

ORIGINAL BUDGET OF JOE MOROLONG LOCAL MUNICIPALITY



JOE MOROLONG
LOCAL MUNICIPALITY

(NC 451)

2025/26 TO 2027/28 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 Final Budget for the 2025/26 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 4.4%, 4.5% and 2.4% 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 2025/26 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 2025/26 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 2025/26 BUDGET

- ❖ With the 2025/26 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 2025/26 financial year amounts to R 127 million with the main focus on the following:

❖ Provision of water	R 84 million
❖ Roads	R 12 million
❖ Sanitation	R 21 million
❖ Sports Fields	R4.7 million
❖ Computers, Offices Equipment & Other	R 2.4 million
❖ Municipal Vehicle	R 3.3 million
❖ Office Space and Pavement	R0.3 million

Capital projects for the 2025/26 financial year are funded from grants receivable from the National Government amounting to R 119 million and own funding to the amount of R 8.7 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, Adopt Original Budget for 2025/26 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 2025.
 - ✓ 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 2025.
 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
- 16) Borrowing Policy

BUDGET RESOLUTION: RESCNL2025-00387

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 2025/26 MTREF.**
- **The main challenges experienced during the compilation of the 2025/26 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 2025/26 MTREF:**
- The 2024/25 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 2025/26 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 2025/26 Medium-term Revenue and Expenditure Framework:

Table 1 Overview of the 2025/26 MTREF

	Adjustment Budget 2024/25 R '000	Budget Year 2025/26 R '000	Budget Year +1 2026/27 R '000	Budget Year +2 2027/28 R '000
Total Operating Revenue	R464 846	R464 308	R486 641	R510 845
Total Operating Expenditure	R499 222	R380 749	R400 219	R423 946
(Surplus)/Deficit for the year	-R34 376	R83 559	R86 422	R86 899
Total Capital Expenditure	R148 212	127 218	132 731	136 015

Total operating revenue has Decrease by R 6 million for the 2025/26 financial year when compared to the 2024/25 Adjustments Budget. For the two outer years, operational revenue will increase by R15 million and then increase by R 30 million respectively.

Total operating expenditure for the 2025/26 financial year has been appropriated at R 381 million and translates into a budgeted surplus of R 83.5 million. When compared to the 2024/25 Adjustments Budget, operational expenditure has decreased by R119 million in the 2024/25 budget and will increase by R 20 million and R 23 million for each of the respective outer years of the MTREF. The operating surplus for the two outer years of R 8 million and R 86.9 million.

The capital budget of R 127 million for 2025/26 is 16 per cent less when compared to the 2024/25 Adjustment Budget. The capital programme increases to R132 million in the 2026/27 financial year and R136 million in 2027/28. 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 2025/26 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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	10 362	6 999	6 679	9 108	10 676	10 676	10 676	12 549	13 302	14 100
Service charges - Water	2	9 756	37 575	9 178	33 323	20 986	20 986	21 576	22 026	23 347	24 748
Service charges - Waste Water Management	2	1 261	1 340	1 472	1 706	2 333	2 333	2 451	3 518	3 729	3 952
Service charges - Waste Management	2	3 039	3 170	2 248	4 488	5 188	5 188	5 590	5 688	6 029	6 391
Sale of Goods and Rendering of Services		253	180	279	287	196	196	196	176	186	197
Agency services		-	-	-	30	30	30	30	30	32	34
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 948	8 254	22 281	13 378	25 607	25 607	25 607	19 796	20 984	22 243
Interest earned from Current and Non Current		4 162	6 234	7 842	8 526	6 426	6 426	6 426	8 176	8 666	9 186
Assets											
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		109	78	97	126	126	126	126	162	172	182
Licence and permits		-	-	-	210	151	151	151	151	160	169
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		495	147	1 002	353	275	275	275	293	311	329
Non-Exchange Revenue											
Property rates	2	(2 540)	(2 475)	46 859	42 591	48 000	48 000	48 000	51 118	54 186	57 437
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		0	-	-	-	-	-	-	10	11	11
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		207 200	182 005	210 260	200 312	200 691	200 691	200 691	206 022	214 979	227 562
Interest		3 423	6 794	28 939	17 629	16 388	16 388	16 388	14 477	15 345	16 266
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		(432)	-	-	-	2 448	2 448	2 448	3 307	3 505	3 715
Other Gains		-	-	8 298	(11)	(22)	(22)	(22)	(22)	(24)	(25)
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		244 037	250 300	345 436	332 057	339 500	339 500	340 609	347 475	364 920	386 499

Table 3 Percentage growth in revenue by main revenue source

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

Description	Ref	2025/26 Medium Term Revenue & Expenditure Framework					
		Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +2 2027/28	%
Revenue							
Exchange Revenue							
Service charges - Electricity	2	12 549	4%	13 302	4%	14 100	4%
Service charges - Water	2	22 026	6%	23 347	6%	24 748	6%
Service charges - Waste Water Management	2	3 518	1%	3 729	1%	3 952	1%
Service charges - Waste Management	2	5 688	2%	6 029	2%	6 391	2%
Sale of Goods and Rendering of Services		176	0%	186	0%	197	0%
Agency services		30	0%	32	0%	34	0%
Interest earned from Receivables		19 796	6%	20 984	6%	22 243	6%
Interest earned from Current and Non Current Assets		8 176	2%	8 666	2%	9 186	2%
Rental from Fixed Assets		162	0%	172	0%	182	0%
Licence and permits		151	0%	160	0%	169	0%
Operational Revenue		293	0%	311	0%	329	0%
Non-Exchange Revenue							
Property rates	2	51 118	15%	54 186	15%	57 437	15%
Fines, penalties and forfeits		10	0%	11	0%	11	0%
Transfer and subsidies - Operational		206 022	59%	214 979	59%	227 562	59%
Interest		14 477	4%	15 345	4%	16 266	4%
Gains on disposal of Assets		3 307	1%	3 505	1%	3 715	1%
Other Gains		-22	0%	-24	0%	-25	0%
Total Revenue (excluding capital transfers and contributions)		347 477	100%	364 920	100%	386 497	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 R206 million in 2025/26 and steadily increases to R214 million by 2026/27 and increases to R227 million by 2027/28 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..

The municipality submitted the 2025/26 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 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
SA18 Transfers and grant receipts**

Description R thousand	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		163 148	178 068	188 639	198 781	198 760	198 760	202 445	212 859	225 395
Equitable Share		155 940	170 404	180 561	191 089	191 089	191 089	194 285	205 942	218 299
Expanded Public Works Programme Integrated Grant		956	1 140	2 159	1 231	1 231	1 231	1 554	–	–
Local Government Financial Management Grant		3 081	3 100	3 100	3 000	3 000	3 000	3 000	3 000	3 000
Municipal Infrastructure Grant		3 170	3 425	2 819	3 461	3 440	3 440	3 606	3 917	4 097
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	–	–	–	1 500	–	–
Specify (Add grant description)		–	–	–	–	–	–	1 500	–	–
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		6 704	3 514	21 620	1 531	1 931	1 931	2 077	2 121	2 167
Mining Companies		–	1 714	20 368	231	631	631	727	771	817
Northern Cape Arts and Cultural Council		6 704	1 800	1 252	1 300	1 300	1 300	1 350	1 350	1 350
Total Operating Transfers and Grants	5	169 851	181 582	210 260	200 312	200 691	200 691	206 022	214 979	227 562
<u>Capital Transfers and Grants</u>										
National Government:		142 463	121 534	127 888	125 755	125 347	125 347	118 518	123 509	126 240
Municipal Infrastructure Grant		83 263	81 534	74 188	65 755	65 347	65 347	68 518	71 259	72 684
Water Services Infrastructure Grant		59 200	40 000	53 700	60 000	60 000	60 000	50 000	52 250	53 556
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
Mining Companies										
Total Capital Transfers and Grants	5	142 463	121 534	127 888	125 755	125 347	125 347	118 518	123 509	126 240
TOTAL RECEIPTS OF TRANSFERS & GRANTS		312 315	303 116	338 147	326 067	326 039	326 039	324 540	338 488	353 802

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 4.4 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. 129 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 2025 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 2025/26 financial year

Category	Current Tariff (from 01 July 2024)	Adopted Tariff (from 01 July 2025)
Property levy is cent in a Rand.	cents in a Rand	cents in a Rand
Residential properties	0.01380	0.01441
First R15000 exempt (Section 17 (1)(h) MPRA	R15 000	R15 000
Rebates	40%	40%
Agricultural properties (to be increased in order to comply with Legislation on rate variation)	0.000479	0.000507
Business and Commercial properties	0.02797	0.02920
Rebates based on BBBEE (by application)		
Mining properties	0.02797	0.02920
Rebates based on BBBEE (by application)		
Industrial properties	0.02797	0.02920
Rebates based on BBBEE (by application)		
Properties owned by Organ of the State		
Public Service Purpose	0.02527	0.02638
Rebates		
Public Service infrastructure properties	0.00345	0.00360
Rebate		100%
Public Benefit Organisation	0.00345	0.00360
Vacant land	0.01380	0.01441

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 4.4 per cent as from 1 July 2025 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 2024)	Adopted Tariff (from 01 July 2025)
Residential	Rand per kl	Rand per kl
0 – 6 k/l	R 26.18	R 27.33
6– 20 k/l	R 33.87	R 35.37
> 20 k/l	R 46.21	R 48.25
Business		
0 – 6 k/l	R 36.99	R 38.62
6– 20 k/l	R 44.66	R 46.63
> 20k/l	R 53.91	R 56.28
Industrial		
0 – 6 k/l	R 72.85	R 76.05
6– 20 k/l	R 93.65	R 97.77
> 20k/l	R 135.28	R 141.23

1.2.4. Sanitation and Impact of Tariff Increase

A tariff increase of 4.4 percent for sanitation from 1 July 2025 is tabled by council.

Table 7 Comparison between current sanitation charges and increases

Categories	Current Tariffs 2024	Adopted Tariffs 2025
Residential		
Basic charge	R 244.06	R 254.79
Business		
Basic charge	R 370.39	R 386.69

1.2.5 Refuse and Impact of Tariff Increases

A tariff increase of 4.4 percent for refuse from 1 July 2025 is approved by council

Table 8 Comparison between current refuse charges and increases

Categories	Current Tariffs 2024	Adopted Tariffs 2025
Van Zylsrus		
Residential	R 41.15	R 42.96
Business (per container)	R 85.41	R 89.17
Hotazel		
Residential		
Business, Industrial and Organ of State	Approved Tariffs 2024/25	Adopted Tariff (from 01 July 2025)
Business, Hotel, Guest Houses, Flats 1 X per week	R 366.67	R 382.81
Business, Hotel, Guest Houses, Flats 2 X per week	R 593.14	R 619.24
Business, Hotel, Guest Houses, Flats 4 X per week		R 805.01
Garden refuse	Approved Tariffs 2024/25	Adopted Tariff (from 01 July 2025)
Garden refuse (per 3m ³ load or part thereof)	R 727.15	R 759.14
Building Rubble (per 3m ³ load or part thereof)	R 1 308.87	R 1 366.46
Bulk Refuse Container	R 756.23	R 789.51
Compost (bulk) per m ³	R 1 090.72	R 1 138.71

1.2.6 Electricity and impact of Tariff Increases

A tariff increase of 12.74% percent for electricity from 1 July 2025 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 2024/25	Adopted Tariffs 2025/26
DOMESTIC PREPAID	Approved Tariffs 2024/25	Adopted Tariff (from 01 July 2025)
Basic charge	R 192.65	R 217.12
Energy charge c/kWh	R 334.73	R 377.24
Availability charge	R 165.78	R 186.83
COMMERCIAL CUSTOMERS		
COMMERCIAL PREPAID	Approved Tariffs 2024/25	Adopted Tariff (from 01 July 2025)
Basic charge	R 181.99	R 205.10
Energy charge c/kWh	R 335.44	R 378.04
Availability charge	R 212.04	R 238.97
COMMERCIAL CONVENTIONAL (METERED)	Approved Tariffs 2024/25	Adopted Tariff (from 01 July 2025)
Basic charge	R 181.99	R 205.10
Energy charge c/kWh	R 335.44	R 378.04
Availability charge	R 212.04	R 238.97
NORMAL METERED INDUSTRIAL	Approved Tariffs 2024/25	Adopted Tariff (from 01 July 2025)
Basic charge	R 265.03	R 298.69
Energy charge c/kWh	R 296.67	R 334.35
Availability charge	R 212.04	R 238.97
High (7000kWh) c/kWh	R 298.76	R 336.70
COMMERCIAL LOW 3 PHASE	Approved Tariffs 2024/25	Adopted Tariff (from 01 July 2025)
Basic charge	R 160.77	R 181.19
Energy charge c/kWh	R 256.37	R 288.93
COMMERCIAL MEDIUM 3 PHASE	Approved Tariffs 2024/25	Adopted Tariff (from 01 July 2025)
Basic charge	R 171.42	R 193.19
Energy charge c/kWh	R 242.93	R 273.78
COMMERCIAL HIGH 3 PHASE	Approved Tariffs 2024/25	Adopted Tariff (from 01 July 2025)
Basic charge	R 171.42	R 193.19
Energy charge c/kWh	R 237.33	R 267.47

The tariffs for 2025/26 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 4.4 per cent and 12.74 per cent, with the increase for indigent households being to 4.4 per cent.

1.3 Operating Expenditure Framework

The Municipality's expenditure framework for the 2025/26 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 2025/26 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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure											
Employee related costs	2	70 418	93 921	115 747	131 817	123 050	123 050	123 050	130 925	138 280	146 412
Remuneration of councillors		11 921	13 636	15 934	16 842	14 375	14 375	14 375	14 010	14 850	15 741
Bulk purchases - electricity	2	8 459	10 506	14 013	9 600	15 008	15 008	15 008	16 498	17 488	18 537
Inventory consumed	8	12 667	16 392	31 937	34 468	32 446	32 446	32 446	25 711	27 254	28 889
Debt impairment	3	(219 653)	256 672	80 107	16 707	33 380	33 380	33 380	20 771	22 017	23 338
Depreciation and amortisation		130 478	248 181	138 887	102 425	152 893	152 893	152 893	107 961	114 438	121 305
Interest		446	757	550	70	70	70	70	37	40	42
Contracted services		31 535	41 240	48 445	45 458	58 599	58 599	58 599	41 573	41 405	43 769
Transfers and subsidies		11 993	25 382	9 953	800	800	800	800	600	636	674
Irrecoverable debts written off		(9 568)	-	47 712	12 272	15 482	15 482	15 482	17 828	18 898	20 032
Operational costs		47 682	49 039	37 883	50 613	55 123	55 123	55 123	41 685	43 943	46 549
Losses on disposal of Assets		9 629	-	8 170	-	5 700	5 700	5 700	5 724	6 067	6 431
Other Losses		(49)	(8)	(0)	(11)	(22)	(22)	(22)	(22)	(24)	(25)
Total Expenditure		105 958	755 717	549 339	421 061	506 903	506 903	506 903	423 300	445 292	471 694

The budgeted allocation for employee related costs for the 2025/26 financial year totals R130 million. Employee related has increased by R15 million as compare to Audited Outcome 2023/24. 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 5.01% per cent for the

2025/26 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.

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 decrease by R6 million from R25 million during the audited outcome of 2023/24. 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 2024/25 FY. Hence the decrease in the Debt Impairment Budget.

Depreciation is at the R107 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 are 37 thousand for 2025/26 and increases to R39 thousands by 2026/27. 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 2025/26 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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		11 073	10 659	11 463	12 500	10 700	10 700	10 000	10 600	11 236
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		5 643	10 659	11 463	12 500	10 700	10 700	10 000	10 600	11 236
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		5 429	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<u>Community Assets</u>		2 466	-	-	-	-	-	-	-	-
Community Facilities		2 466	-	-	-	-	-	-	-	-
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
<u>Other assets</u>		-	-	-	-	-	-	-	-	-
<u>Biological or Cultivated Assets</u>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<u>Intangible Assets</u>		-	-	-	-	-	-	-	-	-
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<u>Transport Assets</u>		2 052	2 259	1 934	2 000	4 000	4 000	3 400	3 604	3 820
Transport Assets		2 052	2 259	1 934	2 000	4 000	4 000	3 400	3 604	3 820
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Living resources</u>		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	15 591	12 918	13 397	14 500	14 700	14 700	13 400	14 204	15 056
R&M as a % of PPE & Investment Property		1.2%	1.5%	1.7%	1.3%	1.3%	1.3%	2.4%	2.4%	2.4%
R&M as % Operating Expenditure		14.7%	1.7%	2.4%	3.4%	2.9%	2.9%	2.6%	3.4%	3.4%

For the 2025/26 financial year, R13.4 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 R10 million, followed by Transport assets has been allocated R3.4 million of total repairs and maintenance.

1.4 Capital expenditure

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

Table 13 2025/26 Medium-term capital budget per vote

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

Vote Description R thousand	2025/26 Medium Term Revenue & Expenditure Framework					
	Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +2 2027/28	%
Capital Expenditure - Functional						
<i>Governance and administration</i>	5 950		6 307		6 685	
Executive and council	100	0%	106	0%	112	0%
Finance and administration	5 350	4%	5 671	4%	6 011	4%
Internal audit	500	0%	530	0%	562	0%
<i>Community and public safety</i>	3 931		4 091	0	4 179	
Community and social services	150	0%	159	0%	169	0%
Sport and recreation	3 781	3%	3 932	3%	4 011	3%
Public safety	–		–		–	
Housing	–		–		–	
Health	–		–		–	
<i>Economic and environmental services</i>	12 402		12 904		13 175	
Planning and development	–		–		–	
Road transport	12 102	10%	12 586	9%	12 838	9%
Environmental protection	300	0%	318	0%	337	0%
<i>Trading services</i>	104 935		109 428		111 976	
Energy sources	–		–		–	
Water management	83 442	66%	87 076	66%	89 176	66%
Waste water management	21 492	17%	22 352	17%	22 799	17%
Waste management	–		–		–	
<i>Other</i>	–		–		–	
Total Capital Expenditure - Functional	127 218		132 731		136 015	

For 2025/26 an amount of R 127 million has been budgeted for the capital expenses and increases to R 132 million in 2026/27. For 2025/26 financial year water receives the highest allocation of R 83 million, which represent 66 per cent followed by waste water management at R21 million at 17 per cent and then Roads at R 12 million at 10 per cent.

CAPITAL BUDGET

The capital budget for the 2025/2 financial year amounts to R 127 million with the main focus on the following:

- ❖ Provision of water R 84 million
- ❖ Roads R 12 million
- ❖ Sanitation R 21 million
- ❖ Sports Fields R4.7 million
- ❖ Computers, Offices Equipment & Other R 2.4 million
- ❖ Municipal Vehicle R 3.3 million
- ❖ Office Space and Pavement R0.3 million

Capital projects for the 2025/26 financial year are funded from grants receivable from the National Government amounting to R 118 Million and own funding to the amount of R 8.9 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 2025/26 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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Revenue - Functional										
Governance and administration		202 746	188 244	297 189	264 844	268 250	268 250	276 811	291 650	308 969
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		202 746	188 244	297 189	264 844	268 250	268 250	276 811	291 650	308 969
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		7 770	3 017	3 508	10 208	10 408	10 408	3 184	1 647	1 665
Community and social services		7 770	3 017	3 508	2 621	2 821	2 821	2 994	1 445	1 451
Sport and recreation		–	–	–	7 407	7 407	7 407	–	–	–
Public safety		–	–	–	180	180	180	190	201	213
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		3 195	85 027	59 431	32 919	33 139	33 139	15 984	16 795	17 244
Planning and development		3 195	3 492	2 990	3 717	3 537	3 537	3 667	3 981	4 165
Road transport		–	81 534	56 441	29 201	29 601	29 601	12 316	12 813	13 078
Environmental protection		0	0	0	1	1	1	1	1	1
Trading services		175 329	98 114	113 276	149 841	153 050	153 050	170 014	178 337	184 861
Energy sources		12 623	8 694	13 401	11 308	13 426	13 426	13 722	14 545	15 418
Water management		73 853	83 600	93 078	120 629	118 992	118 992	121 777	127 636	132 012
Waste water management		85 098	1 592	3 155	12 288	14 415	14 415	27 587	28 812	29 647
Waste management		3 755	4 228	3 642	5 616	6 216	6 216	6 928	7 343	7 784
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	389 040	374 402	473 405	457 812	464 847	464 847	465 993	488 428	512 739
Expenditure - Functional										
Governance and administration		236 511	140 297	228 567	178 381	226 301	226 301	202 908	213 312	225 931
Executive and council		23 183	28 684	31 162	37 589	39 183	39 183	31 629	33 526	35 538
Finance and administration		215 182	109 588	195 339	138 121	184 783	184 783	168 819	177 177	187 628
Internal audit		(1 854)	2 025	2 066	2 671	2 335	2 335	2 461	2 608	2 765
Community and public safety		(133 728)	137 102	75 828	23 325	22 042	22 042	16 429	15 686	16 547
Community and social services		9 666	15 713	10 207	10 611	15 342	15 342	9 654	8 505	8 934
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		849	1 259	2 071	4 390	4 681	4 681	4 786	5 073	5 377
Housing		(144 302)	120 130	63 550	8 323	2 019	2 019	1 989	2 108	2 235
Health		58	–	–	–	–	–	–	–	–
Economic and environmental services		10 433	220 175	132 616	43 477	79 947	79 947	38 971	41 403	43 832
Planning and development		8 939	35 939	22 704	18 233	15 850	15 850	16 420	17 499	18 494
Road transport		656	179 993	106 348	21 629	61 288	61 288	19 584	20 759	22 005
Environmental protection		838	4 243	3 565	3 615	2 808	2 808	2 966	3 144	3 333
Trading services		(7 168)	258 295	64 797	176 380	181 654	181 654	164 992	174 891	185 385
Energy sources		(1 794)	31 446	4 416	49 173	52 407	52 407	51 362	54 443	57 710
Water management		(13 060)	211 687	102 807	116 424	116 735	116 735	101 874	107 987	114 466
Waste water management		12 243	13 110	(45 047)	4 989	7 116	7 116	6 662	7 061	7 485
Waste management		(4 557)	2 052	2 621	5 794	5 396	5 396	5 094	5 400	5 724
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	106 048	755 868	501 808	421 562	509 943	509 943	423 300	445 292	471 694
Surplus/(Deficit) for the year		282 992	(381 467)	(28 402)	36 250	(45 096)	(45 096)	42 694	43 136	41 045

**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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–
Vote 2 - Office Of The Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 3 - LED, Development and Town Planning		25	68	170	256	97	97	97	102	108
Vote 4 - Corporate Services		508	1 088	28 883	587	2 186	2 186	762	808	856
Vote 5 - Technical Services		178 499	183 073	172 537	182 503	185 891	185 891	179 009	187 723	194 252
Vote 6 - Financial Services		202 238	187 156	268 306	264 257	266 264	266 264	274 328	289 017	306 178
Vote 7 - Community Services		7 770	3 017	3 509	10 209	10 409	10 409	10 113	8 991	9 450
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	389 040	374 402	473 405	457 812	464 847	464 847	464 308	486 641	510 845
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		16 857	21 556	25 137	28 204	23 101	23 101	24 138	25 587	27 122
Vote 2 - Office Of The Municipal Manager		4 481	10 148	9 406	13 454	19 893	19 893	11 568	12 263	12 998
Vote 3 - LED, Development and Town Planning		4 796	32 253	17 508	13 116	10 741	10 741	11 980	12 698	13 460
Vote 4 - Corporate Services		27 529	48 373	58 108	53 603	74 083	74 083	53 691	56 912	60 327
Vote 5 - Technical Services		(2 368)	442 596	175 948	218 451	262 120	262 120	183 922	195 051	206 700
Vote 6 - Financial Services		187 644	59 598	126 231	61 958	77 500	77 500	75 380	78 163	82 703
Vote 7 - Community Services		(132 891)	141 345	79 024	26 480	31 806	31 806	20 069	19 545	20 636
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	106 048	755 868	491 362	415 265	499 246	499 246	380 749	400 219	423 946
Surplus/(Deficit) for the year	2	282 992	(381 467)	(17 957)	42 547	(34 399)	(34 399)	83 559	86 423	86 899

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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	10 362	6 999	6 679	9 108	10 676	10 676	10 676	12 549	13 302	14 100
Service charges - Water	2	9 756	37 575	9 178	33 323	20 986	20 986	21 576	22 026	23 347	24 748
Service charges - Waste Water Management	2	1 261	1 340	1 472	1 706	2 333	2 333	2 451	3 518	3 729	3 952
Service charges - Waste Management	2	3 039	3 170	2 248	4 488	5 188	5 188	5 590	5 688	6 029	6 391
Sale of Goods and Rendering of Services		253	180	279	287	196	196	196	176	186	197
Agency services		-	-	-	30	30	30	30	30	32	34
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 948	8 254	22 281	13 378	25 607	25 607	25 607	19 796	20 984	22 243
Interest earned from Current and Non Current		4 162	6 234	7 842	8 526	6 426	6 426	6 426	8 176	8 666	9 186
Assets											
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		109	78	97	126	126	126	126	162	172	182
Licence and permits		-	-	-	210	151	151	151	151	160	169
Special rating levies											
Operational Revenue		495	147	1 002	353	275	275	275	293	311	329
Non-Exchange Revenue											
Property rates	2	(2 540)	(2 475)	46 859	42 591	48 000	48 000	48 000	51 118	54 186	57 437
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		0	-	-	-	-	-	-	10	11	11
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		207 200	182 005	210 260	200 312	200 691	200 691	200 691	206 022	214 979	227 562
Interest		3 423	6 794	28 939	17 629	16 388	16 388	16 388	14 477	15 345	16 266
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		(432)	-	-	-	2 448	2 448	2 448	3 307	3 505	3 715
Other Gains		-	-	8 298	(11)	(22)	(22)	(22)	(22)	(24)	(25)
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		244 037	250 300	345 436	332 057	339 500	339 500	340 609	347 475	364 920	386 499
Expenditure											
Employee related costs	2	70 418	93 921	115 747	131 817	123 050	123 050	123 050	130 925	138 280	146 412
Remuneration of councillors		11 921	13 636	15 934	16 842	14 375	14 375	14 375	14 010	14 850	15 741
Bulk purchases - electricity	2	8 459	10 506	14 013	9 600	15 008	15 008	15 008	16 498	17 488	18 537
Inventory consumed	8	12 667	16 392	31 937	34 468	32 446	32 446	32 446	25 711	27 254	28 889
Debt impairment	3	(219 653)	256 672	80 107	16 707	33 380	33 380	33 380	20 771	22 017	23 338
Depreciation and amortisation		130 478	248 181	138 887	102 425	152 893	152 893	152 893	107 961	114 438	121 305
Interest		446	757	550	70	70	70	70	37	40	42
Contracted services		31 535	41 240	48 445	45 458	58 599	58 599	58 599	41 573	41 405	43 769
Transfers and subsidies		11 993	25 382	9 953	800	800	800	800	600	636	674
Irrecoverable debts written off		(9 568)	-	47 712	12 272	15 482	15 482	15 482	17 828	18 898	20 032
Operational costs		47 682	49 039	37 883	50 613	55 123	55 123	55 123	41 685	43 943	46 549
Losses on disposal of Assets		9 629	-	8 170	-	5 700	5 700	5 700	5 724	6 067	6 431
Other Losses		(49)	(8)	(0)	(11)	(22)	(22)	(22)	(22)	(24)	(25)
Total Expenditure		105 958	755 717	549 339	421 061	506 903	506 903	506 903	423 300	445 292	471 694
Surplus/(Deficit)		138 079	(505 417)	(203 903)	(89 004)	(167 403)	(167 403)	(166 293)	(75 824)	(80 373)	(85 195)
Transfers and subsidies - capital (monetary allocations)	6	142 463	121 534	127 888	125 755	125 347	125 347	125 347	118 518	123 509	126 240
Transfers and subsidies - capital (in-kind)	6	-	92	82	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		280 543	(383 790)	(75 934)	36 751	(42 056)	(42 056)	(40 946)	42 694	43 136	41 045
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		280 543	(383 790)	(75 934)	36 751	(42 056)	(42 056)	(40 946)	42 694	43 136	41 045
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		280 543	(383 790)	(75 934)	36 751	(42 056)	(42 056)	(40 946)	42 694	43 136	41 045
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	280 543	(383 790)	(75 934)	36 751	(42 056)	(42 056)	(40 946)	42 694	43 136	41 045

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

Total operating revenue is R 347 Million for 2025/26 and increase to R364 million and then increases to R 386 Million by 2026/27 and 2027/28 respectively.

Revenue to be generated from property rates will be R 51 Million in the 2025/26 and increase to R 54 million by 2026/27 financial year.

Services charges relating to electricity, water, sanitation and refuse removal constitutes R 43 million in 2025/26 and increases to R 46 million in 2026/27. 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 423 million for 2025/26 and increase to R445 million by 2026/27.

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

Vote Description R thousand	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		2 676	–	–	–	–	–	–	–	–	–
Vote 2 - Office Of The Municipal Manager		–	–	146	850	260	260	260	600	636	674
Vote 3 - LED, Development and Town Planning		–	–	–	–	–	–	–	–	–	–
Vote 4 - Corporate Services		1 155	2 735	2 993	14 330	9 755	9 755	9 755	4 550	4 823	5 112
Vote 5 - Technical Services		56 046	(1 194)	40 430	111 736	123 187	123 187	123 187	110 951	115 654	118 294
Vote 6 - Financial Services		12 826	750	–	1 400	800	800	800	–	–	–
Vote 7 - Community Services		77 888	7 893	7 416	400	2 900	2 900	2 900	450	477	506
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	150 591	10 183	50 984	128 716	136 902	136 902	136 902	116 551	121 590	124 587
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		–	–	–	–	–	–	–	–	–	–
Vote 5 - Technical Services		9 304	(22 095)	(3 427)	8 913	7 069	7 069	7 069	6 086	6 360	6 519
Vote 6 - Financial Services		–	–	–	–	–	–	–	–	–	–
Vote 7 - Community Services		–	–	385	–	–	–	–	–	–	–
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		9 304	(22 095)	(3 041)	8 913	7 069	7 069	7 069	6 086	6 360	6 519
Total Capital Expenditure - Vote		159 895	(11 912)	47 943	137 628	143 971	143 971	143 971	122 637	127 950	131 106
Capital Expenditure - Functional											
Governance and administration		16 657	3 485	(2 910)	15 380	10 765	10 765	10 765	5 950	6 307	6 685
Executive and council		2 676	–	146	250	250	250	250	100	106	112
Finance and administration		13 981	3 485	(3 056)	14 530	10 505	10 505	10 505	5 350	5 671	6 011
Internal audit		–	–	–	600	10	10	10	500	530	562
Community and public safety		77 690	7 893	8 924	8 407	7 326	7 326	7 326	3 931	4 091	4 179
Community and social services		77 690	7 893	–	1 000	3 700	3 700	3 700	150	159	169
Sport and recreation		–	–	8 924	7 407	3 626	3 626	3 626	3 781	3 932	4 011
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		45 159	(3 694)	5 626	30 301	31 101	31 101	31 101	12 402	12 904	13 175
Planning and development		–	–	–	–	–	–	–	–	–	–
Road transport		44 961	(3 694)	5 241	30 201	30 701	30 701	30 701	12 102	12 586	12 838
Environmental protection		198	–	385	100	400	400	400	300	318	337
Trading services		20 389	(19 596)	37 810	90 947	98 904	98 904	98 904	104 935	109 428	111 976
Energy sources		1 304	–	–	–	500	500	500	–	–	–
Water management		4 294	(497)	37 603	80 600	87 129	87 129	87 129	83 442	87 076	89 176
Waste water management		14 790	(19 098)	208	9 147	10 725	10 725	10 725	21 492	22 352	22 799
Waste management		–	–	–	1 200	550	550	550	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	159 895	(11 912)	49 451	145 035	148 097	148 097	148 097	127 218	132 731	136 015
Funded by:											
National Government		65 155	(44 637)	45 927	125 755	125 232	125 232	125 232	118 518	123 509	126 240
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	4	65 155	(44 637)	45 927	125 755	125 232	125 232	125 232	118 518	123 509	126 240
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		94 740	32 726	3 524	19 280	22 865	22 865	22 865	8 700	9 222	9 775
Total Capital Funding	7	159 895	(11 912)	49 451	145 035	148 097	148 097	148 097	127 218	132 731	136 015

**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 127 million for the 2025/26 financial year and increases over the MTREF to R 132 million and R 136 million respectively for the two outer years.

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

NC451 Joe Morolong - Table A6 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		56 669	34 956	17 874	153 752	22 707	22 707	22 707	16 180	17 469	19 219
Trade and other receivables from exchange transactions	1	105 476	21 983	24 803	144 881	144 881	144 881	144 881	43 803	46 431	49 217
Receivables from non-exchange transactions	1	–	–	118 466	203 991	203 991	203 991	203 991	123 382	130 785	138 632
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	1 247	3 157	4 253	4 613	8 613	8 613	8 613	17 706	18 768	19 894
VAT		47 098	47 118	49 032	45 128	45 128	45 128	45 128	52 512	55 345	57 964
Other current assets		382	2 622	1 262	49	49	49	49	1 383	1 466	1 554
Total current assets		210 872	109 836	215 690	552 414	425 369	425 369	425 369	254 965	270 264	286 480
Non current assets											
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		–	5 166	13 463 998.00	–	354	354	354	12 359	13 100	13 886
Property, plant and equipment	3	1 376 914	899 412	877 269	1 476 281	1 479 522	1 479 522	1 479 522	836 182	884 232	932 607
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–
Intangible assets		1 090	1 482	1 155	13 037	10 943	10 943	10 943	4 773	5 059	5 363
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		1 378 003	906 060	891 889	1 489 318	1 490 819	1 490 819	1 490 819	853 313	902 392	951 856
TOTAL ASSETS		1 588 875	1 015 896	1 107 579	2 041 732	1 916 188	1 916 188	1 916 188	1 108 278	1 172 656	1 238 336
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		129	141	226	145	230	230	230	528	559	593
Consumer deposits		25	36	39	37	79	79	79	93	99	105
Trade and other payables from exchange transactions	4	58 081	66 213	57 691	49 579	128 028	128 028	128 028	46 224	48 998	51 938
Trade and other payables from non-exchange transactions	5	151	(1 008)	0	–	–	–	–	629	667	707
Provision		322	692	1 112	563	563	563	563	1 105	1 171	1 242
VAT		5 576	10 163	7 311	10 990	10 990	10 990	10 990	20 030	21 231	22 505
Other current liabilities		–	–	–	–	–	–	–	–	–	–
Total current liabilities		64 285	76 237	66 380	61 315	139 890	139 890	139 890	68 609	72 726	77 089
Non current liabilities											
Financial liabilities	6	645	504	376	315	315	315	315	127	135	143
Provision	7	7 826	8 213	9 725	8 213	9 725	9 725	9 725	9 725	10 309	10 927
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		3 023	3 558	3 605	3 558	3 605	3 605	3 605	3 605	3 821	4 051
Total non current liabilities		11 494	12 275	13 706	12 087	13 645	13 645	13 645	13 457	14 265	15 121
TOTAL LIABILITIES		75 779	88 513	80 086	73 401	153 535	153 535	153 535	82 066	86 990	92 210
NET ASSETS		1 513 096	927 384	1 027 493	1 968 331	1 762 653	1 762 653	1 762 653	1 026 212	1 085 665	1 146 126
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	1 386 449	1 321 484	1 036 429	1 816 015	1 816 015	1 816 015	1 816 015	987 458	1 046 705	1 109 507
Reserves and funds	9	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	1 386 449	1 321 484	1 036 429	1 816 015	1 816 015	1 816 015	1 816 015	987 458	1 046 705	1 109 507

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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	31 442	31 442	31 442	31 442	41 305	43 783	46 410
Service charges		–	–	–	31 906	31 906	31 906	31 906	43 613	46 230	49 004
Other revenue		–	–	–	1 006	1 006	1 006	1 006	13 888	14 721	15 605
Transfers and Subsidies - Operational	1	118 543	143	251 661	200 312	200 312	200 312	200 312	206 022	214 979	227 562
Transfers and Subsidies - Capital	1	–	–	–	251 510	126 056	126 056	126 056	118 518	123 509	126 240
Interest		–	–	–	–	–	–	–	42 449	44 996	47 696
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(282 774)	(450 433)	(531 300)	(192 590)	(200 832)	(200 832)	(200 832)	(281 960)	(295 003)	(312 636)
Interest		–	–	–	(70)	(70)	(70)	(70)	(37)	(40)	(42)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(164 231)	(450 290)	(279 639)	323 516	189 819	189 819	189 819	183 798	193 176	199 839
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		–	–	–	–	–	–	–	(144 995)	(151 257)	(154 951)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	–	–	–	–	(144 995)	(151 257)	(154 951)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	(129)	–	(219)	(219)	(219)	(219)	(195)	(207)	(219)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	(129)	–	(219)	(219)	(219)	(219)	(195)	(207)	(219)
NET INCREASE/ (DECREASE) IN CASH HELD		(164 231)	(450 419)	(279 639)	323 297	189 600	189 600	189 600	38 607	41 712	44 669
Cash/cash equivalents at the year begin:	2	46 108	56 669	34 956	25 595	25 632	25 632	25 632	6 212	44 819	86 532
Cash/cash equivalents at the year end:	2	(118 123)	(393 750)	(244 683)	348 892	215 232	215 232	215 232	44 819	86 532	131 200

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	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at the year end	1	(118 123)	(393 750)	(244 683)	348 892	215 232	215 232	215 232	44 819	86 532	131 200
Other current investments > 90 days		174 792	428 706	262 557	(195 139)	(192 524)	(192 524)	(192 524)	(28 640)	(69 062)	(111 981)
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		56 669	34 956	17 874	153 752	22 707	22 707	22 707	16 180	17 469	19 219
Application of cash and investments											
Unspent conditional transfers		151	(1 008)	0	–	–	–	–	629	667	707
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	(40 601)	(36 955)	(41 720)	(34 128)	(33 096)	(33 096)	(33 096)	(32 482)	(34 113)	(35 459)
Other working capital requirements	3	58 081	66 213	57 691	(23 346)	59 987	59 987	60 215	(126 644)	(134 242)	(142 296)
Other provisions		322	692	1 112	563	563	563	563	1 105	1 171	1 242
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		17 953	28 942	17 083	(56 910)	27 454	27 454	27 682	(157 392)	(166 517)	(175 806)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		38 717	6 014	791	210 663	(4 747)	(4 747)	(4 975)	173 571	183 987	195 025
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		38 717	6 014	791	210 663	(4 747)	(4 747)	(4 975)	173 571	183 987	195 025

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	215 701	(3 833)	46 821	130 027	133 391	133 391	119 132	124 251	127 249
Roads Infrastructure		44 961	(3 694)	5 241	29 201	29 701	29 701	12 102	12 586	12 838
Storm water Infrastructure		–	–	–	–	500	500	–	–	–
Electrical Infrastructure		1 304	–	–	–	750	750	–	–	–
Water Supply Infrastructure		60 100	(13 766)	28 925	64 992	71 723	71 723	75 356	78 596	80 410
Sanitation Infrastructure		14 595	(19 098)	208	9 147	10 725	10 725	21 492	22 352	22 799
Solid Waste Infrastructure		–	–	385	–	500	500	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		120 961	(36 558)	34 759	103 340	113 900	113 900	108 951	113 534	116 047
Community Facilities		76 294	7 893	–	300	3 000	3 000	–	–	–
Sport and Recreation Facilities		–	–	8 924	7 407	3 626	3 626	3 781	3 932	4 011
Community Assets		76 294	7 893	8 924	7 707	6 626	6 626	3 781	3 932	4 011
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	4 900	2 650	2 650	350	371	393
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	4 900	2 650	2 650	350	371	393
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		938	–	186	630	40	40	1 000	1 060	1 124
Intangible Assets		938	–	186	630	40	40	1 000	1 060	1 124
Computer Equipment		5 815	141	306	1 250	1 250	1 250	1 100	1 166	1 236
Furniture and Office Equipment		–	–	795	600	425	425	300	318	337
Machinery and Equipment		1 397	22 098	265	3 300	2 400	2 400	350	371	393
Transport Assets		10 296	2 594	1 587	8 300	6 100	6 100	3 300	3 498	3 708
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
<u>Total Renewal of Existing Assets</u>	2	(55 806)	(8 079)	2 629	15 008	14 706	14 706	8 086	8 480	8 766
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		(55 806)	(8 079)	2 629	15 008	14 706	14 706	8 086	8 480	8 766
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		(55 806)	(8 079)	2 629	15 008	14 706	14 706	8 086	8 480	8 766
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		–	–	–	–	–	–	–	–	–

Zoo's, Marine and Non-biological Animals	6	-	-	-	-	-	-	-	-	
Mature		-	-	-	-	-	-	-	-	
Immature		-	-	-	-	-	-	-	-	
Living Resources		-	-	-	-	-	-	-	-	
Total Upgrading of Existing Assets		-	-	-	-	-	-	-	-	
Roads Infrastructure		-	-	-	-	-	-	-	-	
Storm water Infrastructure		-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	-	-	-	-	-	-	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	
Infrastructure		-	-	-	-	-	-	-	-	
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	-	-	-	-	-	-	-	-		
Zoo's, Marine and Non-biological Animals	4	-	-	-	-	-	-	-	-	
Mature		-	-	-	-	-	-	-	-	
Immature		-	-	-	-	-	-	-	-	
Living Resources		-	-	-	-	-	-	-	-	
Total Capital Expenditure		159 895	(11 912)	49 451	145 035	148 097	148 097	127 218	132 731	136 015
Roads Infrastructure		44 961	(3 694)	5 241	29 201	29 701	29 701	12 102	12 586	12 838
Storm water Infrastructure		-	-	-	-	500	500	-	-	-
Electrical Infrastructure		1 304	-	-	-	750	750	-	-	-
Water Supply Infrastructure		4 294	(21 846)	31 554	80 000	86 429	86 429	83 442	87 076	89 176
Sanitation Infrastructure		14 595	(19 098)	208	9 147	10 725	10 725	21 492	22 352	22 799
Solid Waste Infrastructure		-	-	385	-	500	500	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		65 155	(44 637)	37 388	118 348	128 606	128 606	117 037	122 014	124 813
Community Facilities		76 294	7 893	-	300	3 000	3 000	-	-	-
Sport and Recreation Facilities		-	-	8 924	7 407	3 626	3 626	3 781	3 932	4 011
Community Assets		76 294	7 893	8 924	7 707	6 626	6 626	3 781	3 932	4 011
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	4 900	2 650	2 650	350	371	393
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	4 900	2 650	2 650	350	371	393
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		938	-	186	630	40	40	1 000	1 060	1 124
Intangible Assets		938	-	186	630	40	40	1 000	1 060	1 124
Computer Equipment		5 815	141	306	1 250	1 250	1 250	1 100	1 166	1 236
Furniture and Office Equipment		-	-	795	600	425	425	300	318	337
Machinery and Equipment		1 397	22 098	265	3 300	2 400	2 400	350	371	393
Transport Assets		10 296	2 594	1 587	8 300	6 100	6 100	3 300	3 498	3 708
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Living Resources	-	-	-	-	-	-	-	-	-	
TOTAL CAPITAL EXPENDITURE - Asset class	159 895	(11 912)	49 451	145 035	148 097	148 097	127 218	132 731	136 015	

ASSET REGISTER SUMMARY - PPE (WDV)	5	1 261 974	841 004	794 840	1 140 518	1 139 992	1 139 992	562 210	595 435	630 010
<i>Roads Infrastructure</i>		255 892	350 487	277 275	172 395	172 895	172 895	100 656	106 696	113 098
<i>Storm water Infrastructure</i>		19 159	20 283	20 208	16 741	17 241	17 241	16 159	17 128	18 156
<i>Electrical Infrastructure</i>		3 441	2 884	2 577	426	926	926	(19 833)	(21 023)	(22 284)
<i>Water Supply Infrastructure</i>		904 047	428 173	437 741	854 257	855 607	855 607	365 563	387 496	410 746
<i>Sanitation Infrastructure</i>		2 911	975	1 080	11 859	12 359	12 359	33 461	34 961	35 907
<i>Solid Waste Infrastructure</i>		2 064	1 184	1 100	1 645	2 145	2 145	56	59	63
<i>Rail Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Coastal Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Information and Communication Infrastructure</i>		—	—	—	—	—	—	—	—	—
Infrastructure		1 187 513	803 986	739 981	1 057 323	1 061 173	1 061 173	496 061	525 317	555 685
Community Assets		36 182	17 838	29 111	34 186	34 686	34 686	28 381	30 084	31 889
Heritage Assets		—	—	—	—	—	—	—	—	—
Investment properties		—	5 166	13 464	—	354	354	12 359	13 100	13 886
Other Assets		—	—	—	—	—	—	4 226	4 480	4 749
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		1 090	1 482	1 155	13 037	10 943	10 943	4 773	5 059	5 363
Computer Equipment		5 817	2 519	1 795	4 208	4 208	4 208	(1 193)	(1 264)	(1 340)
Furniture and Office Equipment		145	1 990	2 033	(2 762)	(3 141)	(3 141)	(1 371)	(1 453)	(1 540)
Machinery and Equipment		(2)	1 505	1 411	(74)	(224)	(224)	(14 410)	(15 275)	(16 191)
Transport Assets		20 426	6 518	5 888	23 798	21 192	21 192	22 096	23 421	24 827
Land		10 802	—	—	10 802	10 802	10 802	11 288	11 965	12 683
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Living Resources		—	—	—	—	—	—	—	—	—
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 261 974	841 004	794 840	1 140 518	1 139 992	1 139 992	562 210	595 435	630 010
EXPENDITURE OTHER ITEMS		137 389	261 099	152 140	116 925	155 325	155 325	115 825	122 775	130 141
Depreciation	7	121 797	248 181	138 743	102 425	140 625	140 625	102 425	108 571	115 085
Repairs and Maintenance by Asset Class	3	15 591	12 918	13 397	14 500	14 700	14 700	13 400	14 204	15 056
<i>Roads Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Storm water Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Electrical Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Water Supply Infrastructure</i>		5 643	10 659	11 463	12 500	10 700	10 700	10 000	10 600	11 236
<i>Sanitation Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Solid Waste Infrastructure</i>		5 429	—	—	—	—	—	—	—	—
<i>Rail Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Coastal Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Information and Communication Infrastructure</i>		—	—	—	—	—	—	—	—	—
Infrastructure		11 073	10 659	11 463	12 500	10 700	10 700	10 000	10 600	11 236
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	1 934	2 000	4 000	4 000	3 400	3 604	3 820
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Mature		—	—	—	—	—	—	—	—	—
Immature		—	—	—	—	—	—	—	—	—
Living Resources		—	—	—	—	—	—	—	—	—
TOTAL EXPENDITURE OTHER ITEMS		137 389	261 099	152 140	116 925	155 325	155 325	115 825	122 775	130 141
Renewal and upgrading of Existing Assets as % of total capex		-34.9%	67.8%	5.3%	10.3%	9.9%	9.9%	6.4%	6.4%	6.4%
Renewal and upgrading of Existing Assets as % of deprecn		-45.8%	-3.3%	1.9%	14.7%	10.5%	10.5%	7.9%	7.8%	7.6%
R&M as a % of PPE & Investment Property		1.2%	1.5%	1.7%	1.3%	1.3%	1.3%	2.4%	2.4%	2.4%
Renewal and upgrading and R&M as a % of PPE and Investment Property		-3.2%	0.6%	2.0%	2.6%	2.6%	2.6%	3.9%	3.8%	3.8%

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 2.4% of the total value Property, Plant and Equipment in the 2025/26 budget and remains 2.4% 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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<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	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
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	-	-	-	-	-	-	-	-	-
Energy:										
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	-	-	-	-	-	-	-	-	-
Refuse:										
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)		-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
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)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		4 200	4 385	4 582	4 999	4 999	4 999	3 681	3 847	3 943
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		1 300	1 357	1 418	1 547	1 547	1 547	-	-	-
Total cost of FBS provided	8	5 500	5 742	6 000	6 546	6 546	6 546	3 681	3 847	3 943
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	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) (impermissable values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	6	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		-	-	-	-	-	-	-	-	-

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 3.6 million in 2025/26, increasing to R 3.8 million in 2026/27. 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 2024) a time schedule that sets out the process to revise the IDP and prepare the budget.

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 2025/26 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the midyear of 2025/26 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 was tabled before council on the 31st March 2025 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 07 April – 16 April 2025. 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 2025/26 FY Community Consultation Meetings

Date	Ward	Place	Time	Ward Councilor
07 April 2025	Ward 1	Makhubung	09h00	
	Ward 3	Madibeng	14h00	Councillor G. Kgositau
08 April 2024	Ward 4	Hotazel	09h00	Councillor T Gaobuse
	Ward 5	Masankong	14h00	Councillor G Tagane
09 April 2024	Ward 2	Cahar	09h00	Councillor K Lebatlang
	Ward 8	Bendel	14h00	Councillor S. Manzana
10 April 2024	Ward 9	Kiang-Kop	09h00	Councillor P Filipo
	Ward 07	Klein Neira	14h00	Councillor G. Kaotsane
11 April 2025	Ward 6	Mosekeng	09H00	Councillor L Machogo
14 April 2025	Ward 10	Lebonkeng	09h00	Councillor T Mosegedi
	Ward 11	Letlhakajaneng	14h00	Councillor B Mbolekwa
17 April 2024	Ward 12	Dithakong(Lekung Section)	09h00	Councillor L Manankong
	Ward 13	Klein Damrose	14H00	Councillor K Majoro
18 April 2024	Ward 14	Zero	09H00	Councillor S. Choche
	Ward 15	Ditlharapaneng	14h00	Councillor O. Kolberg

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 2025/26 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)

Strategic Objective R thousand	Goal	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Increase Financial viability	Expenditure Management	432	–	–	–	–	–	–	–	–
Promote good governance	Municipal operating costs	(389 472)	(374 402)	–	–	–	–	–	–	–
To develop community facilities	Community Development Sustainable	–	–	(82)	1 310	1 230	1 230	1 335	1 415	1 500
To ensure that the municipal assets are properly safeguarded	Development Orientated Municipality Sustainable	–	–	(8 298)	–	–	–	–	–	–
To promote and enhance the financial viability of the municipality	Development Orientated Municipality Sustainable	–	–	–	3 006	4 954	4 954	5 201	5 513	5 844
To promote oversight and public accountability	Development Orientated Municipality	–	–	(337 138)	531 841	334 389	334 389	342 048	359 166	380 400
To provide bulk water and sanitation services	Water and Sanitation	–	–	(127 888)	125 166	124 758	124 758	117 893	122 846	125 538
To provide environmental management services	Safe and Healthy Environments Sustainable	–	–	–	(118)	(118)	(118)	(118)	(125)	(132)
To provide IT service	Development Orientated Municipality Sustainable	–	–	–	–	–	–	37	39	41
To provide IT service	Development Orientated Municipality	–	–	–	96	37	37	–	–	–
To provide refuse removal services	Refuse Removal	–	–	–	(402)	(402)	(402)	(402)	(427)	(452)
Allocations to other priorities										
Total Revenue (excluding capital transfers and contributions)		(389 040)	(374 402)	(473 405)	660 899	464 847	464 847	465 993	488 428	512 739

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

Strategic Objective R thousand	Goal	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Increase Financial viability	Expenditure Management	18 309	–	–	–	–	–	–	–	–
Increase Financial viability	Provision for bad debts	–	339	–	–	–	–	–	–	–
Increase Financial viability	Revenue enhancement	–	–	(47 912)	16	–	–	–	–	–
Manage budget and treasury section	Employee related costs	82 285	106 981	–	–	–	–	–	–	–
Promote good governance	Council remuneration	–	1 180	–	–	–	–	–	–	–
Promote good governance	Municipal operating costs	224 956	365 911	–	–	–	–	–	–	–
Promote good governance	SMME support	–	25 382	–	–	–	–	–	–	–
Promote safe and clean environment	Refuse removal services charges	(11 295)	–	–	–	–	–	–	–	–
Promote safe and clean environment	Rental of recreational facilities	–	–	–	–	–	–	1	1	1
Promote safe and clean environment	Sewerage services charges	(1 777)	10 649	–	–	–	–	–	–	–
Provide Electricity	Rural Electrification Programme	(7 479)	13 632	–	–	–	–	–	–	–
Provide housing	Human Settlements	(144 302)	119 468	–	–	–	–	–	–	–
Provide Water	Rural Water Programme	(54 799)	111 997	–	–	–	–	–	–	–
Sustainable basic service delivery	Fleet Management	–	286	–	–	–	–	–	–	–
To ensure that the municipal assets are properly safeguarded	Sustainable Development Orientated Municipality	–	–	8 314	–	–	–	–	–	–
To govern municipal affairs	Sustainable Development Orientated Municipality	–	–	–	–	–	–	1 266	1 342	1 422
To govern municipal affairs	Sustainable Development Orientated Municipality	–	–	1 383	1 416	1 566	1 566	–	–	–
To improve public participation	Sustainable Development Orientated Municipality	–	–	1 817	3 852	1 767	1 767	1 786	1 893	2 007
To promote and enhance the financial viability of the municipality	Sustainable Development Orientated Municipality	–	–	124 050	146 962	150 436	150 436	276 932	291 941	309 291
To promote integrated human settlement planning	Integrated human settlements	–	–	62 196	6 423	12 846	12 846	12 617	13 374	14 177
To promote local economic development	Local Economic Development	–	–	9 953	800	800	800	1 700	1 802	1 910
To promote oversight and public accountability	Sustainable Development Orientated Municipality	–	–	323 993	251 031	322 127	322 127	120 939	126 881	134 344
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	–	–	228	460	440	440	445	472	500
To provide bulk water and sanitation services	Water and Sanitation	–	–	17 828	23 769	19 125	19 125	6 592	6 988	7 407
To provide environmental management services	Safe and Healthy Environments	–	–	(45)	402	835	835	735	780	826
To promote and enhance the financial viability of the municipality	Sustainable Development Orientated Municipality	–	–	124 050	146 962	150 436	150 436	276 932	291 941	309 291
To promote integrated human settlement planning	Integrated human settlements	–	–	62 196	6 423	12 846	12 846	12 617	13 374	14 177
To promote local economic development	Local Economic Development	–	–	9 953	800	800	800	1 700	1 802	1 910
To promote oversight and public accountability	Sustainable Development Orientated Municipality	–	–	323 993	251 031	322 127	322 127	120 939	126 881	134 344
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	–	–	228	460	440	440	445	472	500
To provide bulk water and sanitation services	Water and Sanitation	–	–	17 828	23 769	19 125	19 125	6 592	6 988	7 407
To provide environmental management services	Safe and Healthy Environments	–	–	(45)	402	835	835	735	780	826
Allocations to other priorities										
Total Expenditure		105 897	755 825	1 040 012	864 978	1 016 553	1 016 553	842 975	887 710	940 341

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

Strategic Objective	Goal	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Promote good governance	Municipal operating costs	131 493	19 942	–	–	–	–	–	–	–
Promote safe and clean environment	Sewerage services charges	19 098	–	–	–	–	–	–	–	–
Provide Electricity	Rural Electrification Programme	1 304	–	–	–	–	–	–	–	–
Provide recreational facilities	Facilities Management	–	–	385	–	–	–	–	–	–
Provide Roads	Rural Roads programme	–	(3 694)	–	–	–	–	–	–	–
Provide Sanitation	Rural Sanitation Programme	–	(19 098)	–	–	–	–	–	–	–
Provide Water	Rural Water Programme	7 999	(47 097)	–	–	–	–	–	–	–
Sustainable road service delivery	Rural Roads Programme	–	–	(2 052)	–	–	–	–	–	–
To assist the municipality to achieve its objectives	Sustainable Development Orientated Municipality	–	–	795	600	425	425	300	318	337
To develop community facilities	Community Development	–	–	8 924	7 407	3 626	3 626	3 781	3 932	4 011
To promote and enhance the financial viability of the municipality	Sustainable Development Orientated Municipality	–	–	–	–	3 350	3 350	150	159	169
To promote good intergovernmental-relation in the municipality	Sustainable Development Orientated Municipality	–	–	–	–	–	–	100	106	112
To promote good intergovernmental-relation in the municipality	Sustainable Development Orientated Municipality	–	–	146	250	250	250	–	–	–
To promote oversight and public accountability	Sustainable Development Orientated Municipality	–	–	(4 310)	10 700	12 150	12 150	4 800	5 088	5 393
To provide bulk water and sanitation services	Water and Sanitation	–	–	37 819	89 747	92 854	92 854	102 935	107 308	109 728
To provide IT service	Sustainable Development Orientated Municipality	–	–	–	–	–	–	1 050	1 113	1 180
To provide IT service	Sustainable Development Orientated Municipality	–	–	451	5 830	2 990	2 990	–	–	–
To provide roads and stormwater service	Road and Stormwater	–	–	7 293	30 201	29 701	29 701	12 102	12 586	12 838
Water Quality Management	Rural Water Programme	–	38 076	–	–	–	–	–	–	–
To provide IT service	Sustainable Development Orientated Municipality	–	–	451	5 830	2 990	2 990	–	–	–
To provide roads and stormwater service	Road and Stormwater	–	–	7 293	30 201	29 701	29 701	12 102	12 586	12 838
Water Quality Management	Rural Water Programme	–	38 076	–	–	–	–	–	–	–
Allocations to other priorities										
Total Capital Expenditure		159 895	26 204	57 195	180 767	178 038	178 038	137 320	143 197	146 606

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

Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Borrowing Management											
Credit Rating	Interest & Principal Paid /Operating Expenditure	0.4%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital Charges to Operating Expenditure	Finance charges & Repayment of borrowing /Own Revenue	0.2%	0.4%	0.2%	0.1%	0.1%	0.1%	0.1%	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%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	3.3	1.4	3.2	9.0	3.0	3.0	3.0	3.7	3.7	3.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.3	1.4	3.2	9.0	3.0	3.0	3.0	3.7	3.7	3.7
Liquidity Ratio	Monetary Assets/Current Liabilities	2.5	0.7	0.6	4.9	1.2	1.2	1.2	0.9	0.9	0.9
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	0.0%	0.0%	0.0%	129.5%	160.9%	160.9%	156.5%	193.2%	193.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	129.5%	160.9%	160.9%	156.5%	193.2%	193.2%	193.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	19.8%	22.1%	53.6%	76.4%	76.0%	76.0%	75.8%	59.3%	59.7%	59.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		-49.2%	-16.8%	-23.6%	14.2%	59.5%	59.5%	59.5%	103.1%	56.6%	39.6%
Other Indicators											
	Total Volume Losses (kW) technical	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kW) non technical	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										
Water Volumes :System input	Bulk Purchase	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Water treatment works	-	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)	-	-	-	-	-	-	-	-	-	-
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	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)	28.9%	37.5%	33.5%	39.7%	36.2%	36.2%	36.1%	37.7%	37.9%	37.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.4%	5.2%	3.9%	4.4%	4.3%	4.3%	3.9%	3.9%	3.9%	3.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	53.6%	99.5%	40.4%	30.9%	45.1%	45.1%	44.9%	31.1%	31.4%	31.4%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	1 892.3	-	1 576.8	1 515.7	1 538.5	1 538.5	7.9	7.6	7.5	8.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	196.0%	102.1%	864.9%	518.4%	654.0%	654.0%	636.1%	440.1%	439.5%	438.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(4.5)	(18.5)	(10.5)	14.9	9.2	10.3	9.8	1.9	-	-

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 2025/26 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 2025/26 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 31 per cent of total operating expenditure in the 2025/26 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 55 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 2025/26 MTREF.

c) Salary increases

The wage agreement has concluded between SALGBC and municipal workers unions. The municipality has budgeted salary increase of 5 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 2025/26 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	2025/26 Medium Term Revenue & Expenditure Framework					
		Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +2 2027/28	%
Revenue							
Exchange Revenue							
Service charges - Electricity	2	12 549	4%	13 302	4%	14 100	4%
Service charges - Water	2	22 026	6%	23 347	6%	24 748	6%
Service charges - Waste Water Management	2	3 518	1%	3 729	1%	3 952	1%
Service charges - Waste Management	2	5 688	2%	6 029	2%	6 391	2%
Sale of Goods and Rendering of Services		176	0%	186	0%	197	0%
Agency services		30	0%	32	0%	34	0%
Interest earned from Receivables		19 796	6%	20 984	6%	22 243	6%
Interest earned from Current and Non Current Assets		8 176	2%	8 666	2%	9 186	2%
Rental from Fixed Assets		162	0%	172	0%	182	0%
Licence and permits		151	0%	160	0%	169	0%
Operational Revenue		293	0%	311	0%	329	0%
Non-Exchange Revenue							
Property rates	2	51 118	15%	54 186	15%	57 437	15%
Fines, penalties and forfeits		10	0%	11	0%	11	0%
Transfer and subsidies - Operational		206 022	59%	214 979	59%	227 562	59%
Interest		14 477	4%	15 345	4%	16 266	4%
Gains on disposal of Assets		3 307	1%	3 505	1%	3 715	1%
Other Gains		-22	0%	-24	0%	-25	0%
Total Revenue (excluding capital transfers and contributions)		347 477	100%	364 920	100%	386 497	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	Ref 1	2025/26 Medium Term Revenue & Expenditure Framework				
		Budget Year 2025/26		Budget Year +1 2026/27		Budget Year +2 2027/28
Funded by:						
National Government		118 518	93%	123 509	93%	126 240
Provincial Government		–	0%	–	0%	–
District Municipality		–	0%	–	0%	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non- profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	0%	–	0%	–
Transfers recognised - capital	4	118 518	93%	123 509	93%	126 240
Borrowing	6	–	0%	–	0%	–
Internally generated funds		8 700	7%	9 222	7%	9 775
Total Capital Funding	7	127 218	100%	132 731	100%	136 015

Capital grants and receipts equates to 93% of the total funding source which represents R127 Million for the 2025/26 financial year and steadily decrease to R132 million or 93% per cent by 2026/27.

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		163 148	178 068	188 639	198 781	198 760	198 760	202 445	212 859	225 395
Equitable Share		155 940	170 404	180 561	191 089	191 089	191 089	194 285	205 942	218 299
Expanded Public Works Programme Integrated Grant		956	1 140	2 159	1 231	1 231	1 231	1 554	–	–
Local Government Financial Management Grant		3 081	3 100	3 100	3 000	3 000	3 000	3 000	3 000	3 000
Municipal Infrastructure Grant		3 170	3 425	2 819	3 461	3 440	3 440	3 606	3 917	4 097
Other transfers/grants [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	1 500	–	–
Specify (Add grant description)		–	–	–	–	–	–	1 500	–	–
Other transfers/grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		6 704	3 514	21 620	1 531	1 931	1 931	2 077	2 121	2 167
Mining Companies		–	1 714	20 368	231	631	631	727	771	817
Northern Cape Arts and Cultural Council		6 704	1 800	1 252	1 300	1 300	1 300	1 350	1 350	1 350
Total Operating Transfers and Grants	5	169 851	181 582	210 260	200 312	200 691	200 691	206 022	214 979	227 562
<u>Capital Transfers and Grants</u>										
National Government:		142 463	121 534	127 888	125 755	125 347	125 347	118 518	123 509	126 240
Municipal Infrastructure Grant		83 263	81 534	74 188	65 755	65 347	65 347	68 518	71 259	72 684
Water Services Infrastructure Grant		59 200	40 000	53 700	60 000	60 000	60 000	50 000	52 250	53 556
Other capital transfers/grants [insert desc]		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Mining Companies		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	142 463	121 534	127 888	125 755	125 347	125 347	118 518	123 509	126 240
TOTAL RECEIPTS OF TRANSFERS & GRANTS		312 315	303 116	338 147	326 067	326 039	326 039	324 540	338 488	353 802

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	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	31 442	31 442	31 442	31 442	41 305	43 783	46 410
Service charges		–	–	–	31 906	31 906	31 906	31 906	43 613	46 230	49 004
Other revenue		–	–	–	1 006	1 006	1 006	1 006	13 888	14 721	15 605
Transfers and Subsidies - Operational	1	118 543	143	251 661	200 312	200 312	200 312	200 312	206 022	214 979	227 562
Transfers and Subsidies - Capital	1	–	–	–	251 510	126 056	126 056	126 056	118 518	123 509	126 240
Interest		–	–	–	–	–	–	–	42 449	44 996	47 696
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(282 774)	(450 433)	(531 300)	(192 590)	(200 832)	(200 832)	(200 832)	(281 960)	(295 003)	(312 636)
Interest		–	–	–	(70)	(70)	(70)	(70)	(37)	(40)	(42)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(164 231)	(450 290)	(279 639)	323 516	189 819	189 819	189 819	183 798	193 176	199 839
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		–	–	–	–	–	–	–	(144 995)	(151 257)	(154 951)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	–	–	–	–	(144 995)	(151 257)	(154 951)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	(129)	–	(219)	(219)	(219)	(219)	(195)	(207)	(219)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	(129)	–	(219)	(219)	(219)	(219)	(195)	(207)	(219)
NET INCREASE/(DECREASE) IN CASH HELD		(164 231)	(450 419)	(279 639)	323 297	189 600	189 600	189 600	38 607	41 712	44 669
Cash/cash equivalents at the year begin:	2	46 108	56 669	34 956	25 595	25 632	25 632	25 632	6 212	44 819	86 532
Cash/cash equivalents at the year end:	2	(118 123)	(393 750)	(244 683)	348 892	215 232	215 232	215 232	44 819	86 532	131 200

The table below shows that cash and cash equivalent of the municipality. The 2025/26 MTREF show a steadily increase in cash and cash equivalent at the end of financial years. The budgeted cash flow for 2025/26 provide for a net increase in cash of R 1.6 million resulting in an overall projected positive cash position of R 27 million.

Table 33 – Table SA10: Funding Compliance Measurement

NC451 Joe Morolong Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(118 123)	(393 750)	(244 683)	348 892	215 232	215 232	215 232	44 819	86 532	131 200
Cash + investments at the yr end less applications - R'000	18(1)b	2	38 717	6 014	791	210 663	(4 747)	(4 747)	(4 975)	173 571	183 987	195 025
Cash year end/monthly employee/supplier payments	18(1)b	3	(4.5)	(18.5)	(10.5)	14.9	9.2	10.3	9.8	1.9	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	280 543	(383 790)	(75 934)	36 751	(42 056)	(42 056)	(40 946)	42 694	43 136	41 045
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	107.0%	36.5%	31.3%	(10.4%)	(6.0%)	(4.7%)	2.8%	0.0%	(0.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	20.9%	19.5%	19.5%	19.4%	103.4%	103.4%	103.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	(1004.0%)	550.7%	120.6%	18.3%	38.3%	38.3%	37.8%	21.9%	21.9%	21.9%
Capital payments % of capital expenditure	18(1)c,19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	114.0%	114.0%	113.9%
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.	(79.2%)	551.7%	143.5%	0.0%	0.0%	0.0%	(52.1%)	6.0%	6.0%
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	1.2%	1.5%	1.7%	1.3%	1.3%	1.3%	2.4%	2.4%	2.4%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	(34.9%)	67.8%	5.3%	10.3%	9.9%	9.9%	0.0%	6.4%	6.4%	6.4%

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.

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 4.4 percent for 2025/26 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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		225 213	304 640	191 654	203 645	197 004	197 004	182 575	191 795	203 068
Equitable Share		219 208	298 297	183 577	195 953	189 253	189 253	174 439	184 906	196 000
Expanded Public Works Programme Integrated Grant		464	546	1 082	1 231	1 231	1 231	1 554	–	–
Local Government Financial Management Grant		2 447	3 038	2 935	3 000	2 983	2 983	3 005	3 005	3 005
Municipal Infrastructure Grant		3 093	2 758	4 060	3 461	3 538	3 538	3 576	3 884	4 063
Other transfers/grants [insert description]										
Provincial Government:								1 500		
Specify (Add grant description)		–	–	–	–	–	–	1 500	–	–
Other transfers/grants [insert description]										
District Municipality:										
[insert description]										
Other grant providers:		1 004	1 288	1 383	1 300	1 316	1 316	1 350	1 350	1 350
Northern Cape Arts and Cultural		1 004	1 288	1 383	1 300	1 316	1 316	1 350	1 350	1 350
Total operating expenditure of Transfers and Grants:		226 217	305 928	193 037	204 945	198 321	198 321	185 425	193 145	204 418
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		63 851	(44 637)	45 927	125 755	125 232	125 232	118 518	123 509	126 240
Municipal Infrastructure Grant		87 476	(30 711)	25 828	65 755	65 232	65 232	68 518	71 259	72 684
Water Services Infrastructure Grant		(23 626)	(13 927)	20 099	60 000	60 000	60 000	50 000	52 250	53 556
Other capital transfers/grants [insert desc]										
Provincial Government:										
Other capital transfers/grants [insert description]										
District Municipality:										
[insert description]										
Other grant providers:										
Mining Companies										
Total capital expenditure of Transfers and Grants		63 851	(44 637)	45 927	125 755	125 232	125 232	118 518	123 509	126 240
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		290 067	261 291	238 964	330 700	323 552	323 552	303 943	316 654	330 658

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	4 006	8 759	8 605	8 605	8 605	8 160	6 917	7 097
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	4 006	8 759	8 817	8 817	8 817	8 295	6 917	7 097
Conditions still to be met - transferred to liabilities		–	–	–	(212)	(212)	(212)	(134)	–	–
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		–	–	1 252	1 200	1 200	1 200	195 635	207 292	219 649
Conditions met - transferred to revenue		–	–	1 252	1 200	1 200	1 200	195 635	207 292	219 649
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		–	4 006	10 011	10 017	10 017	10 017	203 930	214 209	226 745
Total operating transfers and grants - CTBM	2	–	–	–	(212)	(212)	(212)	(134)	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	121 534	127 207	125 755	125 755	125 755	118 518	123 509	126 240
Conditions met - transferred to revenue		–	121 534	127 207	125 755	125 755	125 755	119 013	124 016	126 758
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	(495)	(508)	(518)
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	127 207	125 755	125 755	125 755	119 013	124 016	126 758
Total capital transfers and grants - CTBM	2	–	–	–	–	–	–	(495)	(508)	(518)
TOTAL TRANSFERS AND GRANTS REVENUE		–	125 540	137 218	135 772	135 772	135 772	322 942	338 225	353 503
TOTAL TRANSFERS AND GRANTS - CTBM		–	–	–	(212)	(212)	(212)	(629)	(508)	(518)

Table 36 – Table SA 24 – Summary of personnel numbers

NC451 Joe Morolong - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2023/24			Current Year 2024/25			Budget Year 2025/26		
		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	1	1	6	5	1
Other Managers	7	27	23	–	30	23	–	31	28	–
Professionals		4	3	–	4	3	–	5	4	–
Finance		2	2	–	2	2	–	2	2	–
Spatial/town planning		–	–	–	–	–	–	1	1	–
Information Technology		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		2	1	–	2	1	–	2	1	–
Technicians		241	134	7	241	134	7	245	155	3
Finance		19	9	–	19	9	–	19	14	–
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		3	2	–	3	2	–	3	3	–
Roads		–	–	–	–	–	–	2	1	–
Electricity		1	–	–	1	–	–	3	1	–
Water		5	2	–	5	2	–	5	2	–
Sanitation		8	7	–	8	7	–	8	7	–
Refuse		15	6	–	15	6	–	15	6	–
Other		33	17	–	33	17	–	33	17	–
Clerks (Clerical and administrative)		54	36	6	54	36	6	54	36	3
Service and sales workers		86	53	–	86	53	–	86	66	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		17	2	1	17	2	1	17	2	–
Elementary Occupations		–	–	–	–	–	–	–	–	–
TOTAL PERSONNEL NUMBERS		307	160	42	310	161	37	316	192	33
% increase		–	–	–	1.0%	0.6%	(11.9%)	1.9%	19.3%	(10.8%)
Total municipal employees headcount		66	38	9	63	41	5	63	41	5
Finance personnel headcount		54	29	9	54	32	5	54	32	5
Human Resources personnel headcount		12	9	–	9	9	–	9	9	–

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 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand																
Revenue																
Exchange Revenue																
Service charges - Electricity		1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	1 046	12 549	13 302	14 100
Service charges - Water		1 835	1 835	1 835	1 835	1 835	1 835	1 835	1 835	1 835	1 835	1 835	1 835	22 026	23 347	24 748
Service charges - Waste Water Management		293	293	293	293	293	293	293	293	293	293	293	293	3 518	3 729	3 952
Service charges - Waste Management		474	474	474	474	474	474	474	474	474	474	474	474	5 688	6 029	6 391
Sale of Goods and Rendering of Services		15	15	15	15	15	15	15	15	15	15	15	15	176	186	197
Agency services		3	3	3	3	3	3	3	3	3	3	3	3	30	32	34
Interest		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	1 650	19 796	20 984	22 243
Interest earned from Current and Non Current Assets		681	681	681	681	681	681	681	681	681	681	681	681	8 176	8 666	9 186
Dividends		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		14	14	14	14	14	14	14	14	14	14	14	14	162	172	182
Licence and permits		13	13	13	13	13	13	13	13	13	13	13	13	151	160	169
Special rating levies		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		24	24	24	24	24	24	24	24	24	24	24	24	293	311	329
Non-Exchange Revenue																
Property rates		4 260	4 260	4 260	4 260	4 260	4 260	4 260	4 260	4 260	4 260	4 260	4 260	51 118	54 186	57 437
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		1	1	1	1	1	1	1	1	1	1	1	1	10	11	11
Licences or permits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfer and subsidies - Operational		17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	206 022	214 979	227 562
Interest		1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	14 477	15 345	16 266
Fuel Levy		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		276	276	276	276	276	276	276	276	276	276	276	276	3 307	3 505	3 715
Other Gains		(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(22)	(24)	(25)
Discontinued Operations		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and cont		28 956	28 956	28 956	28 956	28 956	28 956	28 956	28 956	28 956	28 956	28 956	28 956	347 475	364 920	386 499
Expenditure																
Employee related costs		10 910	10 910	10 910	10 910	10 910	10 910	10 910	10 910	10 910	10 910	10 910	10 910	130 925	138 280	146 412
Remuneration of councillors		1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	14 010	14 850	15 741
Bulk purchases - electricity		1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	16 498	17 488	18 537
Inventory consumed		2 143	2 143	2 143	2 143	2 143	2 143	2 143	2 143	2 143	2 143	2 143	2 143	25 711	27 254	28 889
Debt impairment		1 731	1 731	1 731	1 731	1 731	1 731	1 731	1 731	1 731	1 731	1 731	1 731	20 771	22 017	23 338
Depreciation and amortisation		8 997	8 997	8 997	8 997	8 997	8 997	8 997	8 997	8 997	8 997	8 997	8 997	107 961	114 438	121 305
Interest		3	3	3	3	3	3	3	3	3	3	3	3	37	40	42
Contracted services		3 464	3 464	3 464	3 464	3 464	3 464	3 464	3 464	3 464	3 464	3 464	3 464	41 573	41 405	43 769
Transfers and subsidies		50	50	50	50	50	50	50	50	50	50	50	50	600	636	674
Irrecoverable debts written off		1 486	1 486	1 486	1 486	1 486	1 486	1 486	1 486	1 486	1 486	1 486	1 486	17 828	18 898	20 032
Operational costs		—	—	—	—	—	—	—	—	—	—	—	41 685	41 685	43 943	46 549
Losses on disposal of Assets		477	477	477	477	477	477	477	477	477	477	477	477	5 724	6 067	6 431
Other Losses		(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(22)	(24)	(25)
Total Expenditure		31 801	31 801	31 801	31 801	31 801	31 801	31 801	31 801	31 801	31 801	31 801	31 801	73 486	423 300	445 292
Surplus/(Deficit)		(2 845)	(2 845)	(2 845)	(2 845)	(2 845)	(2 845)	(2 845)	(2 845)	(2 845)	(2 845)	(2 845)	(2 845)	(44 530)	(75 824)	(85 195)
Transfers and subsidies - capital (monetary allocations)		9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	118 518	123 509	126 240
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	(34 654)	42 694	41 045
Income Tax		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	(34 654)	42 694	41 045
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	(34 654)	42 694	41 045
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	1	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	7 032	(34 654)	42 694	41 045

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 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote																
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office Of The Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - LED, Development and Town Planning		8	8	8	8	8	8	8	8	8	8	8	8	97	102	108
Vote 4 - Corporate Services		64	64	64	64	64	64	64	64	64	64	64	64	762	808	856
Vote 5 - Technical Services		14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	179 009	187 723	194 252
Vote 6 - Financial Services		22 861	22 861	22 861	22 861	22 861	22 861	22 861	22 861	22 861	22 861	22 861	22 861	274 328	289 017	306 178
Vote 7 - Community Services		843	843	843	843	843	843	843	843	843	843	843	843	10 113	8 991	9 450
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		38 692	38 692	38 692	38 692	38 692	38 692	38 692	38 692	38 692	38 692	38 692	38 692	464 308	486 641	510 845
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		2 011	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	2 012	24 138	25 587	27 122
Vote 2 - Office Of The Municipal Manager		964	964	964	964	964	964	964	964	964	964	964	964	11 568	12 263	12 998
Vote 3 - LED, Development and Town Planning		998	998	998	998	998	998	998	998	998	998	998	998	11 980	12 698	13 460
Vote 4 - Corporate Services		4 474	4 474	4 474	4 474	4 474	4 474	4 474	4 474	4 474	4 474	4 474	4 474	53 691	56 912	60 327
Vote 5 - Technical Services		15 327	15 327	15 327	15 327	15 327	15 327	15 327	15 327	15 327	15 327	15 327	15 327	183 922	195 051	206 700
Vote 6 - Financial Services		6 282	6 282	6 282	6 282	6 282	6 282	6 282	6 282	6 282	6 282	6 282	6 282	75 380	78 163	82 703
Vote 7 - Community Services		1 672	1 672	1 672	1 672	1 672	1 672	1 672	1 672	1 672	1 672	1 672	1 672	20 069	19 545	20 636
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		31 729	31 729	31 729	31 729	31 729	31 729	31 729	31 729	31 729	31 729	31 729	31 729	380 749	400 219	423 946
Surplus/(Deficit) before assoc.		6 963	6 963	6 963	6 963	6 963	6 963	6 963	6 963	6 963	6 963	6 963	6 963	83 559	86 423	86 899
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	6 963	6 963	6 963	6 963	6 963	6 963	6 963	6 963	6 963	6 963	6 963	6 963	83 559	86 423	86 899

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)

Budget Year 2025/26														Medium Term Revenue and Expenditure Framework		
Description	Ref	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand																
Revenue - Functional																
Governance and administration		23 068	23 068	23 068	23 068	23 068	23 068	23 068	23 068	23 068	23 068	23 068	23 068	276 811	291 650	308 969
Executive and council		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Finance and administration		23 068	23 068	23 068	23 068	23 068	23 068	23 068	23 068	23 068	23 068	23 068	23 068	276 811	291 650	308 969
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety		265	265	265	265	265	265	265	265	265	265	265	265	3 184	1 647	1 665
Community and social services		250	250	250	250	250	250	250	250	250	250	250	250	2 994	1 445	1 451
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		16	16	16	16	16	16	16	16	16	16	16	16	190	201	213
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		1 332	1 332	1 332	1 332	1 332	1 332	1 332	1 332	1 332	1 332	1 332	1 332	15 984	16 795	17 244
Planning and development		306	306	306	306	306	306	306	306	306	306	306	306	3 667	3 981	4 165
Road transport		1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	1 026	12 316	12 813	13 078
Environmental protection		0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Trading services		14 168	14 168	14 168	14 168	14 168	14 168	14 168	14 168	14 168	14 168	14 168	14 168	170 014	178 337	184 861
Energy sources		1 143	1 143	1 143	1 143	1 143	1 143	1 143	1 143	1 143	1 143	1 143	1 143	13 722	14 545	15 418
Water management		10 148	10 148	10 148	10 148	10 148	10 148	10 148	10 148	10 148	10 148	10 148	10 148	121 777	127 636	132 012
Waste water management		2 299	2 299	2 299	2 299	2 299	2 299	2 299	2 299	2 299	2 299	2 299	2 299	27 587	28 812	29 647
Waste management		577	577	577	577	577	577	577	577	577	577	577	577	6 928	7 343	7 784
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue - Functional		38 833	38 833	38 833	38 833	38 833	38 833	38 833	38 833	38 833	38 833	38 833	38 833	465 993	488 428	512 739
Expenditure - Functional																
Governance and administration		16 909	16 909	16 909	16 909	16 909	16 909	16 909	16 909	16 909	16 909	16 909	16 909	202 908	213 312	225 931
Executive and council		2 636	2 636	2 636	2 636	2 636	2 636	2 636	2 636	2 636	2 636	2 636	2 636	31 629	33 526	35 538
Finance and administration		14 068	14 068	14 068	14 068	14 068	14 068	14 068	14 068	14 068	14 068	14 068	14 068	168 819	177 177	187 628
Internal audit		205	205	205	205	205	205	205	205	205	205	205	205	2 461	2 608	2 765
Community and public safety		1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	16 429	15 686	16 547
Community and social services		804	804	804	804	804	804	804	804	804	804	804	804	9 654	8 505	8 934
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		399	399	399	399	399	399	399	399	399	399	399	399	4 786	5 073	5 377
Housing		166	166	166	166	166	166	166	166	166	166	166	166	1 989	2 108	2 235
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		3 247	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248	38 971	41 403	43 832
Planning and development		1 368	1 368	1 368	1 368	1 368	1 368	1 368	1 368	1 368	1 368	1 368	1 368	16 420	17 499	18 494
Road transport		1 632	1 632	1 632	1 632	1 632	1 632	1 632	1 632	1 632	1 632	1 632	1 632	19 584	20 759	22 005
Environmental protection		247	247	247	247	247	247	247	247	247	247	247	247	2 966	3 144	3 333
Trading services		13 749	13 749	13 749	13 749	13 749	13 749	13 749	13 749	13 749	13 749	13 749	13 749	164 992	174 891	185 385
Energy sources		4 280	4 280	4 280	4 280	4 280	4 280	4 280	4 280	4 280	4 280	4 280	4 280	51 362	54 443	57 710
Water management		8 489	8 490	8 490	8 490	8 490	8 490	8 490	8 490	8 490	8 490	8 490	8 490	101 874	107 987	114 466
Waste water management		555	555	555	555	555	555	555	555	555	555	555	555	6 662	7 061	7 485
Waste management		424	425	425	425	425	425	425	425	425	425	425	425	5 094	5 400	5 724
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional		35 275	35 275	35 275	35 275	35 275	35 275	35 275	35 275	35 275	35 275	35 275	35 275	423 300	445 292	471 694
Surplus/(Deficit) before assoc.		3 558	3 558	3 558	3 558	3 558	3 558	3 558	3 558	3 558	3 558	3 558	3 558	42 694	43 136	41 045
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	3 558	3 558	3 558	3 558	3 558	3 558	3 558	3 558	3 558	3 558	3 558	3 558	42 694	43 136	41 045

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

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

Description R thousand	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Multi-year expenditure to be appropriated	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 1 - Executive and Council		50	50	50	50	50	50	50	50	50	50	50	50	600	636	674
Vote 2 - Office Of The Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - LED, Development and Town Planning		379	379	379	379	379	379	379	379	379	379	379	379	4 550	4 823	5 112
Vote 4 - Corporate Services		9 246	9 246	9 246	9 246	9 246	9 246	9 246	9 246	9 246	9 246	9 246	9 246	110 951	115 654	118 294
Vote 5 - Technical Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Financial Services		38	38	38	38	38	38	38	38	38	38	38	38	450	477	506
Vote 7 - Community Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	9 713	9 713	9 713	9 713	9 713	9 713	9 713	9 713	9 713	9 713	9 713	9 713	116 551	121 590	124 587
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		507	507	507	507	507	507	507	507	507	507	507	507	6 086	6 360	6 519
Vote 5 - Technical Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Financial Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Community Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	507	507	507	507	507	507	507	507	507	507	507	507	6 086	6 360	6 519
Total Capital Expenditure	2	10 220	10 220	10 220	10 220	10 220	10 220	10 220	10 220	10 220	10 220	10 220	10 220	122 637	127 950	131 106

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 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		496	496	496	496	496	496	496	496	496	496	496	496	5 950	6 307	6 685
Executive and council		8	8	8	8	8	8	8	8	8	8	8	8	100	106	112
Finance and administration		446	446	446	446	446	446	446	446	446	446	446	446	5 350	5 671	6 011
Internal audit		42	42	42	42	42	42	42	42	42	42	42	42	500	530	562
Community and public safety		328	328	328	328	328	328	328	328	328	328	328	328	3 931	4 091	4 179
Community and social services		13	13	13	13	13	13	13	13	13	13	13	13	150	159	169
Sport and recreation		315	315	315	315	315	315	315	315	315	315	315	315	3 781	3 932	4 011
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		1 034	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	12 402	12 904	13 175
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		1 009	1 008	1 008	1 008	1 008	1 008	1 008	1 008	1 008	1 008	1 008	1 008	12 102	12 586	12 838
Environmental protection		25	25	25	25	25	25	25	25	25	25	25	25	300	318	337
Trading services		8 745	8 745	8 745	8 745	8 745	8 745	8 745	8 745	8 745	8 745	8 745	8 745	104 935	109 428	111 976
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		6 954	6 954	6 954	6 954	6 954	6 954	6 954	6 954	6 954	6 954	6 954	6 954	83 442	87 076	89 176
Waste water management		1 791	1 791	1 791	1 791	1 791	1 791	1 791	1 791	1 791	1 791	1 791	1 791	21 492	22 352	22 799
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	127 218	132 731	136 015
Funded by:																
National Government		9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	118 518	123 509	126 240
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		9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	118 518	123 509	126 240
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		725	725	725	725	725	725	725	725	725	725	725	725	8 700	9 222	9 775
Total Capital Funding		10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	10 601	127 218	132 731	136 015

Table 42– Table SA 30 – Budgeted monthly cash flow

NC451 Joe Morolong - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Cash Receipts By Source															
Property rates	3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	3 442	41 305	43 783	46 410
Service charges - electricity revenue	970	970	970	970	970	970	970	970	970	970	970	970	11 640	12 338	13 078
Service charges - water revenue	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	22 650	24 009	25 450
Service charges - sanitation revenue	303	303	303	303	303	303	303	303	303	303	303	303	3 635	3 854	4 085
Service charges - refuse revenue	474	474	474	474	474	474	474	474	474	474	474	474	5 688	6 029	6 391
Rental of facilities and equipment	16	16	16	16	16	16	16	16	16	16	16	16	186	197	209
Interest earned - external investments	681	681	681	681	681	681	681	681	681	681	681	681	8 176	8 666	9 186
Interest earned - outstanding debtors	2 856	2 856	2 856	2 856	2 856	2 856	2 856	2 856	2 856	2 856	2 856	2 856	34 273	36 329	38 509
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1	1	1	1	1	1	1	1	1	1	1	1	10	11	11
Licences and permits	14	14	14	14	14	14	14	14	14	14	14	14	173	183	194
Agency services	3	3	3	3	3	3	3	3	3	3	3	3	35	37	39
Transfers and Subsidies - Operational	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	206 022	214 979	227 562
Other revenue	45	45	45	45	45	45	45	45	45	45	45	45	539	571	606
Cash Receipts by Source	27 861	27 861	27 861	27 861	27 861	27 861	27 861	27 861	27 861	27 861	27 861	27 861	334 332	350 988	371 732
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	118 518	123 509	126 240
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, 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)	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	12 945	13 722	14 545
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	38 816	38 816	38 816	38 816	38 816	38 816	38 816	38 816	38 816	38 816	38 816	38 816	465 795	488 219	512 517
Cash Payments by Type															
Employee related costs	(10 910)	(10 910)	(10 910)	(10 910)	(10 910)	(10 910)	(10 910)	(10 910)	(10 910)	(10 910)	(10 910)	10 910	(130 919)	(138 274)	(146 406)
Remuneration of councillors	(1 167)	(1 167)	(1 167)	(1 167)	(1 167)	(1 167)	(1 167)	(1 167)	(1 167)	(1 167)	(1 167)	1 167	(14 010)	(14 850)	(15 741)
Interest	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	3	(37)	(40)	(42)
Bulk purchases - electricity	(1 581)	(1 581)	(1 581)	(1 581)	(1 581)	(1 581)	(1 581)	(1 581)	(1 581)	(1 581)	(1 581)	1 581	(18 973)	(20 111)	(21 318)
Acquisitions - water & other inventory	(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)	(29 752)	(31 537)
Contracted services	(3 984)	(3 984)	(3 984)	(3 984)	(3 984)	(3 984)	(3 984)	(3 984)	(3 984)	(3 984)	(3 984)	3 984	(47 809)	(47 616)	(50 335)
Transfers and subsidies - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	(3 384)	(3 384)	(3 384)	3 335	(3 384)	(3 384)	(3 384)	(3 384)	(3 384)	(3 384)	(3 384)	10 103	(40 609)	(42 749)	(45 570)
Cash Payments by Type	(23 368)	(23 369)	(23 369)	(16 650)	(23 369)	(23 369)	(23 369)	(23 369)	(23 369)	(23 369)	(23 369)	30 088	(280 424)	(293 392)	(310 948)
Other Cash Flows/Payments by Type															
Capital assets	(12 083)	(12 083)	(12 083)	(12 083)	(12 083)	(12 083)	(12 083)	(12 083)	(12 083)	(12 083)	(12 083)	(12 083)	(144 995)	(151 257)	(154 951)
Repayment of borrowing	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(195)	(207)	(219)
Other Cash Flows/Payments	(131)	(131)	(131)	(131)	(131)	(131)	(131)	49	(131)	(131)	(131)	(311)	(1 574)	(1 651)	(1 730)
Total Cash Payments by Type	(35 598)	(35 599)	(35 599)	(28 880)	(35 599)	(35 599)	(35 599)	(35 419)	(35 599)	(35 599)	(35 599)	17 678	(427 188)	(446 506)	(467 848)
NET INCREASE/(DECREASE) IN CASH HELD	74 415	74 415	74 415	67 696	74 415	74 415	74 415	74 236	74 415	74 415	74 415	21 139	38 607	41 712	44 669
Cash/cash equivalents at the month/year begin:	6 212	80 627	155 042	229 457	297 153	371 569	445 984	520 399	594 635	669 050	743 466	817 881	6 212	44 819	86 532
Cash/cash equivalents at the month/year end:	80 627	155 042	229 457	297 153	371 569	445 984	520 399	594 635	669 050	743 466	817 881	839 020	44 819	86 532	131 200

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	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		120 961	(36 558)	34 759	103 340	113 900	113 900	108 951	113 534	116 047
Roads Infrastructure		44 961	(3 694)	5 241	29 201	29 701	29 701	12 102	12 586	12 838
Roads		44 961	(3 694)	5 241	29 201	29 701	29 701	12 102	12 586	12 838
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	500	500	-	-	-
Drainage Collection		-	-	-	-	500	500	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1 304	-	-	-	750	750	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		1 304	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	250	250	-	-	-
LV Networks		-	-	-	-	500	500	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		60 100	(13 766)	28 925	64 992	71 723	71 723	75 356	78 596	80 410
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		60 100	25 252	28 925	64 992	70 723	70 723	75 056	78 278	80 073
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	500	500	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	(39 018)	-	-	500	500	300	318	337
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		14 595	(19 098)	208	9 147	10 725	10 725	21 492	22 352	22 799
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		(4 503)	(0)	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		19 098	(19 098)	208	9 147	10 725	10 725	21 492	22 352	22 799
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	385	-	500	500	-	-	-
Landfill Sites		-	-	385	-	500	500	-	-	-
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	76 294	7 893	8 924	7 707	6 626	6 626	3 781	3 932	4 011
Community Facilities	76 294	7 893	-	300	3 000	3 000	-	-	-
Halls	79 022	7 893	-	300	3 000	3 000	-	-	-
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	-	-	8 924	7 407	3 626	3 626	3 781	3 932	4 011
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	8 924	7 407	3 626	3 626	3 781	3 932	4 011
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	-	-	-	4 900	2 650	2 650	350	371	393
Operational Buildings	-	-	-	4 900	2 650	2 650	350	371	393
Municipal Offices	-	-	-	3 700	2 600	2 600	100	106	112
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	1 200	50	50	250	265	281
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	938	-	186	630	40	40	1 000	1 060	1 124
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	938	-	186	630	40	40	1 000	1 060	1 124
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	938	-	186	630	40	40	1 000	1 060	1 124
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-

<i>Unspecified</i>		–	–	–	–	–	–	–	–	–
Computer Equipment		5 815	141	306	1 250	1 250	1 250	1 100	1 166	1 236
Computer Equipment		5 815	141	306	1 250	1 250	1 250	1 100	1 166	1 236
Furniture and Office Equipment		–	–	795	600	425	425	300	318	337
Furniture and Office Equipment		–	–	795	600	425	425	300	318	337
Machinery and Equipment		1 397	22 098	265	3 300	2 400	2 400	350	371	393
Machinery and Equipment		1 397	22 098	265	3 300	2 400	2 400	350	371	393
Transport Assets		10 296	2 594	1 587	8 300	6 100	6 100	3 300	3 498	3 708
Transport Assets		10 296	2 594	1 587	8 300	6 100	6 100	3 300	3 498	3 708
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
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	215 701	(3 833)	46 821	130 027	133 391	133 391	119 132	124 251	127 249

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 R thousand	Ref 1	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		(55 806)	(8 079)	2 629	15 008	14 706	14 706	8 086	8 480	8 766
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		(55 806)	(8 079)	2 629	15 008	14 706	14 706	8 086	8 480	8 766
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		(55 806)	(8 079)	2 629	15 008	11 706	11 706	6 086	6 360	6 519
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	3 000	3 000	2 000	2 120	2 247
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		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
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 Capital Expenditure on renewal of existing assets	1	(55 806)	(8 079)	2 629	15 008	14 706	14 706	8 086	8 480	8 766
Renewal of Existing Assets as % of total capex		-34.9%	67.8%	5.3%	10.3%	9.9%	9.9%	6.4%	6.4%	6.4%
Renewal of Existing Assets as % of deprecn"		-45.8%	-3.3%	1.9%	14.7%	10.5%	10.5%	7.9%	7.8%	7.6%

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

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs and maintenance expenditure by Asset Class/Sub-structure	1	11 073	10 659	11 463	12 500	10 700	10 700	10 000	10 600	11 200
Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Road Spares		-	-	-	-	-	-	-	-	-
Water Infrastructure		-	-	-	-	-	-	-	-	-
Wastewater Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Municipal Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
Substations		-	-	-	-	-	-	-	-	-
Switching Station		-	-	-	-	-	-	-	-	-
Transmission Conductors		-	-	-	-	-	-	-	-	-
Substations		-	-	-	-	-	-	-	-	-
Switching Stations		-	-	-	-	-	-	-	-	-
Networks		-	-	-	-	-	-	-	-	-
Networks		-	-	-	-	-	-	-	-	-
Road Spares		-	-	-	-	-	-	-	-	-
Supply Infrastructure		5 643	10 659	11 463	12 500	10 700	10 700	10 000	10 600	11 200
Dams and Weirs		-	-	-	-	-	-	-	-	-
Reservoirs		5 643	10 659	11 463	11 000	10 500	10 500	10 000	10 600	11 200
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Water Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	1 500	200	200	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
WV Stations		-	-	-	-	-	-	-	-	-
Road Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Sanitary Sewers		-	-	-	-	-	-	-	-	-
Sanitary Facilities		-	-	-	-	-	-	-	-	-
Road Spares		-	-	-	-	-	-	-	-	-
Waste Infrastructure		5 429	-	-	-	-	-	-	-	-
Landfill Sites		5 429	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Road Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Sanitary Lines		-	-	-	-	-	-	-	-	-
Sanitary Structures		-	-	-	-	-	-	-	-	-
Sanitary Furniture		-	-	-	-	-	-	-	-	-
Wastewater Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Substations		-	-	-	-	-	-	-	-	-
Networks		-	-	-	-	-	-	-	-	-
Road Spares		-	-	-	-	-	-	-	-	-
Municipal Infrastructure		-	-	-	-	-	-	-	-	-
Road Pumps		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Retirements		-	-	-	-	-	-	-	-	-
Sanitary Structures		-	-	-	-	-	-	-	-	-
Road Spares		-	-	-	-	-	-	-	-	-
Sanitation and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Sanitary Centres		-	-	-	-	-	-	-	-	-
Sanitary Layers		-	-	-	-	-	-	-	-	-
Sanitary Layers		-	-	-	-	-	-	-	-	-

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ry and Equipment		-	-	-	-	-	-	-	-	-
ery and Equipment		-	-	-	-	-	-	-	-	-
rt Assets		2 052	2 259	1 934	2 000	4 000	4 000	3 400	3 604	3 820
ort Assets		2 052	2 259	1 934	2 000	4 000	4 000	3 400	3 604	3 820
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
arine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
sources		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
cing and Protection		-	-	-	-	-	-	-	-	-
ological plants and animals		-	-	-	-	-	-	-	-	-
ure		-	-	-	-	-	-	-	-	-
cing and Protection		-	-	-	-	-	-	-	-	-
ological plants and animals		-	-	-	-	-	-	-	-	-
pairs and Maintenance Expenditure	1	15 591	12 918	13 397	14 500	14 700	14 700	13 400	14 204	15 000
a % of PPE & Investment Property		1.2%	1.5%	1.7%	1.3%	1.3%	1.3%	2.4%	2.4%	2.4%
% Operating Expenditure		14.7%	1.7%	2.4%	3.4%	2.9%	2.9%	2.6%	3.4%	3.4%

Table 45: Table SA 34d – Depreciation by asset

Joe Morolong - Supporting Table SA34d Depreciation by asset class

Location and Description of Asset Class/Sub-class	Ref 1	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Infrastructure		112 245	228 832	131 544	77 399	115 599	115 599	77 399	82 042	86 966
Roads Infrastructure		78 398	177 199	99 546	15 237	53 237	53 237	15 237	16 151	17 122
Roads		78 398	177 199	99 546	15 237	53 237	53 237	15 237	16 151	17 122
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Road Capital Spares		-	-	-	-	-	-	-	-	-
Water Infrastructure		572	1 359	825	262	462	462	262	278	295
Rainage Collection		-	1 359	825	262	462	462	262	278	295
Storm water Conveyance		572	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		327	633	307	23 810	23 810	23 810	23 810	25 239	26 750
Power Plants		-	-	-	-	-	-	-	-	-
Substations		-	-	-	-	-	-	-	-	-
Switching Station		-	-	-	-	-	-	-	-	-
Transmission Conductors		-	-	-	-	-	-	-	-	-
Cables		-	-	-	-	-	-	-	-	-
Switching Stations		-	-	-	-	-	-	-	-	-
Cable Networks		-	-	-	-	11 905	11 905	11 905	12 619	13 370
Fiber Networks		327	633	307	23 810	11 905	11 905	11 905	12 619	13 370
Road Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		32 615	49 201	30 682	36 936	36 936	36 936	36 936	39 153	41 500
Dams and Weirs		-	-	-	-	-	-	-	-	-
Canals		11 307	23 607	14 429	14 371	14 371	14 371	14 371	15 234	16 140
Reservoirs		2 981	6 060	3 862	14 319	14 319	14 319	14 319	15 178	16 080
Pump Stations		487	820	595	839	839	839	839	890	943
Water Treatment Works		-	-	-	-	-	-	-	-	-
Sewer Mains		-	-	-	-	-	-	-	-	-
Distribution		17 840	18 714	11 796	7 407	7 407	7 407	7 407	7 851	8 323
Distribution Points		-	-	-	-	-	-	-	-	-
Valve Stations		-	-	-	-	-	-	-	-	-
Road Capital Spares		-	-	-	-	-	-	-	-	-
Wastewater Infrastructure		206	318	100	525	525	525	525	556	589
Pump Station		-	-	-	-	-	-	-	-	-
Sewer Interconnection		-	-	-	-	-	-	-	-	-
Wastewater Treatment Works		206	318	100	525	525	525	525	556	589
Sewerfall Sewers		-	-	-	-	-	-	-	-	-
Sewer Inlet Facilities		-	-	-	-	-	-	-	-	-
Road Capital Spares		-	-	-	-	-	-	-	-	-
Waste Infrastructure		126	124	84	628	628	628	628	666	706
Landfill Sites		126	124	84	628	628	628	628	666	706
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Road Capital Spares		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Oil Lines		-	-	-	-	-	-	-	-	-
Oil Structures		-	-	-	-	-	-	-	-	-
Oil Furniture		-	-	-	-	-	-	-	-	-
Rainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Substations		-	-	-	-	-	-	-	-	-
Cables		-	-	-	-	-	-	-	-	-
Switching Stations		-	-	-	-	-	-	-	-	-
Cable Networks		-	-	-	-	-	-	-	-	-
Road Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Pumps		-	-	-	-	-	-	-	-	-
Canals		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Sewer Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
Valve Stations		-	-	-	-	-	-	-	-	-
Road Capital Spares		-	-	-	-	-	-	-	-	-
Water and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Post Centres		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Street Lighting Layers		-	-	-	-	-	-	-	-	-
Road Capital Spares		-	-	-	-	-	-	-	-	-

Community Assets	2 037	10 949	2 101	3 057	3 057	3 057	3 057	3 240	3 435
Community Facilities	2 037	2 012	–	2 672	2 672	2 672	2 672	2 832	3 002
Clubs	2 037	2 012	–	2 495	2 495	2 495	2 495	2 645	2 804
Centres	–	–	–	–	–	–	–	–	–
Archives	–	–	–	–	–	–	–	–	–
Centres/Care Centres	–	–	–	–	–	–	–	–	–
Police/Ambulance Stations	–	–	–	–	–	–	–	–	–
Post Offices	–	–	–	–	–	–	–	–	–
Museums	–	–	–	–	–	–	–	–	–
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	–	–	–	–	–	–	–	–	–
Crematoriums/Crematoria	–	–	–	90	90	90	90	95	101
Police	–	–	–	–	–	–	–	–	–
Markets	–	–	–	87	87	87	87	92	98
Public Open Space	–	–	–	–	–	–	–	–	–
Future Reserves	–	–	–	–	–	–	–	–	–
Public Ablution Facilities	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Stalls	–	–	–	–	–	–	–	–	–
Attaches	–	–	–	–	–	–	–	–	–
Ports	–	–	–	–	–	–	–	–	–
Bus Ranks/Bus Terminals	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Leisure and Recreation Facilities	–	8 937	2 101	385	385	385	385	408	433
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	–	8 937	2 101	385	385	385	385	408	433
Capital Spares	–	–	–	–	–	–	–	–	–
Non-current Assets	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–
Public Buildings	–	–	–	–	–	–	–	–	–
Monuments of Art	–	–	–	–	–	–	–	–	–
Conservation Areas	–	–	–	–	–	–	–	–	–
Heritage	–	–	–	–	–	–	–	–	–
Current properties	–	–	–	200	200	200	200	212	225
Revenue Generating	–	–	–	200	200	200	200	212	225
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	200	200	200	200	212	225
Revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Fixed Assets	1 208	1 831	615	2 095	2 095	2 095	2 095	2 220	2 353
Non-current Buildings	1 208	1 831	615	2 095	2 095	2 095	2 095	2 220	2 353
Municipal Offices	1 208	1 831	615	2 095	2 095	2 095	2 095	2 220	2 353
Enquiry Points	–	–	–	–	–	–	–	–	–
Planning Offices	–	–	–	–	–	–	–	–	–
Workshops	–	–	–	–	–	–	–	–	–
Stores	–	–	–	–	–	–	–	–	–
Workshops	–	–	–	–	–	–	–	–	–
Laboratories	–	–	–	–	–	–	–	–	–
Training Centres	–	–	–	–	–	–	–	–	–
Manufacturing Plant	–	–	–	–	–	–	–	–	–
Ports	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Leasing	–	–	–	–	–	–	–	–	–
Staff Housing	–	–	–	–	–	–	–	–	–
Public Housing	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Intangible or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	745	1 317	513	151	151	151	151	160	170
Patents	–	–	–	–	–	–	–	–	–
Leases and Rights	745	1 317	513	151	151	151	151	160	170
Water Rights	–	–	–	–	–	–	–	–	–
Patent Licenses	–	–	–	–	–	–	–	–	–
Waste Licenses	–	–	–	–	–	–	–	–	–
Computer Software and Applications	745	1 317	513	151	151	151	151	160	170
Settlement Software Applications	–	–	–	–	–	–	–	–	–
Unspecified	–	–	–	–	–	–	–	–	–
Other Equipment	192	1 238	819	1 311	1 311	1 311	1 311	1 390	1 473
Computer Equipment	192	1 238	819	1 311	1 311	1 311	1 311	1 390	1 473
Leasehold and Office Equipment	284	484	608	778	778	778	778	825	875
Leasehold and Office Equipment	284	484	608	778	778	778	778	825	875
Leasehold and Equipment	35	624	326	15 546	15 546	15 546	15 546	16 479	17 460

inery and Equipment		35	624	326	15 546	15 546	15 546	15 546	16 479	17 46
ort Assets		5 053	2 905	2 216	1 888	1 888	1 888	1 888	2 001	2 122
ort Assets		5 053	2 905	2 216	1 888	1 888	1 888	1 888	2 001	2 122
		-	-	-	-	-	-	-	-	-
Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
resources		-	-	-	-	-	-	-	-	-
e		-	-	-	-	-	-	-	-	-
icing and Protection		-	-	-	-	-	-	-	-	-
ological plants and animals		-	-	-	-	-	-	-	-	-
ture		-	-	-	-	-	-	-	-	-
icing and Protection		-	-	-	-	-	-	-	-	-
ological plants and animals		-	-	-	-	-	-	-	-	-
preciation	1	121 797	248 181	138 743	102 425	140 625	140 625	102 425	108 571	115 0

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

NC451 Joe Morolong - Supporting Table SA36 Detailed capital budget

R thousand	Project Description	Type	MTSF Service Outcome	IUD F	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude			2025/26 Medium Term Revenue & Expenditure Framework		
											Audited Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality: <i>List all capital projects grouped by Function</i>															
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	–	500	100	106	112
Administrative and Corporate Support	NC451_Capital Acquisition_Pavement	New	A Capable, Ethical And Developmental State		To provide IT service	Other Assets	Operational Buildings	Whole of the Municipality	0	0	–	–	250	265	281
Asset Management	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	–	–	300	318	337
Community Halls and Facilities	NC451_Capital Acquisiton_Community Services_Machinery and Equipment	New	A Capable, Ethical And Developmental State		To promote and enhance the financial viability of the municipality	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	0	0	–	–	150	159	169
Finance	NC451_Capital Acquisition_Computers_Finance	New	Social Cohesion And Safe Communities		To promote oversight and public accountability	Intangible Assets	Licences and Rights	Whole of the Municipality	0	0	–	–	500	530	562
Fleet Management	NC451_Capital Acquisiton_Fleet Management_Machinery and 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	200	212	225
Fleet Management	NC451_Capital Acquisiton_Fleet	New	Social Cohesion		To promote oversight and	Transport Assets	Transport Assets	Whole of the	0	0	–	5 700	3 000	3 180	3 371

	Management_Transport Assets		And Safe Communities		public accountability			Municipality								
Governance Function	NC451_Capital Acquisition_Internal Audit_Audit Software	New	A Capable, Ethical And Developmental State		To provide IT service	Intangible Assets	Licences and Rights	Whole of the Municipality	0	0	–	10	500	530	562	
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	–	1 000	1 000	1 060	1 124	
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	–	250	100	106	112	
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	–	400	300	318	337	
Roads	NC451_Capital Acquisition_Roads_NCWELE NGWE Internal Road	New	Spatial Integration, Human Settlements And Local Government		To provide roads and stormwater service	Infrastructure	Roads Infrastructure	Whole of the Municipality	0	0	–	11 156	5 102	5 306	5 412	
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	Whole of the Municipality	0	0	–	18 046	7 000	7 280	7 426	
Sewerage	NC451_Capital Acquisition_Waste Water DITHAKONG	New	Spatial Integration, Human Settlements And Local Government		To provide bulk water and sanitation services	Infrastructure	Sanitation Infrastructure	Whole of the Municipality	0	0	–	–	8 000	8 320	8 486	
Sewerage	NC451_Capital Acquisition_Waste Water Gamorona	New	Spatial Integration, Human Settlements And Local Government		To provide bulk water and sanitation services	Infrastructure	Sanitation Infrastructure	Whole of the Municipality	0	0	–	2 985	2 993	3 112	3 175	
Sewerage	NC451_Capital Acquisition_Waste Water Makgaladi	New	Spatial Integration, Human		To provide bulk water and	Infrastructure	Sanitation Infrastructure	Whole of the	0	0	–	1 362	1 444	1 502	1 532	

Sewerage	NC451_Capital Acquisition_Waste Water Makgaladi	New	Settlements And Local Government Spatial Integration, Human Settlements And Local Government Spatial Integration,	sanitation services To provide bulk water and sanitation services	Infrastructure	Sanitation Infrastructure	Municipality Whole of the Municipality	0	0	-	1 362	(1 444)	(1 502)	(1 532)
Sewerage	NC451_Capital Acquisition_Waste Water Maologane	New	Human Settlements And Local Government Spatial Integration,	To provide bulk water and sanitation services	Infrastructure	Sanitation Infrastructure	Whole of the Municipality	0	0	-	2 615	(2 772)	(2 883)	(2 941)
Sewerage	NC451_Capital Acquisition_Waste Water Maologane	New	Human Settlements And Local Government Spatial Integration,	To provide bulk water and sanitation services	Infrastructure	Sanitation Infrastructure	Whole of the Municipality	0	0	-	2 615	2 772	2 883	2 941
Sewerage	NC451_Capital Acquisition_Waste Water_Bendel	New	Human Settlements And Local Government Spatial Integration,	To provide bulk water and sanitation services	Infrastructure	Sanitation Infrastructure	Whole of the Municipality	0	0	-	-	2 000	2 080	2 122
Sewerage	NC451_Capital Acquisition_Waste Water_Gapitia	New	Human Settlements And Local Government Spatial Integration,	To provide bulk water and sanitation services	Infrastructure	Sanitation Infrastructure	Whole of the Municipality	0	0	-	-	1 927	2 004	2 044
Sewerage	NC451_Capital Acquisition_Waste Water_Kampaneng	New	Human Settlements And Local Government Spatial Integration,	To provide bulk water and sanitation services	Infrastructure	Sanitation Infrastructure	Whole of the Municipality	0	0	-	-	3 573	3 715	3 790
Sewerage	NC451_Capital Acquisition_Waste Water_Makhubung	New	Human Settlements And Local Government Spatial Integration,	To provide bulk water and sanitation services	Infrastructure	Sanitation Infrastructure	Whole of the Municipality	0	0	-	-	3 000	3 120	3 182
Sports Grounds and Stadiums	NC451_Capital Acquisition_DITHAKONG SPORTFIELD	New	Economic Transformation And Job Creation	To develop community facilities	Community Assets	Sport and Recreation Facilities	Ward 12	0	0	-	3 626	7 851	8 166	8 329

Sports Grounds and Stadiums	NC451_Capital Acquisition_DITHAKONG SPORTFIELD	New	Economic Transformation And Job Creation	To develop community facilities	Community Assets	Sport and Recreation Facilities	Ward 12	0	0	–	3 626	(7 851)	(8 166)	(8 329)
Sports Grounds and Stadiums	NC451_Capital Acquisition_DITHAKONG SPORTFIELD	New	Economic Transformation And Job Creation	To develop community facilities	Community Assets	Sport and Recreation Facilities	Ward 12	0	0	–	3 626	3 781	3 932	4 011
Water Distribution	NC451_Capital Acquisition_Water_HEUNING VLEI	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Ward 1	0	0	–	6 050	(6 050)	(6 322)	(6 480)
Water Distribution	NC451_Capital Acquisition_Water_HEUNING VLEI	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Ward 1	0	0	–	6 050	6 050	6 322	6 480
Water Distribution	NC451_Capital Acquisition_Water_DOCKSON	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	9 628	9 000	9 405	9 640
Water Distribution	NC451_Capital Acquisition_Water_Padstow	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	10 000	7 403	7 699	7 853
Water Distribution	NC451_Capital Acquisition_Water Tanks	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	–	300	318	337
Water Distribution	NC451_Capital Acquisition_Water MADULARANCH	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	1 829	1 884	1 969	2 018
Water Distribution	NC451_Capital Acquisition_Water_Cahar	New	Spatial Integration, Human Settlements	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	–	8 605	8 949	9 128

Water Distribution	NC451_Capital Acquisition_Water_Cassel	New	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	–	16 485	7 600	7 942	8 141
Water Distribution	NC451_Capital Acquisition_Water_Kampaneng	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	6 418	11 210	11 714	12 007
Water Distribution	NC451_Capital Acquisition_Water_Logobate	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	7 884	11 220	11 725	12 018
Water Distribution	NC451_Capital Acquisition_Water_March	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	4 163	7 732	8 042	8 202
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Wyk 3	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	1 831	1 831	1 913	1 961
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Wyk 3	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	1 831	(1 831)	(1 913)	(1 961)
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Gasehunelo Wyk 10	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	–	1 200	1 254	1 285
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Gasehunelo Wyk 5	New	Spatial Integration, Human Settlements	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	–	1 200	1 254	1 285

Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Matoro	New	And Local Government Spatial Integration, Human Settlements And Local Government Spatial Integration,	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	-	-	1 186	1 239	1 270
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Metsimantsi Wyk 2	New	Spatial Integration, Human Settlements And Local Government Spatial Integration,	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	-	-	1 500	1 568	1 607
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Zero	New	Human Settlements And Local Government Spatial Integration,	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	-	-	1 000	1 045	1 071
Water Distribution	NC451_Capital Acquisition_Water_Damros	New	Human Settlements And Local Government Spatial Integration,	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	-	-	3 500	3 640	3 713
Water Distribution	NC451_Capital Acquisition_Water_Cardington	New	Human Settlements And Local Government Spatial Integration,	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	-	-	3 000	3 135	3 213
Water Distribution	NC451_Capital Acquisition_Water_Magobing-East	New	Human Settlements And Local Government Spatial Integration,	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	-	-	3 902	4 058	4 139
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Khudukwaneg	New	Human Settlements And Local Government Spatial Integration,	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Ward 3	0	0	-	2 085	2 085	2 179	2 234
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Khudukwaneg	New	Human Settlements	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Ward 3	0	0	-	2 085	(2 085)	(2 179)	(2 234)

Water Distribution	NC451_Capital Acquisition Boreholes Refurbish_Khudukwaneg	New	And Local Government Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	<i>Infrastructure</i>	<i>Water Supply Infrastructure</i>	Ward 5	0	0	–	2 806	2 806	2 933	3 006
Water Distribution	NC451_Capital Acquisition Boreholes Refurbish_Khudukwaneg	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	<i>Infrastructure</i>	<i>Water Supply Infrastructure</i>	Ward 5	0	0	–	2 806	(2 806)	(2 933)	(3 006)
Water Distribution	NC451_Capital Acquisition Boreholes Refurbish_Mathanthanyaneng Ward 14	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	<i>Infrastructure</i>	<i>Water Supply Infrastructure</i>	Ward 3	0	0	–	2 765	2 765	2 890	2 962
Water Distribution	NC451_Capital Acquisition Boreholes Refurbish_Mathanthanyaneng Ward 14	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	<i>Infrastructure</i>	<i>Water Supply Infrastructure</i>	Ward 3	0	0	–	2 765	(2 765)	(2 890)	(2 962)
Water Distribution	NC451_Capital Acquisition Boreholes Refurbish_Stilrus	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	<i>Infrastructure</i>	<i>Water Supply Infrastructure</i>	Ward 3	0	0	–	2 218	2 218	2 318	2 376
Water Distribution	NC451_Capital Acquisition Boreholes Refurbish_Stilrus	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	<i>Infrastructure</i>	<i>Water Supply Infrastructure</i>	Ward 3	0	0	–	2 218	(2 218)	(2 318)	(2 376)
Sewerage	NC451_Capital Acquisition_Waste Water Makgaladi	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	<i>Infrastructure</i>	<i>Sanitation Infrastructure</i>	Whole of the Municipality	0	0	–	1 362	1 444	1 502	1 532
Sewerage	NC451_Capital Acquisition_Waste Water Maologane	New	Spatial Integration, Human Settlements	To provide bulk water and sanitation services	<i>Infrastructure</i>	<i>Sanitation Infrastructure</i>	Whole of the Municipality	0	0	–	2 615	(2 772)	(2 883)	(2 941)

[illegible]

Water Distribution	NC451_Capital Acquisition_Water_Logobate	New	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	–	7 884	11 220	11 725	12 018
Water Distribution	NC451_Capital Acquisition_Water_March	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	4 163	7 732	8 042	8 202
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Wyk 3	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	1 831	1 831	1 913	1 961
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Wyk 3	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	1 831	(1 831)	(1 913)	(1 961)
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Gasehunelo Wyk 10	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	–	1 200	1 254	1 285
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Gasehunelo Wyk 5	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	–	1 200	1 254	1 285
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Matoro	New	Spatial Integration, Human Settlements And Local Government	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	–	1 186	1 239	1 270
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Metsimantsi Wyk 2	New	Spatial Integration, Human Settlements	To provide bulk water and sanitation services	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	0	0	–	–	1 500	1 568	1 607

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 2025/26 MTREF in May 2025 directly aligned and informed by the 2025/26 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 Original 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 : 26/06/2025.....