

ORIGINAL BUDGET OF JOE MOROLONG LOCAL MUNICIPALITY



JOE MOROLONG
LOCAL MUNICIPALITY

(NC 451)

2024/25 TO 2026/27 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities

AFS- Annual Financial Statements

Budget – The financial plan of the Municipality

Budget Related Policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's Statement of Financial Performance

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period

CFO - Chief Financial Officer

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

KPI's – Key Performance Indicators. Measures of service output and/or outcome

MFMA – The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous three years and current years' financial position

NT – National Treasury

Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand

R&M – Repairs and maintenance on property, plant and equipment

SCM – Supply Chain Management

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget

Vote means one of the main segment into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purpose of the department or functional area concerned.

Zero Based Budgeting means as opposed to incremental budgeting, zero-based budgeting means that each year's budget is drawn up independently from that of the previous year. This means that items are not included simply because they were in the previous budget. Each item has to be justified and motivated for and the purpose of each item is considered. All items in the capital are treated on a "zero-basis"

PART 1

Mayoral Budget Speech

Madam Speaker,

Members of the Executive Committee,

Councilors,

Our Traditional Leaders,

Municipal Manager,

Senior Managers,

Guests,

Ladies and Gentlemen,

Good day to you all.

Thank you for the opportunity to present the Proposed Budget for the 2024/25 Financial year.

Madam Speaker, Our municipality is faced with challenges of drought and water shortage as a result of less rainfall. The water ponds have dried up, and as a results the livestock and people are forced to use one source of water to quench the thirst. Thus placing the municipality in a difficult predicament.

As council, in addressing the situation, we have been working together with the department of Agriculture and CoGTA as well as National MIG office to refurbish our boreholes in different villages within the municipality.

The average inflation rate for the past year was 4.7% and the headline inflation forecast for forth coming financial year is estimated to be 4.9%, 4.6% and 4.6% respectively for 2025/26 and 2026/27.

It is with the aforementioned figures in mind that we still place strong emphasis on; value for money in all our procurement processes, the encouragement of savings and the maximizing of all revenue sources for the 2024/25 financial year, as we are still striving to secure the economic progression of the Municipality.

This Original Budget will update the Council and the community of Joe Morolong Local Municipality about the revenue, expenditure and the projections for the next fiscal year.

Speaker

Due to economic down turn, this Annual Budget does not come near to solving our challenges. However, we are, without any doubt, acutely aware of the enormous responsibility facing us to continue unwaveringly with our quest to ensure that the ideals of a free and democratic society are upheld. Much still needs to be done and significant challenges are still facing us, but our pledge to our citizens is that we will not divert from our course towards a better life for all.

Management of Joe Morolong Local Municipality has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within Joe Morolong.

Budgeting is primarily about the choices that the Municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

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 sustainable municipal services are provided economically and equitably to all communities.

Honorable Speaker, the allocation we are setting aside for capital expenditure underscores our commitment to accelerating service delivery through efficient and good governance.

The budget I am tabling here today was prepared in accordance with the prescripts of the Municipal Finance Management Act, (Act 56 of 2003) and complies with Generally Recognized Accounting Practice as applicable to Local Government.

The budget was compiled, taking into account the Macro-economic growth parameters and also addresses the National Policy frameworks and provincial priorities including the following:

- Building of capacity for long term growth through investment in infrastructure
- Focus on core service delivery activities of local government
- Job creation and sustainable economic growth
- Participation in expanded public works programs and labour intensive projects.

- Protection of the poor through viable local economic development and strengthening of the social safety net.
- Effective and participative management through the regional management model.
- Maintaining of debt levels through debtor management as well as maximizing sources of revenue.
- Securing the health of the municipal asset base by increasing spending on repairs and maintenance.

The following underlying factors were also taken into consideration with the compilation of the 2024/25 budget:

- ❖ The National Policy framework with regards to basic service delivery to all our communities.
- ❖ External factors having a direct impact on the budget such as the Eskom tariff increase of 12.75%, bulk water tariff increase of 4.9%, consumer inflation, as well as other cost factors influencing service delivery.

FOCUS OF THE 2024/25 BUDGET

- ❖ With the 2024/25 budget, emphasis is placed on the core service delivery obligations assigned to the municipality in the constitution.
- ❖ Maintenance and renewal of existing infrastructure should enjoy preference and we are focusing on preventative and scheduled maintenance preceded by proper planning processes.
- ❖ Innovative service delivery mechanisms such as the building of internal capacity to get more value for budget allocations.
- ❖ Provision of much needed infrastructure to ensure the economic progression of our communities
- ❖ Provision of basic services, improvement of the quality infrastructures well as sustainable service delivery.

CAPITAL BUDGET

The capital budget flows from the IDP process and contains information obtained from relevant stakeholders and communities through a public participation process as well

as ward committee processes where applicable. The capital budget for the 2024/25 financial year amounts to R 145 million with the main focus on the following:

❖ Provision of water	R 80.6 Million
❖ Roads	R 29.2 Million
❖ Sanitation	R 9.1 Million
❖ Sports & Recreations	R 7.4 Million
❖ Landfill Site	R 0.7 Million
❖ Computers, Offices Equipment & Other	R 6.6Million
❖ Municipal Vehicle	R 8.2 million
❖ Office Building & Pavement	R3.2 million
❖ Garden Equipment	R0.3 million

Capital projects for the 2024/25 financial year are funded from grants receivable from the National Government amounting to R 125 Million and own funding to the amount of R 19 Million

IN CONCLUSION

The budget we are tabling here today is another step closer in attaining the strategic goals of the municipality which includes amongst others, institutional development and transformation, service delivery to all our communities, the financial viability and sustainability of the municipality as well as good administration and public participation. Thank you to the Municipal Manager who I believe has done an excellent job in leading the administration in the direction we both wish to move in and to the Directors and staff for their continued hard work in delivering services in line with the Municipality's vision of "A wealthy and prosperous local community with equal access to basic services and sustainable development opportunities".

I would like to thank Councillors who have a difficult task of balancing community expectation with limited resources.

I THANK YOU

D D Leutlwetse-Tshabalala
MAYOR

Council's Budget Resolution

- ❖ Council of Joe Morolong Local Municipality, acting in terms of section 24 of the Municipality Finance Management Act: Act 56 of 2003, Table Draft Budget for 2024/25 financial year and single-year capital appropriations as set-out in the core table contained in the bound budget document with effect from a 1 July 2024.
 - ✓ Table A2: Budgeted Financial Performance (expenditure by standard classification)
 - ✓ Table A3: Budgeted Financial Performance (expenditure by municipal vote)
 - ✓ Table A4: Budgeted Financial Performance (revenue by source)
 - ✓ Table A5: Budgeted Capital Expenditure for both multi-year and single year appropriations by vote, standard classification and funding
- ❖ The council also, acting in terms of Section 75A of the municipality System Act, Act 32 of 2000, adopted with effect from 1 July 2024.
 1. Tariffs for property rates, electricity, water supply, sanitation services and solid waste services and tariffs for other services.
 2. And the Council of Joe Morolong approved cash backing implemented through the utilisation of bulk services fees and portion of revenue generated from property rates to ensure cash backing for unspent conditional grants for effectiveness to the Municipal budget as required by the legal prescripts, Section 8 of the municipality Budget and Reporting Regulations.

BUDGET RELATED POLICIES ADOPTED TO COUNCIL ALONG-SIDE WITH THE BUDGET:

- 1) Property Rates Policy
- 2) Banking and Investment Policy
- 3) Budget, Funding, Reserves & Virement Policy
- 4) Credit Control and Debt Collection Policy
- 5) Fixed Assets Policy
- 6) Indigent Policy
- 7) Risk Management Policy
- 8) Supply Chain Management Policy
- 9) Tariffs Policy
- 10) Fruitless and Wasteful Expenditure Policy
- 11) Cash Shortage Policy
- 12) Bad Debt Write Off Policy
- 13) Asset Management Policy
- 14) Petty Cash Policy
- 15) Cost Containment Policy

BUDGET RESOLUTION: RESCNL2024-00235

1.1 Executive Summary

The key service delivery priorities, as reflected in the Integrated Development Plan (IDP), informed the development of the Budget, including the need to maintain the Municipality's financial sustainability.

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 members of communities.

The municipality's 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 so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on "nice to have" items in order to save money and improve service delivery. Key areas where savings were realized were on telephone and internet usage, workshops payment and catering.

- **National Treasury's MFMA Circular No. 128 was used to guide the compilation of the 2024/25 MTREF.**
- **The main challenges experienced during the compilation of the 2024/25 MTREF can be summarized as follows:**
 - The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and cash position of the municipality;
 - Elimination of non-priority expenditure that does serve the interest of service delivery to communities
 - The municipality's inability to generate enough own revenue to assist the infrastructure challenges in our communities.
 - Escalating Employee Related Costs, that continue to be greater than 30%, as compared to the total operating budget (after excluding the non-cash items), which is necessitated by various allowances that are paid to municipal employees.
 - Affordability of capital projects

- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure, more so due to the rampant vandalism of municipal infrastructure that has recently occurred.
 - The unfunded/underfunded mandates negatively impacting on the municipality's budget, such as the Library Services which is not necessarily under the municipality in terms of the Constitution of RSA Act.
- **The following budget principles and guidelines directly informed the compilation of the 2024/25 MTREF:**
- The 2023/24 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted.
 - The budget was prepared on a zero base principle and some of the operational expenses such as some contracted service and fuel expenses were prepared based on the 2023/24 financial year performance.
 - Intermediate service level standards were used to inform the, targets and backlog eradication goals;
 - Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs. For the next financial year, tariffs and property rates have been increased and there are two separate tariffs and rates applicable to municipality; being the one for businesses and the other for residential
 - Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
 - There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are

reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the 2024/25 Medium-term Revenue and Expenditure Framework:

Table 1 Overview of the 2024/25 MTREF

	Adjustment Budget 2023/24 R '000	Budget Year 2024/25 R '000	Budget Year +1 2025/26 R '000	Budget Year +2 2026/27 R '000
Total Operating Revenue	R435 313	457 812	471 665	510 623
Total Operating Expenditure	R434 713	408 865	434 063	454 366
(Surplus)/Deficit for the year	R600	48 947	37 602	56 257
Total Capital Expenditure	R133 795	145 035	145 040	165 978

Total operating revenue has increase by R 22 million for the 2024/25 financial year when compared to the 2023/24 Adjustments Budget. For the two outer years, operational revenue will increase by R14 million and then increase by R 39 million respectively. The Increase of R 12 million in 2024/25 financial year is as result of in services charges tariffs and property rate.

Total operating expenditure for the 2024/25 financial year has been appropriated at R 409 million and translates into a budgeted surplus of R 48 million. When compared to the 2023/24 Adjustments Budget, operational expenditure has decreased by R26 million in the 2024/25 budget and will increase by R 25 million and R 20 million for each of the respective outer years of the MTREF. The operating deficit for the two outer years of R 37 million and R 56 million.

The capital budget of R 145 million for 2024/25 is 8 per cent more when compared to the 2023/24 Adjustment Budget. The capital programme increases to R145 million in the 2025/26 financial year and R165 million in 2026/27. The capital budget will be funded from government grants and internally generated funds (surplus) over MTREF.

1.2. Operating Revenue Framework

For Joe Morolong local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality.

The reality is that we are faced with development backlogs, poverty and high unemployment.

The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is to be built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Trading services are fully cost-reflective and ring-fenced;
- Determining the tariff escalation rate by calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of subsidised services; and
- Tariff policies of the municipality.

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

Table 2 Summary of revenue classified by main revenue source

NC451 Joe Morolong - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	6 887	10 362	6 999	8 019	6 751	6 751	6 751	9 108	9 655	10 234
Service charges - Water	2	9 883	9 756	37 575	27 627	27 627	27 627	28 157	33 323	35 323	37 442
Service charges - Waste Water Management	2	3 795	1 261	1 340	1 431	1 503	1 503	1 609	1 706	1 809	1 917
Service charges - Waste Management	2	1 695	3 039	3 170	3 665	1 982	1 982	2 353	4 488	4 757	5 043
Sale of Goods and Rendering of Services		578	253	180	189	239	239	239	287	304	322
Agency services		-	-	-	-	-	-	-	30	32	34
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		5 780	6 948	8 254	8 300	9 453	9 453	9 453	13 378	14 181	15 032
Interest earned from Current and Non Current Assets		2 092	4 162	6 234	8 043	8 043	8 043	8 043	8 526	9 037	9 580
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		50	109	81	80	80	80	80	126	134	142
Licence and permits		-	-	-	5	-	-	-	210	223	236
Operational Revenue		605	495	147	90	90	90	90	353	374	397
Non-Exchange Revenue											
Property rates	2	-	-	-	30 500	43 924	43 924	43 924	42 591	45 146	47 855
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	0	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		167 803	207 200	181 714	192 454	192 454	192 454	192 454	200 312	208 069	217 711
Interest		-	3 423	6 794	6 944	15 447	15 447	15 447	17 629	18 687	19 808
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	(432)	-	-	-	-	-	-	-	-
Other Gains		-	-	-	(11)	(11)	(11)	(11)	(11)	(12)	(13)
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue		199 167	246 577	252 487	287 336	307 582	307 582	308 589	332 057	347 719	365 739

Table 3 Percentage growth in revenue by main revenue source

NC451 Joe Morolong - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2024/25 Medium Term Revenue & Expenditure Framework					
		Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
R thousand	1						
Revenue							
Exchange Revenue							
Service charges - Electricity	2	9 108	3%	9 655	3%	10 234	3%
Service charges - Water	2	33 323	10%	35 323	10%	37 442	10%
Service charges - Waste Water Management	2	1 706	1%	1 809	1%	1 917	1%
Service charges - Waste Management	2	4 488	1%	4 757	1%	5 043	1%
Sale of Goods and Rendering of Services		287	0%	304	0%	322	0%
Agency services		30	0%	32	0%	34	0%
Interest		-	0%	-	0%	-	0%
Interest earned from Receivables		13 378	4%	14 181	4%	15 032	4%
Interest earned from Current and Non Current Assets		8 526	3%	9 037	3%	9 580	3%
Dividends		-	0%	-	0%	-	0%
Rent on Land		-	0%	-	0%	-	0%
Rental from Fixed Assets		126	0%	134	0%	142	0%
Licence and permits		210	0%	223	0%	236	0%
Operational Revenue		353	0%	374	0%	397	0%
Non-Exchange Revenue							
Property rates	2	42 591	13%	45 146	13%	47 855	13%
Surcharges and Taxes		-	0%	-	0%	-	0%
Fines, penalties and forfeits		-	0%	-	0%	-	0%
Licences or permits		-	0%	-	0%	-	0%
Transfer and subsidies - Operational		200 312	60%	208 069	60%	217 711	60%
Interest		17 629	5%	18 687	5%	19 808	5%
Fuel Levy		-	0%	-	0%	-	0%
Operational Revenue		-	0%	-	0%	-	0%
Gains on disposal of Assets		-	0%	-	0%	-	0%
Other Gains		(11)	0%	(12)	0%	(13)	0%
Discontinued Operations		-	0%	-	0%	-	0%
Total Revenue (excluding capital transfers and contributions)		332 057	100%	347 719	100%	365 739	100%

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.

The municipality's revenue from operating grants and transfers totals R332 million in 2024/25 and steadily increases to R347 million by 2025/26 and increases to R365 million by 2026/27 of total revenue of municipality generated from grants, the revenue from operating grants form a significant percentage of the revenue basket for the Joe Morolong Local Municipality. The increase in property rates revenue in relation to the updated valuation, whereby there are additional mining development in the area.

The municipality has revised the property rates budget based on the fact that there were historical adjustments that were corrected. These were largely related to charges on Farmers for agriculture, that were billed on business category. Furthermore, the municipality will be writing off these initial charges including the underling interest. In addition, the municipality is constantly conducting Supplementary Valuations to further correct the charges.

The municipality submitted the 2024/25 draft budget based on the NERSA tariffs application. Furthermore, the municipality assessed the bulk purchases against electricity billed and collected. This resulted in the distribution losses that amounted to 46% and this necessitated for an audit to be conducted in order to identify the root cause. The audit is currently at 95% and the preliminary findings have been identified and discussed with the mine (South 32 in Hotazel).

There is a huge juncture of prepaid electricity meters not consuming and business customers charged with prepaid electricity and are actual supposed to be charged as industrial.

The municipality has further identified properties that did not have meters for billing and will be installing those critical meters. In addition, the municipality will also install SMART meters on the Distribution areas to monitor electricity bought from ESKOM and the electricity distributed to its customers

The sanitation budget was based on the fact that there were areas without billing and billing will be adjusted.

The water budget was based on the fact that there were meters that were faulty and will be replacing these meters. Furthermore, the meters were purchased and will be replacing areas which were dysfunctional on the ground.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

NC451 Joe Morolong - Supporting Table SA19
Expenditure on transfers and grant programme

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		114 287	225 214	274 832	194 540	192 900	192 900	197 245	206 295	215 660
Equitable Share		108 510	219 210	268 489	185 704	184 064	184 064	189 553	197 864	206 841
Expanded Public Works Programme Integrated Grant		1 326	464	546	2 159	2 159	2 159	1 231	1 288	1 347
Local Government Financial Management Grant		1 099	2 447	3 039	3 100	3 100	3 100	3 000	3 154	3 299
Municipal Infrastructure Grant		3 352	3 093	2 758	3 576	3 576	3 576	3 461	3 989	4 172
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		1 497	1 004	1 863	3 058	3 058	3 058	1 531	1 611	1 685
Mining Companies		331	–	575	1 806	1 806	1 806	231	242	253
Northern Cape Arts and Cultural		1 166	1 004	1 288	1 252	1 252	1 252	1 300	1 370	1 432
Total operating expenditure of Transfers and Grants:		115 784	226 218	276 695	197 598	195 958	195 958	198 776	207 906	217 345
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		172 970	63 851	105 821	132 651	127 131	127 131	125 755	123 945	144 884
Municipal Infrastructure Grant		33 052	87 476	70 748	78 951	73 431	73 431	65 755	68 945	74 884
Water Services Infrastructure Grant		139 918	(23 626)	35 073	53 700	53 700	53 700	60 000	55 000	70 000
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
Northern Cape Arts and										
Total capital expenditure of Transfers and Grants		172 970	63 851	105 821	132 651	127 131	127 131	125 755	123 945	144 884
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		288 755	290 069	382 516	330 248	323 088	323 088	324 531	331 851	362 229

1.2.1. Operational revenue assumptions – tariffs

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 4.9 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Vaal Central Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and water, these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

1.2.2. Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 128 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department

of Co-operative Governance. These regulations came into effect on 1 July 2024 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of all residential properties and of all properties used for multiple purposes, provided one or more components of such properties are used for residential purposes, is exempt from the payment of rates in terms of Section 17(1)(h) of the Property Rates Act.
- 100% rebate will granted to registered indigents in terms of the Indigent Policy

Table 5 Comparison of rates to be levied for the 2024/25 financial year

Category	Current Tariff (from 01 July 2023)	Adopted Tariff (from 01 July 2024)
	c	c
Residential properties	0.01316	0.01380
State owned properties	0.02409	0.02527
Public Service Infrastructure properties	0.00329	0.00345
Public Benefit Organisation	0.00329	0.00345
Business & Commercial	0.02666	0.02797
Vacant Land	0.01316	0.01380
Multi purpose Properties	0.01316	0.01380
Agricultural	0.0004562	0.000479
Industrial	0.02666	0.02797
Mines	0.02666	0.02797

1.2.3 Sales of Water and Impact of Tariff Increases

South Africa in general faces similar challenges with regard to water supply.

Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of water infrastructure, water networks and the operational cost

- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

A tariff increase of 4.9 per cent as from 1 July 2024 for water. In addition 6kl of water per 30 day period will again be granted for free to all the registered indigents.

Table 6 Approved Water Tariffs

Category	Current Tariff (from 01 July 2023)	Adopted Tariff (from 01 July 2024)
Residential	Rand per kl	Rand per kl
0 – 6 k/l	R 9.92	R 10.41
6– 20 k/l	R 18.97	R 19.90
> 20 k/l	R 89.60	R 93.99
Business		
0 – 6 k/l	R 19.86	20.83
6– 20 k/l	R 25.68	26.94
> 20k/l	R 35.04	36.76
Industrial		
0 – 6 k/l	R 55.61	58.33
6– 20 k/l	R 71.50	75.00
> 20k/l	R 103.27	108.33

1.2.4. Sanitation and Impact of Tariff Increase

A tariff increase of 4.9 percent for sanitation from 1 July 2024 is tabled by council.

Table 7 Comparison between current sanitation charges and increases

Categories	Current Tariffs 2023	Adopted Tariffs 2024
Residential		
Basic charge	R 96.93	101.68
Business		
Basic charge	R 240.87	252.67

1.2.5 Refuse and Impact of Tariff Increases

A tariff increase of 4.9 percent for refuse from 1 July 2024 is approved by council

Table 8 Comparison between current refuse charges and increases

Categories	Current Tariffs 2023	Adopted Tariffs 2024
Van Zylsrus		
Residential	R 39.23	41.15
Business (per container)	R 81.42	85.41
Hotazel		
Residential		
Refuse removal charge (1 X per week)	R 291.68	305.97
Special household	R 390.17	409.29
Tariff for schools, creches, other educational institutions, churches and welfare or life clubs, residential used for business		
Refuse removal charge (1 X per week)	R 565.44	593.14
Business, Hotel, Guest Houses, Flats 2 X per week	R 349.55	366.67
Business, Hotel, Guest Houses, Flats 1 X per week	R 693.18	727.15
Garden refuse (per 3m ³ load or part thereof)	R 1 247.73	1 308.87
Building Rubble (per 3m ³ load or part thereof)	R 720.91	756.23
Bulk Refuge Container	R 1 039.77	1 090.72
Compost (bulk) per m ³	R 565.44	593.14
Business, Hotel, Guest Houses, Flats 2 X per week	R 349.55	366.67

1.2.6 Electricity and impact of Tariff Increases

A tariff increase of 12.74% percent for electricity from 1 July 2024 is approved by council as recommended by NERSA in MFMA Circular no: 128

Table 9 Comparison between current electricity charges and increases

Categories	Approved tariffs 2023/24	Adopted Tariffs 2024/25
Prepaid		
DOMESTIC CUSTOMERS		
Availability charge	R 172.09	172.09
Energy charge c/kWh	299.00	299.00
COMMERCIAL CUSTOMERS		
Availability charge	R 189.41	189.41
Basic charge	R 162.56	162.56
Energy charge c/kWh	299.63	299.63
COMMERCIAL CONVENTIONAL		
Basic charge	R 236.74	236.74
Energy charge c/kWh	265.00	265.00
INDUSTRIAL		
Availability charge	R 189.41	189.41
Basic charge	R 236.74	236.74
Energy charge c/kWh	265.00	265.00

The tariffs for 2024/25 MTREF are based on the following assumptions:

- That the demand for services will remain at the same levels, meaning that consumers will continue consuming at the same quantities as the previous period
- That the paying customers will continue paying for their services and those who cannot afford will register as indigents and benefit from free basic services
- That credit control policy will be applied to prevent customers in accumulating debt without paying the municipality and entering into a repayment arrangement with the municipality's finance department

- That non-paying customers including indigents who consume more than the approved quantum will be disconnected from services in line with the credit control policy until acceptable arrangements/payments are made
- That the municipality will take a conservative approach on tariff hike taking into account affordability and inflation
- That no surcharges will be implemented in their near future for all services
- That consumers will continue to switch over from post-paid to prepaid electricity metering
- That the municipality will charge a basic charge for the first 6kl of water will be not be charged and that indigent person will be fully subsidized for the same.
- That the average tariff increases will be as affordable as possible.

1.2.7 Overall impact of tariff increases on households

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

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 4.9 per cent and 12.74 per cent, with the increase for indigent households being to 4.9 per cent.

1.3 Operating Expenditure Framework

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

- Budgetary constraints (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Funding compliance Budget Circular 42
- Operational gains and efficiencies will be directed to funding repairs and maintenance;
- Strict adherences to the principle of no project plan *no budget*. If there is no business plan no funding allocation can be made.

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

Table 11 Summary of operating expenditure by standard classification item

NC451 Joe Morolong - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Expenditure											
Employee related costs	2	71 719	70 509	89 862	126 134	115 391	115 391	115 391	132 302	138 176	144 643
Remuneration of councillors		11 650	11 921	13 636	13 799	16 598	16 598	16 598	16 842	14 439	15 111
Bulk purchases – electricity	2	5 769	8 459	10 506	7 039	13 928	13 928	13 928	9 600	10 042	10 504
Inventory consumed	8	6 869	12 667	16 720	24 691	37 011	37 011	37 011	28 068	29 368	30 719
Debt impairment	3	-	(219 653)	31 371	21 926	27 259	27 259	27 259	16 723	17 726	18 790
Depreciation and amortization		123 019	130 492	122 519	34 804	94 478	94 478	94 478	102 425	107 318	112 248
Interest		282	446	772	260	499	499	499	70	73	77
Contracted services		31 266	31 535	41 180	46 700	48 631	48 631	48 631	45 458	50 693	53 027
Transfers and subsidies		17 188	11 993	443	500	500	500	500	800	837	875
Irrecoverable debts written off		286 550	(9 568)	16 106	-	33 804	33 804	33 804	12 272	18 264	19 104
Operational costs		31 532	47 683	49 203	48 146	46 624	46 624	46 624	50 613	53 750	56 194
Losses on disposal of Assets		7 476	9 629	-	-	-	-	-	-	-	-
Other Losses		-	(49)	(10)	(11)	(11)	(11)	(11)	(11)	(12)	(13)
Total Expenditure		593 321	106 063	392 309	323 988	434 713	434 713	434 713	415 162	440 674	461 279

The budgeted allocation for employee related costs for the 2024/25 financial year totals R132 million. Employee related has increased by R43 million as compare to Audited Outcome 2022/23, during 2022/23 municipality couldn't fill vacant post due to the dispute between Labour unions. The SALGBC wage increase is still on negotiation stage the municipality increased employee related by inflation rate . Salary increases have been factored into this budget at a percentage increase of

4.9% per cent for the 2024/25 financial year. An annual increase of 4.6% per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of Councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget. Budget of Remuneration for Councillors increased by R3,2 million as compared to Audited Outcome 2022/23 FY. Upper limits were approved during 2023/24 FY and implemented retrospectively.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Inventory Consumed increase by R12 million from R16 million during the audited outcome of 2022/23. This is inclusive of Store Items from water, electricity and waste water and Fuel. Previously Fuel was not treated as Inventory Consumed, was not store at the institution.

The provision of debt impairment was determined based on an annual collection rate as per Debt Write-off Policy of the municipality. Most of Debt write off will be written off during 2023/24 FY. Hence the decrease in the Debt Impairment Budget.

Depreciation is at the R102 million this was informed by the updated Fixed assets register and municipality is intending of dispose assets that are obsolete and redundant.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges which is 70 thousands for 2024/25 and increases to R73 thousands by 2025/26. Audit outcome was inclusive of interest on overdue accounts.

Transfer and subsidies will utilized to fund the upcoming Small Medium and Micro Enterprise(SMME's) within the jurisdiction of Joe Morolong Local Municipality.

Other expenditure comprises of various line items relating to the daily operations of the municipality including repairs and maintenance. This group of expenditure has also been investigated as a possible avenue where savings and efficiencies can be achieved but the cost under these items are relatively fixed due to the fact that we were already very conservative when compiling the budget, growth has been limited to average increase of 12.74 per cent for 2024/25 unless there was a specific reason for such line item to be more than inflation.

1.3.1 Repairs and Maintenance

Table 12 Repairs and Maintenance per asset class

NC451 Joe Morolong - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		1 164	11 073	10 659	13 000	12 000	12 000	12 500	13 075	13 676
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		685	5 643	10 659	13 000	12 000	12 000	12 500	13 075	13 676
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		479	5 429	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets		-	2 466	-	-	-	-	-	-	-
Community Facilities		-	2 466	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	2 003	2 259	1 530	2 030	2 030	2 000	2 092	2 188
Transport Assets		-	2 003	2 259	1 530	2 030	2 030	2 000	2 092	2 188
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	1 164	15 591	12 918	14 530	14 030	14 030	14 500	15 167	15 865
R&M as a % of PPE & Investment Property		0.1%	1.2%	1.1%	1.1%	1.2%	1.2%	1.3%	1.3%	1.4%
R&M as % Operating Expenditure		0.2%	14.7%	3.3%	4.5%	3.2%	3.2%	3.3%	3.7%	3.6%

For the 2024/25 financial year, R14.5 million of total repairs and maintenance will be spent on infrastructure assets. Water infrastructure has received a significant proportion of this allocation totalling up to R12 million, followed by Transport assets has been allocated R2 million of total repairs and maintenance.

1.4 Capital expenditure

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

Table 13 2023/24 Medium-term capital budget per vote

NC451 Joe Morolong - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref 1	2024/25 Medium Term Revenue & Expenditure Framework							
		Adjusted Budget	%	Budget Year 2024/25	%	Budget Year +1 2025/26	%	Budget Year +2 2026/27	%
Governance and administration		3 465		15 380		16 828		16 828	
Executive and council		100	0%	250	0%	274	0%	274	0%
Finance and administration		3 365	3%	14 530	10%	15 898	11%	15 898	10%
Internal audit		–	0%	600	0%	656	0%	656	0%
Community and public safety		10 263		8 407		9 198		9 198	
Community and social services		–		1 000	1%	1 094	1%	1 094	1%
Sport and recreation		10 263	8%	7 407	5%	8 104	6%	8 104	5%
Public safety		–	0%	–	0%	–	0%	–	0%
Housing		–	0%	–	0%	–	0%	–	0%
Health		–	0%	–	0%	–	0%	–	0%
Economic and environmental services		22 588		30 301		27 215		33 153	
Planning and development		–	0%	–	0%	–	0%	–	0%
Road transport		22 088	17%	30 201	21%	27 105	19%	33 044	20%
Environmental protection		500	0%	100	0%	109	0%	109	0%
Trading services		97 480		90 947		91 799		106 799	
Energy sources		–	0%	–	0%	–	0%	–	0%
Water management		86 882	65%	80 600	56%	78 128	54%	93 128	56%
Waste water management		10 598	8%	9 147	6%	12 358	9%	12 358	7%
Waste management		–	0%	1 200	1%	1 313	1%	1 313	1%
Other		–	0%	–	0%	–	0%	–	0%
Total Capital Expenditure - Functional	3	133 796		145 035		145 040		165 978	

For 2024/25 an amount of R 145 million has been budgeted for the capital expenses and increases to R 145 million in 2025/26. For 2023/24 financial year water receives the highest allocation of R 81 million, which represent 56 per cent followed by Roads at R 30 million at 21 per cent and then waste water management at R 9 million at 6 per cent.

CAPITAL BUDGET

The capital budget for the 2024/25 financial year amounts to R 145 million with the main focus on the following:

- ❖ Provision of water R 80.6 Million
- ❖ Roads R 29.2 Million
- ❖ Sanitation R 9.1 Million
- ❖ Sports & Recreations R 7.4 Million
- ❖ Landfill Site R 0.7 Million
- ❖ Computers, Offices Equipment & Other R 6.6Million
- ❖ Municipal Vehicle R 8.2 million

❖ Office Building & Pavement	R3.2 million
❖ Garden Equipment	R0.3 million

Capital projects for the 2024/25 financial year are funded from grants receivable from the National Government amounting to R 125 Million and own funding to the amount of R 19 Million

1.5 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2024/25 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page

Table 14 – Table A1 Budget Summary

Explanatory notes: Table A1 Budget Summary

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

Table 15 – Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

NC451 Joe Morolong - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional										
Governance and administration		175 672	202 746	188 244	231 207	253 735	253 735	264 844	277 876	291 567
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		175 672	202 746	188 244	231 207	253 735	253 735	264 844	277 876	291 567
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		50	7 770	3 020	14 496	13 754	13 754	10 208	9 458	10 069
Community and social services		50	7 770	3 020	3 491	3 491	3 491	2 621	1 415	1 544
Sport and recreation		0	–	–	11 000	10 263	10 263	7 407	7 851	8 323
Public safety		–	–	–	5	–	–	180	191	202
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		39 907	3 195	85 027	24 054	24 104	24 104	32 919	34 854	37 040
Planning and development		3 054	3 195	3 492	3 666	3 716	3 716	3 717	3 900	4 229
Road transport		36 853	–	81 534	20 388	20 388	20 388	29 201	30 953	32 811
Environmental protection		–	0	0	0	0	0	1	1	1
Trading services		104 548	175 329	97 822	150 230	143 720	143 720	149 841	149 476	171 947
Energy sources		7 336	12 623	8 402	8 214	7 492	7 492	11 308	11 987	12 706
Water management		75 805	73 853	83 600	119 756	119 756	119 756	120 629	118 511	139 124
Waste water management		17 674	85 098	1 592	17 960	13 101	13 101	12 288	13 025	13 807
Waste management		3 733	3 755	4 228	4 300	3 372	3 372	5 616	5 953	6 310
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	320 177	389 040	374 113	419 987	435 313	435 313	457 812	471 665	510 623
Expenditure - Functional										
Governance and administration		416 543	236 526	149 257	137 318	177 169	177 169	178 381	186 886	195 407
Executive and council		20 269	23 184	26 512	31 548	33 182	33 182	37 589	38 310	39 993
Finance and administration		394 733	215 196	120 714	102 941	141 563	141 563	138 121	145 781	152 492
Internal audit		1 541	(1 854)	2 032	2 829	2 423	2 423	2 671	2 794	2 923
Community and public safety		31 927	(133 728)	28 637	27 984	25 569	25 569	23 325	24 011	25 228
Community and social services		20 447	9 666	5 178	10 992	9 531	9 531	10 611	10 946	11 452
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		7	849	1 259	2 901	1 984	1 984	4 390	4 254	4 450
Housing		11 438	(144 302)	22 200	14 091	14 055	14 055	8 323	8 810	9 327
Health		35	58	–	–	–	–	–	–	–
Economic and environmental services		10 815	10 433	97 093	26 260	35 855	35 855	43 477	46 064	48 296
Planning and development		8 860	8 939	10 999	16 748	14 818	14 818	18 233	19 782	20 762
Road transport		1 679	656	81 851	7 656	19 102	19 102	21 629	22 678	23 767
Environmental protection		277	838	4 243	1 855	1 935	1 935	3 615	3 604	3 767
Trading services		134 036	(7 168)	117 322	132 427	196 120	196 120	169 980	183 714	192 348
Energy sources		24 581	(1 794)	19 122	41 464	59 922	59 922	49 173	56 467	59 111
Water management		82 280	(13 060)	94 264	82 143	115 585	115 585	110 024	115 344	120 770
Waste water management		14 567	12 243	1 884	4 285	16 396	16 396	4 989	5 224	5 475
Waste management		12 608	(4 557)	2 052	4 534	4 217	4 217	5 794	6 679	6 993
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	593 321	106 063	392 309	323 988	434 713	434 713	415 162	440 674	461 279
Surplus/(Deficit) for the year		(273 144)	282 977	(18 196)	95 999	600	600	42 650	30 990	49 344

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

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS 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.

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

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

Table 16 – Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

NC451 Joe Morolong - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote	1									
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–
Vote 2 - Office Of The Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 3 - LED, Development and Town Planning		73	25	68	90	140	140	256	271	288
Vote 4 - Corporate Services		10 079	508	1 088	1 872	1 872	1 872	587	619	653
Vote 5 - Technical Services		142 739	178 499	182 781	174 194	167 684	167 684	182 503	184 059	208 699
Vote 6 - Financial Services		167 236	202 238	187 156	229 335	251 863	251 863	264 257	277 257	290 914
Vote 7 - Community Services		50	7 770	3 020	14 496	13 754	13 754	10 209	9 458	10 069
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	320 177	389 040	374 113	419 987	435 313	435 313	457 812	471 665	510 623
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		12 157	16 858	19 384	22 256	25 968	25 968	28 204	26 268	27 396
Vote 2 - Office Of The Municipal Manager		9 653	4 481	10 155	13 621	10 969	10 969	13 454	16 299	17 050
Vote 3 - LED, Development and Town Planning		5 094	4 796	7 313	11 350	9 909	9 909	13 116	14 009	14 724
Vote 4 - Corporate Services		34 234	27 529	43 812	50 824	50 067	50 067	53 603	57 476	60 164
Vote 5 - Technical Services		138 700	(2 368)	203 265	139 736	228 281	228 281	212 051	228 194	238 919
Vote 6 - Financial Services		360 456	187 657	75 501	52 918	76 760	76 760	61 958	64 683	67 620
Vote 7 - Community Services		33 027	(132 891)	32 880	29 362	27 030	27 030	26 480	27 134	28 493
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	593 321	106 063	392 309	320 067	428 985	428 985	408 865	434 063	454 366
Surplus/(Deficit) for the year	2	(273 144)	282 977	(18 196)	99 920	6 328	6 328	48 947	37 601	56 257

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

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the total budgeted operating and capital expenditure performance in relation to the organisational structure of the municipality. This table also presents the overall surplus of the municipality for each budget year. The operating expenditure is separately presented on table A4 and the capital expenditure presented on table A5

Table 17 – Table A4 Budgeted Financial Performance (revenue and expenditure)

NC451 Joe Morolong - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	6 887	10 362	6 999	8 019	6 751	6 751	6 751	9 108	9 655	10 234
Service charges - Water	2	9 883	9 756	37 575	27 627	27 627	27 627	28 157	33 323	35 323	37 442
Service charges - Waste Water Management	2	3 795	1 261	1 340	1 431	1 503	1 503	1 609	1 706	1 809	1 917
Service charges - Waste Management	2	1 695	3 039	3 170	3 665	1 982	1 982	2 353	4 488	4 757	5 043
Sale of Goods and Rendering of Services		578	253	180	189	239	239	239	287	304	322
Agency services		-	-	-	-	-	-	-	30	32	34
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		5 780	6 948	8 254	8 300	9 453	9 453	9 453	13 378	14 181	15 032
Interest earned from Current and Non Current		2 092	4 162	6 234	8 043	8 043	8 043	8 043	8 526	9 037	9 580
Assets											
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		50	109	81	80	80	80	80	126	134	142
Licence and permits		-	-	-	5	-	-	-	210	223	236
Operational Revenue		605	495	147	90	90	90	90	353	374	397
Non-Exchange Revenue											
Property rates	2	-	-	-	30 500	43 924	43 924	43 924	42 591	45 146	47 855
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	0	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		167 803	207 200	181 714	192 454	192 454	192 454	192 454	200 312	208 069	217 711
Interest		-	3 423	6 794	6 944	15 447	15 447	15 447	17 629	18 687	19 808
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	(432)	-	-	-	-	-	-	-	-
Other Gains		-	-	-	(11)	(11)	(11)	(11)	(11)	(12)	(13)
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		199 167	246 577	252 487	287 336	307 582	307 582	308 589	332 057	347 719	365 739
Expenditure											
Employee related costs	2	71 719	70 509	89 862	126 134	115 391	115 391	115 391	132 302	138 176	144 643
Remuneration of councillors		11 650	11 921	13 636	13 799	16 598	16 598	16 598	16 842	14 439	15 111
Bulk purchases - electricity	2	5 769	8 459	10 506	7 039	13 928	13 928	13 928	9 600	10 042	10 504
Inventory consumed	8	6 869	12 667	16 720	24 691	37 011	37 011	37 011	28 068	29 368	30 719
Debt impairment	3	-	(219 653)	31 371	21 926	27 259	27 259	27 259	16 723	17 726	18 790
Depreciation and amortisation		123 019	130 492	122 519	34 804	94 478	94 478	94 478	102 425	107 318	112 248
Interest		282	446	772	260	499	499	499	70	73	77
Contracted services		31 266	31 535	41 180	46 700	48 631	48 631	48 631	45 458	50 693	53 027
Transfers and subsidies		17 188	11 993	443	500	500	500	500	800	837	875
Irrecoverable debts written off		286 550	(9 568)	16 106	-	33 804	33 804	33 804	12 272	18 264	19 104
Operational costs		31 532	47 683	49 203	48 146	46 624	46 624	46 624	50 613	53 750	56 194
Losses on disposal of Assets		7 476	9 629	-	-	-	-	-	-	-	-
Other Losses		-	(49)	(10)	(11)	(11)	(11)	(11)	(11)	(12)	(13)
Total Expenditure		593 321	106 063	392 309	323 988	434 713	434 713	434 713	415 162	440 674	461 279
Surplus/(Deficit)		(394 154)	140 513	(139 822)	(36 652)	(127 131)	(127 131)	(126 124)	(83 105)	(92 955)	(95 540)
Transfers and subsidies - capital (monetary allocations)	6	109 914	142 463	121 534	132 651	127 131	127 131	127 131	125 755	123 945	144 884
Transfers and subsidies - capital (in-kind)	6	11 096	-	92	-	600	600	600	-	-	0
Surplus/(Deficit) after capital transfers & contributions		(273 144)	282 977	(18 196)	95 999	600	600	1 607	42 650	30 990	49 344
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(273 144)	282 977	(18 196)	95 999	600	600	1 607	42 650	30 990	49 344
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(273 144)	282 977	(18 196)	95 999	600	600	1 607	42 650	30 990	49 344
Share of Surplus/Deficit attributable to Associate Intercompany/Parent subsidiary transactions	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	(273 144)	282 977	(18 196)	95 999	600	600	1 607	42 650	30 990	49 344

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

Total operating revenue is R 332 Million for 2024/25 and increase to R347 million and then increases to R 368 Million by 2025/26 and 2026/27 respectively.

Revenue to be generated from property rates will be R 42 Million in the 2024/25 and increase to R 45 million by 2025/26 financial year.

Services charges relating to electricity, water, sanitation and refuse removal constitutes R 48 million in 2024/25 and increases to R 52 million in 2025/26. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.

Transfers recognised – operating income includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are increasing.

The total operational expenditure amounts to R 415 million for 2024/25 and increase to R441 million by 2025/26.

Table 18– Table A5 Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		–	2 676	–	–	–	–	–	–	–	–
Vote 2 - Office Of The Municipal Manager		–	–	–	100	100	100	100	850	930	930
Vote 3 - LED, Development and Town Planning		–	–	–	–	–	–	–	–	–	–
Vote 4 - Corporate Services		(212)	1 526	2 686	2 870	3 065	3 065	3 065	14 330	15 679	15 679
Vote 5 - Technical Services		44 408	56 177	99 971	122 751	119 568	119 568	119 568	111 736	101 229	122 168
Vote 6 - Financial Services		30	12 826	220	400	300	300	300	1 400	1 532	1 532
Vote 7 - Community Services		5 279	77 387	7 858	–	–	–	–	400	438	438
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	49 506	150 591	110 735	126 121	123 033	123 033	123 033	128 716	119 808	140 746
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Office Of The Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - LED, Development and Town Planning		–	–	–	–	–	–	–	–	–	–
Vote 4 - Corporate Services		226	–	–	–	–	–	–	–	–	–
Vote 5 - Technical Services		42 711	9 304	6 049	–	–	–	–	8 913	17 128	17 128
Vote 6 - Financial Services		–	–	–	–	–	–	–	–	–	–
Vote 7 - Community Services		388	–	–	–	500	500	500	–	–	0
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		43 325	9 304	6 049	–	500	500	500	8 913	17 128	17 128
Total Capital Expenditure - Vote		92 831	159 895	116 784	126 121	123 533	123 533	123 533	137 628	136 936	157 874
Capital Expenditure - Functional											
Governance and administration		83 877	17 028	2 906	3 370	3 465	3 465	3 465	15 380	16 828	16 828
Executive and council		–	2 676	–	100	100	100	100	250	274	274
Finance and administration		83 877	14 352	2 906	3 270	3 365	3 365	3 365	14 530	15 898	15 898
Internal audit		–	–	–	–	–	–	–	600	656	656
Community and public safety		5 667	77 189	7 662	11 000	10 263	10 263	10 263	8 407	9 198	9 198
Community and social services		5 279	77 189	7 662	–	–	–	–	1 000	1 094	1 094
Sport and recreation		–	–	–	11 000	10 263	10 263	10 263	7 407	8 104	8 104
Public safety		388	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		29 376	45 159	17 711	20 488	22 588	22 588	22 588	30 301	27 215	33 153
Planning and development		–	–	–	–	–	–	–	–	–	–
Road transport		29 376	44 961	17 515	20 488	22 088	22 088	22 088	30 201	27 105	33 044
Environmental protection		–	198	196	–	500	500	500	100	109	109
Trading services		145 751	20 519	88 505	102 263	97 480	97 480	97 480	90 947	91 799	106 799
Energy sources		–	1 304	–	–	–	–	–	–	–	–
Water management		238 684	4 294	79 198	86 882	86 882	86 882	86 882	80 600	78 128	93 128
Waste water management		(88 213)	14 790	9 306	15 381	10 598	10 598	10 598	9 147	12 358	12 358
Waste management		(4 720)	130	–	–	–	–	–	1 200	1 313	1 313
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	264 671	159 895	116 784	137 121	133 796	133 796	133 796	145 035	145 040	165 978
Funded by:											
National Government		172 970	65 155	105 821	132 651	127 131	127 131	127 131	125 755	123 945	144 884
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	172 970	65 155	105 821	132 651	127 131	127 131	127 131	125 755	123 945	144 884
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		91 700	94 740	10 964	4 470	6 665	6 665	6 665	19 280	21 095	21 095
Total Capital Funding	7	264 671	159 895	116 784	137 121	133 796	133 796	133 796	145 035	145 040	165 978

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

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

The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

Capital expenditure has been appropriated at R 145 million for the 2024/25 financial year and increases over the MTREF to R 145 million and R 166 million respectively for the two outer years.

Unlike multi-year capital appropriations, all of our capital projects are expected to be completed with a single year 2024/25. Included in our single-year appropriations is an expenditure that will be incurred in the 2024/25 budget year such as the procurement of computers and office furniture. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

The capital programme is funded from National Treasury capital transfers and internally generated funds from current year surpluses.

Table 19- Table A6 Budget Financial position

Description R thousand	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
ASSETS										
Current assets										
Cash and cash equivalents	46 108	56 669	34 956	186 706	(18 968)	(18 968)	(18 968)	53 334	66 071	68 715
Trade and other receivables from exchange transactions	22 671	105 476	133 862	34 183	153 249	153 249	153 249	144 881	145 919	145 919
Receivables from non-exchange transactions	–	–	–	3 732	299 337	299 337	299 337	203 984	203 233	203 268
Current portion of non-current receivables	–	–	–	–	–	–	–	–	–	–
Inventory	1 942	1 247	1 335	9 911	10 860	10 860	10 860	3 613	3 403	3 403
VAT	36 141	47 098	48 666	28 328	24 179	24 179	24 179	45 128	45 728	45 728
Other current assets	282	382	2 625	433	2 653	2 653	2 653	2 669	2 669	2 669
Total current assets	107 144	210 872	221 445	263 294	471 309	471 309	471 309	453 608	467 024	469 702
Non current assets										
Investments	–	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	1 365 269	1 376 914	1 371 244	1 554 683	1 522 303	1 522 303	1 522 303	1 476 281	1 472 886	1 493 825
Biological assets	–	–	–	–	–	–	–	–	–	–
Living and non-living resources	–	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–	–
Intangible assets	949	1 090	1 025	8 693	6 024	6 024	6 024	13 037	13 228	13 228
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	–	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–	–
Total non current assets	1 366 218	1 378 003	1 372 268	1 563 376	1 528 328	1 528 328	1 528 328	1 489 318	1 486 115	1 507 053
TOTAL ASSETS	1 473 362	1 588 875	1 593 713	1 826 670	1 999 636	1 999 636	1 999 636	1 942 926	1 953 138	1 976 756
LIABILITIES										
Current liabilities										
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Financial liabilities	119	129	141	137	137	137	137	145	159	159
Consumer deposits	24	25	36	29	37	37	37	37	37	37
Trade and other payables from exchange transactions	55 083	58 082	57 563	176 706	29 076	29 076	29 076	76 492	76 502	76 482
Trade and other payables from non-exchange transactions	2 005	151	(1 008)	4 686	2 634	2 634	2 634	1 606	1 637	1 637
Provision	227	322	692	220	570	570	570	563	551	551
VAT	(9 299)	5 576	10 824	11 494	10 981	10 981	10 981	10 990	11 006	11 006
Other current liabilities	–	–	–	–	–	–	–	–	–	–
Total current liabilities	48 158	64 286	68 248	193 271	43 435	43 435	43 435	89 833	89 892	89 872
Non current liabilities										
Financial liabilities	774	645	504	505	326	326	326	315	298	298
Provision	2 397	7 826	8 213	2 749	8 213	8 213	8 213	8 213	8 213	8 213
Long term portion of trade payables	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	2 265	3 023	3 558	3 204	3 558	3 558	3 558	3 558	3 558	3 558
Total non current liabilities	5 437	11 494	12 275	6 459	12 097	12 097	12 097	12 087	12 069	12 069
TOTAL LIABILITIES	53 595	75 780	80 524	199 730	55 533	55 533	55 533	101 919	101 961	101 941
NET ASSETS	1 419 767	1 513 095	1 513 189	1 626 940	1 944 104	1 944 104	1 944 104	1 841 007	1 851 177	1 874 814
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	2 214 306	1 386 449	1 696 973	1 632 343	2 238 876	2 238 876	2 238 876	1 853 295	1 885 272	1 893 047
Reserves and funds	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2 214 306	1 386 449	1 696 973	1 632 343	2 238 876	2 238 876	2 238 876	1 853 295	1 885 272	1 893 047

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understand-ability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 20- Table A7 Budgeted Cash Flow

NC451 Joe Morolong - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	17 738	17 738	17 738	17 738	36 168	38 338	40 638
Service charges		–	–	–	35 198	35 198	35 198	35 198	38 342	40 643	43 081
Other revenue		–	–	–	354	349	349	349	1 006	1 065	1 127
Transfers and Subsidies - Operational	1	–	118 543	143	192 952	192 952	192 952	192 952	200 312	217 711	217 711
Transfers and Subsidies - Capital	1	9 213	–	–	132 101	126 581	126 581	126 581	125 755	123 945	144 884
Interest		–	–	252	–	–	–	–	13 414	14 216	15 069
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(296 421)	(282 774)	(455 298)	(2 544)	(14 145)	(14 145)	(14 145)	(357 867)	(393 620)	(394 559)
Interest		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(287 208)	(164 231)	(454 903)	375 800	358 673	358 673	358 673	57 129	42 297	67 950
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	–	(132 101)	(126 581)	(126 581)	(126 581)	(125 755)	(123 945)	(144 884)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	(132 101)	(126 581)	(126 581)	(126 581)	(125 755)	(123 945)	(144 884)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	(129)	(207)	(207)	(207)	(207)	(219)	(240)	(240)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	(129)	(207)	(207)	(207)	(207)	(219)	(240)	(240)
NET INCREASE/ (DECREASE) IN CASH HELD		(287 208)	(164 231)	(455 032)	243 493	231 886	231 886	231 886	(68 845)	(81 888)	(77 173)
Cash/cash equivalents at the year begin:	2	(6 902)	46 108	56 669	60 069	34 956	34 956	34 956	25 595	(43 250)	(125 138)
Cash/cash equivalents at the year end:	2	(294 110)	(118 123)	(398 363)	303 562	266 842	266 842	266 842	(43 250)	(125 138)	(202 311)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Table 21- Table A8 Budgeted Cash Flow Cash Backed Reserves/Accumulated Surplus Reconciliation

NC451 Joe Morolong - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash and investments available											
Cash/cash equivalents at the year end	1	(294 110)	(118 123)	(398 363)	303 562	266 842	266 842	266 842	(43 250)	(125 138)	(202 311)
Other current investments > 90 days		340 218	174 792	433 319	(116 856)	(285 810)	(285 810)	(285 810)	96 584	191 209	271 026
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		46 108	56 669	34 956	186 706	(18 968)	(18 968)	(18 968)	53 334	66 071	68 715
Application of cash and investments											
Unspent conditional transfers		2 005	151	(1 008)	4 686	2 634	2 634	2 634	1 606	1 637	1 637
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	(45 440)	(40 602)	(37 842)	(14 047)	(11 867)	(11 867)	(11 867)	(34 128)	(34 713)	(34 713)
Other working capital requirements	3	55 083	58 082	57 563	167 706	(50 730)	(50 730)	(50 465)	(209 565)	(209 783)	(209 826)
Other provisions		227	322	692	220	570	570	570	563	551	551
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		11 875	17 954	19 405	158 564	(59 393)	(59 393)	(59 128)	(241 524)	(242 307)	(242 350)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		34 233	38 715	15 551	28 142	40 425	40 425	40 160	294 858	308 379	311 065
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		34 233	38 715	15 551	28 142	40 425	40 425	40 160	294 858	308 379	311 065

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

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

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

Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 22- Table A9 Asset Management

NC451 Joe Morolong - Table A9 Asset Management

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	78 262	215 701	110 735	127 868	124 543	124 543	130 027	122 793	143 732
Roads Infrastructure		(24 339)	44 961	17 515	20 388	21 988	21 988	29 201	26 011	31 950
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	1 304	-	-	-	-	-	-	-
Water Supply Infrastructure		91 513	60 100	72 949	76 630	76 630	76 630	64 992	55 226	70 226
Sanitation Infrastructure		3 221	14 595	9 306	15 381	10 598	10 598	9 147	12 358	12 358
Solid Waste Infrastructure		-	-	-	-	500	500	-	-	0
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		70 395	120 961	99 771	112 398	109 715	109 715	103 340	93 595	114 533
Community Facilities		5 279	75 792	7 662	-	-	-	300	328	328
Sport and Recreation Facilities		-	-	-	11 000	10 263	10 263	7 407	8 104	8 104
Community Assets		5 279	75 792	7 662	11 000	10 263	10 263	7 707	8 432	8 432
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	4 900	5 361	5 361
Housing		-	130	-	-	-	-	-	-	-
Other Assets		-	130	-	-	-	-	4 900	5 361	5 361
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		148	938	-	100	465	465	630	689	689
Intangible Assets		148	938	-	100	465	465	630	689	689
Computer Equipment		(4 659)	5 815	92	500	500	500	1 250	1 368	1 368
Furniture and Office Equipment		194	-	-	300	200	200	600	656	656
Machinery and Equipment		6 722	1 767	420	1 570	1 400	1 400	3 300	3 611	3 611
Transport Assets		184	10 296	2 790	2 000	2 000	2 000	8 300	9 081	9 081
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	14 568	(55 806)	6 049	9 252	9 252	9 252	15 008	22 246	22 246
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		14 568	(55 806)	6 049	9 252	9 252	9 252	15 008	22 246	22 246
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		14 568	(55 806)	6 049	9 252	9 252	9 252	15 008	22 246	22 246
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-

ASSET REGISTER SUMMARY - PPE (WDV)	5	1 263 513	1 284 383	1 174 472	1 333 952	1 203 310	1 203 310	1 160 587	1 158 706	1 158 706
<i>Roads Infrastructure</i>		297 330	255 892	176 351	267 494	172 836	172 836	172 395	172 021	172 021
<i>Storm water Infrastructure</i>		7 816	19 159	18 289	18 830	17 046	17 046	16 741	16 593	16 593
<i>Electrical Infrastructure</i>		3 768	3 441	3 115	1 119	9 372	9 372	426	175	175
<i>Water Supply Infrastructure</i>		867 969	904 047	868 830	948 869	855 934	855 934	854 257	852 881	852 881
<i>Sanitation Infrastructure</i>		3 160	2 911	11 992	7 040	23 600	23 600	11 859	11 847	11 847
<i>Solid Waste Infrastructure</i>		2 228	2 064	1 940	1 872	10 384	10 384	1 645	1 613	1 613
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		1 182 271	1 187 513	1 080 516	1 245 223	1 089 171	1 089 171	1 057 323	1 055 130	1 055 130
Community Assets		38 940	36 182	34 171	38 360	42 688	42 688	34 186	34 187	34 187
Heritage Assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other Assets		22 818	22 410	21 194	22 387	28 573	28 573	20 069	19 960	19 960
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		949	1 090	1 025	8 693	6 024	6 024	13 037	13 228	13 228
Computer Equipment		547	5 817	5 441	(1 172)	10 208	10 208	4 208	4 196	4 196
Furniture and Office Equipment		1 086	145	145	(1 824)	(3 786)	(3 786)	(2 762)	(2 780)	(2 780)
Machinery and Equipment		98	(2)	(846)	(628)	(616)	(616)	(74)	18	18
Transport Assets		11 702	20 426	22 024	17 505	20 246	20 246	23 798	23 966	23 966
Land		5 102	10 802	10 802	5 408	10 802	10 802	10 802	10 802	10 802
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 263 513	1 284 383	1 174 472	1 333 952	1 203 310	1 203 310	1 160 587	1 158 706	1 158 706
EXPENDITURE OTHER ITEMS		119 997	137 389	135 437	49 334	108 508	108 508	116 925	122 485	128 113
Depreciation	7	118 833	121 797	122 519	34 804	94 478	94 478	102 425	107 318	112 248
Repairs and Maintenance by Asset Class	3	1 164	15 591	12 918	14 530	14 030	14 030	14 500	15 167	15 865
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		685	5 643	10 659	13 000	12 000	12 000	12 500	13 075	13 676
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		479	5 429	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		1 164	11 073	10 659	13 000	12 000	12 000	12 500	13 075	13 676
Community Facilities		-	2 466	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	2 466	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	2 052	2 259	1 530	2 030	2 030	2 000	2 092	2 188
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		119 997	137 389	135 437	49 334	108 508	108 508	116 925	122 485	128 113
Renewal and upgrading of Existing Assets as % of total capex		15.7%	-34.9%	5.2%	6.7%	6.9%	6.9%	10.3%	15.3%	13.4%
Renewal and upgrading of Existing Assets as % of deprecn		12.3%	-45.8%	4.9%	26.6%	9.8%	9.8%	14.7%	20.7%	19.8%
R&M as a % of PPE & Investment Property		0.1%	1.2%	1.1%	1.1%	1.2%	1.2%	1.3%	1.3%	1.4%
Renewal and upgrading and R&M as a % of PPE and Investment Property		1.2%	-3.1%	1.6%	1.8%	1.9%	1.9%	2.6%	3.3%	3.3%

Explanatory notes to Table A9 - Asset Management

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

National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality doesn't meet the above recommendations.

The total repairs and maintenance amounts to 1.3 % of the total value Property, Plant and Equipment in the 2024/25 budget and remains 1% in the following year. We acknowledge that the municipality should provide at least 8% of the total value of assets for repair and maintenance as stated on MFMA Circular No 70.

Table 23- Table A10 Basic Service Delivery Measurement

NC451 Joe Morolong - Table A10 Basic service delivery measurement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Energy:</u>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Refuse:</u>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<u>Informal Settlements</u>		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-

Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)	4	4	4	4	4	5	5	5	5
Refuse (removed once a week for indigent households)	1	1	1	1	1	1	1	2	2
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–
Total cost of FBS provided	8	5	5	5	6	6	6	6	7
Highest level of free service provided per household									
Property rates (R value threshold)		15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)	–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	–	–	–	–	–	–	–	–	–
Revenue cost of subsidised services provided (R'000)	9								
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		–	–	–	7 069	2 600	5 476	5 804	6 152
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		–	–	–	–	–	–	–	–
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	530	530	530	589	625
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–
Housing - top structure subsidies		–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	6	–	–	–	–	–	–	–	–

Explanatory notes to Table A10 - Basic Service Delivery Measurement

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

The municipality continues to make good progress with the eradication of backlogs.

It is anticipated that these Free Basic Services will cost the municipality R 2.2 million in 2024/25, increasing to R 2.3 million in 2025/26. This is covered by the municipality's equitable share allocation from national government..

It is very difficult to measure correctly the revenue cost of free basic as the municipality is mostly rural and the infrastructure used for water was communal stand pipes except Van Zylsrus and Hotazel, and the municipality is busy installing the prepaid meter that assist in measuring the correct cost of revenue for free basic service, and Eskom provide the electricity in more than 99% of municipal areas.

Part 2 – Supporting Documentation

2.1 Overview of the 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 executive chairpersonship of Finance, Human Resource and Administration.

The primary aim 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, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.2 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2023) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on January 2024.

There were deviations from key dates set out in the budget time schedule tabled in council but the activities were all carried out in different dates as compared to the planned dates.

2.3 Integrated Development Plan

Integrated Development Planning is the process through which the municipality prepares a strategic developmental plan, which is the principal strategic instrument guiding all planning, management, budgeting, development and implementation decisions, taking into account inputs from all stakeholders.

For our planning and programmes to be effective all strategic planning within the municipality must take place within the framework of the IDP. Through integrated development planning different plans are integrated, coordinated and linked to the use of natural, financial, human and physical resources.

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

- Several complaints were received regarding poor service delivery, especially water and the state of road infrastructure (road sign, bridges, internal, access and main roads) that it need to tarred;
- There were requests regarding the electricity for high mass lights, infill's and extensions on the areas were the have been new development.
- To increase the swiftness for construction of halls, sports fields, toilets (UDS) and fencing of cemeteries including maintenance.
- The community also requested the municipality to improve on turnaround time relating to maintenance issues relating to water infrastructure

2.4 IDP and Service Delivery and Budget Implementation Plan

Municipalities are required to develop five year Integrated Development Plans which must be reviewed annually. It is also required that such plans must find expression in the Budget. The IDP and the budget are interrelated documents. The IDP is the budget in words, just as the budget is the IDP in figures. In the past two years comprehensive efforts have been made towards ensuring that the two documents are closely link.

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

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

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes

When compiling of the 2024/25 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the midyear of 2024/25 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.

2.5 Community Consultation

The 2024/25 MTREF will be tabled before council on the 28 March 2024 together with community consultation time table. Consultation time table will be published in the municipal website and local newspaper and hard copies for draft budget will be available in the main municipal office and satellite offices and draft budget softcopy was loaded on the municipal website (www.joemorolong.gov.za).

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 08 April – 18 April 2024. The applicable dates and venues will be published in all the local newspapers and notice board of public places. Other stakeholders involved in the consultation will include sector departments, mining houses and churches and

community-based organisations. All the Community Consultation meetings were successful.

Draft IDP, Budget and Tariffs for 2024/25 FY Community Consultation Meetings

Date	Ward	Place	Time	Ward Councilor
08 April 2024	Ward 4	Vanzylsrus	09h00	Councillor T. Gaobuse
09 April 2024	Ward 1	Tsiloane	09h00	Councillor K. Maamogwa
	Ward 3	Eiffel	14h00	Councillor G. Kgositau
10 April 2024	Ward 2	Gapitia	09h00	Councillor K. Lebatlang
	Ward 6	Tlapeng	14h00	Councillor L. Machogo
11 April 2024	Ward 8	Masilabetsane	09h00	Councillor S. Manzana
	Ward 9	Majemantsho	14h00	Councillor P. Filipo
12 April 2024	Ward 5	Kanana	09h00	Councillor G. Tagane
15 April 2024	Ward 10	Madularanch	09h00	Councillor T. Mosegedi
	Ward 11	Segwaneng	14h00	Councillor M. Mbolekwa
16 April 2024	Ward 13	Bush-Buck	09h00	Councillor K. Majoro
	Ward 12	Dithakong	14h00	Councillor L. Manankong
17 April 2024	Ward 15	Mahukubung	09h00	Councillor O. Kolberg
	Ward 14	Logaganeng	14H00	Councillor S. Choche
18 April 2024	Ward 7	Gasehunelo (Wyk 9)	09H00	Councillor G. Kaotsane

2.6 Overview of alignment of annual budget with IDP

The IDP crosses departmental divisions by linking the physical, social, institutional and economic components of planning and development with management and development structure. It also integrates and aligns planning in different spheres of government and therefore enforcing and upholding the spirit of co-operative governance in the public sector.

For our planning and programmes to be effective all strategic planning within the municipality must take place within the framework of the IDP. Through integrated development planning different plans are integrated, coordinated and linked to the use of natural, financial, human and physical resources.

The following IDP's five strategic objectives that have directly informed the compilation of 2024/25 MTREF budget

- Provide quality basic services to community
- Good governance and community participation
- Institutional Development and Transformation
- Local Economic Development
- Municipal Financial Viability

The following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 24 – Table SA4: Reconciliation between the IDP strategic objectives and budgeted revenue

NC451 Joe Morolong - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

NC451 See Monitoring - Supporting Table SA4 Reconciliation of IDP Strategic Objectives and Budget (Revenue)												
Strategic Objective	Goal			2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Enhanced sustainable environmental management and social development	Safety and Security			(1 583)	–	–	–	–	–	–	–	–
Increase Financial viability	Expenditure Management			–	432	–	–	–	–	–	–	–
Increase Financial viability	Revenue enhancement			(324 982)	–	–	–	–	–	–	–	–
Promote good governance	Municipal operating costs			–	(389 472)	(374 113)	–	–	–	–	–	–
Promote safe and clean environment	Environmental Management			(0)	–	–	–	–	–	–	–	–
Promote safe and clean environment	Sewerage services charges			(1 637)	–	–	–	–	–	–	–	–
Provide Water	Rural Water Programme			18 259	–	–	–	–	–	–	–	–
To develop community facilities	Community Development			–	–	–	–	–	–	1 310	1 389	1 472
To promote and enhance the financial viability of the municipality	Sustainable Development Orientated Municipality			–	–	–	(4 469)	600	600	3 006	3 186	3 377
To promote oversight and public accountability	Sustainable Development Orientated Municipality			–	–	–	292 812	308 589	308 589	328 755	344 219	362 029
To provide bulk water and sanitation services	Water and Sanitation			–	–	–	132 121	126 601	126 601	125 166	123 321	144 222
To provide environmental management services	Safe and Healthy Environments			–	–	–	(106)	(106)	(106)	(118)	(125)	(132)
To provide IT service	Sustainable Development Orientated Municipality			–	–	–	–	–	–	96	102	108
To provide refuse removal services	Refuse Removal			–	–	–	(371)	(371)	(371)	(402)	(427)	(452)
Water Quality Management	Rural Water Programme			(10 233)	–	–	–	–	–	–	–	–
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	(320 177)	(389 040)	(374 113)	419 987	435 313	435 313	457 812	471 665	510 623

Table 25 – Table SA5: Reconciliation between the IDP strategic objectives and budgeted operating expenditure

NC451 Joe Morolong - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

NC451 Joe Morolong - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal		2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
						Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand			Audited Outcome	Audited Outcome	Audited Outcome						
Empowerment of designated groups	Special Programmes		10	–	–	–	–	–	–	–	–
Enhance stakeholder participation	Ward committee accredited training		518	–	–	–	–	–	–	–	–
Enhanced sustainable environmental management and social development	Environmental Management		24	–	–	–	–	–	–	–	–
Enhanced sustainable environmental management and social development	Facility Management		12 653	–	–	–	–	–	–	–	–
Enhanced sustainable environmental management and social development	Safety and Security		5 891	–	–	–	–	–	–	–	–
Increase Financial viability	Expenditure Management		532 527	18 323	–	–	–	–	–	–	–
Increase Financial viability	Indigent Management		6 732	–	–	–	–	–	–	–	–
Increase Financial viability	Provision for bad debts		–	–	16 445	–	–	–	–	–	–
Manage budget and treasury section	Employee related costs		4 755	82 285	102 771	–	–	–	–	–	–
Promote good governance	Council remuneration		2 654	–	1 180	–	–	–	–	–	–
Promote good governance	Municipal operating costs		152	224 957	240 695	–	–	–	–	–	–
Promote good governance	Municipal operational costs		4 451	–	–	–	–	–	–	–	–
Promote good governance	SMME support		–	–	443	–	–	–	–	–	–
Promote safe and clean environment	Environmental Management		590	–	–	–	–	–	–	–	–
Promote safe and clean environment	Refuse removal services charges		–	(11 295)	–	–	–	–	–	–	–
Promote safe and clean environment	Sewerage services charges		–	(1 777)	(485)	–	–	–	–	–	–
Provide Electricity	Rural Electrification Programme		15 058	(7 479)	1 613	–	–	–	–	–	–
Provide housing	Human Settlements		–	(144 302)	21 536	–	–	–	–	–	–
Provide Water	Rural Water Programme		685	(54 799)	7 782	–	–	–	–	–	–
Sustainable basic service delivery	Fleet Management		6 032	–	286	–	–	–	–	–	–
To govern municipal affairs	Sustainable Development Orientated Municipality		–	–	–	1 661	1 950	1 950	1 416	1 741	1 821
To improve public participation	Sustainable Development Orientated Municipality		–	–	–	1 990	1 782	1 782	3 852	3 944	4 040

To promote and enhance the financial viability of the municipality	Sustainable Development Orientated Municipality		–	–	–	135 075	122 885	122 885	139 782	144 027	150 855	
To promote integrated human settlement planning	Integrated human settlements		–	–	–	12 761	12 761	12 761	6 423	6 809	7 217	
To promote local economic development	Local Economic Development		–	–	–	500	500	500	800	837	875	
To promote oversight and public accountability	Sustainable Development Orientated Municipality		–	–	–	160 081	274 787	274 787	251 042	270 785	283 214	
To promote the interests and rights of targeted groups – women, children, youth, elderly, people living with disabilities, people living with HIV/AIDS	Sustainable Development Orientated Municipality		–	–	–	480	415	415	460	483	507	
To provide bulk water and sanitation services	Water and Sanitation		–	–	–	13 651	12 428	12 428	10 969	11 606	12 280	
To provide environmental management services	Safe and Healthy Environments		–	–	–	661	7 204	7 204	402	427	452	
Water Quality Management	Rural Water Programme		588	–	–	–	–	–	–	–	–	
Allocations to other priorities												
Total Expenditure			1	593 321	105 912	392 265	326 860	434 713	434 713	415 146	440 657	461 261

Table 26– Table SA6: Reconciliation between the IDP strategic objectives and budgeted capital expenditure

NC451 Joe Morolong - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective R thousand	Goal			2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Develop a high performance culture for a changed, diverse, efficient and effective local government	Furniture and Office Equipment			(194)	–	–	–	–	–	–	–	–
Enhanced sustainable environmental management and social development	Facility Management			(4 720)	–	–	–	–	–	–	–	–
Increase Financial viability	Improve ICT			226	–	–	–	–	–	–	–	–
Increase Financial viability	Computers and printers			418	–	–	–	–	–	–	–	–
Promote good governance	Municipal operating costs			5 261	131 493	46 115	–	–	–	–	–	–
Promote good governance	Revenue enhancement			184	–	–	–	–	–	–	–	–
Promote safe and clean environment	Sewerage services charges			–	19 098	–	–	–	–	–	–	–
Provide Electricity	Rural Electrification Programme			–	1 304	–	–	–	–	–	–	–
Provide Roads	Rural Roads programme			30 192	–	–	–	–	–	–	–	–
Provide Sanitation	Rural Sanitation Programme			(88 397)	–	9 306	–	–	–	–	–	–
Provide Water	Rural Water Programme			186 219	7 999	6 049	–	–	–	–	–	–
Sustainable basic service delivery	Fleet Management			83 833	–	–	–	–	–	–	–	–
Sustainable road service delivery	Rural Roads Programme			7 230	–	–	–	–	–	–	–	–
To assist the municipality to achieve its objectives	Sustainable Development Orientated Municipality			–	–	–	300	200	200	600	656	656
To develop community facilities	Community Development			–	–	–	11 000	10 263	10 263	7 407	8 104	8 104
To promote and enhance the financial viability of the municipality	Sustainable Development Orientated Municipality			–	–	–	–	500	500	–	–	–
To promote good intergovernmental-relation in the municipality	Sustainable Development Orientated Municipality			–	–	–	100	100	100	250	274	274
To promote oversight and public accountability	Sustainable Development Orientated Municipality			–	–	–	2 800	2 700	2 700	11 000	12 035	12 035
To provide bulk water and sanitation services	Water and Sanitation			–	–	–	102 263	97 480	97 480	87 650	88 192	103 192
To provide IT service	Sustainable Development Orientated Municipality			–	–	–	170	465	465	5 830	6 379	6 379
To provide roads and stormwater service	Road and Stormwater			–	–	–	20 488	22 088	22 088	30 201	27 105	33 044
Water Quality Management	Rural Water Programme			44 419	–	55 313	–	–	–	–	–	–
Allocations to other priorities		3										
Total Capital Expenditure		1		264 671	159 895	116 784	137 121	133 796	133 796	142 939	142 746	163 684

2.7 Measurable performance objectives and indicators

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

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 27– Table SA8: Performance indicators and benchmarks.

NC451 Joe Morolong - Supporting Table SA8 Performance indicators and benchmarks

N471 Joe Moringo - Supporting Table 5A Performance Indicators and Benchmarks											
Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.4%	0.2%	0.1%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.1%	0.2%	0.4%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	2.2	3.3	3.2	1.4	10.9	10.9	10.9	5.0	5.2	5.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.2	3.3	3.2	1.4	10.9	10.9	10.9	5.0	5.2	5.2
Liquidity Ratio	Monetary Assets/Current Liabilities	1.4	2.5	2.5	1.1	3.1	3.1	3.1	2.2	2.4	2.4
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	0.0%	0.0%	0.0%	129.3%	138.9%	138.9%	135.4%	152.3%	152.3%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	129.3%	138.9%	138.9%	135.4%	152.3%	152.3%	152.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	19.1%	19.6%	19.8%	14.6%	108.7%	108.7%	108.4%	76.1%	72.6%	69.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		-18.7%	-49.2%	-14.4%	58.2%	10.9%	10.9%	10.9%	-176.9%	-61.1%	-37.8%
<u>Other Indicators</u>											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Bulk Purchase	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water Volumes :System input	Water treatment works	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Natural sources	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Total Volume Losses (kℓ)										
		-	-	-	-	-	-	-	-	-	-
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)		0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	36.0%	28.6%	35.6%	43.9%	37.5%	37.5%	37.4%	39.8%	39.7%	39.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	41.9%	33.4%	41.0%	48.7%	42.9%	42.9%	48.3%	44.9%	43.9%	43.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.6%	6.3%	5.1%	5.1%	4.6%	4.6%	4.7%	4.4%	4.4%	4.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	61.9%	53.1%	48.8%	12.2%	30.9%	30.9%	30.8%	30.9%	30.9%	30.7%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	-	647.3	1 221.7	1 390.3	1 488.2	1 488.2	22.6	23.0	22.7	23.9
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	166.8%	196.0%	101.5%	102.5%	877.6%	877.6%	855.0%	516.4%	486.4%	459.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(25.9)	19.5	(22.3)	14.9	12.5	12.5	12.5	(2.1)	(5.7)	(8.7)

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. As with all other municipalities, municipality borrowing strategy is primarily informed by the affordability of debt repayments. The following financial performance indicators have formed part of the compilation of the 2024/25 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure.
- *Capital charges to own revenue* is a measure of the cost of borrowing in relation to the municipality's own revenue.

Revenue Management

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

Creditors Management

The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure more than 95 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

2.8 Overview budget related policies

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

a) Budget, Funding, Reserves and Virement Policy

The policy aim to set out; the principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget, responsibilities of the mayor , the accounting officer , the chief financial officer and other senior managers in compiling the budget and to establish and maintain procedures to ensure adherence Joe Morolong Municipality's IDP review and budget processes.

b) Banking and Investment Policy

The policy aim to gain the optimal return on banking and investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of the policy is dependent on the accuracy of the municipality's cash management programme, which must identify the amounts surplus to the municipality's needs, as well as the time when and period for which such revenues are surplus.

c) Credit Control and Debt Collection Policy

The policy aim to maximize revenue by timeously collecting all moneys owed to the municipality; ensure that action are taken to recover arrear debt is warranted and fair; to enable Joe Morolong Local Municipality to develop and maintain a sustainable service delivery relationship with its customers; to deliver excellent service to the communities of Joe Morolong Local Municipality in return for payment of their rates and service accounts and encourage and inculcate the culture of payment.

d) Tariffs Policy

The policy aim to empower council with among other things, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements. To determine fair, transparent and affordable charges based on its economic regions and their impact on local economic development.

e) Fruitless and Wasteful Expenditure Policy

The policy aim to provide for measures to identify unauthorised, irregular or fruitless and wasteful expenditure; provide for frameworks to avoid of any irregular expenditure or any fruitless and wasteful expenditure; provide for recovery of irregular expenditure or any fruitless and wasteful expenditure and to provide for reporting on any irregular expenditure or any fruitless and wasteful expenditure.

f) Supply Chain Management Policy

The policy aim to ensure sound, sustainable and accountable supply chain management practices within the municipality, whilst promoting black economic empowerment as a priority in terms of the goals and objectives of the municipality's preferential procurement policy.

The above policies will be available on the municipal website (www.joemorolong.gov.za) as well as the following:

- Property Rates policy
- Fixed Assets policy
- Indigent Policy
- Risk Management Policy
- Cash Shortage Policy
- Bad Debt Written Off Policy
- Asset Management Policy
- Petty Cash Policy
- Cost Containment

2.9 Overview of budget assumptions

a) Inflation

There are some factors that have been taken into consideration in the compilation of the 2024/25 budget:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipal residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 33 per cent of total operating expenditure in the 2024/25 MTREF.

b) Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection currently has been budgeted at 95 per cent of annual billings for rates, services, rents, and for other revenue. The performance of arrear collections have been budgeted at 95 per cent collection for 2024/25 MTREF.

c) Salary increases

The wage agreement has concluded between SALGBC and municipal workers unions. The municipality has budgeted salary increase of 4.9 percent and in case the agreement will be below the budgeted increase, this will be good as it will be the additional money available on improving of service delivery.

d) 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:

- EPWP and LED through the capital projects
- Provision of clean water
- Sanitation
- Electricity; and
- Decent housing

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.

e) Ability of the municipality to spend and deliver on the programmes

It is estimated that spending rate at an average of at least 98 per cent is to be achieved on operating expenditure and average of 99 per cent on the capital programme for the 2024/25 MTREF of which performance has been factored into the cash flow budget.

2.10 Overview of budget funding

a) Operating Revenue

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

Table 29 – Breakdown of the operating revenue over medium term

NC451 Joe Morolong - Table A4 Budgeted Financial Performance
(revenue and expenditure)

Description R thousand	Ref	2024/25 Medium Term Revenue & Expenditure Framework					
		Budget Year 2024/25		Budget Year +1 2025/26		Budget Year +2 2026/27	
Revenue							
Exchange Revenue							
Service charges - Electricity	2	9 108	3%	9 655	3%	10 234	3%
Service charges - Water	2	33 323	10%	35 323	10%	37 442	10%
Service charges - Waste Water Management	2	1 706	1%	1 809	1%	1 917	1%
Service charges - Waste Management	2	4 488	1%	4 757	1%	5 043	1%
Sale of Goods and Rendering of Services		287	0%	304	0%	322	0%
Agency services		30	0%	32	0%	34	0%
Interest		-	0%	-	0%	-	0%
Interest earned from Receivables		13 378	4%	14 181	4%	15 032	4%
Interest earned from Current and Non Current Assets		8 526	3%	9 037	3%	9 580	3%
Dividends		-	0%	-	0%	-	0%
Rent on Land		-	0%	-	0%	-	0%
Rental from Fixed Assets		126	0%	134	0%	142	0%
Licence and permits		210	0%	223	0%	236	0%
Operational Revenue		353	0%	374	0%	397	0%
Non-Exchange Revenue							
Property rates	2	42 591	13%	45 146	13%	47 855	13%
Surcharges and Taxes		-	0%	-	0%	-	0%
Fines, penalties and forfeits		-	0%	-	0%	-	0%
Licences or permits		-	0%	-	0%	-	0%
Transfer and subsidies - Operational		200 312	60%	208 069	60%	217 711	60%
Interest		17 629	5%	18 687	5%	19 808	5%
Fuel Levy		-	0%	-	0%	-	0%
Operational Revenue		-	0%	-	0%	-	0%
Gains on disposal of Assets		-	0%	-	0%	-	0%
Other Gains		(11)	0%	(12)	0%	(13)	0%
Discontinued Operations		-	0%	-	0%	-	0%
Total Revenue (excluding capital transfers and contributions)		332 057	100%	347 719	100%	365 739	100%

Tariff setting plays a major role in ensuring the desired level of revenue, even though the municipality is still dependent on grants. Getting the tariff setting right assist in the compilation of credible and funded budget. The municipality derives its operational revenue from provision of services namely: water, electricity, sanitation and solid waste removal including property rates. The operational grants plays a major role in the municipal budget funding.

b) Capital Revenue

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

Table 30 – Breakdown of the capital funding over medium term

Vote Description R thousand	2024/25 Medium Term Revenue & Expenditure Framework				
	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27	
Funded by:					
National Government	125 755	87%	123 945	85%	144 884
Provincial Government	–		–	–	
District Municipality	–		–	–	
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	–		–	–	
Transfers recognised - capital	125 755		123 945	144 884	
Borrowing	–		–	–	
Internally generated funds	19 280	13%	21 095	15%	21 095
Total Capital Funding	145 035	100%	145 040	100%	165 978

Capital grants and receipts equates to 87% of the total funding source which represents R126 Million for the 2024/25 financial year and steadily decrease to R124 million or 85% per cent by 2025/26.

Table 31 – Table SA18: Breakdown of the capital funding over medium term

NC451 Joe Morolong - Supporting Table SA18

Transfers and grant receipts

Description R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		–	–	4 006	9 385	9 385	9 385	8 605	8 068	8 068
Expanded Public Works Programme Integrated Grant		–	–	581	2 159	2 159	2 159	1 231	–	–
Local Government Financial Management Grant		–	–	0	3 100	3 100	3 100	3 000	3 282	3 282
Municipal Infrastructure Grant		–	–	3 425	4 126	4 126	4 126	4 374	4 786	4 786
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	1 200	1 200	1 200	1 200	1 313	1 313
Northern Cape Arts and Cultural		–	–	–	1 200	1 200	1 200	1 200	1 313	1 313
Total Operating Transfers and Grants	5	–	–	4 006	10 585	10 585	10 585	9 805	9 381	9 381
<u>Capital Transfers and Grants</u>										
National Government:		–	–	121 534	132 101	126 581	126 581	125 755	123 945	147 699
Municipal Infrastructure Grant		–	–	81 534	78 401	72 881	72 881	65 755	68 945	77 699
Water Services Infrastructure Grant		–	–	40 000	53 700	53 700	53 700	60 000	55 000	70 000
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
Northern Cape Arts and										
Total Capital Transfers and Grants	5	–	–	121 534	132 101	126 581	126 581	125 755	123 945	147 699
TOTAL RECEIPTS OF TRANSFERS & GRANTS		–	–	125 540	142 686	137 166	137 166	135 560	133 326	157 080

c) Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below provides understanding for Councillors and management. Some specific feature includes:

- Clear separation of receipts and payment by category
- Clear separation of government capital and operating receipts, which enables cash from ratepayers and other; to be provided for as cash inflow based on their actual performance and assist in determining collection rate for the municipality.
- Separation of borrowing and loan repayments.

Table 32 – Table A7: Budgeted cash flow management

NC451 Joe Morolong - Table A7 Budgeted Cash Flows

Description R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	17 738	17 738	17 738	17 738	36 168	38 338	40 638
Service charges		–	–	–	35 198	35 198	35 198	35 198	38 342	40 643	43 081
Other revenue		–	–	–	354	349	349	349	1 006	1 065	1 127
Transfers and Subsidies - Operational	1	–	118 543	143	192 952	192 952	192 952	192 952	200 312	217 711	217 711
Transfers and Subsidies - Capital	1	9 213	–	–	132 101	126 581	126 581	126 581	125 755	123 945	144 884
Interest		–	–	252	–	–	–	–	13 414	14 216	15 069
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(296 421)	(282 774)	(455 298)	(2 544)	(14 145)	(14 145)	(14 145)	(357 867)	(393 620)	(394 559)
Interest		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(287 208)	(164 231)	(454 903)	375 800	358 673	358 673	358 673	57 129	42 297	67 950
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	–	(132 101)	(126 581)	(126 581)	(126 581)	(125 755)	(123 945)	(144 884)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	(132 101)	(126 581)	(126 581)	(126 581)	(125 755)	(123 945)	(144 884)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	(129)	(207)	(207)	(207)	(207)	(219)	(240)	(240)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	(129)	(207)	(207)	(207)	(207)	(219)	(240)	(240)
NET INCREASE/ (DECREASE) IN CASH HELD		(287 208)	(164 231)	(455 032)	243 493	231 886	231 886	231 886	(68 845)	(81 888)	(77 173)
Cash/cash equivalents at the year begin:	2	(6 902)	46 108	56 669	60 069	34 956	34 956	34 956	25 595	(43 250)	(125 138)
Cash/cash equivalents at the year end:	2	(294 110)	(118 123)	(398 363)	303 562	266 842	266 842	266 842	(43 250)	(125 138)	(202 311)

The table below shows that cash and cash equivalent of the municipality. The 2023/24 MTREF show a steadily increase in cash and cash equivalent at the end of financial years. The budgeted cash flow for 2023/24 provide for a net increase in cash of R 25 million resulting in an overall projected negative cash position of -R 43 million.

Table 33 – Table SA10: Funding Compliance Measurement

NC451 Joe Morolong Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(294 110)	(118 123)	(398 363)	303 562	266 842	266 842	266 842	(43 250)	(125 138)	(202 311)
Cash + investments at the yr end less applications - R'000	18(1)b	2	34 233	38 715	15 551	28 142	40 425	40 425	40 160	294 858	308 379	311 065
Cash year end/monthly employee/supplier payments	18(1)b	3	(25.9)	19.5	(22.3)	14.9	12.5	12.5	12.5	(2.1)	(5.7)	(8.7)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(273 144)	282 977	(18 196)	95 999	600	600	1 607	42 650	30 990	49 344
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	3.7%	95.0%	39.1%	8.8%	(6.0%)	(4.8%)	5.5%	(0.0%)	0.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	23.7%	17.6%	17.6%	17.6%	82.0%	82.0%	82.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	(899.5%)	63.9%	30.8%	33.3%	33.3%	32.9%	18.3%	18.3%	18.3%
Capital payments % of capital expenditure	18(1)c,19	8	0.0%	0.0%	0.0%	96.3%	94.6%	94.6%	94.6%	86.7%	85.5%	87.3%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	365.3%	26.9%	(71.7%)	1093.7%	0.0%	0.0%	(22.9%)	0.1%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.1%	1.2%	1.1%	1.1%	1.2%	1.2%	1.3%	1.3%	1.4%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	5.5%	(34.9%)	5.2%	6.7%	6.9%	6.9%	0.0%	10.3%	15.3%	13.4%

Cash and Cash equivalents

The municipality's cash position was discussed as part of the budgeted cash flow statement. If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

Cash and Investments less applications

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. A positive" cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

Cash at year end/monthly employee and supplier payments

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective.

Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection. In 2024/25 adopted budget the ratio was at positive and after revised budget is -2.1% as part of the 2024/2 MTREF the municipality continues to strive in improve cash position though the ratio to move downwards to 10.2 and then continue to increase over the MTREF. As indicated above the municipality will be able to cover the municipality's employee and supplier payments.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. For the 2024/25 MTREF the suggestive outcome is a surplus of R42 million, R31 million and R49 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

Service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in revenue, which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3-6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage 5% then decreases to 0% then increase to 0 per cent for the respective two outer financial years. The increase in revenue is as results of property rate which was informed by the updated valuation roll whereby the rates revenue decreased by

22.8 per cent in 2024/25 financial year. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 5.3 per cent. This trend will have to be carefully monitored and managed with the implementation of the budget.

Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are collected. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 95 per cent for each of the respective financial years. It must be noted that service charges, property rate and rent is calculated at the collection rate of 95 per cent.

In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be precisely managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

Debt Impairment expense as % of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 13.1, 13.1 and 13.1 per cent over the MTREF.

Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to

keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

Borrowing Receipts % of Capital Expenditure

The purpose of this measurement is to determine the proportion of a municipality's own-funded capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. The municipality will not be utilizing external borrowing for any of its capital projects and therefore the ratio is 0%.

Transfers / Grants Revenue as a % of Government Grants Available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

Current Consumer Debtors % change

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. The municipality is currently data cleansing which will reduce the debtor's arrears. The consumer will increase by 4.9 percent for 2024/25 then 4.9 percent for the outer years.

Repairs and Maintenance expenditure levels

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

Asset renewal as % of capital budget

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability.

2.11 Expenditure on grants and reconciliations of unspent funds

Table 34 – Table SA19 - Expenditure on transfers and grants programmes

NC451 Joe Morolong - Supporting Table SA19
Expenditure on transfers and grant programme

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		114 287	225 214	274 832	194 540	192 900	192 900	197 245	206 295	215 660
Equitable Share		108 510	219 210	268 489	185 704	184 064	184 064	189 553	197 864	206 841
Expanded Public Works Programme Integrated Grant		1 326	464	546	2 159	2 159	2 159	1 231	1 288	1 347
Local Government Financial Management Grant		1 099	2 447	3 039	3 100	3 100	3 100	3 000	3 154	3 299
Municipal Infrastructure Grant		3 352	3 093	2 758	3 576	3 576	3 576	3 461	3 989	4 172
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		1 497	1 004	1 863	3 058	3 058	3 058	1 531	1 611	1 685
Mining Companies		331	–	575	1 806	1 806	1 806	231	242	253
Northern Cape Arts and Cultural		1 166	1 004	1 288	1 252	1 252	1 252	1 300	1 370	1 432
Total operating expenditure of Transfers and Grants:		115 784	226 218	276 695	197 598	195 958	195 958	198 776	207 906	217 345
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		172 970	63 851	105 821	132 651	127 131	127 131	125 755	123 945	144 884
Municipal Infrastructure Grant		33 052	87 476	70 748	78 951	73 431	73 431	65 755	68 945	74 884
Water Services Infrastructure Grant		139 918	(23 626)	35 073	53 700	53 700	53 700	60 000	55 000	70 000
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
Northern Cape Arts and										
Total capital expenditure of Transfers and Grants		172 970	63 851	105 821	132 651	127 131	127 131	125 755	123 945	144 884
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		288 755	290 069	382 516	330 248	323 088	323 088	324 531	331 851	362 229

Table 35 – Table SA20 – Reconciliation of transfers, grants receipts and unspent funds

NC451 Joe Morolong - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	4 006	9 385	9 385	9 385	8 605	8 068	8 068
Repayment of grants		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	4 006	9 385	9 385	9 385	8 605	8 068	8 068
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	1 200	1 200	1 200	192 289	201 192	210 386
Conditions met - transferred to revenue		-	-	-	1 200	1 200	1 200	192 289	201 192	210 386
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	4 006	10 585	10 585	10 585	200 894	209 260	218 454
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	121 534	132 101	126 581	126 581	125 755	123 945	147 699
Conditions met - transferred to revenue		-	-	121 534	132 101	126 581	126 581	125 755	123 945	147 699
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	121 534	132 101	126 581	126 581	125 755	123 945	147 699
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	125 540	142 686	137 166	137 166	326 649	333 205	366 153
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

Table 36 – Table SA 24 – Summary of personnel numbers

NC451 Joe Morolong - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		29	–	29	29	–	29	29		29
Board Members of municipal entities	4	–	–	–	–	–	–			
Municipal employees	5	–	–	–	–	–	–			
Municipal Manager and Senior Managers	3	6	–	6	6	–	6	6	1	2
Other Managers	7	22	10	3	22	10	3	26	26	4
Professionals		4	1	–	4	1	–	–	–	–
Finance		–	–	–	–	–	–			
Spatial/town planning		2	–	–	2	–	–			
Information Technology		–	–	–	–	–	–			
Roads		–	–	–	–	–	–			
Electricity		–	–	–	–	–	–			
Water		–	–	–	–	–	–			
Sanitation		–	–	–	–	–	–			
Refuse		–	–	–	–	–	–			
Other		2	1	–	2	1	–			
Technicians		241	134	7	241	134	7	241	139	16
Finance		19	9	–	19	9	–	19		
Spatial/town planning		–	–	–	–	–	–	–	6	1
Information Technology		3	2	–	3	2	–	3	1	
Roads		–	–	–	–	–	–	–	6	11
Electricity		1	–	–	1	–	–	1		
Water		5	2	–	5	2	–	5	5	–
Sanitation		8	7	–	8	7	–	8	7	–
Refuse		15	6	–	15	6	–	15		
Other		33	17	–	33	17	–	33	31	
Clerks (Clerical and administrative)		54	36	6	54	36	6	54	21	
Service and sales workers		86	53	–	86	53	–	86	53	
Skilled agricultural and fishery workers		–	–	–	–	–	–	–		
Craft and related trades		–	–	–	–	–	–	–		
Plant and Machine Operators		17	2	1	17	2	1	17	9	4
Elementary Occupations		–	–	–	–	–	–			
TOTAL PERSONNEL NUMBERS	9	302	145	45	302	145	45	302	166	51
% increase					–	–	–	–	14.5%	13.3%
Total municipal employees headcount	6, 10	74	48	7	74	48	7	41	41	7
Finance personnel headcount	8, 10	50	24	7	50	24	7	32	32	6
Human Resources personnel headcount	8, 10	24	24	–	24	24	–	9	9	1

2.12 Monthly targets for revenue, expenditure and cash flow

Table 36 – Table SA 25 – Budgeted monthly revenue and expenditure

NC451 Joe Morolong - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Revenue																
Exchange Revenue																
Service charges - Electricity		759	759	759	759	759	759	759	759	759	759	759	759	9 108	9 655	10 234
Service charges - Water		2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	2 777	33 323	35 323	37 442
Service charges - Waste Water Management		142	142	142	142	142	142	142	142	142	142	142	142	1 706	1 809	1 917
Service charges - Waste Management		374	374	374	374	374	374	374	374	374	374	374	374	4 488	4 757	5 043
Sale of Goods and Rendering of Services		24	24	24	24	24	24	24	24	24	24	24	24	287	304	322
Agency services		3	3	3	3	3	3	3	3	3	3	3	3	30	32	34
Interest		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		1 115	1 115	1 115	1 115	1 115	1 115	1 115	1 115	1 115	1 115	1 115	1 115	13 378	14 181	15 032
Interest earned from Current and Non Current Assets		710	710	710	710	710	710	710	710	710	710	710	710	8 526	9 037	9 580
Dividends		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		11	11	11	11	11	11	11	11	11	11	11	11	126	134	142
Licence and permits		18	18	18	18	18	18	18	18	18	18	18	18	210	223	236
Operational Revenue		29	29	29	29	29	29	29	29	29	29	29	29	353	374	397
Non-Exchange Revenue																
Property rates		3 549	3 549	3 549	3 549	3 549	3 549	3 549	3 549	3 549	3 549	3 549	3 549	42 591	45 146	47 855
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Licences or permits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfer and subsidies - Operational		16 693	16 693	16 693	16 693	16 693	16 693	16 693	16 693	16 693	16 693	16 693	16 693	200 312	208 069	217 711
Interest		1 469	1 469	1 469	1 469	1 469	1 469	1 469	1 469	1 469	1 469	1 469	1 469	17 629	18 687	19 808
Fuel Levy		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Gains		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(11)	(12)	(13)
Discontinued Operations		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and cont		27 671	27 671	27 671	27 671	27 671	27 671	27 671	27 671	27 671	27 671	27 671	27 671	332 057	347 719	365 739
Expenditure																
Employee related costs		11 025	11 025	11 025	11 025	11 025	11 025	11 025	11 025	11 025	11 025	11 025	11 025	132 302	138 176	144 643
Remuneration of councillors		1 404	1 404	1 404	1 404	1 404	1 404	1 404	1 404	1 404	1 404	1 404	1 404	16 842	14 439	15 111
Bulk purchases - electricity		800	800	800	800	800	800	800	800	800	800	800	800	9 600	10 042	10 504
Inventory consumed		2 339	2 339	2 339	2 339	2 339	2 339	2 339	2 339	2 339	2 339	2 339	2 339	28 068	29 368	30 719
Debt impairment		1 394	1 394	1 394	1 394	1 394	1 394	1 394	1 394	1 394	1 394	1 394	1 394	16 723	17 726	18 790
Depreciation and amortisation		8 535	8 535	8 535	8 535	8 535	8 535	8 535	8 535	8 535	8 535	8 535	8 535	102 425	107 318	112 248
Interest		6	6	6	6	6	6	6	6	6	6	6	6	70	73	77
Contracted services		3 788	3 788	3 788	3 788	3 788	3 788	3 788	3 788	3 788	3 788	3 788	3 788	45 458	50 693	53 027
Transfers and subsidies		67	67	67	67	67	67	67	67	67	67	67	67	800	837	875
Irrecoverable debts written off		1 023	1 023	1 023	1 023	1 023	1 023	1 023	1 023	1 023	1 023	1 023	1 023	12 272	18 264	19 104
Operational costs		—	—	—	—	—	—	—	—	—	—	—	50 613	50 613	53 750	56 194
Losses on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Losses		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(11)	(12)	(13)
Total Expenditure		30 379	30 379	30 379	30 379	30 379	30 379	30 379	30 379	30 379	30 379	30 379	30 379	80 992	415 162	440 674
Surplus/(Deficit)		(2 708)	(2 708)	(2 708)	(2 708)	(2 708)	(2 708)	(2 708)	(2 708)	(2 708)	(2 708)	(2 708)	(2 708)	(53 320)	(83 105)	(95 540)
Transfers and subsidies - capital (monetary allocations)		10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	125 755	123 945	144 884
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	0
Surplus/(Deficit) after capital transfers & contributions		7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	(42 841)	42 650	30 990	49 344
Income Tax		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	(42 841)	42 650	30 990	49 344
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	(42 841)	42 650	30 990	49 344
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	1	7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	7 772	(42 841)	42 650	30 990	49 344

Table 38 – Table SA 26 – Budgeted monthly revenue and expenditure (municipal vote)

NC451 Joe Morolong - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote																
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office Of The Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - LED, Development and Town Planning		21	21	21	21	21	21	21	21	21	21	21	21	256	271	288
Vote 4 - Corporate Services		49	49	49	49	49	49	49	49	49	49	49	49	587	619	653
Vote 5 - Technical Services		15 209	15 209	15 209	15 209	15 209	15 209	15 209	15 209	15 209	15 209	15 209	15 209	182 503	184 059	208 699
Vote 6 - Financial Services		22 021	22 021	22 021	22 021	22 021	22 021	22 021	22 021	22 021	22 021	22 021	22 021	264 257	277 257	290 914
Vote 7 - Community Services		851	851	851	851	851	851	851	851	851	851	851	851	10 209	9 458	10 069
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		38 151	38 151	38 151	38 151	38 151	38 151	38 151	38 151	38 151	38 151	38 151	38 151	457 812	471 665	510 623
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		2 350	2 350	2 350	2 350	2 350	2 350	2 350	2 350	2 350	2 350	2 350	2 350	28 204	26 268	27 396
Vote 2 - Office Of The Municipal Manager		1 121	1 121	1 121	1 121	1 121	1 121	1 121	1 121	1 121	1 121	1 121	1 121	13 454	16 299	17 050
Vote 3 - LED, Development and Town Planning		1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	13 116	14 009	14 724
Vote 4 - Corporate Services		4 467	4 467	4 467	4 467	4 467	4 467	4 467	4 467	4 467	4 467	4 467	4 467	53 603	57 476	60 164
Vote 5 - Technical Services		17 671	17 671	17 671	17 671	17 671	17 671	17 671	17 671	17 671	17 671	17 671	17 671	212 051	228 194	238 919
Vote 6 - Financial Services		5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	5 163	61 958	64 683	67 620
Vote 7 - Community Services		2 207	2 207	2 207	2 207	2 207	2 207	2 207	2 207	2 207	2 207	2 207	2 207	26 480	27 134	28 493
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		34 072	34 072	34 072	34 072	34 072	34 072	34 072	34 072	34 072	34 072	34 072	34 072	408 865	434 063	454 366
Surplus/(Deficit) before assoc.		4 079	4 079	4 079	4 079	4 079	4 079	4 079	4 079	4 079	4 079	4 079	4 079	48 947	37 601	56 257
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	4 079	4 079	4 079	4 079	4 079	4 079	4 079	4 079	4 079	4 079	4 079	4 079	48 947	37 601	56 257

Table 39 – Table SA 27 – Budgeted monthly revenue and expenditure (standard classification)

NC451 Joe Morolong - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional																
Governance and administration		22 070	22 070	22 070	22 070	22 070	22 070	22 070	22 070	22 070	22 070	22 070	22 070	264 844	277 876	291 567
Executive and council		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Finance and administration		22 070	22 070	22 070	22 070	22 070	22 070	22 070	22 070	22 070	22 070	22 070	22 070	264 844	277 876	291 567
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety		851	851	851	851	851	851	851	851	851	851	851	851	10 208	9 458	10 069
Community and social services		218	218	218	218	218	218	218	218	218	218	218	218	2 621	1 415	1 544
Sport and recreation		617	617	617	617	617	617	617	617	617	617	617	617	7 407	7 851	8 323
Public safety		15	15	15	15	15	15	15	15	15	15	15	15	180	191	202
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		2 743	2 743	2 743	2 743	2 743	2 743	2 743	2 743	2 743	2 743	2 743	2 743	32 919	34 854	37 040
Planning and development		310	310	310	310	310	310	310	310	310	310	310	310	3 717	3 900	4 229
Road transport		2 433	2 433	2 433	2 433	2 433	2 433	2 433	2 433	2 433	2 433	2 433	2 433	29 201	30 953	32 811
Environmental protection		0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Trading services		12 487	12 487	12 487	12 487	12 487	12 487	12 487	12 487	12 487	12 487	12 487	12 487	149 841	149 476	171 947
Energy sources		942	942	942	942	942	942	942	942	942	942	942	942	11 308	11 987	12 706
Water management		10 052	10 052	10 052	10 052	10 052	10 052	10 052	10 052	10 052	10 052	10 052	10 052	120 629	118 511	139 124
Waste water management		1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	12 288	13 025	13 807
Waste management		468	468	468	468	468	468	468	468	468	468	468	468	5 616	5 953	6 310
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue - Functional		38 151	38 151	38 151	38 151	38 151	38 151	38 151	38 151	38 151	38 151	38 151	38 151	457 812	471 665	510 623
Expenditure - Functional																
Governance and administration		14 865	14 865	14 865	14 865	14 865	14 865	14 865	14 865	14 865	14 865	14 865	14 865	178 381	186 886	195 407
Executive and council		3 132	3 132	3 132	3 132	3 132	3 132	3 132	3 132	3 132	3 132	3 132	3 132	37 589	38 310	39 993
Finance and administration		11 510	11 510	11 510	11 510	11 510	11 510	11 510	11 510	11 510	11 510	11 510	11 510	138 121	145 781	152 492
Internal audit		223	223	223	223	223	223	223	223	223	223	223	223	2 671	2 794	2 923
Community and public safety		1 944	1 944	1 944	1 944	1 944	1 944	1 944	1 944	1 944	1 944	1 944	1 944	23 325	24 011	25 228
Community and social services		884	884	884	884	884	884	884	884	884	884	884	884	10 611	10 946	11 452
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		366	366	366	366	366	366	366	366	366	366	366	366	4 390	4 254	4 450
Housing		694	694	694	694	694	694	694	694	694	694	694	694	8 323	8 810	9 327
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		3 623	3 623	3 623	3 623	3 623	3 623	3 623	3 623	3 623	3 623	3 623	3 623	43 477	46 064	48 296
Planning and development		1 519	1 519	1 519	1 519	1 519	1 519	1 519	1 519	1 519	1 519	1 519	1 519	18 233	19 782	20 762
Road transport		1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	21 629	22 678	23 767
Environmental protection		301	301	301	301	301	301	301	301	301	301	301	301	3 615	3 604	3 767
Trading services		14 165	14 165	14 165	14 165	14 165	14 165	14 165	14 165	14 165	14 165	14 165	14 165	169 980	183 714	192 348
Energy sources		4 098	4 098	4 098	4 098	4 098	4 098	4 098	4 098	4 098	4 098	4 098	4 098	49 173	56 467	59 111
Water management		9 169	9 169	9 169	9 169	9 169	9 169	9 169	9 169	9 169	9 169	9 169	9 169	110 024	115 344	120 770
Waste water management		416	416	416	416	416	416	416	416	416	416	416	416	4 989	5 224	5 475
Waste management		483	483	483	483	483	483	483	483	483	483	483	483	5 794	6 679	6 993
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional		34 597	34 597	34 597	34 597	34 597	34 597	34 597	34 597	34 597	34 597	34 597	34 596	415 162	440 674	461 279
Surplus/(Deficit) before assoc.		3 554	3 554	3 554	3 554	3 554	3 554	3 554	3 554	3 554	3 554	3 554	3 555	42 650	30 990	49 344
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	3 554	3 554	3 554	3 554	3 554	3 554	3 554	3 554	3 554	3 554	3 554	3 555	42 650	30 990	49 344

Table 40 – Table SA 28 – Budgeted monthly capital expenditure (municipal votes)

NC451 Joe Morolong - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office Of The Municipal Manager		71	71	71	71	71	71	71	71	71	71	71	71	850	930	930
Vote 3 - LED, Development and Town Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		1 194	1 194	1 194	1 194	1 194	1 194	1 194	1 194	1 194	1 194	1 194	1 194	14 330	15 679	15 679
Vote 5 - Technical Services		9 311	9 311	9 311	9 311	9 311	9 311	9 311	9 311	9 311	9 311	9 311	9 311	111 736	101 229	122 168
Vote 6 - Financial Services		117	117	117	117	117	117	117	117	117	117	117	117	1 400	1 532	1 532
Vote 7 - Community Services		33	33	33	33	33	33	33	33	33	33	33	33	400	438	438
Vote 8 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	10 726	10 726	10 726	10 726	10 726	10 726	10 726	10 726	10 726	10 726	10 726	10 726	128 716	119 808	140 746
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - LED, Development and Town Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		743	743	743	743	743	743	743	743	743	743	743	743	8 913	17 128	17 128
Vote 6 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Vote 8 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	743	743	743	743	743	743	743	743	743	743	743	743	8 913	17 128	17 128
Total Capital Expenditure	2	11 469	11 469	11 469	11 469	11 469	11 469	11 469	11 469	11 469	11 469	11 469	11 469	137 628	136 936	157 874

Table 41 – Table SA 29 – Budgeted monthly capital expenditure (standard classification)

NC451 Joe Morolong - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		1 282	1 282	1 282	1 282	1 282	1 282	1 282	1 282	1 282	1 282	1 282	1 282	15 380	16 828	16 828
Executive and council		21	21	21	21	21	21	21	21	21	21	21	21	250	274	274
Finance and administration		1 211	1 211	1 211	1 211	1 211	1 211	1 211	1 211	1 211	1 211	1 211	1 211	14 530	15 898	15 898
Internal audit		50	50	50	50	50	50	50	50	50	50	50	50	600	656	656
Community and public safety		701	701	701	701	701	701	701	701	701	701	701	701	8 407	9 198	9 198
Community and social services		83	83	83	83	83	83	83	83	83	83	83	83	1 000	1 094	1 094
Sport and recreation		617	617	617	617	617	617	617	617	617	617	617	617	7 407	8 104	8 104
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		2 525	2 525	2 525	2 525	2 525	2 525	2 525	2 525	2 525	2 525	2 525	2 525	30 301	27 215	33 153
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		2 517	2 517	2 517	2 517	2 517	2 517	2 517	2 517	2 517	2 517	2 517	2 517	30 201	27 105	33 044
Environmental protection		8	8	8	8	8	8	8	8	8	8	8	8	100	109	109
Trading services		7 579	7 579	7 579	7 579	7 579	7 579	7 579	7 579	7 579	7 579	7 579	7 579	90 947	91 799	106 799
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		6 717	6 717	6 717	6 717	6 717	6 717	6 717	6 717	6 717	6 717	6 717	6 717	80 600	78 128	93 128
Waste water management		762	762	762	762	762	762	762	762	762	762	762	762	9 147	12 358	12 358
Waste management		100	100	100	100	100	100	100	100	100	100	100	100	1 200	1 313	1 313
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	12 086	12 086	12 086	12 086	12 086	12 086	12 086	12 086	12 086	12 086	12 086	12 086	145 035	145 040	165 978
Funded by:																
National Government		10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	125 755	123 945	144 884
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	125 755	123 945	144 884
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	19 280	21 095	21 095
Total Capital Funding		12 086	12 086	12 086	12 086	12 086	12 086	12 086	12 086	12 086	12 086	12 086	12 086	145 035	145 040	165 978

Table 42– Table SA 30 – Budgeted monthly cash flow

NC451 Joe Morolong - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand													1		
Cash Receipts By Source															
Property rates	3 014	3 014	3 014	3 014	3 014	3 014	3 014	3 014	3 014	3 014	3 014	3 014	36 168	38 338	40 638
Service charges - electricity revenue	671	671	671	671	671	671	671	671	671	671	671	671	8 056	8 539	9 052
Service charges - water revenue	2 076	2 076	2 076	2 076	2 076	2 076	2 076	2 076	2 076	2 076	2 076	2 076	24 907	26 401	27 986
Service charges - sanitation revenue	109	109	109	109	109	109	109	109	109	109	109	109	1 304	1 382	1 465
Service charges - refuse revenue	340	340	340	340	340	340	340	340	340	340	340	340	4 075	4 320	4 579
Rental of facilities and equipment	11	11	11	11	11	11	11	11	11	11	11	11	126	134	142
Interest earned - external investments	1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	13 414	14 216	15 069
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0
Licences and permits	18	18	18	18	18	18	18	18	18	18	18	18	210	223	236
Agency services	3	3	3	3	3	3	3	3	3	3	3	3	30	30	30
Transfers and Subsidies - Operational	16 693	16 693	16 693	16 693	16 693	16 693	16 693	16 693	16 693	16 693	16 693	16 693	200 312	217 711	217 711
Other revenue	53	53	53	53	53	53	53	53	53	53	53	53	640	678	719
Cash Receipts by Source	24 103	24 103	24 103	24 103	24 103	24 103	24 103	24 103	24 103	24 103	24 103	24 103	289 242	311 972	317 626
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	10 480	125 755	123 945	144 884
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
VAT Control (receipts)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	34 583	34 583	34 583	34 583	34 583	34 583	34 583	34 583	34 583	34 583	34 583	34 583	414 997	435 918	462 510
Cash Payments by Type															
Employee related costs	(9 615)	(9 615)	(9 615)	(9 615)	(9 615)	(9 615)	(9 615)	(9 615)	(9 615)	(9 615)	(9 615)	(9 615)	(115 376)	(125 542)	(125 983)
Remuneration of councillors	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(765)	(823)	(823)
Interest	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(9 600)	(10 246)	(10 504)
Acquisitions - water & other inventory	(3 796)	(3 796)	(3 796)	(3 796)	(3 796)	(3 796)	(3 796)	(3 796)	(3 796)	(3 796)	(3 796)	(3 796)	(45 553)	(49 841)	(49 841)
Contracted services	(8 400)	(8 400)	(8 400)	(8 400)	(8 400)	(8 400)	(8 400)	(8 400)	(8 400)	(8 400)	(8 400)	(8 400)	(100 798)	(112 671)	(112 696)
Transfers and subsidies - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	(7 148)	(7 148)	(7 148)	7 148	(7 148)	(7 148)	(7 148)	(7 148)	(7 148)	(7 148)	(7 148)	(21 444)	(85 775)	(94 498)	(94 713)
Cash Payments by Type	(29 822)	(29 822)	(29 822)	(15 526)	(29 822)	(29 822)	(29 822)	(29 822)	(29 822)	(29 822)	(29 822)	(44 118)	(357 867)	(393 620)	(394 559)
Other Cash Flows/Payments by Type															
Capital assets	(10 480)	(10 480)	(10 480)	(10 480)	(10 480)	(10 480)	(10 480)	(10 480)	(10 480)	(10 480)	(10 480)	(10 480)	(125 755)	(123 945)	(144 884)
Repayment of borrowing	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(219)	(240)	(240)
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(0)
Total Cash Payments by Type	(40 320)	(40 320)	(40 320)	(26 024)	(40 320)	(40 320)	(40 320)	(40 320)	(40 320)	(40 320)	(40 320)	(54 616)	(483 842)	(517 805)	(539 683)
NET INCREASE/(DECREASE) IN CASH HELD	74 903	74 903	74 903	60 607	74 903	74 903	74 903	74 903	74 903	74 903	74 903	89 199	898 839	953 723	1 002 193
Cash/cash equivalents at the month/year begin:	25 595	100 498	175 401	250 304	310 912	385 815	460 718	535 621	610 525	685 428	760 331	835 234	25 595	924 433	1 878 156
Cash/cash equivalents at the month/year end:	100 498	175 401	250 304	310 912	385 815	460 718	535 621	610 525	685 428	760 331	835 234	924 433	924 433	1 878 156	2 880 349

2.13 Contracts having future budgetary implication

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

2.14 Capital expenditure details

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

Table 43: Table SA 34a - Capital expenditure on new assets by asset class

NC451 Joe Morolong - Supporting Table SA34a Capital expenditure on new assets by asset class

Description R thousand	Ref 1	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		70 395	120 961	99 771	112 398	109 715	109 715	103 340	93 595	114 533
Roads Infrastructure		(24 339)	44 961	17 515	20 388	21 988	21 988	29 201	26 011	31 950
Roads		(24 339)	44 961	17 515	20 388	21 988	21 988	29 201	26 011	31 950
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	1 304	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	1 304	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		91 513	60 100	72 949	76 630	76 630	76 630	64 992	55 226	70 226
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		91 513	60 100	72 949	76 630	76 630	76 630	64 992	55 226	70 226
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		3 221	14 595	9 306	15 381	10 598	10 598	9 147	12 358	12 358
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		3 221	(4 503)	9 306	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	19 098	-	15 381	10 598	10 598	9 147	12 358	12 358
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	500	500	-	-	0
Landfill Sites		-	-	-	-	500	500	-	-	0
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-

Capital Spares	-	-	-	-	-	-	-	-
Information and Communication	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Data Centres	-	-	-	-	-	-	-	-
Core Layers	-	-	-	-	-	-	-	-
Distribution Layers	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Community Assets	5 279	75 792	7 662	11 000	10 263	10 263	7 707	8 432
Community Facilities	5 279	75 792	7 662	-	-	-	300	328
Halls	5 279	78 521	7 662	-	-	-	300	328
Centres	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	(2 729)	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	11 000	10 263	10 263	7 407	8 104
Indoor Facilities	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	11 000	10 263	10 263	7 407	8 104
Capital Spares	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-
Other assets	-	130	-	-	-	-	4 900	5 361
Operational Buildings	-	-	-	-	-	-	4 900	5 361
Municipal Offices	-	-	-	-	-	-	3 700	4 048
Pay/Enquiry Points	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	1 200	1 313
Stores	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Housing	-	130	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-
Capital Spares	-	130	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Intangible Assets	148	938	-	100	465	465	630	689
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	148	938	-	100	465	465	630	689
Water Rights	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-
Computer Software and Applications	148	938	-	100	465	465	630	689
Load Settlement Software Applications	-	-	-	-	-	-	-	-

<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
<u>Computer Equipment</u>		(4 659)	5 815	92	500	500	500	1 250	1 368	1 368
Computer Equipment		(4 659)	5 815	92	500	500	500	1 250	1 368	1 368
<u>Furniture and Office Equipment</u>		194	-	-	300	200	200	600	656	656
Furniture and Office Equipment		194	-	-	300	200	200	600	656	656
<u>Machinery and Equipment</u>		6 722	1 767	420	1 570	1 400	1 400	3 300	3 611	3 611
Machinery and Equipment		6 722	1 767	420	1 570	1 400	1 400	3 300	3 611	3 611
<u>Transport Assets</u>		184	10 296	2 790	2 000	2 000	2 000	8 300	9 081	9 081
Transport Assets		184	10 296	2 790	2 000	2 000	2 000	8 300	9 081	9 081
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Living resources</u>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	78 262	215 701	110 735	127 868	124 543	124 543	130 027	122 793	143 732

Table 44: Table SA 34b - Capital expenditure on renewal existing assets by asset class

NC451 Joe Morolong - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		14 568	(55 806)	6 049	9 252	9 252	9 252	15 008	22 246	22 246
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		14 568	(55 806)	6 049	9 252	9 252	9 252	15 008	22 246	22 246
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		14 568	(55 806)	6 049	9 252	9 252	9 252	15 008	22 246	22 246
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Data Centres	-	-	-	-	-	-	-	-	-
Core Layers	-	-	-	-	-	-	-	-	-
Distribution Layers	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-

Computer Equipment		-	-	-	-	-	-	-	-	-
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<u>Transport Assets</u>		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Living resources</u>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	14 568	(55 806)	6 049	9 252	9 252	9 252	15 008	22 246	22 246
<i>Renewal of Existing Assets as % of total capex</i>		15.7%	-34.9%	5.2%	6.7%	6.9%	6.9%	10.3%	15.3%	13.4%
<i>Renewal of Existing Assets as % of deprecn"</i>		12.3%	-45.8%	4.9%	26.6%	9.8%	9.8%	14.7%	20.7%	19.8%

Table 45: Table SA 34c – Repairs and maintenance expenditure by asset class

NC451 Joe Morolong - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		1 164	11 073	10 659	13 000	12 000	12 000	12 500	13 075	13 676
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		685	5 643	10 659	13 000	12 000	12 000	12 500	13 075	13 676
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	5 643	10 659	12 500	12 000	12 000	11 000	11 506	12 035
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		685	-	-	500	-	-	1 500	1 569	1 641
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		479	5 429	-	-	-	-	-	-	-
Landfill Sites		479	5 429	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-

Data Centres	-	-	-	-	-	-	-	-
Core Layers	-	-	-	-	-	-	-	-
Distribution Layers	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Community Assets	-	2 466	-	-	-	-	-	-
Community Facilities	-	2 466	-	-	-	-	-	-
Halls	-	2 466	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-

Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	2 052	2 259	1 530	2 030	2 030	2 000	2 092	2 188
Transport Assets		-	2 052	2 259	1 530	2 030	2 030	2 000	2 092	2 188
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	1 164	15 591	12 918	14 530	14 030	14 030	14 500	15 167	15 865
R&M as a % of PPE & Investment Property		0.1%	1.2%	1.1%	1.1%	1.2%	1.2%	1.3%	1.3%	1.4%
R&M as % Operating Expenditure		0.2%	14.7%	3.3%	4.5%	3.2%	3.2%	3.3%	3.7%	3.6%

Table 45: Table SA 34d – Depreciation by asset

NC451 Joe Morolong - Supporting Table SA34d Depreciation by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		107 126	112 245	116 503	28 294	73 869	73 869	77 399	81 053	84 781
Roads Infrastructure		77 060	78 398	79 540	500	14 525	14 525	15 237	15 938	16 671
Roads		77 060	78 398	79 540	500	14 525	14 525	15 237	15 938	16 671
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		185	572	871	250	250	250	262	274	287
Drainage Collection		-	-	871	250	250	250	262	274	287
Storm water Conveyance		185	572	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		327	327	326	22 784	22 784	22 784	23 810	25 000	26 150
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		327	327	326	22 784	22 784	22 784	23 810	25 000	26 150
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		29 208	32 615	35 417	3 661	35 211	35 211	36 936	38 635	40 413
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		10 697	11 307	13 121	1 200	13 700	13 700	14 371	15 032	15 724
Reservoirs		2 465	2 981	3 105	650	13 650	13 650	14 319	14 978	15 666
Pump Stations		506	487	477	800	800	800	839	878	918
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		15 540	17 840	18 714	1 011	7 061	7 061	7 407	7 748	8 104
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		206	206	225	500	500	500	525	549	574
Pump Station		165	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		41	206	225	500	500	500	525	549	574
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		140	126	124	599	599	599	628	657	688
Landfill Sites		-	126	124	599	599	599	628	657	688
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		140	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-

Data Centres	-	-	-	-	-	-	-	-	-
Core Layers	-	-	-	-	-	-	-	-	-
Distribution Layers	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Community Assets	2 038	2 037	2 012	-	-	-	3 057	3 294	3 448
Community Facilities	1 554	2 037	2 012	-	-	-	2 672	2 891	3 027
Halls	1 507	2 037	2 012	-	-	-	2 495	2 704	2 828
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	90	95	101
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	87	92	98
Public Open Space	47	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	484	-	-	-	-	-	385	403	421
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	484	-	-	-	-	-	385	403	421
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	200	200	200
Revenue Generating	-	-	-	-	-	-	200	200	200
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	200	200	200
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	1 208	1 208	1 216	1 997	1 997	1 997	2 095	2 191	2 292
Operational Buildings	1 208	1 208	1 216	1 997	1 997	1 997	2 095	2 191	2 292
Municipal Offices	-	1 208	1 216	1 997	1 997	1 997	2 095	2 191	2 292
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	1 208	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	959	745	236	-	-	-	151	158	165
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	959	745	236	-	-	-	151	158	165
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	959	745	236	-	-	-	151	158	165
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	395	192	467	1 250	1 250	1 250	1 311	1 372	1 435
Computer Equipment	395	192	467	1 250	1 250	1 250	1 311	1 372	1 435

Furniture and Office Equipment		1 504	284	484	742	742	742	778	814	852
Furniture and Office Equipment		1 504	284	484	742	742	742	778	814	852
Machinery and Equipment		1 027	35	408	721	14 820	14 820	15 546	16 262	17 010
Machinery and Equipment		1 027	35	408	721	14 820	14 820	15 546	16 262	17 010
Transport Assets		4 576	5 053	1 192	1 800	1 800	1 800	1 888	1 975	2 066
Transport Assets		4 576	5 053	1 192	1 800	1 800	1 800	1 888	1 975	2 066
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Depreciation	1	118 833	121 797	122 519	34 804	94 478	94 478	102 425	107 318	112 248

Table 46: Table SA 36 – Detailed capital budget per municipal vote

NC451 Joe Morolong - Supporting Table SA36 Detailed capital budget

R thousand													2024/25 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2022/23	Current Year 2023/24 Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Parent municipality: <i>List all capital projects grouped by Function</i>															
Administrative and Corporate Support	NC451_Capital Acquisition_Corporate Services_OFFICE FURNITURE	New	Social Cohesion And Safe Communities		To assist the municipality to achieve its objectives	Furniture and Office Equipment	Furniture and Office Equipment	Whole of the Municipality	0	0	–	200	600	656	656
Administrative and Corporate Support	NC451_Capital Acquisition_Carports	New	A Capable, Ethical And Developmental State		To provide IT service	Other Assets	Operational Buildings	Whole of the Municipality	0	0	–	–	–	–	0
Administrative and Corporate Support	NC451_Capital Acquisition_CCTV	New	A Capable, Ethical And Developmental State		To provide IT service	Other Assets	Operational Buildings	Whole of the Municipality	0	0	–	–	1 000	1 094	1 094
Administrative and Corporate Support	NC451_Capital Acquisition_Office Prefixes	New	A Capable, Ethical And Developmental State		To provide IT service	Other Assets	Operational Buildings	Whole of the Municipality	0	0	–	–	2 000	2 188	2 188
Community Halls and Facilities	NC451_Capital Acquisition_Security GuardHouse	New	A Capable, Ethical And Developmental State		To provide IT service	Other Assets	Operational Buildings	Whole of the Municipality	0	0	–	–	100	109	109
Community Halls and Facilities	NC451_Capital Acquisition_Weighbridge	New	A Capable, Ethical And Developmental State		To provide IT service	Other Assets	Operational Buildings	Whole of the Municipality	0	0	–	–	600	656	656
Community Halls and Facilities	NC451_Capital Acquisition_Office of the Director Community Services_Community Facilities	New	Social Cohesion And Safe Communities		To promote oversight and public accountability	Community Assets	Community Facilities	Whole of the Municipality	0	0	–	–	–	–	0
Community Halls and Facilities	NC451_Capital Acquisition_Office of the Director Community Services_Community Facilities	New	Social Cohesion And Safe Communities		To promote oversight and public accountability	Community Assets	Community Facilities	Whole of the Municipality	0	0	–	–	–	–	0

Community Halls and Facilities	NC451_Capital Acquisition_Office of the Director Community Services_Community Facilities	New	Social Cohesion And Safe Communities	To promote oversight and public accountability	Community Assets	Community Facilities	Whole of the Municipality	0	0	–	–	300	328	328
Community Halls and Facilities	NC451_Capital Acquisition_Office of the Director Community Services_Community Facilities	New	Social Cohesion And Safe Communities	To promote oversight and public accountability	Community Assets	Community Facilities	Whole of the Municipality	0	0	–	–	300	328	328
Community Halls and Facilities	NC451_Capital Acquisition_Halls_Cardington	New	Social Cohesion And Safe Communities	To promote oversight and public accountability	Community Assets	Community Facilities	Whole of the Municipality	0	0	–	–	–	–	0
Community Halls and Facilities	NC451_Capital Acquisition_Halls_Washinton	New	Social Cohesion And Safe Communities	To promote oversight and public accountability	Community Assets	Community Facilities	Whole of the Municipality	0	0	–	–	–	–	0
Community Halls and Facilities	NC451_Capital Acquisition_Halls_Perdmunkie	New	Economic Transformation And Job Creation	To develop community facilities	Community Assets	Community Facilities	Ward 6	0	0	–	–	–	–	0
Finance	NC451_Capital Acquisition_Computers_Finance	New	Social Cohesion And Safe Communities	To promote oversight and public accountability	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	0	0	–	200	–	–	0
Finance	NC451_Capital Acquisition_Computers_Finance	New	Social Cohesion And Safe Communities	To promote oversight and public accountability	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	0	0	–	100	–	–	0
Finance	NC451_Capital Acquisition_Computers_Finance	New	Social Cohesion And Safe Communities	To promote oversight and public accountability	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	0	0	–	200	1 400	1 532	1 532
Finance	NC451_Capital Acquisition_Computers_Finance	New	Social Cohesion And Safe Communities	To promote oversight and public accountability	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	0	0	–	100	1 400	1 532	1 532
Fleet Management	NC451_Capital Acquisiton_FLEET MANAGEMENT SERVICES_Equipment	New	A Capable, Ethical And Developmental State	To provide IT service	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	0	0	–	–	300	328	328
Fleet Management	NC451_Capital Acquisiton_FLEET MANAGEMENT SERVICES	New	Social Cohesion And Safe Communities	To promote oversight and public accountability	Transport Assets	Transport Assets	Whole of the Municipality	0	0	–	2 000	8 200	8 972	8 972
Fleet Management	NC451_Capital Acquisiton_FLEET MANAGEMENT SERVICES_Software	New	A Capable, Ethical And Developmental State	To provide IT service	Intangible Assets	Licences and Rights	Whole of the Municipality	0	0	–	465	30	33	33

Governance Function	NC451_ Software_Internal Audit	New	A Capable, Ethical And Developmental State	To provide IT service	Intangible Assets	Licences and Rights	Whole of the Municipality	0	0	–	–	600	656	656
Information Technology	NC451_Capital Acquisition_Information Technology	New	Social Cohesion And Safe Communities	To promote oversight and public accountability	Computer Equipment	Computer Equipment	Whole of the Municipality	0	0	–	400	1 000	1 094	1 094
Municipal Manager, Town Secretary and Chief Executive	NC451_Capital Acquisition_Communication Equipments	New	Social Cohesion And Safe Communities	To promote good intergovernmental-relation in the municipality	Computer Equipment	Computer Equipment	Whole of the Municipality	0	0	–	100	250	274	274
Pollution Control	NC451_Capital Acquisition_Envirnmental Services_Skip Unit	New	Social Cohesion And Safe Communities	To promote oversight and public accountability	Transport Assets	Transport Assets	Whole of the Municipality	0	0	–	–	100	109	109
Public Toilets	NC451_Capital Acquisition_Waste Water DITHAKONG	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Sanitation Infrastructure	Ward 12	0	0	–	5 166	2 591	2 835	2 835
Roads	NC451_Capital Acquisition_Roads_NCWELENGWE Internal Road	New	Spatial Integration, Human Settlements And Local Government	To provide roads and stormwater service	Infrastructure	Roads Infrastructure	Ward 15	0	0	–	12 000	18 046	10 039	15 978
Roads	NC451_Capital Acquisition_Roads GAHUWE TO DITHAKONG ACCESS ROAD	New	Spatial Integration, Human Settlements And Local Government	To provide roads and stormwater service	Infrastructure	Roads Infrastructure	Ward 13	0	0	–	8 388	11 156	15 972	15 972
Roads	NC451_Capital Acquisition_Roads Assets	New	Spatial Integration, Human Settlements And Local Government	To provide roads and stormwater service	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	0	0	–	100	1 000	1 094	1 094
Roads	NC451_Capital Acquisition_Roads_Tsaelengwe Internal Road	New	Social Cohesion And Safe Communities	To promote oversight and public accountability	Infrastructure	Roads Infrastructure	Whole of the Municipality	0	0	–	–	–	–	0
Roads	NC451_Capital Acquisition_Roads_Washington Internal Road	New	Social Cohesion And	To promote oversight and	Infrastructure	Roads Infrastructure	Whole of the Municipality	0	0	–	–	–	–	0

Solid Waste Disposal (Landfill Sites)	NC451_Capital Acquisition_Pavement	New	And Local Government A Capable, Ethical And Developmental State	To provide IT service	Other Assets	Operational Buildings	Whole of the Municipality	0	0	–	–	1 200	1 313	1 313
Sports Grounds and Stadiums	NC451_Capital Acquisition_DITHAKONG SPORTFIELD	New	Economic Transformation And Job Creation Spatial	To develop community facilities	Community Assets	Sport and Recreation Facilities	Ward 12	0	0	–	10 263	7 407	8 104	8 104
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_LEBOKENG	New	Integration, Human Settlements And Local Government Spatial	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Ward 5	0	0	–	–	–	–	0
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_RUSTFONTEIN WYK 10	New	Integration, Human Settlements And Local Government Spatial	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Ward 5	0	0	–	2 261	–	–	0
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_DINOKENG	New	Integration, Human Settlements And Local Government Spatial	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Ward 5	0	0	–	2 190	–	–	0
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_ABBEY	New	Integration, Human Settlements And Local Government Spatial	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Ward 3	0	0	–	2 261	–	–	0
Water Distribution	NC451_Capital Acquisition_Water ESPERENZA/CHURCHILL	New	Integration, Human Settlements And Local Government Spatial	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	11 244	–	–	0
Water Distribution	NC451_Capital Acquisition_Water_GANGHAAI	New	Integration, Human Settlements And Local Government Spatial	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	–	–	–	0
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Washington	New	Integration, Human	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Ward 14	0	0	–	–	–	–	0

Water Distribution	NC451_Capital Acquisition_Water_March	New	And Local Government Spatial Integration, Human Settlements And Local Government Spatial Integration, Human Settlements And Local Government		To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	–	3 500	3 933	3 933
Water Storage	NC451_Capital Acquisition_Boreholes Refurbish_Maketlele	New	And Local Government Spatial Integration, Human Settlements And Local Government		To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Ward 14	0	0	–	–	–	–	0
Parent Capital expenditure											–	129 455	144 639	144 606	165 544
Entities: <i>List all capital projects grouped by Entity</i>															
Entity A Water project A															
Entity B Electricity project B															
Entity Capital expenditure											–	–	–	–	–
Total Capital expenditure											–	129 455	144 639	144 606	165 544

2.14 Legislation Compliance Status

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

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Budget & Treasury Office. Since the introduction of the Internship programme the municipality has successfully employed 5 of the trained 29 interns through whereby 7 interns resigned during the programme and a majority of those who completed the programme were appointed in the municipality.

3. Budget and Treasury Office

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

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2024/25 MTREF in May 2024 directly aligned and informed by the 2024/25 MTREF.

6. Annual Report

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

2.15 Municipal Manager's Quality Certificate

2.15 Municipal Manager's Quality Certificate

JOE MOROLONG LOCAL MUNICIPALITY



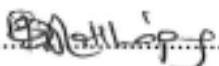
JOE MOROLONG
LOCAL MUNICIPALITY

NC 451

QUALITY CERTIFICATE

I, Boipelo Motlhaping, Municipal Manager of JOE MOROLONG LOCAL MUNICIPALITY, hereby certify that the Annual Budget and Supporting Documentation have been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the act and that the Annual Budget are consistent with the Integrated Development Plan of the municipality.

PRINT NAME:.....Boipelo Motlhaping.....
Municipal Manager of JOE MOROLONG LOCAL MUNICIPALITY (NC 451)

Signature: 

Date : 23/05/2024