (36: CAPEX)		-	-	-	370	410	410	384	830	580	600
Vote 14 - TECHNICAL SERVICES: ENGINEERING (38: CAPEX)		-	-	-	59 259	58 715	58 715	37 037	72 322	64 264	-
Vote 15 - TECHNICAL SERVICES: ELECTRICAL (39: CAPEX)		-	-	-	3 517	3 517	3 517	2 916	1 000	-	-
Vote 8 - TECHNICAL SERVICES: ELECTRICAL (19: IE)		-	-	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANAGER (31: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 10 - CORPORATE SERVICES: ADMINISTRN (32: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES: COMM SERV (33: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 12 - CORPORATE SERVICES: PROTECTION (34: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 13 - FINANCIAL SERVICES (36: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 14 - TECHNICAL SERVICES: ENGINEERING (38: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 15 - TECHNICAL SERVICES: ELECTRICAL (39: CAPEX)		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	<b>74 050</b>	<b>76 661</b>	<b>76 661</b>	<b>51 336</b>	<b>74 152</b>	<b>70 870</b>	<b>600</b>

Of the total amount of R74 million for 2024/25, an amount of R63.4 million is budgeted for the development of infrastructure, which represents 86% of the total capital budget, Community development R9.9 million (13%) and Sound financial Management R830 thousand (1%).

## CAPITAL PROJECTS

DESCRIPTION	FUND DESCRIPTION	REGION DESCRIP	AREA DESCRIPTION	BRANCH DESCRIP	2024/2025
Willowmore Bulk Water Supply: Steel Pipelines from Wanhoop	Water Services Infrastructu	Ward 8	TECHNICAL SERVICE	WATER SERVICE	9 885 674.33
Upgrading of Streets and Storm Water in Dr. Beyers Naude	Municipal Infrastructure Gr	Whole of the Muni	TECHNICAL SERVICE	PUBL WORKS: STOF	9 793 805.64
Standby Transformers	Transfer from Operational R	Whole of the Muni	TECHNICAL SERVICE	ELECTRICITY DISTRI	1 000 000.00
Standby Sewage Pumps	Transfer from Operational R	Whole of the Muni	TECHNICAL SERVICE	SEWERAGE SERVICE	700 000.00
Purchase of standby pumps and generators to prevent water s	Transfer from Operational R	Whole of the Muni	TECHNICAL SERVICE	WATER SERVICE	700 000.00
Office equipment	Local Government Financia	Administrative or f	FINANCIAL SERVICES	DIRECTOR: FINANC	50 000.00
Office chairs	Local Government Financia	Administrative or f	FINANCIAL SERVICES	DIRECTOR: FINANC	30 000.00
Laptop computers	Local Government Financia	Administrative or f	FINANCIAL SERVICES	INFORMATION TEC	300 000.00
Install new water wise toilet cisterns	Water Services Infrastructu	Whole of the Muni	TECHNICAL SERVICE	SEWERAGE SERVICE	10 314 325.67
Graaff Reinet Upgrading of Streets	Municipal Infrastructure Gr	Whole of the Muni	TECHNICAL SERVICE	PUBL WORKS: STRE	3 052 648.33
Ground Water Study and Exploration Drilling for New Wellfield	Municipal Infrastructure Gr	Ward 8	TECHNICAL SERVICE	WATER SERVICE	9 512 593.65
ELECTRONIC METERING DEVICES	Local Government Financia	Administrative or f	FINANCIAL SERVICES	INFORMATION TEC	350 000.00
Desktop computers	Local Government Financia	Administrative or f	FINANCIAL SERVICES	INFORMATION TEC	70 000.00
Compactors x3 for potholes	Transfer from Operational R	Whole of the Muni	TECHNICAL SERVICE	PUBL WORKS: STRE	300 000.00
Air Conditioner - BTO	Local Government Financia	Administrative or f	FINANCIAL SERVICES	DIRECTOR: FINANC	30 000.00
Acquisition of new office furniture - PMU	Municipal Infrastructure Gr	Whole of the Muni	TECHNICAL SERVICE	PROJECT MANAGEI	70 000.00
Acquisition of new computers - PMU	Municipal Infrastructure Gr	Whole of the Muni	TECHNICAL SERVICE	PROJECT MANAGEI	70 000.00
Layout Plans - Informal Settlements - Vrygrond	Upgrading of Informal Settle	Ward 6	TECHNICAL SERVICE	TOWN PLANNING	9 467 165.00
Layout Plans - Informal Settlements - Riemvasmaak	Upgrading of Informal Settle	Ward 7	TECHNICAL SERVICE	TOWN PLANNING	8 545 582.00
Development of a Multipurpose Centre	Eastern Cape Department o	Ward 7	TECHNICAL SERVICE	TOWN PLANNING	9 909 770.00
					<b>74 151 564.62</b>

<b>Funding</b>	<b>Budget 2024/2025</b>
Local Government Financial Management Grant	830 000.00
Municipal Infrastructure Grant	22 499 047.62
Water Services Infrastructure Grant	20 200 000.00
Upgrading of Informal Settlements Program Grant	18 012 747.00
Eastern Cape Department of Human Settlements Grant	9 909 770.00
Own funding	2 700 000.00
	<b>74 151 564.62</b>

## 1.7 ANNUAL BUDGET TABLES

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's 2024/25 Budget and MTREF to be considered for approval by Council.

0 - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Financial Performance</b>										
Employee costs	166 740	165 336	165 857	184 072	191 893	191 893	148 310	191 388	200 192	209 401
Remuneration of councillors	10 102	9 067	9 416	9 276	10 255	10 255	8 394	10 255	10 727	11 220
Depreciation and amortisation	56 633	64 708	66 714	65 308	65 308	65 308	50 665	65 308	68 313	71 455
Interest	22 132	29 682	57 371	10 452	72 387	72 387	39 544	-	-	-
Inventory consumed and bulk purchases	104 100	119 362	116 624	136 396	137 860	137 860	102 073	124 860	130 603	136 611
Transfers and subsidies	18	20	22	150	150	150	120	150	157	164
Other expenditure	165 083	187 807	201 118	148 643	176 464	176 464	99 727	153 529	154 204	161 298
<b>Total Expenditure</b>	<b>524 808</b>	<b>575 982</b>	<b>617 122</b>	<b>554 298</b>	<b>654 318</b>	<b>654 318</b>	<b>448 833</b>	<b>545 491</b>	<b>564 197</b>	<b>590 150</b>
<b>Surplus/(Deficit)</b>	<b>(143 742)</b>	<b>(175 253)</b>	<b>(198 591)</b>	<b>(101 162)</b>	<b>(120 954)</b>	<b>(120 954)</b>	<b>27 907</b>	<b>21 520</b>	<b>(6 366)</b>	<b>(3 528)</b>
Transfers and subsidies - capital (monetary allocations)	36 829	67 371	72 996	74 871	75 753	75 753	50 841	52 682	101 875	107 179
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(106 912)</b>	<b>(107 882)</b>	<b>(125 596)</b>	<b>(26 291)</b>	<b>(45 201)</b>	<b>(45 201)</b>	<b>78 748</b>	<b>74 202</b>	<b>95 509</b>	<b>103 651</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(106 912)</b>	<b>(107 882)</b>	<b>(125 596)</b>	<b>(26 291)</b>	<b>(45 201)</b>	<b>(45 201)</b>	<b>78 748</b>	<b>74 202</b>	<b>95 509</b>	<b>103 651</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	-	-	-	74 050	76 661	76 661	51 336	74 152	70 870	600
Transfers recognised - capital	-	-	-	70 164	72 735	72 735	48 037	71 452	70 870	600
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	3 637	3 707	3 707	3 086	2 700	-	-
<b>Total sources of capital funds</b>	-	-	-	<b>73 800</b>	<b>76 441</b>	<b>76 441</b>	<b>51 123</b>	<b>74 152</b>	<b>70 870</b>	<b>600</b>
<b>Financial position</b>										
Total current assets	17 792	(5 139)	(8 845)	60 486	60 970	60 970	227 417	263 841	361 065	539 403
Total non current assets	1 149 536	1 100 250	1 114 778	1 114 966	1 132 105	1 132 105	1 116 646	1 121 674	1 123 780	1 052 926
Total current liabilities	358 667	444 811	583 893	523 463	685 709	685 709	746 525	703 362	703 584	703 817
Total non current liabilities	71 360	73 623	80 629	73 623	80 629	80 629	70 985	77 414	77 414	77 414
Community wealth/Equity	816 720	701 535	586 572	567 406	415 777	415 777	459 783	590 146	685 656	789 308
<b>Cash flows</b>										
Net cash from (used) operating	(271 744)	(223 751)	119 775	58 621	11 323	11 323	191 041	376 950	144 355	157 258
Net cash from (used) investing	-	(14)	(14 429)	(74 050)	-	-	8 969	(74 152)	(70 870)	(600)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>(275 009)</b>	<b>(218 700)</b>	<b>109 111</b>	<b>(14 505)</b>	<b>12 319</b>	<b>12 319</b>	<b>201 006</b>	<b>303 795</b>	<b>377 280</b>	<b>533 938</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	2 634	1 318	12 205	(39 034)	(56 690)	(56 690)	14 337	66 063	146 106	307 109
Application of cash and investments	356 135	481 052	632 722	459 726	605 384	605 384	676 833	406 706	520 188	505 628
<b>Balance - surplus (shortfall)</b>	<b>(353 502)</b>	<b>(479 733)</b>	<b>(620 516)</b>	<b>(498 761)</b>	<b>(662 075)</b>	<b>(662 075)</b>	<b>(662 496)</b>	<b>(340 643)</b>	<b>(374 082)</b>	<b>(198 519)</b>
<b>Asset management</b>										
Asset register summary (WDV)	1 083 485	1 071 234	1 023 693	1 086 166	1 033 470	1 033 470	-	990 274	992 831	921 976
Depreciation	56 633	64 708	66 714	65 308	65 308	65 308	-	65 308	68 313	71 455
Renewal and Upgrading of Existing Assets	-	-	-	29 292	24 342	24 342	-	23 301	46 962	-
Repairs and Maintenance	40 891	24 229	21 456	41 152	48 226	48 226	-	42 325	44 272	46 308
<b>Free services</b>										
Cost of Free Basic Services provided	684	-	34 668	46 525	27 949	27 949	-	27 949	29 235	30 579
Revenue cost of free services provided	2 309	-	3 309	7 041	(221)	(221)	-	(221)	(231)	(242)
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

**0 - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		76 000	160 710	154 339	142 983	176 691	176 691	183 780	191 320	198 103
Executive and council		6 734	36	10	162	162	162	162	170	177
Finance and administration		69 266	160 674	154 329	142 821	176 529	176 529	183 618	191 151	197 926
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		17 397	3 475	6 929	10 341	6 512	6 512	36 572	7 402	7 604
Community and social services		14 419	2 453	2 457	2 456	2 451	2 451	3 248	3 254	3 367
Sport and recreation		57	85	68	63	63	63	63	65	68
Public safety		1 908	936	4 405	5 802	3 999	3 999	3 999	4 082	4 168
Housing		4	1	-	-	-	-	29 263	-	-
Health		1 010	-	-	2 020	-	-	-	-	-
<b>Economic and environmental services</b>		30 492	33 926	38 246	34 361	34 292	34 292	34 700	32 321	34 483
Planning and development		1 858	1 774	4 000	2 513	3 519	3 519	1 988	658	688
Road transport		28 634	32 152	34 246	31 847	30 774	30 774	30 380	31 663	33 794
Environmental protection		-	-	-	-	-	-	2 332	-	-
<b>Trading services</b>		293 950	269 899	291 679	340 267	391 565	391 565	364 586	428 605	453 551
Energy sources		125 549	126 984	117 736	141 424	142 744	142 744	142 744	162 876	173 141
Water management		81 950	83 807	96 525	99 415	116 312	116 312	89 332	127 125	135 430
Waste water management		42 069	26 881	42 954	70 303	83 769	83 769	83 769	87 622	91 653
Waste management		44 382	32 227	34 463	29 126	48 740	48 740	48 740	50 982	53 327
<b>Other</b>	4	57	89	334	55	55	55	55	58	61
<b>Total Revenue - Functional</b>	2	417 896	468 100	491 526	528 007	609 116	609 116	619 693	659 706	693 801
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		147 627	187 261	182 248	148 512	228 478	228 478	143 520	150 122	157 027
Executive and council		27 126	34 056	33 397	30 791	32 969	32 969	32 849	34 360	35 941
Finance and administration		119 529	152 064	147 682	116 291	194 079	194 079	109 240	114 265	119 522
Internal audit		972	1 141	1 168	1 431	1 431	1 431	1 431	1 497	1 565
<b>Community and public safety</b>		37 122	36 860	37 926	42 570	41 176	41 176	40 840	42 719	44 684
Community and social services		5 837	5 574	4 980	7 211	7 785	7 785	7 485	7 830	8 190
Sport and recreation		20 296	20 647	20 865	22 111	21 104	21 104	20 904	21 865	22 871
Public safety		7 185	8 036	9 214	9 451	9 310	9 310	9 310	9 738	10 186
Housing		-	126	141	262	262	262	262	274	287
Health		3 804	2 477	2 726	3 535	2 715	2 715	2 879	3 011	3 150
<b>Economic and environmental services</b>		43 625	45 857	52 332	56 524	55 587	55 587	59 856	56 222	58 808
Planning and development		16 303	18 203	24 623	21 718	21 502	21 502	23 438	20 569	21 515
Road transport		27 322	27 653	27 708	34 806	34 085	34 085	34 085	35 653	37 293
Environmental protection		-	-	-	-	-	-	2 332	-	-
<b>Trading services</b>		293 882	302 445	342 395	304 452	326 539	326 539	298 838	312 585	326 963
Energy sources		127 552	148 179	137 246	167 735	169 483	169 483	154 883	162 008	169 460
Water management		66 577	87 895	91 943	68 905	75 830	75 830	68 129	71 263	74 541
Waste water management		78 958	33 012	64 150	44 781	54 140	54 140	48 640	50 877	53 218
Waste management		20 796	33 359	49 056	23 031	27 086	27 086	27 186	28 436	29 744
<b>Other</b>	4	2 551	3 559	2 222	2 241	2 538	2 538	2 438	2 550	2 667
<b>Total Expenditure - Functional</b>	3	524 808	575 982	617 122	554 298	654 318	654 318	545 491	564 197	590 150
<b>Surplus/(Deficit) for the year</b>		(106 912)	(107 882)	(125 596)	(26 291)	(45 201)	(45 201)	74 202	95 509	103 651



**0 - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	110 962	126 955	117 665	141 120	142 179	142 179	121 606	142 179	148 720	155 561
Service charges - Water	2	37 872	44 979	40 609	40 832	56 426	56 426	55 018	56 426	59 021	61 736
Service charges - Waste Water Management	2	25 260	26 869	33 259	59 557	71 016	71 016	56 297	71 016	74 283	77 700
Service charges - Waste Management	2	30 473	32 227	26 624	6 686	41 588	41 588	31 583	41 588	43 501	45 502
Sale of Goods and Rendering of Services		1 043	720	1 133	2 819	2 153	2 153	786	2 153	2 252	2 355
Agency services		2 197	1 918	1 857	6 134	5 841	5 841	2 137	5 841	6 109	6 390
Interest											
Interest earned from Receivables		3 788	4 120	8 533	4 481	13 234	13 234	11 700	13 234	13 843	14 479
Interest earned from Current and Non Current Assets		169	308	646	616	1 196	1 196	973	1 196	1 251	1 309
Dividends											
Rent on Land											
Rental from Fixed Assets		811	1 225	2 217	3 727	2 127	2 127	851	2 127	2 224	2 327
Licence and permits		1 108	963	895	1 144	964	964	756	964	1 009	1 055
Operational Revenue		2 386	6 728	7 971	8 557	8 453	8 453	17 473	8 453	8 842	9 248
<b>Non-Exchange Revenue</b>											
Property rates	2	36 899	40 403	42 323	45 043	51 761	51 761	45 974	51 761	54 142	56 632
Surcharges and Taxes		3 889	4 345	14 638	4 176	10 033	10 033	8 834	4 155	4 346	4 546
Fines, penalties and forfeits		80	728	534	720	94	94	34	94	98	102
Licences or permits											
Transfer and subsidies - Operational		122 764	106 712	117 261	125 659	123 639	123 639	121 262	163 164	135 407	144 767
Interest		1 367	1 531	2 366	1 865	2 661	2 661	1 456	2 661	2 784	2 912
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets											
Other Gains											
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>381 066</b>	<b>400 729</b>	<b>418 531</b>	<b>453 136</b>	<b>533 363</b>	<b>533 363</b>	<b>476 740</b>	<b>567 011</b>	<b>557 831</b>	<b>586 622</b>
<b>Expenditure</b>											
Employee related costs	2	166 740	165 336	165 857	184 072	191 893	191 893	148 310	191 388	200 192	209 401
Remuneration of councillors		10 102	9 067	9 416	9 276	10 255	10 255	8 394	10 255	10 727	11 220
Bulk purchases - electricity	2	99 082	115 746	112 711	130 815	133 107	133 107	99 435	120 107	125 631	131 411
Inventory consumed	8	5 018	3 617	3 913	5 582	4 753	4 753	2 639	4 753	4 972	5 201
Debt impairment	3	-	-	-	8 969	8 969	8 969	-	8 969	9 381	9 813
Depreciation and amortisation		56 633	64 708	66 714	65 308	65 308	65 308	50 665	65 308	68 313	71 455
Interest		22 132	29 682	57 371	10 452	72 387	72 387	39 544	-	-	-
Contracted services		12 324	28 016	28 802	19 285	25 926	25 926	12 781	24 460	23 058	24 119
Transfers and subsidies		18	20	22	150	150	150	120	150	157	164
Irrecoverable debts written off		45 440	67 946	85 275	4 829	4 829	4 829	-	4 829	5 051	5 284
Operational costs		107 319	91 845	87 041	115 560	136 740	136 740	86 946	115 272	116 714	122 083
Losses on disposal of Assets											
Other Losses											
<b>Total Expenditure</b>		<b>524 808</b>	<b>575 982</b>	<b>617 122</b>	<b>554 298</b>	<b>654 318</b>	<b>654 318</b>	<b>448 833</b>	<b>545 491</b>	<b>564 197</b>	<b>590 150</b>
<b>Surplus/(Deficit)</b>		<b>(143 742)</b>	<b>(175 253)</b>	<b>(198 591)</b>	<b>(101 162)</b>	<b>(120 954)</b>	<b>(120 954)</b>	<b>27 907</b>	<b>21 520</b>	<b>(6 366)</b>	<b>(3 528)</b>
Transfers and subsidies - capital (monetary allocations)	6	36 829	67 371	72 996	74 871	75 753	75 753	50 841	52 682	101 875	107 179
Transfers and subsidies - capital (in-kind)	6										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(106 912)</b>	<b>(107 882)</b>	<b>(125 596)</b>	<b>(26 291)</b>	<b>(45 201)</b>	<b>(45 201)</b>	<b>78 748</b>	<b>74 202</b>	<b>95 509</b>	<b>103 651</b>
Income Tax											
<b>Surplus/(Deficit) after income tax</b>		<b>(106 912)</b>	<b>(107 882)</b>	<b>(125 596)</b>	<b>(26 291)</b>	<b>(45 201)</b>	<b>(45 201)</b>	<b>78 748</b>	<b>74 202</b>	<b>95 509</b>	<b>103 651</b>
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(106 912)</b>	<b>(107 882)</b>	<b>(125 596)</b>	<b>(26 291)</b>	<b>(45 201)</b>	<b>(45 201)</b>	<b>78 748</b>	<b>74 202</b>	<b>95 509</b>	<b>103 651</b>
Share of Surplus/Deficit attributable to Associate	7										
Intercompany/Parent subsidiary transactions											
<b>Surplus/(Deficit) for the year</b>	1	<b>(106 912)</b>	<b>(107 882)</b>	<b>(125 596)</b>	<b>(26 291)</b>	<b>(45 201)</b>	<b>(45 201)</b>	<b>78 748</b>	<b>74 202</b>	<b>95 509</b>	<b>103 651</b>

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Single-year expenditure to be appropriated</b>	2										
Vote 9 - MUNICIPAL MANAGER (31: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 10 - CORPORATE SERVICES: ADMINISTRN (32: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES: COMM SERV (33: CAPEX)		-	-	-	10 904	14 020	14 020	9 698	-	6 025	-
Vote 12 - CORPORATE SERVICES: PROTECTION (34: CAPEX)		-	-	-	-	-	-	1 302	-	-	-
Vote 13 - FINANCIAL SERVICES (36: CAPEX)		-	-	-	370	410	410	384	830	580	600
Vote 14 - TECHNICAL SERVICES: ENGINEERING (38: CAPEX)		-	-	-	59 259	58 715	58 715	37 037	72 322	64 264	-
Vote 15 - TECHNICAL SERVICES: ELECTRICAL (39: CAPEX)		-	-	-	3 517	3 517	3 517	2 916	1 000	-	-
Vote 8 - TECHNICAL SERVICES: ELECTRICAL (19: IE)		-	-	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANAGER (31: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 10 - CORPORATE SERVICES: ADMINISTRN (32: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES: COMM SERV (33: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 12 - CORPORATE SERVICES: PROTECTION (34: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 13 - FINANCIAL SERVICES (36: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 14 - TECHNICAL SERVICES: ENGINEERING (38: CAPEX)		-	-	-	-	-	-	-	-	-	-
Vote 15 - TECHNICAL SERVICES: ELECTRICAL (39: CAPEX)		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	74 050	76 661	76 661	51 336	74 152	70 870	600
<b>Total Capital Expenditure - Vote</b>		-	-	-	74 050	76 661	76 661	51 336	74 152	70 870	600
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		-	-	-	370	410	410	1 686	830	580	600
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	370	410	410	1 686	830	580	600
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	6 616	2 400	2 400	2 087	-	6 025	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	6 616	2 400	2 400	2 087	-	6 025	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	-	6 581	6 581	-	31 415	26 987	-
Planning and development		-	-	-	-	6 581	6 581	-	28 063	-	-
Road transport		-	-	-	-	-	-	-	3 353	26 987	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	67 064	67 270	67 270	47 563	41 906	37 277	-
Energy sources		-	-	-	3 517	3 517	3 517	2 916	1 000	-	-
Water management		-	-	-	50 792	41 401	41 401	27 868	20 098	3 635	-
Waste water management		-	-	-	8 467	10 733	10 733	9 169	20 808	33 642	-
Waste management		-	-	-	4 288	11 620	11 620	7 611	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	-	-	-	74 050	76 661	76 661	51 336	74 152	70 870	600
<b>Funded by:</b>											
National Government		-	-	-	70 164	72 735	72 735	46 735	43 529	70 870	600
Provincial Government		-	-	-	-	-	-	-	27 923	-	-
District Municipality		-	-	-	-	-	-	1 302	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	-	-	-	70 164	72 735	72 735	48 037	71 452	70 870	600
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	-	-	3 637	3 707	3 707	3 086	2 700	-	-
<b>Total Capital Funding</b>	7	-	-	-	73 800	76 441	76 441	51 123	74 152	70 870	600

**0 - Table A6 Budgeted Financial Position**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		2 634	1 318	12 205	(39 034)	(56 690)	(56 690)	14 337	66 063	146 106	307 109
Trade and other receivables from exchange transactions	1	8 677	9 383	(192)	8 952	5 610	5 610	79 911	57 790	70 684	83 700
Receivables from non-exchange transactions	1	19	19	(622)	26 396	32 160	32 160	40 961	52 963	53 651	54 371
Current portion of non-current receivables											
Inventory	2	6 140	9 300	12 803	15 550	15 915	15 915	22 035	23 996	27 595	31 193
VAT		-	(25 661)	(33 569)	48 156	63 445	63 445	69 511	64 338	64 338	64 338
Other current assets		321	501	529	467	529	529	662	(1 309)	(1 309)	(1 309)
<b>Total current assets</b>		<b>17 792</b>	<b>(5 139)</b>	<b>(8 845)</b>	<b>60 486</b>	<b>60 970</b>	<b>60 970</b>	<b>227 417</b>	<b>263 841</b>	<b>361 065</b>	<b>539 403</b>
<b>Non current assets</b>											
Investments											
Investment property		66 298	27 659	27 659 111.00	26 124	26 083	26 083	24 861	25 230	26 759	26 759
Property, plant and equipment	3	1 071 366	1 069 002	1 083 571	1 077 744	1 094 924	1 094 924	1 079 976	1 084 896	1 085 924	1 015 069
Biological assets											
Living and non-living resources											
Heritage assets		11 098	11 098	11 098	11 098	11 098	11 098	11 098	11 098	11 098	11 098
Intangible assets		31	0	0	0	0	0	0	0	0	0
Trade and other receivables from exchange transactions		-	(35)	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		(49)	(1 535)	(1 576)	-	-	-	-	-	-	-
Other non-current assets		793	(5 939)	(5 974)	-	-	-	711	451	-	-
<b>Total non current assets</b>		<b>1 149 536</b>	<b>1 100 250</b>	<b>1 114 778</b>	<b>1 114 966</b>	<b>1 132 105</b>	<b>1 132 105</b>	<b>1 116 646</b>	<b>1 121 674</b>	<b>1 123 780</b>	<b>1 052 926</b>
<b>TOTAL ASSETS</b>		<b>1 167 328</b>	<b>1 095 111</b>	<b>1 105 933</b>	<b>1 175 452</b>	<b>1 193 075</b>	<b>1 193 075</b>	<b>1 344 063</b>	<b>1 385 515</b>	<b>1 484 846</b>	<b>1 592 329</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft											
Financial liabilities		-	-	-	-	-	-	-	-	-	-
Consumer deposits		3 577	3 820	3 905	3 820	3 905	3 905	4 789	3 935	3 935	3 935
Trade and other payables from exchange transactions	4	353 996	481 633	632 054	481 704	634 799	634 799	672 159	638 714	638 714	638 714
Trade and other payables from non-exchange transactions	5	2 052	-	-	-	-	-	20 675	13 269	13 269	13 269
Provision		8 875	7 514	11 380	12 279	13 437	13 437	13 280	13 225	13 225	13 225
VAT		(9 832)	(48 156)	(63 445)	25 661	33 569	33 569	35 623	34 219	34 441	34 673
Other current liabilities											
<b>Total current liabilities</b>		<b>358 667</b>	<b>444 811</b>	<b>583 893</b>	<b>523 463</b>	<b>685 709</b>	<b>685 709</b>	<b>746 525</b>	<b>703 362</b>	<b>703 584</b>	<b>703 817</b>
<b>Non current liabilities</b>											
Financial liabilities	6	10 241	7 608	10 969	7 608	10 969	10 969	1 325	7 755	7 755	7 755
Provision	7	30 247	36 365	41 407	36 365	41 407	41 407	41 407	41 407	41 407	41 407
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		30 872	29 650	28 253	29 650	28 253	28 253	28 253	28 253	28 253	28 253
<b>Total non current liabilities</b>		<b>71 360</b>	<b>73 623</b>	<b>80 629</b>	<b>73 623</b>	<b>80 629</b>	<b>80 629</b>	<b>70 985</b>	<b>77 414</b>	<b>77 414</b>	<b>77 414</b>
<b>TOTAL LIABILITIES</b>		<b>430 027</b>	<b>518 433</b>	<b>664 522</b>	<b>597 086</b>	<b>766 338</b>	<b>766 338</b>	<b>817 510</b>	<b>780 776</b>	<b>780 998</b>	<b>781 231</b>
<b>NET ASSETS</b>		<b>737 301</b>	<b>576 678</b>	<b>441 411</b>	<b>578 365</b>	<b>426 737</b>	<b>426 737</b>	<b>526 552</b>	<b>604 739</b>	<b>703 847</b>	<b>811 098</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	803 678	688 493	573 530	554 364	402 735	402 735	446 741	577 104	672 614	776 266
Reserves and funds	9	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042	13 042
Other											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>816 720</b>	<b>701 535</b>	<b>586 572</b>	<b>567 406</b>	<b>415 777</b>	<b>415 777</b>	<b>459 783</b>	<b>590 146</b>	<b>685 656</b>	<b>789 308</b>

**0 - Table A7 Budgeted Cash Flows**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		(9)	(12 190)	20 090	49 500	-	-	26 394	55 008	57 539	60 185
Service charges		(4 785)	44 022	133 234	307 044	-	-	33 767	330 191	345 379	361 267
Other revenue		(48)	9 148	19 736	25 830	581 781	581 781	33 280	466 610	23 541	24 624
Transfers and Subsidies - Operational	1	(95 244)	(102 816)	102 998	69 370	-	-	280 601	131 971	102 779	110 638
Transfers and Subsidies - Capital	1	-	11 899	104 449	74 871	-	-	48 925	52 682	88 675	95 886
Interest		(1)	7	32	-	-	-	62	1 440	1 251	1 309
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		(179 029)	(173 821)	(260 764)	(467 994)	(570 458)	(570 458)	(231 988)	(660 950)	(474 810)	(496 651)
Interest		7 374	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1								-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(271 744)</b>	<b>(223 751)</b>	<b>119 775</b>	<b>58 621</b>	<b>11 323</b>	<b>11 323</b>	<b>191 041</b>	<b>376 950</b>	<b>144 355</b>	<b>157 258</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE									-	-	-
Decrease (increase) in non-current receivables		-	(14)	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets		-	-	(14 429)	(74 050)	-	-	8 969	(74 152)	(70 870)	(600)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>(14)</b>	<b>(14 429)</b>	<b>(74 050)</b>	<b>-</b>	<b>-</b>	<b>8 969</b>	<b>(74 152)</b>	<b>(70 870)</b>	<b>(600)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing									-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(271 744)</b>	<b>(223 764)</b>	<b>105 346</b>	<b>(15 429)</b>	<b>11 323</b>	<b>11 323</b>	<b>200 010</b>	<b>302 799</b>	<b>73 485</b>	<b>156 658</b>
Cash/cash equivalents at the year begin:	2	(3 265)	5 064	3 765	924	996	996	996	996	303 795	377 280
Cash/cash equivalents at the year end:	2	(275 009)	(218 700)	109 111	(14 505)	12 319	12 319	201 006	303 795	377 280	533 938

**0 - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(275 009)	(218 700)	109 111	(14 505)	12 319	12 319	201 006	303 795	377 280	533 938
Other current investments > 90 days		277 643	220 019	(96 906)	(24 530)	(69 009)	(69 009)	(186 669)	(237 732)	(231 174)	(226 828)
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>2 634</b>	<b>1 318</b>	<b>12 205</b>	<b>(39 034)</b>	<b>(56 690)</b>	<b>(56 690)</b>	<b>14 337</b>	<b>66 063</b>	<b>146 106</b>	<b>307 109</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		2 052	-	-	-	-	-	20 675	13 269	13 269	13 269
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	354 084	481 052	632 722	459 726	605 384	605 384	656 158	393 437	506 919	492 359
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>356 135</b>	<b>481 052</b>	<b>632 722</b>	<b>459 726</b>	<b>605 384</b>	<b>605 384</b>	<b>676 833</b>	<b>406 706</b>	<b>520 188</b>	<b>505 628</b>
<b>Surplus(shortfall)</b>		<b>(353 502)</b>	<b>(479 733)</b>	<b>(620 516)</b>	<b>(498 761)</b>	<b>(662 075)</b>	<b>(662 075)</b>	<b>(662 496)</b>	<b>(340 643)</b>	<b>(374 082)</b>	<b>(198 519)</b>

**0 - Table A9 Asset Management**

R thousand	Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CAPITAL EXPENDITURE</b>											
	<b>Total New Assets</b>	1	-	-	-	44 758	52 320	52 320	50 851	23 908	600
	Roads Infrastructure		-	-	-	-	6 581	6 581	-	-	-
	Storm water Infrastructure		-	-	-	-	-	-	-	-	-
	Electrical Infrastructure		-	-	-	3 517	3 517	3 517	1 000	-	-
	Water Supply Infrastructure		-	-	-	36 584	30 192	30 192	20 098	3 635	-
	Sanitation Infrastructure		-	-	-	-	-	-	700	19 693	-
	Solid Waste Infrastructure		-	-	-	4 288	4 288	4 288	-	-	-
	Rail Infrastructure		-	-	-	-	-	-	-	-	-
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-
	Information and Communication Infrastructure		-	-	-	-	40	40	-	-	-
	<b>Infrastructure</b>		-	-	-	44 388	44 618	44 618	21 798	23 328	-
	Community Facilities		-	-	-	-	-	-	9 910	-	-
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
	<b>Community Assets</b>		-	-	-	-	-	-	9 910	-	-
	<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
	Revenue Generating		-	-	-	-	-	-	-	-	-
	Non-revenue Generating		-	-	-	-	-	-	-	-	-
	<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
	Operational Buildings		-	-	-	90	120	120	-	-	-
	Housing		-	-	-	-	-	-	18 013	-	-
	<b>Other Assets</b>		-	-	-	90	120	120	18 013	-	-
	<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
	Servitudes		-	-	-	-	-	-	-	-	-
	Licences and Rights		-	-	-	-	-	-	-	-	-
	<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
	Computer Equipment		-	-	-	160	140	140	720	530	550
	Furniture and Office Equipment		-	-	-	20	10	10	80	50	50
	Machinery and Equipment		-	-	-	100	100	100	330	-	-
	Transport Assets		-	-	-	-	7 332	7 332	-	-	-
	Land		-	-	-	-	-	-	-	-	-
	<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
	Mature		-	-	-	-	-	-	-	-	-
	Immature		-	-	-	-	-	-	-	-	-
	<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
	<b>Total Renewal of Existing Assets</b>	2	-	-	-	11 209	11 209	11 209	140	-	-
	Roads Infrastructure		-	-	-	-	-	-	-	-	-
	Storm water Infrastructure		-	-	-	-	-	-	-	-	-
	Electrical Infrastructure		-	-	-	-	-	-	-	-	-
	Water Supply Infrastructure		-	-	-	11 209	11 209	11 209	-	-	-
	Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
	Rail Infrastructure		-	-	-	-	-	-	-	-	-
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
	<b>Infrastructure</b>		-	-	-	11 209	11 209	11 209	-	-	-
	Community Facilities		-	-	-	-	-	-	-	-	-
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
	<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
	<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
	Revenue Generating		-	-	-	-	-	-	-	-	-
	Non-revenue Generating		-	-	-	-	-	-	-	-	-
	<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
	Operational Buildings		-	-	-	-	-	-	-	-	-
	Housing		-	-	-	-	-	-	-	-	-
	<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
	<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
	Servitudes		-	-	-	-	-	-	-	-	-
	Licences and Rights		-	-	-	-	-	-	-	-	-
	<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
	Computer Equipment		-	-	-	-	-	-	70	-	-
	Furniture and Office Equipment		-	-	-	-	-	-	70	-	-
	Machinery and Equipment		-	-	-	-	-	-	-	-	-
	Transport Assets		-	-	-	-	-	-	-	-	-
	Land		-	-	-	-	-	-	-	-	-
	<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
	Mature		-	-	-	-	-	-	-	-	-
	Immature		-	-	-	-	-	-	-	-	-
	<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
	<b>Total Upgrading of Existing Assets</b>	6	-	-	-	18 083	13 133	13 133	23 161	46 962	-
	Roads Infrastructure		-	-	-	-	-	-	-	-	-
	Storm water Infrastructure		-	-	-	4 676	166	166	9 794	-	-
	Electrical Infrastructure		-	-	-	-	-	-	-	-	-
	Water Supply Infrastructure		-	-	-	3 000	-	-	3 053	26 987	-
	Sanitation Infrastructure		-	-	-	3 791	10 567	10 567	10 314	13 949	-
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
	Rail Infrastructure		-	-	-	-	-	-	-	-	-
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
	<b>Infrastructure</b>		-	-	-	11 467	10 733	10 733	23 161	40 936	-
	Community Facilities		-	-	-	-	-	-	-	-	-
	Sport and Recreation Facilities		-	-	-	6 616	2 400	2 400	-	6 025	-
	<b>Community Assets</b>		-	-	-	6 616	2 400	2 400	-	6 025	-
	<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
	Revenue Generating		-	-	-	-	-	-	-	-	-
	Non-revenue Generating		-	-	-	-	-	-	-	-	-
	<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
	Operational Buildings		-	-	-	-	-	-	-	-	-
	Housing		-	-	-	-	-	-	-	-	-
	<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
	<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
	Servitudes		-	-	-	-	-	-	-	-	-
	Licences and Rights		-	-	-	-	-	-	-	-	-
	<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
	Computer Equipment		-	-	-	-	-	-	-	-	-
	Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
	Machinery and Equipment		-	-	-	-	-	-	-	-	-
	Transport Assets		-	-	-	-	-	-	-	-	-
	Land		-	-	-	-	-	-	-	-	-
	<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
	Mature		-	-	-	-	-	-	-	-	-
	Immature		-	-	-	-	-	-	-	-	-
	<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
	<b>Total Capital Expenditure</b>	4	-	-	-	74 050	76 661	76 661	74 152	70 870	600
	Roads Infrastructure		-	-	-	-	6 581	6 581	-	-	-
	Storm water Infrastructure		-	-	-	4 676	166	166	9 794	-	-
	Electrical Infrastructure		-	-	-	3 517	3 517	3 517	1 000	-	-
	Water Supply Infrastructure		-	-	-	50 792	41 401	41 401	23 151	30 622	-
	Sanitation Infrastructure		-	-	-	3 791	10 567	10 567	11 014	33 642	-
	Solid Waste Infrastructure		-	-	-	4 288	4 288	4 288	-	-	-
	Rail Infrastructure		-	-	-	-	-	-	-	-	-
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-
	Information and Communication Infrastructure		-	-	-	-	40	40	-	-	-
	<b>Infrastructure</b>		-	-	-	67 064	66 559	66 559	44 959	64 264	-
	Community Facilities		-	-	-	-	-	-	9 910	-	-
	Sport and Recreation Facilities		-	-	-	6 616	2 400	2 400	-	6 025	-
	<b>Community Assets</b>		-	-	-	6 616	2 400	2 400	9 910	6 025	-
	<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
	Revenue Generating		-	-	-	-	-	-	-	-	-
	Non-revenue Generating		-	-	-	-	-	-	-	-	-
	<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
	Operational Buildings		-	-	-	90	120	120	-	-	-
	Housing		-	-	-	-	-	-	18 013	-	-
	<b>Other Assets</b>		-	-	-	90	120	120	18 013	-	-
	<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
	Servitudes		-	-	-	-	-	-	-	-	-
	Licences and Rights		-	-	-	-	-	-	-	-	-
	<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
	Computer Equipment		-	-	-	160	140	140	790	530	550
	Furniture and Office Equipment		-	-	-	20	10	10	150	50	50
	Machinery and Equipment		-	-	-	100	100	100	330	-	-
	Transport Assets		-	-	-	-	7 332	7 332	-	-	-
	Land		-	-	-	-	-	-	-	-	-
	<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
	Mature		-	-	-	-	-	-	-	-	-
	Immature		-	-	-	-	-	-	-	-	-
	<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>						74 050	76 661	76 661	74 152	70 870	600

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	1 083 485	1 071 234	1 023 693	1 086 166	1 033 470	1 033 470	990 274	992 831	921 976
<i>Roads Infrastructure</i>		(162 418)	(277 613)	(324 853)	(273 039)	(329 189)	(329 189)	(371 647)	(382 026)	(393 928)
<i>Storm water Infrastructure</i>		-	-	-	(5 299)	(9 809)	(9 809)	(181)	(10 615)	(21 529)
<i>Electrical Infrastructure</i>		-	-	-	3 517	3 517	3 517	1 000	-	-
<i>Water Supply Infrastructure</i>		1 088 307	1 131 752	1 144 336	1 151 276	1 154 468	1 154 468	1 136 218	1 133 433	1 099 222
<i>Sanitation Infrastructure</i>		-	-	-	(1 469)	5 307	5 307	5 754	33 894	28 139
<i>Solid Waste Infrastructure</i>		(44 504)	18 083	17 349	20 599	19 727	19 727	16 158	14 106	12 802
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	40	40	-	-	-
<b>Infrastructure</b>		<b>881 385</b>	<b>872 221</b>	<b>836 832</b>	<b>895 585</b>	<b>844 060</b>	<b>844 060</b>	<b>787 302</b>	<b>788 792</b>	<b>724 706</b>
<b>Community Assets</b>		(3 849)	(4 691)	(5 790)	1 926	(3 390)	(3 390)	3 479	9 504	9 504
<b>Heritage Assets</b>		11 098	11 098	11 098	11 098	11 098	11 098	11 098	11 098	11 098
<b>Investment properties</b>		26 215	27 659	27 659	26 124	26 083	26 083	25 230	26 759	26 759
<b>Other Assets</b>		108 735	108 810	98 119	99 763	97 205	97 205	112 375	110 036	106 402
<b>Biological or Cultivated Assets</b>										
<b>Intangible Assets</b>		31	0	0	0	0	0	0	0	0
<b>Computer Equipment</b>		-	-	-	160	140	140	790	1 320	1 870
<b>Furniture and Office Equipment</b>		-	-	-	20	10	10	150	200	250
<b>Machinery and Equipment</b>		(5 132)	(8 371)	(9 703)	(13 017)	(14 400)	(14 400)	(14 168)	(18 897)	(22 631)
<b>Transport Assets</b>		10 172	9 677	11 331	9 677	18 663	18 663	10 017	10 017	10 017
<b>Land</b>		54 830	54 830	54 148	54 830	54 002	54 002	54 002	54 002	54 002
<b>Zoo's, Marine and Non-biological Animals</b>										
<b>Living Resources</b>										
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>1 083 485</b>	<b>1 071 234</b>	<b>1 023 693</b>	<b>1 086 166</b>	<b>1 033 470</b>	<b>1 033 470</b>	<b>990 274</b>	<b>992 831</b>	<b>921 976</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>97 524</b>	<b>88 937</b>	<b>88 169</b>	<b>106 460</b>	<b>113 534</b>	<b>113 534</b>	<b>107 633</b>	<b>112 584</b>	<b>117 763</b>
<b>Depreciation</b>	7	56 633	64 708	66 714	65 308	65 308	65 308	65 308	68 313	71 455
<b>Repairs and Maintenance by Asset Class</b>	3	<b>40 891</b>	<b>24 229</b>	<b>21 456</b>	<b>41 152</b>	<b>48 226</b>	<b>48 226</b>	<b>42 325</b>	<b>44 272</b>	<b>46 308</b>
<i>Roads Infrastructure</i>		1 319	727	1 482	4 999	4 999	4 999	4 999	5 228	5 469
<i>Storm water Infrastructure</i>		10	34	17	775	775	775	775	811	848
<i>Electrical Infrastructure</i>		442	1 388	497	3 495	3 495	3 495	3 495	3 656	3 824
<i>Water Supply Infrastructure</i>		-	-	-	290	290	290	290	303	317
<i>Sanitation Infrastructure</i>		482	378	16 434	16 346	23 826	23 826	17 925	18 750	19 612
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>2 253</b>	<b>2 527</b>	<b>18 430</b>	<b>25 905</b>	<b>33 385</b>	<b>33 385</b>	<b>27 484</b>	<b>28 748</b>	<b>30 070</b>
<b>Community Facilities</b>		-	-	-	-	-	-	-	-	-
<b>Sport and Recreation Facilities</b>		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		38	70	228	2 502	2 769	2 769	2 769	2 897	3 030
<i>Housing</i>		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>38</b>	<b>70</b>	<b>228</b>	<b>2 502</b>	<b>2 769</b>	<b>2 769</b>	<b>2 769</b>	<b>2 897</b>	<b>3 030</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		<b>38 600</b>	<b>21 632</b>	<b>2 797</b>	<b>12 745</b>	<b>12 072</b>	<b>12 072</b>	<b>12 072</b>	<b>12 627</b>	<b>13 208</b>
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>Mature</b>		-	-	-	-	-	-	-	-	-
<b>Immature</b>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>97 524</b>	<b>88 937</b>	<b>88 169</b>	<b>106 460</b>	<b>113 534</b>	<b>113 534</b>	<b>107 633</b>	<b>112 584</b>	<b>117 763</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	39.6%	31.8%	31.8%	31.4%	66.3%	0.0%
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>		0.0%	0.0%	0.0%	44.9%	37.3%	37.3%	35.7%	68.7%	0.0%
<b>R&amp;M as a % of PPE &amp; Investment Property</b>		3.8%	2.3%	2.1%	3.8%	4.7%	4.7%	4.3%	4.5%	5.1%
<b>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</b>		3.8%	2.3%	2.1%	6.6%	7.1%	7.1%	6.7%	9.3%	5.1%

0 - Table A10 Basic service delivery measurement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
		<b>Household service targets</b>								
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>										
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Informal Settlements</b>		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		680	-	5 364	7 543	6 127	6 127	6 127	6 409	6 704
Sanitation (free sanitation service to indigent households)		-	-	9 684	10 731	12 727	12 727	12 727	13 313	13 925
Electricity/other energy (50kwh per indigent household per month)		4	-	11 781	5 811	1 942	1 942	1 942	2 031	2 124
Refuse (removed once a week for indigent households)		-	-	7 839	22 440	7 153	7 153	7 153	7 482	7 826
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>	8	684	-	34 668	46 525	27 949	27 949	27 949	29 235	30 579
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		132	149	157	168	168	168	178	189	200
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		97	120	134	145	145	145	157	166	176
<b>Revenue cost of subsidised services provided (R'000)</b>										
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		2 309	-	3 309	7 041	(221)	(221)	(221)	(231)	(242)
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>		2 309	-	3 309	7 041	(221)	(221)	(221)	(231)	(242)

## **PART 2 – SUPPORTING DOCUMENTATION**

### **2.1 OVERVIEW OF ANNUAL BUDGET PROCESS**

The Budget process usually starts in September after the approval of a timetable to guide the preparation of the 2024/25 to 2026/27 Operating and Capital Budgets.

The timetable provides broad time limits for the IDP and Budget preparation process. It allows for consultation with stakeholders, such as the elected public representatives, employees of the Municipality, Civil Society, State departments, business, and labour, during April/May 2024. The main aim of the timetable was to ensure that an IDP and a balanced Budget are tabled in May 2024.

The Service Delivery and Budget Implementation Plan is the mechanism that ensures that the IDP and the Budget is aligned.

The annual budget is to be considered by the Budget Steering Committee under the direction of the mayor. The Budget Steering Committee consist of the Mayor, the Chairperson of the Budget and Treasury Standing Committee, the Municipal Manager, and senior officials. The primary aims of the Committee are to ensure that:

- The budget compilation process complies with legislation.
- There is proper alignment between the service delivery priorities as set out in the municipality's IDP and the Budget, considering the need to maintain the financial sustainability of the Municipality.
- The Municipality's revenue and tariff determination strategies generate sufficient cash resources to deliver services; and
- The various spending priorities of the different municipal directorates are rigorously evaluated and prioritised in the allocation of resources.

### **IDP & Budget Timetable 2024/25**

The preparation of the 2024/25 IDP and Budget were guided by the following schedule of key deadlines as approved by to be approved by Council.

<b>Activity</b>	<b>Date</b>
IDP/Budget Schedule approved by Council	August 2023
Tabling of draft IDP and Budget in Council	March 2024
Public Participation	April to May 2024
Final adoption of IDP and Budget by Council	May 2024

### **2.2 ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN**

The Integrated Development Plan (IDP) determines and prioritises the needs of the community.

The review of the IDP, in accordance with the Municipal Systems Act, was guided and informed by the following principles:

- Achievement of the five strategic priorities of the municipality.
- Focusing on service delivery backlogs and the maintenance of infrastructure.
- Addressing community priorities (needs) as identified in the IDP.

The review of the IDP focused on establishing measurable performance indicators and targets. These targets informed the preparation of the multi-year budget, as well as the Service Delivery and Budget Implementation Plan (SDBIP).

The 2024/25 Operating and Capital Budgets were prepared in accordance with the IDP.

The key strategic focus areas of the IDP are as follows:

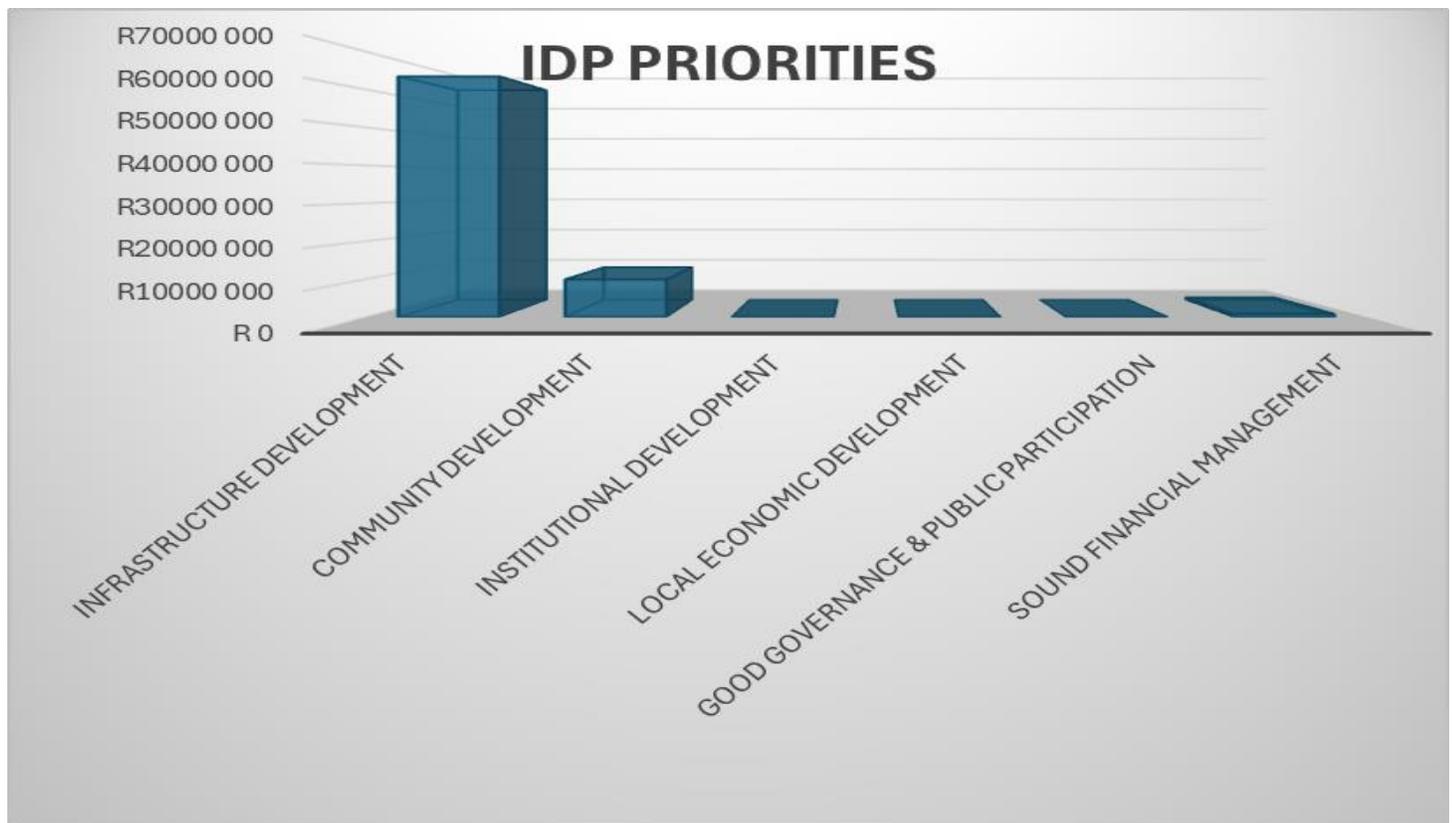
- Municipal transformation and development
- Service delivery and infrastructure development.
- Local economic development
- Financial sustainability and viability
- Good governance and public participation

The budget consultation process will take the form of a series of meetings to be held throughout the municipal area with the elected public representatives, employees of the Municipality, Civil Society, business, labour, National and Provincial Governments on how the budget addresses the IDP priorities and objectives. The feedback flowing from these meetings will be referred to the relevant Directorates for their attention.

Below is a table, which illustrates the link between the Budget and the IDP.

**BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES**

	BACK TO BASICS						
	INFRASTRUCTURE DEVELOPMENT	COMMUNITY DEVELOPMENT	INSTITUTIONAL DEVELOPMENT	LOCAL ECONOMIC DEVELOPMENT	GOOD GOVERNANCE & PUBLIC PARTICIPATION	SOUND FINANCIAL MANAGEMENT	TOTAL
CAPITAL EXPENDITURE	R63 411 795	R9 909 770	R0	R0	R0	R830 000	R74 151 565



## **2.3 OVERVIEW OF BUDGET RELATED POLICIES**

The MFMA and the Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, be updated on an annual basis.

All budget related policies have been reviewed and/or developed. Policies will be workshopped extensively with Council and Top Management and will further be workshopped with all relevant stakeholders.

The following policies are now in place:

- |  |   |                        |
|--|---|------------------------|
| • Credit control and debt collection           | - | workshopped, reviewed. |
| • Tariff policy                                | - | workshopped, reviewed. |
| • Supply Chain policy                          | - | workshopped, reviewed. |
| • SCM Infrastructure Procurement               | - | workshopped, reviewed. |
| • Asset management policy                      | - | workshopped, reviewed. |
| • Subsistence and Travel policy                | - | workshopped, reviewed. |
| • Cash management, banking & investment policy | - | workshopped, reviewed. |
| • Budget policy                                | - | workshopped, reviewed. |
| • Virement policy                              | - | workshopped, reviewed. |
| • Funding and reserve policy                   | - | workshopped, reviewed. |
| • Borrowing policy                             | - | workshopped, reviewed. |
| • Rates policy                                 | - | workshopped, reviewed. |
| • Indigent support policy                      | - | workshopped, reviewed. |
| • Cost containment policy                      | - | workshopped, reviewed. |
| • Long term financial planning policy          | - | workshopped, reviewed. |

The following by-laws were developed and will be promulgated once all legislative processes have been concluded:

- Tariff by-law.
- Credit control and debt collection by-law.
- Rates by-law

## **2.4 OVERVIEW OF BUDGET ASSUMPTIONS**

The municipal fiscal environment is influenced by a variety of macro-economic control measures. National Treasury provides guidelines on the ceiling of year-on-year increases in the total Operating Budget, whilst the National Electricity Regulator of South Africa (NERSA) regulates bulk electricity tariff increases. The Municipality's employee related costs are also influenced by collective agreements concluded in the South African Local Government Bargaining Council. Various government departments also affect municipal service delivery through the level of grants and subsidies.

The following principles and guidelines directly informed the compilation of the Budget:

- The priorities and targets, relating to the key strategic focus areas, as outlined in the IDP.
- The need to enhance the municipality's revenue base.
- The level of property rates and tariff increases to consider the need to address maintenance and infrastructural backlogs, including the expansion of services.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- Raising of loan funding should be considered to address critical needs.
- No growth in revenue sources has been provided for in view of current consumption trends in municipal services.

- Restructuring of major trade creditors over long term periods to ensure financial sustainability and a funded budget.
- Restructuring of tariffs to uniform tariffs and ensuring baseline tariff as per cost of supply study.
- Negative impact of load shedding on service delivery.

The Municipality faced the following significant challenges in preparing the 2024/25 – 2026/27. Budget:

- Fully implementing cost containment measures.
- Maintaining revenue collection rates at the targeted levels.
- Maintaining electricity and water losses at acceptable levels.
- Dealing with an unfunded budget of the past and measures to address this in the future.
- Different tariff structures in the different towns and converting this to uniform tariffs.
- Creditors inherited from former municipalities which is still placing financial strain on the cash flow and hence the restructuring of creditors over long term period.
- Introducing cost reflective tariffs
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure.
- Maintaining an acceptable cost coverage ratio.
- Impact of loadshedding on service delivery

The multi-year budget is therefore underpinned by the following assumptions:

	2024/25	2024/25	2024/25
<b>Income</b>	%	%	%
Tariff Increases for water	4.9	4.6	4.5
Tariff Increases for sanitation	4.9	4.6	4.5
Tariff Increases for refuse	4.9	4.6	4.5
Property rates increase.	0	4.6	4.5
Electricity tariff increase (on average)	10.85	10.95	10.92
Revenue collection rates	95	95	95
<b>Expenditure increases allowed</b>			
Salary increases	4.9	4.6	4.5
Increase in bulk purchase of electricity costs	12.72	4.6	4.5

## 2.5 OVERVIEW OF BUDGET FUNDING

### 2.5.1 Medium-term outlook: operating revenue

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

**Table 7 (Breakdown of the operating revenue over the medium-term)**

0 - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	110 962	126 955	117 665	141 120	142 179	142 179	121 606	142 179	148 720	155 561
Service charges - Water	2	37 872	44 979	40 609	40 832	56 426	56 426	55 018	56 426	59 021	61 736
Service charges - Waste Water Management	2	25 260	26 869	33 259	59 557	71 016	71 016	56 297	71 016	74 283	77 700
Service charges - Waste Management	2	30 473	32 227	26 624	6 686	41 588	41 588	31 583	41 588	43 501	45 502
Sale of Goods and Rendering of Services		1 043	720	1 133	2 819	2 153	2 153	786	2 153	2 252	2 355
Agency services		2 197	1 918	1 857	6 134	5 841	5 841	2 137	5 841	6 109	6 390
Interest											
Interest earned from Receivables		3 788	4 120	8 533	4 481	13 234	13 234	11 700	13 234	13 843	14 479
Interest earned from Current and Non Current Assets		169	308	646	616	1 196	1 196	973	1 196	1 251	1 309
Dividends											
Rent on Land											
Rental from Fixed Assets		811	1 225	2 217	3 727	2 127	2 127	851	2 127	2 224	2 327
Licence and permits		1 108	963	895	1 144	964	964	756	964	1 009	1 055
Operational Revenue		2 386	6 728	7 971	8 557	8 453	8 453	17 473	8 453	8 842	9 248
<b>Non-Exchange Revenue</b>											
Property rates	2	36 899	40 403	42 323	45 043	51 761	51 761	45 974	51 761	54 142	56 632
Surcharges and Taxes		3 889	4 345	14 638	4 176	10 033	10 033	8 834	4 155	4 346	4 546
Fines, penalties and forfeits		80	728	534	720	94	94	34	94	98	102
Licences or permits											
Transfer and subsidies - Operational		122 764	106 712	117 261	125 659	123 639	123 639	121 262	163 164	135 407	144 767
Interest		1 367	1 531	2 366	1 865	2 661	2 661	1 456	2 661	2 784	2 912
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets											
Other Gains											
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>381 066</b>	<b>400 729</b>	<b>418 531</b>	<b>453 136</b>	<b>533 363</b>	<b>533 363</b>	<b>476 740</b>	<b>567 011</b>	<b>557 831</b>	<b>586 622</b>

### 2.5.2 Medium-term outlook: capital revenue

The following table provides a breakdown of the funding components of the 2024/25 medium-term capital programme:

**Table 8 (Sources of capital revenue over the MTREF)**

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
<b>Funded by:</b>											
National Government		-	-	-	70 164	72 735	72 735	46 735	43 529	70 870	600
Provincial Government		-	-	-	-	-	-	-	27 923	-	-
District Municipality		-	-	-	-	-	-	1 302	-	-	-
Transfers and subsidies - capital (in-kind)											
<b>Transfers recognised - capital</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70 164</b>	<b>72 735</b>	<b>72 735</b>	<b>48 037</b>	<b>71 452</b>	<b>70 870</b>	<b>600</b>
<b>Borrowing</b>	<b>6</b>										
<b>Internally generated funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>3 637</b>	<b>3 707</b>	<b>3 707</b>	<b>3 086</b>	<b>2 700</b>	<b>-</b>	<b>-</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73 800</b>	<b>76 441</b>	<b>76 441</b>	<b>51 123</b>	<b>74 152</b>	<b>70 870</b>	<b>600</b>

### 2.5.3 Medium-term outlook: Borrowing

The municipality should consider raising loans for capital items required from own funds as well as buying vehicles instead of leasing.

### 2.5.4 Medium-term outlook: Working towards a funded budget.

The municipality did not manage to table a funded budget. The unfunded budget is based on the following:

- Restructuring of debt owed to major creditors over long term period.
- Implementing cost reflective tariffs – phase 3 – Introduction and implementation of secondary tariffs

The municipality has addressed the following issues to ensure a positive move towards becoming financially sustainable:

- Replacing the faulty meters within all areas thus limiting losses and increasing revenue
- Standardising tariffs in all areas
- Calculating cost reflective tariffs and implementation thereof over 3 years
- Implementing a new valuation roll for Dr Beyers Naude with effect 1 July 2024
- Continuing to implement cost containment measures.

## 2.6 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The municipality will be making the following allocations:

- SPCA - R20 000
- Pauper burials - R10 000

## 2.7 COUNCILLORS AND EMPLOYEE BENEFITS

### DISCLOSURE OF SALARIES, ALLOWANCES & BENEFITS

The following tables set out the allowances and employee benefits budgeted for the 2024/25 budget year. The municipality has twenty-four (24) councillors, consisting of one fulltime Mayor, four EXCO Members also chairpersons of sec. 79 committees and one MPAC chairperson of which the allowances are set out in table below.

Grade	Councillor(s)	Number	Salary p/p	Allowance	Total remuneration
3	Mayor (full-time)	1	920 379	47 004	967 383
	Speaker (Full-time)	1	736304	47 004	783 308
	Exco Members (part time)	4	385 097	188 016	1 728 404
	S79 Committee Chairperson (part-time)	1	373 791	47 004	420 795
	Part-time Councillors	17	291 266	795 264	5 750 590
	<b>TOTAL</b>	<b>24</b>		<b>1 124 292</b>	

#### Senior Managers

Grade	Position	Number	Salary p/p	Allowance	Total
3	Municipal Manager	1	1 449 660	155 536	1 605 196
	Director Finance	1	1 184 979	136 633	1 321 612
	Director Corporate Services	1	1 187 717	134 666	1 322 383
	Acting Director Community Services	1			1 068 686
	Director Engineering and Planning	1	1 184 979	136 559	1 321 538
	<b>TOTAL</b>	<b>5</b>		<b>1 124 292</b>	<b>6 639 416</b>

## **2.8 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS –DIRECTORATES**

In terms of section 53 (1)(c)(ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) constitutes a detailed plan for implementing the Municipality's delivery of services and its annual budget, which must include the following:

- (a) Monthly projections of
  - Revenue to be collected, by source; and
  - Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter.

In accordance with Section 53 of the MFMA, the Mayor is required to approve the SDBIP within 28 days after the approval of the budget. Furthermore, the Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators, as set out in the SDBIP, are made public within 14 days after the approval of the SDBIP.

The SDBIP gives effect to the IDP and Budget of the Municipality. It includes the service delivery targets and performance indicators for each quarter, which forms the basis for the performance agreements of the Directors. It therefore facilitates oversight over the financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the Directors, the Executive Mayor/Council to monitor the performance of the Municipal Manager, and the Community to monitor the performance of the Municipality.

The SDBIP relating to the 2024/25 financial year will be approved by the Mayor during June 2024, following the approval of the Budget.

## **2.9 LEGISLATION COMPLIANCE STATUS**

The following reflects the status of implementation of some of the key MFMA areas:

### IDP

A revised 2024/25 IDP has been developed, which will be considered at a Council meeting to be held in May 2023. The IDP includes specific deliverables that forms the basis for the Budget and SDBIP.

### Budget

The annual budget document has been developed taking the MFMA and National Treasury (NT) requirements into account. Budgets are being tabled and approved within the required legislated time limits.

### Annual Report

The Annual Report has been developed taking the MFMA and NT requirements into account. The 2022/23 Annual Report was tabled in January 2024.

### Oversight Report

The Municipal Public Accounts Committee has considered the 2022/23 Annual report. Its Oversight Report will be considered and approved at a Council meeting to be held on 25 March 2024.

### In-Year Reporting

The municipality submits the various reports required to the Mayor, Council, and NT on an ongoing basis, in accordance with the MFMA.

### Supply Chain Management Policy (SCM)

A Supply Chain Management Policy has been adopted and implemented in accordance with the MFMA and NT requirements.

All the required committee structures are in place. Whilst the municipality is working at making these new processes operate more efficiently and effectively, it is considered that the municipality is currently complying with the MFMA and NT guidelines.

### Budget and Treasury

A Budget and Treasury Office has been established in accordance with the MFMA and NT requirements, consisting of a CFO and municipal officials reporting to the CFO.

### Audit Committee

An Audit Committee has been established and meets on a quarterly basis.

### Internal Audit Function

The Municipality's Internal Audit Function is performed in-house and reports to the Municipal Manager and is operating in accordance with an audit plan.

In relation to the 2024/25 financial year and beyond, the municipality plans to focus on the following high priority areas:

- Working towards an unqualified audit status.

### Internship Programme

The municipality has appointed five interns.

### Municipal Standard Chart of Accounts (mSCOA)

The municipality has made significant progress on compliance. Data strings are uploaded monthly, and a "green" status has been maintained. All legislative required information has been submitted. The municipality is continuously working on reaching full compliance. The budget schedules are generated from the financial system.

**2.10 MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

**Quality Certificate**

I, EDWARD MARTIN RANKWANA, Municipal Manager of Dr Beyers Naude 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 : EDWARD MARTIN RANKWANA

MUNICIPAL MANAGER OF DR BEYERS NAUDE MUNICIPALITY (EC101)



Signature : \_\_\_\_\_

Date : 23 May 2024