

MORETELE LOCAL MUNICIPALITY



**FINAL BUDGET FOR FINANCIAL YEAR
2026/2027 to 2028/2029**

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1. MAYOR'S REPORT

2026/2027 MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK SPEECH BY THE MAYOR OF MORETELE LOCAL MUNICIPALITY CLLR MASANGO GEORGE MANYIKE PRESENTED DURING SPECIAL COUNCIL SITTING HELD ON 26 MAY 2026

**Honourable Speaker Cllr Freda Mapela,
honourable Chief Whip, Cllr Kaike Mleta,
Honourable Members of the Executive Committee,
Chairperson of MPAC, Honourable Cllr Andries Monaheng**

**Esteemed Traditional Leadership,
Kgosikgolo N. Makapan of Bakgatla Ba Moseitlha
Kgosi P. Maubane of Bakgatla Ba Mocha,
Kgosi S. Nawa of Baphuting Ba Nawa**

**Honourable Councillors,
Municipal Manager, Senior Management, and Officials
Ward Councillors, Ward Committees and Community Development Workers,
Moretele Residents at large,
Ladies and gentlemen**

Good morning,

As we gather here today, we do so at a very important moment in the history of this current administration. This Budget is not only about presenting figures, allocations and projections for the 2026/2027 financial year, but it is also a reflection of the journey we have travelled together over the past four years as leadership and administration of this municipality.

Before reflecting on this journey, allow me to sincerely express appreciation to all stakeholders who continue to play an important role in the governance and development of our municipality. We extend our gratitude to all Honourable Councillors, Members of the Executive Committee, Traditional Leaders and their Traditional Councils, the Chairperson and Members of MPAC, the Municipal Manager and Senior Managers, Officials, Ward Committees, Community Development Workers, Pastors Forums, Non-Governmental

Organisations, sector departments and all government institutions for their commitment, cooperation and unwavering support in advancing the affairs of this municipality.

Your collective dedication to accountability, respect for the rule of law, good governance and service to our communities continues to strengthen institutional stability and public confidence in local government. The spirit of cooperation and mutual respect demonstrated between political leadership, traditional leadership, administration, community structures and social partners remains one of the key pillars that has enabled this municipality to navigate challenges while remaining focused on service delivery and development.

When this administration assumed office in 2021, our communities were confronted with numerous service delivery challenges. The municipality itself was facing serious institutional, financial and infrastructure-related pressures which negatively affected our ability to adequately provide basic services to our people. Communities were demanding improved access to water, roads, sanitation, electricity and responsive governance. Equally, the municipality was confronted with governance, financial sustainability and operational challenges which required decisive leadership, stability and collective commitment.

Today, as we reflect on this journey, we can proudly say that through unity of purpose, discipline and commitment, we have managed to reposition this municipality towards a path of institutional stability, accountability and improved service delivery.

Indeed, one of the greatest achievements of this administration has been our ability to work as one collective. We understood our respective responsibilities, respected governance processes and remained committed to the legislative framework governing local government. Through disciplined leadership, ethical governance, sound financial management and professional administration, we have managed to strengthen institutional stability while continuously pursuing clean governance and improved audit outcomes.

I wish to commend both political leadership and administration for demonstrating maturity, patience and dedication even during difficult periods. We did not allow challenges to divide us but instead used them as opportunities to improve our systems, strengthen accountability and reinforce service delivery to our communities.

In the same spirit, allow me to express sincere appreciation to the Municipal Public Accounts Committee (MPAC) for the diligent way it continues to execute its oversight responsibilities. Your commitment towards accountability, consequence management and strengthening governance processes has contributed immensely towards improving institutional credibility and public confidence in council processes.

We equally acknowledge the valuable contribution of the Audit Committee for continuously guiding the municipality on governance compliance, financial oversight and risk management. Their oversight and professional guidance have significantly contributed towards the continuous improvement in the audit outcomes of Moretele Local Municipality as assessed by the Auditor-General of South Africa (AGSA). These improvements affirm that good governance, accountability and prudent financial management remain central to this administration.

Honourable Councillors,

We also wish to appreciate our communities for their patience, understanding and active participation in municipal governance. Our communities continue to hold us accountable for the responsible utilisation of public funds and the delivery of quality services. Through ward committee meetings, community engagements and imbizos, communities have consistently provided constructive feedback which assists the municipality to remain responsive to local needs and priorities.

Special appreciation also goes to sector departments and government institutions for the continued cooperation and partnership in implementing developmental programmes within our municipality. Programmes such as Thuntsha Lerole, Black Economic Empowerment initiatives, Letsema campaigns and various service delivery interventions continue to demonstrate the importance of integrated government planning and cooperative governance in improving the lives of our people.

The Office of the Mayor remains encouraged by the positive impact and meaningful outcomes achieved through the implementation of various skills development and training programmes within the municipality. Initiatives such as the training of traffic officers, artisan development programmes, and IT internship opportunities are not only empowering and

equipping our young people and officials with critical skills but are also creating pathways towards sustainable employment and economic participation. These programmes demonstrate the municipality's commitment to investing in human capital development and restoring dignity through opportunity. We appreciate the dedication shown by all stakeholders involved in ensuring the success of these initiatives, as they continue to contribute towards building a skilled, capable and service-oriented municipality. In the 2026/2027 financial year, the Office of the Mayor will place greater emphasis on the timely implementation of these programmes, with the intention that they commence as early as July 2026 to maximise impact and broaden access to opportunities for our communities.

Honourable Speaker,

As we now turn our attention towards the 2026/2027 Medium-Term Revenue and Expenditure Framework, it is important to indicate that the preparation of this budget has been informed by an inclusive and consultative Integrated Development Plan (IDP) review process.

Following the adoption of the draft IDP and draft budget by Council, the municipality embarked on extensive public participation processes across all wards and stakeholder platforms. Communities, traditional leadership, business sectors, ward committees and sector departments were afforded an opportunity to make inputs and raise developmental priorities affecting their respective areas.

The issues raised during these consultations assisted the municipality in refining both the IDP and the budget priorities. These engagements further informed the preparation of the Service Delivery and Budget Implementation Plan (SDBIP), ensuring alignment between community needs, strategic objectives, available resources and measurable service delivery targets.

The final IDP, SDBIP and Budget to be tabled before Council therefore represent a collective product of public consultation, strategic planning and responsible governance.

They seek to balance the developmental needs of our communities with the financial realities and sustainability obligations of the municipality.

There is a saying that “a budget is not just about numbers, it is about values and priorities.” The document before Council today reflects precisely that. It reflects the difficult choices we had to make, the priorities we agreed upon, and the responsibility we carry towards the people of Moretele.

Honourable Speaker,

The compilation of this budget was not without challenges. One of the major difficulties we encountered was ensuring that service delivery programmes do not drive the municipality into an unfunded or deficit budget position. This required discipline, restraint and responsible decision-making. Certain programmes had to be deferred, phased in gradually, or reprioritised in order to safeguard the long-term financial sustainability of the municipality.

As leadership, we understood that good governance is not demonstrated by promises alone, but by the courage to make decisions that protect the institution for future generations. As former President Nelson Mandela once said, “May your choices reflect your hopes, not your fears.”

Indeed, the choices we made in this budget are guided by the hope of building a stronger, more sustainable and service-orientated municipality.

We remain fully aware of the serious infrastructure backlogs facing our communities, particularly relating to aging and poorly maintained roads, water and wastewater infrastructure. These continue to be among the most pressing concerns consistently raised during our public participation engagements with communities.

The reduction of the Water Services Infrastructure Grant from R42.5 million in the 2025/2026 financial year to only R8.4 million in 2026/2027 presents a significant challenge to the municipality. Since this grant is specifically allocated towards water reticulation and yard connections, the reduction inevitably affects the pace at which certain projects can be implemented.

However, despite these financial pressures, this administration remains committed to directing available resources towards areas of greatest impact for our communities.

We are therefore encouraged by the increase in the Municipal Infrastructure Grant allocation from R139.5 million to R159.9 million in the 2026/2027 financial year. Through this allocation, the municipality has prioritised water and sanitation infrastructure, the completion of existing MIG registered projects, and strategic community development initiatives. Importantly, an amount of R9.3 million has been ring-fenced for the refurbishment of the Maubane Sports Complex, which remains an important investment towards youth development and social cohesion.

Honourable Speaker,

The Final Budget before Council today demonstrates a municipality that continues to strengthen financial discipline, accountability and prudent expenditure management.

The total revenue budget for 2026/2027 amounts to R887.9 million compared to R859.9 million in the previous financial year, reflecting an increase of R28 million. This growth reflects the municipality's continued efforts to strengthen its revenue base while remaining mindful of the economic realities facing our residents.

The operating expenditure budget has increased from R725.5 million in 2025/2026 to R791.3 million in 2026/2027, reflecting an increase of R65.8 million. Importantly, the budget still reflects a projected surplus of R96.6 million, which is essential in maintaining the municipality's cash-backed position and ensuring long-term financial sustainability.

Operational grants amount to R501.2 million, while capital grants amount to R161.1 million, both funded through transfers from national and provincial government departments. These allocations remain critical in supporting the municipality's developmental responsibilities and service delivery obligations.

Revenue generated from property rates and service charges remains a significant component of the municipal revenue basket, with projected collections amounting to R163.2 million for the 2026/2027 financial year.

Honourable Councillors,

The municipality has also continued to implement expenditure control and cost containment measures.

The general expenditure budget has decreased from R84.6 million to R83.4 million, reflecting efforts to reduce non-essential expenditure and improve operational efficiency.

Similarly, contracted services expenditure has decreased from R216.3 million to R210.6million. Within this allocation, R21.7 million has been dedicated towards contractors, R67.3 million towards professional services, and R121.5 million towards other outsourced services. These allocations are intended to ensure operational continuity while also preserving critical municipal infrastructure.

The depreciation budget has increased slightly from R68.3 million to R68.9 million due to additional infrastructure assets being added to the municipal asset register. This reflects the municipality's continued investment in infrastructure development.

Honourable Speaker,

Section 18 and 19 of the MFMA require municipalities to ensure that budgets are funded from realistically anticipated revenues. The expenditure framework of this municipality is therefore guided by a simple but important principle: expenditure must remain within the limits of available resources and anticipated cash flows.

This means that while the demand for expanded services and new development projects remains high, the municipality must continue to exercise fiscal discipline and avoid commitments that cannot be sustainably funded.

As Winston Churchill once said, "The price of greatness is responsibility." This responsibility requires us to make decisions that may sometimes be difficult in the short term, but necessary for the future stability of the municipality.

This Final Budget therefore seeks to strike a balance between community expectations, developmental priorities and the financial realities facing local government today.

I wish to acknowledge our traditional leaders and community stakeholders who participated meaningfully during the public consultation processes. Your contributions continue to shape the direction and priorities of this municipality.

As we adopt this Final Budget today, our responsibility now shifts towards implementation, accountability and delivery. Communities will not judge us by reports, presentations or policy documents, but by visible improvements in their daily lives.

They expect roads that are maintained, reliable water supply, functioning sanitation infrastructure, responsive municipal services and opportunities that restore dignity and hope to our people.

As leadership, we remain committed to ensuring that every cent of public funds entrusted to this municipality is utilised responsibly, transparently and in a manner that advances service delivery and improves the lives of our people.

Together, let us continue working in unity, discipline and partnership as we consolidate the progress we have made and build a responsive, accountable and developmental municipality for generations to come.

I thank you.

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 2026/2027 MTREF.

The main challenges experienced during the compilation of the Budget 2026/2027

MTREF can be summarized as follows:

- Based on the programs that the service delivery department must undertake, we had to ensure that they do not drive the budget to be in deficit, which means that certain programs have to wait or stop 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 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 – MIG allocation for 2025/2026 was **R139.5** million, it has been increased to **R159.9**-million in 2026/2027. The municipality has prioritized water and sanitation on new projects and completion of MIG registered projects and **R9.3** million is ring-fenced for refurbishment of Maubane sport complex.

- ❖ WSIG allocation for 2025/2026 was **R42.5-million**, it has been reduced to **R8.4 - million** in 2026/2027 financial year. The grant is allocated for Water Reticulation and yard connections.

The following budget principles and guidelines directly informed the compilation of the Final Budget 2026/2027:

- The 2026/2027 Final Budget priorities and targets, as well as the baseline allocations contained in the final Budget were adopted as the upper limits for the new baselines.
- Intermediate service level standards were used to inform measurable objectives, targets, and backlog eradication goals; In view of the following table is a consolidated overview of the proposed 2026/2027 Medium-term Revenue and Expenditure.

Classification "&desc R thousand	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue									
Total Revenue	758 944	740 147	842 337	822 386	859 905	859 905	887 975	936 132	976 472
Expenditure									
Total Expenditure	693 238	742 361	801 312	706 266	725 587	725 587	791 332	811 920	839 488
Surplus/(Deficit) for the year	65 706	(2 213)	41 024	116 120	134 318	134 318	96 643	124 212	136 985

- The total revenue budget for **2025/2026 was R859.9 million** including capital budget revenue when compared with **2026/2027 budget of R887.9-million** which represents an increase budget income estimates of **R28 -million**.
- The 2025/2026 Financial Year (FY) operating expenditure was **R 725.5 million**, compared to the budget of **R791.3 million for 2026/2027** which indicates an increase of **R65.8 million**. This reflects a **surplus of R 96.6 million**.

3. OPERATING REVENUE AND EXPENDITURE BUDGET NARRATIONS

NW371 Moretele - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands										
Financial Performance										
Property rates	28 781	28 862	31 089	23 091	23 091	23 091	23 091	23 946	24 736	25 527
Service charges	57 203	61 079	62 466	70 011	70 011	70 011	70 011	139 289	143 886	148 490
Investment revenue	22 049	31 617	28 021	33 008	33 008	33 008	33 008	34 229	35 359	36 490
Transfer and subsidies - Operational	421 953	455 986	481 397	497 914	498 003	498 003	498 003	502 992	506 410	532 281
Other own revenue	32 371	18 284	29 686	22 972	25 402	25 402	25 402	26 341	27 211	28 081
Total Revenue (excluding capital transfers and contributions)	562 357	595 828	632 658	646 995	649 514	649 514	649 514	726 798	737 601	770 870
Employee costs	142 738	156 654	167 342	188 080	188 080	188 080	188 080	203 509	214 193	225 439
Remuneration of councillors	21 578	23 256	23 981	24 618	25 079	25 079	25 079	26 082	27 125	28 210
Depreciation, amortisation and impairment	108 093	134 455	67 726	68 351	68 351	68 351	68 351	68 979	71 255	73 535
Interest, Dividends and Rent on Land	101 994	81 229	134 067	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	63 700	55 439	59 545	60 273	58 962	58 962	58 962	59 964	61 943	63 925
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	255 134	291 328	348 652	364 944	385 115	385 115	385 115	432 798	437 403	448 379
Total Expenditure	693 238	742 361	801 312	706 266	725 587	725 587	725 587	791 332	811 920	839 488
Surplus/(Deficit)	(130 880)	(146 533)	(168 654)	(59 271)	(76 073)	(76 073)	(76 073)	(64 534)	(74 319)	(68 618)
Transfers and subsidies - capital (monetary allocations)	196 587	144 320	209 679	175 391	210 391	210 391	210 391	161 177	198 531	205 603
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	65 706	(2 213)	41 024	116 120	134 318	134 318	134 318	96 643	124 212	136 985
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	65 706	(2 213)	41 024	116 120	134 318	134 318	134 318	96 643	124 212	136 985
Capital expenditure & funds sources										
Capital expenditure	128 269	133 489	267 593	196 472	227 472	227 472	227 472	185 157	198 731	205 853
Transfers recognised - capital	125 707	120 577	194 947	175 391	210 391	210 391	210 391	161 177	198 731	205 853
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	2 562	12 912	72 645	21 081	17 081	17 081	17 081	23 980	-	-
Total sources of capital funds	128 269	133 489	267 593	196 472	227 472	227 472	227 472	185 157	198 731	205 853
Financial position										
Total current assets	342 803	362 861	308 797	248 416	284 122	284 122	284 122	333 942	402 323	480 928
Total non current assets	1 279 541	1 545 676	1 672 531	1 835 224	1 831 652	1 831 652	1 831 652	1 947 831	2 075 307	2 207 624
Total current liabilities	180 389	187 420	225 763	187 547	225 890	225 890	225 890	205 942	205 942	205 942
Total non current liabilities	7 356	7 898	8 236	7 898	8 236	8 236	8 236	8 236	8 236	8 236
Community wealth/Equity	1 434 599	1 713 219	1 747 329	1 888 194	1 881 647	1 881 647	1 881 647	2 067 595	2 263 452	2 474 374
Cash flows										
Net cash from (used) operating	389 115	344 103	364 003	138 482	183 540	183 540	183 540	184 886	215 367	231 056
Net cash from (used) investing	(207 694)	(169 616)	(233 076)	(196 472)	(227 472)	(227 472)	(227 472)	(185 157)	(198 731)	(205 853)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	453 139	460 315	402 581	152 041	209 161	209 161	209 161	246 560	263 195	288 398
Cash backing/surplus reconciliation										
Cash and investments available	453 139	460 315	402 581	152 041	209 161	209 161	209 161	246 560	263 195	288 398
Application of cash and investments	187 701	209 463	252 886	212 318	266 951	266 951	266 951	227 887	211 997	195 598
Balance - surplus (shortfall)	265 438	250 852	149 695	(60 277)	(57 790)	(57 790)	(57 790)	18 673	51 198	92 801
Asset management										
Asset register summary (WDV)	1 450 654	1 713 346	1 992 375	1 581 293	1 956 595	1 956 595	1 956 595	1 900 897	1 829 642	1 756 106
Depreciation	108 093	134 455	67 726	68 351	68 351	68 351	68 351	68 979	71 255	73 535
Renewal and Upgrading of Existing Assets	(5 285)	(464)	7 010	117	-	-	-	-	-	-
Repairs and Maintenance	15 799	17 122	26 653	26 621	26 450	26 450	26 450	26 070	22 798	23 528
Free services										
Cost of Free Basic Services provided	(6 683)	(6 699)	(6 986)	(14 886)	(14 886)	(14 886)	(14 886)	(14 886)	(24 784)	(25 602)
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
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 for 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.

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:

GRANTS

NW371 Moretele - Supporting Table SA18 Transfers and grant receipts				
Description	2026/27 Medium Term Revenue & Expenditure Framework			
	Budget Year 2025/2026	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand				
RECEIPTS				
National Government				
Local Government Equitable Share	479 741	484 660	493 863	519 302
Energy efficiency and demand side management grant	4 000	–	–	–
Local government financial management grant	2 900	2 900	2 900	3 000
Integrated national electrification programme grant	–	4 000	–	–
Municipal infrastructure grant	6 678	7 232	7 873	8 130
Expanded public works programme integrated grant	3 036	2 485	–	–
Total Monetary Allocations	496 355	501 277	504 636	530 432
Total Operating/National Government	496 355	501 277	504 636	530 432
Monetary Allocations				
Other Grant Providers	1 648	1 716	1 774	1 831
Total Monetary Allocations	1 648	1 715 835	1 774 106	1 830 877
Total Operating	498 003	502 992	506 410	532 262
Capital				
National Government				
Municipal Disaster Recovery Grant	20 000	–	–	–
Municipal Disaster Response Grant	15 000	–	–	–
Municipal Infrastructure Grant	132 828	152 717	149 587	154 461
Water Services Infrastructure Grant	42 563	8 460	48 944	51 142
Total Capital	210 391	161 177	198 531	205 603
TOTAL RECEIPTS OF TRANSFERS AND GRANTS	708 394	664 170	704 941	737 865

The total allocation for operational grants for 2026/2027 is **R501.2-million** funded by transfers from National Department and other departments. The Capital grant allocation is **R161.1 million** funded by transfers from National Departments.

Service Charges

Description	2026/27 Medium Term Revenue & Expenditure Framework			
	Budget Year 2025/26	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand				
Revenue				
Service charges				
Service charges - Water	40 300	108 479	112 059	115 645
Service charges - Waste Management	29 710	30 810	31 826	32 845
Property rates	23 091	23 946	24 736	25 527
Total Revenue (excluding capital transfers and	93 102	163 235	168 621	174 017

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 a significant percentage of the revenue basket for the Municipality. The total revenue projections for Property rates and service charges for 2026/2027 are **R163.2 million**, the municipality currently applies a flat-rate tariff for unmetered water consumers, which is not fully cost reflective. Considering the approved bulk water tariff increase by Magalies Water and rising operational costs, a cost-reflective analysis was undertaken.

The analysis considered the unit cost of bulk water, estimated average household consumption, and associated distribution and operational costs. The findings indicate that the current flat-rate tariff is under-recovering the actual cost of service provision.

To address the issue, the municipality proposes a phased adjustment of the flat-rate tariff over the MTREF period to gradually align it with the cost of supply, while mitigating the impact on indigent households. This approach supports financial sustainability while ensuring affordability and compliance with tariff-setting principles. This reflects 22% of the total revenue budget excluding capital transfers of **R727.09 million**.

Description	2025/26	2026/27	2027/28	2028/29
Fixed Monthly- Flat Rate (unmetered households)	R70,09 (Excl.VAT)	R157,31 (Excl.VAT)	R162,50(Excl.VAT)	R167,70(Excl.VAT)
Fixed Monthly- Flat Rate (unmetered business & government)	R70,09 (Excl.VAT)	R219,28 (Excl.VAT)	R226,52(Excl.VAT)	R233,77(Excl.VAT)

Other Operational Revenue

Description	2026/27 Medium Term Revenue & Expenditure Framework				
	R thousand	Budget Year 2025/2026	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue					
Sale of Goods and Rendering of Services		515	534	551	569
Interest earned from Receivables		16 499	17 109	17 674	18 239
Interest earned from Investments		33 008	34 229	35 359	36 490
Rental from Fixed Assets		191	198	205	211
Licence and permits		1 200	1 245	1 286	1 327
Operational Revenue		550	570	589	608
Fines, penalties and forfeits		3 000	3 111	3 214	3 317
Total		54 962	56 996	58 877	60 761

The budget allocation for Other operational revenue for 2026/2027 is **R54.9** million.

3.2. OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2026/2027 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 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 2026/2027 budget and MTREF (classified per main type of operating expenditure):

EMPLOYEES' COSTS

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand						
Expenditure						
Employee related costs	188 080	188 080	188 080	203 509	214 193	225 439
Remuneration of councillors	24 618	25 079	25 079	26 082	27 125	28 210
Inventory consumed	60 273	58 962	58 962	59 964	61 943	63 925
Debt impairment	75 841	83 792	83 792	138 712	143 289	147 874
Depreciation, amortisation and impairment	68 351	68 351	68 351	68 979	71 255	73 535
Contracted services	205 177	216 722	216 722	210 631	208 040	212 058
Operational costs	83 926	84 601	84 601	83 455	86 074	88 447
Total Expenditure	706 266	725 587	725 587	791 332	811 920	839 488

The allocation for employee related costs for the 2025/2026 financial year was **R188.08** million and for 2026/2027 is **R203.5** million, which equals 26 per cent of the total operating expenditure. The increase of 4.75% is applied on the new job evaluation salary scale and is in line with 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.

COUNCILLORS COSTS

The budget allocation for Councilor's costs for 2025/2026 was **R25.07** million with 4% increase applied for 2026/2027 FY resulting in **R26.08** million, the increase is based on the previous year's trend. 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).

DEBT IMPAIRMENT/WRITE-OFF

The provision of debt impairment was determined based on a non-collection rate of 85 per cent and the Debt Write-off Policy of the Municipality. The current situation is that the municipality has been impairing 85% of its debtors every year. 15% is mainly the government and business institution who we try every month to collect the amount owed to the municipality. The Debt impairment projection for 2026/2027 is R138.7 million.

BULK PURCHASES (INVENTORY CONSUMED)

The budget for 2026/2027 has increased to R59.9 million, this indicates an increase of R800 thousand. The increase in the bulk water is primarily driven by the approved tariff adjustment by Magalies Water, which is the Municipality's main bulk water supplier. For the 2026/2027 financial year, Magalies Water proposed a **R13,04 per kl tariff increase**, resulting in an upward revision of the Municipality's bulk purchase costs.

REPAIRS AND MAINTENANCE

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		15 799	15 750	25 452	24 523	24 603	24 603	24 155	20 820	21 486
Roads Infrastructure		-	194	397	3 260	1 997	1 997	2 071	2 139	2 207
Electrical Infrastructure		-	3 348	2 870	7 000	7 000	7 000	5 800	1 859	1 919
Water Supply Infrastructure		-	4 591	13 949	6 799	6 799	6 799	7 050	7 283	7 516
Sanitation Infrastructure		-	5 058	5 575	4 869	6 132	6 132	6 159	6 362	6 565
Information and Communication Infrastructure		15 799	2 559	2 661	2 596	2 676	2 676	3 075	3 177	3 278
Community Assets		-	195	281	314	314	314	326	337	347
Furniture and Office Equipment		-	36	50	209	59	59	61	63	65
Machinery and Equipment		-	3	38	192	92	92	95	98	102
Transport Assets		-	1 138	832	1 382	1 382	1 382	1 433	1 481	1 528
Total Repairs and Maintenance Expend	1	15 799	17 122	26 653	26 621	26 450	26 450	26 070	22 798	23 528

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 drive but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. The total budget for Repairs and maintenance is **R26.07 million**.

GENERAL EXPENDITURE

The general expenditure budget for 2025/2026 amounts to R84.6 million, when compared to R83.4 million for 2026/2027 financial year this reflects **R1.2 million** decrease.

CONTRACTED SERVICES

The contracted services budget for the year 2025/2026 was **R216.3** million and for the financial year 2026/2027 the budget is **R210.6** million, this reflects a decrease of **R5.7** million. Consultants and professionals were budgeted under contracted services for the value of **R67.38** million, Contractors for **R21.72** million and other outsourced services for **R121.52** million.

DEPRECIATION

The Depreciation budget allocation for 2025/2026 was **R68.3** million, it has increased by R627 thousand when compared to 2026/2027 budget of **R68.9** million, the indicator to increase the depreciation, is due to the additional of assets added to the assets register.

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 2026/2027 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

4.1 TABLE 6 EXPLANATORY NOTES TO MBRR TABLE A1 - BUDGET

NW371 Moretele - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands										
Financial Performance										
Property rates	28 781	28 862	31 089	23 091	23 091	23 091	23 091	23 946	24 736	25 527
Service charges	57 203	61 079	62 466	70 011	70 011	70 011	70 011	139 289	143 886	148 490
Investment revenue	22 049	31 617	28 021	33 008	33 008	33 008	33 008	34 229	35 359	36 490
Transfer and subsidies - Operational	421 953	455 986	481 397	497 914	498 003	498 003	498 003	502 992	506 410	532 281
Other own revenue	32 371	18 284	29 686	22 972	25 402	25 402	25 402	26 341	27 211	28 081
Total Revenue (excluding capital transfers and contributions)	562 357	595 828	632 658	646 995	649 514	649 514	649 514	726 798	737 601	770 870
Employee costs	142 738	156 654	167 342	188 080	188 080	188 080	188 080	203 509	214 193	225 439
Remuneration of councillors	21 578	23 256	23 981	24 618	25 079	25 079	25 079	26 082	27 125	28 210
Depreciation, amortisation and impairment	108 093	134 455	67 726	68 351	68 351	68 351	68 351	68 979	71 255	73 535
Interest, Dividends and Rent on Land	101 994	81 229	134 067	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	63 700	55 439	59 545	60 273	58 962	58 962	58 962	59 964	61 943	63 925
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	255 134	291 328	348 652	364 944	385 115	385 115	385 115	432 798	437 403	448 379
Total Expenditure	693 238	742 361	801 312	706 266	725 587	725 587	725 587	791 332	811 920	839 488
Surplus/(Deficit)	(130 880)	(146 533)	(168 654)	(59 271)	(76 073)	(76 073)	(76 073)	(64 534)	(74 319)	(68 618)
Transfers and subsidies - capital (monetary allocations)	196 587	144 320	209 679	175 391	210 391	210 391	210 391	161 177	198 531	205 603
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	65 706	(2 213)	41 024	116 120	134 318	134 318	134 318	96 643	124 212	136 985
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	65 706	(2 213)	41 024	116 120	134 318	134 318	134 318	96 643	124 212	136 985
Capital expenditure & funds sources										
Capital expenditure	128 269	133 489	267 593	196 472	227 472	227 472	227 472	185 157	198 731	205 853
Transfers recognised - capital	125 707	120 577	194 947	195 391	210 391	210 391	210 391	161 177	198 731	205 853
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	2 562	12 912	72 645	21 081	17 081	17 081	17 081	23 980	-	-
Total sources of capital funds	128 269	133 489	267 593	196 472	227 472	227 472	227 472	185 157	198 731	205 853
Financial position										
Total current assets	342 803	362 861	308 797	248 416	284 122	284 122	284 122	333 942	402 323	480 928
Total non current assets	1 279 541	1 545 676	1 672 531	1 835 224	1 831 652	1 831 652	1 831 652	1 947 831	2 075 307	2 207 624
Total current liabilities	180 389	187 420	225 763	187 547	225 890	225 890	225 890	205 942	205 942	205 942
Total non current liabilities	7 356	7 898	8 236	7 898	8 236	8 236	8 236	8 236	8 236	8 236
Community wealth/Equity	1 434 599	1 713 219	1 747 329	1 888 194	1 881 647	1 881 647	1 881 647	2 067 595	2 263 452	2 474 374
Cash flows										
Net cash from (used) operating	389 115	344 103	364 003	138 482	183 540	183 540	183 540	184 886	215 367	231 056
Net cash from (used) investing	(207 694)	(169 616)	(233 076)	(196 472)	(227 472)	(227 472)	(227 472)	(185 157)	(198 731)	(205 853)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	453 139	460 315	402 581	152 041	209 161	209 161	209 161	246 560	263 195	288 398
Cash backing/surplus reconciliation										
Cash and investments available	453 139	460 315	402 581	152 041	209 161	209 161	209 161	246 560	263 195	288 398
Application of cash and investments	187 701	209 463	252 886	212 318	266 951	266 951	266 951	227 887	211 997	195 598
Balance - surplus (shortfall)	265 438	250 852	149 695	(60 277)	(57 790)	(57 790)	(57 790)	18 673	51 198	92 801
Asset management										
Asset register summary (WDV)	1 450 654	1 713 346	1 992 375	1 581 293	1 956 595	1 956 595	-	1 900 897	1 829 642	1 756 106
Depreciation	108 093	134 455	67 726	68 351	68 351	68 351	68 979	71 255	73 535	-
Renewal and Upgrading of Existing Assets	(5 285)	(464)	7 010	117	-	-	-	-	-	-
Repairs and Maintenance	15 799	17 122	26 653	26 621	26 450	26 450	26 070	22 798	23 528	-
Free services										
Cost of Free Basic Services provided	(6 683)	(6 699)	(6 986)	(14 886)	(14 886)	(14 886)	-	(14 886)	(24 784)	(25 602)
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

- a. Table A1 is a budget summary and provides a concise overview of the Municipality's budget
- b. from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- c. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- d. Financial management reforms emphasize the importance of the municipal budget being funded. This requires simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow budget
 - iii. Internally generated funds are financed from a combination of the current generating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

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

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

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		501 197	511 120	544 555	544 371	546 889	546 889	554 185	565 587	593 328
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		501 197	511 120	544 555	544 371	546 889	546 889	554 185	565 587	593 328
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 308	1 036	1 029	1 200	36 289	36 289	1 344	1 390	1 453
Community and social services		1 191	1 036	1 029	1 200	36 289	36 289	1 344	1 390	1 453
Sport and recreation		118	0	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		132 237	120 906	141 820	140 706	140 706	140 706	161 194	158 746	163 917
Planning and development		131 587	120 158	141 181	139 506	139 506	139 506	159 949	157 460	162 590
Road transport		650	748	639	1 200	1 200	1 200	1 245	1 286	1 327
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		124 201	107 086	154 933	136 108	136 020	136 020	171 252	210 409	217 774
Energy sources		-	-	-	4 000	4 000	4 000	4 000	-	-
Water management		124 201	76 068	121 635	95 612	95 524	95 524	129 406	171 314	177 428
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	31 018	33 298	36 496	36 496	36 496	37 846	39 095	40 346
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	758 944	740 147	842 337	822 386	859 905	859 905	887 975	936 132	976 472
Expenditure - Functional										
<i>Governance and administration</i>		254 782	315 260	326 000	359 113	378 316	378 316	434 381	448 268	462 641
Executive and council		63 286	75 958	89 190	80 354	82 279	82 279	84 846	88 318	91 902
Finance and administration		187 251	234 434	231 334	269 851	288 278	288 278	340 314	350 300	360 642
Internal audit		4 245	4 868	5 476	8 907	7 759	7 759	9 222	9 650	10 097
<i>Community and public safety</i>		22 227	23 707	25 768	29 881	30 149	30 149	29 914	31 240	32 631
Community and social services		18 309	19 454	22 631	24 943	25 181	25 181	24 921	26 011	27 157
Sport and recreation		3 588	3 991	3 128	3 880	3 949	3 949	4 030	4 217	4 412
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		330	261	9	1 058	1 018	1 018	963	1 012	1 062
<i>Economic and environmental services</i>		69 082	73 928	92 210	136 893	135 480	135 480	152 843	156 282	162 097
Planning and development		57 578	61 885	77 562	90 943	90 793	90 793	95 325	96 419	99 823
Road transport		11 505	12 043	14 647	45 951	44 688	44 688	57 518	59 863	62 274
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		347 147	329 466	357 335	180 379	181 642	181 642	174 194	176 130	182 119
Energy sources		14 281	18 632	21 714	24 490	24 490	24 490	22 108	18 705	19 304
Water management		298 933	297 760	295 756	127 210	127 563	127 563	124 576	128 980	133 433
Waste water management		33 933	13 074	39 865	-	-	-	-	-	-
Waste management		-	-	-	28 679	29 589	29 589	27 510	28 444	29 383
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	693 238	742 361	801 312	706 266	725 587	725 587	791 332	811 920	839 488
Surplus/(Deficit) for the year		65 706	(2 213)	41 024	116 120	134 318	134 318	96 643	124 212	136 985

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

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

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote										
Vote 1 - Executive and Council	1	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		501 197	511 120	544 555	544 371	546 889	546 889	554 185	565 587	593 328
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		1 191	1 036	1 029	1 200	36 289	36 289	1 344	1 390	1 453
Vote 5 - Sport and Recreation		118	0	-	-	-	-	-	-	-
Vote 6 - Health		-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		131 587	120 158	141 181	139 506	139 506	139 506	159 949	157 460	162 590
Vote 8 - Road Transport		650	748	639	1 200	1 200	1 200	1 245	1 286	1 327
Vote 9 - Energy Sources		-	-	-	4 000	4 000	4 000	4 000	-	-
Vote 10 - Water Management		124 201	76 068	121 635	95 612	95 524	95 524	129 406	171 314	177 428
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Waste Management		-	31 018	33 298	36 496	36 496	36 496	37 846	39 095	40 346
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	758 944	740 147	842 337	822 386	859 905	859 905	887 975	936 132	976 472
Expenditure by Vote to be appropriated										
Vote 1 - Executive and Council	1	63 286	75 958	89 190	80 354	82 279	82 279	84 846	88 318	91 902
Vote 2 - Finance and Administration		187 251	234 434	231 334	269 851	288 278	288 278	340 314	350 300	360 642
Vote 3 - Internal Audit		4 245	4 868	5 476	8 907	7 759	7 759	9 222	9 650	10 097
Vote 4 - Community and Social Services		18 309	19 454	22 631	24 943	25 181	25 181	24 921	26 011	27 157
Vote 5 - Sport and Recreation		3 588	3 991	3 128	3 880	3 949	3 949	4 030	4 217	4 412
Vote 6 - Health		330	261	9	1 058	1 018	1 018	963	1 012	1 062
Vote 7 - Planning and Development		57 578	61 885	77 562	90 943	90 793	90 793	95 325	96 419	99 823
Vote 8 - Road Transport		11 505	12 043	14 647	45 951	44 688	44 688	57 518	59 863	62 274
Vote 9 - Energy Sources		14 281	18 632	21 714	24 490	24 490	24 490	22 108	18 705	19 304
Vote 10 - Water Management		298 933	297 760	295 756	128 201	129 464	129 464	125 898	130 372	134 897
Vote 11 - Waste Water Management		33 933	13 074	39 865	-	-	-	-	-	-
Vote 12 - Waste Management		-	-	-	27 688	27 688	27 688	26 188	27 053	27 918
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	693 238	742 361	801 312	706 266	725 587	725 587	791 332	811 920	839 488
Surplus/(Deficit) for the year	2	65 706	(2 213)	41 024	116 120	134 318	134 318	96 643	124 212	136 985

4.4. EXPLANATORY NOTES TO MBRR TABLE A3A - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)

NW371 Moretele - Table A3A Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		501 197	511 120	544 555	544 371	546 889	546 889	554 185	565 587	593 328
2.1 - Finance and Administration - Administrative and Corpora		440 193	478 358	499 669	517 522	519 522	519 522	525 806	536 271	563 074
2.2 - Finance and Administration - Asset Management		16 279	-	100	-	380	380	394	407	420
2.3 - Finance and Administration - Legal Services		-	-	-	-	65	65	68	70	72
2.4 - Finance and Administration - Finance		44 327	32 597	44 561	26 849	26 921	26 921	27 918	28 839	29 762
2.5 - Finance and Administration -Human resource		399	164	225	-	-	-	-	-	-
Vote 4 - Community and Social Services		1 191	1 036	1 029	1 200	36 289	36 289	1 344	1 390	1 434
4.1 - Community and Social Services - Cemeteries Funeral Parlours and Crematoriums										
4.2 - Community and Social Services - Community Halls and		200	-	-	-	35 000	35 000	-	-	-
4.3 - Community and Social Services - Libraries and Archive		991	1 036	1 029	1 200	1 289	1 289	1 344	1 390	1 434
Vote 5 - Sport and Recreation		118	0	-	-	-	-	-	-	-
Vote 7 - Planning and Development		131 587	120 158	141 181	139 506	139 506	139 506	159 949	157 460	162 590
7.1 - Planning and Development - Economic Development/Pl		0	-	-	-	-	-	-	-	-
7.2 - Planning and Development - Project Management Unit		131 587	120 158	141 181	139 506	139 506	139 506	159 949	157 460	162 590
Vote 8 - Road Transport		650	748	639	1 200	1 200	1 200	1 245	1 286	1 327
8.1 - Road Transport - Public Transport		650	748	639	1 200	1 200	1 200	1 245	1 286	1 327
8.2 - Road Transport - Roads										
Vote 9 - Energy Sources		-	-	-	4 000	4 000	4 000	4 000	-	-
9.1 - Energy Sources - Electricity										
9.2 - Energy Sources - Street Lighting and Signal Systems		-	-	-	4 000	4 000	4 000	4 000	-	-
Vote 10 - Water Management		124 201	76 068	121 635	95 612	95 524	95 524	129 406	171 314	177 428
10.1 - Water Management - Water Treatment		-	20	22	48	48	48	50	52	53
10.2 - Water Management - Water Distribution		124 201	76 048	121 613	95 564	95 476	95 476	129 356	171 262	177 374
10.3 - Water Management - Water Distribution										
Vote 12 - Waste Management		-	31 018	33 298	36 496	36 496	36 496	37 846	39 095	40 346
12.1 - Solid Waste Removal		-	31 018	33 298	36 496	36 496	36 496	37 846	39 095	40 346
Total Revenue by Vote	2	758 944	740 147	842 337	822 386	859 905	859 905	887 975	936 132	976 454

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure by Vote										
Vote 1 - Executive and Council	1	63 286	75 958	89 190	80 354	82 279	82 279	84 846	88 318	91 902
1.1 - Executive and Council - Mayor and Council		63 286	75 958	89 190	80 354	82 279	82 279	84 846	88 318	91 902
Vote 2 - Finance and Administration		187 251	234 434	231 334	269 851	288 278	288 278	340 314	350 300	360 642
2.1 - Finance and Administration - Administrative and Corporate Services		87 798	101 703	88 580	82 789	84 342	84 342	88 951	90 804	92 738
2.2 - Finance and Administration - Asset Management		7 951	25 374	12 950	17 427	22 183	22 183	19 011	19 110	19 210
2.3 - Finance and Administration - Legal Services										
2.4 - Finance and Administration - Finance		39 864	42 791	69 425	44 998	42 874	42 874	62 841	65 006	67 318
2.5 - Finance and Administration - Human resource		26 019	33 135	16 174	67 567	83 510	83 510	113 134	117 198	121 314
2.6 - Finance and Administration - Information Technology		19 589	26 213	25 271	37 109	36 109	36 109	33 645	34 270	34 910
2.7 - Finance and Administration - Supply Chain Management		6 030	5 218	18 933	19 962	19 259	19 259	22 732	23 912	25 153
Vote 3 - Internal Audit		4 245	4 868	5 476	8 907	7 759	7 759	9 222	9 650	10 097
3.1 - Internal Audit - Governance Function		4 245	4 868	5 476	8 907	7 759	7 759	9 222	9 650	10 097
Vote 4 - Community and Social Services		18 309	19 454	22 631	24 943	25 181	25 181	24 921	26 011	27 157
4.1 - Community and Social Services - Cemeteries Funeral Parades and Burial Services		363	195	281	314	314	314	326	337	347
4.2 - Community and Social Services - Community Halls and Centres		15 925	16 485	20 404	22 104	22 254	22 254	21 841	22 802	23 797
4.3 - Community and Social Services - Libraries and Archives		2 022	2 774	1 946	2 524	2 613	2 613	2 754	2 873	3 013
Vote 5 - Sport and Recreation		3 588	3 991	3 128	3 880	3 949	3 949	4 030	4 217	4 412
5.1 - Sport and Recreation - Sports Grounds and Stadiums		3 588	3 991	3 128	3 880	3 949	3 949	4 030	4 217	4 412
Vote 6 - Health		330	261	9	1 058	1 018	1 018	963	1 012	1 062
6.1 - Health - Health Services		330	261	9	1 058	1 018	1 018	963	1 012	1 062
Vote 7 - Planning and Development		57 578	61 885	77 562	90 943	90 793	90 793	95 325	96 419	99 823
7.1 - Planning and Development - Economic Development/Projects		50 411	57 580	70 851	84 264	84 114	84 114	88 094	88 746	91 943
7.2 - Planning and Development - Project Management Unit		7 167	4 305	6 711	6 678	6 678	6 678	7 232	7 673	7 880
Vote 8 - Road Transport		11 505	12 043	14 647	45 951	44 688	44 688	57 518	59 863	62 274
8.1 - Road Transport - Public Transport		1 780	2 139	2 426	14 885	14 885	14 885	16 072	16 903	17 776
8.2 - Road Transport - Roads		9 724	9 904	12 221	31 066	29 803	29 803	41 446	42 961	44 498
Vote 9 - Energy Sources		14 281	18 632	21 714	24 490	24 490	24 490	22 108	18 705	19 304
9.1 - Energy Sources - Electricity		14 281	18 632	21 714	20 490	20 490	20 490	18 108	18 705	19 304
9.2 - Energy Sources - Street Lighting and Signal Systems		-	-	-	4 000	4 000	4 000	4 000	-	-
Vote 10 - Water Management		298 933	297 760	295 756	128 201	129 464	129 464	125 898	130 372	134 897
10.1 - Water Management - Water Treatment										
10.2 - Water Management - Water Distribution		298 933	297 760	295 756	127 210	127 563	127 563	124 576	128 980	133 433
10.3 - Water Management - Water Distribution		-	-	-	991	1 901	1 901	1 322	1 392	1 465
Vote 11 - Waste Water Management		33 933	13 074	39 865	-	-	-	-	-	-
11.1 - Waste Water Management - Public Toilets		33 933	13 074	39 865	-	-	-	-	-	-
11.2 - Waste Water Management - Waste Water Treatment		-	-	-	-	-	-	-	-	-
Vote 12 - Waste Management		-	-	-	27 688	27 688	27 688	26 188	27 053	27 918
12.1 - Solid Waste Removal		-	-	-	27 688	27 688	27 688	26 188	27 053	27 918
Total Expenditure by Vote	2	693 238	742 361	801 312	706 266	725 587	725 587	791 332	811 920	839 488
Surplus/(Deficit) for the year	2	65 706	(2 213)	41 024	116 120	134 318	134 318	96 643	124 212	136 985

Table A3A 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.

4.4 TABLE 9 MBRR TABLE A4 - BUDGETED FINANCIAL PERFORMANCE

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	33 433	35 530	35 561	40 300	40 300	40 300	40 300	108 479	112 059	115 645
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	23 770	25 549	26 905	29 710	29 710	29 710	29 710	30 810	31 826	32 845
Sale of Goods and Rendering of Services	2	667	472	422	515	515	515	515	534	551	569
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest	2	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	14 516	13 369	16 223	16 499	16 499	16 499	16 499	17 109	17 674	18 239
Interest earned from Current and Non Current Assets	2	22 049	31 617	28 021	33 008	33 008	33 008	33 008	34 229	35 359	36 490
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	173	178	180	191	191	191	191	198	205	211
Licence and permits	2	650	748	639	1 200	1 200	1 200	1 200	1 245	1 286	1 327
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	87	106	9 475	120	550	550	550	570	589	608
Non-Exchange Revenue											
Property rates	2	28 781	28 862	31 089	23 091	23 091	23 091	23 091	23 946	24 736	25 527
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	-	-	-	1 000	3 000	3 000	3 000	3 111	3 214	3 317
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	421 953	455 986	481 397	497 914	498 003	498 003	498 003	502 992	506 410	532 281
Interest	2	-	3 375	3 851	3 447	3 447	3 447	3 447	3 575	3 693	3 811
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Gains	2	16 279	36	(1 103)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		562 357	595 828	632 658	646 995	649 514	649 514	649 514	726 798	737 601	770 870
Expenditure											
Employee related costs	2	142 738	156 654	167 342	188 080	188 080	188 080	188 080	203 509	214 193	225 439
Remuneration of councillors	2	21 578	23 256	23 981	24 618	25 079	25 079	25 079	26 082	27 125	28 210
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	2,8	63 700	55 439	59 545	60 273	58 962	58 962	58 962	59 964	61 943	63 925
Debt impairment	2,3	-	-	-	75 841	83 792	83 792	83 792	138 712	143 289	147 874
Depreciation, amortisation and impairment	2	108 093	134 455	67 726	68 351	68 351	68 351	68 351	68 979	71 255	73 535
Interest, Dividends and Rent on Land	2	101 994	81 229	134 067	-	-	-	-	-	-	-
Contracted services	2	181 819	188 846	266 887	205 177	216 722	216 722	216 722	210 631	208 040	212 058
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	4 478	-	-	-	-	-	-	-	-	-
Operational costs	2	60 887	77 109	81 941	83 926	84 601	84 601	84 601	83 455	86 074	88 447
Disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Losses	2	7 951	25 374	(176)	-	-	-	-	-	-	-
Total Expenditure		693 238	742 361	801 312	706 266	725 587	725 587	725 587	791 332	811 920	839 488
Surplus/(Deficit)		(130 880)	(146 533)	(168 654)	(59 271)	(76 073)	(76 073)	(76 073)	(64 534)	(74 319)	(68 618)
Transfers and subsidies - capital (monetary allocations)	6	196 587	144 320	209 679	175 391	210 391	210 391	210 391	161 177	198 531	205 603
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		65 706	(2 213)	41 024	116 120	134 318	134 318	134 318	96 643	124 212	136 985

1. Total operating revenue (excluding capital transfer) **is R727.3 million in 2026/2027** and Revenue to be generated from property rates is **R23.9 million in 2026/2027.**
2. The original budget for services charges for water is **R108.4 million and for refuse is R30.8 million.**
3. Transfers recognized – operational transfers include the local government equitable share and other operating grants from national and provincial government is **R503 million and the capital transfer is R160 million.**
4. Bulk purchases (Inventory Water) for **2026/2027 budget are R59.9-million.**
5. The original budgeted allocation for employee related costs for the **2026/2027 financial year is R203.5 million,** which equals 26 per cent of the total operating expenditure.
6. Professional Services- Budget for professional services **for 2026/2027 is R67.52 million.**
7. Repairs and maintenance- The budget for 2025/2026 **R26.4 million** and for **2026/2027 is R26.07 million,** which indicates a decrease of R330 thousand.

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Capital expenditure - Vote	2										
Multi-year expenditure to be appropriated											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	328	2 814	3 900	3 600	3 600	3 600	550	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		960	-	(200)	11 250	10 300	10 300	10 300	13 000	-	12 000
Vote 5 - Sport and Recreation		-	-	-	900	2 200	2 200	2 200	-	-	-
Vote 6 - Health		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		-	460	(1 744)	13 461	8 761	8 761	8 761	5 630	200	250
Vote 8 - Road Transport		16 106	19 277	43 218	39 031	75 710	75 710	75 710	66 100	30 058	41 878
Vote 9 - Energy Sources		15 653	4 670	15 335	5 500	7 017	7 017	7 017	11 000	5 500	-
Vote 10 - Water Management		14 556	62 559	75 414	88 981	88 952	88 952	88 952	58 559	78 308	79 458
Vote 11 - Waste Water Management		10 383	10 939	32 818	31 582	30 931	30 931	30 931	10 000	29 656	39 350
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	57 657	98 234	167 655	194 605	227 472	227 472	227 472	164 839	143 722	172 937
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		840	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	361	3 185	300	-	-	-	1 000	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		(793)	-	5 812	-	-	-	-	9 318	-	-
Vote 5 - Sport and Recreation		-	-	-	1 300	-	-	-	-	-	-
Vote 6 - Health		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		-	(3 621)	-	150	-	-	-	-	-	-
Vote 8 - Road Transport		6 266	5 578	43 034	-	-	-	-	10 000	15 858	-
Vote 9 - Energy Sources		-	4 634	11 638	-	-	-	-	-	13 915	11 100
Vote 10 - Water Management		58 109	32 894	730	117	-	-	-	-	18 111	-
Vote 11 - Waste Water Management		6 191	(4 590)	9 198	-	-	-	-	-	7 125	21 816
Capital single-year expenditure sub-total		70 612	35 255	99 937	1 867	-	-	-	20 318	55 009	32 916
Total Capital Expenditure - Vote		128 269	133 489	267 593	196 472	227 472	227 472	227 472	185 157	198 731	205 853
Capital Expenditure - Functional											
Governance and administration		(8 189)	(3 070)	6 238	4 200	3 600	3 600	3 600	1 550	-	-
Executive and council		840	-	(381)	-	-	-	-	-	-	-
Finance and administration		(9 029)	(3 070)	6 620	4 200	3 600	3 600	3 600	1 550	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		167	(166)	5 812	13 450	12 500	12 500	12 500	22 318	-	12 000
Community and social services		167	(166)	5 812	11 250	10 300	10 300	10 300	22 318	-	12 000
Sport and recreation		-	-	-	2 200	2 200	2 200	2 200	-	-	-
Economic and environmental services		42 141	26 684	93 255	52 642	84 472	84 472	84 472	81 730	46 117	42 128
Planning and development		3 960	4 124	4 475	13 611	8 761	8 761	8 761	5 630	200	250
Road transport		38 180	22 560	88 780	39 031	75 710	75 710	75 710	76 100	45 917	41 878
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		94 151	110 041	162 287	126 180	126 900	126 900	126 900	79 559	152 614	151 724
Energy sources		6 673	9 304	30 371	5 500	7 017	7 017	7 017	11 000	19 415	11 100
Water management		72 664	81 980	77 478	89 098	88 952	88 952	88 952	58 559	96 419	79 458
Waste water management		16 574	19 822	55 218	31 582	30 931	30 931	30 931	10 000	36 781	61 166
Waste management		(1 760)	(1 065)	(780)	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	128 269	133 489	267 593	196 472	227 472	227 472	227 472	185 157	198 731	205 853
Funded by:											
National Government		125 707	120 577	194 947	175 391	210 391	210 391	210 391	161 177	198 731	205 853
Transfers recognised - capital	4	125 707	120 577	194 947	175 391	210 391	210 391	210 391	161 177	198 731	205 853
Borrowing	6										
Internally generated funds		2 562	12 912	72 645	21 081	17 081	17 081	17 081	23 980	-	-
Total Capital Funding	7	128 269	133 489	267 593	196 472	227 472	227 472	227 472	185 157	198 731	205 853

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 Capital budget allocation for 2026/2027 is **R185.15 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 by National capital and provincial *transfers* (**R161.1 million**) and internally generate funds (**R23.98 million**) from current year surpluses. These funding sources are further discussed in detail in Overview of Budget Funding .

4.6 TABLE 11 STATEMENT OF FINANCIAL POSITION TABLE A6

NW371 Moretele - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	271 718	285 701	252 966	170 166	246 831	246 831	246 831	246 560	263 195	288 766
Short term Investments	2	-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	3	13 297	13 762	(1 881)	(13 636)	(23 374)	(23 374)	(23 374)	31 192	87 558	145 729
Receivables from non-exchange transactions	3	22 119	33 840	29 714	62 327	32 666	32 666	32 666	28 192	23 571	18 802
Current portion of non-current receivables	4	-	-	-	-	-	-	-	-	-	-
Inventory	5	223	132	1 324	132	1 324	1 324	1 324	1 324	1 324	1 324
VAT Receivable	6	35 494	29 458	25 813	29 458	25 813	25 813	25 813	25 813	25 813	25 813
Other current assets	7	(48)	(32)	861	(32)	861	861	861	861	861	861
Total current assets		342 803	362 861	308 797	248 416	284 122	284 122	284 122	333 942	402 323	481 295
Non current assets											
Investments	8	-	-	-	-	-	-	-	-	-	-
Investment property	9	18 740	10 896	10 996	10 896	10 996	10 996	10 996	10 996	10 996	10 996
Property, plant and equipment	10	1 257 370	1 534 549	1 660 984	1 816 866	1 817 391	1 817 391	1 817 391	1 923 669	2 051 145	2 183 463
Biological assets	11	-	-	-	-	-	-	-	-	-	-
Living resources	12	-	-	-	-	-	-	-	-	-	-
Heritage assets	13	206	206	206	206	206	206	206	206	206	206
Intangible assets	14	3 225	25	345	7 256	3 059	3 059	3 059	12 959	12 959	12 959
Trade and other receivables from exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Other non-current assets	16	-	-	-	-	-	-	-	-	-	-
Total non current assets		1 279 541	1 545 676	1 672 531	1 835 224	1 831 652	1 831 652	1 831 652	1 947 831	2 075 307	2 207 624
TOTAL ASSETS		1 622 344	1 908 537	1 981 328	2 083 639	2 115 774	2 115 774	2 115 774	2 281 773	2 477 630	2 688 919
LIABILITIES											
Current liabilities											
Bank overdraft	17	-	-	-	-	-	-	-	-	-	-
Financial liabilities	18	-	-	-	-	-	-	-	-	-	-
Consumer deposits	19	0	0	0	0	0	0	0	0	0	0
Trade and other payables from exchange transactions	20	176 495	176 367	220 134	176 494	220 261	220 261	220 261	200 313	200 313	200 313
Trade and other payables from non-exchange transactions	21	865	9 129	772	9 129	772	772	772	772	772	772
Provision	22	3 229	3 684	4 008	3 684	4 008	4 008	4 008	4 008	4 008	4 008
VAT Payable	23	(440)	(2 632)	(1 423)	(2 632)	(1 423)	(1 423)	(1 423)	(1 423)	(1 423)	(1 423)
Other current liabilities	24	240	872	2 272	872	2 272	2 272	2 272	2 272	2 272	2 272
Total current liabilities		180 389	187 420	225 763	187 547	225 890	225 890	225 890	205 942	205 942	205 942
Non current liabilities											
Financial liabilities	25	-	-	-	-	-	-	-	-	-	-
Provision	26	-	-	-	-	-	-	-	-	-	-
Long term portion of trade payables	27	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	28	7 356	7 898	8 236	7 898	8 236	8 236	8 236	8 236	8 236	8 236
Total non current liabilities		7 356	7 898	8 236	7 898	8 236	8 236	8 236	8 236	8 236	8 236
TOTAL LIABILITIES		187 745	195 318	234 000	195 445	234 127	234 127	234 127	214 178	214 178	214 178
NET ASSETS		1 434 599	1 713 219	1 747 329	1 888 194	1 881 647	1 881 647	1 881 647	2 067 595	2 263 452	2 474 741
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	1 434 599	1 713 219	1 747 329	1 888 194	1 881 647	1 881 647	1 881 647	2 067 595	2 263 452	2 474 741
Reserves and funds	30	-	-	-	-	-	-	-	-	-	-
Other	31	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	32	1 434 599	1 713 219	1 747 329	1 888 194	1 881 647	1 881 647	1 881 647	2 067 595	2 263 452	2 474 741

4.7 TABLE12 CASH FLOW STATEMENT A7

NW371 Moretele - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		5 818	10 007	8 711	12 023	22 414	22 414	22 414	20 597	21 276	21 957
Service charges		548	556	700	7 712	7 712	7 712	7 712	25 549	26 392	27 237
Other revenue		22 244	28 224	161 384	3 026	5 456	5 456	5 456	5 658	5 844	6 031
Transfers and Subsidies - Operational	1	407 405	449 018	475 049	497 914	498 003	498 003	498 003	502 992	506 410	532 281
Transfers and Subsidies - Capital	1	196 680	158 516	207 823	175 391	190 391	190 391	190 391	161 177	198 531	205 603
Interest		-	-	-	4 490	33 008	33 008	33 008	52 554	54 288	56 025
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(243 579)	(302 218)	(489 665)	(562 074)	(573 444)	(573 444)	(573 444)	(583 641)	(597 376)	(617 711)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		389 115	344 103	364 003	138 482	183 540	183 540	183 540	184 886	215 367	231 423
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Payments											
Capital assets		(207 694)	(169 814)	(233 076)	(196 472)	(227 472)	(227 472)	(227 472)	(185 157)	(198 731)	(205 853)
Retention (Capital)		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(207 694)	(169 814)	(233 076)	(196 472)	(227 472)	(227 472)	(227 472)	(185 157)	(198 731)	(205 853)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		181 421	174 289	130 927	(57 990)	(43 932)	(43 932)	(43 932)	(272)	16 636	25 570
Cash/cash equivalents at the year begin:	2	271 718	285 828	271 654	210 031	253 093	253 093	253 093	246 831	246 560	263 195
Cash/cash equivalents at the year end:	2	453 139	460 117	402 581	152 041	209 161	209 161	209 161	246 560	263 195	288 766

4.8 TABLE 13 CASH BACK RESERVE/ ACCUMULATED SURPLUS RECONCILIATION

A8

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	453 139	460 117	402 581	152 041	209 161	209 161	209 161	246 560	263 195	288 766
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		453 139	460 117	402 581	152 041	209 161	209 161	209 161	246 560	263 195	288 766
Application of cash and investments											
Unspent conditional transfers		865	9 129	772	9 129	772	772	772	772	772	772
Unspent borrowing											
Statutory requirements	2	11 184	27 109	41 030	27 109	41 030	41 030	41 030	41 030	41 030	41 030
Other working capital requirements	3	172 183	168 669	204 804	171 524	218 869	218 869	218 869	182 077	166 187	149 788
Other provisions		3 469	4 556	6 280	4 556	6 280	6 280	6 280	4 008	4 008	4 008
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		187 701	209 463	252 886	212 318	266 951	266 951	266 951	227 887	211 997	195 598
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		265 438	250 654	149 695	(60 277)	(57 790)	(57 790)	(57 790)	18 673	51 198	93 168
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		265 438	250 654	149 695	(60 277)	(57 790)	(57 790)	(57 790)	18 673	51 198	93 168

4.9 TABLE 14 A9 ASSETS MANAGEMENT

NW371 Moretele - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	133 387	133 953	260 582	196 355	227 472	227 472	185 157	198 731	205 853
<i>Roads Infrastructure</i>		31 795	21 900	77 166	39 031	55 710	55 710	70 000	45 917	41 878
<i>Storm water Infrastructure</i>		396	-	-	-	20 000	20 000	-	-	-
<i>Electrical Infrastructure</i>		15 653	9 304	30 371	5 500	7 017	7 017	11 000	19 415	11 100
<i>Water Supply Infrastructure</i>		72 664	95 453	76 145	88 981	88 952	88 952	58 559	96 419	79 458
<i>Sanitation Infrastructure</i>		12 879	6 349	55 218	31 582	30 931	30 931	10 000	36 781	61 166
<i>Solid Waste Infrastructure</i>		-	(23)	-	10 000	5 000	5 000	2 500	-	-
Infrastructure		133 387	132 983	238 900	175 094	207 610	207 610	152 059	198 531	193 603
Community Facilities		-	-	5 660	12 250	11 300	11 300	13 000	-	12 000
Sport and Recreation Facilities		-	-	-	900	900	900	9 318	-	-
Community Assets		-	-	5 660	13 150	12 200	12 200	22 318	-	12 000
Heritage Assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	487	152	-	700	700	-	-	-
Housing		-	-	339	-	207	207	700	-	-
Other Assets		-	487	491	-	907	907	700	-	-
Licences and Rights		-	-	(1 522)	3 231	2 714	2 714	9 900	-	-
Intangible Assets		-	-	(1 522)	3 231	2 714	2 714	9 900	-	-
Computer Equipment		-	-	2 596	3 080	2 640	2 640	30	200	250
Furniture and Office Equipment		-	-	3 238	1 000	700	700	150	-	-
Machinery and Equipment		-	483	-	800	700	700	-	-	-
Transport Assets		-	-	11 219	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	(487)	7 010	-	-	-	-	-	-
Operational Buildings		-	(487)	7 010	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	(487)	7 010	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	(5 285)	23	-	117	-	-	-	-	-
<i>Water Supply Infrastructure</i>		3 696	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	23	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		3 696	23	-	-	-	-	-	-	-
Operational Buildings		(8 980)	-	-	117	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		(8 980)	-	-	117	-	-	-	-	-
Total Capital Expenditure	4	128 102	133 489	267 593	196 472	227 472	227 472	185 157	198 731	205 853
<i>Roads Infrastructure</i>		31 795	21 900	77 166	39 031	55 710	55 710	70 000	45 917	41 878
<i>Storm water Infrastructure</i>		396	-	-	-	20 000	20 000	-	-	-
<i>Electrical Infrastructure</i>		15 653	9 304	30 371	5 500	7 017	7 017	11 000	19 415	11 100
<i>Water Supply Infrastructure</i>		76 360	95 453	76 145	88 981	88 952	88 952	58 559	96 419	79 458
<i>Sanitation Infrastructure</i>		12 879	6 349	55 218	31 582	30 931	30 931	10 000	36 781	61 166
<i>Solid Waste Infrastructure</i>		-	-	-	10 000	5 000	5 000	2 500	-	-
Infrastructure		137 083	133 006	238 900	175 094	207 610	207 610	152 059	198 531	193 603
Community Facilities		-	-	5 660	12 250	11 300	11 300	13 000	-	12 000
Sport and Recreation Facilities		-	-	-	900	900	900	9 318	-	-
Community Assets		-	-	5 660	13 150	12 200	12 200	22 318	-	12 000
Heritage Assets		-	-	-	-	-	-	-	-	-
Operational Buildings		(8 980)	-	7 163	117	700	700	-	-	-
Housing		-	-	339	-	207	207	700	-	-
Other Assets		(8 980)	-	7 502	117	907	907	700	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	(1 522)	3 231	2 714	2 714	9 900	-	-
Intangible Assets		-	-	(1 522)	3 231	2 714	2 714	9 900	-	-
Computer Equipment		-	-	2 596	3 080	2 640	2 640	30	200	250
Furniture and Office Equipment		-	-	3 238	1 000	700	700	150	-	-
Machinery and Equipment		-	483	-	800	700	700	-	-	-
Transport Assets		-	-	11 219	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		128 102	133 489	267 593	196 472	227 472	227 472	185 157	198 731	205 853

NW371 Moretele - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
ASSET REGISTER SUMMARY - PPE (WDV)	5	1 450 654	1 713 346	1 992 375	1 581 293	1 956 595	1 956 595	1 901 703	1 830 448	1 756 913
<i>Roads Infrastructure</i>		396 955	399 683	524 932	384 683	509 932	509 932	482 874	454 924	426 079
<i>Storm water Infrastructure</i>		43 220	43 220	43 220	43 220	63 220	63 220	63 220	63 220	63 220
<i>Electrical Infrastructure</i>		104 435	107 834	107 834	108 321	107 834	107 834	107 834	107 834	107 834
<i>Water Supply Infrastructure</i>		524 690	622 775	826 685	589 194	796 100	796 100	771 210	745 499	718 965
<i>Sanitation Infrastructure</i>		9 163	128 747	128 747	128 747	128 747	128 747	128 747	128 747	128 747
<i>Solid Waste Infrastructure</i>		-	-	-	12 000	5 000	5 000	5 000	5 000	5 000
Infrastructure		1 078 464	1 302 259	1 631 418	1 266 165	1 610 832	1 610 832	1 558 885	1 505 229	1 449 845
Community Assets		254 709	298 767	284 470	304 446	278 332	278 332	277 901	272 407	266 738
Heritage Assets		206	206	206	206	206	206	206	206	206
Investment properties		18 740	10 896	10 996	10 896	10 996	10 996	10 996	10 996	10 996
Other Assets		57 974	58 614	18 029	(31 908)	16 451	16 451	14 496	12 165	9 761
Intangible Assets		3 225	25	345	7 256	3 059	3 059	11 959	11 959	11 959
<i>Computer Equipment</i>		17 427	23 045	19 706	20 027	14 287	14 287	9 479	4 511	(615)
<i>Furniture and Office Equipment</i>		4 321	4 901	6 041	6 055	5 144	5 144	4 168	3 159	2 117
<i>Machinery and Equipment</i>		-	-	-	1 024	800	800	800	800	800
<i>Transport Assets</i>		15 587	14 633	21 165	(2 874)	16 486	16 486	12 814	9 020	5 105
<i>Living Resources</i>										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 450 654	1 713 346	1 992 375	1 581 293	1 956 595	1 956 595	1 901 703	1 830 448	1 756 913
EXPENDITURE OTHER ITEMS		123 892	151 576	94 379	94 972	94 802	94 802	95 149	94 157	97 170
<i>Depreciation</i>	7	108 093	134 455	67 726	68 351	68 351	68 351	68 979	71 255	73 535
Repairs and Maintenance by Asset Class	3	15 799	17 122	26 653	26 621	26 451	26 451	26 170	22 902	23 635
<i>Roads Infrastructure</i>		-	194	397	3 260	1 997	1 997	2 071	2 139	2 207
<i>Electrical Infrastructure</i>		-	3 348	2 870	7 000	7 000	7 000	6 000	2 066	2 132
<i>Water Supply Infrastructure</i>		-	4 591	13 949	6 799	6 799	6 799	7 050	7 283	7 516
<i>Sanitation Infrastructure</i>		-	5 058	5 575	4 869	6 132	6 132	6 359	6 568	6 779
<i>Information and Communication Infrastructure</i>		15 799	2 559	2 661	2 596	2 676	2 676	2 775	2 867	2 958
Infrastructure		15 799	15 750	25 452	24 523	24 603	24 603	24 255	20 929	21 593
<i>Community Facilities</i>		-	195	281	314	314	314	326	337	347
Community Assets		-	195	281	314	314	314	326	337	347
<i>Furniture and Office Equipment</i>		-	36	50	209	59	59	61	63	65
<i>Machinery and Equipment</i>		-	3	38	192	92	92	95	98	102
<i>Transport Assets</i>		-	1 138	832	1 382	1 382	1 382	1 433	1 481	1 528
TOTAL EXPENDITURE OTHER ITEMS		123 892	151 576	94 379	94 972	94 802	94 802	95 149	94 157	97 170

NW371 Moretele - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
ASSET REGISTER SUMMARY - PPE (WDV)	5	1 450 654	1 713 346	1 992 375	1 581 293	1 956 595	1 956 595	1 900 897	1 829 642	1 756 106
<i>Roads Infrastructure</i>		396 955	399 683	524 932	384 683	509 932	509 932	482 874	454 924	426 079
<i>Storm water Infrastructure</i>		43 220	43 220	43 220	43 220	63 220	63 220	63 220	63 220	63 220
<i>Electrical Infrastructure</i>		104 435	107 834	107 834	108 321	107 834	107 834	107 834	107 834	107 834
<i>Water Supply Infrastructure</i>		524 690	622 775	826 685	589 194	796 100	796 100	771 210	745 499	718 965
<i>Sanitation Infrastructure</i>		9 163	128 747	128 747	128 747	128 747	128 747	128 747	128 747	128 747
<i>Solid Waste Infrastructure</i>		-	-	-	12 000	5 000	5 000	7 500	7 500	7 500
<i>Rail Infrastructure</i>										
<i>Coastal Infrastructure</i>										
<i>Information and Communication Infrastructure</i>										
Infrastructure		1 078 464	1 302 259	1 631 418	1 266 165	1 610 832	1 610 832	1 561 385	1 507 723	1 452 345
Community Assets		254 709	298 767	284 470	304 446	278 332	278 332	273 015	267 521	261 852
Heritage Assets		206	206	206	206	206	206	206	206	206
Investment properties		18 740	10 896	10 996	10 896	10 996	10 996	10 996	10 996	10 996
Other Assets		57 974	58 614	18 029	(31 908)	16 451	16 451	14 896	12 565	10 161
Biological or Cultivated Assets										
Intangible Assets		3 225	25	345	7 256	3 059	3 059	12 959	12 959	12 959
Computer Equipment		17 427	23 045	19 706	20 027	14 387	14 387	9 609	4 641	(485)
Furniture and Office Equipment		4 321	4 901	6 041	6 055	5 144	5 144	4 318	3 309	2 267
Machinery and Equipment		-	-	-	1 024	700	700	700	700	700
Transport Assets		15 587	14 633	21 165	(2 874)	16 486	16 486	12 814	9 020	5 105
Land										
Zoo's, Marine and Non-biological Animals										
Living Resources										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 450 654	1 713 346	1 992 375	1 581 293	1 956 595	1 956 595	1 900 897	1 829 642	1 756 106
EXPENDITURE OTHER ITEMS		123 892	151 576	94 379	94 972	94 802	94 802	95 049	94 053	97 063
Depreciation	7	108 093	134 455	67 726	68 351	68 351	68 351	68 979	71 255	73 535
Repairs and Maintenance by Asset Class	3	15 799	17 122	26 653	26 621	26 450	26 450	26 070	22 798	23 528
<i>Roads Infrastructure</i>		-	194	397	3 260	1 997	1 997	2 071	2 139	2 207
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	3 348	2 870	7 000	7 000	7 000	5 800	1 859	1 919
<i>Water Supply Infrastructure</i>		-	4 591	13 949	6 799	6 799	6 799	7 050	7 283	7 516
<i>Sanitation Infrastructure</i>		-	5 058	5 575	4 869	6 132	6 132	6 159	6 362	6 565
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		15 799	2 559	2 661	2 596	2 676	2 676	3 075	3 177	3 278
Infrastructure		15 799	15 750	25 452	24 523	24 603	24 603	24 155	20 820	21 486
Community Facilities		-	195	281	314	314	314	326	337	347
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	195	281	314	314	314	326	337	347
Heritage Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	36	50	209	59	59	61	63	65
Machinery and Equipment		-	3	38	192	92	92	95	98	102
Transport Assets		-	1 138	832	1 382	1 382	1 382	1 433	1 481	1 528
Land		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		123 892	151 576	94 379	94 972	94 802	94 802	95 049	94 053	97 063
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		-4,1%	-0,3%	2,6%	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		-4,9%	-0,3%	10,4%	0,2%	0,0%	0,0%	0,0%	0,0%	0,0%
<i>R&M as a % of PPE & Investment Property</i>		1,1%	1,0%	1,3%	1,7%	1,4%	1,4%	1,4%	1,3%	1,3%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>		0,7%	1,0%	1,7%	1,7%	1,4%	1,4%	1,4%	1,3%	1,3%

4.10. TABLE 15 A10 BASIC SERVICE DELIVERY MEASUREMENTS

NW371 Moretele - Table A10 Basic service delivery measurement										
Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Households receiving Free Basic Service	7									
Water (6 kilolitre per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitre per indigent household per month)		(3 700)	(3 711)	(3 874)	(8 668)	(8 668)	(8 668)	(8 668)	(18 336)	(18 941)
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		(2 983)	(2 989)	(3 113)	(6 218)	(6 218)	(6 218)	(6 218)	(6 448)	(6 661)
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided	8	(6 683)	(6 699)	(6 986)	(14 886)	(14 886)	(14 886)	(14 886)	(24 784)	(25 602)

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 2025) 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 2026/2027 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 2026/2027 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 2026/2027 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 2026/2027 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 2026/2027 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 tariffs increases versus the ability of the community to pay for services
- Improved and sustainable service delivery

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 2026/2027 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	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand												
A comprehensive, responsive and sustainable social protection system				(7 648)	(12 153)	(12 168)	(22 568)	(22 568)	(22 568)	727 098	737 601	770 851
Responsive, accountable, effective and efficient local government				553 726	607 944	645 830	669 563	671 702	671 702	-	-	-
Sustainable human settlements and improved quality of household life				16 279	36	(1 003)	-	380	380	-	-	-
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	562 357	595 828	632 658	646 995	649 514	649 514	727 098	737 601	770 851

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).

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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	14,8%	10,9%	16,7%	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	19,1%	13,6%	21,2%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowed funding of own capital expenditure	Borrowing/Capital expenditure exd. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity											
Current Ratio	Current assets/current liabilities	5,2	6,0	5,5	6,2	5,8	5,8	5,8	1,5	1,8	2,1
Current Ratio adjusted for aged debtors	Current assets/less debtors > 90 days/current liabilities	5,2	6,0	5,5	6,2	5,8	5,8	5,8	1,5	1,8	2,1
Liquidity Ratio	Monetary Assets/Current Liabilities	5,1	5,8	5,3	5,8	5,6	5,6	5,6	1,3	1,6	1,9
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0,0%	11,0%	17,2%	15,0%	28,0%	42,7%	42,7%	42,7%	33,0%	33,0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		11,0%	17,2%	15,0%	28,0%	42,7%	42,7%	42,7%	33,0%	33,0%	33,0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6,6%	7,5%	6,6%	11,3%	6,9%	6,9%	6,9%	9,1%	8,3%	7,3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))										
Creditors to Cash and Investments		34,5%	31,3%	48,7%	94,9%	85,6%	85,6%	85,6%	84,3%	77,6%	69,7%
Other Indicators											
Employee costs	Employee costs/(Total Revenue - capital revenue)	26,8%	26,3%	26,5%	29,1%	29,0%	29,0%	29,0%	27,7%	28,8%	29,0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	28,1%	27,6%	26,7%	29,6%	27,8%	27,8%	30,5%	27,3%	28,3%	28,4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3,0%	2,9%	4,2%	4,1%	4,1%	4,1%	4,0%	3,6%	3,1%	3,1%
Finance charges & Depredation	FC&D/(Total Revenue - capital revenue)	39,4%	36,2%	31,9%	10,6%	10,5%	10,5%	10,5%	9,5%	9,7%	9,5%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	-	-	140,9	19,6	19,7	19,7	12,4	13,4	13,2	13,8
ii OS Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	28,6%	55,2%	49,4%	88,6%	48,2%	48,2%	48,2%	39,4%	34,7%	30,2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	10,9	11,0	6,8	3,3	4,4	4,4	4,4	4,8	5,1	5,5

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 an increase in 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 FINAL CREDIT CONTROL AND INDIGENT-RELATED PROCEDURES OR POLICIES

The final Credit Control and Debt Collection Policy is reviewed for the 2026/2027 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 FINAL MUNICIPAL PROPERTY RATES POLICY

The final 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 FINAL 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 FINAL SUPPLY CHAIN MANAGEMENT POLICY

The final 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 FINAL 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 FINAL 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. FINAL TARIFF POLICY

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. FINAL 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. FINAL 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. FINAL 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. FINAL 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 transparent manner. The policy can be found on www.moretele.gov.za

8.12. FINAL 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. FINAL 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. FINAL 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

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. The policy can be found on www.moretele.gov.za.

8.16. FINAL COST CONTAINMENT MANAGEMENT POLICY

This Cost Containment Policy is established to provide a framework for regulating spending, promoting accountability, and ensuring that municipal resources are applied in a responsible

and sustainable manner. The policy seeks to align expenditure decisions with the municipality's strategic priorities, legislative requirements, and the principles of sound financial management. www.moretele.gov.za.

8.17. FINAL INDIGENT MANAGEMENT POLICY

This Indigent Management Policy is established to provide a framework for the identification, registration, and support of indigent households within the municipality. The policy aims to ensure that qualifying households receive basic services in a fair, equitable, and transparent manner, while also safeguarding the financial sustainability of the municipality. www.moretele.gov.za.

8.18. FINAL INTERN MANAGEMENT POLICY

In terms of the Division of Revenue Act and the frameworks governing the utilisation of conditional grants, including the Financial Management Grant (FMG), municipalities are required to strengthen financial management capacity and support the development of skills within the local government sphere. The FMG is specifically intended to assist municipalities in building sustainable financial management capability in line with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003). www.moretele.gov.za.

8.19. FINAL LOSS & THEFT POLICY MANAGEMENT POLICY (NEW)

In terms of section 62(1)(a) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), municipality is responsible for managing the financial administration of the municipality in a manner that ensures the effective, efficient, economical, and transparent use of resources. Furthermore, section 63 of the Act requires the safeguarding and maintenance of municipal assets, while section 64 places responsibility on the municipality to manage its revenue effectively. The Loss and Theft Policy is established to provide a framework for the prevention, detection, reporting, investigation, and management of losses involving municipal assets, cash, and other resources. The policy seeks to ensure that all incidents of loss and theft are dealt with promptly, transparently, and in accordance with applicable legislation and internal control systems. www.moretele.gov.za.

8.20. FINAL POPERTY RATE BY-LAW

By-Law seeks to ensure that property rates are imposed in a fair, equitable, transparent and consistent manner, considering the interests of the community, the need for revenue to fund

municipal services, and the socio-economic conditions of property owners. provides for the categories of properties, exemptions, reductions and rebates, the valuation and rating processes, and the enforcement mechanisms necessary to ensure compliance and the effective collection of rates. www.moretele.gov.za.

8.21. FINAL TRADE PAYABLES POLICY

In terms of section 65(2)(e) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Municipality must ensure that all money owed by the municipality is paid within 30 days of receiving a valid invoice or statement, unless otherwise prescribed for certain categories of expenditure. This requirement reinforces the need for effective management of trade payables to ensure compliance, financial discipline, and the credibility of the municipality.

The Trade Payables Management Policy is established to provide a guide on recording, verification, processing, and settlement of all creditor obligations of the municipality. The policy seeks to ensure that payments are made accurately, timeously, and in accordance with approved budgets, delegated authority, and applicable supply chain management processes. www.moretele.gov.za.

8.22. FINAL UIF&WE POLICY

In terms of sections 32, 62, and 95 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the municipality is required to ensure sound financial management, prevent unauthorised, irregular, fruitless and wasteful expenditure, and take appropriate steps to investigate, recover, and address such expenditure where it occurs. These provisions are further supported by the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), which emphasises accountability, transparency, and the efficient use of municipal resources. This Policy is established to provide a structured and consistent framework for the prevention, identification, recording, reporting, investigation, and management of unauthorised, irregular, fruitless and wasteful expenditure. The policy seeks to ensure that all such expenditure is dealt with in accordance with applicable legislation, including the determination of liability, recovery of losses where applicable, and the implementation of appropriate consequence management measures. www.moretele.gov.za.

8.23. FINAL VIREMENT MANAGEMENT POLICY

Virements are an essential financial management instrument that allows the municipality to realign budget allocations in response to changing operational requirements, without

compromising the integrity of the approved budget. However, if not properly controlled, virements may lead to the misuse of funds, circumvention of Council-approved priorities, and increased risk of unauthorised or irregular expenditure. www.moretele.gov.za.

9. MTREF BUDGET ASSUMPTIONS 2026/2027

The following macro-economic forecasts which were recommended in preparing the 2026/2027 MTREF municipal budgets, and 3.7% CPI was applied in the 2026/2027 financial year.

Table 1: Macroeconomic performance and projections, 2023 – 2029

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Actual	Estimate	Forecast		
CPI Inflation	6.9%	5.9%	4.4%	3.3%	3.7%	3.3%	3.2%

Source: National Treasury Budget Review 2025.

THE FOLLOWING BUDGET ASSUMPTIONS WERE USED:

2026/2027 Financial Year employee's annual increment provision was still placed at 4.75%. 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 2026/2027 BUDGET ARE AS FOLLOWS:

National Treasury MFMA Budget's Circular 132 was used to guide the compilation of the municipality's budget and medium-term revenue and expenditure framework (MTREF) for the 2026/2027 financial year.

- **Key focus areas for the 2026/2027 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 132. 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 2026/2027 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 132. consideration for the collection rate has also been considered. **The collection rate remains below 35% on property rates outstanding debts and billing and 15% on services charges. (Water and Refuse)**

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 2026/2027 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 2026/2027, except the water services. (See the attached list of the Tariffs)

12.EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMMES

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
EXPENDITURE	1									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share		353 433	361 483	473 441	-	458 459	458 459	432 677	446 794	461 022
Energy Efficiency and Demand Side Management Grant		-	-	-	-	4 000	4 000	-	-	-
Local Government Financial Management Grant		2 143	1 696	3 236	-	2 900	2 900	2 900	2 900	3 000
Integrated National Electrification Programme Grant		-	-	-	-	-	-	4 000	-	-
Municipal Infrastructure Grant		164	4 305	6 711	-	6 678	6 678	7 232	7 673	7 912
Expanded Public Works Programme Integrated Grant		6 477	12 305	1 264	-	3 036	3 036	2 485	-	-
Total National Government		362 217	379 788	484 652	-	475 073	475 073	449 294	457 367	471 934
Other Grant Providers		-	417	520	-	1 289	1 289	1 344	1 390	1 434
Total Operating/Other Grant Providers		-	417	520	-	1 289	1 289	1 344	1 390	1 434
Total operating expenditure of Transfers and Grants		362 217	380 205	485 172	-	476 362	476 362	450 638	458 757	473 368
Capital										
Monetary Allocations										
Municipal Disaster Recovery Grant		-	-	-	-	20 000	20 000	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	15 000	15 000	-	-	-
Municipal Infrastructure Grant		70 430	96 411	126 538	-	132 828	132 828	152 717	149 787	154 711
Water Services Infrastructure Grant		65 000	30 000	75 000	-	42 563	42 563	8 460	48 944	51 142
Total National Government		135 430	126 411	201 538	-	210 391	210 391	161 177	198 731	205 853
Total capital expenditure of Transfers and Grants		135 430	126 411	201 538	-	210 391	210 391	161 177	198 731	205 853
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		497 647	506 617	686 709	-	686 753	686 753	611 815	657 488	679 221

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers)	1									
Allowances and Service Related Benefits										
Basic Salary		12 589	14 014	18 059	14 872	20 816	20 816	19 303	20 075	20 878
Cell phone Allowance		2 294	2 402	2 438	2 552	2 444	2 444	2 542	2 644	2 749
Motor Vehicle Allowance		-	-	574	1 798	-	-	-	-	-
Travelling Allowance		4 963	5 087	1 128	3 577	-	-	-	-	-
Total Allowances and Service Related Benefits		19 846	21 503	22 199	22 799	23 260	23 260	21 845	22 719	23 627
Social Contributions										
Pension Fund Contributions		1 732	1 753	1 781	1 819	1 819	1 819	4 237	4 407	4 583
Total Social Contributions		1 732	1 753	1 781	1 819	1 819	1 819	4 237	4 407	4 583
Total Councillors		21 578	23 256	23 981	24 618	25 079	25 079	26 082	27 125	28 210
% increase	4		7,8%	3,1%	2,7%	1,9%	-	4,0%	4,0%	4,0%
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		2 149	1 369	4 070	6 420	11 958	11 958	9 406	9 899	10 419
Bonuses		42	-	117	-	-	-	-	-	-
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		2 191	1 369	4 187	6 420	11 958	11 958	9 406	9 899	10 419
Pension		(213)	-	-	-	-	-	-	-	-
Total Post-retirement Benefit		(213)	-	-	-	-	-	-	-	-
Costs Capitalised to PPE										
Sub Total - Senior Managers of Municipality		1 978	1 369	4 187	6 420	11 958	11 958	9 406	9 899	10 419
% increase	4		(30,8%)	205,9%	53,3%	86,3%	-	(21,3%)	5,3%	5,2%
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		91 837	100 756	105 049	114 865	109 326	109 326	124 587	131 127	138 012
Bonuses		6 799	8 113	8 164	7 882	7 882	7 882	9 098	9 575	10 078
Allowance										
Accommodation, Travel and Incidentals		14 325	16 401	18 052	15 436	15 436	15 436	14 651	15 420	16 230
Cellular and Telephone	3	1 739	1 926	2 050	2 002	2 002	2 002	2 026	2 132	2 244
Housing Benefits	3	413	359	390	3 587	3 587	3 587	3 762	3 960	4 168
Total Allowance		16 477	18 687	20 493	21 026	21 026	21 026	20 440	21 513	22 642
Service Related Benefits										
Bonus	3	-	-	218	795	795	795	756	796	838
Total Service Related Benefits		2 375	2 532	2 946	795	795	795	756	796	838
Total Salaries and Allowances		117 489	130 088	136 652	144 567	139 028	139 028	154 881	163 012	171 570
Social Contributions										
Medical		7 467	8 148	8 833	17 753	17 753	17 753	18 344	19 307	20 321
Pension		15 276	16 508	17 125	18 742	18 742	18 742	20 343	21 411	22 535
Unemployment Insurance		529	542	545	598	598	598	536	564	593
Total Social Contributions		23 272	25 197	26 503	37 093	37 093	37 093	39 223	41 282	43 449
Post-retirement Benefit	6									
Sub Total - Other Municipal Staff		140 760	155 285	163 155	181 661	176 122	176 122	194 104	204 294	215 019
% increase	4		10,3%	5,1%	11,3%	(3,0%)	-	10,2%	5,2%	5,3%
Total Parent Municipality		164 317	179 911	191 323	212 698	213 159	213 159	229 591	241 319	253 649
% increase	4		9,5%	6,3%	11,2%	0,2%	-	7,7%	5,1%	5,1%
TOTAL MANAGERS AND STAFF	5,7	142 738	156 654	167 342	188 080	188 080	188 080	203 509	214 193	225 439

15.MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

NW371 Moretele - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	
Revenue																	
Exchange Revenue																	
Service charges - Electricity																	
Service charges - Water		10 570	10 573	10 569	10 571	10 568	10 569	10 564	10 564	10 564	9 855	9 858	(6 345)	108 479	112 059	115 645	
Service charges - Waste Water Management																	
Service charges - Waste Management		3 105	3 105	3 105	3 105	3 105	3 105	3 105	3 105	3 105	2 807	2 807	(2 748)	30 810	31 826	32 845	
Sale of Goods and Rendering of Services		261	104	1	1	52	6	-	-	4	10	7	87	534	551	569	
Agency services																	
Interest																	
Interest earned from Receivables		1 303	1 320	1 336	1 354	1 370	1 439	1 829	1 444	1 480	1 497	1 516	1 222	17 109	17 674	18 239	
Interest earned from Current and Non Current Assets		379	2 469	2 664	2 506	4 737	4 648	1 750	1 883	4 074	4 020	2 783	2 316	34 229	36 359	36 490	
Dividends																	
Rent on Land																	
Rental from Fixed Assets		20	14	9	17	9	41	10	19	9	14	6	30	198	205	211	
Licence and permits		296	-	114	229	-	208	-	-	-	-	-	398	1 245	1 286	1 327	
Special rating levies																	
Construction Contract Revenue																	
Development Charges																	
Operational Revenue		1	47	5	65	19	3	4	12	5	11	1	398	570	589	608	
Non-Exchange Revenue																	
Property rates		865	865	865	865	865	865	865	865	865	685	634	14 846	23 946	24 736	25 527	
Surcharges and Taxes																	
Fines, penalties and forfeits		259	259	259	259	259	259	259	259	259	259	259	259	3 111	3 214	3 317	
Licences or permits																	
Transfer and subsidies - Operational		41 916	41 916	41 916	41 916	41 916	41 916	41 916	41 916	41 916	41 916	41 916	41 916	502 992	506 410	532 281	
Interest		263	269	271	263	265	267	269	271	273	275	277	611	3 575	3 693	3 811	
Fuel Levy																	
Operational Revenue																	
Gains on disposal of Fixed and Intangible Assets																	
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Discontinued Operations																	
Total Revenue (excluding capital transfers and contributions)		59 237	60 939	61 115	61 152	63 165	63 326	60 570	60 338	62 554	61 348	60 065	52 990	726 798	737 601	770 870	
Expenditure																	
Employee related costs		12 309	20 859	14 563	16 820	18 898	18 050	16 776	16 854	16 589	18 290	16 370	17 132	203 509	214 193	225 439	
Remuneration of councillors		2 055	1 542	2 410	2 039	2 216	2 255	2 255	2 255	2 260	2 286	2 261	2 247	26 082	27 125	28 210	
Bulk purchases - electricity																	
Inventory consumed		488	474	678	386	7 472	18 080	9 759	325	9 341	468	506	11 986	59 964	61 943	63 925	
Debt impairment		11 559	11 559	11 559	11 559	11 559	11 559	11 559	11 559	11 559	11 559	11 559	11 559	138 712	143 289	147 874	
Depreciation, amortisation and impairment		5 748	5 748	5 748	5 748	5 748	5 748	5 748	5 748	5 748	5 748	5 748	5 748	68 979	71 255	73 535	
Interest, Dividends and Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted services		13 953	17 574	15 586	18 025	18 830	14 834	19 474	16 421	17 932	19 395	18 269	20 002	210 294	207 692	211 298	
Transfers and subsidies																	
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational costs		10 326	7 659	4 000	5 429	10 637	3 898	5 382	6 458	7 162	6 426	5 092	11 322	83 792	86 422	88 839	
Disposal of Fixed and Intangible Assets																	
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		56 438	65 416	54 544	60 007	75 359	74 426	70 954	59 621	70 591	64 173	59 807	79 996	791 332	811 920	839 121	
Surplus/(Deficit)		2 799	(4 477)	6 570	1 145	(12 194)	(11 100)	(10 384)	717	(8 037)	(2 824)	258	(27 006)	(64 534)	(74 319)	(68 251)	
Transfers and subsidies - capital (monetary allocations)		13 431	13 431	13 431	13 431	13 431	13 431	13 431	13 431	13 431	13 431	13 431	13 431	161 177	198 531	205 603	
Transfers and subsidies - capital (in-kind)																	
Surplus/(Deficit) after capital transfers & contributions		16 231	8 954	20 002	14 576	1 237	2 331	3 047	14 149	5 395	10 607	13 689	(13 575)	96 643	124 212	137 352	
Income Tax																	
Surplus/(Deficit) after income tax		16 231	8 954	20 002	14 576	1 237	2 331	3 047	14 149	5 395	10 607	13 689	(13 575)	96 643	124 212	137 352	
Share of Surplus/Deficit attributable to Joint Venture																	
Share of Surplus/Deficit attributable to Minorities																	
Surplus/(Deficit) attributable to municipality		16 231	8 954	20 002	14 576	1 237	2 331	3 047	14 149	5 395	10 607	13 689	(13 575)	96 643	124 212	137 352	
Share of Surplus/Deficit attributable to Associate																	
Intercompany/Parent subsidiary transactions																	
Surplus/(Deficit) for the year	1	16 231	8 954	20 002	14 576	1 237	2 331	3 047	14 149	5 395	10 607	13 689	(13 575)	96 643	124 212	137 352	

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.

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	2026/27 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive and Council		-	-	-				
Vote 2 - Finance and Administration		1 550	-	-				
Vote 3 - Internal Audit		-	-	-				
Vote 4 - Community and Social Services		22 318	-	12 000				
Vote 5 - Sport and Recreation		-	-	-				
Vote 6 - Health		-	-	-				
Vote 7 - Planning and Development		5 630	200	250				
Vote 8 - Road Transport		76 100	45 917	41 878				
Vote 9 - Energy Sources		11 000	19 415	11 100				
Vote 10 - Water Management		58 559	96 419	79 458				
Vote 11 - Waste Water Management		10 000	36 781	61 166				
Vote 12 - Waste Management		-	-	-				
Vote 13 -		-	-	-				
Vote 14 -		-	-	-				
Vote 15 -		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		185 157	198 731	205 853	-	-	-	-
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Exchange Revenue								
Service charges - Electricity								
Service charges - Water								
Service charges - Waste Water Management								
Service charges - Waste Management								
Agency services								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		185 157	198 731	205 853	-	-	-	-

18. CAPITAL EXPENDITURE DETAILS

Description	CAPITAL BUDGET 2025/26					OUTER YEARS			
	MIG Budget 2026-27	WSIG Budget 2026-27	Ring-fenced MIG Sports Infrastructure 2026-27	Internal Funding 2026-27	Total Budget 2026-27	MIG Budget 2027/28	WSIG Budget 2027/28	MIG Budget 2028/29	WSIG Budget 2028/29
WATER	50099450	8 460 000,00	-	-	58 559 450,00	60 089 999,68	37 232 616,24	28 315 793,00	51 142 000,00
Water supply to Moeka, (Ca-Motle, Ratsiepane, Kromkui, Mmakaunyane, Norokie) with reticulation and yard connections Schedule D	18099450				18 099 450,00	-			
Ward 1 water reticulation and yard connections (Ruigtesloot)	32000000				32 000 000,00	13 983 672,44			
Refurbishment of 3 Reservoirs with 3 steel in ward 17,19 &20	0				-	18 110 755,24			
Ward 5 Water Reticulation and Yard Connection					-				11 061 158,20
Ward 12 Water Reticulation and Yard Connection		8 460 000,00			8 460 000,00		25 000 000,00		20 080 841,80
Ward 15 Water Reticulation and Yard Connection					-		12 232 616,24		10 000 000,00
Ward 16 Water Reticulation and Yard Connection					-				10 000 000,00
Ward 9 & 25 Water Reticulation & Yard connections					-	27 995 572,00		28 315 793,00	
SANITATION	10000000	-	-	-	10 000 000,00	25 069 251,35	11 711 383,76	61 166 371,09	-
Ward 1 Basic Sanitation					-		3 251 207,51		
Ward 4 Basic Sanitation					-		8 460 176,25		
Ward 26 Basic Sanitation	10000000				10 000 000,00				
Ward 10 Basic Sanitation					-			10 000 000,00	
Ward 17 Basic Sanitation					-	7 124 694,35			
Ward 20 Basic Sanitation					-			6 102 815,47	
Ward 21 Basic Sanitation					-			5 713 109,02	
Implementation of Sewer System in Carousel View					-	17 944 557,00		39 350 446,60	

Final Medium-Term Revenue and Expenditure Framework (MTREF) Budget for 2026/2027, 2027/2028,2028/2029`FY

ROADS	6000000	-	-	10 000 000,00	70 000 000,00	45 916 643,77	-	41 878 336,17	-
Upgrading of Roads and Stormwater Ward 3 - Phase 5	10000000				10 000 000,00			10 000 000,00	
Swartdam Internal Roads	10000000				10 000 000,00				
Internal Roads & Stormwater in Ward 21 Phase 1	10000000				10 000 000,00				
Mathibestad Internal Roads	0			10 000 000,00	10 000 000,00				
Internal Roads & Stormwater in Ward 4					-	14 458 270,91			
Internal Roads & Stormwater in Ward 6	10000000				10 000 000,00				
Internal Roads & Stormwater in Ward 5 Phase 1	10000000				10 000 000,00			17 944 556,99	
Carousel View Internal Roads	10000000				10 000 000,00	15 858 372,86		-	
Ward 18 Internal Road					-			13 933 779,18	
Internal Roads & Stormwater in Ward 14						15 600 000			
HIGH MAST LIGHTING	11000000	-	-	-	11 000 000,00	19 415 001,29	-	11 100 000,00	-
Ward 11 High Mast Light					-	5 500 000,00			
Installation of High Mast Lights in Ward 2	5500000				5 500 000,00				
Installation of High Mast Lights in Ward 5					-	6 957 500,44			
Installation of High Mast Lights in Ward 7					-	6 957 500,85			
Installation of High Mast Lights in Ward 23					-			5 550 000,00	
Installation of High Mast Lights in Ward 21	5500000				5 500 000,00				
Installation of High Mast Lights in Ward 3					-			5 550 000,00	
COMMUNITY FACILITIES	12000000	-	9 318 000,00	-	21 318 000,00	-	-	12 000 000,00	-
Construction of Community Hall Ward 23	12000000				12 000 000,00				
Upgrading and Refurbishment of Maubane Sports Complex			9 318 000,00		9 318 000,00				
Ward 15 Community Hall	0				-			12 000 000,00	
OTHER	0	-	-	13 950 000,00	14 250 000,00	200 000,00	-	250 000,00	-
PMU Laptops					-	200 000,00		250 000,00	
PMU Container	300000				300 000,00				
Development of Cementry				1 000 000,00	1 000 000,00				
DLTC SYSTEM				6 100 000,00	6 100 000,00				
GIS SYSTEM				300 000,00	300 000,00				
PMS SYSTEM				2 500 000,00	2 500 000,00				
Mobile Container (BTO)				400 000,00	400 000,00				
Furniture				150 000,00	150 000,00				
Closure and rehabilitation Motla				2 500 000,00	2 500 000,00				
Cooling system (Server Monitoring Software)				1 000 000,00	1 000 000,00				
Total Capital Budget	143099450	8 460 000,00	9 318 000,00	23 950 000,00	185 127 450,00	150 690 896,09	48 944 000,00	154 710 500,26	51 142 000,00

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 5 Financial Management Interns.

BUDGET AND TREASURY OFFICE.

The Budget and Treasury Office have 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 2026/2027 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, the municipality is transacting and reporting on mSCOA.

20. OTHER SUPPORTING DOCUMENTS

20.1. BUDGET TARIFFS SCHEDULE

(See the attached list of tariffs)

20.2. PROCUREMENT PLAN. (The procurement plan will be tabled during the final budget to align all the comments received from different stakeholders.)

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

MORETELE LOCAL MUNICIPALITY



OFFICE OF THE MUNICIPAL MANAGER

Address all Correspondence to the Municipal Manager

QUALITY CERTIFICATE

I **Sipho Ngwenya**, the municipal manager of **Moretele Local Municipality** hereby certifies that the Final Budget and the supporting documents for 2026/2027 has been prepared in accordance with the Municipal Finance Management Act and Regulation made under that Act and that the Draft Budget and the supporting documents are consistent with the Integrated development plan of the municipality.

Print Name : **Sipho Ngwenya**

Municipal Manager of : **MORETELE LOCAL MUNICIPALITY NW371**

Signature :

Date : **15 May 2026**