

MORETELE LOCAL MUNICIPALITY



DRAFT BUDGET FOR FINANCIAL YEAR 2025/2026 to 2027/2028

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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 is implemented from FY 2024/2025 financial year and is valid until 2028/2029.

BUDGET 2025/2026 MTREF.

The main challenges experienced during the compilation of the Budget 2025/2026 MTREF can be summarized as follows:

- Based on the programs that the delivery department must undertake, we had to ensure that they do not drive the budget to be in deficit, which means that certain programs have to wait or stop in order to have a funded budget
- Aging and poorly maintained roads, wastewater and water infrastructure.
- Reprioritizing capital projects and expenditure within the existing resource envelope given cash flow realities and also 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 R133.6 million in 2024/2025, it has been increased to R139.5-million in 2025/2026. The municipality has prioritized water and sanitation on new projects and completion of MIG registered projects.
- ❖ WSIG allocation for 2024/2025 was R75-million, it has been reduced to R42.5 - million in 2025/2026 financial year. The grant is for the 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 2025/2026:

- The 2025/2026 Draft Budget priorities and targets, as well as the base line allocations contained in the Draft Budget were adopted as the upper limits for the new baselines.
- 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 2025/2026 Medium-term Revenue and Expenditure.

Description	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
Total Revenue	824 424	841 520	841 520	817 466	846 670	884 060
Total Expenditure	722 495	754 147	754 147	738 355	769 922	791 732
Surplus/(Deficit) for the year	101 929	87 373	87 373	79 111	76 748	92 328

- The total revenue budget for **2024/2025 was R841.4 million** including capital budget revenue when compared with **2025/2026 budget of R817.4-million** which represents a decrease in budget income estimates of **R24 -million**.
- The 2024/2025 Financial Year (FY) operating expenditure was **R 754.1 million** compared to the budget of **R738.3 million for 2025/2026** which indicates a decrease of **R15.8 million**. This reflects a **surplus of R 79.1 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 R669.3-million for 2025/2026 funded by transfers from National Departments.

GRANTS

MORETELE LOCAL MUNICIPALITY				
OPERATIONAL BUDGET	2025/2026 MEDIUM TERM REVENUE FRAMEWORK			
	2024/2025	2025/2026	2026/2027	2027/2028
DESCRIPTION	FINAL	DRAFT	DRAFT	DRAFT
EQUITABLE SHARE	469 371 000	479 741 000	490 420 000	512 589 000
WATER INFRASTRUCTURE GRANT	75 000 000	42 563 000	44 947 000	48 944 000
MIG/CMIP	141 181 080	139 506 000	151 949 000	159 164 000
EPWP	1 550 000	3 036 000	-	-
FINANCE MANAGEMENT GRANT	2 900 000	2 900 000	2 900 000	3 000 000
SPORT, ART AND CULTURE	1 183 000	1 200 000	1 255 000	1 286 375
LGSETA	343 456	358 568	374 704	384 071
TOTAL GOVERNMENT GRANT AND SUBSIDIES	691 528 536	669 304 568	691 845 704	725 367 446

3. OPERATING REVENUE AND EXPENDITURE NARRATION

The following narrations indicate all revenue to be received and charged in 2025/2026 financial years:

Service charges

MORETELE LOCAL MUNICIPALITY				
OPERATIONAL BUDGET	2025/2026 MEDIUM TERM REVENUE FRAMEWORK			
	2024/2025	2025/2026	2026/2027	2027/2028
DESCRIPTION	FINAL	DRAFT	DRAFT	DRAFT
CHARGES : RATES AND TAXES	22 119 750	23 091 265	24 130 372	24 733 631
CHARGES : REFUSE REMOVAL	29 275 145	29 710 486	31 045 608	31 820 180
CHARGES : WATER SALES	46 271	48 306	50 480	51 742
CHARGES : WATER BASIC	38 630 139	40 245 678	42 054 408	43 105 194
CHARGES : YARD CONNECTIONS	21 283	6 055	6 328	6 486
LEVIED CHARGES	90 092 588	93 101 790	97 287 196	99 717 233

Interest

MORETELE LOCAL MUNICIPALITY				
OPERATIONAL BUDGET				
2025/2026 MEDIUM TERM REVENUE FRAMEWORK				
DESCRIPTION	2024/2025	2025/2026	2026/2027	2027/2028
	FINAL	DRAFT	DRAFT	DRAFT
INTEREST ON INVESTMENTS	23 129 194	28 517 777	29 801 077	30 546 103
DAILY INTEREST BANK BALANCE	4 300 900	4 490 139	4 692 195	4 809 500
INTEREST ON OUTSTANDING WATER	9 391 411	9 713 058	10 150 145	10 403 899
INTEREST ON OUTSTANDING REFUSE	6 499 542	6 785 522	7 090 870	7 268 142
INTEREST ON PROPERTY RATES	3 301 843	3 447 123	3 602 244	3 692 300
INTEREST	46 535 173	49 506 495	51 734 287	53 027 644

Rent and other income

MORETELE LOCAL MUNICIPALITY				
OPERATIONAL BUDGET				
2025/2026 MEDIUM TERM REVENUE FRAMEWORK				
DESCRIPTION	2024/2025	2025/2026	2026/2027	2027/2028
	FINAL	DRAFT	DRAFT	DRAFT
OFFICE RENTAL	182 998	191 050	199 647	204 638
TENDER DOCUMENT	740 021	512 198	535 247	548 628
BAD DEBTS RECOVERED (VBS)	9 300 000	-	-	-
SUNDRY INCOME	109 126	65 369	68 311	70 018
BUILDING PLANS	49 482	54 331	56 776	58 196
FINES & PENALTIES	1 742 059	500 000	522 500	535 563
TRAFFIC INCOME(20%)LICENCE AND PERMITS	1 149 851	780 534	815 658	836 050
SUB-TOTAL OTHER INCOME	13 273 538	2 103 482	2 198 139	2 253 092

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 2025/2026 financial year, revenue from rates and trading services charges totaled **R93.1 million or 11%** of the total Budget revenue. The revenue from grants amounted to **R669.3 million which is 82%** of the total revenue budget.

NW371 Moretele - Table A1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands										
Financial Performance										
Property rates	(1 443)	28 781	28 862	22 120	22 120	22 120	22 120	23 091	24 130	24 734
Service charges	(11 574)	57 203	61 079	67 973	67 973	67 973	80 285	70 011	73 157	74 984
Investment revenue	-	22 049	31 617	27 430	27 518	27 518	27 518	33 008	34 493	35 356
Transfer and subsidies - Operational	-	421 953	455 986	481 883	481 964	481 964	481 964	494 211	502 547	525 218
Other own revenue	-	32 371	18 284	23 083	32 381	32 381	32 381	22 052	23 044	23 620
Total Revenue (excluding capital transfers and contributions)	(13 017)	562 357	595 828	622 489	631 955	631 955	644 268	642 372	657 372	683 911
Employee costs	-	142 738	156 654	181 836	185 129	185 129	185 129	187 585	197 339	206 713
Remuneration of councillors	-	21 578	23 256	25 474	23 657	23 657	23 657	24 618	25 726	26 369
Depreciation and amortisation	-	108 093	134 455	112 762	112 762	112 762	112 762	105 723	110 481	113 243
Interest	-	101 994	81 229	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	57 732	57 532	57 532	57 532	60 273	62 985	64 559
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	255 134	291 328	344 691	375 067	375 067	375 067	360 157	373 391	380 848
Total Expenditure	-	629 538	686 922	722 495	754 147	754 147	754 147	738 355	769 922	791 732
Surplus/(Deficit)	(13 017)	(67 181)	(91 094)	(100 006)	(122 192)	(122 192)	(109 879)	(95 983)	(112 550)	(107 822)
Transfers and subsidies - capital (monetary allocations)	-	196 587	144 320	201 935	209 565	209 565	209 565	175 094	189 299	200 150
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(13 017)	129 406	53 225	101 929	87 373	87 373	99 686	79 111	76 748	92 328
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(13 017)	129 406	53 225	101 929	87 373	87 373	99 686	79 111	76 748	92 328
Capital expenditure & funds sources										
Capital expenditure	-	128 269	156 885	243 559	274 189	274 189	274 189	195 774	189 555	200 150
Transfers recognised - capital	-	125 707	126 703	201 935	209 565	209 565	209 565	175 724	189 555	200 150
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	2 562	30 182	41 624	64 624	64 624	64 624	20 050	-	-
Total sources of capital funds	-	128 269	156 885	243 559	274 189	274 189	274 189	195 774	189 555	200 150
Financial position										
Total current assets	-	342 803	362 861	292 576	288 934	288 934	288 934	249 476	217 350	192 225
Total non current assets	-	1 279 541	1 545 676	1 502 387	1 707 103	1 707 103	1 707 103	1 797 154	1 876 227	1 963 134
Total current liabilities	-	180 389	187 420	180 449	187 547	187 547	187 547	187 547	187 547	187 547
Total non current liabilities	-	7 356	7 898	7 356	7 898	7 898	7 898	7 898	7 898	7 898
Community wealth/Equity	-	1 434 599	1 713 219	1 607 159	1 800 592	1 800 592	1 800 592	1 851 185	1 898 132	1 959 914
Cash flows										
Net cash from (used) operating	-	389 115	506 843	195 584	181 029	181 029	181 029	156 515	157 640	175 244
Net cash from (used) investing	(171 192)	(207 694)	(169 814)	(243 559)	(274 189)	(274 189)	(274 189)	(195 774)	(189 555)	(200 150)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	(171 192)	453 139	608 683	223 367	192 668	192 668	192 668	170 772	138 857	113 952
Cash backing/surplus reconciliation										
Cash and investments available	-	271 718	285 701	240 730	210 031	210 031	210 031	171 227	139 788	115 369
Application of cash and investments	-	151 435	153 235	162 085	162 331	162 331	164 753	167 661	167 818	167 980
Balance - surplus (shortfall)	-	120 283	132 466	78 645	47 700	47 700	45 278	3 566	(28 030)	(52 611)
Asset management										
Asset register summary (WDV)	-	1 450 654	1 713 346	1 313 770	1 621 596	1 621 596	-	1 543 673	1 433 192	1 319 949
Depreciation	-	108 093	134 455	112 762	112 762	112 762	-	105 723	110 481	113 243
Renewal and Upgrading of Existing Assets	-	(5 285)	23	2 000	1 700	1 700	-	450	-	-
Repairs and Maintenance	-	15 799	17 122	22 633	19 547	19 547	-	21 621	22 594	23 159
Free services										
Cost of Free Basic Services provided	11 574	6 683	6 699	12 312	12 312	12 312	-	14 886	15 556	15 944
Revenue cost of free services provided	1 443	964	5 453	7 358	7 358	7 358	-	7 682	8 027	8 228
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

3.1. OPERATING REVENUE FRAMEWORK

Moretele Local Municipality continues 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 our low 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 grants reliance and seeks various methods to augment the financial incapacity.

Some of the mechanisms explored are 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 2025/2026 budget 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 constraints that we have as a municipality, the expenditure to be incurred must be budgeted within the revenue we anticipate receiving, it is therefore difficult to propose a new delivery project without the outside of the current expenditure we have.

The following table is a high-level summary of the 2025/2026 budget and MTREF (classified per main type of operating expenditure):

EMPLOYEES' COSTS

NW371 Moretele - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure										
Employee related costs	-	142 738	156 654	181 836	185 129	185 129	185 129	187 585	197 339	206 713
Remuneration of councillors	-	21 578	23 256	25 474	23 657	23 657	23 657	24 618	25 726	26 369
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	-	-	-	57 732	57 532	57 532	57 532	60 273	62 985	64 559
Debt impairment	-	-	-	72 645	72 645	72 645	72 645	75 841	79 254	81 235
Depreciation and amortisation	-	108 093	134 455	112 762	112 762	112 762	112 762	105 723	110 481	113 243
Interest	-	101 994	81 229	-	-	-	-	-	-	-
Contracted services	-	181 819	188 846	189 645	219 455	219 455	219 455	201 211	206 624	209 591
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	-	4 478	-	-	-	-	-	-	-	-
Operational costs	-	60 887	77 109	82 401	82 967	82 967	82 967	83 105	87 514	90 022
Losses on disposal of Assets	-	7 951	15 701	-	-	-	-	-	-	-
Other Losses	-	-	9 673	-	-	-	-	-	-	-
Total Expenditure	-	629 538	686 922	722 495	754 147	754 147	754 147	738 355	769 922	791 732

The original budgeted allocation for employee related costs for the 2025/2026 financial year is R212 million including councillors, which equals 27 per cent of the total operating expenditure. The Salary and Wage Collective Agreement for the period 01 July 2024 to 30 June 2029 dated 6 September 2024 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2025/2026 MTREF.

COUNCILLORS COSTS

The budget allocation for Councilor's cost for the financial year is R24.6 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 4.4% was applied based on previous trends.

DEBT IMPAIRMENT/WRITE-OFF

The provision of debt impairment was determined based on a 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 2024/2025 budget for bulk purchase was R57.5 million and the budget for 2025/2026 has increased to R60.2 million, this indicates an increase of R2.7 million.

REPAIRS AND MAINTENANCE

NW371 Moretele - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		-	15 799	15 750	20 736	17 730	17 730	19 523	20 402	20 912
<u>Community Assets</u>		-	-	195	221	301	301	314	328	337
<u>Furniture and Office Equipment</u>		-	-	36	300	200	200	209	218	224
<u>Machinery and Equipment</u>		-	-	3	184	184	184	192	201	206
<u>Transport Assets</u>		-	-	1 138	1 192	1 132	1 132	1 382	1 444	1 481
Total Repairs and Maintenance Expenditure	1	-	15 799	17 122	22 633	19 547	19 547	21 621	22 594	23 159

The repairs and maintenance budget are supposed to be aligned to the needs required to preserve and maintain the Municipality's current infrastructure. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance are not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. The total budget for Repairs and maintenance is R21.6 million which is 2.7 % of the operational expenditure.

GENERAL EXPENDITURE

The general expenditure budget for 2024/2025 amounts to R82.9 million compared to R84.1 million for 2025/2026 financial year this reflects R1.2 million increase.

CONTRACTED SERVICES

The contracted services budget for the year 2024/2025 was R219.4 million and for the financial year 2025/2026 the budget is R201.2 million, this reflects a decrease of R18.4 million. Repairs and maintenance were budgeted under contracted services for the value of R21.6 million, Professional Services for R67 million and other outsourced services service for R113.8 million.

DEPRECIATION

The Depreciation budget allocation for 2024/2025 was R112.7 million, it has been reduced by R7 million when compared to 2025/2026 budget of R105.7 million, the calculations were based on the current year budget compared to the audited actual, some of the assets were disposed and removed from the asset register.

Table 2 Summary of revenue classified by main revenue source

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	(6 407)	33 433	35 530	38 698	38 698	38 698	45 630	40 300	42 111	43 163
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	(5 167)	23 770	25 549	29 275	29 275	29 275	34 655	29 710	31 046	31 820
Sale of Goods and Rendering of Services		-	667	472	744	742	742	742	515	538	551
Agency services											
Interest											
Interest earned from Receivables		-	14 516	13 369	15 803	15 803	15 803	15 803	16 499	17 241	17 672
Interest earned from Current and Non Current Assets		-	22 049	31 617	27 430	27 518	27 518	27 518	33 008	34 493	35 356
Dividends											
Rent on Land											
Rental from Fixed Assets		-	173	178	183	183	183	183	191	200	205
Licence and permits		-	650	748	1 150	1 150	1 150	1 150	781	816	836
Special rating levies											
Operational Revenue		-	87	106	159	9 459	9 459	9 459	120	125	128
Non-Exchange Revenue											
Property rates	2	(1 443)	28 781	28 862	22 120	22 120	22 120	22 120	23 091	24 130	24 734
Surcharges and Taxes											
Fines, penalties and forfeits		-	-	-	1 742	1 742	1 742	1 742	500	523	536
Licences or permits											
Transfer and subsidies - Operational		-	421 953	455 986	481 883	481 964	481 964	481 964	494 211	502 547	525 218
Interest		-	-	3 375	3 302	3 302	3 302	3 302	3 447	3 602	3 692
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets											
Other Gains		-	16 279	36	-	-	-	-	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and cont		(13 017)	562 357	595 828	622 489	631 955	631 955	644 268	642 372	657 372	683 911

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 2025/2026 financial year, revenue from rates and services charges totaled R93.1 million this reflects 14% of the total revenue budget excluding capital transfers.

Table 3 Operating Transfers and Grant Receipts

NW371 Moretele - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		381 695	420 449	454 622	480 502	480 437	480 437	492 652	500 917	523 547
Local Government Equitable Share		376 501	415 351	443 171	469 371	469 371	469 371	479 741	490 420	512 589
Energy Efficiency and Demand Side Management Grant										
Expanded Public Works Programme Integrated Grant		2 344	1 998	2 713	1 550	1 550	1 550	3 036	-	-
Infrastructure Skills Development Grant										
Local Government Financial Management Grant		2 850	2 900	2 900	2 900	2 900	2 900	2 900	2 900	3 000
Municipal Disaster Relief Grant		-	200	-	-	-	-	-	-	-
Integrated City Development Grant										
Municipal Infrastructure Grant		-	-	5 838	6 681	6 616	6 616	6 975	7 597	7 958
Other grant providers:		957	1 505	1 364	1 381	1 526	1 526	1 559	1 630	1 670
Other Grants Received		957	1 505	1 364	1 381	1 526	1 526	1 559	1 630	1 670
Total Operating Transfers and Grants	5	382 652	421 953	455 986	481 883	481 964	481 964	494 211	502 547	525 218
Capital Transfers and Grants										
National Government:		189 744	196 587	144 320	201 935	209 565	209 565	175 094	189 299	200 150
Integrated National Electrification Programme Grant										
Municipal Infrastructure Grant		110 702	131 587	114 320	126 935	134 565	134 565	132 531	144 352	151 206
Local Government Financial Management Grant										
Water Services Infrastructure Grant		79 042	65 000	30 000	75 000	75 000	75 000	42 563	44 947	48 944
Total Capital Transfers and Grants	5	189 744	196 587	144 320	201 935	209 565	209 565	175 094	189 299	200 150
TOTAL RECEIPTS OF TRANSFERS & GRANTS		572 397	618 540	600 306	683 818	691 529	691 529	669 305	691 846	725 367

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 2025/2026 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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands										
Financial Performance										
Property rates	(1 443)	28 781	28 862	22 120	22 120	22 120	22 120	23 091	24 130	24 734
Service charges	(11 574)	57 203	61 079	67 973	67 973	67 973	80 285	70 011	73 157	74 984
Investment revenue	-	22 049	31 617	27 430	27 518	27 518	27 518	33 008	34 493	35 356
Transfer and subsidies - Operational	-	421 953	455 986	481 883	481 964	481 964	481 964	494 211	502 547	525 218
Other own revenue	-	32 371	18 284	23 083	32 381	32 381	32 381	22 052	23 044	23 620
Total Revenue (excluding capital transfers and contributions)	(13 017)	562 357	595 828	622 489	631 955	631 955	644 268	642 372	657 372	683 911
Employee costs	-	142 738	156 654	181 836	185 129	185 129	185 129	187 585	197 339	206 713
Remuneration of councillors	-	21 578	23 256	25 474	23 657	23 657	23 657	24 618	25 726	26 369
Depreciation and amortisation	-	108 093	134 455	112 762	112 762	112 762	112 762	105 723	110 481	113 243
Interest	-	101 994	81 229	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	57 732	57 532	57 532	57 532	60 273	62 985	64 559
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	255 134	291 328	344 691	375 067	375 067	375 067	360 157	373 391	380 848
Total Expenditure	-	629 538	686 922	722 495	754 147	754 147	754 147	738 355	769 922	791 732
Surplus/(Deficit)	(13 017)	(67 181)	(91 094)	(100 006)	(122 192)	(122 192)	(109 879)	(95 983)	(112 550)	(107 822)
Transfers and subsidies - capital (monetary allocations)	-	196 587	144 320	201 935	209 565	209 565	209 565	175 094	189 299	200 150
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(13 017)	129 406	53 225	101 929	87 373	87 373	99 686	79 111	76 748	92 328
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(13 017)	129 406	53 225	101 929	87 373	87 373	99 686	79 111	76 748	92 328
Capital expenditure & funds sources										
Capital expenditure	-	128 269	156 885	243 559	274 189	274 189	274 189	195 774	189 555	200 150
Transfers recognised - capital	-	125 707	126 703	201 935	209 565	209 565	209 565	175 724	189 555	200 150
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	2 562	30 182	41 624	64 624	64 624	64 624	20 050	-	-
Total sources of capital funds	-	128 269	156 885	243 559	274 189	274 189	274 189	195 774	189 555	200 150

Draft Medium-Term Revenue and Expenditure Framework (MTREF) Budget for 2025/2026, 2026/2027, 2027/2028`FY

Financial position										
Total current assets	-	342 803	362 861	292 576	288 934	288 934	288 934	249 476	217 350	192 225
Total non current assets	-	1 279 541	1 545 676	1 502 387	1 707 103	1 707 103	1 707 103	1 797 154	1 876 227	1 963 134
Total current liabilities	-	180 389	187 420	180 449	187 547	187 547	187 547	187 547	187 547	187 547
Total non current liabilities	-	7 356	7 898	7 356	7 898	7 898	7 898	7 898	7 898	7 898
Community wealth/Equity	-	1 434 599	1 713 219	1 607 159	1 800 592	1 800 592	1 800 592	1 851 185	1 898 132	1 959 914
Cash flows										
Net cash from (used) operating	-	389 115	506 843	195 584	181 029	181 029	181 029	156 515	157 640	175 244
Net cash from (used) investing	(171 192)	(207 694)	(169 814)	(243 559)	(274 189)	(274 189)	(274 189)	(195 774)	(189 555)	(200 150)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	(171 192)	453 139	608 683	223 367	192 668	192 668	192 668	170 772	138 857	113 952
Cash backing/surplus reconciliation										
Cash and investments available	-	271 718	285 701	240 730	210 031	210 031	210 031	171 227	139 788	115 369
Application of cash and investments	-	151 435	153 235	162 085	162 331	162 331	164 753	167 661	167 818	167 980
Balance - surplus (shortfall)	-	120 283	132 466	78 645	47 700	47 700	45 278	3 566	(28 030)	(52 611)
Asset management										
Asset register summary (WDV)	-	1 450 654	1 713 346	1 313 770	1 621 596	1 621 596		1 543 673	1 433 192	1 319 949
Depreciation	-	108 093	134 455	112 762	112 762	112 762		105 723	110 481	113 243
Renewal and Upgrading of Existing Assets	-	(5 285)	23	2 000	1 700	1 700		450	-	-
Repairs and Maintenance	-	15 799	17 122	22 633	19 547	19 547		21 621	22 594	23 159
Free services										
Cost of Free Basic Services provided	11 574	6 683	6 699	12 312	12 312	12 312		14 886	15 556	15 944
Revenue cost of free services provided	1 443	964	5 453	7 358	7 358	7 358		7 682	8 027	8 228
Households below minimum service level										
Water:	-	-	-	-	-	-		-	-	-
Sanitation/sewerage:	-	-	-	-	-	-		-	-	-
Energy:	-	-	-	-	-	-		-	-	-
Refuse:	-	-	-	-	-	-		-	-	-

4.1 TABLE 6 EXPLANATORY NOTES TO MBRR TABLE A1 - BUDGET

- a. 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).
- b. The table provides an overview of the amounts approved by the 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.
- c. Financial management reforms emphasize the importance of the municipal budget being funded. This requires a simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized are 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)**

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.

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

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		–	501 197	511 120	528 294	537 680	537 680	543 871	557 306	581 174
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		–	501 197	511 120	528 294	537 680	537 680	543 871	557 306	581 174
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		–	1 308	1 036	1 038	1 183	1 183	1 200	1 255	1 286
Community and social services		–	1 191	1 036	1 038	1 183	1 183	1 200	1 255	1 286
Sport and recreation		–	118	0	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		–	132 237	120 906	134 766	142 331	142 331	140 287	152 765	160 000
Planning and development		–	131 587	120 158	133 616	141 181	141 181	139 506	151 949	159 164
Road transport		–	650	748	1 150	1 150	1 150	781	816	836
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		–	124 201	107 086	160 326	160 326	160 326	132 108	135 345	141 600
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	124 201	76 068	124 551	124 551	124 551	95 612	97 208	102 511
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	31 018	35 775	35 775	35 775	36 496	38 136	39 088
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	–	758 944	740 147	824 424	841 520	841 520	817 466	846 670	884 060
Expenditure - Functional										
<i>Governance and administration</i>		–	254 782	315 260	348 295	376 315	376 315	352 776	366 631	376 211
Executive and council		–	63 286	75 958	94 193	90 113	90 113	80 354	83 733	83 736
Finance and administration		–	187 251	234 434	246 442	277 538	277 538	263 514	273 548	282 748
Internal audit		–	4 245	4 868	7 659	8 663	8 663	8 907	9 350	9 727
<i>Community and public safety</i>		–	22 227	23 707	27 631	18 743	18 743	22 743	23 886	24 883
Community and social services		–	18 309	19 454	22 932	14 549	14 549	17 805	18 702	19 490
Sport and recreation		–	3 588	3 991	3 805	3 282	3 282	3 880	4 072	4 234
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	330	261	894	912	912	1 058	1 112	1 159
<i>Economic and environmental services</i>		–	69 082	73 928	118 688	132 581	132 581	138 678	145 603	150 594
Planning and development		–	57 578	61 885	83 569	87 052	87 052	90 660	95 276	98 506
Road transport		–	11 505	12 043	35 119	45 528	45 528	48 018	50 328	52 088
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		–	347 147	329 466	227 882	226 508	226 508	224 159	233 802	240 044
Energy sources		–	14 281	18 632	20 949	20 949	20 949	20 490	21 412	21 947
Water management		–	298 933	297 760	177 845	178 176	178 176	174 989	182 413	187 347
Waste water management		–	33 933	13 074	1 049	–	–	–	–	–
Waste management		–	–	–	28 039	27 383	27 383	28 679	29 977	30 750
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	–	693 238	742 361	722 495	754 147	754 147	738 355	769 922	791 732
Surplus/(Deficit) for the year		–	65 706	(2 213)	101 929	87 373	87 373	79 111	76 748	92 328

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	501 197	511 120	528 294	537 680	537 680	543 871	557 306	581 174
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	1 191	1 036	1 038	1 183	1 183	1 200	1 255	1 286
Vote 5 - Sport and Recreation		-	118	0	-	-	-	-	-	-
Vote 6 - Health		-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		-	131 587	120 158	133 616	141 181	141 181	139 506	151 949	159 164
Vote 8 - Road Transport		-	650	748	1 150	1 150	1 150	781	816	836
Vote 9 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 10 - Water Management		-	124 201	76 068	124 551	124 551	124 551	95 612	97 208	102 511
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Waste Management		-	-	31 018	35 775	35 775	35 775	36 496	38 136	39 088
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	758 944	740 147	824 424	841 520	841 520	817 466	846 670	884 060
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		-	63 286	75 958	94 193	90 113	90 113	80 354	83 733	83 736
Vote 2 - Finance and Administration		-	187 251	234 434	246 442	277 538	277 538	263 514	273 548	282 748
Vote 3 - Internal Audit		-	4 245	4 868	7 659	8 663	8 663	8 907	9 350	9 727
Vote 4 - Community and Social Services		-	18 309	19 454	22 932	14 549	14 549	17 805	18 702	19 490
Vote 5 - Sport and Recreation		-	3 588	3 991	3 805	3 282	3 282	3 880	4 072	4 234
Vote 6 - Health		-	330	261	894	912	912	1 058	1 112	1 159
Vote 7 - Planning and Development		-	57 578	61 885	83 569	87 052	87 052	90 660	95 276	98 506
Vote 8 - Road Transport		-	11 505	12 043	35 119	45 528	45 528	48 018	50 328	52 088
Vote 9 - Energy Sources		-	14 281	18 632	20 949	20 949	20 949	20 490	21 412	21 947
Vote 10 - Water Management		-	298 933	297 760	179 363	179 038	179 038	175 981	183 456	188 439
Vote 11 - Waste Water Management		-	33 933	13 074	1 049	-	-	-	-	-
Vote 12 - Waste Management		-	-	-	26 521	26 521	26 521	27 688	28 934	29 657
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	693 238	742 361	722 495	754 147	754 147	738 355	769 922	791 732
Surplus/(Deficit) for the year	2	-	65 706	(2 213)	101 929	87 373	87 373	79 111	76 748	92 328

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.

Draft Medium-Term Revenue and Expenditure Framework (MTREF) Budget for 2025/2026, 2026/2027, 2027/2028`FY

Expenditure by Vote	1									
Vote 1 - Executive and Council		–	63 286	75 958	94 193	90 113	90 113	80 354	83 733	83 736
1.1 - Executive and Council - Mayor and Council		–	63 286	75 958	94 193	90 113	90 113	80 354	83 733	83 736
Vote 2 - Finance and Administration		–	187 251	234 434	246 442	277 538	277 538	263 514	273 548	282 748
2.1 - Finance and Administration - Administrative and Corpora		–	87 798	101 703	78 081	98 619	98 619	82 789	87 172	90 303
2.2 - Finance and Administration - Asset Management		–	7 951	25 374	11 785	11 713	11 713	16 959	17 722	18 165
2.3 - Finance and Administration - Finance		–	39 864	42 791	56 876	59 148	59 148	46 998	47 218	48 888
2.4 - Finance and Administration - Human Resources		–	26 019	33 135	66 323	61 307	61 307	67 567	70 714	72 846
2.5 - Finance and Administration - Information Technology		–	19 589	26 213	21 835	29 184	29 184	29 240	29 729	30 577
2.6 - Finance and Administration - Supply Chain Management		–	6 030	5 218	11 541	17 567	17 567	19 962	20 994	21 970
Vote 3 - Internal Audit		–	4 245	4 868	7 659	8 663	8 663	8 907	9 350	9 727
3.1 - Internal Audit - Governance Function		–	4 245	4 868	7 659	8 663	8 663	8 907	9 350	9 727
Vote 4 - Community and Social Services		–	18 309	19 454	22 932	14 549	14 549	17 805	18 702	19 490
4.1 - Community and Social Services - Cemeteries Funeral Pa		–	363	195	221	301	301	314	328	337
4.2 - Community and Social Services - Community Halls and F		–	15 925	16 485	19 470	11 806	11 806	14 967	15 726	16 409
4.3 - Community and Social Services - Libraries and Archives		–	2 022	2 774	3 241	2 442	2 442	2 524	2 648	2 744
Vote 5 - Sport and Recreation		–	3 588	3 991	3 805	3 282	3 282	3 880	4 072	4 234
5.1 - Sport and Recreation - Sports Grounds and Stadiums		–	3 588	3 991	3 805	3 282	3 282	3 880	4 072	4 234
Vote 6 - Health		–	330	261	894	912	912	1 058	1 112	1 159
6.1 - Health - Health Services		–	330	261	894	912	912	1 058	1 112	1 159
Vote 7 - Planning and Development		–	57 578	61 885	83 569	87 052	87 052	90 660	95 276	98 506
7.1 - Planning and Development - Economic Development/Pla		–	50 411	57 580	76 888	80 436	80 436	84 315	87 934	90 548
7.2 - Planning and Development - Project Management Unit		–	7 167	4 305	6 681	6 616	6 616	6 345	7 341	7 958

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

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	501 197	511 120	528 294	537 680	537 680	543 871	557 306	581 174
2.1 - Finance and Administration - Administrative and Corpora		-	440 193	478 358	502 531	502 617	502 617	517 022	529 248	552 416
2.2 - Finance and Administration - Asset Management		-	16 279	-	-	-	-	-	-	-
2.3 - Finance and Administration - Finance		-	44 327	32 597	25 763	35 063	35 063	26 849	28 057	28 759
2.4 - Finance and Administration - Human Resources		-	399	164	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	1 191	1 036	1 038	1 183	1 183	1 200	1 255	1 286
4.1 - Community and Social Services - Cemeteries Funeral Parlours and Crematoriums		-	-	-	-	-	-	-	-	-
4.2 - Community and Social Services - Community Halls and F		-	200	-	-	-	-	-	-	-
4.3 - Community and Social Services - Libraries and Archives		-	991	1 036	1 038	1 183	1 183	1 200	1 255	1 286
Vote 7 - Planning and Development		-	131 587	120 158	133 616	141 181	141 181	139 506	151 949	159 164
7.1 - Planning and Development - Economic Development/Pla		-	0	-	-	-	-	-	-	-
7.2 - Planning and Development - Project Management Unit		-	131 587	120 158	133 616	141 181	141 181	139 506	151 949	159 164
Vote 8 - Road Transport		-	650	748	1 150	1 150	1 150	781	816	836
8.1 - Road Transport - Public Transport		-	650	748	1 150	1 150	1 150	781	816	836
Vote 10 - Water Management		-	124 201	76 068	124 551	124 551	124 551	95 612	97 208	102 511
10.1 - Water Management - Water Treatment		-	-	20	46	46	46	48	50	52
10.2 - Water Management - Water Distribution		-	124 201	76 048	124 505	124 505	124 505	95 564	97 158	102 460
Vote 12 - Waste Management		-	-	31 018	35 775	35 775	35 775	36 496	38 136	39 088
12.1 - Solid Waste Removal		-	-	31 018	35 775	35 775	35 775	36 496	38 136	39 088
Total Revenue by Vote	2	-	758 944	740 147	824 424	841 520	841 520	817 466	846 670	884 060

Draft Medium-Term Revenue and Expenditure Framework (MTREF) Budget for 2025/2026, 2026/2027, 2027/2028`FY

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Vote 8 - Road Transport		–	11 505	12 043	35 119	45 528	45 528	48 018	50 328	52 088
8.1 - Road Transport - Public Transport		–	1 780	2 139	4 840	12 823	12 823	14 885	15 654	16 380
8.2 - Road Transport - Roads		–	9 724	9 904	30 279	32 705	32 705	33 133	34 674	35 708
Vote 9 - Energy Sources		–	14 281	18 632	20 949	20 949	20 949	20 490	21 412	21 947
9.1 - Energy Sources - Electricity		–	14 281	18 632	20 949	20 949	20 949	20 490	21 412	21 947
9.2 - Energy Sources - Street Lighting and Signal Systems										
Vote 10 - Water Management		–	298 933	297 760	179 363	179 038	179 038	175 981	183 456	188 439
10.1 - Water Management - Water Treatment										
10.2 - Water Management - Water Distribution		–	298 933	297 760	177 845	178 176	178 176	174 989	182 413	187 347
10.3 - Water Management - Water Distribution		–	–	–	1 518	862	862	991	1 043	1 092
Vote 11 - Waste Water Management		–	33 933	13 074	1 049	–	–	–	–	–
11.1 - Waste Water Management - Public Toilets		–	33 933	13 074	1 049	–	–	–	–	–
11.2 - Waste Water Management - Waste Water Treatment										
Vote 12 - Waste Management		–	–	–	26 521	26 521	26 521	27 688	28 934	29 657
12.1 - Solid Waste Removal		–	–	–	26 521	26 521	26 521	27 688	28 934	29 657
Total Expenditure by Vote	2	–	693 238	742 361	722 495	754 147	754 147	738 355	769 922	791 732
Surplus/(Deficit) for the year	2	–	65 706	(2 213)	101 929	87 373	87 373	79 111	76 748	92 328

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	(6 407)	33 433	35 530	38 698	38 698	38 698	45 630	40 300	42 111	43 163
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	(5 167)	23 770	25 549	29 275	29 275	29 275	34 655	29 710	31 046	31 820
Sale of Goods and Rendering of Services		-	667	472	744	742	742	742	515	538	551
Agency services											
Interest											
Interest earned from Receivables		-	14 516	13 369	15 803	15 803	15 803	15 803	16 499	17 241	17 672
Interest earned from Current and Non Current Assets		-	22 049	31 617	27 430	27 518	27 518	27 518	33 008	34 493	35 356
Dividends											
Rent on Land											
Rental from Fixed Assets		-	173	178	183	183	183	183	191	200	205
Licence and permits		-	650	748	1 150	1 150	1 150	1 150	781	816	836
Special rating levies											
Operational Revenue		-	87	106	159	9 459	9 459	9 459	120	125	128
Non-Exchange Revenue											
Property rates	2	(1 443)	28 781	28 862	22 120	22 120	22 120	22 120	23 091	24 130	24 734
Surcharges and Taxes											
Fines, penalties and forfeits		-	-	-	1 742	1 742	1 742	1 742	500	523	536
Licences or permits											
Transfer and subsidies - Operational		-	421 953	455 986	481 883	481 964	481 964	481 964	494 211	502 547	525 218
Interest		-	-	3 375	3 302	3 302	3 302	3 302	3 447	3 602	3 692
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets											
Other Gains		-	16 279	36	-	-	-	-	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and cont		(13 017)	562 357	595 828	622 489	631 955	631 955	644 268	642 372	657 372	683 911

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure											
Employee related costs	2	-	142 738	156 654	181 836	185 129	185 129	185 129	187 585	197 339	206 713
Remuneration of councillors		-	21 578	23 256	25 474	23 657	23 657	23 657	24 618	25 726	26 369
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	-	57 732	57 532	57 532	57 532	60 273	62 985	64 559
Debt impairment	3	-	-	-	72 645	72 645	72 645	72 645	75 841	79 254	81 235
Depreciation and amortisation		-	108 093	134 455	112 762	112 762	112 762	112 762	105 723	110 481	113 243
Interest		-	101 994	81 229	-	-	-	-	-	-	-
Contracted services		-	181 819	188 846	189 645	219 455	219 455	219 455	201 211	206 624	209 591
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	4 478	-	-	-	-	-	-	-	-
Operational costs		-	60 887	77 109	82 401	82 967	82 967	82 967	83 105	87 514	90 022
Losses on disposal of Assets		-	7 951	15 701	-	-	-	-	-	-	-
Other Losses		-	-	9 673	-	-	-	-	-	-	-
Total Expenditure		-	629 538	686 922	722 495	754 147	754 147	754 147	738 355	769 922	791 732
Surplus/(Deficit)		(13 017)	(67 181)	(91 094)	(100 006)	(122 192)	(122 192)	(109 879)	(95 983)	(112 550)	(107 822)
Transfers and subsidies - capital (monetary allocations)	6	-	196 587	144 320	201 935	209 565	209 565	209 565	175 094	189 299	200 150
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(13 017)	129 406	53 225	101 929	87 373	87 373	99 686	79 111	76 748	92 328
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(13 017)	129 406	53 225	101 929	87 373	87 373	99 686	79 111	76 748	92 328
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(13 017)	129 406	53 225	101 929	87 373	87 373	99 686	79 111	76 748	92 328
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	(13 017)	129 406	53 225	101 929	87 373	87 373	99 686	79 111	76 748	92 328

1. Total operating revenue (excluding capital transfer) is R642.3 million in 2025/2026 and Revenue to be generated from property rates is R23 million in 2025/2026.
2. The original budget for services charges for water is R40.3 million and for refuse is R29.7 million.
3. Transfers recognized – operational transfers include the local government equitable share and other operating grants from national and provincial government is R494.2 million and the capital transfer is R175 million.
4. Bulk purchases (Inventory Water) for 2025/2026 budget are R60.2-million.
5. The original budgeted allocation for employee related costs for the 2025/2026 financial year is R201.2 million, which equals 27 per cent of the total operating expenditure.
6. Professional Services- Budget for professional services for 2025/2026 is R67.8 million.
7. Repairs and maintenance- The budget for 2024/2025 R19.5 million and for 2025/2026 is R21.6 million, which indicate an increase of R2.1 million.

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

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 2025/2026 is R195.7 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.

Draft Medium-Term Revenue and Expenditure Framework (MTREF) Budget for 2025/2026, 2026/2027, 2027/2028`FY

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	5 367	328	3 750	3 500	3 500	3 500	3 700	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	960	152	7 600	7 550	7 550	7 550	300	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Health		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		-	-	(785)	6 224	6 289	6 289	6 289	12 380	256	-
Vote 8 - Road Transport		-	25 823	19 277	83 150	92 421	92 421	92 421	500	32 482	21 321
Vote 9 - Energy Sources		-	15 653	8 069	22 400	30 694	30 694	30 694	-	5 693	-
Vote 10 - Water Management		-	14 556	62 559	76 235	88 359	88 359	88 359	88 981	117 589	65 143
Vote 11 - Waste Water Management		-	10 383	10 939	44 000	44 477	44 477	44 477	20 382	-	47 811
Vote 12 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	72 742	100 540	243 359	273 289	273 289	273 289	126 243	156 020	134 274
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	840	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	(5 367)	4 088	200	-	-	-	500	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	(793)	-	-	-	-	-	10 000	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	2 700	-	-
Vote 6 - Health		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		-	-	(1 386)	-	-	-	-	150	-	-
Vote 8 - Road Transport		-	(3 451)	7 503	-	-	-	-	39 031	14 458	30 664
Vote 9 - Energy Sources		-	-	4 634	-	-	-	-	5 500	13 915	16 650
Vote 10 - Water Management		-	58 109	32 894	-	-	-	-	450	-	-
Vote 11 - Waste Water Management		-	6 191	8 612	-	-	-	-	11 200	5 162	18 561
Vote 12 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	55 528	56 345	200	-	-	-	69 531	33 535	65 876
Total Capital Expenditure - Vote		-	128 269	156 885	243 559	273 289	273 289	273 289	195 774	189 555	200 150
Capital Expenditure - Functional											
Governance and administration		-	(8 189)	845	3 950	4 200	4 200	4 200	4 200	-	-
Executive and council		-	840	-	-	-	-	-	-	-	-
Finance and administration		-	(9 029)	845	3 950	4 200	4 200	4 200	4 200	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	167	(14)	7 600	7 750	7 750	7 750	13 000	-	-
Community and social services		-	167	(14)	7 600	7 750	7 750	7 750	10 300	-	-
Sport and recreation		-	-	-	-	-	-	-	2 700	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	42 141	29 412	89 374	98 709	98 709	98 709	52 061	47 197	51 985
Planning and development		-	3 960	4 124	6 224	6 289	6 289	6 289	12 530	256	-
Road transport		-	38 180	25 288	83 150	92 421	92 421	92 421	39 531	46 941	51 985
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	94 151	126 642	142 635	163 530	163 530	163 530	126 513	142 358	148 165
Energy sources		-	6 673	12 703	22 400	30 694	30 694	30 694	5 500	19 608	16 650
Water management		-	72 664	95 182	76 235	88 359	88 359	88 359	89 431	117 589	65 143
Waste water management		-	16 574	19 822	44 000	44 477	44 477	44 477	31 582	5 162	66 372
Waste management		-	(1 760)	(1 065)	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	-	128 269	156 885	243 559	274 189	274 189	274 189	195 774	189 555	200 150
Funded by:											
National Government		-	125 707	126 703	201 935	209 565	209 565	209 565	175 724	189 555	200 150
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Deparm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	125 707	126 703	201 935	209 565	209 565	209 565	175 724	189 555	200 150
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	2 562	30 182	41 624	64 624	64 624	64 624	20 050	-	-
Total Capital Funding	7	-	128 269	156 885	243 559	274 189	274 189	274 189	195 774	189 555	200 150

4.6 TABLE 11 STATEMENT OF FINANCIAL POSITION A

NW371 Moretele - Table A6 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents	1	–	271 718	285 701	240 730	210 031	210 031	210 031	171 227	139 788	115 369
Trade and other receivables from exchange transactions		–	40 259	40 724	20 431	26 869	26 869	26 869	13 326	(829)	(15 341)
Receivables from non-exchange transactions		–	22 119	33 840	22 656	49 439	49 439	49 439	62 327	75 796	89 601
Current portion of non-current receivables	2										
Inventory		–	223	132	223	132	132	132	132	132	132
VAT		–	8 532	2 496	8 532	2 496	2 496	2 496	2 496	2 496	2 496
Other current assets		–	(48)	(32)	4	(32)	(32)	(32)	(32)	(32)	(32)
Total current assets		–	342 803	362 861	292 576	288 934	288 934	288 934	249 476	217 350	192 225
Non current assets											
Investments	3										
Investment property		–	18 740	10 896	18 740	10 896	10 896	10 896	10 896	10 896	10 896
Property, plant and equipment		–	1 257 370	1 534 549	1 473 416	1 691 976	1 691 976	1 691 976	1 779 827	1 858 901	1 945 807
Biological assets											
Living and non-living resources											
Heritage assets		–	206	206	206	206	206	206	206	206	206
Intangible assets		–	3 225	25	10 025	4 025	4 025	4 025	6 225	6 225	6 225
Trade and other receivables from exchange transactions											
Non-current receivables from non-exchange transactions											
Other non-current assets											
Total non current assets		–	1 279 541	1 545 676	1 502 387	1 707 103	1 707 103	1 707 103	1 797 154	1 876 227	1 963 134
TOTAL ASSETS		–	1 622 344	1 908 537	1 794 964	1 996 037	1 996 037	1 996 037	2 046 630	2 093 577	2 155 359
LIABILITIES											
Current liabilities											
Bank overdraft	4										
Financial liabilities		–	–	–	–	–	–	–	–	–	–
Consumer deposits		–	0	0	0	0	0	0	0	0	0
Trade and other payables from exchange transactions	5	–	156 339	144 130	156 399	144 257	144 257	144 257	144 257	144 257	144 257
Trade and other payables from non-exchange transactions		–	865	9 129	865	9 129	9 129	9 129	9 129	9 129	9 129
Provision		–	3 469	4 556	3 469	4 556	4 556	4 556	4 556	4 556	4 556
VAT		–	19 717	29 605	19 717	29 605	29 605	29 605	29 605	29 605	29 605
Other current liabilities											
Total current liabilities		–	180 389	187 420	180 449	187 547	187 547	187 547	187 547	187 547	187 547
Non current liabilities											
Financial liabilities	6	–	–	–	–	–	–	–	–	–	–
Provision	7	–	7 356	7 898	7 356	7 898	7 898	7 898	7 898	7 898	7 898
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities											
Total non current liabilities		–	7 356	7 898	7 356	7 898	7 898	7 898	7 898	7 898	7 898
TOTAL LIABILITIES		–	187 745	195 318	187 805	195 445	195 445	195 445	195 445	195 445	195 445
NET ASSETS		–	1 434 599	1 713 219	1 607 159	1 800 592	1 800 592	1 800 592	1 851 185	1 898 132	1 959 914
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	–	1 434 599	1 713 219	1 607 159	1 800 592	1 800 592	1 800 592	1 851 185	1 898 132	1 959 914
Reserves and funds	9	–	–	–	–	–	–	–	–	–	–
Other											
TOTAL COMMUNITY WEALTH/EQUITY	10	–	1 434 599	1 713 219	1 607 159	1 800 592	1 800 592	1 800 592	1 851 185	1 898 132	1 959 914

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	5 818	10 007	8 263	8 263	8 263	8 263	12 023	12 564	12 878
Service charges		-	548	556	9 184	9 184	9 184	9 184	7 712	8 059	8 260
Other revenue		-	22 244	28 224	3 978	13 276	13 276	13 276	2 106	2 201	2 256
Transfers and Subsidies - Operational	1	-	407 405	449 018	481 883	481 964	481 964	481 964	494 211	502 547	525 218
Transfers and Subsidies - Capital	1	-	196 680	158 516	201 935	209 565	209 565	209 565	175 094	189 299	200 150
Interest		-	-	-	27 430	27 518	27 518	27 518	22 161	23 158	23 737
Dividends									-	-	-
Payments											
Suppliers and employees		-	(243 579)	(139 478)	(537 089)	(568 740)	(568 740)	(568 740)	(556 791)	(580 187)	(597 254)
Interest									-	-	-
Transfers and Subsidies	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	389 115	506 843	195 584	181 029	181 029	181 029	156 515	157 640	175 244
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (increase) in non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(171 192)	(207 694)	(169 814)	(243 559)	(274 189)	(274 189)	(274 189)	(195 774)	(189 555)	(200 150)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(171 192)	(207 694)	(169 814)	(243 559)	(274 189)	(274 189)	(274 189)	(195 774)	(189 555)	(200 150)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing									-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD		(171 192)	181 421	337 029	(47 975)	(93 160)	(93 160)	(93 160)	(39 259)	(31 915)	(24 906)
Cash/cash equivalents at the year begin:	2	-	271 718	271 654	271 342	285 828	285 828	285 828	210 031	170 772	138 857
Cash/cash equivalents at the year end:	2	(171 192)	453 139	608 683	223 367	192 668	192 668	192 668	170 772	138 857	113 952

4.8 TABLE 13 CASH BACK RESERVE/ ACCUMULATED SURPLUS RECONCILIATION A8

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

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Cash and investments available</u>												
Cash/cash equivalents at the year end	1		(171 192)	453 139	608 683	223 367	192 668	192 668	192 668	170 772	138 857	113 952
Other current investments > 90 days			171 192	(181 421)	(322 982)	17 363	17 363	17 363	17 363	455	930	1 417
Non current Investments	1		–	–	–	–	–	–	–	–	–	–
Cash and investments available:			–	271 718	285 701	240 730	210 031	210 031	210 031	171 227	139 788	115 369
<u>Application of cash and investments</u>												
Unspent conditional transfers			–	865	9 129	865	9 129	9 129	9 129	9 129	9 129	9 129
Unspent borrowing			–	–	–	–	–	–	–	–	–	–
Statutory requirements	2		–	11 184	27 109	11 184	27 109	27 109	27 109	27 109	27 109	27 109
Other working capital requirements	3		–	135 917	112 441	146 567	121 537	121 537	123 959	126 867	127 024	127 186
Other provisions			–	3 469	4 556	3 469	4 556	4 556	4 556	4 556	4 556	4 556
Long term investments committed	4		–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5		–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:			–	151 435	153 235	162 085	162 331	162 331	164 753	167 661	167 818	167 980
<u>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</u>												
			–	120 283	132 466	78 645	47 700	47 700	45 278	3 566	(28 030)	(52 611)
<u>Creditors transferred to Debt Relief - Non-Current portion</u>												
			–	–	–	–	–	–	–	–	–	–
<u>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</u>												
			–	120 283	132 466	78 645	47 700	47 700	45 278	3 566	(28 030)	(52 611)

4.9 TABLE 14 A9 ASSETS MANAGEMENT

NW371 Moretele - Table A9 Asset Management

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	-	133 387	156 862	241 559	272 489	272 489	195 324	189 555	200 150
Roads Infrastructure		-	31 795	24 628	74 700	83 721	83 721	39 031	46 941	51 985
Storm water Infrastructure		-	396	-	-	-	-	-	-	-
Electrical Infrastructure		-	15 653	12 703	22 400	30 694	30 694	5 500	19 608	16 650
Water Supply Infrastructure		-	72 664	95 453	74 235	86 659	86 659	88 981	117 589	65 143
Sanitation Infrastructure		-	12 879	19 551	44 000	44 477	44 477	31 582	5 162	66 372
Solid Waste Infrastructure		-	-	(23)	2 000	2 000	2 000	10 000	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	133 387	152 311	217 335	247 550	247 550	175 094	189 299	200 150
Community Facilities		-	-	-	7 400	7 550	7 550	11 800	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	900	-	-
Community Assets		-	-	-	7 400	7 550	7 550	12 700	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	639	200	200	200	-	-	-
Housing		-	-	-	-	700	700	-	-	-
Other Assets		-	-	639	200	900	900	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	(2 309)	4 200	4 500	4 500	2 200	-	-
Intangible Assets		-	-	(2 309)	4 200	4 500	4 500	2 200	-	-
Computer Equipment		-	-	572	1 950	2 014	2 014	3 030	256	-
Furniture and Office Equipment		-	-	1 438	2 000	1 750	1 750	1 000	-	-
Machinery and Equipment		-	-	483	224	224	224	800	-	-
Transport Assets		-	-	3 727	8 250	8 000	8 000	500	-	-
Land		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

NW371 Moretele - Table A9 Asset Management

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Total Upgrading of Existing Assets	6	-	(5 285)	23	2 000	1 700	1 700	450	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	3 696	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	23	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	3 696	23	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	(8 980)	-	2 000	1 700	1 700	450	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	(8 980)	-	2 000	1 700	1 700	450	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	128 102	156 885	243 559	274 189	274 189	195 774	189 555	200 150
Roads Infrastructure		-	31 795	24 628	74 700	83 721	83 721	39 031	46 941	51 985
Storm water Infrastructure		-	396	-	-	-	-	-	-	-
Electrical Infrastructure		-	15 653	12 703	22 400	30 694	30 694	5 500	19 608	16 650
Water Supply Infrastructure		-	76 360	95 453	74 235	86 659	86 659	88 981	117 589	65 143
Sanitation Infrastructure		-	12 879	19 551	44 000	44 477	44 477	31 582	5 162	66 372
Solid Waste Infrastructure		-	-	-	2 000	2 000	2 000	10 000	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	137 083	152 335	217 335	247 550	247 550	175 094	189 299	200 150
Community Facilities		-	-	-	7 400	7 550	7 550	11 800	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	900	-	-
Community Assets		-	-	-	7 400	7 550	7 550	12 700	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-

Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	(8 980)	639	2 200	1 900	1 900	450	-	-
Housing		-	-	-	-	700	700	-	-	-
Other Assets		-	(8 980)	639	2 200	2 600	2 600	450	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	(2 309)	4 200	4 500	4 500	2 200	-	-
Intangible Assets		-	-	(2 309)	4 200	4 500	4 500	2 200	-	-
Computer Equipment		-	-	572	1 950	2 014	2 014	3 030	256	-
Furniture and Office Equipment		-	-	1 438	2 000	1 750	1 750	1 000	-	-
Machinery and Equipment		-	-	483	224	224	224	800	-	-
Transport Assets		-	-	3 727	8 250	8 000	8 000	500	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		-	128 102	156 885	243 559	274 189	274 189	195 774	189 555	200 150
ASSET REGISTER SUMMARY - PPE (WDV)	5	-	1 450 654	1 713 346	1 313 770	1 621 596	1 621 596	1 543 673	1 433 192	1 319 949
Roads Infrastructure		-	396 955	399 683	405 504	399 683	399 683	399 683	399 683	399 683
Storm water Infrastructure		-	43 220	43 220	43 220	43 220	43 220	43 220	43 220	43 220
Electrical Infrastructure		-	104 435	107 834	108 764	108 321	108 321	108 321	108 321	108 321
Water Supply Infrastructure		-	524 690	622 775	518 838	619 780	619 780	619 780	619 780	619 780
Sanitation Infrastructure		-	9 163	128 747	42 663	128 747	128 747	128 747	128 747	128 747
Solid Waste Infrastructure		-	-	-	2 100	2 000	2 000	12 000	12 000	12 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	1 078 464	1 302 259	1 121 090	1 301 751	1 301 751	1 311 751	1 311 751	1 311 751
Community Assets		-	254 709	298 767	256 709	300 467	300 467	310 917	310 917	310 917
Heritage Assets		-	206	206	206	206	206	206	206	206
Investment properties		-	18 740	10 896	18 740	10 896	10 896	10 896	10 896	10 896
Other Assets		-	57 974	58 614	(104 045)	(29 423)	(29 423)	(110 273)	(194 761)	(281 361)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	3 225	25	10 025	4 025	4 025	6 225	6 225	6 225
Computer Equipment		-	17 427	23 045	20 097	24 995	24 995	27 845	27 845	27 845
Furniture and Office Equipment		-	4 321	4 901	1 222	6 651	6 651	4 523	1 255	(2 095)
Machinery and Equipment		-	-	-	224	224	224	1 024	1 024	1 024
Transport Assets		-	15 587	14 633	(10 498)	1 804	1 804	(19 442)	(42 166)	(65 459)
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	1 450 654	1 713 346	1 313 770	1 621 596	1 621 596	1 543 673	1 433 192	1 319 949

EXPENDITURE OTHER ITEMS		-	123 892	151 576	135 395	132 309	132 309	127 344	133 075	136 402
Depreciation	7	-	108 093	134 455	112 762	112 762	112 762	105 723	110 481	113 243
Repairs and Maintenance by Asset Class	3	-	15 799	17 122	22 633	19 547	19 547	21 621	22 594	23 159
Roads Infrastructure		-	-	194	2 220	3 122	3 122	3 260	3 406	3 492
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	3 348	4 196	4 196	4 196	3 000	3 135	3 213
Water Supply Infrastructure		-	-	4 591	6 799	4 219	4 219	6 799	7 105	7 282
Sanitation Infrastructure		-	-	5 058	5 712	4 663	4 663	4 869	5 088	5 215
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	15 799	2 559	1 809	1 529	1 529	1 596	1 668	1 710
Infrastructure		-	15 799	15 750	20 736	17 730	17 730	19 523	20 402	20 912
Community Facilities		-	-	195	221	301	301	314	328	337
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	195	221	301	301	314	328	337
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	36	300	200	200	209	218	224
Machinery and Equipment		-	-	3	184	184	184	192	201	206
Transport Assets		-	-	1 138	1 192	1 132	1 132	1 382	1 444	1 481
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		-	123 892	151 576	135 395	132 309	132 309	127 344	133 075	136 402

4.10. TABLE 15 A10 BASIC SERVICE DELIVERY MEASUREMENTS

NW371 Moretele - Table A10 Basic service delivery measurement									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets									
<u>Water:</u>									
Piped water inside dwelling	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163
Piped water inside yard (but not in dwelling)	22 227	22 227	22 227	22 227	22 227	22 227	22 227	22 227	22 227
Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	34 766	34 766	34 766	34 766	34 766	34 766	34 766	34 766	34 766
<i>Minimum Service Level and Above sub-total</i>	58 156	58 156	58 156	58 156	58 156	58 156	58 156	58 156	58 156
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	58 156	58 156	58 156	58 156	58 156	58 156	58 156	58 156	58 156
<u>Refuse:</u>									
Removed at least once a week	116 312	116 312	116 312	116 312	116 312	116 312	116 312	116 312	116 312
<i>Minimum Service Level and Above sub-total</i>	116 312	116 312	116 312	116 312	116 312	116 312	116 312	116 312	116 312
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	116 312	116 312	116 312	116 312	116 312	116 312	116 312	116 312	116 312
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	6 407	3 700	3 711	6 932	6 932	6 932	8 668	9 058	9 284
Refuse (removed once a week for indigent household)	5 167	2 983	2 989	5 380	5 380	5 380	6 218	6 498	6 660
Cost of Free Basic Services provided - Informal For	-	-	-	-	-	-	-	-	-
Total cost of FBS provided	11 574	6 683	6 699	12 312	12 312	12 312	14 886	15 556	15 944
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA									
	1 443	964	5 453	7 358	7 358	7 358	7 682	8 027	8 228
Water (in excess of 6 kilolitres per indigent household)	-	-	-	-	-	-	-	-	-
Other									
Total revenue cost of subsidised services provided	1 443	964	5 453	7 358	7 358	7 358	7 682	8 027	8 228

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 2024) 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 2025/2026 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2025/2026 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 2025/2026 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.

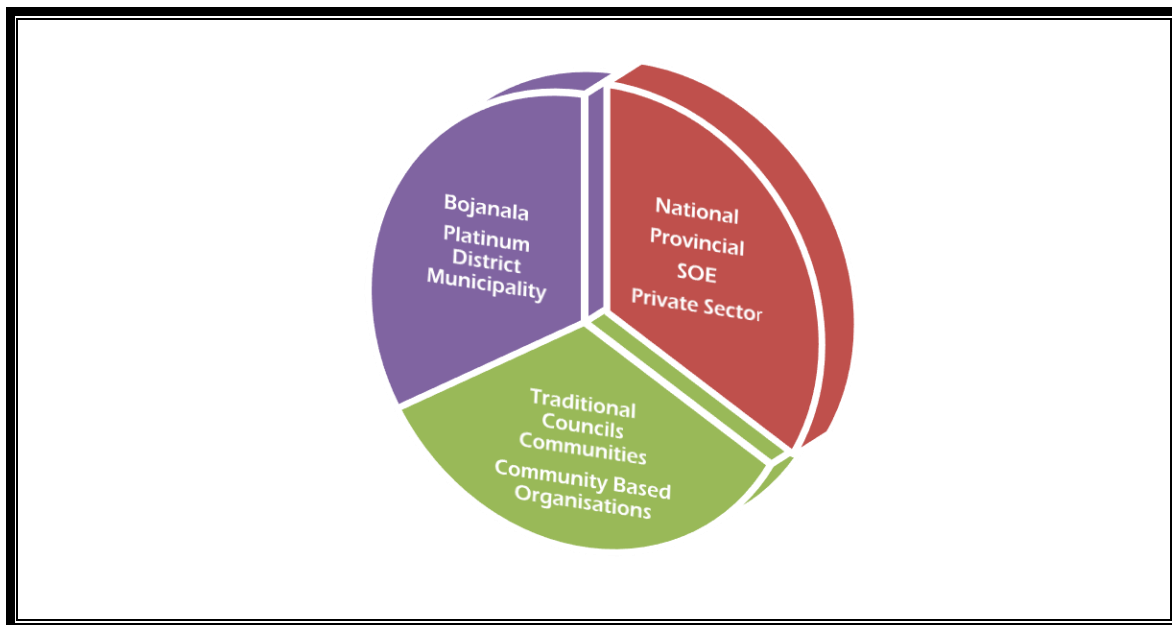
Financial Modelling and Key Planning Drivers

As part of the compilation of the 2025/2026 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2025/2026 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 2025/2026 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 delivery service, especially the 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 2025/2026 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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
A comprehensive, responsive and sustainable social protection system				689 450	-	-	-	-	-	-	-	-
				-	(7 648)	(12 153)	(19 670)	(19 670)	(19 670)	(22 568)	(23 583)	(24 172)
Responsive, accountable, effective and efficient local government				-	553 726	607 944	642 159	651 626	651 626	664 940	680 955	708 082
Sustainable human settlements and improved quality of household life				-	16 279	36	-	-	-	-	-	-
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	689 450	562 357	595 828	622 489	631 955	631 955	642 372	657 372	683 911

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

NW371 Moretele - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	16.2%	11.8%	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	0.0%	18.1%	13.6%	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%
<u>Safety of Capital</u>											
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%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	–	1.9	1.9	1.6	1.5	1.5	1.5	1.3	1.2	1.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	–	1.9	1.9	1.6	1.5	1.5	1.5	1.3	1.2	1.0
Liquidity Ratio	Monetary Assets/Current Liabilities	–	1.7	1.7	1.4	1.3	1.3	1.3	1.0	0.7	0.5
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	0.0%	11.0%	17.2%	25.4%	25.4%	25.4%	21.5%	28.0%	28.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	11.0%	17.2%	25.4%	25.4%	25.4%	21.5%	28.0%	28.0%	28.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	8.8%	7.9%	8.1%	10.0%	10.0%	9.8%	11.8%	13.6%	15.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	34.5%	23.7%	70.0%	74.9%	74.9%	74.9%	84.5%	103.9%	126.6%
<u>Other Indicators</u>											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	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)	0.0%	25.4%	26.3%	29.2%	29.3%	29.3%	28.7%	29.2%	30.0%	30.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	29.3%	30.2%	33.3%	33.0%	33.0%	32.9%	33.0%	33.9%	34.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	2.8%	2.9%	3.6%	3.1%	3.1%	3.4%	3.4%	3.4%	3.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	37.4%	36.2%	18.1%	17.8%	17.8%	17.5%	16.5%	16.8%	16.6%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	–	21.7	22.6	23.0	23.0	29.1	27.7	27.7	28.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	53.4%	59.2%	45.7%	75.8%	75.8%	64.3%	92.1%	106.4%	122.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	–	11.5	15.2	5.1	4.2	4.2	4.2	3.7	2.9	2.3

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 of revenue management strategy has been developed to propose the increase cash inflow, not only from current billings but also from debtors that are in arrears more than 90 days and develop new strategies. 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 DRAFT CREDIT CONTROL AND INDIGENT-RELATED PROCEDURES OR POLICIES

The Draft Credit Control and Debt Collection Policy was reviewed for the 2025/2026 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

8.2 DRAFT MUNICIPAL PROPERTY RATES POLICY

The Draft property rates policy is reviewed annually during the tabling of the budget. The Municipality Rates policy can be found on www.moretele.gov.za

8.3 DRAFT 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 included management of immovable asset and a. 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

8.4 DRAFT SUPPLY CHAIN MANAGEMENT POLICY

The Draft 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

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

8.6 DRAFT 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

8.7. DRAFT 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

8.8. DRAFT 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

8.9. DRAFT 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

8.10. DRAFT 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

8.11. DRAFT 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

8.12. DARFT 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

8.13. DRAFT 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.

8.14. INSURANCE POLICY

The insurance policy is 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.

8.15. CONTRACT MANAGEMENT POLICY (NEW)

All transactions undertaken by the Moretele Local Municipality involves a contract whether explicitly agreed in writing or implicitly implied through actions. Properly managed contracts by all stakeholders involved, can ensure that services are delivered within specifications as set and agreed by all during the specifications phase and at the agreed cost, (Inclusive of escalation clauses in contracts) time period and qualities of the goods and services procured.

8.16. DRAFT CONSULTANT REDUCTION PLAN (STRATEGY PLAN)

A cost reduction consultant helps businesses identify and implement strategies to lower operating expenses without compromising quality or service, focusing on areas like procurement, operations, and supply chain, **Municipal Cost Containment Regulation(MCCR) 5** provides for municipalities and municipal entities' use of consultants. www.moretele.gov.za.

8.17. DRAFT REVENUE STRATEGY PLAN

In terms of the local government financial reforms as led by the introduction of the Municipal Financial Management Act (MFMA) (56 of 2003) introduced in 2004, the municipalities are expected to be financially sustainable in the foreseeable future. This plan is developed after an assessment that indicated that the municipality is solely dependant on grant and it has put the plans to tap into other revenue streams zooming into the financial situation in Moretele Local Municipality. www.moretele.gov.za.

9. MTREF BUDGET ASSUMPTIONS 2025/2026

The following macro-economic forecasts which were recommended in preparing the 2025/2026 MTREF municipal budgets, and 4.4% CPI was applied in the 2025/2026 financial year.

Fiscal year	2025/2026	2026/2027 FORECAST	2027/2028 FORECAST
Consumer Price Index (CPI)	4.4	4.5%	2.5%
Real GDP growth	1.8%	Not provided	Not provided

THE FOLLOWING BUDGET ASSUMPTIONS WERE USED:

- 2025/2026 Financial Year employee's annual increment provision was still placed at 5.2%. However, the municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards, and only key positions will be appointed in accordance with the Lekgotla resolutions.

KEY FACTORS WHICH INFLUENCED THE 2025/2026 BUDGET ARE AS FOLLOWS:

National Treasury MFMA Budget's Circulars 129 and 130 were used to guide the compilation of the municipality's budget and medium-term revenue and expenditure framework (MTREF) for the 2025/2026 financial year.

Key focus areas for the 2025/2026 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 129 & 130.

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 2025/2026 MTREF of which performance has been factored into the cash flow budget.

10.OVERVIEW OF BUDGET FUNDING

The operational budget is mainly funded by Equitable Share, which accounts for a higher percentage of the grants received. The own revenue has been conservatively increased in accordance with circular 129. 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 2025/2026 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 2025/2026, 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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		424 124	362 217	386 488	454 775	471 882	471 882	492 203	516 212	533 905
Local Government Equitable Share		419 919	353 433	368 182	443 644	460 816	460 816	479 922	502 798	519 695
Energy Efficiency and Demand Side Management Grant										
Expanded Public Works Programme Integrated Grant		2 138	6 477	12 305	1 550	1 550	1 550	3 036	3 173	3 252
Infrastructure Skills Development Grant										
Integrated City Development Grant										
Local Government Financial Management Grant		2 050	2 143	1 696	2 900	2 900	2 900	2 900	2 900	3 000
Municipal Infrastructure Grant		17	164	4 305	6 681	6 616	6 616	6 345	7 341	7 958
Capacity Building (In Kind)										
Other grant providers:		600	-	417	1 038	1 183	1 183	1 200	1 255	1 286
Expenditure on Other Grants		600	-	417	1 038	1 183	1 183	1 200	1 255	1 286
Total operating expenditure of Transfers and Grants:		424 725	362 217	386 905	455 813	473 065	473 065	493 403	517 467	535 192
Capital expenditure of Transfers and Grants										
National Government:		43 499	125 707	126 703	201 935	209 565	209 565	175 724	189 555	200 150
Integrated National Electrification Programme Grant										
Municipal Infrastructure Grant		(2 962)	70 430	102 538	126 935	134 565	134 565	133 161	144 608	151 206
Regional Bulk Infrastructure Grant										
Water Services Infrastructure Grant		46 461	55 277	24 166	75 000	75 000	75 000	42 563	44 947	48 944
Expenditure on Other Grants										
Total capital expenditure of Transfers and Grants		43 499	125 707	126 703	201 935	209 565	209 565	175 724	189 555	200 150
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		468 224	487 924	513 608	657 748	682 630	682 630	669 127	707 021	735 341

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		-	12 589	14 014	16 341	14 245	14 245	14 872	15 541	15 930
Pension and UIF Contributions		-	1 732	1 753	1 986	1 819	1 819	1 819	1 900	1 948
Medical Aid Contributions		-	-	-	1 540	1 722	1 722	1 798	1 879	1 926
Motor Vehicle Allowance		-	2 294	2 402	2 346	2 444	2 444	2 552	2 667	2 733
Housing Allowances		-	4 963	5 087	3 261	3 427	3 427	3 577	3 738	3 832
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		-	21 578	23 256	25 474	23 657	23 657	24 618	25 726	26 369
% increase	4	-	-	7,8%	9,5%	(7,1%)	-	4,1%	4,5%	2,5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		-	2 149	1 369	8 348	6 081	6 081	6 420	6 754	7 074
Performance Bonus		-	42	-	696	-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	2 191	1 369	9 043	6 081	6 081	6 420	6 754	7 074
% increase	4	-	-	(37,5%)	560,7%	(32,8%)	-	5,6%	5,2%	4,7%
Other Municipal Staff										
Basic Salaries and Wages		-	91 837	100 756	109 528	114 046	114 046	114 369	120 316	126 031
Pension and UIF Contributions		-	15 805	17 050	18 677	15 877	15 877	19 340	20 346	21 313
Medical Aid Contributions		-	7 467	8 148	12 739	17 517	17 517	17 753	18 676	19 563
Overtime		-	998	113	1 124	618	618	-	-	-
Performance Bonus		-	6 799	8 113	9 557	7 869	7 869	7 882	8 292	8 685
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	1 739	1 926	2 004	2 135	2 135	2 002	2 106	2 206
Housing Allowances	3	-	413	359	3 305	3 972	3 972	3 587	3 774	3 953
Other benefits and allowances	3	-	14 325	16 401	15 861	17 014	17 014	16 231	17 075	17 886
Payments in lieu of leave		-	1 377	2 419	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		-	140 760	155 285	172 793	179 048	179 048	181 165	190 586	199 639
% increase	4	-	-	10,3%	11,3%	3,6%	-	1,2%	5,2%	4,7%
Total Parent Municipality		-	164 530	179 911	207 310	208 786	208 786	212 203	223 065	233 082
		-	-	9,3%	15,2%	0,7%	-	1,6%	5,1%	4,5%
TOTAL SALARY, ALLOWANCES & BENEFITS		-	164 530	179 911	207 310	208 786	208 786	212 203	223 065	233 082
% increase	4	-	-	9,3%	15,2%	0,7%	-	1,6%	5,1%	4,5%
TOTAL MANAGERS AND STAFF	5,7	-	142 951	156 654	181 836	185 129	185 129	187 585	197 339	206 713

15.MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

NW371 Moretele - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash Receipts By Source													1		
Property rates	481	480	480	480	444	444	444	444	444	444	444	6 995	12 023	12 564	12 678
Service charges - electricity revenue												-			
Service charges - water revenue	727	726	727	732	7	7	(2 899)	7	6	7	7	582	637	666	682
Service charges - sanitation revenue												-			
Service charges - refuse revenue	1 021	1 021	1 021	1 021	504	504	(1 576)	504	504	505	505	1 540	7 075	7 393	7 578
Rental of facilities and equipment	16	20	5	14	5	49	9	20	4	19	20	10	191	200	205
Interest earned - external investments	1 087	537	820	0	675	274	320	89	121	221	168	180	4 490	4 692	4 810
Interest earned - outstanding debtors	1 375	1 396	1 416	1 435	1 452	1 469	1 485	1 494	1 511	1 528	1 546	1 563	17 671	18 466	18 927
Dividends received												-			
Fines, penalties and forfeits	42	42	42	42	42	42	42	42	42	42	42	42	500	523	536
Licences and permits	-	-	-	350	-	-	334	96	-	-	-	-	781	816	836
Agency services												-			
Transfers and Subsidies - Operational	41 184	41 184	41 184	41 184	41 184	41 184	41 184	41 184	41 184	41 184	41 184	41 184	494 211	502 547	525 218
Other revenue	128	1	1	13	93	0	0	7	150	156	3	83	634	663	680
Cash Receipts by Source	46 060	45 407	45 697	45 272	44 405	43 972	39 344	43 886	43 967	44 106	43 918	52 178	538 213	548 529	572 348
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	10 418	15 476	18 090	15 715	15 835	16 321	11 202	11 070	13 226	17 886	17 192	12 661	175 094	189 299	200 150
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	56 478	60 884	63 787	60 987	60 240	60 293	50 546	54 956	57 194	61 992	61 110	64 840	713 307	737 827	772 498
Cash Payments by Type															
Employee related costs	13 395	13 638	14 116	13 801	14 497	14 584	3 177	25 338	13 929	3 177	25 315	(32 617)	187 585	197 339	206 713
Remuneration of councillors	1 174	1 174	1 174	1 174	1 174	11 707	1 174	1 174	1 174	1 174	1 174	(1 174)	24 618	25 726	26 369
Interest												-			
Bulk purchases - electricity												-			
Acquisitions - water & other inventory	4 818	5 022	5 016	5 095	5 087	5 030	4 910	5 081	5 008	4 967	5 104	(5 135)	60 273	62 985	64 559
Contracted services	13 619	20 269	15 852	15 613	20 919	16 816	14 509	15 365	15 300	16 071	18 074	(18 804)	201 211	206 624	209 591
Transfers and subsidies - other municipalities												-			
Transfers and subsidies - other												-			
Other expenditure	6 249	6 281	7 357	5 896	8 093	9 513	6 047	6 438	5 093	6 524	6 960	(8 654)	83 105	87 514	90 022
Cash Payments by Type	39 255	46 383	43 516	41 578	49 770	57 651	29 817	53 396	40 503	31 914	56 627	(66 383)	556 791	580 187	597 254
Other Cash Flows/Payments by Type															
Capital assets	15 925	15 925	15 925	15 925	15 925	15 925	15 925	15 925	15 980	15 980	15 980	20 430	195 774	189 555	200 150
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	55 180	62 309	59 441	57 503	65 695	73 576	45 742	69 321	56 484	47 894	72 607	(45 952)	752 565	769 742	797 404
NET INCREASE/(DECREASE) IN CASH HELD	1 298	(1 425)	4 346	3 484	(5 455)	(13 282)	4 804	(14 365)	710	14 088	(11 497)	110 792	(39 259)	(31 915)	(24 906)
Cash/cash equivalents at the monthly year begin:	210 031	211 329	209 904	214 249	217 733	212 279	198 996	203 800	189 435	190 145	204 243	192 746	210 031	170 772	138 857
Cash/cash equivalents at the monthly year end:	211 329	209 904	214 249	217 733	212 279	198 996	203 800	189 435	190 145	204 243	192 746	303 538	170 772	138 857	113 952

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.

NW371 Moretele - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand																
Revenue																
Exchange Revenue																
Service charges - Electricity													-	-	-	-
Service charges - Water		3 826	3 822	3 828	3 850	3 105	3 107	197	3 106	3 105	3 110	3 110	6 133	40 300	42 111	43 163
Service charges - Waste Water Management													-	-	-	-
Service charges - Waste Management		2 760	2 760	2 760	2 760	2 244	2 244	163	2 244	2 244	2 245	2 245	5 042	29 710	31 046	31 820
Sale of Goods and Rendering of Services		62	1	1	13	78	-	0	6	148	131	-	76	515	538	551
Agency services													-	-	-	-
Interest													-	-	-	-
Interest earned from Receivables		1 279	1 300	1 318	1 337	1 355	1 372	1 388	1 397	1 413	1 430	1 447	1 463	16 499	17 241	17 672
Interest earned from Current and Non Current Assets		1 837	2 252	2 398	2 433	4 468	1 989	2 657	2 930	3 221	2 609	2 876	3 337	33 008	34 493	35 356
Dividends													-	-	-	-
Rent on Land													-	-	-	-
Rental from Fixed Assets		16	20	5	14	5	49	9	20	4	19	20	10	191	200	205
Licence and permits		-	-	-	350	-	-	334	96	-	-	-	-	781	816	836
Special rating levies													-	-	-	-
Operational Revenue		66	0	1	0	15	0	-	1	2	25	3	7	120	125	128
Non-Exchange Revenue																
Property rates		1 100	1 100	1 100	1 100	1 063	1 063	1 063	1 063	1 063	1 063	1 063	11 249	23 091	24 130	24 734
Surcharges and Taxes													-	-	-	-
Fines, penalties and forfeits		42	42	42	42	42	42	42	42	42	42	42	42	500	523	536
Licences or permits													-	-	-	-
Transfer and subsidies - Operational		41 184	41 184	41 184	41 184	41 184	41 184	41 184	41 184	41 184	41 184	41 184	41 184	494 211	502 547	525 218
Interest		281	284	287	290	284	287	285	287	288	289	292	294	3 447	3 602	3 692
Fuel Levy													-	-	-	-
Operational Revenue													-	-	-	-
Gains on disposal of Assets													-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations													-	-	-	-
Total Revenue (excluding capital transfers and cont		52 453	52 764	52 923	53 374	53 844	51 335	47 323	52 375	52 716	52 148	52 281	68 836	642 372	657 372	683 911
Expenditure																
Employee related costs		13 395	13 638	14 116	13 801	14 497	14 585	3 178	25 338	13 929	3 178	25 315	32 617	187 585	197 339	206 713
Remuneration of councillors		1 174	1 174	1 174	1 174	1 174	11 707	1 174	1 174	1 174	1 174	1 174	1 174	24 618	25 726	26 369
Bulk purchases - electricity													-	-	-	-
Inventory consumed		4 818	5 022	5 016	5 095	5 087	5 030	4 910	5 081	5 008	4 967	5 104	5 135	60 273	62 985	64 559
Debt impairment		6 320	6 320	6 320	6 320	6 320	6 320	6 320	6 320	6 320	6 320	6 320	6 320	75 841	79 254	81 235
Depreciation and amortisation		8 810	8 810	8 810	8 810	8 810	8 810	8 810	8 810	8 810	8 810	8 810	8 810	105 723	110 481	113 243
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		13 619	20 269	15 852	15 613	20 919	16 816	14 509	15 365	15 300	16 071	18 074	18 803	201 211	206 624	209 591
Transfers and subsidies													-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		6 249	6 281	7 357	5 896	8 093	9 513	6 047	6 438	5 093	6 524	6 960	8 653	83 105	87 514	90 022
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		54 385	61 514	58 646	56 709	64 900	72 781	44 947	68 326	55 634	47 044	71 757	81 513	738 355	769 922	791 732
Surplus/(Deficit)		(1 932)	(8 750)	(5 723)	(3 335)	(11 056)	(21 446)	2 376	(16 151)	(2 918)	5 103	(19 476)	(12 677)	(95 983)	(112 550)	(107 822)
Transfers and subsidies - capital (monetary allocations)		10 418	15 476	18 090	15 715	15 835	16 321	11 202	11 070	13 226	17 886	17 192	12 661	175 094	189 299	200 150
Transfers and subsidies - capital (in-kind)													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		8 486	6 726	12 368	12 380	4 779	(5 124)	13 578	(5 081)	10 308	22 989	(2 284)	(16)	79 111	76 748	92 328
Income Tax													-	-	-	-
Surplus/(Deficit) after income tax		8 486	6 726	12 368	12 380	4 779	(5 124)	13 578	(5 081)	10 308	22 989	(2 284)	(16)	79 111	76 748	92 328
Share of Surplus/Deficit attributable to Joint Venture													-	-	-	-
Share of Surplus/Deficit attributable to Minorities													-	-	-	-
Surplus/(Deficit) attributable to municipality		8 486	6 726	12 368	12 380	4 779	(5 124)	13 578	(5 081)	10 308	22 989	(2 284)	(16)	79 111	76 748	92 328
Share of Surplus/Deficit attributable to Associate													-	-	-	-
Intercompany/Parent subsidiary transactions													-	-	-	-
Surplus/(Deficit) for the year	1	8 486	6 726	12 368	12 380	4 779	(5 124)	13 578	(5 081)	10 308	22 989	(2 284)	(16)	79 111	76 748	92 328

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	2025/26 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive and Council		-	-	-				
Vote 2 - Finance and Administration		4 200	-	-				
Vote 3 - Internal Audit		-	-	-				
Vote 4 - Community and Social Services		10 300	-	-				
Vote 5 - Sport and Recreation		2 700	-	-				
Vote 6 - Health		-	-	-				
Vote 7 - Planning and Development		12 530	256	-				
Vote 8 - Road Transport		39 531	46 941	51 985				
Vote 9 - Energy Sources		5 500	19 608	16 650				
Vote 10 - Water Management		89 431	117 589	65 143				
Vote 11 - Waste Water Management		31 582	5 162	66 372				
Vote 12 - Waste Management		-	-	-				
Vote 13 -		-	-	-				
Vote 14 -		-	-	-				
Vote 15 -		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		195 774	189 555	200 150	-	-	-	-

18. CAPITAL EXPENDITURE DETAILS

NW371 Moretele - Supporting Table SA34a Capital expenditure on new assets by asset class

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			-	133 387	152 311	217 335	247 550	247 550	175 094	189 299	200 150
Roads Infrastructure			-	31 795	24 628	74 700	83 721	83 721	39 031	46 941	51 985
Roads			-	31 795	24 628	74 700	83 721	83 721	39 031	46 941	51 985
Storm water Infrastructure			-	396	-	-	-	-	-	-	-
Drainage Collection											
Storm water Conveyance			-	396	-	-	-	-	-	-	-
Attenuation											
Electrical Infrastructure			-	15 653	12 703	22 400	30 694	30 694	5 500	19 608	16 650
LV Networks			-	15 653	12 703	22 400	30 694	30 694	5 500	19 608	16 650
Capital Spares											
Water Supply Infrastructure			-	72 664	95 453	74 235	86 659	86 659	88 981	117 589	65 143
Dams and Weirs											
Boreholes			-	20 288	-	-	-	-	-	-	-
Distribution			-	52 377	95 453	74 235	86 659	86 659	88 981	117 589	65 143
Sanitation Infrastructure			-	12 879	19 551	44 000	44 477	44 477	31 582	5 162	66 372
Pump Station											
Reticulation			-	2 495	-	9 000	9 477	9 477	-	-	39 350
Toilet Facilities			-	10 383	19 551	35 000	35 000	35 000	31 582	5 162	27 021
Capital Spares											
Solid Waste Infrastructure			-	-	(23)	2 000	2 000	2 000	10 000	-	-
Landfill Sites			-	-	(23)	2 000	2 000	2 000	10 000	-	-
Community Assets											
Community Facilities			-	-	-	7 400	7 550	7 550	12 700	-	-
Halls			-	-	-	7 400	7 550	7 550	11 800	-	-
Cemeteries/Crematoria			-	-	-	6 600	6 600	6 600	11 800	-	-
Police			-	-	-	800	950	950	-	-	-
Sport and Recreation Facilities			-	-	-	-	-	-	900	-	-
Indoor Facilities											
Outdoor Facilities			-	-	-	-	-	-	900	-	-
Other assets											
Operational Buildings			-	-	639	200	900	900	-	-	-
Yards			-	-	639	200	200	200	-	-	-
Housing			-	-	-	-	700	700	-	-	-
Staff Housing			-	-	-	-	700	700	-	-	-
Biological or Cultivated Assets											
Intangible Assets											
Servitudes			-	-	(2 309)	4 200	4 500	4 500	2 200	-	-
Licences and Rights			-	-	(2 309)	4 200	4 500	4 500	2 200	-	-
Computer Software and Applications			-	-	(2 309)	4 200	4 500	4 500	2 200	-	-
Computer Equipment											
Computer Equipment			-	-	572	1 950	2 014	2 014	3 030	256	-
			-	-	572	1 950	2 014	2 014	3 030	256	-
Furniture and Office Equipment											
Furniture and Office Equipment			-	-	1 438	2 000	1 750	1 750	1 000	-	-
			-	-	1 438	2 000	1 750	1 750	1 000	-	-
Machinery and Equipment											
Machinery and Equipment			-	-	483	224	224	224	800	-	-
			-	-	483	224	224	224	800	-	-
Transport Assets											
Transport Assets			-	-	3 727	8 250	8 000	8 000	500	-	-
			-	-	3 727	8 250	8 000	8 000	500	-	-
Total Capital Expenditure on new assets	1		-	133 387	156 862	241 559	272 489	272 489	195 324	189 555	200 150

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 2025/2026 MTREF final budget and it is aligned to the Budget.

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 agreement.

mSCOA

The Municipality is compliant with MSCOA, a roadmap that 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 Draft procurement plan for financial year 2025/2026)

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)