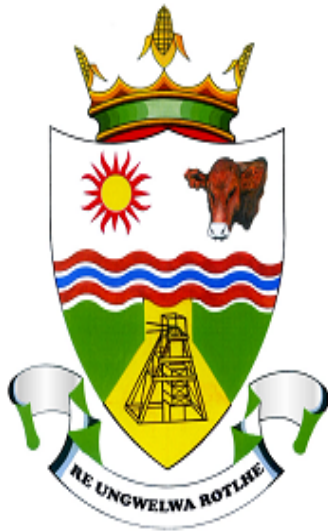


# **ADOPTED BUDGET OF JOE MOROLONG LOCAL MUNICIPALITY**



**JOE MOROLONG**  
LOCAL MUNICIPALITY

**(NC 451)**

## **2023/24 TO 2025/26 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

**Copies of this document can be viewed:**

- In the foyers of all municipal buildings
- All public libraries within the municipality
- At [www.treasury.gov.za](http://www.treasury.gov.za)
- At [www.joemorolong.gov.za](http://www.joemorolong.gov.za)

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## Glossary

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

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

**AFS**- Annual Financial Statements

**Budget** – The financial plan of the Municipality

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

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

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

**CFO** - Chief Financial Officer

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

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

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

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

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

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

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

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

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

**NT** – National Treasury

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

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

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

**SCM** – Supply Chain Management

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

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

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

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

## **PART 1**

### **Mayoral Budget Speech**

Madam Speaker,

Members of the Executive Committee,

Councilors,

Our Traditional Leaders,

Municipal Manager,

Senior Managers,

Guests,

Ladies and Gentlemen,

Good day to you all.

Thank you for the opportunity to present the Final Budget for the 2023/24 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 6.9% and the headline inflation forecast for forth coming financial year is estimated to be 5.3%, 4.9% and 4.7% respectively for 2024/25 and 2025/26.

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 2023/24 financial year, as we are still striving to secure the economic progression of the Municipality.

This Adopted 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 Adopted 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 adopting 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 2023/24 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 18.9%, bulk water tariff increase of 8%, consumer inflation, as well as other cost factors influencing service delivery.

## **FOCUS OF THE 2023/24 BUDGET**

- ❖ With the 2023/24 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 2023/24 financial year amounts to R 137 Million with the main focus on the following:

❖ Provision of water	R 86.8 Million
❖ Roads	R 20.5 Million
❖ Sanitation	R 15.4 Million
❖ Sports & Recreations	R 11 Million
❖ Computers, Offices Equipment & Other	R 1.3 Million
❖ Municipal Vehicle	R 2 million

Capital projects for the 2023/24 financial year are funded from grants receivable from the National Government amounting to R 132 million and own funding to the amount of R 3.3 Million

## **IN CONCLUSION**

The budget we are adopting 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 Acting 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, Adopting Original Budget for 2023/24 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 2023.
  - ✓ 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 2023.
  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 TABLED 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

**BUDGET RESOLUTION: RESNL2023-00219**

## 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. 123 was used to guide the compilation of the 2023/24 MTREF.**
- **The main challenges experienced during the compilation of the 2023/24 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 2023/24 MTREF:**
- The 2022/23 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2023/24 Final budget
  - 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 2022/23 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 2023/24 Medium-term Revenue and Expenditure Framework:

**Table 1 Overview of the 2023/24 MTREF**

	Adjustment Budget 2022/23 R '000	Budget Year 2023/24 R '000	Budget Year +1 2024/25 R'000	Budget Year +2 2025/26 R'000
Total Operating Revenue	368 861	419 987	438 210	449 233
Total Operating Expenditure	R369 490	R323 988	R293 371	R310 658
(Surplus)/Deficit for the year	-629	95 999	144 839	138 575
Total Capital Expenditure	R116 114	R137 120	R148 536	R157 449

Total operating revenue has increase by R 55.7 million for the 2023/24 financial year when compared to the 2022/23 Adjustments Budget. For the two outer years, operational revenue will increase by R12.9 million and then increase by R 11 million respectively. The Increase of R 55.7 million in 2023/24 financial year is as result of additional funding from MIG for sports field, Kumba Iron Ore SLP for funding Intern Programme and other operational grants (EPWP and Equitable Share)

Total operating expenditure for the 2023/24 financial year has been appropriated at R 323 million and translates into a budgeted deficit of R 9.2million. When compared to the 2022/23 Adjustments Budget, operational expenditure has decreased by R 45 million in the 2023/24 budget and will increase by R 30 million and R 17 million for each of the respective outer years of the MTREF. The operating surplus for the two outer years increases to R 49 million and then reduces to R 6 million. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R 137 million for 2023/24 is 15 per cent more when compared to the 2022/23 Adjustment Budget. The capital programme increases to R148 million in the 2024/25 financial year and R157 million in 2025/26. 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 2023/24 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	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1										
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	3 786	20 661	10 362	10 483	6 998	6 998	6 998	8 019	8 500	9 010
Service charges - Water	2	14 629	47 894	9 756	25 714	25 889	25 889	26 389	27 627	29 284	31 041
Service charges - Waste Water Management	2	2 601	9 440	1 261	2 895	1 301	1 301	1 401	1 431	1 514	1 605
Service charges - Waste Management	2	1 440	3 440	3 039	5 705	3 336	3 336	3 686	3 665	3 885	4 118
Sale of Goods and Rendering of Services		109	2 277	253	97	106	106	106	189	200	212
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		9 870	18 017	6 948	8 958	6 025	6 025	6 025	8 300	8 723	9 247
Interest earned from Current and Non		1 717	8 367	4 162	5 300	7 588	7 588	7 588	8 043	8 526	9 037
Current Assets											
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		51	100	109	60	79	79	79	80	85	90
Licence and permits		-	-	-	125	-	-	-	5	5	6
Operational Revenue		437	1 781	490	210	231	231	231	90	85	90
<b>Non-Exchange Revenue</b>											
Property rates	2	-	-	-	17 063	25 639	25 639	25 639	30 500	37 736	40 000
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	0	0	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		160 135	664 462	201 500	180 211	181 283	181 283	181 283	192 454	204 011	202 048
Interest		-	-	3 423	6 980	6 054	6 054	6 054	6 944	7 730	8 194
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	(432)	-	-	-	-	-	-	-
Other Gains		-	-	-	(10)	(10)	(10)	(10)	(11)	(11)	(12)
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>194 776</b>	<b>776 440</b>	<b>240 872</b>	<b>263 790</b>	<b>264 519</b>	<b>264 519</b>	<b>265 469</b>	<b>287 336</b>	<b>310 273</b>	<b>314 686</b>

**Table 3 Percentage growth in revenue by main revenue source**

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

Description R thousand	Ref	2023/24 Medium Term Revenue & Expenditure Framework							
		Adjusted Budget		Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	Budget Year +2 2025/26
<b>Revenue</b>									
<b>Exchange Revenue</b>									
Service charges - Electricity	2	6 998	2.6%	8 019	2.8%	8 500	2.7%	9 010	2.9%
Service charges - Water	2	25 889	9.8%	27 627	9.6%	29 284	9.4%	31 041	9.9%
Service charges - Waste Water Management	2	1 301	0.5%	1 431	0.5%	1 514	0.5%	1 605	0.5%
Service charges - Waste Management	2	3 336	1.3%	3 665	1.3%	3 885	1.3%	4 118	1.3%
Sale of Goods and Rendering of Services		106	0.0%	189	0.1%	200	0.1%	212	0.1%
Agency services		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Interest		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Interest earned from Receivables		6 025	2.3%	8 300	2.9%	8 723	2.8%	9 247	2.9%
Interest earned from Current and Non Current Assets		7 588	2.9%	8 043	2.8%	8 526	2.7%	9 037	2.9%
Dividends		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Rent on Land		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Rental from Fixed Assets		79	0.0%	80	0.0%	85	0.0%	90	0.0%
Licence and permits		-	0.0%	5	0.0%	5	0.0%	6	0.0%
Operational Revenue		231	0.1%	90	0.0%	85	0.0%	90	0.0%
<b>Non-Exchange Revenue</b>			0.0%		0.0%		0.0%		0.0%
Property rates	2	25 639	9.7%	30 500	10.6%	37 736	12.2%	40 000	12.7%
Surcharges and Taxes		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Fines, penalties and forfeits		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Licences or permits		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Transfer and subsidies - Operational		181 283	68.5%	192 454	67.0%	204 011	65.8%	202 048	64.2%
Interest		6 054	2.3%	6 944	2.4%	7 730	2.5%	8 194	2.6%
Fuel Levy		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Operational Revenue		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Gains on disposal of Assets		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other Gains		(10)	0.0%	(11)	0.0%	(11)	0.0%	(12)	0.0%
Discontinued Operations			0.0%		0.0%				0.0%
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>264 519</b>		<b>287 336</b>		<b>310 273</b>		<b>314 686</b>	<b>0</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The municipality's revenue from operating grants and transfers totals R192 million in 2023/24 and steadily increases to R204 million by 2024/25 and decreases to R202 million by 2025/26 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 following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 4 Operating Transfers and Grant Receipts**

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

Description  R thousand	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>108 171</b>	<b>389 088</b>	<b>226 636</b>	<b>175 119</b>	<b>165 212</b>	<b>165 212</b>	<b>188 008</b>	<b>201 131</b>	<b>196 441</b>
Equitable Share		102 002	368 406	220 682	167 455	157 548	157 548	180 561	190 948	188 273
Expanded Public Works Programme		863	3 979	464	1 139	1 139	1 139	2 159	2 289	2 426
Integrated Grant										
Local Government Financial Management Grant		1 996	3 298	2 396	3 100	3 100	3 100	3 100	3 286	3 483
Municipal Infrastructure Grant		3 310	13 406	3 093	3 425	3 425	3 425	4 347	4 608	4 885
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other transfers/grants [insert description]										
<b>District Municipality:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[insert description]										
<b>Other grant providers:</b>		<b>1 670</b>	<b>5 656</b>	<b>1 004</b>	<b>2 140</b>	<b>2 603</b>	<b>2 603</b>	<b>3 282</b>	<b>3 376</b>	<b>3 578</b>
Mining Companies		723	994	-	940	1 403	1 403	2 030	2 152	2 281
Northern Cape Arts and Cultural		947	4 663	1 004	1 200	1 200	1 200	1 252	1 224	1 297
<b>Total operating expenditure of Transfers and Grants:</b>		<b>160 135</b>	<b>664 462</b>	<b>201 500</b>	<b>180 211</b>	<b>181 283</b>	<b>181 283</b>	<b>191 290</b>	<b>204 507</b>	<b>200 019</b>

**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 5.3 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 Bloem 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. 51 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 2023 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 2023/24 financial year**

Category	Current Tariff (from 01 July 2022)	Final Tariff (from 01 July 2023)
	c	c
Residential properties	0.01201	0.01316
State owned properties	0.02200	0.02409
Public Service Infrastructure properties	0.00300	0.00329
Public Benefit Organisation	0.00300	0.00329
Business & Commercial	0.02435	0.02666
Vacant Land	0.01201	0.01316
Multi purpose Properties	0.01201	0.01316
Agricultural	0.0004166	0.000456
Industrial	0.02435	0.02666
Mines	0.02435	0.02666

### 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 increases of 5.3 per cent as from 1 July 2023 for water. This is based on input cost assumption of 8 percent increase in the cost of bulk water (Bloem Water) and cost related to renewal of water infrastructure. 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**

<b>Category</b>	<b>Current Tariff (from 01 July 2022)</b>	<b>Final Tariff (from 01 July 2023)</b>
<b>Residential</b>	<b>Rand per kl</b>	<b>Rand per kl</b>
0 – 6 k/l	R 7.26	7.95
6– 20 k/l	R 9.06	9.92
> 20 k/l	R 17.32	18.97
<b>Business</b>		
0 – 6 k/l	R 18.14	19.86
6– 20 k/l	R 23.45	25.68
> 20k/l	R 32.00	35.04
<b>Industrial</b>		
0 – 6 k/l	R 50.78	55.61
6– 20 k/l	R 65.29	71.50
> 20k/l	R 94.31	103.27

**1.2.4. Sanitation and Impact of Tariff Increase**

A tariff increase of 5.3 percent for sanitation from 1 July 2023 is tabled by council.

**Table 7 Comparison between current sanitation charges and increases**

<b>Categories</b>	<b>Current Tariffs 2022</b>	<b>Final Tariffs 2023</b>
<b>Residential</b>		
Basic charge	R 88.52	96.93
<b>Business</b>		
Basic charge	R 219.97	240.87

### 1.2.5 Refuse and Impact of Tariff Increases

A tariff increase of 5.3 percent for refuse from 1 July 2023 is approved by council

**Table 8 Comparison between current refuse charges and increases**

Categories	Current Tariffs 2022	Final Tariffs 2023
<b>Van Zylsrus</b>		
Residential	R 35.83	39.23
Business (per container)	R 74.36	81.42
<b>Hotazel</b>		
<b>Residential</b>		
Refuse removal charge (1 X per week)	R 266.37	291.68
Special household	R 356.32	390.17
Tariff for schools, creches, other educational institutions, churches and welfare or life clubs, residential used for business		
Refuse removal charge (1 X per week)	R 266.37	291.68
Business, Hotel, Guest Houses, Flats 2 X per week	R 516.38	565.44
Business, Hotel, Guest Houses, Flats 1 X per week	R 319.22	349.55
Garden refuse (per 3m <sup>3</sup> load or part thereof)	R 633.04	693.18
Building Rubble (per 3m <sup>3</sup> load or part thereof)	R 1 139.48	1 247.73
Bulk Refuse Container	R 658.36	720.91
Compost (bulk) per m <sup>3</sup>	R 949.56	1 039.77
Business, Hotel, Guest Houses, Flats 2 X per week	R 516.38	565.44

### 1.2.6 Electricity and impact of Tariff Increases

A tariff increase of 18.9% percent for electricity from 1 July 2023 is approved by council as recommended by NERSA in MFMA Circular no: 123

**Table 9 Comparison between current electricity charges and increases**

Categories	Approved tariffs 2022/23	Final Tariffs 2023/24
<b>Prepaid</b>		
<b>DOMESTIC CUSTOMERS</b>		
Availability charge	R 149.51	151.45
Energy charge c/kWh	260.32	263.70
<b>COMMERCIAL CUSTOMERS</b>		
Availability charge	R 164.56	166.70
Basic charge	R 141.23	143.07
Energy charge c/kWh	260.32	263.70
<b>COMMERCIAL CONVENTIONAL</b>		
Basic charge	R 205.68	208.35
Energy charge c/kWh	230.22	233.21
<b>INDUSTRIAL</b>		

Availability charge	R 139.12	140.93
Basic charge	R 205.68	208.35
Energy charge c/kWh	230.22	233.21

**The tariffs for 2023/24 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 6 per cent and 18.9 per cent, with the increase for indigent households being to 6 per cent.



### 1.3 Operating Expenditure Framework

The Municipality's expenditure framework for the 2023/24 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 2023/24 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	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Expenditure</b>											
Employee related costs	2	61 224	235 210	71 304	100 976	90 101	90 101	90 101	126 134	119 959	127 028
Remuneration of councillors		12 017	25 441	11 955	13 896	13 050	13 050	13 050	13 799	14 627	15 505
Bulk purchases - electricity	2	6 450	17 307	9 299	7 000	9 865	9 865	9 865	7 039	7 461	7 909
Inventory consumed	8	9 912	51 922	10 753	14 741	12 806	12 806	12 806	24 691	18 026	19 108
Debt impairment	3	-	-	-	12 222	17 269	17 269	17 269	21 926	10 634	11 272
Depreciation and amortisation		126 611	477 984	130 492	19 320	118 713	118 713	118 713	34 804	25 572	27 107
Interest		244	856	313	221	551	551	551	260	276	292
Contracted services		25 802	94 774	36 609	47 231	51 343	51 343	51 343	46 700	48 521	51 246
Transfers and subsidies		34 906	17 188	11 993	500	650	650	650	500	530	562
Irrecoverable debts written off		(7 665)	896 005	(4 272)	-	-	-	-	-	-	-
Operational costs		34 525	97 519	36 866	55 333	55 152	55 152	55 152	48 146	47 776	50 642
Losses on disposal of Assets		-	7 476	9 629	-	-	-	-	-	-	-
Other Losses		-	-	-	(10)	(10)	(10)	(10)	(11)	(11)	(12)
<b>Total Expenditure</b>		<b>304 025</b>	<b>1 921 682</b>	<b>324 941</b>	<b>271 431</b>	<b>369 490</b>	<b>369 490</b>	<b>369 490</b>	<b>323 988</b>	<b>293 371</b>	<b>310 659</b>

The budgeted allocation for employee related costs for the 2023/24 financial year totals R126 million. The previous year's collective SALGBC wage increase averaged above inflation. Salary increases have been factored into this budget at a percentage

increase of 5.3 per cent for the 2023/24 financial year. An annual increase of 5.3 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.

The provision of debt impairment was determined based on an annual collection rate as per Debt Write-off Policy of the municipality.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges which is R260 thousands for 2023/24 and increases to R276 thousands by 2024/25.

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

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 5.3 per cent for 2023/24 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		–	1 164	659	9 000	11 500	11 500	13 000	13 780	14 607
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	685	463	9 000	11 500	11 500	13 000	13 780	14 607
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	479	196	–	–	–	–	–	–
Community Assets		–	–	2 466	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	2 012	1 909	3 509	3 509	1 530	1 590	1 685
<b>Total Repairs and Maintenance Expenditure</b>	1	–	1 164	5 137	10 909	15 009	15 009	14 530	15 370	16 292
<b>R&amp;M as a % of PPE &amp; Investment Property</b>		0.0%	0.0%	0.4%	1.0%	1.2%	1.2%	1.1%	1.1%	1.1%
<b>R&amp;M as % Operating Expenditure</b>		0.0%	0.1%	1.6%	4.0%	4.1%	4.1%	3.9%	4.7%	5.6%

For the 2023/24 financial year, R14.5 million of total repairs and maintenance will be spent on infrastructure assets. Water infrastructure has received a significant proportion of this allocation totalling up to R13 million, followed by Transport assets has been allocated R1.5 million of total repairs and maintenance.

## 1.4 Capital expenditure

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

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

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

Description R thousand	Ref 1			2023/24 Medium Term Revenue & Expenditure Framework					
		Adjusted Budget	%	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
<b>Capital Expenditure - Functional</b>									
<b>Governance and administration</b>		5 732	5%	3 370	2%	3 572	2%	3 787	2%
Executive and council	2	-	0%	100	0%	106	0%	112	0%
Finance and administration	2	5 732	5%	3 270	2%	3 466	2%	3 674	2%
<b>Community and public safety</b>	2	7 416	6%	14 000	10%	14 840	10%	15 730	10%
Community and social services		7 416	6%	3 000	2%	3 180	2%	3 371	2%
Sport and recreation		-	0%	11 000	8%	11 660	8%	12 360	8%
<b>Economic and environmental services</b>		20 341	18%	20 488	15%	21 717	15%	23 020	15%
Road transport		20 145	17%	20 488	15%	21 717	15%	23 020	15%
<b>Trading services</b>		82 626	71%	101 713	73%	108 408	73%	114 912	73%
Water management	2	71 921	62%	86 332	62%	92 104	62%	97 630	62%
Waste water management		10 705	9%	15 381	11%	16 304	11%	17 282	11%
<b>Total Capital Expenditure - Functional</b>		<b>116 115</b>	<b>100%</b>	<b>139 571</b>	<b>100%</b>	<b>148 537</b>	<b>100%</b>	<b>157 449</b>	<b>100%</b>

For 2023/24 an amount of R 139.6 million has been budgeted for the capital expenses and increases to R 148.5 million in 2024/25. For 2023/24 financial year water receives the highest allocation of R 86 million, which represent 62 per cent followed by Roads at R 20 million at 15 per cent and then waste water management at R 15 million at 11 per cent.

The capital budget for the 2023/24 financial year amounts to R 137 Million with the main focus on the following:

- ❖ Provision of water R 86.8 Million
- ❖ Roads R 20.5 Million
- ❖ Sanitation R 15.4 Million
- ❖ Sports & Recreations R 11 Million
- ❖ Computers, Offices Equipment & Other R 1.3 Million
- ❖ Municipal Vehicle R 2 million

Capital projects for the 2023/24 financial year are funded from grants receivable from the National Government amounting to R 132 million and own funding to the amount of R 3.3 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 2023/24 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page

NC451 Joe Morolong - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	–	–	–	17 063	25 639	25 639	25 639	35 600	37 736	40 000
Service charges	22 456	81 436	24 418	44 797	37 524	37 524	38 474	40 739	43 183	45 774
Investment revenue	1 717	8 367	4 162	5 300	7 588	7 588	7 588	8 043	8 526	9 037
Transfer and subsidies - Operational	160 135	664 462	201 500	180 211	181 283	181 283	181 283	192 952	204 011	202 048
Other own revenue	10 468	22 175	10 791	16 420	12 485	12 485	12 485	15 866	16 818	17 827
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>194 776</b>	<b>776 440</b>	<b>240 872</b>	<b>263 790</b>	<b>264 519</b>	<b>264 519</b>	<b>265 469</b>	<b>293 200</b>	<b>310 273</b>	<b>314 686</b>
Employee costs	61 224	235 210	71 304	100 976	90 101	90 101	90 101	112 960	117 870	124 815
Remuneration of councillors	12 017	25 441	11 955	13 896	13 050	13 050	13 050	13 800	14 627	15 505
Depreciation and amortisation	126 611	477 984	130 492	19 320	118 713	118 713	118 713	34 804	36 892	39 106
Finance charges	244	856	313	221	551	551	551	260	276	292
Inventory consumed and bulk purchases	16 362	69 230	20 052	21 741	22 671	22 671	22 671	27 468	29 111	30 858
Transfers and subsidies	34 906	17 188	11 993	500	650	650	650	500	530	562
Other expenditure	52 662	1 095 774	78 831	114 776	123 754	123 754	123 754	105 228	109 029	115 385
<b>Total Expenditure</b>	<b>304 025</b>	<b>1 921 682</b>	<b>324 941</b>	<b>271 431</b>	<b>369 490</b>	<b>369 490</b>	<b>369 490</b>	<b>295 019</b>	<b>308 336</b>	<b>326 522</b>
<b>Surplus/(Deficit)</b>	<b>(109 249)</b>	<b>(1 145 242)</b>	<b>(84 070)</b>	<b>(7 641)</b>	<b>(104 971)</b>	<b>(104 971)</b>	<b>(104 021)</b>	<b>(1 819)</b>	<b>1 937</b>	<b>(11 836)</b>
Transfers and subsidies - capital (monetary allocations)	107 012	379 900	142 463	105 071	105 071	105 071	105 071	132 101	127 937	134 548
Transfers and subsidies - capital (in-kind)	–	33 288	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(2 237)</b>	<b>(732 054)</b>	<b>58 394</b>	<b>97 430</b>	<b>100</b>	<b>100</b>	<b>1 050</b>	<b>130 282</b>	<b>129 875</b>	<b>122 711</b>
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>(2 237)</b>	<b>(732 054)</b>	<b>58 394</b>	<b>97 430</b>	<b>100</b>	<b>100</b>	<b>1 050</b>	<b>130 282</b>	<b>129 875</b>	<b>122 711</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>119 279</b>	<b>675 928</b>	<b>157 150</b>	<b>128 923</b>	<b>116 115</b>	<b>116 115</b>	<b>116 115</b>	<b>139 571</b>	<b>148 537</b>	<b>157 449</b>
Transfers recognised - capital	84 799	389 211	65 175	105 071	102 571	102 571	102 571	132 101	140 619	149 056
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	34 480	286 717	91 975	23 852	13 544	13 544	13 544	7 470	7 918	8 393
<b>Total sources of capital funds</b>	<b>119 279</b>	<b>675 928</b>	<b>157 150</b>	<b>128 923</b>	<b>116 115</b>	<b>116 115</b>	<b>116 115</b>	<b>139 571</b>	<b>148 537</b>	<b>157 449</b>
<b>Financial position</b>										
Total current assets	196 244	414 279	129 501	57 199	115 438	115 438	115 438	305 735	326 479	333 136
Total non current assets	1 492 175	5 082 116	1 362 735	1 457 715	1 453 656	1 453 656	1 453 656	1 565 826	1 660 368	1 759 990
Total current liabilities	56 314	202 786	66 134	17 000	96 200	96 200	96 200	223 271	231 382	245 137
Total non current liabilities	4 647	21 746	6 261	5 208	6 093	6 093	6 093	6 459	6 846	7 257
Community wealth/Equity	1 608 121	3 839 796	1 443 104	1 494 229	1 443 598	1 443 598	1 443 598	1 571 034	1 657 072	1 741 541
<b>Cash flows</b>										
Net cash from (used) operating	992	(1 148 961)	(160 380)	(3 692 058)	166 308	166 308	166 308	259 393	249 863	249 770
Net cash from (used) investing	–	–	–	–	–	–	–	(132 101)	(115 959)	(121 851)
Net cash from (used) financing	–	–	–	–	–	–	–	(207)	(219)	(232)
<b>Cash/cash equivalents at the year end</b>	<b>992</b>	<b>(1 148 961)</b>	<b>(160 380)</b>	<b>(3 692 058)</b>	<b>166 308</b>	<b>166 308</b>	<b>166 308</b>	<b>187 156</b>	<b>320 840</b>	<b>448 527</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	1 627 153	5 352 570	1 440 743	1 478 206	1 526 120	1 526 120	1 526 120	1 804 792	1 916 072	2 018 104
Application of cash and investments	55 549	230 483	61 395	14 033	80 631	80 631	80 644	198 528	205 345	217 538
<b>Balance - surplus (shortfall)</b>	<b>1 571 604</b>	<b>5 122 087</b>	<b>1 379 348</b>	<b>1 464 173</b>	<b>1 445 488</b>	<b>1 445 488</b>	<b>1 445 475</b>	<b>1 606 264</b>	<b>1 710 727</b>	<b>1 800 566</b>
<b>Asset management</b>										
Asset register summary (WDV)	1 410 098	4 935 349	1 269 115	1 133 031	1 259 665	1 259 665	1 336 618	1 416 815	1 501 824	–
Depreciation	126 611	165 559	43 399	18 320	71 584	71 584	34 304	36 362	38 544	–
Renewal and Upgrading of Existing Assets	1 617	14 568	(55 806)	7 107	7 107	7 107	9 252	9 807	10 396	–
Repairs and Maintenance	–	1 164	5 137	10 909	15 009	15 009	14 500	15 370	16 292	–
<b>Free services</b>										
Cost of Free Basic Services provided	–	–	–	–	950	950	1 007	1 067	1 131	–
Revenue cost of free services provided	–	–	–	2 872	1 858	1 858	1 969	2 087	2 212	–
<b>Households below minimum service level</b>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

## **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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue - Functional</b>										
<b><i>Governance and administration</i></b>		<b>157 713</b>	<b>692 212</b>	<b>202 741</b>	<b>203 113</b>	<b>214 127</b>	<b>214 127</b>	<b>231 207</b>	<b>250 318</b>	<b>251 206</b>
Executive and council		27	–	–	–	–	–	–	–	–
Finance and administration		157 686	692 212	202 741	203 113	214 127	214 127	231 207	250 318	251 206
Internal audit		–	–	–	–	–	–	–	–	–
<b><i>Community and public safety</i></b>		<b>10 280</b>	<b>101</b>	<b>2 070</b>	<b>2 524</b>	<b>2 418</b>	<b>2 418</b>	<b>14 496</b>	<b>3 579</b>	<b>3 721</b>
Community and social services		10 280	100	2 070	2 399	2 418	2 418	3 491	3 573	3 716
Sport and recreation		0	1	–	–	–	–	11 000	–	–
Public safety		–	–	–	125	–	–	5	5	6
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<b><i>Economic and environmental services</i></b>		<b>61 351</b>	<b>156 646</b>	<b>3 195</b>	<b>68 532</b>	<b>68 556</b>	<b>68 556</b>	<b>24 054</b>	<b>25 876</b>	<b>27 209</b>
Planning and development		4 327	9 233	3 195	3 461	3 485	3 485	3 666	4 469	4 737
Road transport		57 024	147 413	–	65 071	65 071	65 071	20 388	21 406	22 471
Environmental protection		–	–	0	0	0	0	0	0	0
<b><i>Trading services</i></b>		<b>72 444</b>	<b>340 670</b>	<b>175 329</b>	<b>94 692</b>	<b>84 489</b>	<b>84 489</b>	<b>150 230</b>	<b>158 438</b>	<b>167 097</b>
Energy sources		3 786	22 009	12 623	12 443	8 767	8 767	8 214	8 500	9 010
Water management		64 618	245 661	73 853	72 002	70 889	70 889	119 756	126 379	133 034
Waste water management		2 601	65 028	85 098	3 943	1 497	1 497	17 960	19 075	20 300
Waste management		1 440	7 971	3 755	6 305	3 336	3 336	4 300	4 483	4 753
<b><i>Other</i></b>	4	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Functional</b>	2	<b>301 788</b>	<b>1 189 629</b>	<b>383 335</b>	<b>368 861</b>	<b>369 590</b>	<b>369 590</b>	<b>419 987</b>	<b>438 211</b>	<b>449 234</b>
<b>Expenditure - Functional</b>										
<b><i>Governance and administration</i></b>		<b>208 709</b>	<b>1 308 705</b>	<b>236 862</b>	<b>128 815</b>	<b>142 792</b>	<b>142 792</b>	<b>137 318</b>	<b>136 078</b>	<b>144 056</b>
Executive and council		14 000	51 341	23 294	30 200	26 784	26 784	31 548	34 567	36 640
Finance and administration		193 078	1 251 201	212 228	96 248	113 958	113 958	102 941	98 512	104 237
Internal audit		1 631	6 163	1 341	2 368	2 050	2 050	2 829	2 999	3 179
<b><i>Community and public safety</i></b>		<b>39 777</b>	<b>59 058</b>	<b>16 379</b>	<b>14 495</b>	<b>19 740</b>	<b>19 740</b>	<b>27 984</b>	<b>16 141</b>	<b>17 038</b>
Community and social services		39 761	47 556	15 473	9 124	13 087	13 087	10 992	9 169	9 647
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		16	29	849	1 814	1 303	1 303	2 901	2 468	2 616
Housing		–	11 438	–	3 557	5 350	5 350	14 091	4 504	4 774
Health		–	35	58	–	–	–	–	–	–
<b><i>Economic and environmental services</i></b>		<b>10 250</b>	<b>38 249</b>	<b>10 373</b>	<b>26 581</b>	<b>67 835</b>	<b>67 835</b>	<b>26 260</b>	<b>24 869</b>	<b>26 306</b>
Planning and development		8 655	30 704	8 880	17 423	14 625	14 625	16 748	15 810	16 702
Road transport		1 270	6 715	656	6 915	49 744	49 744	7 656	7 093	7 519
Environmental protection		325	830	836	2 243	3 465	3 465	1 855	1 966	2 084
<b><i>Trading services</i></b>		<b>45 290</b>	<b>515 671</b>	<b>61 327</b>	<b>101 640</b>	<b>140 343</b>	<b>140 343</b>	<b>132 427</b>	<b>116 282</b>	<b>123 259</b>
Energy sources		8 705	81 428	11 816	22 102	48 123	48 123	41 464	40 742	43 187
Water management		33 024	350 312	33 983	73 446	85 707	85 707	82 143	68 896	73 030
Waste water management		1 597	45 466	14 020	3 549	3 595	3 595	4 285	3 696	3 917
Waste management		1 963	38 464	1 507	2 542	2 918	2 918	4 534	2 948	3 125
<b><i>Other</i></b>	4	–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Functional</b>	3	<b>304 025</b>	<b>1 921 682</b>	<b>324 941</b>	<b>271 531</b>	<b>370 710</b>	<b>370 710</b>	<b>323 988</b>	<b>293 371</b>	<b>310 659</b>
<b>Surplus/(Deficit) for the year</b>		<b>(2 237)</b>	<b>(732 054)</b>	<b>58 394</b>	<b>97 330</b>	<b>(1 120)</b>	<b>(1 120)</b>	<b>95 999</b>	<b>144 840</b>	<b>138 575</b>

## **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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		27	–	–	–	–	–	–	–	–
Vote 2 - Office Of The Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 3 - LED, Development and Town Planning		7	289	25	36	60	60	90	95	101
Vote 4 - Corporate Services		995	29 844	508	244	1 301	1 301	1 872	1 984	2 103
Vote 5 - Technical Services		131 081	493 739	178 499	163 188	152 985	152 985	174 194	184 218	194 205
Vote 6 - Financial Services		158 079	665 656	202 233	202 869	212 827	212 827	229 335	248 334	249 102
Vote 7 - Community Services		11 599	101	2 070	2 524	2 418	2 418	14 496	3 579	3 722
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	2	<b>301 788</b>	<b>1 189 629</b>	<b>383 335</b>	<b>368 861</b>	<b>369 590</b>	<b>369 590</b>	<b>419 987</b>	<b>438 211</b>	<b>449 234</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		10 018	25 567	16 962	19 660	18 047	18 047	22 256	23 391	24 794
Vote 2 - Office Of The Municipal Manager		5 613	31 937	7 681	14 212	11 432	11 432	13 621	15 880	16 833
Vote 3 - LED, Development and Town Planning		5 072	15 641	4 737	12 949	10 193	10 193	11 350	12 001	12 722
Vote 4 - Corporate Services		33 944	103 611	28 122	50 893	52 950	52 950	50 824	50 476	53 505
Vote 5 - Technical Services		49 449	534 325	66 126	113 348	194 510	194 510	139 736	127 113	134 684
Vote 6 - Financial Services		158 854	1 147 421	184 097	41 531	60 373	60 373	56 363	46 401	49 000
Vote 7 - Community Services		41 075	63 181	17 216	18 938	23 205	23 205	29 362	18 107	19 122
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>	2	<b>304 025</b>	<b>1 921 682</b>	<b>324 941</b>	<b>271 531</b>	<b>370 710</b>	<b>370 710</b>	<b>323 512</b>	<b>293 371</b>	<b>310 659</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(2 237)</b>	<b>(732 054)</b>	<b>58 394</b>	<b>97 330</b>	<b>(1 120)</b>	<b>(1 120)</b>	<b>96 475</b>	<b>144 840</b>	<b>138 575</b>

### **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	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	3 786	20 661	10 362	10 483	6 998	6 998	6 998	8 019	8 500	9 010
Service charges - Water	2	14 629	47 894	9 756	25 714	25 889	25 889	26 389	27 627	29 284	31 041
Service charges - Waste Water Management	2	2 601	9 440	1 261	2 895	1 301	1 301	1 401	1 431	1 514	1 605
Service charges - Waste Management	2	1 440	3 440	3 039	5 705	3 336	3 336	3 686	3 665	3 885	4 118
Sale of Goods and Rendering of Services		109	2 277	253	97	106	106	106	189	200	212
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		9 870	18 017	6 948	8 958	6 025	6 025	6 025	8 300	8 723	9 247
Interest earned from Current and Non Current		1 717	8 367	4 162	5 300	7 588	7 588	7 588	8 043	8 526	9 037
<b>Assets</b>											
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		51	100	109	60	79	79	79	80	85	90
Licence and permits		-	-	-	125	-	-	-	5	5	6
Operational Revenue		437	1 781	490	210	231	231	231	90	85	90
<b>Non-Exchange Revenue</b>											
Property rates	2	-	-	-	17 063	25 639	25 639	25 639	30 500	37 736	40 000
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	0	0	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		160 135	664 462	201 500	180 211	181 283	181 283	181 283	192 454	204 011	202 048
Interest		-	-	3 423	6 980	6 054	6 054	6 054	6 944	7 730	8 194
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	(432)	-	-	-	-	-	-	-
Other Gains		-	-	-	(10)	(10)	(10)	(10)	(11)	(11)	(12)
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>194 776</b>	<b>776 440</b>	<b>240 872</b>	<b>263 790</b>	<b>264 519</b>	<b>264 519</b>	<b>265 469</b>	<b>287 336</b>	<b>310 273</b>	<b>314 686</b>
<b>Expenditure</b>											
Employee related costs	2	61 224	235 210	71 304	100 976	90 101	90 101	90 101	126 134	119 959	127 028
Remuneration of councillors		12 017	25 441	11 955	13 896	13 050	13 050	13 050	13 799	14 627	15 505
Bulk purchases - electricity	2	6 450	17 307	9 299	7 000	9 865	9 865	9 865	7 039	7 461	7 909
Inventory consumed	8	9 912	51 922	10 753	14 741	12 806	12 806	12 806	24 691	18 026	19 108
Debt impairment	3	-	-	-	12 222	17 269	17 269	17 269	21 926	10 634	11 272
Depreciation and amortisation		126 611	477 984	130 492	19 320	118 713	118 713	118 713	34 804	25 572	27 107
Interest		244	856	313	221	551	551	551	260	276	292
Contracted services		25 802	94 774	36 609	47 231	51 343	51 343	51 343	46 700	48 521	51 246
Transfers and subsidies		34 906	17 188	11 993	500	650	650	650	500	530	562
Irrecoverable debts written off		(7 665)	896 005	(4 272)	-	-	-	-	-	-	-
Operational costs		34 525	97 519	36 866	55 333	56 272	56 272	56 272	48 146	47 776	50 642
Losses on disposal of Assets		-	7 476	9 629	-	-	-	-	-	-	-
Other Losses		-	-	-	(10)	(10)	(10)	(10)	(11)	(11)	(12)
<b>Total Expenditure</b>		<b>304 025</b>	<b>1 921 682</b>	<b>324 941</b>	<b>271 431</b>	<b>370 610</b>	<b>370 610</b>	<b>370 610</b>	<b>323 988</b>	<b>293 371</b>	<b>310 659</b>
<b>Surplus/(Deficit)</b>		<b>(109 249)</b>	<b>(1 145 242)</b>	<b>(84 070)</b>	<b>(7 641)</b>	<b>(106 091)</b>	<b>(106 091)</b>	<b>(105 141)</b>	<b>(36 652)</b>	<b>16 902</b>	<b>4 027</b>
Transfers and subsidies - capital (monetary allocations)	6	107 012	379 900	142 463	105 071	105 071	105 071	105 071	132 651	127 937	134 548
Transfers and subsidies - capital (in-kind)	6	-	33 288	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(2 237)</b>	<b>(732 054)</b>	<b>58 394</b>	<b>97 430</b>	<b>(1 020)</b>	<b>(1 020)</b>	<b>(70)</b>	<b>95 999</b>	<b>144 840</b>	<b>138 575</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>(2 237)</b>	<b>(732 054)</b>	<b>58 394</b>	<b>97 430</b>	<b>(1 020)</b>	<b>(1 020)</b>	<b>(70)</b>	<b>95 999</b>	<b>144 840</b>	<b>138 575</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(2 237)</b>	<b>(732 054)</b>	<b>58 394</b>	<b>97 430</b>	<b>(1 020)</b>	<b>(1 020)</b>	<b>(70)</b>	<b>95 999</b>	<b>144 840</b>	<b>138 575</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>(2 237)</b>	<b>(732 054)</b>	<b>58 394</b>	<b>97 430</b>	<b>(1 020)</b>	<b>(1 020)</b>	<b>(70)</b>	<b>95 999</b>	<b>144 840</b>	<b>138 575</b>

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

Total operating revenue is R 287 Million for 2023/24 and increase to R310 million and then increases to R 314 Million by 2024/25 and 2025/26 respectively.

Revenue to be generated from property rates will be R 30 Million in the 2023/24 and increase to R 37.7 million by 2024/25 financial year.

Services charges relating to electricity, water, sanitation and refuse removal constitutes R 40.9 million in 2023/24 and increases to R 43.3 million in 2024/25. 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 R323 million for 2023/24 and increase to R293 million by 2024/25.

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

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Executive and Council		–	–	824	–	–	–	–	–	–	–
Vote 2 - Office Of The Municipal Manager		–	–	–	–	–	–	–	100	106	112
Vote 3 - LED, Development and Town Planning		–	–	–	–	–	–	–	–	–	–
Vote 4 - Corporate Services		323	(654)	334	7 720	4 220	4 220	4 220	2 870	3 042	3 225
Vote 5 - Technical Services		84 799	44 408	56 197	99 264	112 127	112 127	112 127	122 751	130 125	137 932
Vote 6 - Financial Services		–	120	12 826	2 512	1 512	1 512	1 512	400	424	449
Vote 7 - Community Services		–	21 117	77 665	12 320	7 612	7 612	7 612	–	–	0
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–
<b>Capital multi-year expenditure sub-total</b>	7	<b>85 121</b>	<b>64 991</b>	<b>147 846</b>	<b>121 816</b>	<b>125 471</b>	<b>125 471</b>	<b>125 471</b>	<b>126 121</b>	<b>133 697</b>	<b>141 719</b>
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Office Of The Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - LED, Development and Town Planning		–	–	–	–	–	–	–	–	–	–
Vote 4 - Corporate Services		492	679	–	–	–	–	–	–	–	–
Vote 5 - Technical Services		544	112 579	9 304	7 107	7 107	7 107	7 107	–	–	0
Vote 6 - Financial Services		79	–	–	–	–	–	–	–	–	–
Vote 7 - Community Services		220	1 164	–	–	–	–	–	–	–	–
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–
<b>Capital single-year expenditure sub-total</b>		<b>1 335</b>	<b>114 422</b>	<b>9 304</b>	<b>7 107</b>	<b>7 107</b>	<b>7 107</b>	<b>7 107</b>	<b>–</b>	<b>–</b>	<b>0</b>
<b>Total Capital Expenditure - Vote</b>		<b>86 456</b>	<b>179 413</b>	<b>157 150</b>	<b>128 923</b>	<b>132 578</b>	<b>132 578</b>	<b>132 578</b>	<b>126 121</b>	<b>133 697</b>	<b>141 719</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>33 716</b>	<b>251 643</b>	<b>13 984</b>	<b>10 232</b>	<b>5 732</b>	<b>5 732</b>	<b>5 732</b>	<b>3 370</b>	<b>3 572</b>	<b>3 787</b>
Executive and council		–	–	824	–	–	–	–	100	106	112
Finance and administration		33 716	251 643	13 160	10 232	5 732	5 732	5 732	3 270	3 466	3 674
Internal audit		–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		<b>220</b>	<b>22 281</b>	<b>77 467</b>	<b>12 100</b>	<b>7 416</b>	<b>7 416</b>	<b>7 416</b>	<b>11 000</b>	<b>14 840</b>	<b>15 730</b>
Community and social services		165	21 117	77 467	12 100	7 416	7 416	7 416	–	3 180	3 371
Sport and recreation		–	–	–	–	–	–	–	11 000	11 660	12 360
Public safety		55	1 164	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		<b>9 733</b>	<b>(58 169)</b>	<b>45 159</b>	<b>20 365</b>	<b>20 341</b>	<b>20 341</b>	<b>20 341</b>	<b>20 488</b>	<b>21 717</b>	<b>23 020</b>
Planning and development		–	–	–	–	–	–	–	–	–	–
Road transport		9 733	(58 169)	44 961	20 145	20 145	20 145	20 145	20 488	21 717	23 020
Environmental protection		–	–	198	220	196	196	196	–	–	0
<b>Trading services</b>		<b>75 610</b>	<b>460 174</b>	<b>20 539</b>	<b>86 226</b>	<b>99 089</b>	<b>99 089</b>	<b>99 089</b>	<b>102 263</b>	<b>108 408</b>	<b>114 912</b>
Energy sources		–	–	1 304	–	–	–	–	–	–	–
Water management		75 066	554 296	4 294	75 221	88 384	88 384	88 384	86 882	92 104	97 630
Waste water management		–	(79 963)	14 810	11 005	10 705	10 705	10 705	15 381	16 304	17 282
Waste management		544	(14 160)	130	–	–	–	–	–	–	–
<b>Other</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>119 279</b>	<b>675 928</b>	<b>157 150</b>	<b>128 923</b>	<b>132 578</b>	<b>132 578</b>	<b>132 578</b>	<b>137 121</b>	<b>148 537</b>	<b>157 449</b>
<b>Funded by:</b>											
National Government		84 799	389 211	65 175	105 071	119 034	119 034	119 034	132 651	140 619	149 056
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	84 799	389 211	65 175	105 071	119 034	119 034	119 034	132 651	140 619	149 056
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		34 480	286 717	91 975	23 852	13 544	13 544	13 544	4 470	7 918	8 393
<b>Total Capital Funding</b>	7	<b>119 279</b>	<b>675 928</b>	<b>157 150</b>	<b>128 923</b>	<b>132 578</b>	<b>132 578</b>	<b>132 578</b>	<b>137 121</b>	<b>148 537</b>	<b>157 449</b>

### **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 137 million for the 2023/24 financial year and increases over the MTREF to R 148.5 million and R 157.4 million respectively for the two outer years.

Unlike multi-year capital appropriations, all of our capital projects are expected to be completed with a single year 2023/24. Included in our single-year appropriations is an expenditure that will be incurred in the 2023/24 budget year such as the procurement of computers and office furniture. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

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

**Table 19- Table A6 Budget Financial position**

**NC451 Joe Morolong - Table A6 Budgeted Financial Position**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		2 870	183 419	56 669	8 748	46 540	46 540	46 540	186 706	320 196	447 676
Trade and other receivables from exchange transactions	1	159 677	90 683	22 429	17 034	32 248	32 248	32 248	34 183	36 234	38 408
Receivables from non-exchange transactions	1	–	–	–	–	–	–	–	3 732	2 713	2 876
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	7 167	(5 515)	3 099	8 591	15 642	15 642	15 642	9 911	9 149	9 698
VAT		26 410	144 563	46 922	21 817	20 618	20 618	20 618	28 328	23 166	24 556
Other current assets		119	1 129	382	1 009	390	390	390	433	438	464
<b>Total current assets</b>		<b>196 244</b>	<b>414 279</b>	<b>129 501</b>	<b>57 199</b>	<b>115 438</b>	<b>115 438</b>	<b>115 438</b>	<b>263 294</b>	<b>391 896</b>	<b>523 679</b>
<b>Non current assets</b>											
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	1 464 606	5 078 468	1 361 645	1 452 424	1 463 915	1 463 915	1 463 915	1 554 683	1 651 153	1 750 223
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		25 839	–	–	–	–	–	–	–	–	–
Intangible assets		1 730	3 648	1 090	5 292	6 204	6 204	6 204	8 693	9 215	9 767
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
<b>Total non current assets</b>		<b>1 492 175</b>	<b>5 082 116</b>	<b>1 362 735</b>	<b>1 457 715</b>	<b>1 470 119</b>	<b>1 470 119</b>	<b>1 470 119</b>	<b>1 563 376</b>	<b>1 660 368</b>	<b>1 759 990</b>
<b>TOTAL ASSETS</b>		<b>1 688 419</b>	<b>5 496 394</b>	<b>1 492 236</b>	<b>1 514 914</b>	<b>1 585 557</b>	<b>1 585 557</b>	<b>1 585 557</b>	<b>1 826 670</b>	<b>2 052 264</b>	<b>2 283 669</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		194	474	129	–	129	129	129	137	145	154
Consumer deposits		33	96	25	24	29	29	29	29	31	33
Trade and other payables from exchange transactions	4	55 549	230 483	61 395	16 304	83 853	83 853	83 853	176 706	213 628	226 318
Trade and other payables from non-exchange transactions	5	365	8 020	151	(1 873)	965	965	965	4 686	4 967	5 265
Provision		–	–	–	–	–	–	–	–	–	–
VAT		–	(37 196)	4 112	2 302	10 843	10 843	10 843	11 494	12 183	12 914
Other current liabilities		173	908	322	243	381	381	381	220	233	247
<b>Total current liabilities</b>		<b>56 314</b>	<b>202 786</b>	<b>66 134</b>	<b>17 000</b>	<b>96 200</b>	<b>96 200</b>	<b>96 200</b>	<b>193 271</b>	<b>231 187</b>	<b>244 931</b>
<b>Non current liabilities</b>											
Financial liabilities	6	807	3 096	645	502	477	477	477	505	536	568
Provision	7	1 918	9 589	2 593	2 397	2 593	2 593	2 593	2 749	2 914	3 089
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		1 922	9 062	3 023	2 308	3 023	3 023	3 023	3 204	3 397	3 600
<b>Total non current liabilities</b>		<b>4 647</b>	<b>21 746</b>	<b>6 261</b>	<b>5 208</b>	<b>6 093</b>	<b>6 093</b>	<b>6 093</b>	<b>6 459</b>	<b>6 846</b>	<b>7 257</b>
<b>TOTAL LIABILITIES</b>		<b>60 961</b>	<b>224 532</b>	<b>72 395</b>	<b>22 208</b>	<b>102 293</b>	<b>102 293</b>	<b>102 293</b>	<b>199 730</b>	<b>238 034</b>	<b>252 188</b>
<b>NET ASSETS</b>		<b>1 627 458</b>	<b>5 271 863</b>	<b>1 419 840</b>	<b>1 492 707</b>	<b>1 483 264</b>	<b>1 483 264</b>	<b>1 483 264</b>	<b>1 626 940</b>	<b>1 814 230</b>	<b>2 031 481</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	1 608 121	3 839 798	1 443 104	1 494 229	1 442 478	1 442 478	1 442 478	1 626 940	1 814 230	2 031 481
Reserves and funds	9	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>1 608 121</b>	<b>3 839 798</b>	<b>1 443 104</b>	<b>1 494 229</b>	<b>1 442 478</b>	<b>1 442 478</b>	<b>1 442 478</b>	<b>1 626 940</b>	<b>1 814 230</b>	<b>2 031 481</b>

## **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	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		–	–	–	15 207	23 178	23 178	23 178	17 738	34 641	36 719
Service charges		–	–	–	34 430	23 425	23 425	23 425	35 198	34 090	36 135
Other revenue		–	–	–	465	416	416	416	354	375	398
Transfers and Subsidies - Operational	1	992	–	118 543	180 411	181 383	181 383	181 383	192 952	204 011	202 048
Transfers and Subsidies - Capital	1	–	36 853	–	105 071	105 071	105 071	105 071	132 101	115 959	121 851
Interest		–	–	–	5 300	3 440	3 440	3 440	–	–	0
Dividends		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Suppliers and employees		–	(1 185 814)	(278 923)	(4 032 942)	(170 605)	(170 605)	(170 605)	(119 400)	(139 409)	(147 587)
Interest		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		992	(1 148 961)	(160 380)	(3 692 058)	166 308	166 308	166 308	258 944	249 668	249 564
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Capital assets		–	–	–	–	–	–	–	(132 101)	(115 959)	(121 851)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		–	–	–	–	–	–	–	(132 101)	(115 959)	(121 851)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Repayment of borrowing		–	–	–	–	–	–	–	(207)	(219)	(232)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		–	–	–	–	–	–	–	(207)	(219)	(232)
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		992	(1 148 961)	(160 380)	(3 692 058)	166 308	166 308	166 308	126 637	133 489	127 481
Cash/cash equivalents at the year begin:	2	–	–	–	–	–	–	–	60 069	186 706	320 196
Cash/cash equivalents at the year end:	2	992	(1 148 961)	(160 380)	(3 692 058)	166 308	166 308	166 308	186 706	320 196	447 676

### 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	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	992	(1 148 961)	(160 380)	(3 692 058)	166 308	166 308	166 308	186 706	320 196	447 676
Other current investments > 90 days		1 879	1 332 380	217 049	3 700 806	(119 768)	(119 768)	(119 768)	0	0	0
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>2 870</b>	<b>183 419</b>	<b>56 669</b>	<b>8 748</b>	<b>46 540</b>	<b>46 540</b>	<b>46 540</b>	<b>186 706</b>	<b>320 196</b>	<b>447 676</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		365	8 020	151	(1 873)	965	965	965	4 686	4 967	5 265
Unspent borrowing											
Statutory requirements	2	27 087	181 758	40 181	15 691	13 047	13 047	13 047	14 047	8 028	8 510
Other working capital requirements	3	55 549	230 483	61 395	10 587	75 991	75 991	76 029	148 457	180 485	191 187
Other provisions		173	908	322	243	381	381	381	220	233	247
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>83 174</b>	<b>421 170</b>	<b>102 049</b>	<b>24 647</b>	<b>90 384</b>	<b>90 384</b>	<b>90 422</b>	<b>167 410</b>	<b>193 713</b>	<b>205 209</b>
<b>Surplus(shortfall)</b>		<b>(80 304)</b>	<b>(237 751)</b>	<b>(45 380)</b>	<b>(15 899)</b>	<b>(43 844)</b>	<b>(43 844)</b>	<b>(43 882)</b>	<b>19 297</b>	<b>126 482</b>	<b>242 468</b>

### 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b><u>Total New Assets</u></b>	1	<b>84 840</b>	<b>164 845</b>	<b>212 956</b>	<b>121 816</b>	<b>125 471</b>	<b>125 471</b>	<b>127 868</b>	<b>138 730</b>	<b>147 053</b>
Roads Infrastructure		9 733	(121 707)	44 961	20 145	20 145	20 145	20 388	21 611	22 908
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	1 304	-	-	-	-	-	-
Water Supply Infrastructure		73 450	239 862	60 100	67 115	81 078	81 078	76 630	81 236	86 111
Sanitation Infrastructure		-	11 471	14 616	10 705	10 705	10 705	15 381	16 304	17 282
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>83 182</b>	<b>129 626</b>	<b>120 981</b>	<b>97 964</b>	<b>111 927</b>	<b>111 927</b>	<b>112 398</b>	<b>119 151</b>	<b>126 300</b>
Community Facilities		-	21 117	75 136	12 100	7 416	7 416	-	3 180	3 371
Sport and Recreation Facilities		-	-	-	-	-	-	11 000	11 660	12 360
<b>Community Assets</b>		<b>-</b>	<b>21 117</b>	<b>75 136</b>	<b>12 100</b>	<b>7 416</b>	<b>7 416</b>	<b>11 000</b>	<b>14 840</b>	<b>15 730</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		323	-	-	-	-	-	-	-	-
Housing		-	-	130	-	-	-	-	-	-
<b>Other Assets</b>		<b>323</b>	<b>-</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	443	938	-	-	-	100	106	112
<b>Intangible Assets</b>		<b>-</b>	<b>443</b>	<b>938</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>106</b>	<b>112</b>
Computer Equipment		1 390	(13 996)	2 771	1 120	620	620	500	530	562
Furniture and Office Equipment		70	582	656	-	-	-	300	318	337
Machinery and Equipment		(125)	26 889	2 046	3 512	1 712	1 712	1 570	1 664	1 764
Transport Assets		-	184	10 296	7 120	3 796	3 796	2 000	2 120	2 247
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Total Renewal of Existing Assets</u></b>	2	<b>1 617</b>	<b>14 568</b>	<b>(55 806)</b>	<b>7 107</b>	<b>7 107</b>	<b>7 107</b>	<b>9 252</b>	<b>9 807</b>	<b>10 396</b>
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		1 617	14 568	(55 806)	7 107	7 107	7 107	9 252	9 807	10 396
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>1 617</b>	<b>14 568</b>	<b>(55 806)</b>	<b>7 107</b>	<b>7 107</b>	<b>7 107</b>	<b>9 252</b>	<b>9 807</b>	<b>10 396</b>
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

Mature		-	-	-	-	-	-	-	-	
Immature		-	-	-	-	-	-	-	-	
Living Resources		-	-	-	-	-	-	-	-	
Total Upgrading of Existing Assets	6	-	-	-	-	-	-	-	-	
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		-	-	-	-	-	-	-	-	
Mature		-	-	-	-	-	-	-	-	
Immature		-	-	-	-	-	-	-	-	
Living Resources		-	-	-	-	-	-	-	-	
Total Capital Expenditure	4	86 456	179 413	157 150	128 923	132 578	132 578	137 121	148 537	157 449
Roads Infrastructure		9 733	(121 707)	44 961	20 145	20 145	20 145	20 388	21 611	22 908
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	1 304	-	-	-	-	-	-
Water Supply Infrastructure		75 066	254 430	4 294	74 221	88 184	88 184	85 882	91 044	96 506
Sanitation Infrastructure		-	11 471	14 616	10 705	10 705	10 705	15 381	16 304	17 282
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		84 799	144 194	65 175	105 071	119 034	119 034	121 651	128 959	136 696
Community Facilities		-	21 117	75 136	12 100	7 416	7 416	-	3 180	3 371
Sport and Recreation Facilities		-	-	-	-	-	-	11 000	11 660	12 360
Community Assets		-	21 117	75 136	12 100	7 416	7 416	11 000	14 840	15 730
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		323	-	-	-	-	-	-	-	-
Housing		-	-	130	-	-	-	-	-	-
Other Assets		323	-	130	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	443	938	-	-	-	100	106	112
Intangible Assets		-	443	938	-	-	-	100	106	112
Computer Equipment		1 390	(13 996)	2 771	1 120	620	620	500	530	562
Furniture and Office Equipment		70	582	656	-	-	-	300	318	337
Machinery and Equipment		(125)	26 889	2 046	3 512	1 712	1 712	1 570	1 664	1 764
Transport Assets		-	184	10 296	7 120	3 796	3 796	2 000	2 120	2 247
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		86 456	179 413	157 150	128 923	132 578	132 578	137 121	148 537	157 449
ASSET REGISTER SUMMARY - PPE (WDV)	5	1 410 098	4 935 349	1 269 115	1 133 031	1 259 665	1 259 665	1 333 952	1 410 098	1 494 704

Roads Infrastructure		(192 154)	1 167 246	255 892	300 118	252 353	252 353	267 494	283 544	300 556
Storm water Infrastructure		5 221	31 265	6 920	1 185	17 764	17 764	18 830	19 960	21 157
Electrical Infrastructure		8 695	15 071	4 745	989	1 056	1 056	1 119	1 186	1 257
Water Supply Infrastructure		1 490	3 455	907 764	730 106	894 656	894 656	948 869	1 005	1 066
Sanitation Infrastructure		854	330						801	149
Solid Waste Infrastructure		9 853	12 639	3 297	17 948	13 834	13 834	7 040	3 572	3 786
Rail Infrastructure		3 528	8 913	2 092	1 786	1 766	1 766	1 872	1 984	2 103
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>1 325 998</b>	<b>4 690 464</b>	<b>1 180 709</b>	<b>1 052 132</b>	<b>1 181 428</b>	<b>1 181 428</b>	<b>1 245 223</b>	<b>1 316 047</b>	<b>1 395 009</b>
<b>Community Assets</b>		<b>39 460</b>	<b>160 482</b>	<b>36 183</b>	<b>39 910</b>	<b>35 068</b>	<b>35 068</b>	<b>38 360</b>	<b>40 661</b>	<b>43 101</b>
<b>Heritage Assets</b>		<b>25 839</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Assets</b>		<b>323</b>	<b>91 274</b>	<b>22 410</b>	<b>26 802</b>	<b>21 106</b>	<b>21 106</b>	<b>22 387</b>	<b>23 730</b>	<b>25 154</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangible Assets</b>		<b>1 730</b>	<b>3 648</b>	<b>1 090</b>	<b>5 292</b>	<b>6 204</b>	<b>6 204</b>	<b>8 693</b>	<b>9 215</b>	<b>9 767</b>
<b>Computer Equipment</b>		<b>775</b>	<b>2 109</b>	<b>2 117</b>	<b>(1 974)</b>	<b>(1 658)</b>	<b>(1 658)</b>	<b>(1 172)</b>	<b>(1 242)</b>	<b>(1 317)</b>
<b>Furniture and Office Equipment</b>		<b>2 098</b>	<b>4 148</b>	<b>802</b>	<b>(1 064)</b>	<b>(4 558)</b>	<b>(4 558)</b>	<b>(1 824)</b>	<b>(1 934)</b>	<b>(2 050)</b>
<b>Machinery and Equipment</b>		<b>1 892</b>	<b>394</b>	<b>277</b>	<b>1 885</b>	<b>(850)</b>	<b>(850)</b>	<b>(628)</b>	<b>(665)</b>	<b>(705)</b>
<b>Transport Assets</b>		<b>6 051</b>	<b>(37 576)</b>	<b>20 426</b>	<b>4 946</b>	<b>17 823</b>	<b>17 823</b>	<b>17 505</b>	<b>18 555</b>	<b>19 668</b>
<b>Land</b>		<b>5 932</b>	<b>20 407</b>	<b>5 102</b>	<b>5 102</b>	<b>5 102</b>	<b>5 102</b>	<b>5 408</b>	<b>5 732</b>	<b>6 076</b>
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Living Resources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>1 410 098</b>	<b>4 935 349</b>	<b>1 269 115</b>	<b>1 133 031</b>	<b>1 259 665</b>	<b>1 259 665</b>	<b>1 333 952</b>	<b>1 410 098</b>	<b>1 494 704</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>126 611</b>	<b>474 962</b>	<b>126 934</b>	<b>30 229</b>	<b>133 722</b>	<b>133 722</b>	<b>49 334</b>	<b>40 942</b>	<b>43 399</b>
<b>Depreciation</b>	<b>7</b>	<b>126 611</b>	<b>473 798</b>	<b>121 797</b>	<b>19 320</b>	<b>118 713</b>	<b>118 713</b>	<b>34 804</b>	<b>25 572</b>	<b>27 107</b>
<b>Repairs and Maintenance by Asset Class</b>	<b>3</b>	<b>-</b>	<b>1 164</b>	<b>5 137</b>	<b>10 909</b>	<b>15 009</b>	<b>15 009</b>	<b>14 530</b>	<b>15 370</b>	<b>16 292</b>
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	685	463	9 000	11 500	11 500	13 000	13 780	14 607
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	479	196	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>-</b>	<b>1 164</b>	<b>659</b>	<b>9 000</b>	<b>11 500</b>	<b>11 500</b>	<b>13 000</b>	<b>13 780</b>	<b>14 607</b>
Community Facilities		-	-	2 466	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>2 466</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Computer Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Furniture and Office Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Machinery and Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transport Assets</b>		<b>-</b>	<b>-</b>	<b>2 012</b>	<b>1 909</b>	<b>3 509</b>	<b>3 509</b>	<b>1 530</b>	<b>1 590</b>	<b>1 685</b>
<b>Land</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Mature</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Immature</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Living Resources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>126 611</b>	<b>474 962</b>	<b>126 934</b>	<b>30 229</b>	<b>133 722</b>	<b>133 722</b>	<b>49 334</b>	<b>40 942</b>	<b>43 399</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		<b>1.9%</b>	<b>8.1%</b>	<b>-35.5%</b>	<b>5.5%</b>	<b>5.4%</b>	<b>5.4%</b>	<b>6.7%</b>	<b>6.6%</b>	<b>6.6%</b>
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>		<b>1.3%</b>	<b>3.1%</b>	<b>-45.8%</b>	<b>36.8%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>26.6%</b>	<b>38.4%</b>	<b>38.4%</b>
<b>R&amp;M as a % of PPE &amp; Investment Property</b>		<b>0.0%</b>	<b>0.0%</b>	<b>0.4%</b>	<b>1.0%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.1%</b>
<b>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</b>		<b>0.1%</b>	<b>0.3%</b>	<b>-4.0%</b>	<b>1.6%</b>	<b>1.8%</b>	<b>1.8%</b>	<b>1.8%</b>	<b>1.8%</b>	<b>1.8%</b>

### **Explanatory notes to Table A9 - Asset Management**

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

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

The total repairs and maintenance amounts to 1% of the total value Property, Plant and Equipment in the 2023/24 budget and remains 1% in the following year. We acknowledge that the municipality should provide at least 8% of the total value of assets for repair and maintenance as stated on MFMA Circular No 70.

**Table 23- Table A10 Basic Service Delivery Measurement**

NC451 Joe Morolong - Table A10 Basic service delivery measurement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		-	-	-	-	500	500	530	562	596
Sanitation (free sanitation service to indigent households)		-	-	-	-	100	100	106	112	119
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	350	350	371	393	417
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>	8	-	-	-	-	950	950	1 007	1 067	1 131
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissable values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		-	-	-	2 872	1 858	1 858	7 069	2 087	2 212
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										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of subsidised services provided</b>	6	-	-	-	2 872	1 858	1 858	7 069	2 087	2 212

**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 1 million in 2023/24, increasing to R 1 million in 2024/25. 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 2022) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on August 2022.

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 2023/24 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the midyear of 2022/23 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 2023/24 MTREF tabled before council on the 31 March 2023 together with community consultation time table. Consultation time table was published in the municipal website and local newspaper and hard copies for draft and Adopted budget are available in the main municipal office and satellite offices and draft budget softcopy was loaded on the municipal website ([www.joemorolong.gov.za](http://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 17 April – 03 May 2023. 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 Agri Kuruman, sector departments, mining houses and churches and community-based organisations.

### **Draft IDP, Budget and Tariffs for 2023/24 FY Community Consultation Meetings**

<b>Date</b>	<b>Ward</b>	<b>Place</b>	<b>Time</b>	<b>Ward Councillors</b>
17 April 2023	Ward 01	Perth	09H00	Councillor K Maamogwa
	Ward 03	Klien Eiffel	14H00	Councillor G Kgositau
19 April 2023	Ward 2	Ganap 1	09H00	Councillor K Lebatlang
20 April 2023	Ward 04	Magoajeng	09H00	Councillor T Gaobuse
	Ward 05	Maipeing	14H00	Councillor G Tagane
21 April 2023	Ward 06	Galotlhare	09H00	Councillor L Machogo
	Ward 07	Gasehunelo Wyk 2	14H00	Councillor G Kaotsane
24 April 2023	Ward 08	Deurham	09H00	Councillor S Manzana
	Ward 09	Danoon	14H00	Councillor M Filipo
25 April 2023	Ward 10	Maseohatshe	09H00	Councillor T Mosegedi
	Ward 11	Letlhakajaneng	14H00	Councillor B Mbolekwa
26 April 2023	Ward 12	Dithakong Tribal	09H00	Councillor L Manankong
	Ward 13	Baily Brits	14H00	Councillor K Majoro
03 May 2023	Ward 14	Kganunu	09H00	Councillor S Choche
	Ward 15	Gamasepa	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 2023/24 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)

(Revenue)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
Enhanced sustainable environmental management and social development	Safety and Security			–	(3 166)	–	–	–	–	–	–	–
Increase Financial viability	Expenditure Management			–	–	432	–	–	–	–	–	–
Increase Financial viability	Revenue enhancement			–	(1 041 065)	–	–	–	–	(4 469)	–	–
Promote good governance	Municipal operating costs			–	–	(383 766)	368 861	370 540	370 540	346 512	368 263	376 155
Promote Good Governance	Skills development			–	(3 052)	–	–	–	–	–	–	–
Promote safe and clean environment	Environmental Management			–	(1)	–	–	–	–	–	–	–
Promote safe and clean environment	Refuse removal services charges			–	–	–	–	(350)	(350)	(371)	(393)	(417)
Promote safe and clean environment	Sewerage services charges			–	(3 274)	–	–	(100)	(100)	(106)	(112)	(119)
Provide Water	Rural Water Programme			–	36 518	–	–	(500)	(500)	78 421	70 454	73 615
Water Quality Management	Rural Water Programme			–	(175 588)	–	–	–	–	–	–	–
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	–	(1 189 629)	(383 335)	368 861	369 590	369 590	419 987	438 211	449 234

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

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

Strategic Objective  R thousand	Goal	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Empowerment of designated groups	Special Programmes	–	21	–	–	–	–	–	–	–
Enhance stakeholder participation	Payment of Ward committee sitting allowance	–	–	–	–	–	–	10	10	10
Enhance stakeholder participation	Ward committee accredited training	–	518	–	–	–	–	–	–	–
Enhanced sustainable environmental management and social development	Environmental Management	–	73	–	–	–	–	–	–	–
Enhanced sustainable environmental management and social development	Facility Management	–	15 306	–	–	–	–	–	–	–
Enhanced sustainable environmental management and social development	Safety and Security	–	5 891	–	–	–	–	–	–	–
Increase Financial viability	Expenditure Management	–	1 567 006	18 323	–	–	–	–	–	–
Increase Financial viability	Indigent Management	–	20 195	–	–	–	–	–	–	–
Increase Financial viability	Provision for bad debts	–	–	–	–	259	259	–	–	–
Manage budget and treasury section	Employee related costs	–	4 755	83 085	116 047	103 387	103 387	133 881	134 813	142 774
Promote good governance	Council remuneration	–	7 962	–	928	560	560	301	319	339
Promote good governance	Employee Remuneration	–	–	–	–	–	–	8 078	1 914	2 029
Promote good governance	Municipal operating costs	–	251 462	223 352	141 784	250 386	250 386	147 593	137 675	145 750
Promote good governance	Municipal operational costs	–	4 451	–	–	60	60	26	28	29
Promote good governance	Promote good governance	–	–	–	–	–	–	6 725	7 129	7 556
Promote good governance	SMME support	–	–	–	500	650	650	500	530	562
Promote safe and clean environment	Environmental Management	–	590	–	–	–	–	–	–	–
Promote safe and clean environment	Sewerage services charges	–	–	–	441	341	341	661	384	407
Provide Electricity	Rural Electrification Programme	–	30 116	–	525	1 208	1 208	980	1 039	1 102
Provide housing	Human Settlements	–	–	–	1 856	4 641	4 641	12 761	3 095	3 280
Provide Water	Rural Water Programme	–	685	–	9 400	9 217	9 217	12 170	6 117	6 484
Sustainable basic service delivery	Fleet Management	–	12 064	–	–	–	–	–	–	–
Water Quality Management	Rural Water Programme	–	588	–	–	–	–	–	–	–
<b>Allocations to other priorities</b>										
<b>Total Expenditure</b>		–	1 921 682	324 760	271 481	370 710	370 710	323 687	293 052	310 321

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

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

Strategic Objective  R thousand	Goal	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Develop a high performance culture for a changed, diverse, efficient and effective local government	Furniture and Office Equipment	–	(582)	–	–	–	–	300	318	337
Enhanced sustainable environmental management and social development	Facility Management	–	(14 160)	–	–	–	–	11 000	11 660	12 360
Improve communication	Communications	–	–	–	–	–	–	100	106	112
Increase Financial viability	Improve ICT	–	679	–	–	–	–	–	–	–
Increase Financial viability	Computers and printers	–	1 254	–	–	–	–	–	–	–
Promote good governance	Municipal operating costs	–	58 183	128 748	67 421	52 763	52 763	3 800	4 028	4 270
Promote good governance	Revenue enhancement	–	184	–	–	–	–	–	–	–
Promote safe and clean environment	Sewerage services charges	–	–	19 098	–	–	–	–	–	–
Provide Electricity	Rural Electrification Programme	–	–	1 304	–	–	–	–	–	–
Provide recreational facilities	Facilities Management	–	–	–	–	–	–	–	3 180	3 371
Provide Roads	Rural Roads programme	–	(10 998)	–	–	–	–	20 488	21 717	23 020
Provide Sanitation	Rural Sanitation Programme	–	(80 147)	–	10 705	10 705	10 705	15 381	16 304	17 282
Provide Water	Rural Water Programme	–	418 368	7 999	7 107	7 107	7 107	57 803	43 866	46 498
Sustainable basic service delivery	Fleet Management	–	251 498	–	–	–	–	170	180	191
Sustainable road service delivery	Rural Roads Programme	–	7 230	–	–	–	–	–	–	–
Water Quality Management	Rural Water Programme	–	44 419	–	43 690	62 003	62 003	28 079	47 178	50 009
Allocations to other priorities										
Total Capital Expenditure		–	675 928	157 150	128 923	132 578	132 578	137 121	148 537	157 449

## 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	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
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%
<b><u>Safety of Capital</u></b>											
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%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	3.5	2.0	2.0	3.4	1.2	1.2	1.2	1.4	1.7	2.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.5	2.0	2.0	3.4	1.2	1.2	1.2	1.4	1.7	2.1
Liquidity Ratio	Monetary Assets/Current Liabilities	2.9	1.4	1.2	1.5	0.8	0.8	0.8	1.1	1.5	2.0
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	110.6%	123.8%	123.8%	120.8%	129.3%	158.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	110.6%	123.8%	123.8%	120.8%	129.3%	158.4%	158.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17.2%	17.9%	20.8%	11.5%	13.7%	13.7%	13.7%	14.6%	11.3%	11.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA's 65(e))										
Creditors to Cash and Investments		5600.1%	-20.1%	-38.3%	-0.4%	50.4%	50.4%	50.4%	94.6%	66.7%	50.6%
<b><u>Other Indicators</u></b>											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes -System input	Bulk Purchase Water treatment works Natural sources										
	Total Volume Losses (kℓ)										
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.4%	30.3%	29.6%	38.3%	34.1%	34.1%	33.9%	43.9%	38.7%	40.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	37.4%	33.0%	33.4%	43.3%	38.6%	38.6%		48.7%	43.4%	45.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.1%	2.1%	4.1%	5.7%	5.7%		5.1%	5.0%	5.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	65.1%	61.7%	54.3%	7.4%	45.1%	45.1%	44.9%	12.2%	8.3%	8.7%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	–	45.5	76.7	76.7	76.7	1 284.5	1 311.6	1 336.0	1 355.0
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	148.8%	166.1%	202.7%	67.7%	96.4%	96.4%	94.0%	102.5%	80.7%	80.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.1	(31.8)	(13.0)	(210.9)	9.5	9.5	9.5	9.1	16.8	22.2

## **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. Joe Morolong Local Municipality has one long term borrowing loan with DBSA(Developmental Bank Of South Africa). The following financial performance indicators have formed part of the compilation of the 2023/24 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](http://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

## **2.9 Overview of budget assumptions**

### **a) Inflation**

There are some factors that have been taken into consideration in the compilation of the 2023/24 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 39 per cent of total operating expenditure in the 2023/24 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 74 per cent of annual billings for rates, services, rents, and for other revenue. The performance of arrear collections have been budgeted at 74 per cent collection for 2023/24 MTREF.

### **c) Salary increases**

The wage agreement has concluded between SALGBC and municipal workers unions. The municipality has budgeted salary increase of 5.4 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 2023/24 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**

Description R thousand	2023/24 Medium Term Revenue & Expenditure Framework					
	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
<b>Revenue</b>						
Service charges - Electricity	8 018 997	3%	8 500 137	3%	9 010 148	3%
Service charges - Water	27 626 501	10%	29 284 091	9%	31 041 145	10%
Service charges - Waste Water Management	1 431 026	0%	1 514 238	0%	1 605 093	1%
Service charges - Waste Management	3 665 063	1%	3 884 966	1%	4 118 064	1%
Sale of Goods and Rendering of Services	189 001	0%	200 341	0%	212 363	0%
Interest earned from Receivables	8 300 062	3%	8 723 431	3%	9 246 843	3%
Interest earned from Current and Non Current Assets	8 043 311	3%	8 525 910	3%	9 037 464	3%
Rental from Fixed Assets	80 000	0%	84 800	0%	89 888	0%
Licence and permits	5 000	0%	5 300	0%	5 618	0%
Operational Revenue	90 106	0%	84 912	0%	90 010	0%
Property rates	30 499 599	11%	37 735 576	12%	39 999 710	13%
Transfer and subsidies - Operational	192 454 430	67%	204 010 916	66%	202 047 692	64%
Interest	6 943 865	2%	7 730 100	2%	8 193 910	3%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>287 346 961</b>		<b>310 284 718</b>		<b>314 686 038</b>	

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	2023/24 Medium Term Revenue & Expenditure Framework					
	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
<b>Funded by:</b>						
National Government	132 650	97%	140 618	95%	149 055	95%
Provincial Government	0	0%	0	0%	0	0%
District Municipality	0	0%	0	0%	0	0%
<b>Transfers recognised - capital</b>	<b>132 650</b>	<b>97%</b>	<b>140 618</b>	<b>95%</b>	<b>149 055</b>	<b>95%</b>
<b>Borrowing</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Internally generated funds</b>	<b>4 470</b>	<b>3%</b>	<b>7 918</b>	<b>5%</b>	<b>8 393</b>	<b>5%</b>
<b>Total Capital Funding</b>	<b>137 120</b>	<b>100%</b>	<b>148 536</b>	<b>100%</b>	<b>157 449</b>	<b>100%</b>

Capital grants and receipts equates to 97% of the total funding source which represents R137 Million for the 2023/24 financial year and steadily increase to R148.5 million or 95% per cent by 2024/25.

**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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Total Operating Transfers and Grants</b>	5	–	–	–	7 664	7 664	7 664	10 585	11 148	11 745
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		–	–	–	105 071	105 071	105 071	132 101	115 959	121 851
Municipal Infrastructure Grant		–	–	–	65 071	65 071	65 071	78 401	71 015	74 210
Water Services Infrastructure Grant		–	–	–	40 000	40 000	40 000	53 700	44 944	47 641
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
Northern Cape Arts and										
<b>Total Capital Transfers and Grants</b>	5	–	–	–	105 071	105 071	105 071	132 101	115 959	121 851
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		–	–	–	112 735	112 735	112 735	142 686	127 108	133 596

### c) Cash Flow Management

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

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

**Table 32 – Table A7: Budgeted cash flow management**

**NC451 Joe Morolong - Table A7 Budgeted Cash Flows**

Description R thousand	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		–	–	–	15 207	23 178	23 178	23 178	17 738	34 641	36 719
Service charges		–	–	–	34 430	23 425	23 425	23 425	35 198	34 090	36 135
Other revenue		–	–	–	465	416	416	416	354	375	398
Transfers and Subsidies - Operational	1	992	–	118 543	180 411	181 383	181 383	181 383	192 952	204 011	202 048
Transfers and Subsidies - Capital	1	–	36 853	–	105 071	105 071	105 071	105 071	132 101	115 959	121 851
Interest		–	–	–	5 300	3 440	3 440	3 440	–	–	0
Dividends		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Suppliers and employees		–	(1 185 814)	(278 923)	(4 032 942)	(170 605)	(170 605)	(170 605)	(119 400)	(139 409)	(147 587)
Interest		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>992</b>	<b>(1 148 961)</b>	<b>(160 380)</b>	<b>(3 692 058)</b>	<b>166 308</b>	<b>166 308</b>	<b>166 308</b>	<b>258 944</b>	<b>249 668</b>	<b>249 564</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Capital assets		–	–	–	–	–	–	–	(132 101)	(115 959)	(121 851)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(132 101)</b>	<b>(115 959)</b>	<b>(121 851)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Repayment of borrowing		–	–	–	–	–	–	–	(207)	(219)	(232)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(207)</b>	<b>(219)</b>	<b>(232)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>992</b>	<b>(1 148 961)</b>	<b>(160 380)</b>	<b>(3 692 058)</b>	<b>166 308</b>	<b>166 308</b>	<b>166 308</b>	<b>126 637</b>	<b>133 489</b>	<b>127 481</b>
Cash/cash equivalents at the year begin:	2	–	–	–	–	–	–	–	60 069	186 706	320 196
Cash/cash equivalents at the year end:	2	<b>992</b>	<b>(1 148 961)</b>	<b>(160 380)</b>	<b>(3 692 058)</b>	<b>166 308</b>	<b>166 308</b>	<b>166 308</b>	<b>186 706</b>	<b>320 196</b>	<b>447 676</b>

The table below shows that cash and cash equivalent of the municipality. The 2023/24 MTREF show a steadily increase in cash and cash equivalent at the end of financial years. The budgeted cash flow for 2023/24 provide for a net increase in cash of R 127 million resulting in an overall projected positive cash position of R 187 million.

**Table 33 – Table SA10: Funding Compliance Measurement**

NC451 Joe Morolong Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	992	(1 148 961)	(160 380)	(3 692 058)	166 308	166 308	166 308	186 706	320 196	447 676
Cash + investments at the yr end less applications - R'000	18(1)b	2	(80 304)	(237 751)	(45 380)	(15 899)	(43 844)	(43 844)	(43 882)	19 297	126 482	242 468
Cash year end/monthly employees/supplier payments	18(1)b	3	0.1	(31.8)	(13.0)	(210.9)	9.5	9.5	9.5	9.1	16.8	22.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(2 237)	(732 054)	58 394	97 430	(1 020)	(1 020)	(70)	95 999	144 840	138 575
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	256.6%	(76.0%)	147.3%	(3.9%)	(6.0%)	(4.5%)	6.8%	7.6%	0.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	33.6%	24.4%	24.4%	24.3%	74.5%	85.1%	85.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7		0.0%	0.0%	19.8%	27.3%	27.3%	26.9%	30.8%	13.1%	13.1%
Capital payments % of capital expenditure	18(1)c,(19)	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	96.3%	78.1%	77.4%
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 - inc/(decr)	18(1)a	11	N.A.	(43.2%)	(75.3%)	(24.1%)	89.3%	0.0%	0.0%	17.6%	2.7%	6.0%
Long term receivables % change - inc/(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.4%	1.0%	1.2%	1.2%	1.1%	1.1%	1.1%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	1.4%	2.2%	(35.5%)	5.5%	5.4%	5.4%	0.0%	6.7%	6.6%	6.6%

## 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. The forecasted cash and cash equivalents for the 2023/24 shows R 187 million,

## 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. Remarkably, the ratio has been fluctuating for the period 2020/21 to 2021/22 moving from (31.8) to (13) with the adopted 2022/23 outcome. In 2023/24 adopted budget the ratio was at positive and after revised budget increased to 9.1, as part of the 2023/24 MTREF the municipality continues to strive in improve cash position though the ratio to move downwards to 9.1 and then continue to increase over the MTREF. As indicated above the municipality will be able to cover the municipality's employee and supplier payments.

### **Surplus/deficit excluding depreciation offsets**

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. For the 2023/24 MTREF the suggestive outcome is a surplus of R96 million, R144 million and R138 million.

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

### **Service charge revenue as a percentage increase less macro inflation target**

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



The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3-6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage increase to 14 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 2023/24 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 74 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 74 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 5.3 percent for 2023/24 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>EXPENDITURE:</b>	1									
<b><u>Operating expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		108 171	389 053	226 636	175 119	165 212	165 212	188 331	195 319	206 796
Equitable Share		102 002	368 371	220 682	167 455	157 548	157 548	178 939	189 675	201 055
Expanded Public Works Programme Integrated Grant		863	3 979	464	1 139	1 139	1 139	2 159	–	–
Local Government Financial Management Grant		1 996	3 298	2 396	3 100	3 100	3 100	3 100	3 100	3 100
Municipal Infrastructure Grant		3 310	13 406	3 093	3 425	3 425	3 425	4 132	2 544	2 641
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		–	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]										
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Other grant providers:</b>		1 670	5 656	1 004	2 140	2 603	2 603	3 006	3 114	3 229
Mining Companies		723	994	–	940	1 403	1 403	1 806	1 914	2 029
Northern Cape Arts and Cultural		947	4 663	1 004	1 200	1 200	1 200	1 200	1 200	1 200
<b>Total operating expenditure of Transfers and Grants:</b>		109 841	394 710	227 640	177 259	167 815	167 815	191 337	198 433	210 025
<b><u>Capital expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		84 799	389 211	63 871	105 071	102 571	102 571	132 101	140 619	149 056
Municipal Infrastructure Grant		34 259	109 655	87 497	65 071	63 571	63 571	78 401	83 697	88 719
Water Services Infrastructure Grant		50 540	279 556	(23 626)	40 000	39 000	39 000	53 700	56 922	60 337
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
Northern Cape Arts and										
<b>Total capital expenditure of Transfers and Grants</b>		84 799	389 211	63 871	105 071	102 571	102 571	132 101	140 619	149 056
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		194 639	783 921	291 511	282 330	270 386	270 386	323 437	339 052	359 081

**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	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	7 664	7 664	7 664	9 385	9 948	10 545
<b>Conditions met - transferred to revenue</b>		-	-	-	7 664	7 664	7 664	9 385	9 948	10 545
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	(0)	(0)
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	1 200	1 200	1 200	181 761	192 148	189 473
<b>Conditions met - transferred to revenue</b>		-	-	-	1 200	1 200	1 200	181 761	192 148	189 473
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	(0)	(0)
<b>Total operating transfers and grants revenue</b>		-	-	-	8 864	8 864	8 864	191 146	202 096	200 018
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	(0)	(0)
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	105 071	105 071	105 071	132 101	115 959	121 851
<b>Conditions met - transferred to revenue</b>		-	-	-	105 071	105 071	105 071	132 101	115 959	121 851
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	(0)
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		-	-	-	105 071	105 071	105 071	132 101	115 959	121 851
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	(0)
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		-	-	-	113 935	113 935	113 935	323 247	318 056	321 869
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	(0)	(0)

## 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 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>																
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		668	668	668	668	668	668	668	668	668	668	668	668	8 019	8 500	9 010
Service charges - Water		2 302	2 302	2 302	2 302	2 302	2 302	2 302	2 302	2 302	2 302	2 302	2 302	27 627	29 284	31 041
Service charges - Waste Water Management		119	119	119	119	119	119	119	119	119	119	119	119	1 431	1 514	1 605
Service charges - Waste Management		305	305	305	305	305	305	305	305	305	305	305	305	3 665	3 885	4 118
Sale of Goods and Rendering of Services		16	16	16	16	16	16	16	16	16	16	16	16	189	200	212
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		692	692	692	692	692	692	692	692	692	692	692	692	8 300	8 723	9 247
Interest earned from Current and Non Current Assets		670	670	670	670	670	670	670	670	670	670	670	670	8 043	8 526	9 037
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		7	7	7	7	7	7	7	7	7	7	7	7	80	85	90
Licence and permits		0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
Operational Revenue		8	8	8	8	8	8	8	8	8	8	8	8	90	85	90
<b>Non-Exchange Revenue</b>																
Property rates		2 542	2 542	2 542	2 542	2 542	2 542	2 542	2 542	2 542	2 542	2 542	2 542	30 500	37 736	40 000
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		16 038	16 038	16 038	16 038	16 038	16 038	16 038	16 038	16 038	16 038	16 038	16 038	192 454	204 011	202 048
Interest		579	579	579	579	579	579	579	579	579	579	579	579	6 944	7 730	8 194
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(11)	(11)	(12)
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>23 945</b>	<b>23 945</b>	<b>23 945</b>	<b>23 945</b>	<b>23 945</b>	<b>23 945</b>	<b>23 945</b>	<b>23 945</b>	<b>23 945</b>	<b>23 945</b>	<b>23 945</b>	<b>23 945</b>	<b>287 336</b>	<b>310 273</b>	<b>314 686</b>
<b>Expenditure</b>																
Employee related costs		10 511	10 511	10 511	10 511	10 511	10 511	10 511	10 511	10 511	10 511	10 511	10 511	126 134	119 959	127 028
Remuneration of councillors		1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	13 799	14 627	15 505
Bulk purchases - electricity		587	587	587	587	587	587	587	587	587	587	587	587	7 039	7 461	7 909
Inventory consumed		2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	24 691	18 026	19 108
Debt impairment		1 827	1 827	1 827	1 827	1 827	1 827	1 827	1 827	1 827	1 827	1 827	1 827	21 926	10 634	11 272
Depreciation and amortisation		2 900	2 900	2 900	2 900	2 900	2 900	2 900	2 900	2 900	2 900	2 900	2 900	34 804	25 572	27 107
Interest		22	22	22	22	22	22	22	22	22	22	22	22	260	276	292
Contracted services		3 892	3 892	3 892	3 892	3 892	3 892	3 892	3 892	3 892	3 892	3 892	3 892	46 700	48 521	51 246
Transfers and subsidies		42	42	42	42	42	42	42	42	42	42	42	42	500	530	562
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		4 012	4 012	4 012	4 012	4 012	4 012	4 012	4 012	4 012	4 012	4 012	4 012	48 146	47 776	50 642
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(11)	(11)	(12)
<b>Total Expenditure</b>		<b>26 999</b>	<b>26 999</b>	<b>26 999</b>	<b>26 999</b>	<b>26 999</b>	<b>26 999</b>	<b>26 999</b>	<b>26 999</b>	<b>26 999</b>	<b>26 999</b>	<b>26 999</b>	<b>26 999</b>	<b>323 988</b>	<b>293 371</b>	<b>310 659</b>
<b>Surplus/(Deficit)</b>		<b>(3 054)</b>	<b>(3 054)</b>	<b>(3 054)</b>	<b>(3 054)</b>	<b>(3 054)</b>	<b>(3 054)</b>	<b>(3 054)</b>	<b>(3 054)</b>	<b>(3 054)</b>	<b>(3 054)</b>	<b>(3 054)</b>	<b>(3 054)</b>	<b>(36 652)</b>	<b>16 902</b>	<b>4 027</b>
Transfers and subsidies - capital (monetary allocations)		11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	132 651	127 937	134 548
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>95 999</b>	<b>144 840</b>	<b>138 575</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>95 999</b>	<b>144 840</b>	<b>138 575</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>95 999</b>	<b>144 840</b>	<b>138 575</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>95 999</b>	<b>144 840</b>	<b>138 575</b>

**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 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>																
<b>Revenue by Vote</b>																
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	90	95	101
Vote 4 - Corporate Services		156	156	156	156	156	156	156	156	156	156	156	156	1 872	1 984	2 103
Vote 5 - Technical Services		14 516	14 516	14 516	14 516	14 516	14 516	14 516	14 516	14 516	14 516	14 516	14 516	174 194	184 218	194 205
Vote 6 - Financial Services		19 111	19 111	19 111	19 111	19 111	19 111	19 111	19 111	19 111	19 111	19 111	19 111	229 335	248 334	249 102
Vote 7 - Community Services		1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	14 496	3 579	3 722
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>		<b>34 999</b>	<b>34 999</b>	<b>34 999</b>	<b>34 999</b>	<b>34 999</b>	<b>34 999</b>	<b>34 999</b>	<b>34 999</b>	<b>34 999</b>	<b>34 999</b>	<b>34 999</b>	<b>34 999</b>	<b>419 987</b>	<b>438 211</b>	<b>449 234</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Executive and Council		1 855	1 855	1 855	1 855	1 855	1 855	1 855	1 855	1 855	1 855	1 855	1 855	22 256	23 391	24 794
Vote 2 - Office Of The Municipal Manager		1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	13 621	15 880	16 833
Vote 3 - LED, Development and Town Planning		946	946	946	946	946	946	946	946	946	946	946	946	11 350	12 001	12 722
Vote 4 - Corporate Services		4 235	4 235	4 235	4 235	4 235	4 235	4 235	4 235	4 235	4 235	4 235	4 235	50 824	50 476	53 505
Vote 5 - Technical Services		11 645	11 645	11 645	11 645	11 645	11 645	11 645	11 645	11 645	11 645	11 645	11 645	139 736	127 113	134 684
Vote 6 - Financial Services		4 697	4 697	4 697	4 697	4 697	4 697	4 697	4 697	4 697	4 697	4 697	4 697	56 363	46 401	49 000
Vote 7 - Community Services		2 447	2 447	2 447	2 447	2 447	2 447	2 447	2 447	2 447	2 447	2 447	2 447	29 362	18 107	19 122
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>		<b>26 959</b>	<b>26 959</b>	<b>26 959</b>	<b>26 959</b>	<b>26 959</b>	<b>26 959</b>	<b>26 959</b>	<b>26 959</b>	<b>26 959</b>	<b>26 959</b>	<b>26 959</b>	<b>26 959</b>	<b>323 512</b>	<b>293 371</b>	<b>310 659</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>96 475</b>	<b>144 840</b>	<b>138 575</b>
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>8 040</b>	<b>96 475</b>	<b>144 840</b>	<b>138 575</b>

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

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

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue - Functional</b>																
<i><b>Governance and administration</b></i>		19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	231 207	250 318	251 206
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	231 207	250 318	251 206
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i><b>Community and public safety</b></i>		1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	14 496	3 579	3 721
Community and social services		291	291	291	291	291	291	291	291	291	291	291	291	3 491	3 573	3 716
Sport and recreation		917	917	917	917	917	917	917	917	917	917	917	917	11 000	–	–
Public safety		0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i><b>Economic and environmental services</b></i>		2 005	2 005	2 005	2 005	2 005	2 005	2 005	2 005	2 005	2 005	2 005	2 005	24 054	25 876	27 209
Planning and development		306	306	306	306	306	306	306	306	306	306	306	306	3 666	4 469	4 737
Road transport		1 699	1 699	1 699	1 699	1 699	1 699	1 699	1 699	1 699	1 699	1 699	1 699	20 388	21 406	22 471
Environmental protection		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i><b>Trading services</b></i>		12 519	12 519	12 519	12 519	12 519	12 519	12 519	12 519	12 519	12 519	12 519	12 519	150 230	158 438	167 097
Energy sources		684	685	685	685	685	685	685	685	685	685	685	685	8 214	8 500	9 010
Water management		9 980	9 980	9 980	9 980	9 980	9 980	9 980	9 980	9 980	9 980	9 980	9 980	119 756	126 379	133 034
Waste water management		1 497	1 497	1 497	1 497	1 497	1 497	1 497	1 497	1 497	1 497	1 497	1 497	17 960	19 075	20 300
Waste management		358	358	358	358	358	358	358	358	358	358	358	358	4 300	4 483	4 753
<i><b>Other</b></i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Functional</b>		34 999	34 999	34 999	34 999	34 999	34 999	34 999	34 999	34 999	34 999	34 999	34 999	419 987	438 211	449 234
<b>Expenditure - Functional</b>																
<i><b>Governance and administration</b></i>		11 443	11 443	11 443	11 443	11 443	11 443	11 443	11 443	11 443	11 443	11 443	11 443	137 318	136 078	144 056
Executive and council		2 629	2 629	2 629	2 629	2 629	2 629	2 629	2 629	2 629	2 629	2 629	2 629	31 548	34 567	36 640
Finance and administration		8 578	8 578	8 578	8 578	8 578	8 578	8 578	8 578	8 578	8 578	8 578	8 578	102 941	98 512	104 237
Internal audit		236	236	236	236	236	236	236	236	236	236	236	236	2 829	2 999	3 179
<i><b>Community and public safety</b></i>		2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	27 984	16 141	17 038
Community and social services		916	916	916	916	916	916	916	916	916	916	916	916	10 992	9 169	9 647
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		242	242	242	242	242	242	242	242	242	242	242	242	2 901	2 468	2 616
Housing		1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	14 091	4 504	4 774
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i><b>Economic and environmental services</b></i>		2 188	2 188	2 188	2 188	2 188	2 188	2 188	2 188	2 188	2 188	2 188	2 188	26 260	24 869	26 306
Planning and development		1 396	1 396	1 396	1 396	1 396	1 396	1 396	1 396	1 396	1 396	1 396	1 396	16 748	15 810	16 702
Road transport		638	638	638	638	638	638	638	638	638	638	638	638	7 656	7 093	7 519
Environmental protection		155	155	155	155	155	155	155	155	155	155	155	155	1 855	1 966	2 084
<i><b>Trading services</b></i>		11 035	11 036	11 036	11 036	11 036	11 036	11 036	11 036	11 036	11 036	11 036	11 036	132 427	116 282	123 259
Energy sources		3 455	3 455	3 455	3 455	3 455	3 455	3 455	3 455	3 455	3 455	3 455	3 455	41 464	40 742	43 187
Water management		6 845	6 845	6 845	6 845	6 845	6 845	6 845	6 845	6 845	6 845	6 845	6 845	82 143	68 896	73 030
Waste water management		357	357	357	357	357	357	357	357	357	357	357	357	4 285	3 696	3 917
Waste management		378	378	378	378	378	378	378	378	378	378	378	378	4 534	2 948	3 125
<i><b>Other</b></i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Functional</b>		26 999	26 999	26 999	26 999	26 999	26 999	26 999	26 999	26 999	26 999	26 999	26 999	323 988	293 371	310 659
<b>Surplus/(Deficit) before assoc.</b>		8 000	8 000	8 000	8 000	8 000	8 000	8 000	8 000	8 000	8 000	8 000	8 000	95 999	144 840	138 575
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	1	8 000	8 000	8 000	8 000	8 000	8 000	8 000	8 000	8 000	8 000	8 000	8 000	95 999	144 840	138 575



**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 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Multi-year expenditure to be appropriated</b>	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 1 - Executive and Council		8	8	8	8	8	8	8	8	8	8	8	8	100	106	112
Vote 2 - Office Of The Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - LED, Development and Town Planning		239	239	239	239	239	239	239	239	239	239	239	239	2 870	3 042	3 225
Vote 4 - Corporate Services		10 229	10 229	10 229	10 229	10 229	10 229	10 229	10 229	10 229	10 229	10 229	10 229	122 751	130 125	137 932
Vote 5 - Technical Services		33	33	33	33	33	33	33	33	33	33	33	33	400	424	449
Vote 6 - Financial Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	0
Vote 7 - Community Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Capital multi-year expenditure sub-total</b>	2	10 510	10 510	10 510	10 510	10 510	10 510	10 510	10 510	10 510	10 510	10 510	10 510	126 121	133 697	141 719
<b>Single-year expenditure to be appropriated</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–	–	–	–	–	–	0
Vote 6 - Financial Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Community Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - COMMUNITY & SOCIAL SERVICES		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Capital single-year expenditure sub-total</b>	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0
<b>Total Capital Expenditure</b>	2	10 510	10 510	10 510	10 510	10 510	10 510	10 510	10 510	10 510	10 510	10 510	10 510	126 121	133 697	141 719

**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 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>																
<b>Capital Expenditure - Functional</b>	1															
<i>Governance and administration</i>		273	272	272	272	272	272	272	272	272	272	272	372	3 370	3 572	3 787
Executive and council													100	100	106	112
Finance and administration		273	272	272	272	272	272	272	272	272	272	272	272	3 270	3 466	3 674
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		917	917	917	917	917	917	917	917	917	917	917	917	11 000	14 840	15 730
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	3 180	3 371
Sport and recreation		917	917	917	917	917	917	917	917	917	917	917	917	11 000	11 660	12 360
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 707	1 707	1 707	1 707	1 707	1 707	1 707	1 707	1 707	1 707	1 707	1 707	20 488	21 717	23 020
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		1 707	1 707	1 707	1 707	1 707	1 707	1 707	1 707	1 707	1 707	1 707	1 707	20 488	21 717	23 020
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
<i>Trading services</i>		8 522	8 522	8 522	8 522	8 522	8 522	8 522	8 522	8 522	8 522	8 522	8 522	102 263	108 408	114 912
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		7 240	7 240	7 240	7 240	7 240	7 240	7 240	7 240	7 240	7 240	7 240	7 240	86 882	92 104	97 630
Waste water management		1 282	1 282	1 282	1 282	1 282	1 282	1 282	1 282	1 282	1 282	1 282	1 282	15 381	16 304	17 282
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	11 418	11 418	11 418	11 418	11 418	11 418	11 418	11 418	11 418	11 418	11 418	11 518	137 121	148 537	157 449
<b>Funded by:</b>																
National Government		11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	132 651	140 619	149 056
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	11 054	132 651	140 619	149 056
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		373	372	372	372	372	372	372	372	372	372	372	372	4 470	7 918	8 393
<b>Total Capital Funding</b>		11 427	11 427	11 427	11 427	11 427	11 427	11 427	11 427	11 427	11 427	11 427	11 427	137 121	148 537	157 449

**Table 42– Table SA 30 – Budgeted monthly cash flow**

NC451 Joe Morolong - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													1		
Property rates	1 478	1 478	1 478	1 478	1 478	1 478	1 478	1 478	1 478	1 478	1 478	1 478	17 738	34 641	36 719
Service charges - electricity revenue	587	587	587	587	587	587	587	587	587	587	587	587	7 039	7 461	7 909
Service charges - water revenue	1 866	1 866	1 866	1 866	1 866	1 866	1 866	1 866	1 866	1 866	1 866	1 866	22 386	23 729	25 153
Service charges - sanitation revenue	98	98	98	98	98	98	98	98	98	98	98	98	1 173	1 243	1 318
Service charges - refuse revenue	383	383	383	383	383	383	383	383	383	383	383	383	4 601	1 657	1 756
Rental of facilities and equipment	7	7	7	7	7	7	7	7	7	7	7	7	80	85	90
Interest earned - external investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0
Interest earned - outstanding debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0
Licences and permits	0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
Agency services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and Subsidies - Operational	16 079	16 079	16 079	16 079	16 079	16 079	16 079	16 079	16 079	16 079	16 079	16 079	192 952	204 011	202 048
Other revenue	22	22	22	22	22	22	22	22	22	22	22	22	269	285	302
<b>Cash Receipts by Source</b>	<b>20 520</b>	<b>20 520</b>	<b>20 520</b>	<b>20 520</b>	<b>20 520</b>	<b>20 520</b>	<b>20 520</b>	<b>20 520</b>	<b>20 520</b>	<b>20 520</b>	<b>20 520</b>	<b>20 520</b>	<b>246 243</b>	<b>273 117</b>	<b>275 300</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	11 008	11 008	11 008	11 008	11 008	11 008	11 008	11 008	11 008	11 008	11 008	11 008	132 101	115 959	121 851
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on Disposal of Fixed and Intangible Assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Receipts by Source</b>	<b>31 529</b>	<b>31 529</b>	<b>31 529</b>	<b>31 529</b>	<b>31 529</b>	<b>31 529</b>	<b>31 529</b>	<b>31 529</b>	<b>31 529</b>	<b>31 529</b>	<b>31 529</b>	<b>31 529</b>	<b>378 344</b>	<b>389 077</b>	<b>397 151</b>
<b>Cash Payments by Type</b>															
Employee related costs	—	—	—	—	—	—	—	—	—	—	—	—	—	1	1
Remuneration of councillors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bulk purchases - electricity	675	675	675	675	675	675	675	675	675	675	675	675	8 094	11 085	11 750
Acquisitions - water & other inventory	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contracted services	4 406	4 406	4 406	4 406	4 406	4 406	4 406	4 406	4 406	4 406	4 406	4 406	52 877	48 521	51 246
Transfers and subsidies - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other expenditure	4 869	4 869	4 869	4 869	4 869	4 869	4 869	4 869	4 869	4 869	4 869	4 869	58 428	79 803	84 591
<b>Cash Payments by Type</b>	<b>9 950</b>	<b>9 950</b>	<b>9 950</b>	<b>9 950</b>	<b>9 950</b>	<b>9 950</b>	<b>9 950</b>	<b>9 950</b>	<b>9 950</b>	<b>9 950</b>	<b>9 950</b>	<b>9 950</b>	<b>119 400</b>	<b>139 409</b>	<b>147 587</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	11 008	11 008	11 008	11 008	11 008	11 008	11 008	11 008	11 008	11 008	11 008	11 008	132 101	115 959	121 851
Repayment of borrowing	17	17	17	17	17	17	17	17	17	17	17	17	207	219	232
Other Cash Flows/Payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Payments by Type</b>	<b>20 976</b>	<b>20 976</b>	<b>20 976</b>	<b>20 976</b>	<b>20 976</b>	<b>20 976</b>	<b>20 976</b>	<b>20 976</b>	<b>20 976</b>	<b>20 976</b>	<b>20 976</b>	<b>20 976</b>	<b>251 707</b>	<b>255 587</b>	<b>269 670</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>10 553</b>	<b>10 553</b>	<b>10 553</b>	<b>10 553</b>	<b>10 553</b>	<b>10 553</b>	<b>10 553</b>	<b>10 553</b>	<b>10 553</b>	<b>10 553</b>	<b>10 553</b>	<b>10 553</b>	<b>126 637</b>	<b>133 489</b>	<b>127 481</b>
Cash/cash equivalents at the month/year begin:	60 069	70 622	81 176	91 729	102 282	112 835	123 388	133 941	144 494	155 047	165 600	176 153	60 069	186 706	320 196
Cash/cash equivalents at the month/year end:	70 622	81 176	91 729	102 282	112 835	123 388	133 941	144 494	155 047	165 600	176 153	186 706	186 706	320 196	447 676

## **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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>83 182</b>	<b>129 626</b>	<b>120 981</b>	<b>97 964</b>	<b>111 927</b>	<b>111 927</b>	<b>112 398</b>	<b>119 151</b>	<b>126 300</b>
Roads Infrastructure		9 733	(121 707)	44 961	20 145	20 145	20 145	20 388	21 611	22 908
Roads		9 733	(121 707)	44 961	20 145	20 145	20 145	20 388	21 611	22 908
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	1 304	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	1 304	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		73 450	239 862	60 100	67 115	81 078	81 078	76 630	81 236	86 111
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		73 450	239 862	60 100	67 115	81 078	81 078	76 630	81 236	86 111
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	11 471	14 616	10 705	10 705	10 705	15 381	16 304	17 282
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	11 471	(4 483)	10 705	10 705	10 705	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	19 098	-	-	-	15 381	16 304	17 282
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	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	21 117	75 136	12 100	7 416	7 416	11 000	14 840	15 730
Community Facilities	-	21 117	75 136	12 100	7 416	7 416	-	3 180	3 371
Halls	-	21 117	78 521	12 100	7 416	7 416	-	3 180	3 371
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	(3 385)	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	11 000	11 660	12 360
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	11 000	11 660	12 360
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	323	-	130	-	-	-	-	-	-
Operational Buildings	323	-	-	-	-	-	-	-	-
Municipal Offices	323	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	130	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	130	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	443	938	-	-	-	100	106	112
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	443	938	-	-	-	100	106	112
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	443	938	-	-	-	100	106	112
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	1 390	(13 996)	2 771	1 120	620	620	500	530	562

Computer Equipment		1 390	(13 996)	2 771	1 120	620	620	500	530	562
<b>Furniture and Office Equipment</b>		70	582	656	–	–	–	300	318	337
Furniture and Office Equipment		70	582	656	–	–	–	300	318	337
<b>Machinery and Equipment</b>		(125)	26 889	2 046	3 512	1 712	1 712	1 570	1 664	1 764
Machinery and Equipment		(125)	26 889	2 046	3 512	1 712	1 712	1 570	1 664	1 764
<b>Transport Assets</b>		–	184	10 296	7 120	3 796	3 796	2 000	2 120	2 247
Transport Assets		–	184	10 296	7 120	3 796	3 796	2 000	2 120	2 247
<b>Land</b>		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
<b>Zoo's, Marine and Non-biological Animals</b>		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
<b>Living resources</b>		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure on new assets</b>	1	84 840	164 845	212 956	121 816	125 471	125 471	127 868	138 730	147 053

**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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		1 617	14 568	(55 806)	7 107	7 107	7 107	9 252	9 807	10 396
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		1 617	14 568	(55 806)	7 107	7 107	7 107	9 252	9 807	10 396
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		1 617	14 568	(55 806)	7 107	7 107	7 107	9 252	9 807	10 396
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-



Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Data Centres	-	-	-	-	-	-	-	-	-
Core Layers	-	-	-	-	-	-	-	-	-
Distribution Layers	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-

<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>1</b>	<b>1 617</b>	<b>14 568</b>	<b>(55 806)</b>	<b>7 107</b>	<b>7 107</b>	<b>7 107</b>	<b>9 252</b>	<b>9 807</b>	<b>10 396</b>
<b>Renewal of Existing Assets as % of total capex</b>		1.9%	8.1%	-35.5%	5.5%	5.4%	5.4%	6.7%	6.6%	6.6%
<b>Renewal of Existing Assets as % of deprecn"</b>		1.3%	3.1%	-45.8%	36.8%	6.0%	6.0%	26.6%	38.4%	38.4%

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

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

Description  R thousand	Ref  1	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		–	1 164	659	9 000	11 500	11 500	13 000	13 780	14 607
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	685	463	9 000	11 500	11 500	13 000	13 780	14 607
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	463	8 000	11 500	11 500	12 500	13 250	14 045
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	685	–	1 000	–	–	500	530	562
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	479	196	–	–	–	–	–	–
Landfill Sites		–	479	196	–	–	–	–	–	–
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	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	-	2 466	-	-	-	-	-
Community Facilities	-	-	2 466	-	-	-	-	-
Halls	-	-	2 466	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
	1	1	1	1	1	1	1	1
<b>Heritage assets</b>	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-

<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	2 012	1 909	3 509	3 509	1 530	1 590	1 685
Transport Assets		-	-	2 012	1 909	3 509	3 509	1 530	1 590	1 685
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	-	1 164	5 137	10 909	15 009	15 009	14 530	15 370	16 292
<b>R&amp;M as a % of PPE &amp; Investment Property</b>		0.0%	0.0%	0.4%	1.0%	1.2%	1.2%	1.1%	1.1%	1.1%
<b>R&amp;M as % Operating Expenditure</b>		0.0%	0.1%	1.6%	4.0%	4.0%	4.0%	3.9%	4.7%	5.6%

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

R thousand									2023/24 Medium Term Revenue & Expenditure Framework				
Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality: <i>List all capital projects grouped by Function</i>													
Administrative and Corporate Support	NC451_Capital Acquisition_Corporate Services_OFFICE FURNITURE	New	Responsive, accountable, effective and efficient local government		Develop a high performance culture for a changed, diverse, efficient and effective local government	Furniture and Office Equipment	Furniture and Office Equipment	Whole of the Municipality	–	–	300	318	337
Community Halls and Facilities	NC451_Capital Acquisition_Office of the Director Community Services_Community Facilities	New	Responsive; accountable; effective and efficient local government		Promote good governance	Community Assets	Community Facilities	Whole of the Municipality	–	50	–	–	0
Community Halls and Facilities	NC451_Capital Acquisition_Office of the Director Community Services_Community Facilities	New	Responsive; accountable; effective and efficient local government		Promote good governance	Community Assets	Community Facilities	Whole of the Municipality	–	–	–	–	0
Community Halls and Facilities	NC451_Capital Acquisition_Office of the Director Community Services_Community Facilities	New	Responsive; accountable; effective and efficient local government		Promote good governance	Community Assets	Community Facilities	Whole of the Municipality	–	50	–	–	0
Community Halls and Facilities	NC451_Capital Acquisition_Office of the Director Community Services_Community Facilities	New	Responsive; accountable; effective and efficient local government		Promote good governance	Community Assets	Community Facilities	Whole of the Municipality	–	–	–	–	0
Community Halls and Facilities	NC451_Capital Acquisition_Halls_Cardington	New	Responsive; accountable; effective and		Promote good governance	Community Assets	Community Facilities	Whole of the Municipality	–	3 972	–	–	0

Community Halls and Facilities	NC451_Capital Acquisition_Halls_Washinton	New	efficient local government Responsive; accountable; effective and efficient local government An efficient, competitive and responsive economic infrastructure network	Promote good governance	Community Assets	Community Facilities	Whole of the Municipality	–	3 394	–	–	0
Community Halls and Facilities	NC451_Capital Acquisition_Halls_Perdmontkie	New		Provide recreational facilities	Community Assets	Community Facilities	Ward 6	–	–	–	3 180	3 371
Finance	NC451_Capital Acquisition_Computers_Finance	New	Responsive; accountable; effective and efficient local government	Promote good governance	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	–	1 212	300	318	337
Finance	NC451_Capital Acquisition_Computers_Finance	New	Responsive; accountable; effective and efficient local government	Promote good governance	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	–	300	300	318	337
Finance	NC451_Capital Acquisition_Computers_Finance	New	Responsive; accountable; effective and efficient local government	Promote good governance	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	–	1 212	100	106	112
Finance	NC451_Capital Acquisition_Computers_Finance	New	Responsive; accountable; effective and efficient local government An efficient, competitive and responsive economic infrastructure network	Promote good governance	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	–	300	100	106	112
Fleet Management	NC451_Capital Acquisition_FLEET MANAGEMENT SERVICES_Equipment	New		Sustainable basic service delivery	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	–	–	70	74	79
Fleet Management	NC451_Capital Acquisition_FLEET MANAGEMENT SERVICES	New	Responsive; accountable; effective and efficient local government	Promote good governance	Transport Assets	Transport Assets	Whole of the Municipality	–	3 000	2 000	2 120	2 247

Fleet Management	NC451_Capital Acquisiton_FLEET MANAGEMENT SERVICES	New	Responsive; accountable; effective and efficient local government An efficient, competitive and responsive economic infrastructure network	Promote good governance	Transport Assets	Transport Assets	Whole of the Municipality	–	600	2 000	2 120	2 247
Fleet Management	NC451_Capital Acquisiton_FLEET MANAGEMENT SERVICES_Software	New	Responsive; accountable; effective and efficient local government Sustainable human settlements and improved quality of household life	Sustainable basic service delivery	Intangible Assets	Licences and Rights	Whole of the Municipality	–	–	100	106	112
Information Technology	NC451_Capital Acquisition_Information Technology	New	Responsive; accountable; effective and efficient local government Sustainable human settlements and improved quality of household life	Promote good governance	Computer Equipment	Computer Equipment	Whole of the Municipality	–	620	400	424	449
Municipal Manager, Town Secretary and Chief Executive	NC451_Capital Acquisition_Communication Equipments	New	Responsive; accountable; effective and efficient local government Sustainable human settlements and improved quality of household life	Improve communication	Computer Equipment	Computer Equipment	Whole of the Municipality	–	–	100	106	112
Pollution Control	NC451_Capital Acquisition_Envirnmental Services_Skip Unit	New	Responsive; accountable; effective and efficient local government An efficient, competitive and responsive economic infrastructure network	Promote good governance	Transport Assets	Transport Assets	Whole of the Municipality	–	196	–	–	0
Public Toilets	NC451_Capital Acquisition_Waste Water DITHAKONG	New	Responsive; accountable; effective and efficient local government An efficient, competitive and responsive economic infrastructure network	Provide Sanitation	Infrastructure	Sanitation Infrastructure	Ward 12	–	–	9 045	9 588	10 163
Roads	NC451_Capital Acquisition_Roads_NCWELENGWE Internal Road	New	Responsive; accountable; effective and efficient local government An efficient, competitive and responsive economic infrastructure network	Provide Roads	Infrastructure	Roads Infrastructure	Ward 15	–	–	12 000	12 720	13 483



Roads	NC451_Capital Acquisition_Roads GAHUWE TO DITHAKONG ACCESS ROAD	New	An efficient, competitive and responsive economic infrastructure network		Provide Roads	Infrastructure	Roads Infrastructure	Ward 13	–	–	8 388	8 891	9 424
Roads	NC451_Capital Acquisition_Roads Assets	New	An efficient, competitive and responsive economic infrastructure network		Provide Roads	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	–	–	100	106	112
Roads	NC451_Capital Acquisition_Roads_Tsaelengwe Internal Road	New	Responsive; accountable; effective and efficient local government		Promote good governance	Infrastructure	Roads Infrastructure	Whole of the Municipality	–	11 944	–	–	0
Roads	NC451_Capital Acquisition_Roads_Washington Internal Road	New	Responsive; accountable; effective and efficient local government		Promote good governance	Infrastructure	Roads Infrastructure	Whole of the Municipality	–	8 200	–	–	0
Sewerage	NC451_Capital Acquisition_Waste Water_Septic Tanks & Trailers	New	Responsive; accountable; effective and efficient local government		Promote good governance	Transport Assets	Transport Assets	Whole of the Municipality	–	–	–	–	0
Sewerage	NC451_Capital Acquisition_Waste Water KLEIN EIFFEL	New	An efficient, competitive and responsive economic infrastructure network		Provide Sanitation	Infrastructure	Sanitation Infrastructure	Whole of the Municipality	–	1 107	1 580	5 565	5 899
Sewerage	NC451_Capital Acquisition_Waste Water Eiffel	New	An efficient, competitive and responsive economic infrastructure network		Provide Sanitation	Infrastructure	Sanitation Infrastructure	Whole of the Municipality	–	3 987	3 670	–	0

Sewerage	NC451_Capital Acquisition_Waste Water GOOD HOPE	New	An efficient, competitive and responsive economic infrastructure network		Provide Sanitation	Infrastructure	Sanitation Infrastructure	Whole of the Municipality	–	4 320	–	–	0
Sewerage	NC451_Capital Acquisition_Waste Water Rowell	New	An efficient, competitive and responsive economic infrastructure network		Provide Sanitation	Infrastructure	Sanitation Infrastructure	Whole of the Municipality	–	1 291	1 086	1 151	1 221
Sports Grounds and Stadiums	NC451_Capital Acquisition_DITHAKONG SPORTFIELD	New	An efficient, competitive and responsive economic infrastructure network		Enhanced sustainable environmental management and social development	Community Assets	Sport and Recreation Facilities	Ward 12	–	–	11 000	11 660	12 360
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_LEBOKENG	New	An efficient, competitive and responsive economic infrastructure network		Provide Water	Infrastructure	Water Supply Infrastructure	Ward 5	–	–	2 541	2 693	2 855
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_RUSTFONTEIN WYK 10	New	An efficient, competitive and responsive economic infrastructure network		Provide Water	Infrastructure	Water Supply Infrastructure	Ward 5	–	–	2 261	2 396	2 540
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_DINOKENG	New	An efficient, competitive and responsive economic infrastructure network		Provide Water	Infrastructure	Water Supply Infrastructure	Ward 5	–	–	2 190	2 322	2 461

Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_ABBEY	New	infrastructure network  An efficient, competitive and responsive economic infrastructure network	Provide Water	Infrastructure	Water Supply Infrastructure	Ward 3	–	–	2 261	2 396	2 540
Water Distribution	NC451_Capital Acquisition_Water ESPERENZA/CHURCHILL	New	An efficient, competitive and responsive economic infrastructure network	Water Quality Management	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	–	8 000	11 244	11 919	12 634
Water Distribution	NC451_Capital Acquisition_Water_GANGHAAI	New	An efficient, competitive and responsive economic infrastructure network	Water Quality Management	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	–	7 182	–	1 590	1 685
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Washington_2022/23	New	An efficient, competitive and responsive economic infrastructure network	Provide Water	Infrastructure	Water Supply Infrastructure	Ward 14	–	2 237	–	–	0
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Madibeng	New	An efficient, competitive and responsive economic infrastructure network	Provide Water	Infrastructure	Water Supply Infrastructure	Ward 3	–	1 623	–	–	0
Water Distribution	NC451_Capital Acquisition_Water MADULARANCH	New	An efficient, competitive and responsive	Water Quality Management	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	–	8 000	10 000	11 423	12 974

Water Distribution	NC451_Capital Acquisition_Water_PERMONKIE 2021/2022	New	economic infrastructure network  An efficient, competitive and responsive economic infrastructure network	Water Quality Management	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	–	14 465	–	11 093	11 758
Water Distribution	NC451_Capital Acquisition_Water Tanks	New	Responsive; accountable; effective and efficient local government	Promote good governance	Machinery and Equipment	Machinery and Equipment	Whole of the Municipality	–	200	1 000	1 060	1 124
Water Distribution	NC451_Capital Acquisition_Water_Heiso	New	Responsive; accountable; effective and efficient local government	Promote good governance	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	–	–	–	–	0
Water Distribution	NC451_Capital Acquisition_Water_Penryn	New	Responsive; accountable; effective and efficient local government	Promote good governance	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	–	5 623	–	–	0
Water Distribution	NC451_Capital Acquisition_Water_Shalaneng	New	Responsive; accountable; effective and efficient local government	Promote good governance	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	–	13 451	–	–	0
Water Distribution	NC451_Capital Acquisition_Water BOJELAPOTSANE	New	An efficient, competitive and responsive economic infrastructure network	Water Quality Management	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	–	7 043	–	–	0
Water Distribution	NC451_Capital Acquisition_Water_GAMMAKGATLE	New	An efficient, competitive and responsive economic	Water Quality Management	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	–	8 463	4 913	9 939	10 535

Water Distribution	NC451_Capital Acquisition_Water BUSH BUCK	New	infrastructure network  An efficient, competitive and responsive economic infrastructure network		Water Quality Management	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	–	8 850	1 922	1 215	421
Water Distribution	NC451_Capital Acquisition_Boreholes Refurbish_Galotlhare	New	An efficient, competitive and responsive economic infrastructure network		Provide Water	Infrastructure	Water Supply Infrastructure	Ward 7	–	1 623	–	–	0
Water Distribution	NC451_Capital Acquisition_Water_HEUNINGVLEI	New	An efficient, competitive and responsive economic infrastructure network		Provide Water	Infrastructure	Water Supply Infrastructure	Ward 1	–	–	11 130	11 798	12 506
Water Distribution	NC451_Capital Acquisition_Water_DOCKSON	New	An efficient, competitive and responsive economic infrastructure network		Provide Water	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	–	–	10 151	10 760	11 406
Water Distribution	NC451_Capital Acquisition_Water_DIKHING	New	An efficient, competitive and responsive economic infrastructure network		Provide Water	Infrastructure	Water Supply Infrastructure	Whole of the Municipality	–	–	10 849	11 500	12 190
Water Distribution	NC451_Capital Acquisition_Water_Padstow	New	An efficient, competitive and responsive		Provide Water	Infrastructure	Water Supply Infrastructure	Ward 2	–	–	10 000	–	–

Water Distribution	NC451_Capital Acquisition_Water_Skerma	New	economic infrastructure network  An efficient, competitive and responsive economic infrastructure network		Provide Water	Infrastructure	Water Supply Infrastructure	Ward 15	–	–	6 420	–	–
Water Storage	NC451_Capital Acquisition_Boreholes Refurbish_Maketlele	New	An efficient, competitive and responsive economic infrastructure network		Provide Water	Infrastructure	Water Supply Infrastructure	Ward 14	–	1 623	–	–	0
<b>Parent Capital expenditure</b>									–	134 140	139 521	151 081	160 146
<b>Entities:</b> <i>List all capital projects grouped by Entity</i>													
<b>Entity A</b> Water project A													
<b>Entity B</b> Electricity project B													
<b>Entity Capital expenditure</b>									–	–	–	–	–
<b>Total Capital expenditure</b>									–	134 140	139 521	151 081	160 146

## **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 2023/24 MTREF in May 2023 directly aligned and informed by the 2023/24 MTREF.

6. Annual Report

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

## 2.15 Municipal Manager's Quality Certificate

JOE MOROLONG LOCAL MUNICIPALITY



JOE MOROLONG  
LOCAL MUNICIPALITY

NC 451

### QUALITY CERTIFICATE

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

PRINT NAME:.....

**Municipal Manager of JOE MOROLONG LOCAL MUNICIPALITY (NC 451)**

**Signature:** .....

**Date** : .....