

## **MORETELE LOCAL MUNICIPALITY**



### **FINAL BUDGET FOR FINANCIAL YEAR**

**2024/2025 to 2026/2027**

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## 1. MAYOR'S REPORT

**(SEE THE ATTACHED REPORT)**

## 2. EXECUTIVE SUMMARY

This budget is the application of sound financial management principles for the compilation of the Municipality's financial plan which 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. The appropriate funds were transferred from low- to high priority programmes to maintain sound financial stewardship.

The Municipality is embarking on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers mainly state owned. Some of these revenue collection strategies are through the new valuation roll which will be implemented in the 2024/2025 financial year and is valid until 2028/2029.

### **BUDGET 2024/2025 MTREF.**

***The main challenges experienced during the compilation of the Budget 2024/2025 MTREF can be summarized as follows:***

- Based on the programs that the service delivery department must undertake, we had to ensure that they do not drive the budget to be on deficit, which means that certain programs have to wait or stopped to have a funded budget
- Aging and poorly maintained roads, wastewater and water infrastructure.
- Reprioritizing of capital projects and expenditure within the existing resource envelope given the cash flow realities and ensuring the non-declining cash position of the municipality.

- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and with also ensuring the non-declining cash position of the municipality.
  - ❖ Affordability of capital projects – Allocation for MIG was R128.5 million in 2023/2024, it has been increased to R133.61-million in 2024/2025. The municipality has prioritized water and sanitation on new projects and completion of MIG registered projects.
  - ❖ WSIG allocation for 2023/2024 was R30-million, it has been increased to R75 - million in 2024/2025 financial year. The grant is for Municipal water Infrastructure Grant, the municipality uses this grant mainly for sanitation projects and yard connections.

***The following budget principles and guidelines directly informed the compilation of the Final Budget 2024/2025:***

- The 2024/2025 Final Budget priorities and targets, as well as the base line allocations contained in the Final Budget were adopted as the upper limits for the new baselines for the 2024/2025 approved budget.
- Intermediate service level standards were used to inform the measurable objectives, targets, and backlog eradication goals; In view of the following table is a consolidated overview of the proposed 2024/2025 Medium-term Revenue and Expenditure.

Description	2024/25 Medium Term Revenue & Expenditure Framework		
	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand			
Total Revenue	824 424	847 237	870 005
Total Expenditure	722 495	753 953	788 905
Surplus/(Deficit)	101 929	93 284	81 100

- The total revenue budget for **2023/2024 was R745 million** including capital budget revenue when compared with **2024/2025 budget of R824-million** which represents an increase in budget income estimates of **R79 -million**.
- The 2023/2024 Financial Year (FY) operating expenditure was **R 674.4 million** compared to the budget of **R722.4 million for 2024/2025** which indicates an increase of **R48 million**. This reflects a **surplus of R 101.9 million**.

**Moretele Municipality is still dependent on grants as a major contributor of revenue. The Gazetted Division of Revenue bill has confirmed the following transfers to the municipality:**

The revenue grants are R683.8 -million for 2024/2025 funded by transfers from National Departments.

## GRANTS

Description	2024/25 Medium Term Revenue & Expenditure Framework		
	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>			
Local Government Equitable Share	469 371	477 865	478 895
Expanded Public Works Programme Integrated Grant	1 550	—	—
Local Government Financial Management Grant	2 900	2 900	2 900
Municipal Infrastructure Grant	133 616	140 343	152 863
Library grant	1 381	1 492	1 561
Water Services Infrastructure Grant	75 000	77 563	79 947
<b>Total grants</b>	<b>683 818</b>	<b>700 163</b>	<b>716 166</b>

### 3. OPERATING REVENUE AND EXPENDITURE NARRATION

The following narrations indicates all revenue to be received and charged in 2024/2025 financial years:

#### Service charges

Description	2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Service charges - Water	38 698	40 478	42 340
Service charges - Waste Management	29 275	30 622	32 030
Property rates	22 120	23 137	24 202
<b>Total</b>	<b>90 093</b>	<b>94 237</b>	<b>98 572</b>

#### Interest

Description	2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>			
Interest earned from Receivables	15 803	16 530	17 291
Interest earned from Current and Non Current Assets	27 430	28 692	30 012
Interest from outstanding property rates	3 302	3 454	3 613
<b>Total</b>	<b>46 535</b>	<b>48 676</b>	<b>50 915</b>

#### Rent and other income

Description	2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Rental from Fixed Assets	183	191	200
Licence and permits	1 150	1 203	1 258
Operational Revenue	159	166	174
Fines, penalties and forfeits	1 742	1 822	1 906
<b>Total Other Revenue</b>	<b>3 234</b>	<b>3 382</b>	<b>3 538</b>

Revenue generated from rates and services charges forms an insignificant percentage of the revenue basket for the Municipality, the municipality is grant dependent. In the 2024/2025 financial year, revenue from rates and trading services charges totaled **R90 million or 11%** of the total Budget revenue. The revenue from grants amounted to **R683.8 million which is 83%** of the total revenue budget.

**NW371 Moretele - Table A1 Budget Summary**

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	-	-	-	20 100	21 087	21 087	21 087	22 120	23 137	24 202
Service charges	48 511	49 674	57 203	70 233	64 798	64 798	76 535	67 973	71 100	74 370
Investment revenue	7 155	10 813	22 049	12 689	28 013	28 013	28 013	27 430	28 692	30 012
Transfer and subsidies - Operational	551 098	382 652	421 953	456 052	456 091	456 091	456 091	481 883	489 274	490 999
Other own revenue	11 798	17 621	32 371	17 833	22 462	22 462	22 462	23 083	24 145	25 255
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>618 561</b>	<b>460 761</b>	<b>533 577</b>	<b>576 907</b>	<b>592 451</b>	<b>592 451</b>	<b>604 188</b>	<b>622 489</b>	<b>636 348</b>	<b>644 838</b>
Employee costs	127 750	132 126	142 951	172 918	172 918	172 918	172 918	181 836	190 128	198 901
Remuneration of councillors	19 956	21 219	21 578	23 284	24 284	24 284	24 284	25 474	26 646	27 871
Depreciation and amortisation	124 329	73 071	108 093	50 000	107 495	107 495	107 495	112 762	117 949	123 375
Interest	349	105 633	101 994	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	52 700	53 592	53 592	53 592	57 732	60 388	63 166
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	218 613	245 053	250 657	212 008	316 096	316 096	316 096	344 691	358 843	375 592
<b>Total Expenditure</b>	<b>490 997</b>	<b>577 102</b>	<b>625 274</b>	<b>510 910</b>	<b>674 385</b>	<b>674 385</b>	<b>674 385</b>	<b>722 495</b>	<b>753 953</b>	<b>788 905</b>
<b>Surplus/(Deficit)</b>	<b>127 564</b>	<b>(116 342)</b>	<b>(91 697)</b>	<b>65 997</b>	<b>(81 934)</b>	<b>(81 934)</b>	<b>(70 197)</b>	<b>(100 006)</b>	<b>(117 605)</b>	<b>(144 067)</b>
Transfers and subsidies - capital (monetary allocations)	84 358	189 744	196 587	161 784	152 572	152 572	152 572	201 935	210 889	225 167
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>211 923</b>	<b>73 403</b>	<b>104 890</b>	<b>227 781</b>	<b>70 638</b>	<b>70 638</b>	<b>82 375</b>	<b>101 929</b>	<b>93 284</b>	<b>81 100</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>211 923</b>	<b>73 403</b>	<b>104 890</b>	<b>227 781</b>	<b>70 638</b>	<b>70 638</b>	<b>82 375</b>	<b>101 929</b>	<b>93 284</b>	<b>81 100</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>97 339</b>	<b>41 839</b>	<b>204 034</b>	<b>190 134</b>	<b>199 543</b>	<b>199 543</b>	<b>199 543</b>	<b>243 559</b>	<b>211 061</b>	<b>209 631</b>
Transfers recognised - capital	94 124	43 499	219 093	161 784	152 572	152 572	152 572	201 935	211 061	209 631
Internally generated funds	3 214	(1 660)	(15 059)	28 350	46 971	46 971	46 971	41 624	-	-
<b>Total sources of capital funds</b>	<b>97 339</b>	<b>41 839</b>	<b>204 034</b>	<b>190 134</b>	<b>199 543</b>	<b>199 543</b>	<b>199 543</b>	<b>243 559</b>	<b>211 061</b>	<b>209 631</b>



Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2024/2025, 2025/2026, 2026/2027FY

<b>Financial position</b>										
Total current assets	260 554	366 196	337 011	364 940	321 445	321 445	321 445	292 576	292 747	287 591
Total non current assets	1 154 466	1 220 678	1 279 541	1 471 864	1 371 590	1 371 590	1 371 590	1 502 387	1 595 500	1 681 756
Total current liabilities	149 180	221 044	180 449	221 056	180 449	180 449	180 449	180 449	180 449	180 449
Total non current liabilities	5 255	6 468	7 356	6 468	7 356	7 356	7 356	7 356	7 356	7 356
Community wealth/Equity	1 222 394	1 359 529	1 434 539	-	1 505 230	1 505 230	1 505 230	1 607 159	1 700 442	1 781 542
<b>Cash flows</b>										
Net cash from (used) operating	1 236	694 285	545 858	196 443	180 449	180 449	180 449	212 510	208 952	202 089
Net cash from (used) investing	(165 271)	(171 192)	(207 694)	(190 134)	(199 543)	(199 543)	(199 543)	(243 559)	(211 061)	(209 631)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	(164 035)	523 094	338 164	6 309	(19 094)	(19 094)	(19 094)	240 293	238 183	230 641
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	171 635	256 507	271 718	250 928	271 342	271 342	271 342	240 730	239 078	232 014
Application of cash and investments	102 991	126 964	145 928	183 157	163 758	163 758	164 190	162 085	161 669	161 233
<b>Balance - surplus (shortfall)</b>	68 644	129 542	125 791	67 771	107 584	107 584	107 152	78 645	77 409	70 782
<b>Asset management</b>										
Asset register summary (WDV)	1 216 859	1 380 807	1 450 654	1 475 083	1 378 208	1 378 208		1 313 770	1 241 384	1 200 941
Depreciation	124 329	73 071	108 093	50 000	107 495	107 495		112 762	117 949	123 375
Renewal and Upgrading of Existing Assets	955	(11 253)	27 083	-	1 456	1 456		2 000	-	-
Repairs and Maintenance	16 906	22 807	15 799	21 010	21 235	21 235		22 633	23 674	24 763
<b>Free services</b>										
Cost of Free Basic Services provided	6 430	11 574	6 683	-	11 737	11 737		12 312	12 879	13 471
Revenue cost of free services provided	5 186	-	-	7 648	7 014	7 014		7 358	7 696	8 050
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-		-	-	-
Sanitation/sewerage:	-	-	-	-	-	-		-	-	-
Energy:	-	-	-	-	-	-		-	-	-
Refuse:	-	-	-	-	-	-		-	-	-

### **3.1. OPERATING REVENUE FRAMEWORK**

Moretele Local Municipality continue to improve the quality of services to its citizens, it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are facing serious financial difficulties because of low own revenue generation capacity. This will further delay the reduction of backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices must be made in prioritizing projects to be implemented and balancing expenditures against realistically anticipated revenues. The municipality is grants reliant and seeks various methods to augment the financial incapacity.

Some of the mechanisms explored is the grant funds sought from different departments and the alignment of the municipality's strategic objectives to the main conditions of the grants being provided by sister departments.

### **3.2. OPERATING EXPENDITURE FRAMEWORK**

The Municipality's expenditure framework for the 2024/2025 budget and MTREF is informed by the funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA and should there be any operational gains and efficiencies will be directed to funding the capital budget and other core services. Based on the financial constrained that we have as a municipality, the expenditure to be incurred has to be budgeted within the revenue we anticipate receiving, It is therefore difficult to propose new service delivery project without the outside of the current expenditure we have.

**The following table is a high-level summary of the 2024/2025 budget and MTREF (classified per main type of operating expenditure):**

### **EMPLOYEES COSTS**

Description	2024/25 Medium Term Revenue & Expenditure Framework		
	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>			
<b>Expenditure</b>			
Employee related costs	181 836	190 128	198 901
Remuneration of councillors	25 474	26 646	27 871
Inventory consumed	57 732	60 388	63 166
Debt impairment	72 645	75 986	79 482
Depreciation and amortisation	112 762	117 949	123 375
Contracted services	190 945	198 020	207 094
Operational costs	81 101	84 836	89 016
<b>Total Expenditure</b>	<b>722 495</b>	<b>753 953</b>	<b>788 905</b>

The budget allocation for employee related costs for the 2024/2025 financial year is R207.3 million, which equals 29 per cent of the total operating expenditure. The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. Therefore, the municipality has increased the salaries by **4.9%**.

### **COUNCILLORS COSTS**

The budget allocation for Councilor's cost for the financial year is R25.4 million. The cost associated with the remuneration of councilors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been considered in compiling the Municipality's budget, where a percentage increase of 4.9 % was applied based on previous trends.

### **DEBT IMPAIRMENT/WRITE-OFF**

The provision of debt impairment was determined based on non-collection rate of 90 per cent and the Debt Write-off Policy of the Municipality. The current situation is that the municipality has been impairing 90% of its debtors every year. The 10% is mainly the government and business institution who we try every month to collect the amount owed to the municipality.

## BULK PURCHASES (Water Inventory)

The 2023/2024 final budget for bulk purchase was R53.5 million and the budget for 2024/2025 has increased to R57.7 million, this indicates an increase of R4.2 million. Bulk water is supplied by Magalies water.

## REPAIRS AND MAINTENANCE

Description R thousand	2024/25 Medium Term Revenue & Expenditure Framework		
	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>			
Roads Infrastructure	2 220	2 322	2 429
Electrical Infrastructure	4 196	4 389	4 591
Water Supply Infrastructure	6 799	7 112	7 439
Sanitation Infrastructure	5 712	5 975	6 250
Information and Communication Infrastructure	1 809	1 892	1 979
Community Assets	221	231	242
Furniture and Office Equipment	300	314	328
Machinery and Equipment	184	193	202
Transport Assets	1 192	1 247	1 304
<b>Total Repairs and Maintenance Expenditure</b>	<b>22 633</b>	<b>23 674</b>	<b>24 763</b>

The repairs and maintenance budget are supposed to be aligned to the need required to preserve and maintain the Municipality's current infrastructure. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. During the compilation of the 2024/2025 final budget, the repairs and maintenance was increased by R1.3 million when compared to the 2023/2024 final budget of R 21.1 million. The total budget for Repairs and maintenance is R22.6 million which is 4% of the operational expenditure.

## GENERAL EXPENDITURE

The general expenditure budget for 2023/2024 amounts to R73.4 million compared to R81.5 million for 2024/2025 financial year this reflects R8.1 million increase.

## **CONTRACTED SERVICES**

The contracted services budget for the year 2023/2024 was R173.4 million and for the financial year 2024/2025 the budget is R190.9 million, this reflects an increase of R17.5 million. The municipality sought to localize the procurement of critical services to ensure a social sustainability of such projects. Repairs and maintenance were budgeted under contracted services for the value R22,6 million, Professional Services for R71million.

## **DEPRECIATION**

The Depreciation budget allocation for 2023/2024 was R107.4 million, it has been increased by R4.6 million when compared 2024/2025 budget of R112 million, the indicator to increase the depreciation to 4.9% was based on the audited financial statements of 2022/2023 financial year. The increment was also based on the assets procured in the current financial year, but the completion of project will affect the depreciation as they are not included as part of the depreciation.

**Table 2 Summary of revenue classified by main revenue source**

NW371 Moretele - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year+1 2025/26	Budget Year+2 2026/27
R thousand	1										
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Water	2	30 952	29 089	33 433	40 342	36 890	36 890	43 498	38 698	40 478	42 340
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	17 559	20 585	23 770	29 891	27 908	27 908	33 037	29 275	30 622	32 030
Sale of Goods and Rendering of Services		360	219	667	1 079	1 079	1 079	1 079	744	779	814
Interest earned from Receivables		10 570	12 984	14 516	13 672	15 153	15 153	15 153	15 803	16 530	17 291
Interest earned from Current and Non Current Assets		7 155	10 813	22 049	12 689	28 013	28 013	28 013	27 430	28 692	30 012
Rental from Fixed Assets		106	172	173	174	174	174	174	183	191	200
Licence and permits		565	648	650	1 096	1 096	1 096	1 096	1 150	1 203	1 258
Operational Revenue		197	3 599	87	151	151	151	151	159	166	174
<b>Non-Exchange Revenue</b>											
Property rates	2	-	-	-	20 100	21 087	21 087	21 087	22 120	23 137	24 202
Fines, penalties and tribits		-	-	-	1 661	1 661	1 661	1 661	1 742	1 822	1 906
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		551 098	382 652	421 953	456 052	456 091	456 091	456 091	481 883	489 274	490 999
Interest		-	-	-	-	3 148	3 148	3 148	3 302	3 454	3 613
Other Gains		-	-	16 279	-	-	-	-	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and cont</b>		<b>618 561</b>	<b>460 761</b>	<b>533 577</b>	<b>576 907</b>	<b>592 451</b>	<b>592 451</b>	<b>604 188</b>	<b>622 489</b>	<b>636 348</b>	<b>644 838</b>

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 calculation of the operating surplus/deficit. Revenue generated from rates and services charges forms an insignificant percentage of the revenue basket for the Municipality, as the municipality is grant dependent. In the 2024/2025 financial year, revenue from rates and services charges totaled R90 million this reflects 14% of the total revenue budget.

**Table 3 Operating Transfers and Grant Receipts**

NW371 Moretele - 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
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		550,331	381,695	420,449	454,889	454,728	454,728	480,502	487,782	489,438
Local Government Equitable Share		428,895	376,501	415,351	443,171	443,171	443,171	469,371	477,865	478,895
Expanded Public Works Programme Integrated Grant		2,259	2,344	1,998	2,874	2,713	2,713	1,550	-	-
Local Government Financial Management Grant		3,000	2,850	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Municipal Disaster Relief Grant		-	-	200	-	-	-	-	-	-
Municipal Infrastructure Grant		116,177	-	-	5,944	5,944	5,944	6,681	7,017	7,643
<b>Other grant providers:</b>		766	957	1,505	1,163	1,363	1,363	1,381	1,492	1,561
<i>Other Grants Received</i>		766	957	1,505	1,163	1,363	1,363	1,381	1,492	1,561
<b>Total Operating Transfers and Grants</b>	5	551,098	382,652	421,953	456,052	456,091	456,091	481,883	489,274	490,999
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		84,358	189,744	196,587	161,784	152,572	152,572	201,935	210,889	225,167
Integrated National Electrification Programme Grant		-	110,702	131,587	131,784	122,572	122,572	126,935	133,326	145,220
Municipal Infrastructure Grant		-	79,042	65,000	30,000	30,000	30,000	75,000	77,563	79,947
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		84,358	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	84,358	189,744	196,587	161,784	152,572	152,572	201,935	210,889	225,167
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		635,456	572,397	618,540	617,836	608,663	608,663	683,818	700,163	716,166

#### 4. BUDGET TABLES

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 2024/2025 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

NW371 Moretele - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	-	-	-	20 100	21 087	21 087	21 087	22 120	23 137	24 202
Service charges	48 511	49 674	57 203	70 233	64 798	64 798	76 535	67 973	71 100	74 370
Investment revenue	7 155	10 813	22 049	12 689	28 013	28 013	28 013	27 430	28 692	30 012
Transfer and subsidies - Operational	551 098	382 652	421 953	456 052	456 091	456 091	456 091	481 883	489 274	490 999
Other own revenue	11 798	17 621	32 371	17 833	22 462	22 462	22 462	23 083	24 145	25 255
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>618 561</b>	<b>460 761</b>	<b>533 577</b>	<b>576 907</b>	<b>592 451</b>	<b>592 451</b>	<b>604 188</b>	<b>622 489</b>	<b>636 348</b>	<b>644 838</b>
Employee costs	127 750	132 126	142 951	172 918	172 918	172 918	172 918	181 836	190 128	198 901
Remuneration of councillors	19 956	21 219	21 578	23 284	24 284	24 284	24 284	25 474	26 646	27 871
Depreciation and amortisation	124 329	73 071	108 093	50 000	107 495	107 495	107 495	112 762	117 949	123 375
Interest	349	105 633	101 994	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	52 700	53 592	53 592	53 592	57 732	60 388	63 166
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	218 613	245 053	250 657	212 008	316 096	316 096	316 096	344 691	358 843	375 592
<b>Total Expenditure</b>	<b>490 997</b>	<b>577 102</b>	<b>625 274</b>	<b>510 910</b>	<b>674 385</b>	<b>674 385</b>	<b>674 385</b>	<b>722 495</b>	<b>753 953</b>	<b>788 905</b>
<b>Surplus/(Deficit)</b>	<b>127 564</b>	<b>(116 342)</b>	<b>(91 697)</b>	<b>65 997</b>	<b>(81 934)</b>	<b>(81 934)</b>	<b>(70 197)</b>	<b>(100 006)</b>	<b>(117 605)</b>	<b>(144 067)</b>
Transfers and subsidies - capital (monetary allocations)	84 358	189 744	196 587	161 784	152 572	152 572	152 572	201 935	210 889	225 167
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>211 923</b>	<b>73 403</b>	<b>104 890</b>	<b>227 781</b>	<b>70 638</b>	<b>70 638</b>	<b>82 375</b>	<b>101 929</b>	<b>93 284</b>	<b>81 100</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>211 923</b>	<b>73 403</b>	<b>104 890</b>	<b>227 781</b>	<b>70 638</b>	<b>70 638</b>	<b>82 375</b>	<b>101 929</b>	<b>93 284</b>	<b>81 100</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>97 339</b>	<b>41 839</b>	<b>204 034</b>	<b>190 134</b>	<b>199 543</b>	<b>199 543</b>	<b>199 543</b>	<b>243 559</b>	<b>211 061</b>	<b>209 631</b>
Transfers recognised - capital	94 124	43 499	219 093	161 784	152 572	152 572	152 572	201 935	211 061	209 631
Internally generated funds	3 214	(1 660)	(15 059)	28 350	46 971	46 971	46 971	41 624	-	-
<b>Total sources of capital funds</b>	<b>97 339</b>	<b>41 839</b>	<b>204 034</b>	<b>190 134</b>	<b>199 543</b>	<b>199 543</b>	<b>199 543</b>	<b>243 559</b>	<b>211 061</b>	<b>209 631</b>



<b>Financial position</b>										
Total current assets	260 554	366 196	337 011	364 940	321 445	321 445	321 445	292 576	292 747	287 591
Total non current assets	1 154 466	1 220 678	1 279 541	1 471 864	1 371 590	1 371 590	1 371 590	1 502 387	1 595 500	1 681 756
Total current liabilities	149 180	221 044	180 449	221 056	180 449	180 449	180 449	180 449	180 449	180 449
Total non current liabilities	5 255	6 468	7 356	6 468	7 356	7 356	7 356	7 356	7 356	7 356
Community wealth/Equity	1 222 394	1 359 529	1 434 539	-	1 505 230	1 505 230	1 505 230	1 607 159	1 700 442	1 781 542
<b>Cash flows</b>										
Net cash from (used) operating	1 236	694 285	545 858	196 443	180 449	180 449	180 449	212 510	208 952	202 089
Net cash from (used) investing	(165 271)	(171 192)	(207 694)	(190 134)	(199 543)	(199 543)	(199 543)	(243 559)	(211 061)	(209 631)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	(164 035)	523 094	338 164	6 309	(19 094)	(19 094)	(19 094)	240 293	238 183	230 641
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	171 635	256 507	271 718	250 928	271 342	271 342	271 342	240 730	239 078	232 014
Application of cash and investments	102 991	126 964	145 928	183 157	163 758	163 758	164 190	162 085	161 669	161 233
Balance - surplus (shortfall)	68 644	129 542	125 791	67 771	107 584	107 584	107 152	78 645	77 409	70 782
<b>Asset management</b>										
Asset register summary (WDV)	1 216 859	1 380 807	1 450 654	1 475 083	1 378 208	1 378 208		1 313 770	1 241 384	1 200 941
Depreciation	124 329	73 071	108 093	50 000	107 495	107 495		112 762	117 949	123 375
Renewal and Upgrading of Existing Assets	955	(11 253)	27 083	-	1 456	1 456		2 000	-	-
Repairs and Maintenance	16 906	22 807	15 799	21 010	21 235	21 235		22 633	23 674	24 763
<b>Free services</b>										
Cost of Free Basic Services provided	6 430	11 574	6 683	-	11 737	11 737		12 312	12 879	13 471
Revenue cost of free services provided	5 186	-	-	7 648	7 014	7 014		7 358	7 696	8 050
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-		-	-	-
Sanitation/sewerage:	-	-	-	-	-	-		-	-	-
Energy:	-	-	-	-	-	-		-	-	-
Refuse:	-	-	-	-	-	-		-	-	-

#### 4.1 TABLE 6 EXPLANATORY NOTES TO MBRR TABLE A1 - BUDGET

- Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - The operating surplus/deficit (after Total Expenditure) is positive over the MTREF.
  - Capital expenditure is balanced by capital funding sources, of which

- i. Transfers recognized is reflected on the Financial Performance Budget;
- ii. Borrowing is incorporated in the net cash from financing on the Cash Flow budget
- iii. Internally generated funds are financed from a combination of the current generating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

**4.2 TABLE 7 MBRR TABLE A2 - BUDGETED FINANCIAL PERFORMANCE  
(REVENUE AND EXPENDITURE BY STANDARD CLASSIFICATION)  
EXPLANATORY NOTES TO MBRR TABLE A2 - BUDGETED  
FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY  
STANDARD CLASSIFICATION)**

NW371 Moretele - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		450 140	407 284	472 416	495 725	501 799	501 799	528 294	539 365	543 091
Finance and administration		450 140	407 284	472 416	495 725	501 799	501 799	528 294	539 365	543 091
<i>Community and public safety</i>		909	811	1 308	1 036	1 036	1 036	1 038	1 133	1 185
Community and social services		766	807	1 191	1 036	1 036	1 036	1 038	1 133	1 185
Sport and recreation		142	4	118	-	0	0	-	-	-
<i>Economic and environmental services</i>		116 743	111 350	132 237	138 824	129 612	129 612	134 766	141 546	154 121
Planning and development		116 177	110 702	131 587	137 728	128 516	128 516	133 616	140 343	152 863
Road transport		565	648	650	1 096	1 096	1 096	1 150	1 203	1 258
<i>Trading services</i>		135 128	131 060	124 201	91 619	112 576	112 576	160 326	165 193	171 608
Water management		135 128	131 060	124 201	91 619	78 472	78 472	124 551	127 772	132 466
Waste management		-	-	-	-	34 104	34 104	35 775	37 420	39 142
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>702 920</b>	<b>650 505</b>	<b>730 163</b>	<b>727 203</b>	<b>745 023</b>	<b>745 023</b>	<b>824 424</b>	<b>847 237</b>	<b>870 005</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		205 512	213 663	254 995	265 026	323 295	323 295	348 295	364 183	380 802
Executive and council		46 979	60 041	63 286	74 955	78 681	78 681	83 370	87 205	91 217
Finance and administration		155 277	149 597	187 464	182 768	237 311	237 311	257 265	268 966	281 205
Internal audit		3 256	4 025	4 245	7 303	7 303	7 303	7 659	8 012	8 380
<i>Community and public safety</i>		18 920	20 421	22 227	26 580	26 580	26 580	27 631	28 949	30 281
Community and social services		14 224	16 530	18 309	21 372	21 793	21 793	22 932	24 034	25 140
Sport and recreation		4 292	3 524	3 588	4 057	3 636	3 636	3 805	3 980	4 164
Health		404	367	330	1 152	1 152	1 152	894	935	978
<i>Economic and environmental services</i>		53 852	58 081	69 082	98 506	106 289	106 289	118 688	122 457	128 493
Planning and development		42 409	47 825	57 578	62 074	70 560	70 560	83 569	85 722	90 069
Road transport		11 444	10 255	11 505	36 433	35 729	35 729	35 119	36 734	38 424
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		215 017	351 098	342 669	120 798	218 220	218 220	227 882	238 364	249 329
Energy sources		11 103	16 914	14 281	16 920	19 970	19 970	20 949	21 912	22 920
Water management		149 216	272 835	294 455	102 431	161 331	161 331	177 845	186 026	194 583
Waste water management		54 597	61 350	33 933	-	-	-	1 049	1 097	1 148
Waste management		101	-	-	1 447	36 920	36 920	28 039	29 329	30 678
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>493 302</b>	<b>643 263</b>	<b>688 973</b>	<b>510 910</b>	<b>674 385</b>	<b>674 385</b>	<b>722 495</b>	<b>753 953</b>	<b>788 905</b>
<b>Surplus/(Deficit) for the year</b>		<b>209 618</b>	<b>7 242</b>	<b>41 190</b>	<b>216 293</b>	<b>70 638</b>	<b>70 638</b>	<b>101 929</b>	<b>93 284</b>	<b>81 100</b>

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

#### 4.3 TABLE 8 MBRR TABLE A3 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)

NW371 Moretele - 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		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year+1 2025/26	Budget Year+2 2026/27
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		450 140	407 284	472 416	495 725	501 799	501 799	528 294	539 365	543 091
Vote 4 - Community and Social Services		766	807	1 191	1 036	1 036	1 036	1 038	1 133	1 185
Vote 5 - Sport and Recreation		142	4	118	-	0	0	-	-	-
Vote 7 - Planning and Development		116 177	110 702	131 587	137 728	128 516	128 516	133 616	140 343	152 863
Vote 8 - Road Transport		565	648	650	1 096	1 096	1 096	1 150	1 203	1 258
Vote 9 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 10 - Water Management		135 128	131 060	124 201	91 619	78 472	78 472	124 551	127 772	132 466
Vote 12 - Waste Management		-	-	-	-	34 104	34 104	35 775	37 420	39 142
<b>Total Revenue by Vote</b>	2	<b>702 920</b>	<b>650 505</b>	<b>730 163</b>	<b>727 203</b>	<b>745 023</b>	<b>745 023</b>	<b>824 424</b>	<b>847 237</b>	<b>870 005</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		50 324	60 041	63 286	74 955	78 681	78 681	83 370	87 205	91 217
Vote 2 - Finance and Administration		149 759	149 597	187 412	182 768	237 311	237 311	257 265	268 966	281 205
Vote 3 - Internal Audit		3 256	4 025	4 245	7 303	7 303	7 303	7 659	8 012	8 380
Vote 4 - Community and Social Services		15 039	16 530	18 309	21 372	21 793	21 793	22 932	24 034	25 140
Vote 5 - Sport and Recreation		4 292	3 524	3 588	4 057	3 636	3 636	3 805	3 980	4 164
Vote 6 - Health		404	367	330	1 152	1 152	1 152	894	935	978
Vote 7 - Planning and Development		43 768	47 825	57 578	62 074	70 560	70 560	83 569	85 722	90 069
Vote 8 - Road Transport		11 444	10 255	11 505	36 433	35 729	35 729	35 119	36 734	38 424
Vote 9 - Energy Sources		11 103	16 914	14 281	16 920	19 970	19 970	20 949	21 912	22 920
Vote 10 - Water Management		149 318	272 835	294 455	103 878	162 778	162 778	179 363	187 614	196 244
Vote 11 - Waste Water Management		54 597	61 350	33 933	-	-	-	1 049	1 097	1 148
Vote 12 - Waste Management		-	-	-	-	35 473	35 473	26 521	27 741	29 017
<b>Total Expenditure by Vote</b>	2	<b>493 302</b>	<b>643 263</b>	<b>688 921</b>	<b>510 910</b>	<b>674 385</b>	<b>674 385</b>	<b>722 495</b>	<b>753 953</b>	<b>788 905</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>209 618</b>	<b>7 242</b>	<b>41 242</b>	<b>216 293</b>	<b>70 638</b>	<b>70 638</b>	<b>101 929</b>	<b>93 284</b>	<b>81 100</b>

#### 4.4. EXPLANATORY NOTES TO MBRR TABLE A3 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

NW371 Moretele - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
<b>Vote 1 - Executive and Council</b>		-	-	-	-	-	-	-	-	-
<b>Vote 2 - Finance and Administration</b>		450 140	407 284	472 416	495 725	501 799	501 799	528 294	539 365	543 091
2.1 - Finance and Administration - Administrative and Corporat		439 537	390 572	441 157	495 677	477 151	477 151	502 531	512 417	514 903
2.2 - Finance and Administration - Asset Management		-	-	16 279	-	-	-	-	-	-
2.3 - Finance and Administration - Finance		10 603	16 561	14 582	47	24 648	24 648	25 763	26 948	28 188
2.4 - Finance and Administration - Human Resources		-	151	399	-	-	-	-	-	-
<b>Vote 4 - Community and Social Services</b>		766	807	1 191	1 036	1 036	1 036	1 038	1 133	1 185
4.3 - Community and Social Services - Disaster Management		-	-	200	-	-	-	-	-	-
4.4 - Community and Social Services - Libraries and Archives		766	807	991	1 036	1 036	1 036	1 038	1 133	1 185
<b>Vote 7 - Planning and Development</b>		116 177	110 702	131 587	137 728	128 516	128 516	133 616	140 343	152 863
7.2 - Planning and Development - Project Management Unit		116 177	110 702	131 587	137 728	128 516	128 516	133 616	140 343	152 863
<b>Vote 8 - Road Transport</b>		565	648	650	1 096	1 096	1 096	1 150	1 203	1 258
8.1 - Road Transport - Public Transport		565	648	650	1 096	1 096	1 096	1 150	1 203	1 258
<b>Vote 10 - Water Management</b>		135 128	131 060	124 201	91 619	78 472	78 472	124 551	127 772	132 466
10.1 - Water Management - Water Treatment		-	-	-	-	44	44	46	48	51
10.2 - Water Management - Water Distribution		135 128	131 060	124 201	91 619	78 428	78 428	124 505	127 724	132 415
<b>Vote 12 - Waste Management</b>		-	-	-	-	34 104	34 104	35 775	37 420	39 142
12.1 - Solid Waste Removal		-	-	-	-	34 104	34 104	35 775	37 420	39 142
<b>Total Revenue by Vote</b>	2	702 920	650 505	730 163	727 203	745 023	745 023	824 424	847 237	870 005

Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2024/2025, 2025/2026, 2026/2027FY

Expenditure by Vote	1									
Vote 1 - Executive and Council		50 324	60 041	63 286	74 955	78 681	78 681	83 370	87 205	91 217
1.1 - Executive and Council - Mayor and Council		50 324	60 041	63 286	74 955	78 681	78 681	83 370	87 205	91 217
Vote 2 - Finance and Administration		149 759	149 597	187 412	182 768	237 311	237 311	257 265	268 966	281 205
2.1 - Finance and Administration - Administrative and Corporate Services		66 064	68 391	88 011	97 130	111 039	111 039	115 779	121 105	126 675
2.2 - Finance and Administration - Asset Management		4 722	122	7 951	-	-	-	8 185	8 562	8 956
2.3 - Finance and Administration - Finance		39 218	33 502	39 864	30 570	52 279	52 279	33 602	35 014	36 491
2.4 - Finance and Administration - Human Resources		14 591	22 700	26 019	15 610	39 177	39 177	66 323	69 374	72 565
2.5 - Finance and Administration - Information Technology		15 148	17 181	19 537	25 857	23 814	23 814	21 835	22 840	23 891
2.6 - Finance and Administration - Supply Chain Management		10 015	7 701	6 030	13 602	11 002	11 002	11 541	12 072	12 627
Vote 3 - Internal Audit		3 256	4 025	4 245	7 303	7 303	7 303	7 659	8 012	8 380
3.1 - Internal Audit - Governance Function		3 256	4 025	4 245	7 303	7 303	7 303	7 659	8 012	8 380
Vote 4 - Community and Social Services		15 039	16 530	18 309	21 372	21 793	21 793	22 932	24 034	25 140
4.1 - Community and Social Services - Cemeteries Funeral Parlours		-	531	363	211	211	211	221	231	242
4.2 - Community and Social Services - Community Halls and Centres		11 823	12 600	13 959	14 671	15 093	15 093	15 898	16 630	17 395
4.3 - Community and Social Services - Disaster Management		1 407	1 782	1 966	3 374	3 354	3 354	3 572	3 736	3 908
4.4 - Community and Social Services - Libraries and Archives		1 809	1 616	2 022	3 116	3 136	3 136	3 241	3 437	3 595
Vote 5 - Sport and Recreation		4 292	3 524	3 588	4 057	3 636	3 636	3 805	3 980	4 164
5.1 - Sport and Recreation - Sports Grounds and Stadiums		4 292	3 524	3 588	4 057	3 636	3 636	3 805	3 980	4 164
Vote 6 - Health		404	367	330	1 152	1 152	1 152	894	935	978
6.1 - Health - Health Services		404	367	330	1 152	1 152	1 152	894	935	978
Vote 7 - Planning and Development		43 768	47 825	57 578	62 074	70 560	70 560	83 569	85 722	90 069
7.1 - Planning and Development - Economic Development/Promotion		37 776	40 024	50 411	56 130	64 617	64 617	76 888	78 705	82 426
7.2 - Planning and Development - Project Management Unit		5 992	7 802	7 167	5 944	5 944	5 944	6 681	7 017	7 643
Vote 8 - Road Transport		11 444	10 255	11 505	36 433	35 729	35 729	35 119	36 734	38 424
8.1 - Road Transport - Public Transport		2 484	1 605	1 780	4 576	4 576	4 576	4 840	5 063	5 296
8.2 - Road Transport - Roads		8 960	8 650	9 724	31 857	31 153	31 153	30 279	31 672	33 128
Vote 9 - Energy Sources		11 103	16 914	14 281	16 920	19 970	19 970	20 949	21 912	22 920
9.1 - Energy Sources - Electricity		11 103	16 914	14 281	16 920	19 970	19 970	20 949	21 912	22 920
Vote 10 - Water Management		149 318	272 835	294 455	103 878	162 778	162 778	179 363	187 614	196 244
10.1 - Water Management - Water Treatment										
10.2 - Water Management - Water Distribution		149 216	272 835	294 455	102 431	161 331	161 331	177 845	186 026	194 583
10.3 - Water Management - Water Distribution		101	-	-	1 447	1 447	1 447	1 518	1 588	1 661
Vote 11 - Waste Water Management		54 597	61 350	33 933	-	-	-	1 049	1 097	1 148
11.1 - Waste Water Management - Public Toilets		54 597	61 350	33 933	-	-	-	1 049	1 097	1 148
Vote 12 - Waste Management		-	-	-	-	35 473	35 473	26 521	27 741	29 017
12.1 - Solid Waste Removal		-	-	-	-	35 473	35 473	26 521	27 741	29 017
Total Expenditure by Vote	2	493 302	643 263	688 921	510 910	674 385	674 385	722 495	753 953	788 905
Surplus/(Deficit) for the year	2	209 618	7 242	41 242	216 293	70 638	70 638	101 929	93 284	81 100



**4.4 TABLE 9 MBRR TABLE A4 - BUDGETED FINANCIAL PERFORMANCE****NW371 Moretele - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year+1 2025/26	Budget Year+2 2026/27
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Water	2	30 952	29 089	33 433	40 342	36 890	36 890	43 488	38 698	40 478	42 340
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	17 559	20 585	23 770	29 891	27 908	27 908	33 037	29 275	30 622	32 030
Sale of Goods and Rendering of Services		360	219	667	1 079	1 079	1 079	1 079	744	779	814
Interest earned from Receivables		10 570	12 984	14 516	13 672	15 153	15 153	15 153	15 803	16 530	17 291
Interest earned from Current and Non Current Assets		7 155	10 813	22 049	12 689	28 013	28 013	28 013	27 430	28 692	30 012
Rental from Fixed Assets		106	172	173	174	174	174	174	183	191	200
Licence and permits		565	648	650	1 096	1 096	1 096	1 096	1 150	1 203	1 258
Operational Revenue		197	3 599	87	151	151	151	151	159	166	174
Non-Exchange Revenue											
Property rates	2	-	-	-	20 100	21 087	21 087	21 087	22 120	23 137	24 202
Fines, penalties and forfeits		-	-	-	1 661	1 661	1 661	1 661	1 742	1 822	1 906
Transfer and subsidies - Operational		551 098	382 662	421 953	456 052	456 091	456 091	456 091	481 883	489 274	490 999
Interest		-	-	-	-	3 148	3 148	3 148	3 302	3 454	3 613
Other Gains		-	-	16 279	-	-	-	-	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		618 561	460 761	533 577	576 907	592 451	592 451	604 188	622 489	636 348	644 838
Expenditure											
Employee related costs	2	127 750	132 126	142 951	172 918	172 918	172 918	172 918	181 836	190 128	198 901
Remuneration of councillors		19 956	21 219	21 578	23 284	24 284	24 284	24 284	25 474	26 646	27 871
Inventory consumed	8	-	-	-	52 700	53 592	53 592	53 592	57 732	60 388	63 166
Debt impairment	3	-	-	-	-	69 251	69 251	69 251	72 645	75 986	79 482
Depreciation and amortisation		124 329	73 071	108 093	50 000	107 495	107 495	107 495	112 762	117 949	123 375
Interest		349	105 633	101 994	-	-	-	-	-	-	-
Contracted services		162 538	189 386	181 819	148 528	173 412	173 412	173 412	190 945	198 020	207 094
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Operational costs		51 353	55 545	60 887	63 481	73 433	73 433	73 433	81 101	84 836	89 016
Losses on disposal of Assets		4 722	122	7 951	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		490 997	577 102	625 274	510 910	674 385	674 385	674 385	722 495	753 953	788 905
Surplus/(Deficit)		127 564	(116 342)	(91 697)	65 997	(81 934)	(81 934)	(70 197)	(100 006)	(117 605)	(144 067)
Transfers and subsidies - capital (monetary)	6	84 358	189 744	196 587	161 784	152 572	152 572	152 572	201 935	210 889	225 167
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		211 923	73 403	104 890	227 781	70 638	70 638	82 375	101 929	93 284	81 100
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		211 923	73 403	104 890	227 781	70 638	70 638	82 375	101 929	93 284	81 100
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		211 923	73 403	104 890	227 781	70 638	70 638	82 375	101 929	93 284	81 100
Share of Surplus/Deficit attributable to Associate Intercompany/Parent subsidiary transactions	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	211 923	73 403	104 890	227 781	70 638	70 638	82 375	101 929	93 284	81 100

1. Total operating revenue (excluding capital transfer) is R622.4 million in 2024/2025 and Revenue to be generated from property rates is R22 million in the 2024/2025.
2. The original budget for services charges water is R38.6 million and for refuse is R29.2 million.
3. Transfers recognized – operational transfers include the local government equitable share and other operating grants from national and provincial government is R481.8 million and the capital transfer is R201.9 million.
4. Bulk purchases (Inventory Water) for 2024/2025 budget are R57.3-million.
5. The original budgeted allocation for employee related costs for the 2024/2025 financial year is R206.8 million, which equals 29 per cent of the total operating expenditure.
6. Professional Services- Budget for professional services for 2023/2024 was R72 million as compared to the budget for 2024/2025 amounting to R76.3 million which reflect an increase of R4 million (Included in the contracted services)
7. Repairs and maintenance- The budget for 2023/2024 was R21 million and for 2024/2025 is R22 million, which indicate an increase of R1 million.



#### 4.5. TABLE 10 MBRR TABLE A5 - BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING SOURCE

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year+1 2025/26	Budget Year+2 2026/27
R thousand	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Executive and Council		-	606	840	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	3 135	5 367	6 200	7 420	7 420	7 420	1 000	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	793	850	1 000	1 000	1 000	1 000	-	-
Vote 5 - Sport and Recreation		-	-	-	1 000	1 000	1 000	1 000	-	-	-
Vote 6 - Health		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		-	-	(18 192)	5 100	5 100	5 100	5 100	4 824	-	-
Vote 8 - Road Transport		9 867	46 683	32 401	12 769	33 577	33 577	33 577	77 900	9 000	36 000
Vote 9 - Energy Sources		11 637	10 314	15 653	10 329	16 329	16 329	16 329	15 400	7 000	8 000
Vote 10 - Water Management		16 972	49 416	77 836	119 887	110 117	110 117	110 117	53 000	80 940	66 947
Vote 11 - Waste Water Management		42 472	56 113	73 576	25 000	25 000	25 000	25 000	44 000	35 000	28 000
Vote 15 -		-	27 048	37 104	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	80 948	193 316	225 378	181 134	199 543	199 543	199 543	197 124	131 940	138 947
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Executive and Council		976	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		258	52	(5 367)	-	-	-	-	2 950	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		5 842	6 451	708	-	-	-	-	6 600	8 000	-
Vote 5 - Sport and Recreation		1 729	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		-	(52)	-	-	-	-	-	1 400	-	-
Vote 8 - Road Transport		(9 867)	22 336	37 377	4 000	-	-	-	5 250	16 000	18 700
Vote 9 - Energy Sources		-	4 044	-	-	-	-	-	7 000	-	16 000
Vote 10 - Water Management		13 775	18 362	40 108	5 000	-	-	-	23 235	55 122	35 984
Vote 11 - Waste Water Management		3 678	993	3 696	-	-	-	-	-	-	-
Vote 15 -		-	67 683	41 786	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		16 391	119 869	118 307	9 000	-	-	-	46 435	79 122	70 684
<b>Total Capital Expenditure - Vote</b>		97 339	313 185	343 685	190 134	199 543	199 543	199 543	243 559	211 061	209 631
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		1 234	(1 660)	(22 442)	6 200	7 420	7 420	7 420	3 950	-	-
Executive and council		976	606	840	-	-	-	-	-	-	-
Finance and administration		258	(2 266)	(23 281)	6 200	7 420	7 420	7 420	3 950	-	-
<b>Community and public safety</b>		7 571	6 290	1 340	1 850	2 000	2 000	2 000	7 600	8 000	-
Community and social services		5 842	6 290	1 340	850	1 000	1 000	1 000	7 600	8 000	-
Sport and recreation		1 729	-	-	1 000	1 000	1 000	1 000	-	-	-
<b>Economic and environmental services</b>		(0)	28 455	50 828	21 869	38 677	38 677	38 677	89 374	25 000	54 700
Planning and development		-	-	3 960	5 100	5 100	5 100	5 100	6 224	-	-
Road transport		(0)	28 455	46 868	16 769	33 577	33 577	33 577	83 150	25 000	54 700
<b>Trading services</b>		88 534	8 754	174 308	160 215	151 446	151 446	151 446	142 635	178 061	154 931
Energy sources		11 637	(3 846)	30 481	10 329	16 329	16 329	16 329	22 400	7 000	24 000
Water management		30 747	1 401	129 611	124 887	110 117	110 117	110 117	76 235	136 061	102 931
Waste water management		46 150	11 200	15 976	25 000	25 000	25 000	25 000	44 000	35 000	28 000
Waste management		-	-	(1 760)	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	97 339	41 839	204 034	190 134	199 543	199 543	199 543	243 559	211 061	209 631
<b>Funded by:</b>											
National Government		94 124	43 499	219 093	161 784	152 572	152 572	152 572	201 935	211 061	209 631
Transfers recognised - capital	4	94 124	43 499	219 093	161 784	152 572	152 572	152 572	201 935	211 061	209 631
Internally generated funds		3 214	(1 660)	(15 059)	28 350	46 971	46 971	46 971	41 624	-	-
<b>Total Capital Funding</b>	7	97 339	41 839	204 034	190 134	199 543	199 543	199 543	243 559	211 061	209 631

**Table A5 is a breakdown** of the capital projects in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

The budget allocation for 2024/2025 is R243.5 million. 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.

The capital projects are funded from National capital and provincial grants and transfers and internally generated funds from current year surpluses. These funding sources are further discussed in detail in Overview of Budget Funding

**4.6 TABLE 11 STATEMENT OF FINANCIAL POSITION A****NW371 Moretele - Table A6 Budgeted Financial Position**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents	1	171 635	256 507	271 718	250 928	271 342	271 342	271 342	240 730	239 078	232 014
Trade and other receivables from exchange transactions		86 225	76 920	40 259	77 805	34 286	34 286	34 286	20 431	5 938	(9 221)
Receivables from non-exchange transactions	1	213	311	16 326	3 774	7 058	7 058	7 058	22 656	38 972	56 039
Inventory	2	1 320	4 905	223	4 905	223	223	223	223	223	223
VAT		1 097	27 469	8 532	27 445	8 532	8 532	8 532	8 532	8 532	8 532
Other current assets		65	83	(48)	83	4	4	4	4	4	4
Total current assets		260 554	366 196	337 011	364 940	321 445	321 445	321 445	292 576	292 747	287 591
Non current assets											
Investment property	3	5 717	5 885	18 740	5 717	18 740	18 740	18 740	18 740	18 740	18 740
Property, plant and equipment		1 142 792	1 212 275	1 257 370	1 459 046	1 346 819	1 346 819	1 346 819	1 473 416	1 566 529	1 652 785
Heritage assets		206	206	206	206	206	206	206	206	206	206
Intangible assets		5 751	2 311	3 225	6 895	5 825	5 825	5 825	10 025	10 025	10 025
Total non current assets		1 154 466	1 220 678	1 279 541	1 471 864	1 371 590	1 371 590	1 371 590	1 502 387	1 595 500	1 681 756
TOTAL ASSETS		1 415 020	1 586 873	1 616 552	1 836 804	1 693 035	1 693 035	1 693 035	1 794 964	1 888 247	1 969 347
LIABILITIES											
Current liabilities											
Financial liabilities	4	4 794	-	-	-	-	-	-	-	-	-
Trade and other payables from exchange transactions		128 701	162 390	156 399	162 402	156 399	156 399	156 399	156 399	156 399	156 399
Trade and other payables from non-exchange transactions	5	3 271	14 077	865	14 077	865	865	865	865	865	865
Provision		3 936	3 612	3 469	3 612	3 469	3 469	3 469	3 469	3 469	3 469
VAT		8 477	40 966	19 717	40 966	19 717	19 717	19 717	19 717	19 717	19 717
Other current liabilities		-	-	-	-	-	-	-	-	-	-
Total current liabilities		149 180	221 044	180 449	221 056	180 449	180 449	180 449	180 449	180 449	180 449
Non current liabilities											
Provision	7	5 255	6 468	7 356	6 468	7 356	7 356	7 356	7 356	7 356	7 356
Total non current liabilities		5 255	6 468	7 356	6 468	7 356	7 356	7 356	7 356	7 356	7 356
TOTAL LIABILITIES		154 435	227 512	187 805	227 524	187 805	187 805	187 805	187 805	187 805	187 805
NET ASSETS		1 260 586	1 359 362	1 428 747	1 609 280	1 505 230	1 505 230	1 505 230	1 607 159	1 700 442	1 781 542
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	1 222 394	1 359 529	1 434 539	-	1 505 230	1 505 230	1 505 230	1 607 159	1 700 442	1 781 542
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other											
TOTAL COMMUNITY WEALTH/EQUITY	10	1 222 394	1 359 529	1 434 539	-	1 505 230	1 505 230	1 505 230	1 607 159	1 700 442	1 781 542

**4.7 TABLE 12 CASH FLOW STATEMENT A7****NW371 Moretele - Table A7 Budgeted Cash Flows**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year+1 2025/26	Budget Year+2 2026/27
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		22 608	10 396	5 818	8 168	20 670	20 670	20 670	8 263	8 643	9 041
Service charges		1 866	1 717	548	14 498	16 581	16 581	16 581	9 184	9 606	10 048
Other revenue		441	52 893	22 244	4 162	4 162	4 162	4 162	3 978	4 161	4 352
Transfers and Subsidies - Operational	1	94 554	257 292	407 405	456 052	456 091	456 091	456 091	481 883	489 274	490 999
Transfers and Subsidies - Capital	1	64 480	200 558	196 680	161 784	152 572	152 572	152 572	201 935	210 889	225 167
Interest		–	–	–	12 689	28 013	28 013	28 013	44 356	46 396	48 531
Payments											
Suppliers and employees		(182 713)	171 428	(86 836)	(460 910)	(497 639)	(497 639)	(497 639)	(537 089)	(560 018)	(586 049)
NET CASH FROM(USED) OPERATING ACTIVITIES		1 236	694 285	545 858	196 443	180 449	180 449	180 449	212 510	208 952	202 089
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Capital assets		(165 271)	(171 192)	(207 694)	(190 134)	(199 543)	(199 543)	(199 543)	(243 559)	(211 061)	(209 631)
NET CASH FROM(USED) INVESTING ACTIVITIES		(165 271)	(171 192)	(207 694)	(190 134)	(199 543)	(199 543)	(199 543)	(243 559)	(211 061)	(209 631)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
NET CASH FROM(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/(DECREASE) IN CASH HELD		(164 035)	523 094	338 164	6 309	(19 094)	(19 094)	(19 094)	(31 049)	(2 110)	(7 542)
Cash/cash equivalents at the year begin:	2								271 342	240 293	238 183
Cash/cash equivalents at the year end:	2	(164 035)	523 094	338 164	6 309	(19 094)	(19 094)	(19 094)	240 293	238 183	230 641

## 4.8 TABLE 13 CASH BACK RESERVE/ ACCUMULATED SURPLUS RECONCILIATION A8

NW371 Moretele - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(164 035)	523 094	338 164	6 309	(19 094)	(19 094)	(19 094)	240 293	238 183	230 641
Other current investments > 90 days		335 670	(266 587)	(66 445)	244 619	290 436	290 436	290 436	437	895	1 373
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		171 635	256 507	271 718	250 928	271 342	271 342	271 342	240 730	239 078	232 014
Application of cash and investments											
Unspent conditional transfers		3 271	14 077	865	14 077	865	865	865	865	865	865
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	7 380	13 496	11 184	13 521	11 184	11 184	11 184	11 184	11 184	11 184
Other working capital requirements	3	88 403	95 780	130 410	151 948	148 240	148 240	148 672	146 567	146 151	145 715
Other provisions		3 936	3 612	3 469	3 612	3 469	3 469	3 469	3 469	3 469	3 469
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		102 991	126 964	145 928	183 157	163 758	163 758	164 190	162 085	161 669	161 233
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		68 644	129 542	125 791	67 771	107 584	107 584	107 152	78 645	77 409	70 782
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		68 644	129 542	125 791	67 771	107 584	107 584	107 152	78 645	77 409	70 782

## 4.9 TABLE 14 A9 ASSETS MANAGEMENT

NW371 Moretele - Table A9 Asset Management

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
CAPITAL EXPENDITURE										
<b>Total New Assets</b>	1	3 174	51 281	178 400	190 134	198 087	198 087	241 559	211 061	209 631
Roads Infrastructure		(0)	15 615	42 098	16 569	32 126	32 126	74 700	25 000	54 700
Storm water Infrastructure		-	-	396	-	-	-	-	-	-
Electrical Infrastructure		-	8 993	18 447	10 329	16 329	16 329	22 400	7 000	24 000
Water Supply Infrastructure		3 504	13 184	121 626	124 887	110 117	110 117	74 235	136 061	102 931
Sanitation Infrastructure		(0)	10 457	12 280	25 000	25 000	25 000	44 000	35 000	28 000
Solid Waste Infrastructure		-	-	-	2 500	1 100	1 100	2 000	-	-
<b>Infrastructure</b>		<b>3 504</b>	<b>48 250</b>	<b>194 848</b>	<b>179 284</b>	<b>184 672</b>	<b>184 672</b>	<b>217 335</b>	<b>203 061</b>	<b>209 631</b>
Community Facilities		1 729	5 297	1 173	1 800	1 800	1 800	7 400	8 000	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>1 729</b>	<b>5 297</b>	<b>1 173</b>	<b>1 800</b>	<b>1 800</b>	<b>1 800</b>	<b>7 400</b>	<b>8 000</b>	-
Operational Buildings		-	-	-	50	700	700	200	-	-
Housing		-	-	-	800	800	800	-	-	-
<b>Other Assets</b>		-	-	-	<b>850</b>	<b>1 500</b>	<b>1 500</b>	<b>200</b>	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Licences and Rights		-	(5 402)	(23 593)	2 600	2 600	2 600	4 200	-	-
<b>Intangible Assets</b>		-	<b>(5 402)</b>	<b>(23 593)</b>	<b>2 600</b>	<b>2 600</b>	<b>2 600</b>	<b>4 200</b>	-	-
Computer Equipment		-	3 135	-	450	720	720	1 950	-	-
Furniture and Office Equipment		-	-	-	150	1 901	1 901	2 000	-	-
Machinery and Equipment		-	-	-	-	544	544	224	-	-
Transport Assets		(2 059)	0	5 972	5 000	4 350	4 350	8 250	-	-
<b>Total Renewal of Existing Assets</b>	2	955	(11 253)	11 353	-	-	-	-	-	-
Water Supply Infrastructure		697	(11 253)	11 353	-	-	-	-	-	-
<b>Infrastructure</b>		<b>697</b>	<b>(11 253)</b>	<b>11 353</b>	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		258	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>258</b>	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	-	-	15 730	-	1 456	1 456	2 000	-	-
Water Supply Infrastructure		-	-	3 696	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	806	806	-	-	-
<b>Infrastructure</b>		-	-	<b>3 696</b>	-	<b>806</b>	<b>806</b>	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	12 034	-	650	650	2 000	-	-
<b>Other Assets</b>		-	-	<b>12 034</b>	-	<b>650</b>	<b>650</b>	<b>2 000</b>	-	-
<b>Total Capital Expenditure</b>	4	4 129	40 028	205 483	190 134	199 543	199 543	243 559	211 061	209 631
Roads Infrastructure		(0)	15 615	42 098	16 569	32 126	32 126	74 700	25 000	54 700
Storm water Infrastructure		-	-	396	-	-	-	-	-	-
Electrical Infrastructure		-	8 993	18 447	10 329	16 329	16 329	22 400	7 000	24 000
Water Supply Infrastructure		4 201	1 932	136 676	124 887	110 117	110 117	74 235	136 061	102 931
Sanitation Infrastructure		(0)	10 457	12 280	25 000	25 000	25 000	44 000	35 000	28 000
Solid Waste Infrastructure		-	-	-	2 500	1 906	1 906	2 000	-	-
<b>Infrastructure</b>		<b>4 201</b>	<b>36 998</b>	<b>209 897</b>	<b>179 284</b>	<b>185 478</b>	<b>185 478</b>	<b>217 335</b>	<b>203 061</b>	<b>209 631</b>
Community Facilities		1 729	5 297	1 173	1 800	1 800	1 800	7 400	8 000	-
<b>Community Assets</b>		<b>1 729</b>	<b>5 297</b>	<b>1 173</b>	<b>1 800</b>	<b>1 800</b>	<b>1 800</b>	<b>7 400</b>	<b>8 000</b>	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		258	-	12 034	50	1 350	1 350	2 200	-	-
Housing		-	-	-	800	800	800	-	-	-
<b>Other Assets</b>		<b>258</b>	-	<b>12 034</b>	<b>850</b>	<b>2 150</b>	<b>2 150</b>	<b>2 200</b>	-	-
Licences and Rights		-	(5 402)	(23 593)	2 600	2 600	2 600	4 200	-	-
<b>Intangible Assets</b>		-	<b>(5 402)</b>	<b>(23 593)</b>	<b>2 600</b>	<b>2 600</b>	<b>2 600</b>	<b>4 200</b>	-	-
Computer Equipment		-	3 135	-	450	720	720	1 950	-	-
Furniture and Office Equipment		-	-	-	150	1 901	1 901	2 000	-	-
Machinery and Equipment		-	-	-	-	544	544	224	-	-
Transport Assets		(2 059)	0	5 972	5 000	4 350	4 350	8 250	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		4 129	40 028	205 483	190 134	199 543	199 543	243 559	211 061	209 631

Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2024/2025, 2025/2026, 2026/2027FY

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	1 216 859	1 380 807	1 450 654	1 475 083	1 378 208	1 378 208	1 313 770	1 241 384	1 200 941
Roads Infrastructure		335 235	388 648	396 955	448 109	395 504	395 504	405 504	405 504	415 504
Storm water Infrastructure		48 210	45 520	43 220	49 300	43 220	43 220	43 220	43 220	43 220
Electrical Infrastructure		46 085	81 207	104 435	101 470	108 764	108 764	108 764	108 764	108 764
Water Supply Infrastructure		416 048	497 384	524 690	559 331	521 834	521 834	518 838	530 268	583 920
Sanitation Infrastructure		13 794	12 038	9 163	37 913	24 163	24 163	42 663	65 663	81 663
Solid Waste Infrastructure		-	-	-	5 100	1 100	1 100	2 100	2 100	2 100
<b>Infrastructure</b>		<b>859 372</b>	<b>1 024 798</b>	<b>1 078 464</b>	<b>1 201 223</b>	<b>1 094 586</b>	<b>1 094 586</b>	<b>1 121 090</b>	<b>1 155 519</b>	<b>1 235 172</b>
<b>Community Assets</b>		<b>253 412</b>	<b>254 332</b>	<b>254 709</b>	<b>270 259</b>	<b>254 709</b>	<b>254 709</b>	<b>256 709</b>	<b>264 709</b>	<b>264 709</b>
<b>Heritage Assets</b>		<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>
<b>Investment properties</b>		<b>5 717</b>	<b>5 885</b>	<b>18 740</b>	<b>5 717</b>	<b>18 740</b>	<b>18 740</b>	<b>18 740</b>	<b>18 740</b>	<b>18 740</b>
<b>Other Assets</b>		<b>62 145</b>	<b>63 723</b>	<b>57 974</b>	<b>(35 369)</b>	<b>(15 308)</b>	<b>(15 308)</b>	<b>(104 045)</b>	<b>(197 072)</b>	<b>(294 379)</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangible Assets</b>		<b>5 751</b>	<b>2 311</b>	<b>3 225</b>	<b>6 895</b>	<b>5 825</b>	<b>5 825</b>	<b>10 025</b>	<b>10 025</b>	<b>10 025</b>
<b>Computer Equipment</b>		<b>15 891</b>	<b>15 853</b>	<b>17 427</b>	<b>12 693</b>	<b>18 147</b>	<b>18 147</b>	<b>20 097</b>	<b>20 097</b>	<b>20 097</b>
<b>Furniture and Office Equipment</b>		<b>2 460</b>	<b>2 345</b>	<b>4 321</b>	<b>(3 833)</b>	<b>(778)</b>	<b>(778)</b>	<b>1 222</b>	<b>1 222</b>	<b>1 222</b>
<b>Machinery and Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>224</b>	<b>224</b>	<b>224</b>
<b>Transport Assets</b>		<b>11 905</b>	<b>11 354</b>	<b>15 587</b>	<b>17 292</b>	<b>2 081</b>	<b>2 081</b>	<b>(10 498)</b>	<b>(32 286)</b>	<b>(55 075)</b>
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>1 216 859</b>	<b>1 380 807</b>	<b>1 450 654</b>	<b>1 475 083</b>	<b>1 378 208</b>	<b>1 378 208</b>	<b>1 313 770</b>	<b>1 241 384</b>	<b>1 200 941</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>141 235</b>	<b>95 878</b>	<b>123 892</b>	<b>71 010</b>	<b>128 730</b>	<b>128 730</b>	<b>135 395</b>	<b>141 623</b>	<b>148 138</b>
<u>Depreciation</u>	7	124 329	73 071	108 093	50 000	107 495	107 495	112 762	117 949	123 375
<u>Repairs and Maintenance by Asset Class</u>	3	16 906	22 807	15 799	21 010	21 235	21 235	22 633	23 674	24 763
Roads Infrastructure		-	-	-	1 163	464	464	2 220	2 322	2 429
Electrical Infrastructure		-	-	-	5 000	4 000	4 000	4 196	4 389	4 591
Water Supply Infrastructure		-	-	-	7 481	6 481	6 481	6 799	7 112	7 439
Sanitation Infrastructure		-	-	-	3 600	6 145	6 145	5 712	5 975	6 250
Information and Communication Infrastructure		16 906	22 807	15 799	1 248	1 669	1 669	1 809	1 892	1 979
<b>Infrastructure</b>		<b>16 906</b>	<b>22 807</b>	<b>15 799</b>	<b>18 492</b>	<b>18 759</b>	<b>18 759</b>	<b>20 736</b>	<b>21 690</b>	<b>22 688</b>
Community Facilities		-	-	-	211	211	211	221	231	242
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>211</b>	<b>211</b>	<b>211</b>	<b>221</b>	<b>231</b>	<b>242</b>
<b>Computer Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Furniture and Office Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>300</b>	<b>314</b>	<b>328</b>
<b>Machinery and Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>179</b>	<b>138</b>	<b>138</b>	<b>184</b>	<b>193</b>	<b>202</b>
<b>Transport Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2 089</b>	<b>2 089</b>	<b>2 089</b>	<b>1 192</b>	<b>1 247</b>	<b>1 304</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>141 235</b>	<b>95 878</b>	<b>123 892</b>	<b>71 010</b>	<b>128 730</b>	<b>128 730</b>	<b>135 395</b>	<b>141 623</b>	<b>148 138</b>

#### 4.10. TABLE 15 A10 BASIC SERVICE DELIVERY MEASUREMENTS

NW371 Moretele - Table A10 Basic service delivery measurement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitre per indigent household per month)		6,430	6,407	3,700	6,359	6,608	6,608	6,932	7,251	7,585
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	5,167	2,983	5,129	5,129	5,129	5,380	5,628	5,887
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>	8	6,430	11,574	6,683	11,488	11,737	11,737	12,312	12,879	13,471
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitre per household per month)										
Sanitation (kilolitre per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	7,648	7,014	7,014	7,358	7,696	8,050
Water (in excess of 6 kilolitre 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)		5,186	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of subsidised services provided</b>	6	5,186	-	-	7,648	7,014	7,014	7,358	7,696	8,050



## 5. OVERVIEW OF ANNUAL BUDGET PROCESS

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Committee for Budget and Treasury

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

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, considering 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.

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.

## 5.1. IDP AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The Council's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management, and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to this 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 IDP has been taken into a business and financial planning process leading up to the 2024/2025 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 2024/2025 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2023/2024 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.

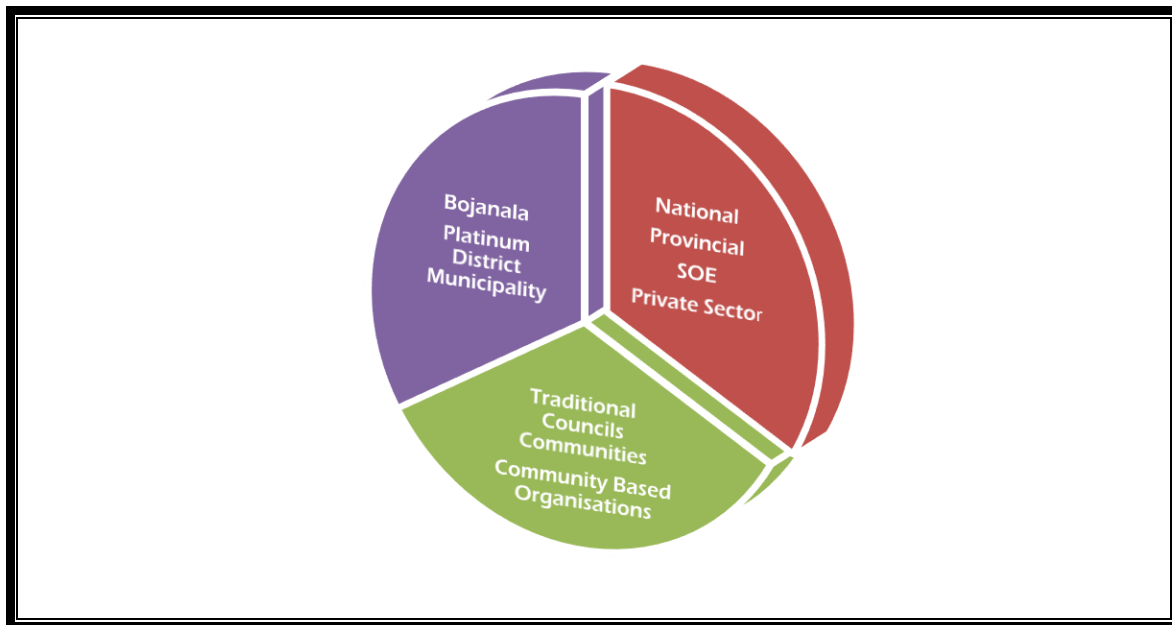
### Financial Modelling and Key Planning Drivers

As part of the compilation of the 2024/2025 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 2024/2025 MTREF:

- Council's growth
- Policy priorities and strategic objectives
- Asset maintenance

- Economic climate and trends (i.e. inflation, Eskom increases, and household debt)
- Performance trends
- Cash Flow Management
- Debtor payment levels
- 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 128 has been taken into consideration in the planning and prioritisation process.



Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2024/2025 MTREF.

The following are some of the issues and concerns raised as well as comments received during the consultation process:

- Several complaints were received regarding poor service delivery, especially waste removal backlogs and the state of road infrastructure;

- Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;
- In sufficient budget for roads and high mast lights
- During the community consultation process large sections of the community made it clear that they are not in favor of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.

## 6.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 all the people living in that area. Applied to Moretele, 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 to 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 Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- 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 objectives for the 2023/2024 MTREF and further planning refinements that have directly informed the compilation of the budget.

## 6.1. TABLE 1 MBRR TABLE SA4 - RECONCILIATION BETWEEN THE IDP STRATEGIC OBJECTIVES AND BUDGETED REVENUE

NW371 Moretele - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand												
A comprehensive, responsive and sustainable social protection system				(6 430)	(11 574)	(6 683)	(19 136)	(18 752)	(18 752)	(19 670)	(20 575)	(21 522)
Responsive, accountable, effective and efficient local government				630 177	472 334	523 981	584 555	611 202	611 202	642 159	656 923	666 360
Sustainable human settlements and improved quality of household life				–	–	16 279	–	–	–	–	–	–
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	623 748	460 761	533 577	565 419	592 451	592 451	622 489	636 348	644 838

## 6.2. TABLE 2 IDP STRATEGIC OBJECTIVES



## 6.3. MBRR RECONCILIATION BETWEEN THE IDP STRATEGIC OBJECTIVES AND BUDGETED CAPITAL EXPENDITURE

### **Rural performance objectives and indicators**

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

### **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. Municipality has adopted one integrated performance management system which encompasses:

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

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

## 7. MEASUREBLE PERFORMANCE OBJECTIVES AND INDICATORS

## 7.1. TABLE 3 MBRR TABLE SA8 - PERFORMANCE INDICATORS AND BENCHMARKS

NW671 Moretele - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.1%	18.3%	16.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.1%	22.9%	19.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.7	1.7	1.9	1.7	1.8	1.8	1.8	1.7	1.8	1.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	1.7	1.9	1.7	1.8	1.8	1.8	1.7	1.8	1.9
Liquidity Ratio	Monetary Assets/Current Liabilities	1.7	1.5	1.7	1.5	1.7	1.7	1.7	1.6	1.7	1.8
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	50.1%	24.3%	11.0%	37.9%	56.5%	56.5%	48.0%	56.9%	56.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		50.1%	24.3%	11.0%	37.9%	56.5%	56.5%	48.0%	56.9%	56.9%	56.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	1.3%	8.4%	8.2%	7.4%	5.8%	5.8%	5.7%	5.6%	5.4%	5.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		-78.5%	31.0%	46.2%	2574.1%	-819.1%	-819.1%	-819.1%	56.8%	49.3%	44.0%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes -System input	Bulk Purchase										
	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)										
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	20.7%	28.7%	26.8%	30.6%	29.2%	29.2%	28.6%	29.1%	29.8%	30.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	23.9%	33.3%	30.8%	34.7%	33.3%	33.3%	34.2%	33.2%	34.0%	35.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.7%	4.9%	3.0%	3.7%	3.6%	3.6%	3.7%	3.6%	3.7%	3.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	20.2%	38.8%	39.4%	8.8%	18.1%	18.1%	17.8%	18.1%	18.5%	19.1%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	-	-	42.1	20.2	21.1	21.1	13.0	12.8	12.5	12.7
ii. OS Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	5.4%	65.5%	43.3%	60.4%	24.0%	24.0%	20.4%	23.0%	22.0%	21.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(5.9)	13.3	8.6	0.2	(0.5)	(0.5)	(0.5)	6.4	7.1	7.6



#### **7.1.1. BORROWING MANAGEMENT**

Capital expenditure in local government can be funded by capital grants, own-source revenue and long-term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position.

#### **7.1.2. REVENUE MANAGEMENT**

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

#### **7.1.3. OTHER INDICATORS**

The water distribution losses have been managed but not to the satisfaction of the municipality.

#### **7.1.4. 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.

#### **7.1.5. PROVIDING CLEAN WATER AND MANAGING WASTE - WATER**

Municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider.

## 8. OVERVIEW OF BUDGET-RELATED-POLICIES

***The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies, and related policies.***

### 8.1 REVIEW OF CREDIT CONTROL AND INDIGENT-RELATED PROCEDURES OR POLICIES

The Credit Control and Debt Collection Policy was reviewed for the 2023/2024 financial year. The approved policy is in line with section 97(1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) which requires that a credit control and debt collection policy must provide credit control procedures and instructions as well as debt control procedures and mechanisms. It must also make provision for indigent debt that is consistent with its rates and tariff policies and any national indigent policy. There were no material amendments to these policies. The Municipality approved the Indigent Policy and credit control policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za)

### 8.2 MUNICIPAL PROPERTY RATES POLICY

The property rates policy is reviewed annually during the tabling of the budget. The Municipality Rates policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za)

### 8.3 ASSET MANAGEMENT POLICY

Section 78(1) of the MFMA requires that the assets and liabilities of the municipality must be managed effectively and that assets must be safeguarded and maintained to the extent necessary. The previously approved asset management policy only included management of immovable asset. The policy has been amended to include the management of movable assets. The Municipality asset management policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za)

### 8.4 SUPPLY CHAIN MANAGEMENT POLICY

The Supply Chain Management Policy was reviewed in accordance with the municipal Supply chain regulations. The supply chain management has been amended to align with the PPPFA. New insertions into the policy relates to the use of contracts acquired by another organ of state. This insertion is aligned to the 2019 MFMA circular provided in this regard. The Municipality Supply Chain management policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za)

## **8.5 BUDGET POLICY**

The Budget Policy, which includes the Fund Transfer Policy, 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 policy has been amended in line with MSCOA requirements. The policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za)

## **8.6 CASH MANAGEMENT AND INVESTMENT POLICY**

The Municipality's cash management and investment policy was amended to align with the municipal investment regulations. The policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za)

## **8.7. TARIFF POLICIES**

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) requires municipalities to adopt and implement a tariff policy. The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent, and affordable charges that also promote sustainable service delivery, and it allows for cross-subsidisation between consumer categories. The policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za)

## **8.8. IMPAIRMENT OF DEBTORS**

The policy is to set out a methodology for the impairment of receivables in line with the applicable accounting standards; • To ensure that sufficient provision is made for the impairment of receivables in the annual financial statements; • To ensure that receivables disclosed in the annual financial statements are stated at amounts that are deemed collectable; and • To promote transparency as required by sections 215 and 216 of the Constitution when dealing with debtors and debt. The policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za)

## **8.9. LEAVE MANAGEMENT POLICY**

To regulate any application of leave and to differentiate the various forms of leave available. The purpose of this policy is also to ensure alignment to the Basic conditions of Employment Act of 1998, the North West Conditions of Service, the Labour Relations Act of 1995 and any other related legislation governing employment in South Africa as amended from time to time. The policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za)

#### **8.10. OPERATIONAL ALLOWANCES POLICY**

To establish common and uniform operational allowance for personnel who due to high demand and inadequate personnel of the Municipality will be working long hours, extended hours, over the weekends and holidays and even during the nights to attend to disasters, emergencies, high demand of specific services and spontaneous need for transportation, their ability to take their annual leave is also impeded by operational requirements, notwithstanding the fact, encashment of leave is discouraged as it has the potential to be abused. The policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za)

#### **8.11. OVERTIME POLICY**

The policy is to ensure that clear guidelines are established for all employees of the Municipality for overtime. To promote effective, efficient, and economic use of resources, by ensuring that overtime worked is linked to municipal budget as well as IDP objectives. To provide a framework within which the municipality will administer overtime in a fair and a transparent manner. The policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za)

#### **8.12. TRAVEL AND SUBSISTENCE POLICY**

To outline provisions for travelling, subsistence and removal expenses for employees and prospective employees (appointees) as well as councillors. It will regulate internal transfers which may warrant relocation of furniture. Unless, where specified, the policy covers both the employees and Councillors. The policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za)

#### **8.13. BURSARY FOR EMPLOYEES AND COUNCILLORS POLICY**

To create opportunities for employees to acquire the relevant qualifications to satisfy the human resource requirements of the municipality as well as the career development needs of the employees. To empower the employees with advanced skills to make meaningful contributions towards the upliftment of their communities in line with the Local Growth and Development Strategy and JIPSA. The policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za).

#### **8.14. Insurance Policy (New)**

To ensure that the assets of the Council are adequately insured at all times. The safeguarding of assets and the protection of Council against liabilities, is very important which forms part of a proper assets management system as prescribed by Section 63 and needs annual revision in terms of Section 24(2)(c)(v) of the Municipal Finance Management Act 56 of 2003. The policy can be found on [www.moretele.gov.za](http://www.moretele.gov.za).

## 9. MTREF BUDGET ASSUMPTIONS 2024/2025

The following macro-economic forecasts which were recommended in preparing the 2024/2025 MTREF municipal budgets, and 4.9% CPI was applied in the 2024/2025 financial year.

Fiscal year	2024/2025	2025/2026 FORECAST	2026/2027 FORECAST
Consumer Price Inflation (CPI)	4.9	4.6%	4.6%

### THE FOLLOWING BUDGET ASSUMPTIONS WERE USED:

- 2024/2025 Financial Year employee's annual increment provision was still placed at 4.9 % however the municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards and only key position will be appointed in accordance with the Lekgotla resolutions.

### KEY FACTORS WHICH INFLUENCED THE 2024/2025 BUDGET ARE AS FOLLOWS:

National Treasury MFMA Budget's Circulars 128 was used to guide the compilation of the municipality's budget and medium-term revenue and expenditure framework (MTREF) for the 2023/2024 financial year.

### Key focus areas for the 2024/25 budget process:

- Local government conditional grants and unconditional grants allocations
- Review of the local government fiscal framework
- Update on the review of the conditional grants
- Funding for Local Economic Development (LED) Programmes

- Cost containment measures to control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82.
- Ensuring value for money through the procurement process.
- The affordability of providing free basic services to all households.
- Not taking on unfunded mandates.
- Improving the effectiveness of revenue management processes and procedures.
- Strictly control the use of costly water tankers and refurbish the water infrastructure to enable the sustainable provision of water.
- Automate business services where possible to increase efficiencies and lower customer costs.
- Prioritise the filling of critical vacant posts, especially linked to the service delivery, and
- Curbing the consumption of water and electricity of the indigents to ensure that they do not exceed their allocation.

## **REVENUE BUDGET**

- maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality-
- pay careful attention to the differential incidence of tariff increases across all consumer groups.

## **COLLECTION RATE FOR REVENUE SERVICES**

The base assumption is that tariff and rating should not increase beyond the CPI. Therefore, the increase has been curbed to the recommendations as per circular 128.

The performance of arrear collections is considered as a source of additional cash in-flow once the performance has been carefully monitored.

## **IMPACT OF NATIONAL, PROVINCIAL AND LOCAL POLICIES**

Integration of service delivery between national, provincial, and local government is critical to ensure focussed service delivery and, in this regard, various measures were implemented to align IDPs,

provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

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

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

#### **ABILITY OF THE MUNICIPALITY TO SPEND AND DELIVER ON THE PROGRAMMES**

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2024/2025 MTREF of which performance has been factored into the cash flow budget.

## 10.OVERVIEW OF BUDGET FUNDING

The operational budget is mainly funded by the Equitable Share which accounts for a higher percentage of the grants received. The own revenue has been conservatively increased in accordance with circular 123. The consideration for the collection rate has also been considered. **The collection rate remains below 30% on outstanding debt and is at 10 % against current billing.**

The rural nature of the municipality must be reflected through the indigent support for the poor. The projected increase in indigent subsidies has also been taken into consideration. The indigent management policy has been revised to consider the deemed method of verification.

The proposed tariffs for the 2024/2025 financial year are within reasonable limits. The tariffs consider the property rates levy which are approved in terms of the MPRA. There is no increase in the land tax for 2024/2025, except the water services. (See the attached list of the Tariffs)



## 12.EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMMES

NW371 Moretele - 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		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year+1 2025/26	Budget Year+2 2026/27
<b>EXPENDITURE:</b>	1									
<b><u>Operating expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		398,996	424,124	362,217	375,659	392,128	392,128	419,904	437,362	457,342
Local Government Equitable Share		381,571	419,919	353,433	363,941	380,571	380,571	408,929	427,642	447,313
Energy Efficiency and Demand Side Management Grant										
Expanded Public Works Programme Integrated Grant		10,562	2,138	6,477	2,874	2,713	2,713	1,550	-	-
Infrastructure Skills Development Grant										
Local Government Financial Management Grant		1,359	2,050	2,143	2,900	2,900	2,900	2,900	2,900	2,900
Municipal Infrastructure Grant		5,504	17	164	5,944	5,944	5,944	6,525	6,821	7,129
<b>Other grant providers:</b>		-	600	-	1,036	1,036	1,036	1,038	1,133	1,185
<b>Expenditure on Other Grants</b>		-	600	-	1,036	1,036	1,036	1,038	1,133	1,185
<b>Total operating expenditure of Transfers and Grants:</b>		398,996	424,725	362,217	376,695	393,164	393,164	420,942	438,495	458,527
<b><u>Capital expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		94,124	43,499	219,093	161,784	152,572	152,572	202,091	203,061	193,631
Integrated National Electrification Programme Grant										
Municipal Infrastructure Grant		64,250	(2,962)	133,175	131,784	122,572	122,572	127,091	125,498	113,684
Water Services Infrastructure Grant		29,875	46,461	85,918	30,000	30,000	30,000	75,000	77,563	79,947
<b>Total capital expenditure of Transfers and Grants</b>		94,124	43,499	219,093	161,784	152,572	152,572	202,091	203,061	193,631
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		493,121	468,224	581,310	538,479	545,736	545,736	623,033	641,557	652,158

### 13. ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY

Not applicable -The municipality does not allocate grants.

### 14 COUNCILLORS ALLOWANCE AND EMPLOYEE'S BENEFITS

NW371 Moretele - 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		
		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
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		11 259	13 093	12 589	13 194	15 578	15 578	16 341	17 093	17 879
Pension and UIF Contributions		1 986	1 243	1 732	2 477	1 893	1 893	1 986	2 077	2 173
Motor Vehicle Allowance		-	-	-	1 868	1 468	1 468	1 540	1 611	1 685
Cellphone Allowance		2 293	2 296	2 294	2 437	2 237	2 237	2 346	2 454	2 567
Other benefits and allowances		4 418	4 587	4 963	3 308	3 108	3 108	3 261	3 411	3 567
<b>Sub Total - Councillors</b>		<b>19 956</b>	<b>21 219</b>	<b>21 578</b>	<b>23 284</b>	<b>24 284</b>	<b>24 284</b>	<b>25 474</b>	<b>26 646</b>	<b>27 871</b>
% increase	4		6,3%	1,7%	7,9%	4,3%	-	4,9%	4,6%	4,6%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		213	2 791	2 149	7 958	7 958	7 958	8 348	8 732	9 133
Performance Bonus		-	58	42	663	663	663	696	728	761
Motor Vehicle Allowance	3	18	-	-	-	-	-	-	-	-
Cellphone Allowance	3	1	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	3	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>235</b>	<b>2 848</b>	<b>2 191</b>	<b>8 621</b>	<b>8 621</b>	<b>8 621</b>	<b>9 043</b>	<b>9 459</b>	<b>9 894</b>
% increase	4		1 111,4%	(23,1%)	293,4%	-	-	4,9%	4,6%	4,6%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		80 334	83 712	91 837	106 432	103 517	103 517	109 528	114 592	119 890
Pension and UIF Contributions		14 490	14 893	15 805	17 494	17 804	17 804	18 677	19 536	20 435
Medical Aid Contributions		6 676	6 990	7 467	12 144	12 144	12 144	12 739	13 325	13 938
Overtime		422	870	998	1 071	1 071	1 071	1 124	1 175	1 230
Performance Bonus		6 261	6 347	6 799	7 931	9 580	9 580	9 557	9 996	10 456
Cellphone Allowance	3	1 536	1 583	1 739	1 832	1 910	1 910	2 004	2 096	2 192
Housing Allowances	3	328	390	413	3 288	3 150	3 150	3 305	3 359	3 513
Other benefits and allowances	3	10 562	13 034	14 325	14 104	15 120	15 120	15 861	16 591	17 354
Payments in lieu of leave		5 007	1 459	1 377	-	-	-	-	-	-
Aging and post related allowance		1 898	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>127 515</b>	<b>129 277</b>	<b>140 760</b>	<b>164 297</b>	<b>164 297</b>	<b>164 297</b>	<b>172 793</b>	<b>180 669</b>	<b>189 007</b>
% increase	4		1,4%	8,9%	16,7%	-	-	5,2%	4,6%	4,6%
<b>Total Parent Municipality</b>		<b>147 706</b>	<b>153 345</b>	<b>164 530</b>	<b>196 202</b>	<b>197 202</b>	<b>197 202</b>	<b>207 310</b>	<b>216 774</b>	<b>226 772</b>
			3,8%	7,3%	19,3%	0,5%	-	5,1%	4,6%	4,6%

# 15.MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

NW371 Moretele - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	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
<b>Cash Receipts By Source</b>													1		
Property rates	677	677	669	669	814	518	704	704	704	708	710	710	8 263	8 643	9 041
Service charges - electricity revenue													-		
Service charges - water revenue	616	623	(76)	(72)	(30)	(120)	163	(73)	(57)	(73)	(73)	914	1 741	1 821	1 905
Service charges - sanitation revenue													-		
Service charges - refuse revenue	927	928	390	390	11	770	391	391	391	391	391	2 072	7 442	7 785	8 143
Rental of facilities and equipment	-	30	14	13	15	35	14	14	13	9	13	13	183	191	200
Interest earned - external investments	-	928	737	47	1 508	1 221	284	2 165	1 687	12 683	1 062	5 108	27 430	28 692	30 012
Interest earned - outstanding debtors	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 411	16 926	17 704	18 519
Dividends received													-		
Fines, penalties and forfeits	145	145	145	145	145	145	145	145	145	145	145	145	1 742	1 822	1 906
Licences and permits	96	96	96	96	96	96	96	96	96	96	96	96	1 150	1 203	1 258
Agency services													-		
Transfers and Subsidies - Operational	40 157	40 157	40 157	40 157	40 157	40 157	40 157	40 157	40 157	40 157	40 157	40 157	481 883	489 274	490 999
Other revenue	-	494	10	13	123	3	11	79	78	8	21	63	903	945	988
<b>Cash Receipts by Source</b>	<b>44 028</b>	<b>45 489</b>	<b>43 553</b>	<b>42 870</b>	<b>44 249</b>	<b>44 235</b>	<b>43 373</b>	<b>45 088</b>	<b>44 623</b>	<b>55 535</b>	<b>43 932</b>	<b>50 689</b>	<b>547 664</b>	<b>558 081</b>	<b>562 971</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	16 828	16 828	16 828	16 828	16 828	16 828	16 828	16 828	16 828	16 828	16 828	16 828	201 935	210 889	225 167
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)													-		
Proceeds on Disposal of Fixed and Intangible Assets													-		
Short term loans													-		
Borrowing long term refinancing													-		
Increase (decrease) in consumer deposits													-		
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables													-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>60 856</b>	<b>62 317</b>	<b>60 381</b>	<b>59 697</b>	<b>61 077</b>	<b>61 063</b>	<b>60 201</b>	<b>61 916</b>	<b>61 451</b>	<b>72 363</b>	<b>60 760</b>	<b>67 517</b>	<b>749 599</b>	<b>768 970</b>	<b>788 138</b>
<b>Cash Payments by Type</b>															
Employee related costs	3 127	3 127	24 367	24 042	3 127	26 808	15 583	14 589	14 347	14 739	14 980	23 001	181 836	190 128	198 901
Remuneration of councillors	1 535	2 177	2 445	2 451	1 605	3 524	1 990	1 985	1 988	1 977	1 972	1 825	25 474	26 646	27 871
Interest													-		
Bulk purchases - electricity													-		
Acquisitions - water & other inventory	649	719	644	670	13 312	547	31 530	643	622	7 258	565	572	57 732	60 388	63 166
Contracted services	15 583	15 225	14 303	16 369	17 788	14 806	14 785	16 940	19 370	17 098	16 327	12 351	190 945	198 020	207 094
Transfers and subsidies - other municipalities													-		
Transfers and subsidies - other													-		
Other expenditure	3 554	7 780	6 874	8 235	11 815	5 712	5 751	6 503	5 896	5 652	5 730	7 599	81 101	84 836	89 016
<b>Cash Payments by Type</b>	<b>24 448</b>	<b>29 028</b>	<b>48 633</b>	<b>51 767</b>	<b>47 646</b>	<b>51 397</b>	<b>69 639</b>	<b>40 661</b>	<b>42 223</b>	<b>46 724</b>	<b>39 573</b>	<b>45 349</b>	<b>537 089</b>	<b>560 018</b>	<b>568 049</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	20 297	20 297	20 297	20 297	20 297	20 297	20 297	20 297	20 297	20 297	20 297	20 297	243 559	211 061	209 631
Repayment of borrowing													-		
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>44 745</b>	<b>49 325</b>	<b>68 929</b>	<b>72 064</b>	<b>67 943</b>	<b>71 694</b>	<b>89 935</b>	<b>60 957</b>	<b>62 520</b>	<b>67 021</b>	<b>59 869</b>	<b>65 646</b>	<b>780 648</b>	<b>771 080</b>	<b>795 679</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>16 111</b>	<b>12 992</b>	<b>(8 549)</b>	<b>(12 366)</b>	<b>(6 866)</b>	<b>(10 631)</b>	<b>(29 734)</b>	<b>958</b>	<b>(1 068)</b>	<b>5 342</b>	<b>891</b>	<b>1 871</b>	<b>(31 049)</b>	<b>(2 110)</b>	<b>(7 542)</b>
Cash/cash equivalents at the month/year begin:	271 342	287 453	300 445	291 896	279 530	272 664	262 033	232 299	233 257	232 189	237 530	238 421	271 342	240 293	238 183
Cash/cash equivalents at the month/year end:	287 453	300 445	291 896	279 530	272 664	262 033	232 299	233 257	232 189	237 530	238 421	240 293	240 293	238 183	230 641

## 15. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS

### BACKGROUND

In term of Section 24(1) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, the council of the municipality must for each year approve an annual budget for the municipality before the start of the financial year. Section 16(1) of MFMA states that, the council of a municipality must for each financial year approve an annual budget as per Section 16(2). For a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 30 days before the start of the budget year.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically, and equitably to all communities. The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high priority programmes to maintain sound financial stewardship.

Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2024/2025, 2025/2026, 2026/2027FY

NW371 Moretele - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		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
<b>R thousand</b>																
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water		3 243	3 269	2 556	2 575	160	4 951	3 808	2 572	2 655	2 572	2 571	7 767	38 698	40 478	42 340
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		2 505	2 509	1 971	1 971	131	3 812	1 972	1 972	1 972	1 972	1 972	6 517	29 275	30 622	32 030
Sale of Goods and Rendering of Services		-	462	2	1	119	-	1	75	40	-	-	44	744	779	814
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	15 803	16 530	17 291
Interest earned from Current and Non Current Assets		-	928	737	47	1 508	1 221	284	2 165	1 687	12 683	1 062	5 108	27 430	28 692	30 012
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	30	14	13	15	35	14	14	13	9	13	13	183	191	200
Licence and permits		96	96	96	96	96	96	96	96	96	96	96	96	1 150	1 203	1 258
Operational Revenue		-	32	8	13	4	3	10	4	38	8	21	19	159	166	174
<b>Non-Exchange Revenue</b>																
Property rates		1 831	1 831	1 824	1 824	1 969	1 673	1 859	1 859	1 859	1 863	1 865	1 865	22 120	23 137	24 202
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		145	145	145	145	145	145	145	145	145	145	145	145	1 742	1 822	1 906
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		40 157	40 157	40 157	40 157	40 157	40 157	40 157	40 157	40 157	40 157	40 157	40 157	481 883	489 274	490 999
Interest		275	275	275	275	275	275	275	275	275	275	275	275	3 302	3 454	3 613
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and cont)</b>		<b>49 570</b>	<b>51 051</b>	<b>49 102</b>	<b>48 434</b>	<b>45 896</b>	<b>53 684</b>	<b>49 936</b>	<b>50 650</b>	<b>50 253</b>	<b>61 097</b>	<b>49 494</b>	<b>63 323</b>	<b>622 489</b>	<b>636 348</b>	<b>644 838</b>
<b>Expenditure</b>																
Employee related costs		3 127	3 127	24 367	24 042	3 127	26 808	15 583	14 589	14 347	14 739	14 980	23 001	181 836	190 128	198 901
Remuneration of councillors		1 535	2 177	2 445	2 451	1 605	3 524	1 990	1 985	1 988	1 977	1 972	1 825	25 474	26 646	27 871
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		649	719	644	670	13 312	547	31 530	643	622	7 258	565	572	57 732	60 388	63 166
Debt impairment		6 054	6 054	6 054	6 054	6 054	6 054	6 054	6 054	6 054	6 054	6 054	6 054	72 645	75 986	79 482
Depreciation and amortisation		9 397	9 397	9 397	9 397	9 397	9 397	9 397	9 397	9 397	9 397	9 397	9 397	112 762	117 949	123 375
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		15 583	15 225	14 303	16 369	17 788	14 806	14 785	16 940	19 370	17 098	16 327	12 351	190 945	198 020	207 094
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		3 554	7 780	6 874	8 235	11 815	5 712	5 751	6 504	5 896	5 652	5 730	7 599	81 101	84 836	89 016
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>39 899</b>	<b>44 479</b>	<b>64 083</b>	<b>67 218</b>	<b>63 097</b>	<b>66 848</b>	<b>85 089</b>	<b>56 111</b>	<b>57 674</b>	<b>62 175</b>	<b>55 023</b>	<b>60 799</b>	<b>722 495</b>	<b>753 953</b>	<b>788 905</b>
<b>Surplus/(Deficit)</b>		<b>9 671</b>	<b>6 572</b>	<b>(14 982)</b>	<b>(18 784)</b>	<b>(17 201)</b>	<b>(13 164)</b>	<b>(35 153)</b>	<b>(5 462)</b>	<b>(7 421)</b>	<b>(1 078)</b>	<b>(5 529)</b>	<b>2 524</b>	<b>(100 006)</b>	<b>(117 605)</b>	<b>(144 067)</b>
Transfers and subsidies - capital (monetary allocations)		16 828	16 828	16 828	16 828	16 828	16 828	16 828	16 828	16 828	16 828	16 828	16 828	201 935	210 889	225 167
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>26 499</b>	<b>23 400</b>	<b>1 846</b>	<b>(1 956)</b>	<b>(373)</b>	<b>3 664</b>	<b>(18 325)</b>	<b>11 366</b>	<b>9 407</b>	<b>15 750</b>	<b>11 299</b>	<b>19 352</b>	<b>101 929</b>	<b>93 284</b>	<b>81 100</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>26 499</b>	<b>23 400</b>	<b>1 846</b>	<b>(1 956)</b>	<b>(373)</b>	<b>3 664</b>	<b>(18 325)</b>	<b>11 366</b>	<b>9 407</b>	<b>15 750</b>	<b>11 299</b>	<b>19 352</b>	<b>101 929</b>	<b>93 284</b>	<b>81 100</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>26 499</b>	<b>23 400</b>	<b>1 846</b>	<b>(1 956)</b>	<b>(373)</b>	<b>3 664</b>	<b>(18 325)</b>	<b>11 366</b>	<b>9 407</b>	<b>15 750</b>	<b>11 299</b>	<b>19 352</b>	<b>101 929</b>	<b>93 284</b>	<b>81 100</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>26 499</b>	<b>23 400</b>	<b>1 846</b>	<b>(1 956)</b>	<b>(373)</b>	<b>3 664</b>	<b>(18 325)</b>	<b>11 366</b>	<b>9 407</b>	<b>15 750</b>	<b>11 299</b>	<b>19 352</b>	<b>101 929</b>	<b>93 284</b>	<b>81 100</b>

## 16.ANNUAL BUDGET AND SERVICE DELIVERY AGREEMENTS- ENTITIES AND EXTERNAL MECHANISMS

Not applicable- the municipality does not have an entity

## 17.CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

### NW371 Moretele - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2024/25 Medium Term Revenue & Expenditure Framework			Forecasts			
		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
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - Executive and Council		-	-	-				
Vote 2 - Finance and Administration		3 950	-	-				
Vote 3 - Internal Audit		-	-	-				
Vote 4 - Community and Social Services		7 600	8 000	-				
Vote 5 - Sport and Recreation		-	-	-				
Vote 6 - Health		-	-	-				
Vote 7 - Planning and Development		6 224	-	-				
Vote 8 - Road Transport		83 150	25 000	54 700				
Vote 9 - Energy Sources		22 400	7 000	24 000				
Vote 10 - Water Management		76 235	136 061	102 931				
Vote 11 - Waste Water Management		44 000	35 000	28 000				
Vote 12 - Waste Management		-	-	-				
Vote 13 -		-	-	-				
Vote 14 -		-	-	-				
Vote 15 -		-	-	-				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>243 559</b>	<b>211 061</b>	<b>209 631</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>243 559</b>	<b>211 061</b>	<b>209 631</b>	-	-	-	-

## 18. CAPITAL EXPENDITURE DETAILS

**NW371 Moretele - Supporting Table SA34a Capital expenditure on new 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 new assets by Asset Class/Sub-class										
Infrastructure		3 504	48 250	194 848	179 284	184 672	184 672	217 335	203 061	209 631
Roads Infrastructure		(0)	15 615	42 098	16 569	32 126	32 126	74 700	25 000	54 700
Roads		(0)	15 615	42 098	16 569	32 126	32 126	74 700	25 000	54 700
Storm water Infrastructure		-	-	396	-	-	-	-	-	-
Storm water Conveyance		-	-	396	-	-	-	-	-	-
Electrical Infrastructure		-	8 993	18 447	10 329	16 329	16 329	22 400	7 000	24 000
LV Networks		-	8 993	18 447	10 329	16 329	16 329	22 400	7 000	24 000
Water Supply Infrastructure		3 504	13 184	121 626	124 887	110 117	110 117	74 235	136 061	102 931
Boreholes		1 703	11 081	39 576	-	-	-	-	-	35 984
Distribution		1 801	2 104	82 051	124 887	110 117	110 117	74 235	136 061	66 947
Sanitation Infrastructure		(0)	10 457	12 280	25 000	25 000	25 000	44 000	35 000	28 000
Reticulation		(0)	7 629	2 495	-	-	-	9 000	-	-
Toilet Facilities		(0)	2 828	9 785	25 000	25 000	25 000	35 000	35 000	28 000
Solid Waste Infrastructure		-	-	-	2 500	1 100	1 100	2 000	-	-
Landfill Sites		-	-	-	2 500	1 100	1 100	2 000	-	-
Community Assets		1 729	5 297	1 173	1 800	1 800	1 800	7 400	8 000	-
Community Facilities		1 729	5 297	1 173	1 800	1 800	1 800	7 400	8 000	-
Halls		1 729	5 458	541	1 000	1 000	1 000	6 600	8 000	-
Cemeteries/Crematoria		-	-	793	800	800	800	800	-	-
Parks		-	(161)	(161)	-	-	-	-	-	-
Public Open Space										
Other assets		-	-	-	850	1 500	1 500	200	-	-
Operational Buildings		-	-	-	50	700	700	200	-	-
Yards		-	-	-	50	700	700	200	-	-
Housing		-	-	-	800	800	800	-	-	-
Staff Housing		-	-	-	800	800	800	-	-	-
Intangible Assets		-	(5 402)	(23 593)	2 600	2 600	2 600	4 200	-	-
Licences and Rights		-	(5 402)	(23 593)	2 600	2 600	2 600	4 200	-	-
Computer Software and Applications		-	(5 402)	(23 593)	2 600	2 600	2 600	4 200	-	-
Computer Equipment		-	3 135	-	450	720	720	1 950	-	-
Computer Equipment		-	3 135	-	450	720	720	1 950	-	-
Furniture and Office Equipment		-	-	-	150	1 901	1 901	2 000	-	-
Furniture and Office Equipment		-	-	-	150	1 901	1 901	2 000	-	-
Machinery and Equipment		-	-	-	-	544	544	224	-	-
Machinery and Equipment		-	-	-	-	544	544	224	-	-
Transport Assets		(2 059)	0	5 972	5 000	4 350	4 350	8 250	-	-
Transport Assets		(2 059)	0	5 972	5 000	4 350	4 350	8 250	-	-
Total Capital Expenditure on new assets	1	3 174	51 281	178 400	190 134	198 087	198 087	241 559	211 061	209 631

## 19. LEGISLATIVE COMPLIANCE STATUS

***Compliance with the MFMA implementation requirements has been adhered to through the following activities:***

### **IN-YEAR REPORTING**

Reporting to the National Treasury in electronic format is fully complied with monthly Section 71 reporting to the Executive Mayor (within ten working days). Furthermore, in compliance with the National Treasury regulation published in Government Gazette 32141, the monthly in-year financial reports are submitted to the Executive Mayor and on a quarterly basis to the Council. The Municipality employed 2 Financial Management Interns.

### **BUDGET AND TREASURY OFFICE.**

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

### **AUDIT COMMITTEE:**

An audit committee has been established.

### **SDBIP**

The final SDBIP document is available as part of the 2024/2025 MTREF final budget and it is aligned to the Budget.

### **BUDGET ENGAGEMENTS WITH PROVINCIAL TREASURY**

The municipality had the annual provincial budget assessment engagements for the year 2024/2025.

### **MFMA Regulations on municipal minimum competency levels**

All subsequent appointments as required to complete the minimum competency requirements were within a specified timeframe as part of their performance agreements.

### **mSCOA**

The Municipality is compliant with MSCOA, a roadmap has been developed to address issues experienced on the Creditors and Cash Flow Module.



## 20. OTHER SUPPORTING DOCUMENTS

### 20.1. BUDGET TARIFFS SCHEDULE

(See the attached list of tariffs)

### 20.2. PROCUREMENT PLAN

(See attached procurement plan for financial year 2024/2025)

## 21. ANNUAL BUDGETS OF THE MUNICIPAL ENTITIES ATTACHED TO THE ANNUAL BUDGET

Not applicable -the municipality does not have an entity.

## 22. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

(See the attached signed Quality Certificate)