ANNUAL DRAFT BUDGET OF !KHEIS LOCAL MUNICIPALITY

!Kheis
Munisipaliteit
Municipality

2024/25 TO 2026/27

Draft Medium Term Revenue & Expenditure Framework (MTREF)

Copies of this document can be viewed:

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

05 April 2024

Contents

Part 1 – ANNUAL BUDGET 7

Mayor's Report 7

1.2 Council resolutions 9

1.3 Executive Summary 10

Table 1 Consolidated Overview of the final 2022/23 MTREF 11

1.4 Operating Revenue Framework 12

Table 2 Summary of revenue classified by revenue source 12

Table 4 Operating Transfers and Grants Receipts 15

Table 5 Proposed Water Tariffs 16

Table 6 Comparison between current waste removal fees and increases 20

Table 7 MBRR table SA14- Household bills 20

1.5 Operating Expenditure Framework 20

Table 8 Summary of operating expenditure by standard classification item .... **Error! Bookmark not defined.**

1.6 Capital expenditure 24

Table 11 2020/21 Medium-term capital budget per vote 26

1.7 Finaled Annual Budget Tables (A1 – A10) 27

Table 12 MBRR Table A1- Budget Summary 27

Table 13 MBRR Table A2- Budgeted Financial Performance (revenue and expenditure by standard classification) 29

Table 14 MBRR Table A3- Budget Financial Performance (revenue and expenditure by municipal vote) 31

Table 15 MBRR A4- Budgeted Financial Performance (revenue and expenditure) 32

Table 16 MBRR Table A5 Budgeted Capital Expenditure by vote, standard classification and funding source 34

Table 17 MBRR Table A6- Budgeted Financial Position .... **Error! Bookmark not defined.**

Table 18 MBRR Table A7- Budgeted Cash Flow Statement 37

Table 19 MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation 39

Table 20 MBRR Table A9 – Asset Management 40

Table 21 MBRR Table A10 – Basic Service Delivery Measurement 40

Part 2 – SUPPORTING DOCUMENTATION 42

2.1 Overview of the annual budget process 42

2.2 Overview of alignment of annual budget with IDP 42

Table 22 IDP Strategic Objectives 40

Table 23 MBRR Table SA4 – Reconciliation between the IDP strategic objectives and budgeted revenue 43

Table 24 MBRR Table SA5 – Reconciliation between the IDP strategic objectives and budgeted operating expenditure 43

Table 25 MBRR Table SA6 – Reconciliation between the IDP strategic objectives and budgeted capital expenditure 44

2.3 Measurable performance objectives and indicators 45

Figure 1 Planning, Budgeting and reporting cycle 45

Table 27 MBRR Table SA8 – Performance indicators and benchmarks 47

2.4 Overview of budget related-policies 51

2.5 Overview of budget assumptions 53

2.6 Overview of budget funding 55

Table 28 Breakdown of the operating revenue over the medium-term 58

Table 29 Proposed tariff increases over medium-term 60

Table 30 MBRR SA15 – Detail Investment Information 61

Table 31 Sources of capital revenue over the MTREF 61

Table 32 MBRR Table SA 18 – Capital transfers and grants receipts 62

Table 33 MBRR Table – Budgeted cash flow statement 64

Table 35 MBRR Table A8 – cash backed reserves/accumulated surplus reconciliation 65

2.7 Expenditure on grants and reconciliation of unspent funds 70

Table 38 MBRR SA19 – Expenditure on transfers and grant programmes 70

Table 39 MBRR SA20 – Reconciliation between of transfers, grant receipts and unspent funds.. **Error! Bookmark not defined.**

2.8 Councillor and employee benefits 73

Table 40 MBRR SA22 – Summary of councillor and staff benefits............................ 73

Table 41 MBRR SA23 – Salaries, allowances and benefits (political office bearers/councillors/senior managers 74

Table 42 MBRR SA24 – Summary of personnel numbers 75

2.9 Contracts having future budgetary implications 75

2.10 Capital expenditure details 75

Table 44 MBRR SA34e – Capital expenditure on upgrading of existing assets by asset class 77

Table 45 MBRR SA35 – Future financial implications of the capital budget .... **Error! Bookmark not defined.**

Table 46 MBRR SA36 – Detailed capital budget per municipal vote......................... 77

2.11 Legislation compliance status 79

2.12 Other supporting documents 80

Table 47 MBRR SA1 – Supporting detail to budgeted financial performance............ 80

Table 48 MBRR SA3 – Supporting detail to statement of financial position 82

Table 49 MBRR SA25 - Budgeted monthly revenue and expenditure....................... 84

Table 50 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote) 86

Table 51 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)... 90

Table 52 MBRR SA28 - Budgeted monthly capital expenditure (municipal).............. 92

Table 53 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)... 93

Table 54 MBRR SA30 - Budgeted monthly cash flow 95

2.13 Municipal manager’s quality certificate 98

Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CFO	Chief Financial Officer
CPI	Consumer Price Index
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EPWP	Expended Public Works Programme
FBS	Free basic services
FMG	Financial Management Grant
GAMAP	Generally Accepted Municipal Accounting Practice
GDS	Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
M	Mayor
MM	Municipal Manager
MBRR	Municipal Budget Reporting Regulations
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MSIG	Municipal Systems Improvement Grant
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NDP	National Development Plan
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PMS	Performance Management System

PPE	Property Plant and Equipment
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

!KHEIS LOCAL MUNICIPALITY

VISION

"The development of an institution, focussing on transparent, loyal and effective service delivery to the residence of the !Kheis Municipal Area."

MISSION

'To promote economic development to the advantage of the communities within the boundaries of the !Kheis Municipality. This will be done by the establishment and maintenance of an effective administration and a safe environment in order to lure tourists and investors to the area'.

Core values of the municipality

The Municipality is committed to deliver services within the framework of *Batho Pele p*rinciples, as outlined below:

- *Courtesy and 'People First'*
  Residents should be treated with courtesy and consideration at all times.

- *Consultation*
  Residents should be consulted about service levels and quality, when possible.

- *Service excellence*
  Residents must be made aware of what to expect in terms of level and quality of service.

- *Access*
  Residents should have equal access to the services to which they are entitled.

- *Information*
  Residents must receive full and accurate information about their services.

- *Openness and transparency*
  Residents should be informed about government departments, operations, budgets and management structures.

Redress

Residents are entitled to an apology, explanation and remedial action if the promised standard of service is not delivered.

- *Value for money*
  Public services should be provided economically and efficiently.

Part 1 – ANNUAL BUDGET

Mayor's Report

1. Introduction

Honourable Speaker of the Council, Executive Committee members, Councillors, Management and everyone present today, I greet you.

I am hereby presenting the Draft Annual Budget, Final Service Delivery Budget Implementation Plan (SDBIP), and IDP for the 2024/25 MTREF. The budget that I am presenting was prepared in accordance with the Municipal Finance Management Act, (Act 56 of 2003) and complies with Generally Recognized Accounting Practices as applicable to Local Government.

This budget midst of the on-going global economic crisis, are presented in a time when municipalities throughout the country are struggling to get their economies working again. As an elected representative, I am duty bound to report on occasions like these properly on the execution of our mandate.

I therefore Councillor's, make this bold statement: "We are responsible Political Office Bearers that will uphold the constitution at all times; furthermore, as Political Office Bearers we believe we had appointed suitably qualified professionals to administrate this Budget meticulously and having the interest of the people at heart. It is in our interest to make !Kheis Municipality our competitive and attractive entity to both domestic and foreign investors.

This budget is a forecast of revenue and expenditure, it is a projection of future financial activities and must be used as a guiding tool. It would be a futile exercise when this tool is not utilised to achieve our developmental imperatives to change the lives of the !Kheis communities.

The budget is a planning tool and instrument to manage public funds to improve the quality of life of all our people, and this we do through planning, allocation, control and proper accounting.

We do acknowledge that the municipality is not a profit making organization and must be maintained as a going concern; therefore acknowledging the increasing cost of service delivery. We are forever adapting our strategies to suit prevailing economic circumstances, as we cannot isolate ourselves from the global economy.

Our biggest challenge is unemployment and to stimulate the rural economy. Although our focus is shamelessly pro poor, we have come to the realisation that with our own resources only we would be unable to achieve significant change in the municipal area. We need the goodwill and intervention of all government departments, state owned enterprises, the private sector and civil society.

The budget submitted here today is another step closer to accomplish the strategic goals of the municipality which includes amongst others, institutional development and transformation, service delivery to all our communities, the financial viability and sustainability of the municipality as well as good administration and public participation.

I would like to thank all the role players, stakeholders and every citizen of !Kheis Municipality who participated in the finaling of this IDP and Budget, through a process of public participation, ward committees, workshops, one – on – one engagements and individual inputs.

It is my privilege and honour to present this 2024/25 final budget to the Council for its consideration and approval.

I thank you!

1.2 Council Resolutions

Council, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) was supposed to approve and adopt the following resolutions:

1.1 The final annual budget of the municipality for the financial year 2024/25 and the multi-year and single-year capital appropriations as set out in the following tables:
1.1.1 Final Budgeted Financial Performance (revenue and expenditure by standard classification)

1.1.2 Final Budgeted and Financial performance (revenue and expenditure by municipal vote)
1.1.3 Final Budgeted Financial Performance (revenue by source and expenditure by type); and
1.1.4 Final Multi-year and single-year capital appropriations by municipal vote and standard classification funding by source.

1.2 The final financial position, final cash flow budget, final cash-backed reserve/accumulated surplus, final asset management and final basic service delivery targets are approved as set out in the following tables:
1.2.1 Final Budgeted Financial Position
1.2.2 Final Budgeted Cash Flows
1.2.3 Final Cash Backed reserves and accumulated surplus reconciliation
1.2.4 Final Asset Management; and
1.2.5 Final Basic Service Delivery Measurement

2. The Council of !Kheis Municipality, acting in terms of section 75A of the Local Government Municipal Systems Act (Act 32 of 2000), was also supposed to approve and final with effect from 31 March 2024 the following tariffs for all services:
2.1 The final tariffs for property rates

2.2 The final tariffs for supply of water
2.3 The final tariffs for sanitation services
2.4 The final tariffs for refuse removal

3. The Council of !Kheis Municipality, acting in terms of section 75A of the Local Government Municipal Systems Act (Act 32 of 2000), approves and adopt with effect from 31 March 2024 the final tariffs for other services.

4. To give proper effect to the municipality’s final annual budget, the Council of !Kheis Municipality approves:
4.1 that cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions and unspent conditional grants are cash as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
4.2 That the municipality did not budget to raise long term loans to fund the capital budget.

1.3 Executive Summary

Section 153 of the Constitution requires that a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community"

The application of sound financial management principles for the compilation of the municipality's budget is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process.

National Treasury's MFMA Circular No. 128 had been used to guide the compilation of the 2024/25 final budget. The following areas require particular attention:

- Revenue Management – To ensure all households and businesses are accurately billed and revenue collected
- Collection Outstanding Debt – Ensure sufficient administrative capacity, political commitment and accuracy and affordability of the accounts of poor households
- Pricing of services – To ensure that the services rendered are recovered in terms of the pricing structure
- Repairs and Maintenance – Assets should be maintained in a healthy state in order to generate revenue over a longer term
- Spending on non-priorities – Ensure that funding is allocated to prioritized items.

The main challenges experienced during compilation of the final 2024/25 MTREF can be summarized as follows

- Service delivery backlogs,
- The continued increases in the cost to provide services. Continuous high tariff increases are not sustainable – as there will be a point where services will no longer be affordable to our communities, particularly the unemployed, the vulnerable and indigents,
- Aging and poorly maintained water and roads infrastructure,
- Continuous increase of outstanding debtors,
- Unavailability of own funding for capital budget,
- Inability to raise capital; and
- The on-going difficulties in the national and local economy.
- The impact of Covid – 19
- The unfunded roll over not approved by National Treasury

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

- The 2024/25 Final Budget priorities and targets, as well as the base line allocations contained in that Budget were adopted for the new baselines of the 2024/25 Final MTREF Budget.
- Compliance with laws and regulations
- Previous commitments and existing contracts
- Affordability of tariff and property rate increases in line with inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.
- The budget must be spent in full, and all grants must be utilised in full.

In view of the aforementioned, the following table is a consolidated overview of the Final 2023/24Medium-Term Revenue and Expenditure Framework.

Table 1 Consolidated Overview of the 2024/25 MTREF

R Thousand	Approved Budget 23/24	Budget Year +1 24/25	Budget Year + 2 25/26	Budget Year + 3 26/27
	R'000	R'000'	R'000'	R'000'
Total Operating Revenue	79 036	85 140	86 783	88 933
Total Operating Expenditure	69 527	71 908	75 094	78 632
Surplus /(Deficit)	9 509	13 233	11 689	10 301
Total Capital Expenditure	11 086	21 662	12 010	12 658

Total operating revenue has increase by 7.17% for the 2024/25 financial year compared to the 2023/24 Approved Adjustment Budget, due to the following reasons:

- increase in service charges and
- increase in grants and subsidies

Operational expenditure has increase by 3.31% in the 2024/25 budget year compared to the 2023/24 Approved Adjustment Budget figures. This increase is mainly due to the following:

- A new proposed municipal organogram had developed and will be submitted to Council for the 2023/24 financial year, indicating a possible saving in salary expenses
- Expenditure such as repairs and maintenance on our infrastructure capital assets had been budgeted for, however, due to ongoing financial constraints these processes had been minimized.

- High increase in price of diesel for the sanitation and sewerage trucks to be maintain for the services render.

The capital budget of R21 662 million for the 2024/25 financial year which increase with 48,82% in comparison with the 2023/24 Adjustment Budget.

1.4 Operating Revenue Framework

!Kheis Local Municipality intends to continue improving the quality of services provided to its community as highlighted above on its priorities and therefore needs to generate the required revenue to attain that. In these tough economic times strong revenue management is fundamental to the financial sustainability of our municipality. The expenditure

required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditure against realistically anticipated revenues. We have made generous efforts, in the MTREF, to maximise revenue generation without neglecting the need to be realistic while limiting non-essential expenditure. This places a strenuous burden on our management to be prudent in the revenue and expenditure management.

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

- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 75% annual collection rate for property rates and 85% on service charges and 70% on other income for 2024/25
- Increase ability to extend new services(flat rate) and recover costs;
- The municipality's Indigents Policy and rendering of free basic services; and
- Tariff policies of the municipality.

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

Table 2 Summary of revenue classified by revenue source

NC084 !Kheis - 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		
R thousand	1	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
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	4 294	3 933	3 505	9 115	8 015	8 015	2 930	6 770	7 081	7 407
Service charges - Waste Water Management	2	2 516	2 953	2 443	2 913	3 243	3 243	1 972	3 770	3 944	4 125
Service charges - Waste Management	2	3 266	3 945	3 416	3 324	4 324	4 324	2 826	5 276	5 519	5 773
Sale of Goods and Rendering of Services		68	366	817	1 253	779	779	375	652	855	894
Agency services		775	185	10	376	376	376	95	394	413	432
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		5 029	5 902	5 568	5 667	8 347	8 347	4 877	8 756	9 123	9 580

Interest earned from Current and Non Current Assets		168	59	35	542	343	343	46	359	376	393
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		13	13	15	21	21	21	5	22	23	24
Rental from Fixed Assets		260	206	168	1 827	1 827	1 827	168	1 916	2 005	2 097
Licence and permits		–	2	0	58	58	58	–	61	64	67
Operational Revenue		205	30	117	417	454	454	387	477	498	521
Non-Exchange Revenue											
Property rates	2	3 392	5 147	5 933	11 212	10 156	10 156	5 566	10 314	10 789	11 285
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	316	–	–	–	–	–	–
Licences or permits		–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		35 103	32 137	38 466	39 150	39 150	39 150	26 890	44 336	43 964	44 107
Interest		5	5	4	1 478	1 478	1 478	3	1 551	1 622	1 697
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		276	228	145	463	463	463	236	486	508	531
Other Gains		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**55 371**	**55 111**	**60 640**	**78 134**	**79 036**	**79 036**	**46 376**	**85 140**	**86 783**	**88 933**
Expenditure											
Employee related costs	2	31 103	30 672	30 424	34 735	34 940	34 940	23 854	36 593	38 229	39 987
Remuneration of councillors		2 988	3 795	4 600	4 634	4 634	4 634	3 583	4 634	4 847	5 070
Bulk purchases - electricity	2	-	–	–	–	–	–	–	–	–	–
Inventory consumed	8	1 437	1 914	1 701	1 546	1 696	1 696	1 112	1 773	1 855	1 940
Debt impairment	3	14 474	333	112	6 288	6 288	6 288	–	6 596	6 899	7 217
Depreciation and amortisation		7 575	5 359	6 806	9 569	7 969	7 969	–	8 360	8 745	9 147
Interest		3 915	–	–	–	–	–	–	–	–	–
Contracted services		3 614	3 032	2 467	5 120	4 762	4 762	535	4 405	4 533	4 819
Transfers and subsidies		221	(1 061)	(3 248)	47	47	47	–	46	48	51
Irrecoverable debts written off		10 511	11 682	–	–	–	–	–	–	–	–
Operational costs		9 667	10 246	11 974	8 575	9 191	9 191	2 750	9 500	9 937	10 401
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**85 505**	**65 974**	**54 836**	**70 514**	**69 527**	**69 527**	**31 835**	**71 908**	**75 094**	**78 632**
Surplus/(Deficit)		**(30 135)**	**(10 863)**	**5 804**	**7 620**	**9 509**	**9 509**	**14 541**	**13 233**	**11 689**	**10 301**
Transfers and subsidies - capital (monetary allocations)	6	13 810	6 648	11 763	21 333	11 086	11 086	9 950	21 662	12 010	12 658
Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(16 325)**	(4 215)	17 567	**28 953**	**20 595**	**20 595**	24 491	**34 895**	**23 699**	**22 959**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**(16 325)**	(4 215)	17 567	28 953	20 595	20 595	24 491	34 895	23 699	22 959
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(16 325)**	(4 215)	17 567	28 953	20 595	20 595	24 491	34 895	23 699	22 959
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**(16 325)**	**(4 215)**	**17 567**	**28 953**	**20 595**	**20 595**	**24 491**	**34 895**	**23 699**	**22 959**

Table 3 Summary of revenue and expenditure classified by source

NC084 !Kheis - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		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
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		68 168	56 640	66 463	98 424	89 079	89 079	103 532	95 293	97 976
Vote 4 - COMMUNITY SERVICES		796	871	1 147	1 043	1 043	1 043	3 270	3 500	3 615
Vote 5 - TECHNICAL SERVICES		216	4 248	4 794	–	–	–	–	–	–
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**69 180**	**61 759**	**72 403**	**99 467**	**90 122**	**90 122**	**106 802**	**98 793**	**101 591**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - MUNICIPAL MANAGER		2 079	2 260	984	3 457	3 242	3 242	3 337	3 491	3 651
Vote 2 - CORPORATE SERVICE		8 343	5 700	5 620	8 217	8 935	8 935	8 708	9 109	9 528
Vote 3 - FINANCIAL MANAGEMENT SERVICES		37 185	24 167	9 361	21 404	21 616	21 616	22 788	23 789	24 889
Vote 4 - COMMUNITY SERVICES		7 550	9 160	10 501	4 785	5 035	5 035	5 139	5 301	5 623
Vote 5 - TECHNICAL SERVICES		25 178	17 525	20 785	23 666	22 711	22 711	23 802	24 897	26 042
Vote 6 - EXECUTIVE AND COUNCIL		4 203	6 547	6 986	8 034	7 037	7 037	7 162	7 491	7 836
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**84 538**	**65 361**	**54 237**	**69 564**	**68 577**	**68 577**	**70 937**	**74 078**	**77 569**
Surplus/(Deficit) for the year	2	**(15 358)**	**(3 602)**	**18 167**	**29 903**	**21 545**	**21 545**	**35 866**	**24 715**	**24 022**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality, besides the dependence on government grants. In the 2023/24 budget, revenue from rates and services charges totalled R25,739million in conjunction with the R26,131 million for 2024/25 financial year in review. Water revenue has also seen a slight increase of 1.50% from 2023/24.

Water is the second largest revenue source totalling 42.80% (R6,7 million) of billing revenue for the financial year under review. Operating grants and transfers totals R39,150million in the approved adjustment budget for 2023/24 financial year and steadily increased to R44,336 million by 2024/25. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term.

Table 4 Operating Transfers and Grants Receipts

NC084 !Kheis - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		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
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**3 956**	**4 822**	**23 072**	**35 096**	**35 357**	**35 357**	**36 239**	**37 858**	**39 606**
Operational Revenue:General Revenue:Equitable Share		2 627	2 043	21 681	31 996	32 257	32 257	32 964	34 481	36 073
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		–	757	403	–	–	–	–	–	–
Local Government Financial Management Grant [Schedule 5B]		1 328	2 021	988	3 100	3 100	3 100	3 274	3 377	3 532
Provincial Government:		**294**	**48**	**899**	**1 290**	**1 290**	**1 290**	**1 351**	**1 339**	**1 478**
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		294	48	899	1 290	1 290	1 290	1 351	1 339	1 478
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
All Grants		–	–	–	–	–	–	–	–	–
Other Grant Providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Departmental Agencies and Accounts		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		**4 249**	**4 870**	**23 971**	**36 385**	**36 647**	**36 647**	**37 590**	**39 197**	**41 084**
Capital expenditure of Transfers and Grants										
National Government:		**10 046**	**8 250**	**11 583**	**21 331**	**11 086**	**11 086**	**21 662**	**12 010**	**12 658**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]		10 225	8 485	8 624	11 881	11 086	11 086	21 662	12 010	12 658
Energy Efficiency and Demand Side Management Grant		–	(235)	–	–	–	–	–	–	–
Water Services Infrastructure Grant [Schedule 5B]		(180)	–	2 958	9 450	–	–	–	–	–
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Capacity Building		–	–	–	–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
All Grants		–	–	–	–	–	–	–	–	–
Other Grant Providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Departmental Agencies and Accounts		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		**10 046**	**8 250**	**11 583**	**21 331**	**11 086**	**11 086**	**21 662**	**12 010**	**12 658**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**14 295**	**13 120**	**35 554**	**57 716**	**47 733**	**47 733**	**59 252**	**51 207**	**53 742**

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Excessive increases are likely to be counterproductive, resulting in higher levels of non- payment.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. Therefore Property Rates is predominantly the most crucial income for the municipality and form great part in the collection rate of any municipality.

1.4.2 Sale of Water and Impact of Tariff Increases

We face significant challenges with water supply, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariff are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2018. Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in the future to ensure sustainability. A tariff increase of 5.3% from 1 July 2024 for water is proposed. This is based on CPI Circular 128. In addition 6kl water per 30-day period will again be granted free of charge to all residents.

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

Table 5 Proposed Water Tariffs

	CURRENT TARIFFS 2023/24 (excluding vat)	**PROPOSED TARIFFS 2024/25 (excluding vat)**
RESIDENTIAL	**Rand per**	**KL**
1-6kl per month (Subsidy)	5,55	5,83
7-15kl per month	9.26	9.71
16-40kl per month	9.26	9.71
41-80kl per month	11.11	11.65

81- 100kl per month	11.11	11.65
101 – 150kl per month	11.11	11.65
151-200kl per month	31.48	33.02
201kl and above	38.88	40.79
NON-RESIDENTIAL		
Schools and hostels	12,96	13.59
Abattoir	14.50	15.21
Raw water	0,091	0,095

ACTION PLAN

!Kheis Local Municipality scored an overall of 50.33% in its Blue Drop status during the year of 2020.

We have embarked on the following action plans to improve our blue drop status:

- Training of all our water operators
- Acquiring all the equipment to ensure we test our water quality on a more regular basis
- Do a risk assessment on all our water treatment plants
- Ensure that all the medical certificates are in place
- Certificates of adherence are compliant

- Request for reports on incidents that were admitted at the clinic
- Water conservation and water demand process are in place
- Adhere to all standards as set out in the regulations acts
- Water samples will be prioritised and done on a weekly basis to assess water more effectively.

The Municipality received funds from ACWA Power (Bokpoort CSP) to improve the water quality at the treatment plants since 2020.

We are engaging with consultants and the different Departments to assist with as much information as they can to improve our Blue Drop status. The Municipality has the capacity to improve the scores from previous years to achieve the 90% mark and more. The actions to be taken should therefore be implemented and monitored on a regular time frame to achieve these results. The Department of Water Affairs is giving sufficient assistance to the Municipality and we commend their support.

WATER SAFETY PLAN FOR 2022/23 FINANCIAL YEAR

The Water Safety Plan (WSP) was compiled in 2019 and will be reviewed in September 2021 for the water supply area of !Kheis Local Municipality, ZF Mgcawu District Municipality, Northern Cape.

This document addresses the critical water quality management such as the water safety planning processes, full system assessments that include inspections of the catchment, water treatment works and the distribution system.

The plan also includes the evaluation of the risk informed water quality monitoring programmes, the data submission on the BDS and the water quality over past years.

SCORING / RATING SYSTEM	**SCORE OBTAINED**	**STATUS**
Site inspection	56%	Good
High Risk Identified	47%	Good
Microbiological water quality	58%	Bad
Overall impression on risk management	**54**	Fair

The overall impression score of 50.33% (for 2019) is average which indicates that only basic water management is being addressed within the current resources available and not risk based as required by the water

safety planning process. The technical manager is in process of meeting DWS for results, because no audit had been carried since 2020/21.

Raw water is extracted from the Orange River as well as from the canal in most of the areas within the municipality area and pump into the raw water dams. Most risks like the insufficient safety and security of the water treatment works, unqualified process controllers and supervisors and no routine maintenance programmes were identified as major risks in this supply areas.

The areas that complete the !Kheis Municipal boundaries are Groblershoop, Boegoeberg, Opwag, Zumaville, Wegdraai, Topline, Grootdrink and Gariep.

WATER SAFETY PLANNING PROCESS

The purpose of the Water Safety Planning Process is to introduce a holistic approach to drinking water quality management and provide a systematic, transparent approach to the consistent provision of safe water with a clear focus on public health. The emphasis of the WSPP on water supply management and covers the entire water supply system with participation of all stakeholders.

The objectives of the Water Safety Planning Process are to consistently ensure the safety and acceptability of the drinking water system by:

- Identifying hazards and prioritizing risks in the drinking water system from catchment-to consumer
- Assessing the effectiveness of existing control measures for these risks
- Implementing improvement plans for high priority uncontrolled risks.

1.4.3 Sanitation and Impact of Tariff Increases

A tariff increase of 13.97% for sanitation from 1 July 2024 is proposed. This is based on the input cost assumptions related to water. It should be noted that water costs contributes approximately 12.56 per cent of waste water treatment input costs. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation (100 per cent of 6 kl water) will be applicable to registered indigents; and
- The total revenue expected to be generated from rendering this service amounts to R3.770 million for the 2024/25 financial year.

At the moment only a basic charge is levied per erven for sanitation services rendered by the municipality.

1.4.4 Waste Removal and Impact of Tariff Increases

A 18,04 % increase in the waste removal tariff is proposed from 1 July 2024.

The following table compares current and proposed amounts payable from 1 July 2024:

Table 6 Comparison between current waste removal fees and increases

Detail	Tariff 1 July 2023(excluding vat)	Tariff 1 July 2024 (excluding vat)
Sanitation		
Households (Subsidy)	118	124
Households	118	124
Business	148	155
Schools	148	155
Abattoir	28 981	30 402
Refuse removal		
Households (Subsidy)	163	171
Households	163	171
Business	359	377
Garden refuse	170	179
Building refuse	341	357

1.4.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services

Table 7 MBRR table SA14- Household bills

1.5 Operating Expenditure Framework

NC084 !Kheis - Supporting Table SA14 Household bills

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25 % incr.	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		179,43	192,89	3 800,00	4 200,00	4 200,00	4 200,00	4,9%	4 405,80	4 608,47	4 820,46
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		–	–	–	–	–	–	–	–	–	–
Water: Basic levy		77,12	82,91	–	–	–	–	–	–	–	–
Water: Consumption		78,77	84,68	–	–	–	–	–	–	–	–
Sanitation		131,28	141,12	112,54	118,50	118,50	118,50	4,9%	124,31	130,02	136,01
Refuse removal		144,40	155,23	155,00	162,94	162,94	162,94	4,9%	170,92	178,79	187,01
Other		–	–	–	–	–	–	–	–	–	–
sub-total		**611,01**	**656,83**	**4 067,54**	**4 481,44**	**4 481,44**	**4 481,44**	**4,9%**	**4 701,03**	**4 917,28**	**5 143,47**
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total large household bill:		**611,01**	**656,83**	**4 067,54**	**4 481,44**	**4 481,44**	**4 481,44**	**4,9%**	**4 701,03**	**4 917,28**	**5 143,47**

% increase/-decrease			7,5%	519,3%	10,2%	–	–		4,9%	4,6%	4,6%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		179,43	192,89	202,15	212,86	212,86	212,86	4,9%	223,29	233,56	244,31
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		–	–	–	–	–	–	–	–	–	–
Water: Basic levy		77,12	82,91	86,89	91,49	91,49	91,49	4,9%	95,98	100,39	105,01
Water: Consumption		113,22	121,72	127,56	134,32	134,32	134,32	4,9%	140,90	147,38	154,16
Sanitation		212,58	228,52	239,49	252,19	252,19	252,19	4,9%	264,54	276,71	289,44
Refuse removal		144,40	155,23	162,68	171,31	171,31	171,31	4,9%	179,70	187,97	196,61
Other		–	–	–	–	–	–	–	–	–	–
sub-total		**726,76**	**781,27**	**818,77**	**862,17**	**862,17**	**862,17**	**4,9%**	**904,41**	**946,02**	**989,53**
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total small household bill:		**726,76**	**781,27**	**818,77**	**862,17**	**862,17**	**862,17**	**4,9%**	**904,41**	**946,02**	**989,53**
% increase/-decrease			**7,5%**	**4,8%**	**5,3%**	**–**	**–**		**4,9%**	**4,6%**	**4,6%**
				-0,36	0,10	-1,00	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		179,43	192,89	202,15	212,86	212,86	212,86	4,9%	223,29	233,56	244,31
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		–	–	–	–	–	–	–	–	–	–
Water: Basic levy		77,12	82,91	86,89	91,49	91,49	91,49	4,9%	95,98	100,39	105,01
Water: Consumption		78,77	84,67	88,74	93,44	93,44	93,44	4,9%	98,02	102,53	107,24
Sanitation		105,02	112,90	118,32	124,59	124,59	124,59	4,9%	130,69	136,70	142,99
Refuse removal		144,40	155,23	162,68	171,31	171,31	171,31	4,9%	179,70	187,97	196,61
Other		–	–	–	–	–	–	–	–	–	–
sub-total		**584,74**	**628,60**	**658,77**	**693,69**	**693,69**	**693,69**	**4,9%**	**727,68**	**761,15**	**796,16**
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total small household bill:		**584,74**	**628,60**	**658,77**	**693,69**	**693,69**	**693,69**	**4,9%**	**727,68**	**761,15**	**796,16**
% increase/-decrease			**7,5%**	**4,8%**	**5,3%**	**–**	**–**		**4,9%**	**4,6%**	**4,6%**

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

The assets renewal strategy and repairs and maintenance plan;

- Balanced budget constraint (operating expenditure should not exceed operating revenue)
- Funding of the budget over medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core service; and
- Strict adherences to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

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

Table 8 Summary of operating expenditure by standard classification item

NC084 !Kheis - 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		
R thousand	1	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
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	4 294	3 933	3 505	9 115	8 015	8 015	2 930	6 770	7 081	7 407
Service charges - Waste Water Management	2	2 516	2 953	2 443	2 913	3 243	3 243	1 972	3 770	3 944	4 125
Service charges - Waste Management	2	3 266	3 945	3 416	3 324	4 324	4 324	2 826	5 276	5 519	5 773
Sale of Goods and Rendering of Services		68	366	817	1 253	779	779	375	652	855	894
Agency services		775	185	10	376	376	376	95	394	413	432
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		5 029	5 902	5 568	5 667	8 347	8 347	4 877	8 756	9 123	9 580
Interest earned from Current and Non Current Assets		168	59	35	542	343	343	46	359	376	393
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		13	13	15	21	21	21	5	22	23	24
Rental from Fixed Assets		260	206	168	1 827	1 827	1 827	168	1 916	2 005	2 097
Licence and permits		–	2	0	58	58	58	–	61	64	67
Operational Revenue		205	30	117	417	454	454	387	477	498	521
Non-Exchange Revenue											
Property rates	2	3 392	5 147	5 933	11 212	10 156	10 156	5 566	10 314	10 789	11 285
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	316	–	–	–	–	–	–
Licences or permits		–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		35 103	32 137	38 466	39 150	39 150	39 150	26 890	44 336	43 964	44 107
Interest		5	5	4	1 478	1 478	1 478	3	1 551	1 622	1 697
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		276	228	145	463	463	463	236	486	508	531
Other Gains		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**55 371**	**55 111**	**60 640**	**78 134**	**79 036**	**79 036**	**46 376**	**85 140**	**86 783**	**88 933**
Expenditure											
Employee related costs	2	31 103	30 672	30 424	34 735	34 940	34 940	23 854	36 593	38 229	39 987
Remuneration of councillors		2 988	3 795	4 600	4 634	4 634	4 634	3 583	4 634	4 847	5 070
Bulk purchases - electricity	2	-	–	–	–	–	–	–	–	–	–
Inventory consumed	8	1 437	1 914	1 701	1 546	1 696	1 696	1 112	1 773	1 855	1 940
Debt impairment	3	14 474	333	112	6 288	6 288	6 288	–	6 596	6 899	7 217
Depreciation and amortisation		7 575	5 359	6 806	9 569	7 969	7 969	–	8 360	8 745	9 147
Interest		3 915	–	–	–	–	–	–	–	–	–
Contracted services		3 614	3 032	2 467	5 120	4 762	4 762	535	4 405	4 533	4 819

Transfers and subsidies		221	(1 061)	(3 248)	47	47	47	–	46	48	51
Irrecoverable debts written off		10 511	11 682	–	–	–	–	–	–	–	–
Operational costs		9 667	10 246	11 974	8 575	9 191	9 191	2 750	9 500	9 937	10 401
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**85 505**	**65 974**	**54 836**	**70 514**	**69 527**	**69 527**	**31 835**	**71 908**	**75 094**	**78 632**
Surplus/(Deficit)		**(30 135)**	**(10 863)**	**5 804**	**7 620**	**9 509**	**9 509**	**14 541**	**13 233**	**11 689**	**10 301**
Transfers and subsidies - capital (monetary allocations)	6	13 810	6 648	11 763	21 333	11 086	11 086	9 950	21 662	12 010	12 658
Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(16 325)**	(4 215)	17 567	**28 953**	**20 595**	**20 595**	24 491	**34 895**	**23 699**	**22 959**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**(16 325)**	(4 215)	17 567	28 953	20 595	20 595	24 491	34 895	23 699	22 959
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(16 325)**	(4 215)	17 567	28 953	20 595	20 595	24 491	34 895	23 699	22 959
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**(16 325)**	**(4 215)**	**17 567**	**28 953**	**20 595**	**20 595**	**24 491**	**34 895**	**23 699**	**22 959**

The budget allocation for **employee related costs** for the 2024/25 financial year totals R36,229 million, which equals 50,58% of the total operating expenditure. The increase can be attributed to 4.9% percent for CPI as salary negotiations with unions still needs to take place. The municipality is also struggling with the funding of the voluntary severance packages that had been discussed with the LLF and employees.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R8.3 million for the 2024/25 financial and equates to 11,62% of the total operating expenditure. Please note that the implementation of GRAP 17 accounting standard has bring a range of assets previously not included in the assets register onto the register. i.e Heritage assets, unbundling of infrastructure assets and componentisation of property plant and equipment.

Other expenditure comprises of various line items relating to the daily operations of the municipality. It comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the municipality's repairs and maintenance plan
this group of expenditure has been prioritised to ensure sustainability of the municipality's infrastructure.

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipality's current infrastructure, the 2024/25 budget and MTREF provide for extensive growth in the area of asset maintenance, and must be informed by the asset renewal strategy and repairs and maintenance plan of the municipality.

During the compilation of the 2024/25 MTREF operational repairs and maintenance has been identified as a strategic imperative owing to the ageing of the municipality's infrastructure and historic deferred maintenance. It is grouped under contracted services on the budget it equites R6,13 million, an increase of 8.10% in relation to the Special Adjustment Budget of 2023/24 and continues to grow at 4.9% over the
MTREF.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services all households are being required to register in terms of the municipality's Indigents Policy. The municipality currently provide registered indigent households within the Government norms and standards of 6kl of free water and 50 amp electricity. The target is to register more indigent households during the 2024/25 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service measurement is contained in Table 24 MBRR A10 (Basic Service Delivery Measurements) . The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.6 Capital expenditure

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

NC084 !Kheis - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		699	–	304	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		3 217	57	9 489	21 331	11 086	11 086	8 471	22 181	12 010	12 658
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		**3 915**	**57**	**9 793**	**21 331**	**11 086**	**11 086**	**8 471**	**22 181**	**12 010**	**12 658**

Single-year expenditure ***to be appropriated***	2										
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		(394)	–	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		7 603	7 847	2 741	–	849	849	–	–	–	–
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**7 210**	**7 847**	**2 741**	**–**	**849**	**849**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Vote	3,7	**11 125**	**7 903**	**12 533**	**21 331**	**11 935**	**11 935**	**8 471**	**22 181**	**12 010**	**12 658**
Capital Expenditure - Functional											
Governance and administration		**305**	**–**	**304**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Executive and council		–	–	–	–	–	–	–	–	–	–
Finance and administration		305	–	304	–	–	–	–	–	–	–
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		**–**	**–**	**2 088**	**–**	**–**	**–**	**–**	**10 000**	**–**	**–**
Community and social services		–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	2 088	–	–	–	–	10 000	–	–
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**774**	**(347)**	**(417)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Planning and development		–	–	–	–	–	–	–	–	–	–
Road transport		774	(347)	(417)	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		**10 046**	**8 250**	**10 559**	**21 331**	**11 935**	**11 935**	**8 471**	**11 662**	**12 010**	**12 658**
Energy sources		–	–	–	–	–	–	–	–	–	–
Water management		–	–	1 934	9 450	–	–	–	12 181	12 010	12 658
Waste water management		–	–	–	–	479	479	–	–	–	–
Waste management		10 046	8 250	8 624	11 881	11 456	11 456	8 471	–	–	–
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3,7	**11 125**	**7 903**	**12 533**	**21 331**	**11 935**	**11 935**	**8 471**	**22 181**	**12 010**	**12 658**
Funded by:											
National Government		10 046	8 250	11 583	21 331	11 086	11 086	8 471	22 181	12 010	12 658

Provincial Government		774	(774)	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**10 820**	**7 476**	**11 583**	**21 331**	**11 086**	**11 086**	**8 471**	**22 181**	**12 010**	**12 658**
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	1 064	–	–	–	–	–	–	–
Total Capital Funding	7	**10 820**	**7 476**	**12 647**	**21 331**	**11 086**	**11 086**	**8 471**	**22 181**	**12 010**	**12 658**

Table 11 2024/25 Medium-term capital budget per vote

NC084 !Kheis - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure - Vote											
Multi-year expenditure ***to be appropriated***	2										
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		699	–	304	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		3 217	57	9 489	21 331	11 086	11 086	8 471	22 181	12 010	12 658
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		**3 915**	**57**	**9 793**	**21 331**	**11 086**	**11 086**	**8 471**	**22 181**	**12 010**	**12 658**
Single-year expenditure ***to be appropriated***	2										
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		(394)	–	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–

Vote 5 - TECHNICAL SERVICES		7 603	7 847	2 741	–	849	849	–	–	–	–
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**7 210**	**7 847**	**2 741**	**–**	**849**	**849**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Vote	3,7	**11 125**	**7 903**	**12 533**	**21 331**	**11 935**	**11 935**	**8 471**	**22 181**	**12 010**	**12 658**

For 2024/25 an amount of R21,662 million has been appropriated for the development of infrastructure which represents 100% of the total capital budget. In the outer years this amount totals R12,010 million and R12,658 million respectively for each of the financial years. Further detail relating to asset classes and proposed capital expenditure is contained in Table 23 MBRR A9 (Asset Management). In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class. Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Upgrading of Sport facility - Grootdrink
  R 10 000 00
- Opwag Upgrading of Bulk Water Project R 11 662 000
- Gariep Upgrading of Bulk Water Project R 518 982 (EPWP)

1.7 Finaled Annual Budget Tables (A1 – A10)

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal budget and Reporting Regulations. These tables set out the municipality's 2024/25 budget and MTREF to be

considered for approval by council. Each table is accompanied by explanatory notes.

Table 12 MBRR Table A1- Budget Summary

NC084 !Kheis - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	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
Financial Performance										
Property rates	3 392	5 147	5 933	11 212	10 156	10 156	5 566	10 314	10 789	11 285
Service charges	10 076	10 830	9 364	15 353	15 583	15 583	7 729	15 816	16 544	17 305
Investment revenue	168	59	35	542	343	343	46	359	376	393
Transfer and subsidies - Operational	35 103	32 137	38 466	39 150	39 150	39 150	26 890	44 336	43 964	44 107
Other own revenue	6 632	6 938	6 843	11 876	13 804	13 804	6 145	14 315	15 110	15 843

Total Revenue (excluding capital transfers and contributions)	55 371	55 111	60 640	78 134	79 036	79 036	46 376	85 140	86 783	88 933
Employee costs	31 103	30 672	30 424	34 735	34 940	34 940	23 854	36 593	38 229	39 987
Remuneration of councillors	2 988	3 795	4 600	4 634	4 634	4 634	3 583	4 634	4 847	5 070
Depreciation and amortisation	7 575	5 359	6 806	9 569	7 969	7 969	–	8 360	8 745	9 147
Interest	3 915	–	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	1 437	1 914	1 701	1 546	1 696	1 696	1 112	1 773	1 855	1 940
Transfers and subsidies	221	(1 061)	(3 248)	47	47	47	–	46	48	51
Other expenditure	38 266	25 293	14 553	19 983	20 241	20 241	3 285	20 501	21 370	22 436
Total Expenditure	85 505	65 974	54 836	70 514	69 527	69 527	31 835	71 908	75 094	78 632
Surplus/(Deficit)	(30 135)	(10 863)	5 804	7 620	9 509	9 509	14 541	13 233	11 689	10 301
Transfers and subsidies - capital (monetary allocations)	13 810	6 648	11 763	21 333	11 086	11 086	9 950	21 662	12 010	12 658
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(16 325)	(4 215)	17 567	28 953	20 595	20 595	24 491	34 895	23 699	22 959
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(16 325)	(4 215)	17 567	28 953	20 595	20 595	24 491	34 895	23 699	22 959
Capital expenditure & funds sources										
Capital expenditure	11 125	7 903	12 533	21 331	11 935	11 935	8 471	22 181	12 010	12 658
Transfers recognised - capital	10 820	7 476	11 583	21 331	11 086	11 086	8 471	22 181	12 010	12 658
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	1 064	–	–	–	–	–	–	–
Total sources of capital funds	10 820	7 476	12 647	21 331	11 086	11 086	8 471	22 181	12 010	12 658
Financial position										
Total current assets	40 135	14 297	20 702	70 326	70 367	70 367	44 415	55 418	87 153	64 163
Total non current assets	148 896	3 321	4 231	210 457	202 661	202 661	12 701	347 780	309 608	39 383
Total current liabilities	58 208	(15 341)	13 713	131 060	131 662	131 662	17 692	129 418	131 750	26 182
Total non current liabilities	3 004	338	34	5 710	5 710	5 710	34	5 786	5 866	1 800
Community wealth/Equity	144 865	33 399	14 692	146 333	146 333	146 333	44 898	147 763	149 264	33 703
Cash flows										
Net cash from (used) operating	59 812	49 282	33 819	15 141	3 451	3 451	(63 043)	13 893	2 754	(25 005)
Net cash from (used) investing	(2 244)	(857)	1 566	(1 865)	(2 714)	(2 714)	1 566	(21 662)	(12 010)	(12 658)
Net cash from (used) financing	19	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	59 367	48 425	32 812	13 892	1 353	1 353	(65 562)	(7 153)	(16 409)	(54 072)
Cash backing/surplus reconciliation										
Cash and investments available	2 306	(2 740)	(4 540)	12 100	10 290	10 290	1 394	(7 416)	22 492	(4 370)
Application of cash and investments	24 651	58 925	11 474	7 548	8 228	8 228	14 199	5 036	6 798	17 358
Balance - surplus (shortfall)	(22 345)	(61 665)	(16 014)	4 552	2 062	2 062	(12 805)	(12 452)	15 694	(21 728)
Asset management										
Asset register summary (WDV)	147 030	3 321	4 231	208 592	200 796	200 796		345 823	307 556	37 230
Depreciation	7 575	5 359	6 806	9 569	7 969	7 969		8 360	8 745	9 147
Renewal and Upgrading of Existing Assets	7 502	1 614	2 474	9 450	–	–		22 181	12 010	12 658
Repairs and Maintenance	535	244	83	765	768	768		800	763	876
Free services										
Cost of Free Basic Services provided	(281)	(127)	–	3 100	4 100	4 100		4 832	5 054	5 286
Revenue cost of free services provided	–	–	–	633	1 358	1 358		1 764	1 845	1 930
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–

Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

Explanatory notes to MBRR Table A1-Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspective (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

2. The table provides an overview of the amounts to be considered for approval by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

   a. The operating surplus/deficit (after Total Expenditure) is positive over MTREF
   b. Capital expenditure is balanced by capital funding sources, of which
      i. Transfers recognised is reflected on the Financial Performance Budget;
      ii. Internally generated funds are financed from a combination of the current operating surplus. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, indicates that the necessary cash resources are available to fund the Capital Budget

4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Over the MTREF there is progressive improvement in the level of cash-backing of obligations.

5.Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of service to the poor. The section of Free Service shows that the amount spent on Free Basic Service and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 13 MBRR Table A2- Budgeted Financial

NC084 !Kheis - 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

R thousand	1	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
Revenue - Functional										
Governance and administration		**53 393**	**44 868**	**52 264**	**72 363**	**65 329**	**65 329**	**77 949**	**69 824**	**71 298**
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		53 393	44 868	52 264	72 363	65 329	65 329	77 949	69 824	71 298
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**796**	**871**	**954**	**1 044**	**1 044**	**1 044**	**3 271**	**3 501**	**3 616**
Community and social services		796	871	954	1 044	1 044	1 044	3 271	3 501	3 616
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**775**	**185**	**10**	**692**	**376**	**376**	**1 594**	**413**	**432**
Planning and development		–	–	–	–	–	–	1 200	–	–
Road transport		775	185	10	692	376	376	394	413	432
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**14 217**	**15 835**	**19 175**	**25 368**	**23 373**	**23 373**	**23 988**	**25 055**	**26 246**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		4 504	5 620	8 914	18 565	10 548	10 548	9 427	9 860	10 314
Waste water management		2 379	3 911	3 575	2 923	5 358	5 358	5 989	6 265	6 553
Waste management		7 334	6 304	6 686	3 880	7 467	7 467	8 572	8 931	9 379
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**69 180**	**61 759**	**72 403**	**99 467**	**90 122**	**90 122**	**106 802**	**98 793**	**101 591**
Expenditure - Functional	-									
Governance and administration		**55 613**	**44 667**	**33 916**	**44 504**	**43 394**	**43 394**	**44 468**	**46 466**	**48 610**
Executive and council		6 277	8 781	7 942	11 490	10 278	10 278	10 498	10 981	11 486
Finance and administration		49 336	35 886	25 973	33 014	33 116	33 116	33 971	35 486	37 124
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**1 492**	**1 044**	**1 153**	**1 290**	**1 290**	**1 290**	**1 351**	**1 339**	**1 478**
Community and social services		1 448	1 041	1 153	1 290	1 290	1 290	1 351	1 339	1 478
Sport and recreation		44	3	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**2 131**	**1 227**	**621**	**1 137**	**1 137**	**1 137**	**1 161**	**1 214**	**1 270**
Planning and development		996	613	599	950	950	950	971	1 016	1 062
Road transport		1 136	614	22	187	187	187	190	198	207
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**26 269**	**19 035**	**19 146**	**23 583**	**23 706**	**23 706**	**24 927**	**26 074**	**27 273**
Energy sources		2 867	2 800	2 597	2 690	2 690	2 690	2 822	2 952	3 087
Water management		8 947	8 340	8 805	11 106	11 028	11 028	11 537	12 067	12 622
Waste water management		7 308	2 351	1 611	5 262	5 454	5 454	5 850	6 119	6 401
Waste management		7 147	5 545	6 133	4 525	4 535	4 535	4 719	4 936	5 163
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	**85 505**	**65 974**	**54 836**	**70 514**	**69 527**	**69 527**	**71 908**	**75 094**	**78 632**
Surplus/(Deficit) for the year		**(16 325)**	**(4 215)**	**17 567**	**28 953**	**20 595**	**20 595**	**34 895**	**23 699**	**22 959**

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

2. Note the Total Revenue on this table includes capital revenues (Transfers recognised-capital) and so does not balance to the operating revenue on Table A4.

3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

4. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's structure.

.

5. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

Table 14 MBRR Table A3- Budget Financial Performance

NC084 !Kheis - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		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
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		68 168	56 640	66 463	98 424	89 079	89 079	103 532	95 293	97 976
Vote 4 - COMMUNITY SERVICES		796	871	1 147	1 043	1 043	1 043	3 270	3 500	3 615
Vote 5 - TECHNICAL SERVICES		216	4 248	4 794	–	–	–	–	–	–
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**69 180**	**61 759**	**72 403**	**99 467**	**90 122**	**90 122**	**106 802**	**98 793**	**101 591**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - MUNICIPAL MANAGER		2 079	2 260	984	3 457	3 242	3 242	3 337	3 491	3 651
Vote 2 - CORPORATE SERVICE		8 343	5 700	5 620	8 217	8 935	8 935	8 708	9 109	9 528
Vote 3 - FINANCIAL MANAGEMENT SERVICES		37 185	24 167	9 361	21 404	21 616	21 616	22 788	23 789	24 889
Vote 4 - COMMUNITY SERVICES		7 550	9 160	10 501	4 785	5 035	5 035	5 139	5 301	5 623
Vote 5 - TECHNICAL SERVICES		25 178	17 525	20 785	23 666	22 711	22 711	23 802	24 897	26 042
Vote 6 - EXECUTIVE AND COUNCIL		4 203	6 547	6 986	8 034	7 037	7 037	7 162	7 491	7 836
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–

Total Expenditure by Vote	2	**84 538**	**65 361**	**54 237**	**69 564**	**68 577**	**68 577**	**70 937**	**74 078**	**77 569**
Surplus/(Deficit) for the year	2	**(15 358)**	**(3 602)**	**18 167**	**29 903**	**21 545**	**21 545**	**35 866**	**24 715**	**24 022**

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

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

2. the view of the budgeted operating performance in relation to the organisational structure of the municipality.

Table 15 MBRR A4- Budgeted Financial Performance (revenue and expenditure)

NC084 !Kheis - 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		
R thousand	1	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
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	4 294	3 933	3 505	9 115	8 015	8 015	2 930	6 770	7 081	7 407
Service charges - Waste Water Management	2	2 516	2 953	2 443	2 913	3 243	3 243	1 972	3 770	3 944	4 125
Service charges - Waste Management	2	3 266	3 945	3 416	3 324	4 324	4 324	2 826	5 276	5 519	5 773
Sale of Goods and Rendering of Services		68	366	817	1 253	779	779	375	652	855	894
Agency services		775	185	10	376	376	376	95	394	413	432
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		5 029	5 902	5 568	5 667	8 347	8 347	4 877	8 756	9 123	9 580
Interest earned from Current and Non Current Assets		168	59	35	542	343	343	46	359	376	393
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		13	13	15	21	21	21	5	22	23	24
Rental from Fixed Assets		260	206	168	1 827	1 827	1 827	168	1 916	2 005	2 097
Licence and permits		–	2	0	58	58	58	–	61	64	67
Operational Revenue		205	30	117	417	454	454	387	477	498	521
Non-Exchange Revenue											
Property rates	2	3 392	5 147	5 933	11 212	10 156	10 156	5 566	10 314	10 789	11 285
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	316	–	–	–	–	–	–
Licences or permits		–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		35 103	32 137	38 466	39 150	39 150	39 150	26 890	44 336	43 964	44 107
Interest		5	5	4	1 478	1 478	1 478	3	1 551	1 622	1 697
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		276	228	145	463	463	463	236	486	508	531
Other Gains		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**55 371**	**55 111**	**60 640**	**78 134**	**79 036**	**79 036**	**46 376**	**85 140**	**86 783**	**88 933**

Expenditure											
Employee related costs	2	31 103	30 672	30 424	34 735	34 940	34 940	23 854	36 593	38 229	39 987
Remuneration of councillors		2 988	3 795	4 600	4 634	4 634	4 634	3 583	4 634	4 847	5 070
Bulk purchases - electricity	2	-	–	–	–	–	–	–	–	–	–
Inventory consumed	8	1 437	1 914	1 701	1 546	1 696	1 696	1 112	1 773	1 855	1 940
Debt impairment	3	14 474	333	112	6 288	6 288	6 288	–	6 596	6 899	7 217
Depreciation and amortisation		7 575	5 359	6 806	9 569	7 969	7 969	–	8 360	8 745	9 147
Interest		3 915	–	–	–	–	–	–	–	–	–
Contracted services		3 614	3 032	2 467	5 120	4 762	4 762	535	4 405	4 533	4 819
Transfers and subsidies		221	(1 061)	(3 248)	47	47	47	–	46	48	51
Irrecoverable debts written off		10 511	11 682	–	–	–	–	–	–	–	–
Operational costs		9 667	10 246	11 974	8 575	9 191	9 191	2 750	9 500	9 937	10 401
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**85 505**	**65 974**	**54 836**	**70 514**	**69 527**	**69 527**	**31 835**	**71 908**	**75 094**	**78 632**
Surplus/(Deficit)		**(30 135)**	**(10 863)**	**5 804**	**7 620**	**9 509**	**9 509**	**14 541**	**13 233**	**11 689**	**10 301**
Transfers and subsidies - capital (monetary allocations)	6	13 810	6 648	11 763	21 333	11 086	11 086	9 950	21 662	12 010	12 658
Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(16 325)**	(4 215)	17 567	**28 953**	**20 595**	**20 595**	24 491	**34 895**	**23 699**	**22 959**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**(16 325)**	(4 215)	17 567	28 953	20 595	20 595	24 491	34 895	23 699	22 959
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(16 325)**	(4 215)	17 567	28 953	20 595	20 595	24 491	34 895	23 699	22 959
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**(16 325)**	**(4 215)**	**17 567**	**28 953**	**20 595**	**20 595**	**24 491**	**34 895**	**23 699**	**22 959**

Explanatory notes to Table A4 – Budgeted Financial Performance (revenue and expenditure)

1. Total operating revenue is R79,0million in 2023/24 and decreases to R85,1million by 2024/25. This represents a year-on-year increase of 7.16% for the 2024/25 financial year.

2. Revenue to be generated from property rates is R10,1 million in the 2023/24 financial year and increases to R10,3 million by 2024/25 which represents 1.5% of the own operating revenue base off the municipality and therefore remains a significant funding source for the municipality.

3. Services charges relating to water, sanitation and refuse, together constitutes the biggest component of the revenue basket of the municipality totalling R15,5 million for the 2023/24 financial year and increasing to R15,8 million by 2024/25. For the 2023/24 financial year services charges amount to 18.57% of the total revenue base and grows by 1.47% per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of water.

Transfers recognised- operating includes the local government equitable share and other operating grants from national and provincial government.

4.Employee related costs, Debt impairment, Depreciation and bulk purchases are main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 16 MBRR Table A5 Budgeted Capital Expenditure

NC084 !Kheis - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure - Vote											
Multi-year expenditure ***to be appropriated***	2										
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		699	–	304	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		3 217	57	9 489	21 331	11 086	11 086	8 471	22 181	12 010	12 658
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		**3 915**	**57**	**9 793**	**21 331**	**11 086**	**11 086**	**8 471**	**22 181**	**12 010**	**12 658**
Single-year expenditure ***to be appropriated***	2										
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		(394)	–	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		7 603	7 847	2 741	–	849	849	–	–	–	–
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**7 210**	**7 847**	**2 741**	**–**	**849**	**849**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Vote	3,7	**11 125**	**7 903**	**12 533**	**21 331**	**11 935**	**11 935**	**8 471**	**22 181**	**12 010**	**12 658**

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi- year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including

2. information on capital transfers from national and provincial departments.

2. Unlike multi-year capital appropriations, single-year appropriations relates to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialised tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

3. The capital programme is funded from national grants and transfers, public contributions and donations, external loans and internally generated funds from current year surpluses. For 2024/25, capital transfers totals R21,662 million. No borrowing is intended to finance any of the capital budgets during the MTREF.
These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding)

4. Table 17 MBRR Table A6- Budgeted Financial Position

NC084 !Kheis - Table A6 Budgeted Financial Position

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		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
ASSETS											
Current assets											
Cash and cash equivalents		2 306	(2 740)	(4 540)	12 100	10 290	10 290	1 394	(7 416)	22 492	(4 370)
Trade and other receivables from exchange transactions	1	13 500	11 013	15 688	26 716	29 586	29 586	26 975	29 353	29 556	20 767
Receivables from non-exchange transactions	1	9 293	1 850	3 924	14 613	13 557	13 557	9 705	13 882	14 545	26 200
Current portion of non-current receivables		(875)	–	–	(817)	(780)	(780)	–	1 017	1 067	1 119
Inventory	2	178	1	2	20	20	20	2	21	22	24
VAT		15 733	4 173	5 628	17 693	17 693	17 693	6 339	18 560	19 470	20 424
Other current assets		–	–	–	–	–	–	–	–	–	–
Total current assets		**40 135**	**14 297**	**20 702**	**70 326**	**70 367**	**70 367**	**44 415**	**55 418**	**87 153**	**64 163**
Non current assets											
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	147 030	3 220	4 130	208 592	200 796	200 796	12 600	345 823	307 556	37 230
Biological assets		–	101	101	–	–	–	101	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–
Intangible assets		–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions		1 865	–	–	1 865	1 865	1 865	–	1 957	2 053	2 153
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		**148 896**	**3 321**	**4 231**	**210 457**	**202 661**	**202 661**	**12 701**	**347 780**	**309 608**	**39 383**
TOTAL ASSETS		**189 030**	**17 618**	**24 933**	**280 783**	**273 028**	**273 028**	**57 116**	**403 197**	**396 761**	**103 546**
LIABILITIES											

Current liabilities	-										
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		(4 013)	–	–	(4 013)	(4 013)	(4 013)	–	(4 210)	(4 416)	(4 632)
Consumer deposits		114	–	–	117	117	117	–	122	128	135
Trade and other payables from exchange transactions	4	25 535	20 234	12 348	53 704	54 305	54 305	15 080	52 185	52 189	27 294
Trade and other payables from non-exchange transactions	5	11 997	(608)	(507)	11 454	11 456	11 456	(507)	10 817	12 606	(13 224)
Provision		9 381	(36 703)	(1 434)	55 410	55 410	55 410	(1 435)	55 410	55 410	–
VAT		15 194	1 735	3 305	14 388	14 388	14 388	4 554	15 093	15 833	16 609
Other current liabilities		–	–	–	–	–	–	–	–	–	–
Total current liabilities		**58 208**	**(15 341)**	**13 713**	**131 060**	**131 662**	**131 662**	**17 692**	**129 418**	**131 750**	**26 182**
Non current liabilities											
Financial liabilities	6	1 560	–	–	1 560	1 560	1 560	–	1 636	1 716	1 800
Provision	7	1 444	338	34	4 150	4 150	4 150	34	4 150	4 150	–
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		–	–	–	–	–	–	–	–	–	–
Total non current liabilities		**3 004**	**338**	**34**	**5 710**	**5 710**	**5 710**	**34**	**5 786**	**5 866**	**1 800**
TOTAL LIABILITIES		**61 212**	**(15 003)**	**13 747**	**136 769**	**137 372**	**137 372**	**17 726**	**135 204**	**137 616**	**27 982**
NET ASSETS		**127 818**	**32 620**	**11 186**	**144 014**	**135 656**	**135 656**	**39 390**	**267 993**	**259 145**	**75 564**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	144 865	33 399	14 692	146 333	146 333	146 333	44 898	147 763	149 264	33 703
Reserves and funds	9	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	**144 865**	**33 399**	**14 692**	**146 333**	**146 333**	**146 333**	**44 898**	**147 763**	**149 264**	**33 703**

Explanatory notes to Table A6- Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understand-ability for councillor and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table 47 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
   - Call investments deposits
   - Consumer debtors
   - Property, plant and equipment
   - Trade and other payables
   - Provisions non-current
   - Changes in net assets; and
   - Reserves

4. The municipal equivalent of equity is Community Wealth/ Equity. The justification is that ownership and the net assets of the municipality belong to the community

5. Any movement on the Budgeted Financial Performance or Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption

will impact on cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in

6. determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 18 MBRR Table A7- Budgeted Cash Flow Statement

NC084 !Kheis - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		1	4 463	–	9 530	9 530	9 530	(2 371)	9 997	10 467	–
Service charges		2 361	1 537	1 344	10 838	10 838	10 838	(729)	11 369	11 903	104
Other revenue		2 456	2 299	1 714	4 231	3 481	3 481	(1 550)	3 490	3 826	2 004
Transfers and Subsidies - Operational	1	31 253	24 638	30 826	39 150	39 150	39 150	(26 369)	43 136	43 964	44 107
Transfers and Subsidies - Capital	1	19 535	9 077	16 567	21 331	11 086	11 086	(9 950)	21 662	12 010	12 658
Interest		0	14	13	1 084	684	684	(4)	928	971	393
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		4 207	7 254	(16 646)	(71 023)	(71 319)	(71 319)	(22 070)	(76 690)	(80 388)	(84 271)
Interest		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**59 812**	**49 282**	**33 819**	**15 141**	**3 451**	**3 451**	**(63 043)**	**13 893**	**2 754**	**(25 005)**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		(1 865)	–	–	(1 865)	(1 865)	(1 865)	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(378)	(857)	1 566	–	(849)	(849)	1 566	(21 662)	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(2 244)**	**(857)**	**1 566**	**(1 865)**	**(2 714)**	**(2 714)**	**1 566**	**(21 662)**	**–**	**–**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–

Increase (decrease) in consumer deposits		19	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**19**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**57 587**	**48 425**	**35 385**	**13 276**	**737**	**737**	**(61 476)**	**(7 769)**	**2 754**	**(25 005)**
Cash/cash equivalents at the year begin:	2	**1 780**	**–**	**(2 573)**	616	616	616	**(4 086)**	**616**	**(7 153)**	**(4 399)**
Cash/cash equivalents at the year end:	2	**59 367**	**48 425**	**32 812**	**13 892**	**1 353**	**1 353**	**(65 562)**	**(7 153)**	**(4 399)**	**(29 404)**

Explanatory notes to Table A7- Budget Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2024/25 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Adequate cash reserves over the medium-term.

It should be noted that the amounts for transfers and grants (operational and capital) is incorrect. Due to system formulas the vendor is going to correct the link with the original budget of 2024/25. The correct amounts for transfers and grants – operational is R 44,336 mil and capital R21,662mil.

Table 19 MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

NC084 !Kheis - 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		
R thousand		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
Cash and investments available											
Cash/cash equivalents at the year end	1	59 367	48 425	32 812	13 892	1 353	1 353	(65 562)	(7 153)	(4 399)	(29 404)
Other current investments > 90 days		(57 062)	(51 165)	(37 352)	(1 791)	8 937	8 937	66 956	(263)	26 891	25 033
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**2 306**	**(2 740)**	**(4 540)**	**12 100**	**10 290**	**10 290**	**1 394**	**(7 416)**	**22 492**	**(4 370)**
Application of cash and investments											
Trade payables from Non-exchange transactions: Unspent conditional Grants		11 997	(608)	(507)	11 454	11 456	11 456	(507)	10 817	12 606	(13 224)
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2	(49)	722	(1 546)	1 002	1 002	1 002	(2 868)	1 164	1 334	3 815
Other working capital requirements	3	24 301	19 881	12 092	50 502	51 180	51 180	16 139	48 465	48 268	26 766
Other provisions		(11 598)	38 929	1 435	(55 410)	(55 410)	(55 410)	1 435	(55 410)	(55 410)	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**24 651**	**58 925**	**11 474**	**7 548**	**8 228**	**8 228**	**14 199**	**5 036**	**6 798**	**17 358**
Surplus(shortfall)		**(22 345)**	**(61 665)**	**(16 014)**	**4 552**	**2 062**	**2 062**	**(12 805)**	**(12 452)**	**15 694**	**(21 728)**

Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded"

Table 20 MBRR Table A9 – Asset Management

Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

NC084 !Kheis - Table A9 Asset Management

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		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
CAPITAL EXPENDITURE										
Total New Assets	1	**3 623**	**6 290**	**10 059**	**11 881**	**11 935**	**11 935**	**–**	**–**	**–**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		699	(235)	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		195	391	7 972	11 881	11 086	11 086	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***893***	***157***	***7 972***	***11 881***	***11 086***	***11 086***	**–**	**–**	**–**
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		2 730	6 133	2 088	–	–	–	–	–	–
Community Assets		***2 730***	***6 133***	***2 088***	**–**	**–**	**–**	**–**	**–**	**–**
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**849**	**849**	**–**	**–**	**–**
Immature		–	-	-	-	-	-	-	-	-
Living Resources		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Upgrading of Existing Assets	6	**7 502**	**1 614**	**2 474**	**9 450**	**–**	**–**	**22 181**	**12 010**	**12 658**
Roads Infrastructure		774	(347)	(417)	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		4 874	1 948	2 891	9 450	–	–	12 181	12 010	12 658
Sanitation Infrastructure		2 248	12	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***7 896***	***1 614***	***2 474***	***9 450***	**–**	**–**	***12 181***	***12 010***	***12 658***
Community Facilities		(394)	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	10 000	–	–
Community Assets		***(394)***	**–**	**–**	**–**	**–**	**–**	***10 000***	**–**	**–**
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure	4	**11 125**	**7 903**	**12 533**	**21 331**	**11 935**	**11 935**	**22 181**	**12 010**	**12 658**

Roads Infrastructure		774	(347)	(417)	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		699	(235)	–	–	–	–	–	–	–
Water Supply Infrastructure		4 874	1 948	2 891	9 450	–	–	12 181	12 010	12 658
Sanitation Infrastructure		2 442	403	7 972	11 881	11 086	11 086	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***8 789***	***1 770***	***10 445***	***21 331***	***11 086***	***11 086***	***12 181***	***12 010***	***12 658***
Community Facilities		(394)	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		2 730	6 133	2 088	–	–	–	10 000	–	–
Community Assets		***2 336***	***6 133***	***2 088***	**–**	**–**	**–**	***10 000***	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**849**	**849**	**–**	**–**	**–**
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**11 125**	**7 903**	**12 533**	**21 331**	**11 935**	**11 935**	**22 181**	**12 010**	**12 658**
ASSET REGISTER SUMMARY - PPE (WDV)	5	147 030	3 321	4 231	208 592	200 796	200 796	345 823	307 556	37 230
Roads Infrastructure		28 819	(1 927)	(3 714)	22 435	22 435	22 435	135 764	135 113	(14 615)
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		2 787	(414)	(471)	2 570	2 570	2 570	2 696	2 828	(2 843)
Water Supply Infrastructure		10 929	(234)	(6 160)	6 581	6 781	6 781	34 347	4 419	(27 195)
Sanitation Infrastructure		18 893	7 879	16 088	38 593	38 593	38 593	38 555	38 518	(891)
Solid Waste Infrastructure		(5 448)	(1 790)	(11 023)	38 886	38 886	38 886	41 067	43 356	51 371
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***55 980***	***3 514***	***(5 281)***	***109 066***	***109 266***	***109 266***	***252 429***	***224 234***	***5 826***
Community Assets		3 716	(162)	9 507	(1 752)	(1 752)	(1 752)	(1 752)	(1 752)	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other Assets		84 008	(7)	(14)	99 085	89 840	89 840	91 394	81 124	27 215
Biological or Cultivated Assets		–	101	101	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		(46)	(61)	13	(1 131)	(931)	(931)	(981)	(1 029)	(1 160)
Furniture and Office Equipment		5	(2)	(4)	(1 101)	(1 101)	(1 101)	(150)	(178)	(702)
Machinery and Equipment		2 523	–	–	1 129	1 329	1 329	1 217	1 102	(2 648)
Transport Assets		698	(61)	(91)	3 150	3 999	3 999	3 519	3 908	8 698
Land		146	–	–	146	146	146	146	146	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**147 030**	**3 321**	**4 231**	**208 592**	**200 796**	**200 796**	**345 823**	**307 556**	**37 230**
EXPENDITURE OTHER ITEMS										
Depreciation	7	7 575	5 359	6 806	9 569	7 969	7 969	8 360	8 745	9 147
Repairs and Maintenance by Asset Class	3	**535**	**244**	**83**	**765**	**768**	**768**	**800**	**763**	**876**
Roads Infrastructure		–	–	–	44	44	44	46	48	50
Water Supply Infrastructure		38	24	7	40	40	40	42	44	46
Sanitation Infrastructure		30	42	29	131	121	121	127	133	139
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***68***	***66***	***36***	***215***	***205***	***205***	***215***	***225***	***235***
Community Facilities		–	–	–	13	13	13	14	14	15
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	**–**	***13***	***13***	***13***	***14***	***14***	***15***
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		59	29	8	216	216	216	222	158	242
Housing		–	–	–	–	–	–	–	–	–

Other Assets		*59*	*29*	*8*	*216*	*216*	*216*	*222*	*158*	*242*
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		2	0	2	20	20	20	21	22	23
Furniture and Office Equipment		10	4	10	71	71	71	75	78	82
Machinery and Equipment		310	98	10	101	101	101	105	110	115
Transport Assets		86	47	17	129	142	142	149	156	163
TOTAL EXPENDITURE OTHER ITEMS		8 111	5 603	6 888	10 334	8 737	8 737	9 160	9 508	10 023

Table 21 MBRR Table A10 – Basic Service Delivery Measurement

NC084 !Kheis - 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
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		(316 019)	(97 052)	–	172 784	1 172 784	1 172 784	2 868 623	3 000 583	3 138 609
Sanitation (free minimum level service)		12 040	(15 019)	–	1 224 911	1 224 911	1 224 911	916 763	958 934	1 003 045
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		23 188	(15 131)	–	1 702 596	1 702 596	1 702 596	1 046 202	1 094 328	1 144 670
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									

Water (6 kilolitres per **indigent** household per month)		(316)	(97)	–	173	1 173	1 173	2 869	3 001	3 139
Sanitation (free sanitation service to **indigent households**)		12	(15)	–	1 225	1 225	1 225	917	959	1 003
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		23	(15)	–	1 703	1 703	1 703	1 046	1 094	1 145
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided -		**(281)**	**(127)**	**–**	**3 100**	**4 100**	**4 100**	**4 832**	**5 054**	**5 286**
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	633	1 358	1 358	1 764	1 845	1 930
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		**–**	**–**	**–**	**633**	**1 358**	**1 358**	**1 764**	**1 845**	**1 930**

Explanatory notes to Table A10 – Basic Services Delivery Measurement

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

2. The budget provides for more households to be registered as indigent in 2024/25, and therefore entitled to receiving Free Basic Services.

3. It is anticipated that these Free Basic Services will cost the municipality R 4,1 million in 2023/24, increasing to R4,8 million in 2024/25. This is covered by the municipality's equitable share allocation from national government.

Part 2 – SUPPORTING DOCUMENTATION

2.1 Overview of the annual budget process

In terms of Section 30 of the Municipal Systems Act no 32 of 2000, the *Mayor of a municipality must in accordance with S 29 –*
"(c) Submit the final plan to the municipal council for adoption by the council, further

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality chaired by the Municipal Manager.

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

- That the process followed to compile the budget complies with legislation and good budget practices;

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

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2022) a time schedule that sets out the process to revise the IDP and prepare the budget.

Section 28 (1) of the Municipal Systems Act requires each municipality to adopt a process in writing to guide the planning, finalizing, adoption and review of its Integrated Development Plan.

The Mayor tabled in Council the required the IDP and budget time schedule on 30 August 2023. Key dates applicable to the process were:

2023/24 IDP AND BUDGET PROCESS TIME SCHEDULES

Public Participation Meetings: October 2023

Date	Day	Time	Topic	Venue	Ward Councillor	Facilitator	Administrator
18 October 2023		10:00	IDP Consultation Boegoeberg	Boegoeberg - Community Hall	Clr. M. Malgas		Mr. M. Roberts
18 October 2023		12:00	IDP Consultation Sternham	Sternham Old Age Centre	Clr. P. Vries		Mr. M. Roberts
19 October 2023		10:00	IDP Consultation Wegdraai	Community Hall - Wegdraai	Clr. A. Ludick		Mr. M. Roberts
19 October 2023		12:00	IDP Consultation Topline	Community Hall - Topline	Clr. J. Lodewyk		Mr. M. Roberts
20 October 2023		10:00	IDP Consultation Grootdrink	Grootdrink – Community Hall	Clr. H. van Wyk		Mr. M. Roberts
20 October 2023		12:00	IDP Consultation Gariep	Gariep Sportsgrounds	Clr. J. Lodewyk		Mr. M. Roberts
25 October 2023		10:00	IDP Consultation Opwag	Opwag Social Hall	Clr. J. Jooste		Mr. M. Roberts
31 October 2023		10:00	IDP Rep. Forum Meeting	!Kheis Council Chambers	Clr. K. Esau		Mr. M. Roberts

C.S. Names, venues times and dates just for illustrative purposes. Council needs to add changes or information for Ward Committee, IDP Rep Forum and other Community Participation meetings as set out in the Schedule.

IDP and Budget Process
The scheduled meetings took place in line with the projected dates and times as approved by Council, accept for two divisions within the wards.

Political and management oversight of the budget compilation process and more specifically.

IDP Representative Forum – This forum represents all stakeholders and is inclusive as possible. Efforts will be made to bring additional organizations into the IDP RF and ensure their continued participation throughout the progress.

IDP and Budget Steering Committee – Oversee the alignment of the planning process with the district framework.

Determination of priorities/projects
Through public participation needs and priorities are identified.
Newspapers will inform the community of the progress of the IDP
The website will also be utilized to communities and inform the community. Copies of the IDP and the Budget will be placed on the website for people and service providers to download.

Alignment of municipal priorities with National, Provincial and sector priorities.
The municipality used the conditional grants as published in the 2022 Division of Revenue bill and the 2022 Northern Cape appropriation bill for the Financial Performance budget and the Financial Capital budget. Projects identified and priorities in the 2023/24 reviewed IDP were budgeted for in the capital budget.

The following projects were approved to be funded out of MIG

- Upgrading of sport facility – Grootdrink - R 10 000 000
- Construction of sewer reticulation, pump station and rising main to oxidation ponds in Wegdraai - R 11 662 000

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The municipality's IDP is a principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework

is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and Deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;

- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2023/24 MTREF, based on the approved 2023/24 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2024/25 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2023/24 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

The Final Service Delivery and Budget Implementation Plan (SDBIP) with Final Performance Agreements will be submitted to the Mayor after the approval of the Final IDP and Budget; and the final SDBIP will be tabled to Council for approval with the Performance Agreements. The proposed date for these submissions will depend on the directives given by the President and the Minister for Cogta, 30 days after the closure of the Corona virus lockdown with the final IDP and Budget.

2.1.3 Financial Modelling and Key Planning Drivers

5. As part of the compilation of the 2024/25 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2024/25 MTREF:

- Municipal growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2023/24 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 115 has been taken into consideration in the planning and prioritisation process.

2.2 Overview of alignment of annual budget with IDP

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

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

which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;

- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategies (PGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;

- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic for the 2024/25 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 22 IDP Strategic Objectives

SFA#	STRATEGIC FOCUS AREA/NATIONAL KEY FOCUS AREA	SO#	STRATEGIC OBJECTIVE	IDP PRIORITIES
SFA1	Basic Service Delivery	SO1	To improve and maintain current service through infrastructure development	➢ **PR1** Water ➢ **PR2** Sanitation ➢ **PR3** Electricity ➢ **PR4** Streets and Storm water management ➢ **PR5** Human Settlements
		SO2	To promote a safe and healthy environment through the protection of our natural resources	➢ **PR6** Environmental conservation – refuse removal, parks etc. ➢ **PR7** Disaster management
SFA2	Local Economic Development	SO3	To create an enabling environment for social development and economic growth	➢ **PR8** Facilitate decent opportunities for job creation ➢ **PR9** Rural development ➢ **PR10** Youth development ➢ **PR11** Opportunities for women and people living with disabilities ➢ **PR12** HIV/AIDS awareness
SFA3	Municipal Financial Viability and Transformation	SO4	To grow the revenue base of the municipality	➢ **PR13** Sound financial planning

SFA4	Municipal Transformation and Organizational Development	SO5	To structure and manage the municipal administration to ensure efficient service delivery	➢ **PR14** Institutional capacity building
SFA5	Good Governance and Public Participation	SO6	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	➢ **PR15** Ward Committee system ➢ **PR16** Communications

Aspects Which Need Attention

Currently the IDP document has certain aspects which still need to be completed within the near future. Some of these aspects have been started and as soon as completed, would form part of this document.

The compilation of an IDP for any town or area is a dynamic process, which doesn't necessarily end with the completion, approval and submission of a document. It is only the start of the new way of working towards future planning of the respective area. As the current actions are completed, new needs arise and new objectives need to be formulated to address these needs. This document therefore, serves as the foundation on which annual building and planning must take place.

In future review processes, more attention should be given to the Integration Phase of the document, as well as to monitoring of the effective and successful implementation of projects.

On national level it has been pointed out to almost all local authorities must focus more of their planning on:

a) Environmental issues,
b) Alignment especially with regard to government departments and
c) Sustainability of projects and programs.

With this in mind this municipality already attempted to address some of the above-mentioned gaps in this IDP review process and are committed to continuing doing so in order to enhance developmental local government.

The 2023/24 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 23 MBRR Table SA4 – Reconciliation between the IDP strategic objectives and budgeted revenue

NC084 !Kheis - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

R thousand			Ref	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
Basic and Sustainable Delivery	Water, cleaning services, Waste Removal, Sewerage			216	4 248					–		
Municipal Infrastructure Development	Water, Public works, waste											
Local Economic Development	Community Services			796	871	1 000	1 043	1 043	1 043	3 270	3 500	3 615
Municipal Finance Viability and Management	Finance			68 168	56 671	92 011	97 438	85 231	85 231	103 532	95 293	97 976
Good Governance and Public Participation	Executive & Council, Corporate Services											
Good Governance	Traffic, Road transport											
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**69 180**	**61 790**	**93 011**	**98 481**	**86 274**	**86 274**	**106 802**	**98 793**	**101 591**

Table 24 MBRR Table SA5 – Reconciliation between the IDP strategic objectives and budgeted operating expenditure

NC084 !Kheis - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

R thousand			Ref	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
Basic and Sustainable Delivery	Water, cleaning services, Waste Removal, Sewerage			25 178	17 679	25 058	23 572	22 711	22 711	23 666	24 825	25 958
Municipal Infrastructure Development	Water, Public works, waste											
Local Economic Development	Community Services			7 550	9 272	5 000	4 763	5 035	5 035	4 785	4 906	5 136
Municipal Finance Viability and Management	Finance			37 185	24 150	26 871	28 268	21 616	21 616	21 345	22 449	23 358
Good Governance and Public Participation	Executive & Council, Corporate Services			14 625	13 680	17 035	19 318	19 214	19 214	19 709	20 674	21 854
Good Governance	Traffic, Road transport			967	613	885	913					

Allocations to other priorities												
Total Expenditure			1	**85 505**	**65 395**	**74 850**	**76 834**	**68 577**	**68 577**	**69 505**	**72 854**	**76 306**

Table 25 MBRR Table SA6 – Reconciliation between the IDP strategic objectives and budgeted capital expenditure

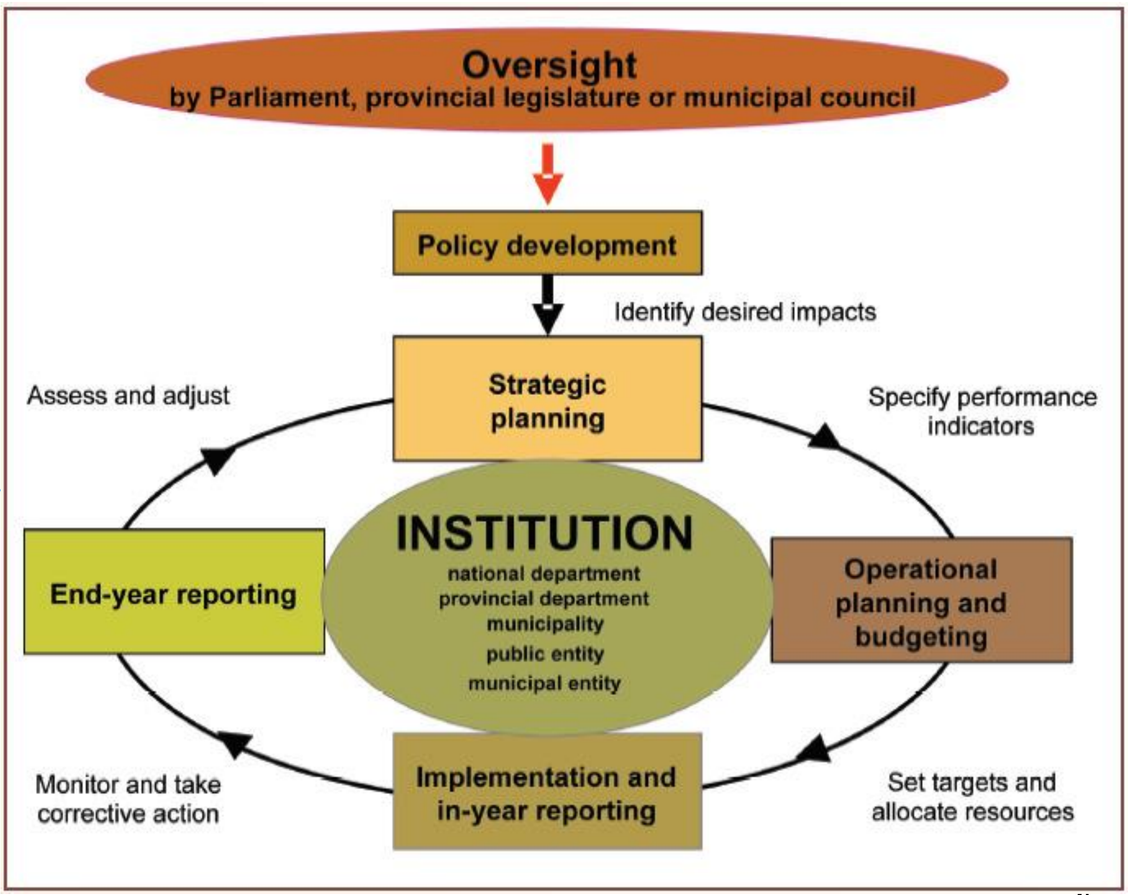
NC084 !Kheis - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

R thousand			Ref	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
Basic and Sustainable Delivery	Water, cleaning services, Waste Removal, Sewerage	A		10 820	7 814	18 168	21 331	11 881	11 881	22 181	12 010	12 658
Municipal Infrastructure Development	Water, Public works, waste	B										
Local Economic Development	Community Services	C										
Municipal Finance Viability and Management	Finance	D		305								
Good Governance and Public Participation	Executive & Council, Corporate Services	E										
Good Governance	Traffic, Road Transport	F										
		G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	**11 125**	**7 814**	**18 168**	**21 331**	**11 881**	**11 881**	**22 181**	**12 010**	**12 658**

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly to individual employee's performance.

At any time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



The developmental results of achieving specific outcomes

W
h
a
t

we
ai
to
ch n
ge

The medium-term results for specific beneficiaries that are the consequence of achieving specific

IMPACT

Manage towards achieving

OUTCOME

What we wish to achieve?

The final products, or goods and services produced for delivery

?

OUTPUTS

ACTIVITIES

What we produce or

The processes or actions that use a range of inputs to produce the desired outputs and

INPUTS

Plan, budget, implement and monitor

What we do?

The resources that contribute to the

What we use to do the work?

Figure 1 Planning, Budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purposes); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the Framework of Managing Programme Performance Information issued by the National Treasury
The following table sets out the municipalities main performance indicators and benchmarks for 2024/25 MTREF.

Table 27 MBRR Table SA8 – Performance indicators and benchmarks

NC084 !Kheis - 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		
R thousand		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
Cash and investments available											
Cash/cash equivalents at the year end	1	59 367	48 425	32 812	13 892	1 353	1 353	(65 562)	(7 153)	(4 399)	(29 404)
Other current investments > 90 days		(57 062)	(51 165)	(37 352)	(1 791)	8 937	8 937	66 956	(263)	26 891	25 033
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**2 306**	**(2 740)**	**(4 540)**	**12 100**	**10 290**	**10 290**	**1 394**	**(7 416)**	**22 492**	**(4 370)**
Application of cash and investments											
Trade payables from Non-exchange transactions: Unspent conditional Grants		11 997	(608)	(507)	11 454	11 456	11 456	(507)	10 817	12 606	(13 224)
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2	(49)	722	(1 546)	1 002	1 002	1 002	(2 868)	1 164	1 334	3 815
Other working capital requirements	3	24 301	19 881	12 092	50 502	51 180	51 180	16 139	48 465	48 268	26 766
Other provisions		(11 598)	38 929	1 435	(55 410)	(55 410)	(55 410)	1 435	(55 410)	(55 410)	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**24 651**	**58 925**	**11 474**	**7 548**	**8 228**	**8 228**	**14 199**	**5 036**	**6 798**	**17 358**
Surplus(shortfall)		**(22 345)**	**(61 665)**	**(16 014)**	**4 552**	**2 062**	**2 062**	**(12 805)**	**(12 452)**	**15 694**	**(21 728)**

2.3.1 Performance indicators and benchmarks

2.3.1.1 Safety of Capital

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

2.3.1.2 Liquidity

- Current ratio is a measure of the current assets divided by the current liabilities. For the 2023/24 MTREF the current ratio is (3.64) and in the 2023/24 budgeted financial year the ration is (3.78), while the ratio for the 2024/25 MTREF is (4.93) as the liquidity for the two outer years of the MTREF is on (5.6) as to 1. Going forward it will be necessary to improve on this rate. This is below the benchmark ratio because of the excessive provision for bad debts that we are still going to review.

- The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

2.3.1.3 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management plan has been implemented to increase cash flow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intension of the strategy

  is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

2.3.1.4 Creditors Management

The municipality strive to pay all creditors within the legislated 30 days of invoice.

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

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality. Only registered indigents quality for the free basic services.

For the 2024/25 financial year more indigents have been provided for in the budget. In terms of the Municipality's indigent policy (attached as Annexure 4) registered households are entitled to 6kl fee water, free sanitation and free waste removal equivalent to once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic service, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 24 MBRR A10 (Basic Service Delivery Measurement)

Table 24 MBRR A10 (Basic Service Delivery Measurement)

NC084 !Kheis - 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
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		(316 019)	(97 052)	–	172 784	1 172 784	1 172 784	2 868 623	3 000 583	3 138 609
Sanitation (free minimum level service)		12 040	(15 019)	–	1 224 911	1 224 911	1 224 911	916 763	958 934	1 003 045
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		23 188	(15 131)	–	1 702 596	1 702 596	1 702 596	1 046 202	1 094 328	1 144 670
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		(316)	(97)	–	173	1 173	1 173	2 869	3 001	3 139
Sanitation (free sanitation service to **indigent households**)		12	(15)	–	1 225	1 225	1 225	917	959	1 003
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		23	(15)	–	1 703	1 703	1 703	1 046	1 094	1 145
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided -		**(281)**	**(127)**	**–**	**3 100**	**4 100**	**4 100**	**4 832**	**5 054**	**5 286**
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	633	1 358	1 358	1 764	1 845	1 930
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		**–**	**–**	**–**	**633**	**1 358**	**1 358**	**1 764**	**1 845**	**1 930**

2.3.3 Providing clean water and managing waste water

The municipality is the Water Service Authority for the entire municipal area in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 90% of the municipality's bulk water needs are provided directly by Boegoeberg Water in the form of purified water.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to portable water treatment works and waste water treatment works that meet certain criteria of excellence.

Our blue Drop status was assessed as fair but our green drop status was not up to standard

The following is briefly the main challenges facing the municipality in this regard:

- Shortage of skilled personnel makes proper operations and maintenance difficult; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- The filling of vacancies has commenced and Waste Water Division will embark on an in-house training programme, especially for operational personnel;

2.4 Overview of budget related-policies

The municipality's budgeting process is guided and governed by relevant legislation, framework, strategies and related policies.

2.4.1 Review of rates policy

The Rates Policy will be considered for approval by Council at the budget meeting of 31 May 2024. Amendments have been made with regard to the tariffs increases and the final policy will be attached to that document. While the final policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to accommodate all stakeholder views. Some of the possible revisions will include the need for full participation of relevant stakeholders when changing rebates on property rates every year. In addition the rebate structure is also likely to change to incorporate the views from the stakeholders.

2.4.2 Asset Management. Infrastructure Investment and Funding Policy

Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset maintenance was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

2.4.3 Budget Policy

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.
It aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget Policy will be approved by Council in May 2024.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was review and adopted by Council 31 May for the 2024/25 financial year. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on. The current policy can be located on the municipal website at www.!kheis.gov.za.

2.4.5 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy, as approved in council is also under review. The aim of the policy is to ensure that the municipality's surplus cash and investments, where applicable, are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

2.4.6 Tariff Policies

The municipality's tariff policies (located at www.!kheis.gov.za) provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

2.4.8 Financial Code Policy

The Financial Code Policy has directly informed the compilation of the 2023/24 MTREF with the emphasis on affordability and long-term sustainability. Although we are busy reviewing the policy, its contents have been of significance in the preparation of the MTREF. The policy dictates the approach to long term financial modelling. The outcomes are then filtered into the budget process. The financial planning outcomes are taken to Council and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features of the policy is the emphasis on financial sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

- Approved 2023/24 final Budget;
- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investments possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

The above policy together with those listed below will be made available on the municipality's website, as well as:

- Property Rates Policy;
- Budget Policy;
- Indigents Policy.
- Tariff Policy
- Credit Control and Debt Collection Policy
- Financial Code Policy
- Asset Management Policy
- Cash Management and Investment Policy
- Borrowing Policy; and
- Supply Chain Management Policy

2.5 Overview of budget assumptions

2.5.1 External factors

South Africa's economy has continued to take a down spiral, but a much slower rate than projected at the time of the 2024 Budget. Inflation has remained at a very high down spiral, with consumer prices rising by more than the anticipated growth of 5.3 percent as projected by MFMA circular 128 of 2024.

Consequently, municipal revenues and cash flows are expected to gradually improve during 2024/25. However, given that the likely recovery is not guaranteed and, at best, is likely to be slow, the municipality still had to adopt a conservative approach in projecting expected revenues and cash receipts. This has also applied to managing all revenue and cash streams effectively, as well as evaluation of the spending decision.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2024/25 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices of bulk and water; and
- The increase in the cost of remuneration. Employee related costs comprise 50,51% of total operating expenditure in the 2023/24 MTREF. The increase in employee related costs is at least within inflation levels at 4.9%. We have applied the guideline increase by National Treasury as contained in Circulars 128.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The current municipal loan book is based on fixed interest. The municipality does not intent to enter into any long term debts for the 2024/25 budget year

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at various rates at or above the CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecast term. The municipality embark to implement a Revenue Enhancement Strategy which will contribute towards our cash flow problems.

2.5.5 Salary increases

According to budget circular 128 of 2024, the provision for salary increases had been agreed at 4,9% for employees and 4.9% for Section 56 managers at the bargaining council. The municipality provide for the mentioned increase in the concept budget for 2024/25.

2.5.6 Impact of national, provincial and local policies

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

- Creating jobs;
- Enhancing education and skills development;
- Improving health service;
- Rural development and agriculture; and
- Fighting crime and corruption.

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

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

It is estimated that a spending rate of at least 80 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2024/25 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

NC084 !Kheis - 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		
R thousand	1	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
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	4 294	3 933	3 505	9 115	8 015	8 015	2 930	6 770	7 081	7 407
Service charges - Waste Water Management	2	2 516	2 953	2 443	2 913	3 243	3 243	1 972	3 770	3 944	4 125
Service charges - Waste Management	2	3 266	3 945	3 416	3 324	4 324	4 324	2 826	5 276	5 519	5 773
Sale of Goods and Rendering of Services		68	366	817	1 253	779	779	375	652	855	894
Agency services		775	185	10	376	376	376	95	394	413	432
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		5 029	5 902	5 568	5 667	8 347	8 347	4 877	8 756	9 123	9 580
Interest earned from Current and Non Current Assets		168	59	35	542	343	343	46	359	376	393
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		13	13	15	21	21	21	5	22	23	24
Rental from Fixed Assets		260	206	168	1 827	1 827	1 827	168	1 916	2 005	2 097
Licence and permits		–	2	0	58	58	58	–	61	64	67
Operational Revenue		205	30	117	417	454	454	387	477	498	521
Non-Exchange Revenue											
Property rates	2	3 392	5 147	5 933	11 212	10 156	10 156	5 566	10 314	10 789	11 285
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	316	–	–	–	–	–	–
Licences or permits		–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		35 103	32 137	38 466	39 150	39 150	39 150	26 890	44 336	43 964	44 107
Interest		5	5	4	1 478	1 478	1 478	3	1 551	1 622	1 697
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		276	228	145	463	463	463	236	486	508	531
Other Gains		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**55 371**	**55 111**	**60 640**	**78 134**	**79 036**	**79 036**	**46 376**	**85 140**	**86 783**	**88 933**
Expenditure											
Employee related costs	2	31 103	30 672	30 424	34 735	34 940	34 940	23 854	36 593	38 229	39 987
Remuneration of councillors		2 988	3 795	4 600	4 634	4 634	4 634	3 583	4 634	4 847	5 070
Bulk purchases - electricity	2	-	–	–	–	–	–	–	–	–	–
Inventory consumed	8	1 437	1 914	1 701	1 546	1 696	1 696	1 112	1 773	1 855	1 940
Debt impairment	3	14 474	333	112	6 288	6 288	6 288	–	6 596	6 899	7 217
Depreciation and amortisation		7 575	5 359	6 806	9 569	7 969	7 969	–	8 360	8 745	9 147
Interest		3 915	–	–	–	–	–	–	–	–	–
Contracted services		3 614	3 032	2 467	5 120	4 762	4 762	535	4 405	4 533	4 819
Transfers and subsidies		221	(1 061)	(3 248)	47	47	47	–	46	48	51
Irrecoverable debts written off		10 511	11 682	–	–	–	–	–	–	–	–
Operational costs		9 667	10 246	11 974	8 575	9 191	9 191	2 750	9 500	9 937	10 401
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**85 505**	**65 974**	**54 836**	**70 514**	**69 527**	**69 527**	**31 835**	**71 908**	**75 094**	**78 632**
Surplus/(Deficit)		**(30 135)**	**(10 863)**	**5 804**	**7 620**	**9 509**	**9 509**	**14 541**	**13 233**	**11 689**	**10 301**
Transfers and subsidies - capital (monetary allocations)	6	13 810	6 648	11 763	21 333	11 086	11 086	9 950	21 662	12 010	12 658

Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(16 325)**	(4 215)	17 567	**28 953**	**20 595**	**20 595**	24 491	**34 895**	**23 699**	**22 959**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**(16 325)**	(4 215)	17 567	28 953	20 595	20 595	24 491	34 895	23 699	22 959
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(16 325)**	(4 215)	17 567	28 953	20 595	20 595	24 491	34 895	23 699	22 959
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**(16 325)**	**(4 215)**	**17 567**	**28 953**	**20 595**	**20 595**	**24 491**	**34 895**	**23 699**	**22 959**

2.6.1 Medium-term outlook: operating revenue

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

Table 28 Breakdown of the operating revenue over the medium-term SA30

NC084 !Kheis - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash Receipts By Source													1		
Property rates	833	833	833	833	833	833	833	833	833	833	833	833	9 997	10 467	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	566	566	566	566	566	566	566	566	566	566	566	566	6 789	7 108	104
Service charges - sanitation revenue	178	178	178	178	178	178	178	178	178	178	178	178	2 139	2 240	–
Service charges - refuse revenue	203	203	203	203	203	203	203	203	203	203	203	203	2 441	2 556	–
Rental of facilities and equipment	8	8	8	8	8	8	8	8	8	8	8	8	92	96	101
Interest earned - external investments	77	77	77	77	77	77	77	77	77	77	77	77	928	971	393
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences and permits	29	29	29	29	29	29	29	29	29	29	29	29	350	366	383
Agency services	9	9	9	9	9	9	9	9	9	9	9	9	105	110	115
Transfers and Subsidies - Operational	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	43 136	43 964	44 107
Other revenue	245	245	245	245	245	245	245	245	245	245	245	245	2 943	3 253	1 405
Cash Receipts by Source	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 744**	**68 921**	**71 132**	**46 609**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations)	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	21 662	12 010	12 658
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**90 583**	**83 142**	**59 267**
Cash Payments by Type															
Employee related costs	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(41 798)	(43 845)	(45 992)
Remuneration of councillors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - Electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(1 867)	(1 959)	(2 055)
Contracted services	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(5 962)	(6 254)	(6 560)
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 256)	(27 063)	(28 330)	(29 664)
Cash Payments by Type	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(76 690)**	**(80 388)**	**(84 271)**
Other Cash Flows/Payments by Type															
Capital assets	–	–	–	–	–	–	–	–	–	–	–	(21 662)	(21 662)	(12 010)	(12 658)
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(28 053)**	**(98 352)**	**(92 398)**	**(96 929)**
NET INCREASE/(DECREASE) IN CASH HELD	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**(20 505)**	**(7 769)**	**(9 256)**	**(37 663)**
Cash/cash equivalents at the month/year begin:	616	1 774	2 932	4 090	5 248	6 405	7 563	8 721	9 879	11 036	12 194	13 352	616	(7 153)	(16 409)
Cash/cash equivalents at the month/year end:	1 774	2 932	4 090	5 248	6 405	7 563	8 721	9 879	11 036	12 194	13 352	(7 153)	(7 153)	(16 409)	(54 072)

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

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

- Growth in the municipality and economic development;
- Revenue management and enhancement Strategy;
- Achievement of a high per cent annual collection rate for consumer revenue due to regular interactions with consumers;
- National Treasury guidelines;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/ calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

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

The proposed tariff increases for the 2024/25 MTREF on the different revenue categories are:

Table 29 Proposed tariff increases over medium-term

Description	2024/25 Proposed tariff Increase
Property Rates	4.9%
Charges Water Service Charges Service	4.9%
Charges Sanitation	4.9%
Service Charges Refuse	4.9%
	4.9%

The tables below provide detail investment information and investment particulars by maturity.

Table 30 MBRR SA15 – Detail Investment Information

NC084 !Kheis - Supporting Table SA15 Investment particulars by type

Investment type R thousand	Ref	2020/21 Audited Outcome	2021/22 Audited Outcome	2022/23 Audited Outcome	Current Year 2023/24 Original Budget	Current Year 2023/24 Adjusted Budget	Current Year 2023/24 Full Year Forecast	2024/25 Medium Term Revenue & Expenditure Framework Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Parent municipality										
Deposits - Bank		–	–	331	348	348	348	365	382	400
Municipality sub-total	1	**–**	**–**	**331**	**348**	**348**	**348**	**365**	**382**	**400**
Entities										
Securities - National Government		–	–	–	–	–	–	–	–	–
Entities sub-total		**–**	–	–	–	–	–	–	–	–
Consolidated total:		**–**	**–**	**331**	**348**	**348**	**348**	**365**	**382**	**400**

2.6.2 Medium-term outlook: capital revenue

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

Table 31 Sources of capital revenue over the MTREF

NC084 !Kheis - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	Ref	2020/21 Audited Outcome	2021/22 Audited Outcome	2022/23 Audited Outcome	Current Year 2023/24 Original Budget	Current Year 2023/24 Adjusted Budget	Current Year 2023/24 Full Year Forecast	Current Year 2023/24 Pre-audit outcome	2024/25 Medium Term Revenue & Expenditure Framework Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
	1										
Capital expenditure - Vote											
Multi-year expenditure ***to be appropriated***	2										
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		699	–	304	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		3 217	57	9 489	21 331	11 086	11 086	8 471	22 181	12 010	12 658
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		**3 915**	**57**	**9 793**	**21 331**	**11 086**	**11 086**	**8 471**	**22 181**	**12 010**	**12 658**
Single-year expenditure ***to be appropriated***	2										
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		(394)	–	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		7 603	7 847	2 741	–	849	849	–	–	–	–
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**7 210**	**7 847**	**2 741**	**–**	**849**	**849**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Vote	3,7	**11 125**	**7 903**	**12 533**	**21 331**	**11 935**	**11 935**	**8 471**	**22 181**	**12 010**	**12 658**

The above table is graphically represented as follows for the 2024/25 financial year.

Capital grants and receipts equates to 100% of the total funding source which represents R22.1 million for the 2024/25 financial year.

Table 32 MBRR Table SA 18 – Capital transfers and grants receipts

NC084 !Kheis - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		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
RECEIPTS:	1, 2									
-										
Operating Transfers and Grants										
National Government:		**30 247**	**27 967**	**32 832**	**38 107**	**38 107**	**38 107**	**39 866**	**40 464**	**40 492**
Operational Revenue:General Revenue:Equitable Share		30 247	27 602	33 197	35 007	35 007	35 007	36 866	37 464	37 492
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		–	365	(365)	–	–	–	–	–	–
Local Government Financial Management Grant [Schedule 5B]		–	–	–	3 100	3 100	3 100	3 000	3 000	3 000
Provincial Government:		**–**	**–**	**–**	**1 043**	**1 043**	**1 043**	**3 270**	**3 500**	**3 615**
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		–	–	–	1 043	1 043	1 043	3 270	3 500	3 615
Total Operating Transfers and Grants	5	**30 247**	**27 967**	**32 832**	**39 150**	**39 150**	**39 150**	**43 136**	**43 964**	**44 107**
Capital Transfers and Grants										
National Government:		**–**	**7 320**	**420**	**21 331**	**11 086**	**11 086**	**21 662**	**12 010**	**12 658**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]		–	7 320	1 208	11 881	11 086	11 086	22 181	12 010	12 658
Water Services Infrastructure Grant [Schedule 5B]		–	–	(788)	9 450	–	–	–	–	–
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	**–**	**7 320**	**420**	**21 331**	**11 086**	**11 086**	**22 181**	**12 010**	**12 658**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**30 247**	**35 287**	**33 252**	**60 481**	**50 236**	**50 236**	**65 317**	**55 974**	**56 765**

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium- term. The table below is consistent with international standards of good financial management practice and also improves councillors and management's ability to understand the cash flow management.

NC084 !Kheis - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		1	4 463	–	9 530	9 530	9 530	(2 371)	9 997	10 467	–
Service charges		2 361	1 537	1 344	10 838	10 838	10 838	(729)	11 369	11 903	104
Other revenue		2 456	2 299	1 714	4 231	3 481	3 481	(1 550)	3 490	3 826	2 004
Transfers and Subsidies - Operational	1	31 253	24 638	30 826	39 150	39 150	39 150	(26 369)	43 136	43 964	44 107
Transfers and Subsidies - Capital	1	19 535	9 077	16 567	21 331	11 086	11 086	(9 950)	21 662	12 010	12 658
Interest		0	14	13	1 084	684	684	(4)	928	971	393
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		4 207	7 254	(16 646)	(71 023)	(71 319)	(71 319)	(22 070)	(76 690)	(80 388)	(84 271)
Interest		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**59 812**	**49 282**	**33 819**	**15 141**	**3 451**	**3 451**	**(63 043)**	**13 893**	**2 754**	**(25 005)**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		(1 865)	–	–	(1 865)	(1 865)	(1 865)	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(378)	(857)	1 566	–	(849)	(849)	1 566	(21 662)	(12 010)	(12 658)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(2 244)**	**(857)**	**1 566**	**(1 865)**	**(2 714)**	**(2 714)**	**1 566**	**(21 662)**	**(12 010)**	**(12 658)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		19	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**19**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

NET INCREASE/ (DECREASE) IN CASH HELD		**57 587**	**48 425**	**35 385**	**13 276**	**737**	**737**	**(61 476)**	**(7 769)**	**(9 256)**	**(37 663)**
Cash/cash equivalents at the year begin:	2	**1 780**	**–**	**(2 573)**	616	616	616	**(4 086)**	**616**	**(7 153)**	**(16 409)**
Cash/cash equivalents at the year end:	2	**59 367**	**48 425**	**32 812**	**13 892**	**1 353**	**1 353**	**(65 562)**	**(7 153)**	**(16 409)**	**(54 072)**

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium- term. The table below is consistent with international standards

Clear separation of receipts payments within each cash flow category:

- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue.

The above table shows that cash and cash equivalent of the municipality are anticipated to be comfortable for 2024/25 budgeted financial year showing a balance R7,15 million due to the anticipated decrease in outstanding debtors as a result of the measures must be taken to collect debts from consumer debtors. The municipality undertook an extensive debt collection process to boost cash levels. These initiatives and interventions are expected to translate into positive cash flows and ultimately an improvement on the cash position for the municipality

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 128 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

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

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non- compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected)

Table 35 MBRR Table A8 – cash backed reserves/accumulated surplus reconciliation

NC084 !Kheis - 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		
R thousand		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
Cash and investments available											
Cash/cash equivalents at the year end	1	59 367	48 425	32 812	13 892	1 353	1 353	(65 562)	(7 153)	(4 399)	(29 404)
Other current investments > 90 days		(57 062)	(51 165)	(37 352)	(1 791)	8 937	8 937	66 956	(263)	26 891	25 033
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**2 306**	**(2 740)**	**(4 540)**	**12 100**	**10 290**	**10 290**	**1 394**	**(7 416)**	**22 492**	**(4 370)**
Application of cash and investments											
Trade payables from Non-exchange transactions: Unspent conditional Grants		11 997	(608)	(507)	11 454	11 456	11 456	(507)	10 817	12 606	(13 224)
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2	(49)	722	(1 546)	1 002	1 002	1 002	(2 868)	1 164	1 334	3 815
Other working capital requirements	3	24 301	19 881	12 092	50 502	51 180	51 180	16 139	48 465	48 268	26 766
Other provisions		(11 598)	38 929	1 435	(55 410)	(55 410)	(55 410)	1 435	(55 410)	(55 410)	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**24 651**	**58 925**	**11 474**	**7 548**	**8 228**	**8 228**	**14 199**	**5 036**	**6 798**	**17 358**
Surplus(shortfall)		**(22 345)**	**(61 665)**	**(16 014)**	**4 552**	**2 062**	**2 062**	**(12 805)**	**(12 452)**	**15 694**	**(21 728)**

From the above table it can be seen that the cash and investments availability total R2 mil in the 2023/24 financial year and increase to R 12 mil by 2024/25, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- There is no unspent borrowing from the previous financial years. In terms of the municipality’s Borrowing and Investment Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipts

  delays will have a greater requirement for working capital, as was experienced by the municipality in 2024/25 resulting in cash flow challenges. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its financial obligations.
- The calculation of actual cash received from services had been determined at 50% as being the current collection rate of the municipality

It can be concluded that the municipality focused to have a surplus against the cash backed and accumulated surpluses reconciliation. The challenge for the municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

2.6.4 Funding compliance measurement

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

Table 37 MBRR SA10 – Funding compliance measurement

NC084 !Kheis - 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
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		(316 019)	(97 052)	–	172 784	1 172 784	1 172 784	2 868 623	3 000 583	3 138 609
Sanitation (free minimum level service)		12 040	(15 019)	–	1 224 911	1 224 911	1 224 911	916 763	958 934	1 003 045
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		23 188	(15 131)	–	1 702 596	1 702 596	1 702 596	1 046 202	1 094 328	1 144 670
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		(316)	(97)	–	173	1 173	1 173	2 869	3 001	3 139
Sanitation (free sanitation service to **indigent households**)		12	(15)	–	1 225	1 225	1 225	917	959	1 003
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		23	(15)	–	1 703	1 703	1 703	1 046	1 094	1 145
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided -		**(281)**	**(127)**	**–**	**3 100**	**4 100**	**4 100**	**4 832**	**5 054**	**5 286**
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)		–	–	–	–	–	–	–	–	–

Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	633	1 358	1 358	1 764	1 845	1 930
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		**–**	**–**	**–**	**633**	**1 358**	**1 358**	**1 764**	**1 845**	**1 930**

2.6.4.1 Cash/ cash equivalent position

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

Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 22. The reconciliation is intended to be a relatively simple methodology for understanding the

budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under financial stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been strengthening for the period 2023/24 to 2024/25.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to determine whether the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. The municipalities assessed the result of this calculation taking into consideration its own circumstances and levels of backlogs. The current outcome is a surplus, it may indicate that rates and service charges collection rates are currently insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2024/25 MTREF the indicative outcome is a surplus of R 34,8 mil. The municipality determine this through the process of offsetting depreciation against the expenditure as a non-cash item. It should also be indicated that this surplus will be funded through the capitalisation of depreciation on new assets as well revaluation of assets.

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

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any

assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase. The result is intended to be an approximation of the real increase in revenue.

2.6.4.3 Cash receipts as a percentage of ratepayers and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can

be seen that the outcome is at 51% for 2024/25. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.4.4 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It forecasted that all capital payments will be paid within the legislative requirement that creditors be paid within 30 days.

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

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm

MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 0 per cent of own funded capital, as there are no intensions to obtain any borrowing. Transfers/grants revenue as a percentage of Government transfers/grants available

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

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than

100% could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

2.6.4.7 Consumer debtors change (Current and Non-current)

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. The table above shows no change in non-current as those older than a year have been impaired.

2.6.4.8 Repairs and Maintenance expenditure level

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

Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 48 MBRR SA34C .

2.6.4.9 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since

MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset

or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A
declining or low level of renewal funding may indicate that a budget is not credible and/ or sustainable and future revenue is not being protected, similar to the justification for ‘repairs and

maintenance’ budgets. Further details in this regard are contained in Table 47 MBRR SA34b.

2.7 Expenditure on grants and reconciliation of unspent funds

Table 38 MBRR SA19 – Expenditure on transfers and grant programmes

NC084 !Kheis - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		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
EXPENDITURE:	1									
- **Operating expenditure of Transfers and Grants**										
National Government:		**3 956**	**4 822**	**23 072**	**35 096**	**35 357**	**35 357**	**36 239**	**37 858**	**39 606**
Operational Revenue:General Revenue:Equitable Share		2 627	2 043	21 681	31 996	32 257	32 257	32 964	34 481	36 073
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		–	757	403	–	–	–	–	–	–
Local Government Financial Management Grant [Schedule 5B]		1 328	2 021	988	3 100	3 100	3 100	3 274	3 377	3 532
Provincial Government:		**294**	**48**	**899**	**1 290**	**1 290**	**1 290**	**1 351**	**1 339**	**1 478**
Capacity Building and Other		294	48	899	1 290	1 290	1 290	1 351	1 339	1 478
Total operating expenditure of Transfers and Grants:		**4 249**	**4 870**	**23 971**	**36 385**	**36 647**	**36 647**	**37 590**	**39 197**	**41 084**
Capital expenditure of Transfers and Grants										
National Government:		**10 046**	**8 250**	**11 583**	**21 331**	**11 086**	**11 086**	**21 662**	**12 010**	**12 658**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]		10 225	8 485	8 624	11 881	11 086	11 086	21 662	12 010	12 658
Energy Efficiency and Demand Side Management Grant		–	(235)	–	–	–	–	–	–	–
Water Services Infrastructure Grant [Schedule 5B]		(180)	–	2 958	9 450	–	–	–	–	–
Total capital expenditure of Transfers and Grants		**10 046**	**8 250**	**11 583**	**21 331**	**11 086**	**11 086**	**21 662**	**12 010**	**12 658**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**14 295**	**13 120**	**35 554**	**57 716**	**47 733**	**47 733**	**59 252**	**51 207**	**53 742**

Table 39 MBRR SA20 – Reconciliation between of transfers, grant receipts and unspent funds

NC084 !Kheis - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		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
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	(365)	365	(3 100)	(3 100)	(3 100)	(3 000)	(3 000)	(3 000)
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Closing Balance		–	(365)	365	(3 100)	(3 100)	(3 100)	(3 000)	(3 000)	(3 000)
Provincial Government:										
Balance unspent at beginning of the year		(10 123)	–	–	(11 456)	(11 456)	(11 456)	(12 017)	(12 606)	13 224
Current year receipts		–	–	–	(1 043)	(1 043)	(1 043)	(3 270)	(3 500)	(3 615)
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Closing Balance		(10 123)	–	–	(12 499)	(12 499)	(12 499)	(15 287)	(16 106)	9 609
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Closing Balance		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Closing Balance		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		–	–	–	–	–	–	–	–	–
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									

National Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	(11 008)	(420)	(21 331)	(11 086)	(11 086)	(21 662)	(12 010)	(12 658)
Conditions met - transferred to revenue		281	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Closing Balance		281	(11 008)	(420)	(21 331)	(11 086)	(11 086)	(21 662)	(12 010)	(12 658)
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Closing Balance		–	–	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Closing Balance		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	608	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		(2 154)	11 980	(46)	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Closing Balance		(2 154)	11 980	562	–	–	–	–	–	–
Total capital transfers and grants revenue		**(1 874)**	**11 980**	**(46)**	**–**	**–**	**–**	**–**	**–**	**–**
Total capital transfers and grants - CTBM	2	**(1 874)**	**972**	**142**	**(21 331)**	**(11 086)**	**(11 086)**	**(21 662)**	**(12 010)**	**(12 658)**
TOTAL TRANSFERS AND GRANTS REVENUE		**(1 874)**	**11 980**	**(46)**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS - CTBM		**(1 874)**	**972**	**142**	**(21 331)**	**(11 086)**	**(11 086)**	**(21 662)**	**(12 010)**	**(12 658)**

2.8 Councillor and employee benefits

Table 40 MBRR SA22 – Summary of councillor and staff benefits

NC084 !Kheis - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		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
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2 017	2 687	3 294	3 331	3 331	3 331	3 331	3 484	3 644
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		668	734	821	815	815	815	815	853	892
Cellphone Allowance		303	374	485	488	488	488	488	511	534
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		**2 988**	**3 795**	**4 600**	**4 634**	**4 634**	**4 634**	**4 634**	**4 847**	**5 070**
% increase	4		**27,0%**	**21,2%**	**0,8%**	**–**	**–**	**–**	**4,6%**	**4,6%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 078	3 101	2 062	3 941	3 941	3 941	4 109	4 298	4 496
Pension and UIF Contributions		415	420	457	557	557	557	584	611	639
Medical Aid Contributions		12	20	23	69	69	69	69	73	76
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		114	100	109	172	172	172	181	189	198
Motor Vehicle Allowance	3	831	716	627	1 292	1 292	1 292	1 346	1 408	1 473
Cellphone Allowance	3	68	56	30	103	103	103	103	108	113
Housing Allowances	3	72	42	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	13	13	13	13	14	14
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**4 590**	**4 456**	**3 307**	**6 147**	**6 147**	**6 147**	**6 407**	**6 701**	**7 009**
% increase	4		**(2,9%)**	**(25,8%)**	**85,9%**	**–**	**–**	**4,2%**	**4,6%**	**4,6%**
Other Municipal Staff										
Basic Salaries and Wages		18 761	18 901	19 288	20 017	20 200	20 200	21 244	22 173	23 193
Pension and UIF Contributions		2 841	2 754	2 813	3 005	3 007	3 007	3 165	3 311	3 463
Medical Aid Contributions		807	767	694	1 060	1 060	1 060	1 060	1 109	1 160
Overtime		7	–	–	24	24	24	26	27	28
Performance Bonus		1 596	1 275	1 579	1 689	1 689	1 689	1 754	1 835	1 919
Motor Vehicle Allowance	3	1 719	1 843	2 001	1 907	1 927	1 927	2 016	2 109	2 206
Cellphone Allowance	3	166	185	176	173	173	173	173	181	189
Housing Allowances	3	118	131	142	127	127	127	141	147	154
Other benefits and allowances	3	121	141	150	213	213	213	219	229	239
Payments in lieu of leave		331	89	156	309	309	309	324	339	354
Long service awards		46	131	119	26	26	26	27	28	29
Post-retirement benefit obligations	6	–	–	–	37	37	37	39	41	42

Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		**26 513**	**26 217**	**27 117**	**28 588**	**28 793**	**28 793**	**30 187**	**31 528**	**32 978**
% increase	4		**(1,1%)**	**3,4%**	**5,4%**	**0,7%**	**–**	**4,8%**	**4,4%**	**4,6%**
Total Parent Municipality		**34 091**	**34 468**	**35 024**	**39 369**	**39 574**	**39 574**	**41 228**	**43 076**	**45 058**
			1,1%	**1,6%**	**12,4%**	**0,5%**	**–**	**4,2%**	**4,5%**	**4,6%**
Total Municipal Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL SALARY, ALLOWANCES & BENEFITS		**34 091**	**34 468**	**35 024**	**39 369**	**39 574**	**39 574**	**41 228**	**43 076**	**45 058**
% increase	**4**		**1,1%**	**1,6%**	**12,4%**	**0,5%**	**–**	**4,2%**	**4,5%**	**4,6%**
TOTAL MANAGERS AND STAFF	**5,7**	**31 103**	**30 672**	**30 424**	**34 735**	**34 940**	**34 940**	**36 593**	**38 229**	**39 987**

Table 41 MBRR SA23 – Salaries, allowances and benefits (political office bearers/councillors/senior managers

NC084 !Kheis - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4	1	515 882	–	173 371	–	–	689 253
Chief Whip		–	–	–	–	–	–	–
Executive Mayor		1	657 459	–	205 613	–	–	863 072
Deputy Executive Mayor		–	–	–	–	–	–	–
Executive Committee		–	–	–	–	–	–	–
Total for all other councillors		–	2 157 419	–	924 500	–	–	3 081 919
Total Councillors	8	**2**	**3 330 760**	**–**	**1 303 484**			**4 634 244**
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1 118 101	22 362	415 335	–	–	1 555 798
Chief Finance Officer		1	821 025	54 017	304 159	68 419	–	1 247 620
Community service Director		1	823 990	16 480	305 197	–	–	1 145 667
Technical Director		1	821 023	27 124	304 158	68 419	–	1 220 724
		–	–	–	–	–	–	–
		1	–	49 908	111 136	21 890	–	182 934
Total Senior Managers of the Municipality	8,10	**5**	**3 584 140**	**169 891**	**1 439 985**	**158 727**		**5 352 743**
Total for municipal entities	8,10	**–**	**–**	**–**	**–**	**–**		**–**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	**7**	**6 914 900**	**169 891**	**2 743 469**	**158 727**		**9 986 987**

Table 42 MBRR SA24 – Summary of personnel numbers

NC084 !Kheis - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2022/23			Current Year 2023/24			Budget Year 2024/25		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		11	–	11	11	–	11	11	–	11
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	4	3	1	4	3	1	4	3	1
Other Managers	7	5	5	–	5	5	–	5	5	–
Professionals		*35*	*32*	*3*	*36*	*31*	*5*	*28*	*24*	*4*
Finance		34	31	3	35	30	5	27	23	4
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		1	1	–	1	1	–	1	1	–
Technicians		*45*	*45*	–	*48*	*48*	–	*47*	*42*	*3*
Electricity		1	1	–	1	1	–	1	1	–
Water		25	25	–	25	25	–	25	24	1
Sanitation		4	4	–	4	4	–	4	2	–
Refuse		7	7	–	10	10	–	9	8	1
Other		8	8	–	8	8	–	8	7	1
Clerks (Clerical and administrative)		32	32	–	30	30	–	31	30	1
TOTAL PERSONNEL NUMBERS	9	**132**	**117**	**15**	**134**	**117**	**17**	**126**	**104**	**20**

2.9 Contracts having future budgetary implications

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

2.10 Capital expenditure details

Table 43 MBRR SA35 – Future Financial implications of capital budget

NC084 !Kheis - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2024/25 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Present value
Capital expenditure	1							
Vote 1 - MUNICIPAL MANAGER		–	–	–				
Vote 2 - CORPORATE SERVICE		–	–	–				
Vote 3 - FINANCIAL MANAGEMENT SERVICES		–	–	–				
Vote 4 - COMMUNITY SERVICES		–	–	–				
Vote 5 - TECHNICAL SERVICES		22 181	12 010	12 658				
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–				

Vote 7 - STRATEGIC PLANNING		–	–	–				
Vote 8 - [NAME OF VOTE 8]		–	–	–				
Vote 9 - [NAME OF VOTE 9]		–	–	–				
Vote 10 - [NAME OF VOTE 10]		–	–	–				
Vote 11 - [NAME OF VOTE 11]		–	–	–				
Vote 12 - [NAME OF VOTE 12]		–	–	–				
Vote 13 - [NAME OF VOTE 13]		–	–	–				
Vote 14 - [NAME OF VOTE 14]		–	–	–				
Vote 15 - [NAME OF VOTE 15]		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**22 181**	**12 010**	**12 658**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - MUNICIPAL MANAGER		3 337	3 491	3 651				
Vote 2 - CORPORATE SERVICE		8 708	9 109	9 528				
Vote 3 - FINANCIAL MANAGEMENT SERVICES		22 788	23 789	24 889				
Vote 4 - COMMUNITY SERVICES		5 139	5 301	5 623				
Vote 5 - TECHNICAL SERVICES		1 621	12 887	13 384				
Vote 6 - EXECUTIVE AND COUNCIL		7 162	7 491	7 836				
Vote 7 - STRATEGIC PLANNING		–	–	–				
Vote 8 - [NAME OF VOTE 8]		–	–	–				
Vote 9 - [NAME OF VOTE 9]		–	–	–				
Vote 10 - [NAME OF VOTE 10]		–	–	–				
Vote 11 - [NAME OF VOTE 11]		–	–	–				
Vote 12 - [NAME OF VOTE 12]		–	–	–				
Vote 13 - [NAME OF VOTE 13]		–	–	–				
Vote 14 - [NAME OF VOTE 14]		–	–	–				
Vote 15 - [NAME OF VOTE 15]		–	–	–				
List entity summary if applicable								
Total future operational costs		48 756	62 068	64 911	–	–	–	–
Future revenue by source	3							
Exchange Revenue		5 744	–	–				
Service charges - Electricity		–	–	–				
Service charges - Water		6 770	7 081	7 407				
Service charges - Waste Water Management		3 770	3 944	4 125				
Service charges - Waste Management		5 276	5 519	5 773				
Agency services		394	413	432				
List other revenues sources if applicable								

List entity summary if applicable								
Total future revenue		21 955	16 956	17 736	–	–	–	–
Net Financial Implications		**48 982**	**57 122**	**59 833**	**–**	**–**	**–**	**–**

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

Table 44 MBRR SA34e – Capital expenditure on upgrading of existing assets by asset class

NC084 !Kheis - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		**7 896**	**1 614**	**2 474**	**9 450**	**–**	**–**	**12 181**	**12 010**	**12 658**
Roads Infrastructure		774	(347)	(417)	–	–	–	–	–	–
Roads		–	428	(417)	–	–	–	–	–	–
Road Structures		774	(774)	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		4 874	1 948	2 891	9 450	–	–	12 181	12 010	12 658
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	2 238	9 450	–	–	12 181	12 010	12 658
Bulk Mains		4 874	1 948	653	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		2 248	12	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		2 248	12	–	–	–	–	–	–	–
Community Assets		**(394)**	**–**	**–**	**–**	**–**	**–**	**10 000**	**–**	**–**
Community Facilities		(394)	–	–	–	–	–	–	–	–
Libraries		(394)	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	10 000	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	–	–	–	–	10 000	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on upgrading of existing assets	1	**7 502**	**1 614**	**2 474**	**9 450**	**–**	**–**	**22 181**	**12 010**	**12 658**

Table 45 MBRR SA36 – Future financial implications of the capital budget

NC084 !Kheis - Supporting Table SA36 Detailed capital budget

R thousand														2024/25 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2022/23	Current Year 2023/24 Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Parent municipality: *List all capital projects grouped by Function*																
Upgrading of bulk water supply - Topline													–	–		
Upgrading of bulk water supply - Brandboom												5 000				
Upgrading of bulk water supply - Gariep																
Development of Grootdrink Sport facility														10 000		
Upgrading of Kerk street																
Upgrading of Koegrabie street																
Constuction of sewer reticulation, pump station and rising main to oxidation ponds in Wegdraai												11 567	11 086			
Upgrading of bulk water Sternham																
Opwag Upgrading of Bulk Water Project														11 662	12 010	12 658
Gariep Upgrading of Bulk Water Project														519		
Parent Capital expenditure												**16 567**	**11 086**	**22 181**	**12 010**	**12 658**

2.11 Legislation compliance status

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

1. **In year reporting**

Reporting to National Treasury in electronic format had been a challenge for the municipality with the raw data not aligning with the actual expenditure on the data strings for mSCOA since the turn of the year. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes quarterly published financial performance on the municipality's website.

2. **Internship Programme**

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns, undergoing training in various divisions of the Budget and Treasury Office, as well as other divisions in the finance department. There are currently no vacancies for financial internship. The current interns had only be appointed during February 2016, after the former interns had been permanently employed in the finance department. At November 2015 five financial interns successfully completed their internship and had been permanently appointed in the financial department.

3. **Budget and Treasury Office**

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

4. **Audit Committee**

The Audit Committee had been established

5. **Annual Report**

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

6. **MFMA Training**

The MFMA training module in electronic format is presented at the municipality and training is going.

7. **Policies**

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

The municipality's Property Rates Policy has also been reviewed to take into account views from stakeholders and other similar Forums. Other budget related policies in existence include the following:

- Budget Policy;
- Indigents Policy.
- Tariff Policy
- Credit Control and Debt Collection Policy
- Asset Management Policy
- Contract Management Policy
- Cost Containment Policy
- Financial Code Policy
- Cash Management and Investment Policy; and
- Borrowing Policy

2.12 Other supporting documents

Table 47 MBRR SA1 – Supporting detail to budgeted financial performance

NC084 !Kheis - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description R thousand	Ref	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
REVENUE ITEMS:											
Non-exchange revenue by source											
Property rates	6										
Total Property Rates		3 392	5 147	5 933	11 845	11 514	11 514	5 566	12 078	12 634	13 215
less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***		–	–	–	633	1 358	1 358	–	1 764	1 845	1 930
Net Property Rates		**3 392**	**5 147**	**5 933**	**11 212**	**10 156**	**10 156**	**5 566**	**10 314**	**10 789**	**11 285**
Exchange revenue service charges											
Service charges - Electricity	6										
Total Service charges - Electricity		–	–	–	–	–	–	–	–	–	–
less Revenue Foregone ***(in excess of 50 kwh per indigent household per month)***		–	–	–	–	–	–	–	–	–	–
less Cost of Free Basic Services (50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–	–
Net Service charges - Electricity		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Service charges - Water	6										
Total Service charges - Water		3 978	3 836	3 505	9 288	9 188	9 188	2 957	9 638	10 082	10 546
less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***		–	–	–	–	–	–	–	–	–	–
less Cost of Free Basic Services (6 kilolitres per indigent household per month)		(316)	(97)	–	173	1 173	1 173	26	2 869	3 001	3 139
Net Service charges - Water		**4 294**	**3 933**	**3 505**	**9 115**	**8 015**	**8 015**	**2 930**	**6 770**	**7 081**	**7 407**
Service charges - Waste Water Management											
Total Service charges - Waste Water Management		2 528	2 938	2 443	4 138	4 468	4 468	1 972	4 687	4 903	5 128

less Revenue Foregone ***(in excess of free sanitation service to indigent households)***		–	–	–	–	–	–	–	–	–	–
less Cost of Free Basic Services (free sanitation service to indigent households)		12	(15)	–	1 225	1 225	1 225	–	917	959	1 003
Net Service charges - Waste Water Management		**2 516**	**2 953**	**2 443**	**2 913**	**3 243**	**3 243**	**1 972**	**3 770**	**3 944**	**4 125**
Service charges - Waste Management	6										
Total refuse removal revenue		3 289	3 929	3 416	5 027	6 027	6 027	2 826	6 322	6 613	6 917
Total landfill revenue		–	–	–	–	–	–	–	–	–	–
less Revenue Foregone ***(in excess of one removal a week to indigent households)***		–	–	–	–	–	–	–	–	–	–
less Cost of Free Basic Services (removed once a week to indigent households)		23	(15)	–	1 703	1 703	1 703	–	1 046	1 094	1 145
Net Service charges - Waste Management		**3 266**	**3 945**	**3 416**	**3 324**	**4 324**	**4 324**	**2 826**	**5 276**	**5 519**	**5 773**
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	21 839	22 002	21 350	23 958	24 141	24 141	16 724	25 353	26 472	27 689
Pension and UIF Contributions		3 256	3 173	3 270	3 562	3 565	3 565	2 470	3 749	3 922	4 102
Medical Aid Contributions		819	787	717	1 129	1 129	1 129	657	1 129	1 181	1 236
Overtime		7	–	–	24	24	24	–	26	27	28
Performance Bonus		1 710	1 375	1 688	1 861	1 861	1 861	1 366	1 935	2 024	2 117
Motor Vehicle Allowance		2 550	2 559	2 628	3 199	3 219	3 219	2 160	3 363	3 517	3 679
Cellphone Allowance		235	241	206	276	276	276	180	276	289	302
Housing Allowances		190	173	142	127	127	127	124	141	147	154
Other benefits and allowances		121	141	150	213	213	213	115	219	229	239
Payments in lieu of leave		331	89	156	321	321	321	58	337	352	369
Long service awards		46	131	119	51	51	51	–	54	56	59
Post-retirement benefit obligations	4	–	–	–	11	11	11	–	12	12	13
Entertainment		–	–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–	–
sub-total	5	**31 103**	**30 672**	**30 424**	**34 735**	**34 940**	**34 940**	**23 854**	**36 593**	**38 229**	**39 987**
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–	–
Total Employee related costs	1	**31 103**	**30 672**	**30 424**	**34 735**	**34 940**	**34 940**	**23 854**	**36 593**	**38 229**	**39 987**
Depreciation and amortisation											
Depreciation of Property, Plant & Equipment		7 575	5 359	6 806	9 569	7 969	7 969	–	8 360	8 745	9 147
Lease amortisation		–	–	–	–	–	–	–	–	–	–
Capital asset impairment		–	–	–	–	–	–	–	–	–	–
Total Depreciation and amortisation	1	**7 575**	**5 359**	**6 806**	**9 569**	**7 969**	**7 969**	**–**	**8 360**	**8 745**	**9 147**
Bulk purchases - electricity											

Electricity Bulk Purchases		–	–	–	–	–	–	–	–	–	–
Total bulk purchases	1	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transfers and grants											
Cash transfers and grants		220	(1 061)	(3 248)	47	47	47	–	46	48	51
Non-cash transfers and grants		2	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	**221**	**(1 061)**	**(3 248)**	**47**	**47**	**47**	**–**	**46**	**48**	**51**
Contracted services											
Outsourced Services		448	23	73	240	269	269	4	243	254	266
Consultants and Professional Services		2 630	2 838	2 350	4 330	3 937	3 937	480	3 598	3 763	3 936
Contractors		536	172	44	550	556	556	51	564	516	617
sub-total	1	**3 614**	**3 032**	**2 467**	**5 120**	**4 762**	**4 762**	**535**	**4 405**	**4 533**	**4 819**
Operational Costs	-										
Collection costs		–	217	249	190	190	190	–	199	208	218
Contributions to 'other' provisions		–	–	–	–	–	–	–	–	–	–
Audit fees		1 094	2 815	2 871	500	500	500	–	650	680	711
Other Operational Costs	3										
Operating Leases		63	56	24	242	242	242	30	254	265	277
Operational Cost		8 510	7 158	8 830	7 643	8 259	8 259	2 721	8 397	8 784	9 194
Statutory Payments other than Income Taxes		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Operational Costs	1	**9 667**	**10 246**	**11 974**	**8 575**	**9 191**	**9 191**	**2 750**	**9 500**	**9 937**	**10 401**

Repairs and Maintenance by Expenditure Item	8										
Employee related costs		–	–	–	–	–	–	–	–	–	–
Inventory Consumed (Project Maintenance)		–	–	–	–	–	–	–	–	–	–
Contracted Services		473	188	59	557	560	560	51	583	536	638
Other Expenditure		63	56	24	208	208	208	30	218	228	238
Total Repairs and Maintenance Expenditure	9	535	244	83	765	768	768	80	800	763	876

Table 48 MBRR SA3 – Supporting detail to statement of financial position

Table 48 MBRR SA3 – Supporting detail to statement of financial position

NC084 !Kheis - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description R thousand	Ref	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
ASSETS											
Trade and other receivables from exchange transactions											
Electricity		(9 504)	–	–	(9 504)	(9 504)	(9 504)	(1)	(9 504)	(9 504)	–
Water		24 500	5 018	9 598	32 930	32 884	32 884	13 831	31 411	31 492	9 406
Waste		21 044	5 017	9 701	28 487	30 445	30 445	13 785	31 402	31 612	8 570
Waste Water		14 131	3 642	6 999	16 010	16 677	16 677	9 896	16 992	16 955	1 509
Other trade receivables from exchange transactions		(4 986)	8 457	511	1 598	1 889	1 889	589	2 164	2 437	8 532
Gross: Trade and other receivables from exchange transactions		**45 185**	**22 133**	**26 808**	**69 521**	**72 391**	**72 391**	**38 100**	**72 465**	**72 992**	**28 017**
Less: Impairment for debt		**(31 685)**	**(11 120)**	**(11 120)**	**(42 805)**	**(42 805)**	**(42 805)**	**(11 126)**	**(43 113)**	**(43 436)**	**(7 250)**
Impairment for Electricity		–	–	–	–	–	–	–	–	–	–
Impairment for Water		(3 665)	(3 796)	(3 796)	(7 460)	(7 460)	(7 460)	(3 796)	(7 460)	(7 460)	–
Impairment for Waste		(3 262)	(3 300)	(3 300)	(6 562)	(6 562)	(6 562)	(3 300)	(6 562)	(6 562)	–
Impairment for Waste Water		(2 169)	(2 248)	(2 248)	(4 417)	(4 417)	(4 417)	(2 248)	(4 417)	(4 417)	–
Impairment for other trade receivalbes from exchange transactions		(22 589)	(1 776)	(1 776)	(24 365)	(24 365)	(24 365)	(1 781)	(24 673)	(24 996)	(7 250)
Total net Trade and other receivables from Exchange Trx		**13 500**	**11 013**	**15 688**	**26 716**	**29 586**	**29 586**	**26 975**	**29 353**	**29 556**	**20 767**
Receivables from non-exchange transactions											
Property rates		3 108	2 411	3 924	8 683	7 627	7 627	9 099	7 661	8 021	19 357
Less: Impairment of Property rates		(2 176)	(562)	–	(2 738)	(2 738)	(2 738)	(562)	(2 872)	(3 012)	(3 160)
Net Property rates		**932**	**1 850**	**3 924**	**5 945**	**4 889**	**4 889**	**8 537**	**4 789**	**5 008**	**16 197**
Other receivables from non-exchange transactions		8 360	–	–	8 668	8 668	8 668	1 168	9 093	9 537	10 003
Impairment for other receivalbes from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Net other receivables from non-exchange transactions		**8 360**	**-**	**-**	**8 668**	**8 668**	**8 668**	**1 168**	**9 093**	**9 537**	**10 003**
Total net Receivables from non-exchange transactions		**9 293**	**1 850**	**3 924**	**14 613**	**13 557**	**13 557**	**9 705**	**13 882**	**14 545**	**26 200**
Closing balance - Consumables Zero Rated		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Finished Goods											
Opening Balance		178	**178**	**180**	**181**	**181**	**181**	**181**	21	**21**	**21**
Acquisitions		–	1	1	–	–	–	–	–	–	–
Closing balance - Finished Goods		**178**	**180**	**181**	**181**	**181**	**181**	**181**	**21**	**21**	**21**
Closing Balance - Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Closing Balance - Inventory & Consumables		**178**	**180**	**181**	**181**	**181**	**181**	**181**	**21**	**21**	**21**
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		263 467	8 912	16 740	424 959	415 563	415 563	25 210	448 042	412 249	93 305
Leases recognised as PPE	3	–	–	–	–	–	–	–	–	–	–

Less: Accumulated depreciation		(116 436)	(5 692)	(12 610)	(216 367)	(214 767)	(214 767)	(12 610)	(102 219)	(104 693)	(56 075)
Total Property, plant and equipment (PPE)	2	**147 030**	**3 220**	**4 130**	**208 592**	**200 796**	**200 796**	**12 600**	**345 823**	**307 556**	**37 230**
LIABILITIES											
Current liabilities - Financial liabilities											
Short term loans (other than bank overdraft)		–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		(4 013)	–	–	(4 013)	(4 013)	(4 013)	–	(4 210)	(4 416)	(4 632)
Total Current liabilities - Financial liabilities		**(4 013)**	**–**	**–**	**(4 013)**	**(4 013)**	**(4 013)**	**–**	**(4 210)**	**(4 416)**	**(4 632)**
Trade and other payables											
Trade and other payables from exchange transactions		25 535	20 234	12 348	53 704	54 305	54 305	15 080	52 185	52 189	27 294
Other trade payables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Trade payables from Non-exchange transactions: Unspent conditional Grants		11 997	(608)	(507)	11 454	11 456	11 456	(507)	10 817	12 606	(13 224)
Trade payables from Non-exchange transactions: Other		–	–	–	–	–	–	–	–	–	–
VAT		15 194	1 735	3 305	14 388	14 388	14 388	4 554	15 093	15 833	16 609
Total Trade and other payables	2	**52 726**	**21 362**	**15 146**	**79 546**	**80 149**	**80 149**	**19 128**	**78 095**	**80 628**	**30 679**
Non current liabilities - Financial liabilities											
Borrowing	4	1 560	–	–	1 560	1 560	1 560	–	1 636	1 716	1 800
Other financial liabilities		–	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Financial liabilities		**1 560**	**–**	**–**	**1 560**	**1 560**	**1 560**	**–**	**1 636**	**1 716**	**1 800**
List other major provision items											
Other		722	169	17	2 075	2 075	2 075	17	2 075	2 075	–
Total Provisions		**1 444**	**338**	**34**	**4 150**	**4 150**	**4 150**	**34**	**4 150**	**4 150**	**–**
CHANGES IN NET ASSETS											
Accumulated surplus/(deficit)											
Accumulated surplus/(deficit) - opening balance		146 328	–	(3 605)	117 136	117 136	117 136	14 915	117 136	117 136	–
GRAP adjustments		(959)	37 004	152	–	–	–	–	–	–	–
Restated balance		145 369	37 004	(3 453)	117 136	117 136	117 136	14 915	117 136	117 136	–
Surplus/(Deficit)		–	(3 605)	18 145	29 197	29 197	29 197	29 982	30 627	32 128	33 703
Other adjustments		(504)	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	1	**144 865**	**33 399**	**14 692**	**146 333**	**146 333**	**146 333**	**44 898**	**147 763**	**149 264**	**33 703**
Total Reserves	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL COMMUNITY WEALTH/EQUITY	2	**144 865**	**33 399**	**14 692**	**146 333**	**146 333**	**146 333**	**44 898**	**147 763**	**149 264**	**33 703**

Table 49 MBRR SA25 - Budgeted monthly revenue and expenditure

NC084 !Kheis - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue	-															
Exchange Revenue	-															
Service charges - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Water		564	564	564	564	564	564	564	564	564	564	564	564	6 770	7 081	7 407
Service charges - Waste Water Management		314	314	314	314	314	314	314	314	314	314	314	314	3 770	3 944	4 125
Service charges - Waste Management		440	440	440	440	440	440	440	440	440	440	440	440	5 276	5 519	5 773
Sale of Goods and Rendering of Services		54	54	54	54	54	54	54	54	54	54	54	54	652	855	894
Agency services		33	33	33	33	33	33	33	33	33	33	33	33	394	413	432
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		730	730	730	730	730	730	730	730	730	730	730	730	8 756	9 123	9 580
Interest earned from Current and Non Current Assets		30	30	30	30	30	30	30	30	30	30	30	30	359	376	393
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		2	2	2	2	2	2	2	2	2	2	2	2	22	23	24
Rental from Fixed Assets		160	160	160	160	160	160	160	160	160	160	160	160	1 916	2 005	2 097
Licence and permits		5	5	5	5	5	5	5	5	5	5	5	5	61	64	67
Operational Revenue		40	40	40	40	40	40	40	40	40	40	40	40	477	498	521
Non-Exchange Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Property rates		860	860	860	860	860	860	860	860	860	860	860	860	10 314	10 789	11 285

Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences or permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	44 336	43 964	44 107
Interest		129	129	129	129	129	129	129	129	129	129	129	129	1 551	1 622	1 697
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		40	40	40	40	40	40	40	40	40	40	40	40	486	508	531
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**7 095**	**7 095**	**7 095**	**7 095**	**7 095**	**7 095**	**7 095**	**7 095**	**7 095**	**7 095**	**7 095**	**7 095**	**85 140**	**86 783**	**88 933**
Expenditure	-															
Employee related costs		3 049	3 049	3 049	3 049	3 049	3 049	3 049	3 049	3 049	3 049	3 049	3 050	36 593	38 229	39 987
Remuneration of councillors		386	386	386	386	386	386	386	386	386	386	386	386	4 634	4 847	5 070
Inventory consumed		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Debt impairment		148	148	148	148	148	148	148	148	148	148	148	148	1 773	1 855	1 940
Depreciation and amortisation		–	–	–	–	–	–	–	–	–	–	–	6 596	6 596	6 899	7 217
Bulk purchases - electricity		697	697	697	697	697	697	697	697	697	697	697	697	8 360	8 745	9 147
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services		367	367	367	367	367	367	367	367	367	367	367	367	4 405	4 533	4 819
Transfers and subsidies		4	4	4	4	4	4	4	4	4	4	4	4	46	48	51
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		792	792	792	792	792	792	792	792	792	792	792	792	9 500	9 937	10 401
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Other Losses		550	550	550	550	550	550	550	550	550	550	550	(6 046)	–	–	–
Total Expenditure		**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 994**	**71 908**	**75 094**	**78 632**
Surplus/(Deficit)		**1 103**	**1 103**	**1 103**	**1 103**	**1 103**	**1 103**	**1 103**	**1 103**	**1 103**	**1 103**	**1 103**	**1 101**	**13 233**	**11 689**	**10 301**
Transfers and subsidies - capital (monetary allocations)		1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	21 662	12 010	12 658
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		–	–	–	–	–	–	–	–	–	–	–	34 895	34 895	23 699	22 959
Income Tax		**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**37 801**	**69 790**	**47 398**	**45 919**
Surplus/(Deficit) after income tax		–	–	–	–	–	–	–	–	–	–	–	34 895	34 895	23 699	22 959
Surplus/(Deficit) attributable to municipality		–	–	–	–	–	–	–	–	–	–	–	34 895	34 895	23 699	22 959
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**37 801**	**69 790**	**47 398**	**45 919**

Table 50 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

NC084 !Kheis - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote	-															
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		8 628	8 628	8 628	8 628	8 628	8 628	8 628	8 628	8 628	8 628	8 628	8 628	103 532	95 293	97 976
Vote 4 - COMMUNITY SERVICES		273	273	273	273	273	273	273	273	273	273	273	273	3 270	3 500	3 615
Vote 5 - TECHNICAL SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGIC PLANNING		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**106 802**	**98 793**	**101 591**
Expenditure by Vote to be appropriated	-															
Vote 1 - MUNICIPAL MANAGER		278	278	278	278	278	278	278	278	278	278	278	278	3 337	3 491	3 651
Vote 2 - CORPORATE SERVICE		726	726	726	726	726	726	726	726	726	726	726	726	8 708	9 109	9 528
Vote 3 - FINANCIAL MANAGEMENT SERVICES		1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	22 788	23 789	24 889
Vote 4 - COMMUNITY SERVICES		428	428	428	428	428	428	428	428	428	428	428	428	5 139	5 301	5 623
Vote 5 - TECHNICAL SERVICES		1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 984	23 802	24 897	26 042
Vote 6 - EXECUTIVE AND COUNCIL		597	597	597	597	597	597	597	597	597	597	597	597	7 162	7 491	7 836
Total Expenditure by Vote		**5 911**	**5 911**	**5 911**	**5 911**	**5 911**	**5 911**	**5 911**	**5 911**	**5 911**	**5 911**	**5 911**	**5 913**	**70 937**	**74 078**	**77 569**
Surplus/(Deficit) before assoc.		**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 987**	**35 866**	**24 715**	**24 022**
Surplus/(Deficit) after income tax		–	–	–	–	–	–	–	–	–	–	–	34 895	34 895	23 699	22 959
Surplus/(Deficit) attributable to municipality		–	–	–	–	–	–	–	–	–	–	–	34 895	34 895	23 699	22 959
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 989**	**2 987**	**35 866**	**24 715**	**24 022**

Table 51 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

NC084 !Kheis - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional	-															
Governance and administration		**6 496**	**6 496**	**6 496**	**6 496**	**6 496**	**6 496**	**6 496**	**6 496**	**6 496**	**6 496**	**6 496**	**6 496**	**77 949**	**69 824**	**71 298**
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		6 496	6 496	6 496	6 496	6 496	6 496	6 496	6 496	6 496	6 496	6 496	6 496	77 949	69 824	71 298
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**273**	**273**	**273**	**273**	**273**	**273**	**273**	**273**	**273**	**273**	**273**	**273**	**3 271**	**3 501**	**3 616**
Community and social services		273	273	273	273	273	273	273	273	273	273	273	273	3 271	3 501	3 616
Economic and environmental services		**133**	**133**	**133**	**133**	**133**	**133**	**133**	**133**	**133**	**133**	**133**	**133**	**1 594**	**413**	**432**
Planning and development		100	100	100	100	100	100	100	100	100	100	100	100	1 200	–	–
Road transport		33	33	33	33	33	33	33	33	33	33	33	33	394	413	432
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**1 999**	**1 999**	**1 999**	**1 999**	**1 999**	**1 999**	**1 999**	**1 999**	**1 999**	**1 999**	**1 999**	**1 999**	**23 988**	**25 055**	**26 246**
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		786	786	786	786	786	786	786	786	786	786	786	786	9 427	9 860	10 314
Waste water management		499	499	499	499	499	499	499	499	499	499	499	499	5 989	6 265	6 553
Waste management		714	714	714	714	714	714	714	714	714	714	714	714	8 572	8 931	9 379
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**8 900**	**106 802**	**98 793**	**101 591**
Expenditure - Functional	-															

Governance and administration		**3 706**	**3 706**	**3 706**	**3 706**	**3 706**	**3 706**	**3 706**	**3 706**	**3 706**	**3 706**	**3 706**	**3 707**	**44 468**	**46 466**	**48 610**
Executive and council		875	875	875	875	875	875	875	875	875	875	875	875	10 498	10 981	11 486
Finance and administration		2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 832	33 971	35 486	37 124
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**1 351**	**1 339**	**1 478**
Community and social services		113	113	113	113	113	113	113	113	113	113	113	113	1 351	1 339	1 478
Economic and environmental services		**97**	**97**	**97**	**97**	**97**	**97**	**97**	**97**	**97**	**97**	**97**	**97**	**1 161**	**1 214**	**1 270**
Planning and development		81	81	81	81	81	81	81	81	81	81	81	81	971	1 016	1 062
Road transport		16	16	16	16	16	16	16	16	16	16	16	16	190	198	207
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**2 077**	**2 077**	**2 077**	**2 077**	**2 077**	**2 077**	**2 077**	**2 077**	**2 077**	**2 077**	**2 077**	**2 078**	**24 927**	**26 074**	**27 273**
Energy sources		235	235	235	235	235	235	235	235	235	235	235	235	2 822	2 952	3 087
Water management		961	961	961	961	961	961	961	961	961	961	961	962	11 537	12 067	12 622
Waste water management		488	488	488	488	488	488	488	488	488	488	488	488	5 850	6 119	6 401
Waste management		393	393	393	393	393	393	393	393	393	393	393	393	4 719	4 936	5 163
Other		**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional		**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 992**	**5 994**	**71 908**	**75 094**	**78 632**
Surplus/(Deficit) before assoc.		**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 906**	**34 895**	**23 699**	**22 959**
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**1**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 908**	**2 906**	**34 895**	**23 699**	**22 959**

Table 52 MBRR SA28 - Budgeted monthly capital expenditure (municipal)

NC084 !Kheis - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
***Multi-year expenditure** to be appropriated*	1															
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	(14 675)	22 181	12 010	12 658
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**(14 675)**	**22 181**	**12 010**	**12 658**
***Single-year expenditure** to be appropriated*																
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - FINANCIAL MANAGEMENT SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - TECHNICAL SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure	2	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**3 351**	**(14 675)**	**22 181**	**12 010**	**12 658**

Table 53 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

NC084 !Kheis - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Expenditure - Functional	1															
Governance and administration		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**957**	**957**	**957**	**957**	**957**	**957**	**957**	**957**	**957**	**957**	**957**	**(528)**	**10 000**	**–**	**–**
Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sport and recreation		957	957	957	957	957	957	957	957	957	957	957	(528)	10 000	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**2 393**	**2 393**	**2 393**	**2 393**	**2 393**	**2 393**	**2 393**	**2 393**	**2 393**	**2 393**	**2 393**	**(14 147)**	**12 181**	**12 010**	**12 658**
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		2 393	2 393	2 393	2 393	2 393	2 393	2 393	2 393	2 393	2 393	2 393	(14 147)	12 181	12 010	12 658

Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	(14 675)	22 181	12 010	12 658
Funded by:																
National Government		3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	(14 675)	22 181	12 010	12 658
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	(14 675)	22 181	12 010	12 658
Public contributions & donations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Funding		3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	3 351	(14 675)	22 181	12 010	12 658

Table 54 MBRR SA30 - Budgeted monthly cash flow

NC084 !Kheis - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Novembe r	Decembe r	January	Februar y	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash Receipts By Source													1		
Property rates	833	833	833	833	833	833	833	833	833	833	833	833	9 997	10 467	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	566	566	566	566	566	566	566	566	566	566	566	566	6 789	7 108	104
Service charges - sanitation revenue	178	178	178	178	178	178	178	178	178	178	178	178	2 139	2 240	–
Service charges - refuse revenue	203	203	203	203	203	203	203	203	203	203	203	203	2 441	2 556	–
Rental of facilities and equipment	8	8	8	8	8	8	8	8	8	8	8	8	92	96	101
Interest earned - external investments	77	77	77	77	77	77	77	77	77	77	77	77	928	971	393
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences and permits	29	29	29	29	29	29	29	29	29	29	29	29	350	366	383
Agency services	9	9	9	9	9	9	9	9	9	9	9	9	105	110	115
Transfers and Subsidies - Operational	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	43 136	43 964	44 107
Other revenue	245	245	245	245	245	245	245	245	245	245	245	245	2 943	3 253	1 405
Cash Receipts by Source	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 743**	**5 744**	**68 921**	**71 132**	**46 609**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations)	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	1 805	21 662	12 010	12 658

Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**7 549**	**90 583**	**83 142**	**59 267**
Cash Payments by Type															
Employee related costs	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(3 483)	(41 798)	(43 845)	(45 992)
Remuneration of councillors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - Electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(1 867)	(1 959)	(2 055)
Contracted services	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(497)	(5 962)	(6 254)	(6 560)
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 255)	(2 256)	(27 063)	(28 330)	(29 664)
Cash Payments by Type	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(76 690)**	**(80 388)**	**(84 271)**
Other Cash Flows/Payments by Type															
Capital assets	–	–	–	–	–	–	–	–	–	–	–	(21 662)	(21 662)	–	–
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Total Cash Payments by Type	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(6 391)**	**(28 053)**	**(98 352)**	**(80 388)**	**(84 271)**
NET INCREASE/(DECREASE) IN CASH HELD	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**1 158**	**(20 505)**	**(7 769)**	**2 754**	**(25 005)**
Cash/cash equivalents at the month/year begin:	616	1 774	2 932	4 090	5 248	6 405	7 563	8 721	9 879	11 036	12 194	13 352	616	(7 153)	(4 399)
Cash/cash equivalents at the month/year end:	1 774	2 932	4 090	5 248	6 405	7 563	8 721	9 879	11 036	12 194	13 352	(7 153)	(7 153)	(4 399)	(29 404)

!Kheis Local Municipality 2024/25 Final Budget and MTREF

2.13 Municipal manager's quality certificate

I, **M.P Dichaba**, the Acting Municipal Manager of !Kheis Local Municipality, hereby certify that the annual draft 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 M.P Dichaba
Acting Municipal Manager of !Kheis Local Municipality (NC084)

Signature ____________________

Date **05 April 2024**