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ALL CORRESPONDENCE TO BE ADDRESSED TO THE MUNICIPAL MANAGER

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# **DRAFT ANNUAL BUDGET**

**2024/25  
TO  
2026/27**

# **FINANCIAL YEAR**

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All public libraries of the municipality  
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## Mayor's Report

Our draft IDP and Budget for the 2024/2025 – 2026/2027 MTREF report is as follows:

### 1. BUDGET SUMMARY FOR THE 2023/2024 FINANCIAL YEAR

DESCRIPTION	Draft Annual Budget 2024/25	Draft Annual Budget 2025/26	Draft Annual Budget 2026/27
TOTAL TRANSFERS & GRANTS	254 million	244 million	235 million
TOTAL OWN REVENUE	99 million	104 million	108 million
<b>TOTAL INCOME</b>	<b>353 million</b>	<b>347 million</b>	<b>343 million</b>
TOTAL OPERATING EXPENDITURE	297 million	293 million	296 million
TOTAL CAPITAL PROJECTS	56 million	54 million	47 million
<b>TOTAL EXPENDITURE</b>	<b>353 million</b>	<b>347 million</b>	<b>343 million</b>

### 1. Budgeted for INDIGENT PEOPLE

	2024/25	2025/26	2026/27
Free Basic services	5.6 million	5.9 million	6.1 million

### 2. Tariffs and Property rates

Average increases in rates and tariff charges over the next three years:

Services	2024/25
Property Rates (APPROVED BY TREASURY)	4.9%
Electricity (APPROVED BY NERSA)	4.9%
Refuse Removal (APPROVED BY TREASURY)	4.9%

**These rates apply to our ratepayers in both Mogwadi and Soekmeaar towns;**

### 3. KEY IDP PROJECTS TO BE IMPLEMENTED IN THE 2024/2025 MTREF

**Local Economic Development and Planning**

<b>PROJECT DESCRIPTION</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
<b>AGRICULTURAL SKILLS DEV &amp; MENTORSHIP</b>	<b>500 000</b>	<b>0</b>	<b>0</b>
<b>LED STRATEGY</b>	<b>850 000</b>	<b>0</b>	<b>0</b>
<b>Geo Tech Studies</b>	<b>300 000</b>	<b>0</b>	<b>0</b>
<b>INSTALLATION OF GIS</b>	<b>800 000</b>	<b>0</b>	<b>0</b>
<b>PEGGING OF SITES</b>	<b>300 000</b>	<b>0</b>	<b>0</b>
<b>SPATIAL DEVELOPMENT FRAMEWORK</b>	<b>1 100 000</b>	<b>0</b>	<b>0</b>
<b>INVESTOR CO-ORDINATION</b>	<b>1 100 000</b>	<b>0</b>	<b>0</b>
<b>SURVEY OF EXISTING SETTLEMENTS</b>	<b>300 000</b>	<b>0</b>	<b>0</b>
<b>Career Expo</b>	<b>300 000</b>	<b>0</b>	<b>0</b>
<b>Youth in Agriculture</b>	<b>450 000</b>	<b>0</b>	<b>0</b>

**Basic Service Delivery: ROADS AND STORM WATER INFRASTRUCTURE**

<b>PROJECT DESCRIPTION</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
<b>MOGWADI INTERNAL STREET</b>	R 9,8 million	0	0
<b>Springs to Sekonye Internal Streets</b>	R 8 million	R 15 million	R29 million
<b>Construct a compliant Landfill site in Ramokgopa Eisleben Village (Cell 1)</b>	R 20,6 million	R25 million	0
<b>Mohodi Newstands Internal Streets</b>	0	0	R 14 million

**Basic Service Delivery: COMMUNITY SERVICES**

<b>PROJECT DESCRIPTION</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
<b>TRAFFIC FINES MANAGEMENT SYSTEM</b>	5 million	0	0

**Executive Summary****Legislative background**

In terms of the Municipal Finance Management Act No. 56 of 2003 section 16 (1), the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. It is a requirement in terms of section 16 (2) that at least 90 days before the start of the financial year, the Mayor of the municipality must table in a council meeting the annual budget before the start of the financial year.

Complying with section 21 (b) of the MFMA, the mayor of Molemole Local Municipality has tabled in a council meeting held in July 2022 a time schedule outlining key deadlines for:

- (i) the preparation, tabling and approval of the annual budget;
- (ii) the annual review of :
  - The integrated development plan in terms of section 34 of the Municipal Systems Act; and - The budget-related policies;
- (iii) the tabling and adoption of any amendments to the Integrated Development Plan and the policies; and
- (iii) All consultative processes forming part of the processes referred to in Subparagraphs (i), (ii)

## Budget principles and assumptions

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's financial management strategies and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, considering the cost containment measures as approved by the cabinet, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. The municipality did consider MFMA budget circulars no 126 and 128 in the preparation on this draft budget for the 2024/25 MTREF.

The municipality has reviewed its revenue enhancement strategies to ensure that they are crafted to address the current revenue collection challenges considering the current circumstances and limitations within which the municipality operates. The current sources of revenue were reviewed to identify obstacles for revenue collection and strategies were put in place to improve and sustain collection of revenue from these sources. New available sources of revenue were also identified, and a plan of action was developed for implementation in the next financial years to start collecting revenue from such potential revenue sources.

- The main challenges experienced during the compilation of the 2024/25 MTREF can be summarised as follows:
  - The need to reprioritize infrastructure projects and necessary operational expenditure within the existing limited resources considering the cash flow realities and cash position of the municipality;
  - The municipality's inability to generate enough own revenue to assist in addressing the infrastructure and other service delivery challenges in our communities.
    - The land ownership issues which affect revenue base growth in our municipality and proper town planning in the area, which is the most prominent economic growth point for the municipality.
- The following budgeting principles and guidelines directly informed the compilation of the 2024/25 MTREF budget:
  - The annual budget for 2024/25 and the MTREF was prepared on both zero base principle, meaning that each item or programme was budgeted considering the specification of the project and Incremental budgeting on which the CPI was used to estimate using historical expenditure.
    - The 2023/24 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustment Budget were considered as the upper limits for the new baselines for the 2024/25 annual budget where resources allow and necessary;
    - Only programmes and capital projects contained in the municipality's Integrated Development Plan will be budgeted for during the 2024/25 MTREF to ensure that the budget remain an implementation tool for the municipality's IDP.
    - For the 2024/25 financial year and throughout the MTREF, tariffs for property rates have increased by the CPI.
      - There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the 2024/25 Medium term Revenue and Expenditure Framework as compared to the past budget year:

<b>DESCRIPTION</b>	<b>Draft Annual Budget 2024/25</b>	<b>Draft Annual Budget 2025/26</b>	<b>Draft Annual Budget 2026/27</b>
TOTAL TRANSFERS & GRANTS	254 million	244 million	235 million
TOTAL OWN REVENUE	99 million	104 million	108 million
<b>TOTAL INCOME</b>	<b>353 million</b>	<b>347 million</b>	<b>343 million</b>
TOTAL OPERATING EXPENDITURE	297 million	293 million	296 million
TOTAL CAPITAL PROJECTS	56 million	54 million	47 million
<b>TOTAL EXPENDITURE</b>	<b>353 million</b>	<b>347 million</b>	<b>343 million</b>

TABLE 1:

LIM353 Molemole - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	8 433	8 206	8 920	12 336	12 336	12 336	7 028	12 940	13 535	14 144
Service charges - Water	2	-	-	(18)	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	(2)	-	-	-	(1)	-	-	-
Service charges - Waste Management	2	2 629	2 742	2 523	3 545	3 545	3 545	2 242	4 318	4 517	4 720
Sale of Goods and Rendering of Services											
Agency services		919	743	730	1 681	1 681	1 681	1 647	2 957	3 093	3 232
Interest		2 544	4 709	8 168	9 600	10 100	10 100	6 684	14 800	14 958	15 631
Interest earned from Receivables		-	-	-	-	-	-	-	1 784	1 866	1 950
Interest earned from Current and Non Current Assets		-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		215	218	222	248	248	248	167	560	586	612
Licence and permits		-	-	-	-	1 169	1 169	-	2 752	2 879	3 008
Operational Revenue		(47)	396	251	1 594	425	425	300	758	1 316	1 376
<b>Non-Exchange Revenue</b>											
Property rates	2	49 558	30 599	32 724	46 063	36 021	36 021	21 768	34 686	35 702	37 304
Surcharges and Taxes											
Fines, penalties and forfeits		493	628	804	621	621	621	534	3 651	3 819	3 991
Licences or permits		4 891	5 092	4 363	13 120	13 120	13 120	7 526	19 063	19 940	20 837
Transfer and subsidies - Operational		185 288	160 911	174 739	183 701	201 132	201 132	187 508	215 150	203 575	191 135
Interest		1 342	1 493	1 330	2 268	2 268	2 268	1 277	1 495	1 564	1 635
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		12	13	14	-	-	-	-	-	-	-
Other Gains											
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>256 278</b>	<b>215 750</b>	<b>234 767</b>	<b>274 777</b>	<b>282 666</b>	<b>282 666</b>	<b>236 679</b>	<b>314 916</b>	<b>307 350</b>	<b>299 575</b>
<b>Expenditure</b>											
Employee related costs	2	91 655	96 156	101 438	107 287	111 046	111 046	72 297	115 699	121 022	125 812
Remuneration of councillors		12 930	12 948	13 651	19 640	16 478	16 478	9 758	17 285	18 081	18 894
Bulk purchases - electricity	2	11 026	12 585	12 338	13 783	13 783	13 783	10 836	14 459	15 124	15 804
Inventory consumed	8	811	1 851	1 800	8 246	5 917	5 917	-	6 602	6 905	7 216
Debt impairment	3	8 871	3 838	2 884	3 989	3 988	3 988	601	3 659	3 827	3 999
Depreciation and amortisation		12 115	19 095	18 587	22 082	22 082	22 082	10 637	22 115	23 133	24 173
Interest		184	14	2 468	133	2 143	2 143	13	2 248	2 351	2 457
Contracted services		39 119	36 709	35 623	45 769	64 039	64 039	37 243	75 641	63 841	56 446
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	525	549	573
Operational costs		34 166	31 735	38 980	40 017	33 263	33 263	19 782	38 984	39 061	40 814
Losses on disposal of Assets		7 086	7 067	8 949	-	510	510	-	-	-	-
Other Losses											
<b>Total Expenditure</b>		<b>217 964</b>	<b>221 998</b>	<b>236 716</b>	<b>260 945</b>	<b>273 249</b>	<b>273 249</b>	<b>161 167</b>	<b>297 216</b>	<b>293 892</b>	<b>296 190</b>
<b>Surplus/(Deficit)</b>		<b>38 314</b>	<b>(6 248)</b>	<b>(1 949)</b>	<b>13 832</b>	<b>9 417</b>	<b>9 417</b>	<b>75 511</b>	<b>17 700</b>	<b>13 458</b>	<b>3 386</b>
Transfers and subsidies - capital (monetary allocations)	6	45 028	43 525	40 347	58 548	66 901	66 901	32 921	38 779	40 559	43 871
Transfers and subsidies - capital (in-kind)	6	1 235	-	1 894	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>84 576</b>	<b>37 276</b>	<b>40 292</b>	<b>72 380</b>	<b>76 318</b>	<b>76 318</b>	<b>108 433</b>	<b>56 479</b>	<b>54 017</b>	<b>47 257</b>
Income Tax											
<b>Surplus/(Deficit) after income tax</b>		<b>84 576</b>	<b>37 276</b>	<b>40 292</b>	<b>72 380</b>	<b>76 318</b>	<b>76 318</b>	<b>108 433</b>	<b>56 479</b>	<b>54 017</b>	<b>47 257</b>
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>84 576</b>	<b>37 276</b>	<b>40 292</b>	<b>72 380</b>	<b>76 318</b>	<b>76 318</b>	<b>108 433</b>	<b>56 479</b>	<b>54 017</b>	<b>47 257</b>
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions											
<b>Surplus/(Deficit) for the year</b>	1	<b>84 576</b>	<b>37 276</b>	<b>40 292</b>	<b>72 380</b>	<b>76 318</b>	<b>76 318</b>	<b>108 433</b>	<b>56 479</b>	<b>54 017</b>	<b>47 257</b>

The municipality has budgeted a total Revenue of R 353 million for 2024/25 financial year, R 347 million and R 343 million for 2025/26 and 2026/27 respectively. Total revenue has increased by R 4 million for the 2024/25 financial year when compared to the 2023/24 adjusted revenue budget. The total revenue for 2023/24 includes the grants allocations from the national treasury to the amount of R 254 million and own revenue sources to the amount of R 99 million. For the two outer years of the MTREF 2025/26 and 2026/27 total grants allocations included in total revenue amounts to 244 million and R 235 million respectively while own revenue increases to R 104 million and R 108 million respectively.

Total operating expenditure for the 2024/25 financial year has been appropriated at R 297 million and translates into an operating budgeted surplus of R 56 million as indicated in table A4. This surplus is used to fund capital

expenditure for 2024/25 as indicated in table 1 above. The operating surplus for 2025/26 is R 54 million and 2026/27 is R47 million. These surpluses will be used to fund capital projects for two outer years.

TABLE 2:

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		4 798	2 453	1 975	6 232	4 269	4 269	2 181	7 200	600	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		4 798	2 453	1 975	6 232	4 269	4 269	2 181	7 200	600	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1 156	763	4 064	400	400	400	-	-	-	-
Community and social services		1 156	-	1 894	400	400	400	-	-	-	-
Sport and recreation		-	600	2 170	-	-	-	-	-	-	-
Public safety		-	163	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	193	39 378	44 080	72 636	72 636	39 212	25 710	20 325	43 871
Planning and development		-	193	-	-	-	-	-	-	-	-
Road transport		-	-	39 378	44 080	72 636	72 636	39 212	25 710	20 325	43 871
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		44 102	45 279	7 437	21 668	2 500	2 500	417	23 569	33 092	3 386
Energy sources		11 793	9 892	7 437	19 368	200	200	(90)	3 000	7 972	3 386
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		32 309	35 386	-	2 300	2 300	2 300	507	20 569	25 120	-
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	50 057	48 687	52 855	72 380	79 805	79 805	41 809	56 479	54 017	47 257
<b>Funded by:</b>											
National Government		39 134	38 040	35 522	58 548	66 901	66 901	37 071	38 779	40 559	43 871
Provincial Government		-	-	1 894	-	-	-	-	-	-	-
District Municipality		1 156	-	-	-	-	-	-	-	-	-
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>	4	40 290	38 040	37 416	58 548	66 901	66 901	37 071	38 779	40 559	43 871
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		9 767	10 647	15 439	13 832	12 904	12 904	4 738	17 700	13 458	3 386
<b>Total Capital Funding</b>	7	50 057	48 687	52 855	72 380	79 805	79 805	41 809	56 479	54 017	47 257

The total capital budget for 2024/25 financial year amounts to R 56 million and has decreased by R 23 million as compared to the 2023/24 adjusted capital budget of R 79 million. For 2025/26 and 2026/27 budget years, the capital expenditure is budgeted at R 54 million and R 47 million respectively. The municipality's revenue enhancements strategies programme is aiming at amongst other things to address this reduction in capital expenditure in the future budget years.

## Operating Revenue Framework

The need to generate sustainable revenue is essential to meet funding requirements for Molemole local municipality to continue improving the quality of services provided to its communities and to address the service delivery backlogs. 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 and high level of unemployment, inadequate town planning, and many other socio-economic challenges in our municipality which directly affects negatively the municipality's revenue generation and collection.

The expenditure required to address these challenges will always exceed available funding; hence difficult choices have to be made in relation to balance expenditures against realistically anticipated revenues. Council will continue with programmes and steps that will ensure an improvement in community cooperation and improved collection on property rates as it is a major source of the municipality's own revenue. The municipality currently bill property rates on residential, farms, business properties and government properties.

In an attempt to ensure a strong revenue base, the municipality has also reviewed its revenue enhancement strategy to improve revenue collection in the 2024/25 financial year and the two outer years.

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

1. Installation of check meters on all Eskom bulk point supply to the municipality to be able to reduce electricity loss.
2. Refurbishment and strengthening of network infrastructure to reduce electricity loss.
3. Expansion of NERSA electricity distribution license
4. Installation of AMI system to detect any tempering of electricity meters, to reduce electricity loss.
5. Continuing with quarterly meter auditing
6. The Municipality will construct Ramokgopa Landfill site. It will assist with the municipality to collect revenue from traffic activities.
7. Expansion of Refuse Removal in Nthabiseng and Sefene.
8. Traffic Management System to assist the municipality to be able to conduct roadblocks and collect traffic fines due to the municipality immediately and monitor traffic fines that are due to the municipality.
9. Proposed student accommodation
10. Libra Function
11. Sale of stands at Mogwadi Town
12. Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges
13. Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service
14. The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA)
15. Increase ability to extend new services and recover costs; (e.g. Waste collection project, business licensing)
16. The municipality's Indigent Policy and rendering of free basic services; and
17. Tariff policies of the Municipality.
18. The township establishment as the primary note for development.

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

Table 3 Summary of revenue classified by main revenue source

LIM353 Molemole - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	8 433	8 206	8 920	12 336	12 336	12 336	7 028	12 940	13 535	14 144
Service charges - Water	2	-	-	(18)	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	(2)	-	-	-	(1)	-	-	-
Service charges - Waste Management	2	2 629	2 742	2 523	3 545	3 545	3 545	2 242	4 318	4 517	4 720
Sale of Goods and Rendering of Services											
Agency services		919	743	730	1 681	1 681	1 681	1 647	2 957	3 093	3 232
Interest		2 544	4 709	8 168	9 600	10 100	10 100	6 684	14 800	14 958	15 631
Interest earned from Receivables		-	-	-	-	-	-	-	1 784	1 866	1 950
Rental from Fixed Assets		215	218	222	248	248	248	167	560	586	612
Licence and permits		-	-	-	-	1 169	1 169	-	2 752	2 879	3 008
Operational Revenue		(47)	306	251	1 504	425	425	300	758	1 316	1 376
<b>Non-Exchange Revenue</b>											
Property rates	2	49 558	30 599	32 724	46 063	36 021	36 021	21 768	34 686	35 702	37 304
Fines, penalties and forfeits		493	628	804	621	621	621	534	3 651	3 819	3 991
Licences or permits		4 801	5 092	4 363	13 120	13 120	13 120	7 526	19 063	19 940	20 837
Transfer and subsidies - Operational		185 288	160 911	174 739	183 701	201 132	201 132	187 508	215 150	203 575	191 138
Transfer and subsidies - capital (monetary allocators)	6	45 028	43 525	40 947	58 548	66 901	66 901	32 921	38 779	40 559	43 871
Interest		1 342	1 493	1 330	2 268	2 268	2 268	1 277	1 495	1 564	1 635
Gains on disposal of Assets		12	13	14	-	-	-	-	-	-	-
Other Gains											
Discontinued Operations											
<b>Total Revenue</b>		<b>301 308</b>	<b>259 274</b>	<b>275 114</b>	<b>333 325</b>	<b>349 587</b>	<b>349 587</b>	<b>289 600</b>	<b>353 695</b>	<b>347 900</b>	<b>343 448</b>

Operating Revenue amounts to **R353** million for 2024/25 financial year.

### Property rates

An amount of **R34 million** is expected to be collected from Government, businesses and residential properties.

### **Service charges**

The main components of revenue from service charges are sale of electricity and it amounts to **R 12 million** and Waste Management which amounts to R R4 million.

### **Rent of facilities and equipment**

Expected revenue for 2024/2025 amounts to **R550 thousand** from rental of buildings.

### **Interest earned- Investment**

An amount of R **14 million** is expected to be earned from this source of revenue.

### **Transfers recognized - operational**

Bulk from this source is from equitable share of **R188 million**, **R2, 2 million** from Financial Management Grant, **R 2 million** from MIG allocation for project Management Unit which is 5% of the allocation, **R1,3 million** for Expanded Public Works Programme and **R21,9 million** Intergrated National Electricity Programme ( INEP ).

### **Agency Services**

Amounts to **R 3 million** which includes commission on water and sanitation.

### **Transfers recognized – capital**

An amount of **R39 million** which is for MIG.

## **Operating Expenditure Framework**

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

1. The municipality's Spatial Development Framework.
2. The infrastructure projects plan in the IDP to address the backlog and the repairs and maintenance plan.
3. Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit.
4. Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA.
5. The capital programme is aligned to backlog eradication plan.
6. Operational gains/ surpluses will be directed to funding the capital budget.
7. Funding was allocated to only projects which have projects implementation plans to guard against under spending.
8. The procurement plan of the municipality.

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

**Table 4 Summary of operating expenditure by standard classification item**

LIM353 Molemole - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome							
<b>Expenditure</b>											
Employee related costs	2	91 655	96 156	101 438	107 287	111 046	111 046	72 297	115 699	121 022	125 812
Remuneration of councillors		12 930	12 949	13 651	19 640	16 478	16 478	9 758	17 285	18 081	18 894
Bulk purchases - electricity	2	11 026	12 585	12 338	13 783	13 783	13 783	10 836	14 459	15 124	15 804
Inventory consumed	8	811	1 851	1 800	8 246	5 917	5 917	-	6 602	6 905	7 216
Debt impairment	3	8 871	3 838	2 884	3 988	3 988	3 988	601	3 659	3 827	3 999
Depreciation and amortisation		12 115	19 095	18 587	22 082	22 082	22 082	10 637	22 115	23 133	24 173
Interest		184	14	2 468	133	2 143	2 143	13	2 248	2 351	2 457
Contracted services		39 119	36 709	35 623	45 769	64 039	64 039	37 243	75 641	63 841	56 446
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	525	549	573
Operational costs		34 166	31 735	38 980	40 017	33 263	33 263	19 782	38 984	39 061	40 814
Losses on disposal of Assets		7 086	7 067	8 949	-	510	510	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>217 984</b>	<b>221 998</b>	<b>238 718</b>	<b>280 945</b>	<b>273 240</b>	<b>273 240</b>	<b>181 167</b>	<b>287 218</b>	<b>283 892</b>	<b>288 190</b>

Operating expenditure amounts to **R300 million** for the 2024/25 financial year.

### Employee related costs

#### The following were taken into consideration

The *Salary and Wage Collective Agreement* for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government.

The municipality increase was based on Circular 126 and 128 issued by National Treasury to increase by the CPI for the 2024/25 financial year.

Total Employee related costs amounts to **R115 million** which represents 45% of total operating expenditure including councillors remuneration. The norm in terms of Circular 71 should be between 25% and 40%. The municipality is above the norm by 5%.

### Remuneration of Councillors

Provision of R17 million is made for councillor allowances.

### Debt impairment

Debt impairment relates to the provision for working capital for an amount of R3,6 million.

### Irrecoverable debts written off

Irrecoverable debts written off amounts to R525 thousand in the 2024-25 financial year.

### Depreciation

Provision for depreciation for the 2024/2025 financial year amounts to **R22 million** and makes provision for current assets, assets to be purchased.

### Bulk purchase of Electricity

A provision of R14 million was made.

### Contracted Services

An amount of **R75 million** was made available for 2024/2025 financial year.

It includes the repairs and maintenance budget of **R 15 million**

## Other general expenditure

Other general expenditure amounts to **R40** million.

## Capital expenditure

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

Table 5 2022/23 Medium-term capital budget per vote

LIM353 Molemole - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 01 - Corporate Services		4 661	2 378	1 975	4 032	3 761	3 761	1 698	1 200	400	-
Vote 02 - Municipal Manager		137	76	-	100	78	78	78	200	200	-
Vote 03 - Mayors Office		-	-	-	-	-	-	-	-	-	-
Vote 04 - Budget And Treasury		-	-	-	2 100	430	430	405	5 800	-	-
Vote 05 - Community Services		1 156	763	4 064	400	400	400	-	-	-	-
Vote 06 - Technical Services		44 102	45 471	46 816	65 748	75 136	75 136	39 629	49 279	53 417	47 257
Capital multi-year expenditure sub-total	7	50 057	48 687	52 855	72 380	79 805	79 805	41 809	56 479	54 017	47 257

The 2024/25 capital budget amounts to **R56** million.

### Corporate services projects are as follows:

- ICT Assets
- Furniture

### Municipal Managers Office

- Events Management Equipment

### Budget and Treasury Office

- Asset Verification System

### Community Services

- Traffic Management System

### Technical services department

- Mogwadi internal street
- Springs to Sekonye internal street
- Construction of complaint Landfill site in Ramokgopa/Eisleben Village

**Annual Budget Tables ( A2 – A10 )**  
**Table A2**

**LIM353 Molemole - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue - Functional</b>	1									
<b>Governance and administration</b>		235 257	194 084	213 278	238 676	227 965	227 965	241 397	241 638	237 622
Executive and council		12	13	14	-	-	-	-	-	-
Finance and administration		235 245	194 072	213 264	238 676	227 965	227 965	241 397	241 638	237 622
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		8 108	7 493	8 682	15 207	15 207	15 207	24 660	24 344	25 440
Community and social services		2 516	1 426	3 306	1 246	1 246	1 246	1 414	29	31
Sport and recreation		215	347	223	250	250	250	562	588	614
Public safety		5 377	5 720	5 153	13 712	13 712	13 712	22 684	23 728	24 795
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		35 538	37 074	39 843	41 607	46 504	46 504	43 734	45 742	49 365
Planning and development		35 538	37 074	39 843	41 607	46 504	46 504	43 734	45 742	49 365
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		23 638	20 623	15 205	37 834	59 890	59 890	43 905	36 185	31 020
Energy sources		19 907	15 799	11 641	32 144	32 144	32 144	35 541	27 438	21 878
Water management		328	743	270	69	69	69	72	75	79
Waste water management		519	1 000	440	1 612	23 668	23 668	2 885	3 018	3 153
Waste management		2 883	3 081	2 854	4 010	4 010	4 010	5 406	5 655	5 909
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>302 540</b>	<b>259 274</b>	<b>277 008</b>	<b>333 325</b>	<b>349 567</b>	<b>349 567</b>	<b>353 695</b>	<b>347 909</b>	<b>343 446</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		126 683	113 125	120 499	137 330	135 272	135 272	144 724	152 502	158 704
Executive and council		36 701	29 927	33 309	41 559	39 265	39 265	41 082	42 972	44 906
Finance and administration		82 852	76 211	77 539	83 370	84 978	84 978	91 641	96 977	100 680
Internal audit		7 131	6 987	9 651	12 400	11 029	11 029	12 001	12 553	13 118
<b>Community and public safety</b>		25 383	26 058	28 211	27 846	30 221	30 221	31 133	32 565	34 030
Community and social services		5 328	5 777	7 349	8 902	8 063	8 063	8 556	8 950	9 353
Sport and recreation		3 854	3 897	2 667	3 723	3 680	3 680	3 801	3 976	4 155
Public safety		16 200	16 384	18 195	15 220	18 477	18 477	18 775	19 639	20 523
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		11 222	14 615	24 548	29 518	22 138	22 138	28 245	23 060	20 624
Planning and development		9 050	11 059	15 020	17 503	13 730	13 730	18 735	14 680	15 341
Road transport		2 172	3 557	9 528	12 015	8 408	8 408	9 511	8 379	5 283
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		57 786	72 974	68 398	66 252	85 619	85 619	93 113	85 766	82 831
Energy sources		21 238	31 159	35 526	31 287	50 509	50 509	55 360	47 726	43 079
Water management		6 312	7 533	5 809	5 225	6 192	6 192	6 588	6 891	7 201
Waste water management		23 788	27 555	17 746	18 975	18 210	18 210	19 289	20 177	21 085
Waste management		6 447	6 727	9 316	10 765	10 708	10 708	11 876	10 973	11 466
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	<b>221 074</b>	<b>226 772</b>	<b>241 656</b>	<b>260 945</b>	<b>273 249</b>	<b>273 249</b>	<b>297 216</b>	<b>293 892</b>	<b>296 190</b>
<b>Surplus/(Deficit) for the year</b>		<b>81 467</b>	<b>32 502</b>	<b>35 352</b>	<b>72 380</b>	<b>76 318</b>	<b>76 318</b>	<b>56 479</b>	<b>54 017</b>	<b>47 257</b>

**Table A3**

**LIM353 Molemole - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>	1									
Vote 01 - Corporate Services		148	274	550	398	1 567	1 567	3 482	4 165	4 353
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Mayors Office		-	-	-	-	-	-	-	-	-
Vote 04 - Budget And Treasury		235 165	193 893	212 785	238 432	227 721	227 721	240 828	240 520	236 454
Vote 05 - Community Services		10 991	10 574	11 536	19 217	19 217	19 217	30 066	29 999	31 349
Vote 06 - Technical Services		56 237	54 533	52 137	75 278	101 062	101 062	79 318	73 224	71 290
Vote 07 -		-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>302 540</b>	<b>259 274</b>	<b>277 008</b>	<b>333 325</b>	<b>349 567</b>	<b>349 567</b>	<b>353 695</b>	<b>347 909</b>	<b>343 446</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 01 - Corporate Services		53 988	52 408	50 928	60 932	59 087	59 087	65 674	62 258	64 399
Vote 02 - Municipal Manager		24 375	19 249	23 095	27 748	27 438	27 438	29 212	30 556	31 931
Vote 03 - Mayors Office		16 497	16 247	16 333	22 399	20 131	20 131	21 324	22 305	23 308
Vote 04 - Budget And Treasury		38 992	34 039	36 876	36 377	37 565	37 565	41 924	44 925	46 947
Vote 05 - Community Services		31 835	32 791	37 533	38 611	40 929	40 929	43 009	43 538	45 497
Vote 06 - Technical Services		55 387	72 039	76 891	74 879	88 099	88 099	96 073	90 311	84 108
Vote 07 -		-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>221 074</b>	<b>226 772</b>	<b>241 656</b>	<b>260 945</b>	<b>273 249</b>	<b>273 249</b>	<b>297 216</b>	<b>293 892</b>	<b>296 190</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>81 467</b>	<b>32 502</b>	<b>35 352</b>	<b>72 380</b>	<b>76 318</b>	<b>76 318</b>	<b>56 479</b>	<b>54 017</b>	<b>47 257</b>

**Table A4**

**LIM353 Molemole - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	8 433	8 206	8 920	12 336	12 336	12 336	7 028	12 940	13 535	14 144
Service charges - Water	2	-	-	(18)	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	(2)	-	-	-	(1)	-	-	-
Service charges - Waste Management	2	2 629	2 742	2 523	3 545	3 545	3 545	2 242	4 318	4 517	4 720
Sale of Goods and Rendering of Services											
Agency services		919	743	730	1 681	1 681	1 681	1 647	2 957	3 093	3 232
Interest		2 544	4 709	8 168	9 600	10 100	10 100	6 684	14 800	14 958	15 631
Interest earned from Receivables		-	-	-	-	-	-	-	1 784	1 866	1 950
Interest earned from Current and Non Current Assets		-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		215	218	222	248	248	248	167	560	586	612
Licence and permits		-	-	-	-	1 169	1 169	-	2 752	2 879	3 008
Operational Revenue		(47)	396	251	1 594	425	425	300	758	1 316	1 376
<b>Non-Exchange Revenue</b>											
Property rates	2	49 558	30 599	32 724	46 063	36 021	36 021	21 768	34 686	35 702	37 304
Surcharges and Taxes											
Fines, penalties and forfeits		493	628	804	621	621	621	534	3 651	3 819	3 991
Licences or permits		4 891	5 092	4 363	13 120	13 120	13 120	7 526	19 063	19 940	20 837
Transfer and subsidies - Operational		185 288	160 911	174 739	183 701	201 132	201 132	187 508	215 150	203 575	191 135
Interest		1 342	1 493	1 330	2 268	2 268	2 268	1 277	1 495	1 564	1 635
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		12	13	14	-	-	-	-	-	-	-
Other Gains											
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>256 278</b>	<b>215 750</b>	<b>234 767</b>	<b>274 777</b>	<b>282 666</b>	<b>282 666</b>	<b>236 679</b>	<b>314 916</b>	<b>307 350</b>	<b>299 575</b>
<b>Expenditure</b>											
Employee related costs	2	91 655	96 156	101 438	107 287	111 046	111 046	72 297	115 699	121 022	125 812
Remuneration of councillors		12 930	12 948	13 651	19 640	16 478	16 478	9 758	17 285	18 081	18 894
Bulk purchases - electricity	2	11 026	12 585	12 338	13 783	13 783	13 783	10 836	14 459	15 124	15 804
Inventory consumed	8	811	1 851	1 800	8 246	5 917	5 917	-	6 602	6 905	7 216
Debt impairment	3	8 871	3 838	2 884	3 988	3 988	3 988	601	3 659	3 827	3 999
Depreciation and amortisation		12 115	19 095	18 587	22 082	22 082	22 082	10 637	22 115	23 133	24 173
Interest		184	14	2 468	133	2 143	2 143	13	2 248	2 351	2 457
Contracted services		39 119	36 709	35 623	45 769	64 039	64 039	37 243	75 641	63 841	56 446
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	525	549	573
Operational costs		34 166	31 735	38 980	40 017	33 263	33 263	19 782	38 984	39 061	40 814
Losses on disposal of Assets		7 086	7 067	8 949	-	510	510	-	-	-	-
Other Losses											
<b>Total Expenditure</b>		<b>217 964</b>	<b>221 998</b>	<b>236 716</b>	<b>260 945</b>	<b>273 249</b>	<b>273 249</b>	<b>161 167</b>	<b>297 216</b>	<b>293 892</b>	<b>296 190</b>
<b>Surplus/(Deficit)</b>		<b>38 314</b>	<b>(6 248)</b>	<b>(1 949)</b>	<b>13 832</b>	<b>9 417</b>	<b>9 417</b>	<b>75 511</b>	<b>17 700</b>	<b>13 458</b>	<b>3 386</b>
Transfers and subsidies - capital (monetary allocations)	6	45 028	43 525	40 347	58 548	66 901	66 901	32 921	38 779	40 559	43 871
Transfers and subsidies - capital (in-kind)	6	1 235	-	1 894	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>84 576</b>	<b>37 276</b>	<b>40 292</b>	<b>72 380</b>	<b>76 318</b>	<b>76 318</b>	<b>108 433</b>	<b>56 479</b>	<b>54 017</b>	<b>47 257</b>
Income Tax											
<b>Surplus/(Deficit) after income tax</b>		<b>84 576</b>	<b>37 276</b>	<b>40 292</b>	<b>72 380</b>	<b>76 318</b>	<b>76 318</b>	<b>108 433</b>	<b>56 479</b>	<b>54 017</b>	<b>47 257</b>
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>84 576</b>	<b>37 276</b>	<b>40 292</b>	<b>72 380</b>	<b>76 318</b>	<b>76 318</b>	<b>108 433</b>	<b>56 479</b>	<b>54 017</b>	<b>47 257</b>
Share of Surplus/Deficit attributable to Associate Intercompany/Parent subsidiary transactions	7										
<b>Surplus/(Deficit) for the year</b>	1	<b>84 576</b>	<b>37 276</b>	<b>40 292</b>	<b>72 380</b>	<b>76 318</b>	<b>76 318</b>	<b>108 433</b>	<b>56 479</b>	<b>54 017</b>	<b>47 257</b>

**Table A5**

Vote Description	Ref	2020/21			2021/22			2022/23			Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27					
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		4 798	2 453	1 975	6 232	4 269	4 269	2 181	7 200	600	-					
Executive and council		-	-	-	-	-	-	-	-	-	-					
Finance and administration		4 798	2 453	1 975	6 232	4 269	4 269	2 181	7 200	600	-					
Internal audit		-	-	-	-	-	-	-	-	-	-					
<b>Community and public safety</b>		1 156	763	4 064	400	400	400	-	-	-	-					
Community and social services		1 156	-	1 894	400	400	400	-	-	-	-					
Sport and recreation		-	600	2 170	-	-	-	-	-	-	-					
Public safety		-	163	-	-	-	-	-	-	-	-					
Housing		-	-	-	-	-	-	-	-	-	-					
Health		-	-	-	-	-	-	-	-	-	-					
<b>Economic and environmental services</b>		-	193	39 378	44 080	72 636	72 636	39 212	25 710	20 325	43 871					
Planning and development		-	193	-	-	-	-	-	-	-	-					
Road transport		-	-	39 378	44 080	72 636	72 636	39 212	25 710	20 325	43 871					
Environmental protection		-	-	-	-	-	-	-	-	-	-					
<b>Trading services</b>		44 102	45 279	7 437	21 668	2 500	2 500	417	23 569	33 092	3 386					
Energy sources		11 793	9 892	7 437	19 368	200	200	(90)	3 000	7 972	3 386					
Water management		-	-	-	-	-	-	-	-	-	-					
Waste water management		32 309	35 386	-	2 300	2 300	2 300	507	20 569	25 120	-					
Waste management		-	-	-	-	-	-	-	-	-	-					
<b>Other</b>		-	-	-	-	-	-	-	-	-	-					
<b>Total Capital Expenditure - Functional</b>	3	50 057	48 687	52 855	72 380	79 805	79 805	41 809	56 479	54 017	47 257					
<b>Funded by:</b>																
National Government		39 134	38 040	35 522	58 548	66 901	66 901	37 071	38 779	40 559	43 871					
Provincial Government		-	-	1 894	-	-	-	-	-	-	-					
District Municipality		1 156	-	-	-	-	-	-	-	-	-					
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>	4	40 290	38 040	37 416	58 548	66 901	66 901	37 071	38 779	40 559	43 871					
<b>Borrowing</b>	6															
Internally generated funds		9 767	10 647	15 439	13 832	12 904	12 904	4 738	17 700	13 458	3 386					
<b>Total Capital Funding</b>	7	50 057	48 687	52 855	72 380	79 805	79 805	41 809	56 479	54 017	47 257					

**Table A6**

**LIM353 Molemole - Table A6 Budgeted Financial Position**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		69 245	481 624	555 784	135 176	125 422	125 422	260 256	139 060	155 198	170 495
Trade and other receivables from exchange transactions	1	2 384	3 829	5 554	12 890	12 390	12 390	9 360	13 750	14 382	15 029
Receivables from non-exchange transactions	1	56 083	58 017	63 897	87 149	89 211	89 211	73 195	93 197	96 576	100 929
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	1 052	547	160	160	160	160	(577)	160	160	160
VAT		10 736	3 772	(9 827)	9 461	9 961	9 961	(17 036)	9 925	10 382	10 849
Other current assets		2 741	793	2 089	2 292	2 292	2 292	2 165	2 405	2 515	2 629
<b>Total current assets</b>		<b>142 241</b>	<b>548 582</b>	<b>617 657</b>	<b>247 128</b>	<b>239 436</b>	<b>239 436</b>	<b>327 363</b>	<b>258 497</b>	<b>279 214</b>	<b>300 090</b>
<b>Non current assets</b>											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		1 614	1 546	1 502 667.51	1 844	1 844	1 844	1 485	1 844	1 929	2 015
Property, plant and equipment	3	303 422	334 025	357 089	399 631	404 856	404 856	388 661	380 230	397 891	406 605
Biological assets											
Living and non-living resources											
Heritage assets		380	393	407	429	429	429	407	429	448	468
Intangible assets		(0)	1 151	733	2 766	1 266	1 266	351	6 326	1 517	1 585
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>305 416</b>	<b>337 114</b>	<b>359 732</b>	<b>404 669</b>	<b>408 394</b>	<b>408 394</b>	<b>390 904</b>	<b>388 828</b>	<b>401 785</b>	<b>410 674</b>
<b>TOTAL ASSETS</b>		<b>447 657</b>	<b>885 696</b>	<b>977 389</b>	<b>651 798</b>	<b>647 830</b>	<b>647 830</b>	<b>718 267</b>	<b>647 325</b>	<b>680 999</b>	<b>710 764</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft											
Financial liabilities											
Consumer deposits		505	509	509	557	537	537	509	566	566	566
Trade and other payables from exchange transactions	4	164 636	33 619	33 586	46 186	46 573	46 573	91 788	47 900	49 492	51 720
Trade and other payables from non-exchange transactions	5	629	2 806	4 763	774	774	774	35 000	605	-	-
Provision		328	869	(1 067)	1 422	2 022	2 022	(1 099)	1 506	1 575	1 646
VAT		440	(10 964)	(23 626)	2 710	2 710	2 710	(31 387)	2 870	3 002	3 137
Other current liabilities											
<b>Total current liabilities</b>		<b>166 538</b>	<b>26 840</b>	<b>14 164</b>	<b>51 650</b>	<b>52 617</b>	<b>52 617</b>	<b>94 811</b>	<b>53 446</b>	<b>54 636</b>	<b>57 069</b>
<b>Non current liabilities</b>											
Financial liabilities	6	-	-	-	-	-	-	-	-	-	-
Provision	7	26 098	27 271	44 978	29 998	51 539	51 539	44 978	38 551	40 325	42 139
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities											
<b>Total non current liabilities</b>		<b>26 098</b>	<b>27 271</b>	<b>44 978</b>	<b>29 998</b>	<b>51 539</b>	<b>51 539</b>	<b>44 978</b>	<b>38 551</b>	<b>40 325</b>	<b>42 139</b>
<b>TOTAL LIABILITIES</b>		<b>192 636</b>	<b>54 111</b>	<b>59 142</b>	<b>81 648</b>	<b>104 155</b>	<b>104 155</b>	<b>139 788</b>	<b>91 998</b>	<b>94 960</b>	<b>99 208</b>
<b>NET ASSETS</b>		<b>255 021</b>	<b>831 585</b>	<b>918 247</b>	<b>570 149</b>	<b>543 675</b>	<b>543 675</b>	<b>578 479</b>	<b>555 327</b>	<b>586 039</b>	<b>611 556</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	368 236	413 701	433 356	521 027	494 286	494 286	536 465	504 438	533 594	557 485
Reserves and funds	9	47 695	46 194	46 194	49 508	49 508	49 508	46 194	51 008	52 577	54 217
Other											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>415 931</b>	<b>459 895</b>	<b>479 550</b>	<b>570 536</b>	<b>543 795</b>	<b>543 795</b>	<b>582 659</b>	<b>555 447</b>	<b>586 171</b>	<b>611 702</b>

**Table A7**

**LIM353 Molemole - Table A7 Budgeted Cash Flows**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		24 795	27 308	22 533	39 154	30 618	30 618	10 050	27 749	25 309	26 437
Service charges		914	2 789	672	19 547	19 547	19 547	611	19 676	33 227	34 723
Other revenue		136 771	496 700	354 402	13 009	11 175	11 175	271 343	28 490	20 829	21 774
Transfers and Subsidies - Operational	1	408	4 729	125 667	183 701	223 188	223 188	77 731	212 950	201 375	188 835
Transfers and Subsidies - Capital	1	11 418	47 000	44 292	58 548	44 845	44 845	51 593	38 779	40 559	43 871
Interest		765	204	262	9 600	10 100	10 100	2 535	14 800	14 958	15 631
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		(113 741)	(419 123)	(346 935)	(234 742)	(247 369)	(247 369)	(241 291)	(274 258)	(269 877)	(271 095)
Interest		-	-	-	-	-	-	-	(2 348)	(2 454)	-
Transfers and Subsidies	1								-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>61 331</b>	<b>159 607</b>	<b>200 893</b>	<b>88 817</b>	<b>92 104</b>	<b>92 104</b>	<b>172 572</b>	<b>65 838</b>	<b>63 926</b>	<b>60 176</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		(28 733)	(48 687)	(52 855)	(72 380)	(79 805)	(79 805)	(39 136)	(56 479)	(54 017)	(47 257)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(28 733)</b>	<b>(48 687)</b>	<b>(52 855)</b>	<b>(72 380)</b>	<b>(79 805)</b>	<b>(79 805)</b>	<b>(39 136)</b>	<b>(56 479)</b>	<b>(54 017)</b>	<b>(47 257)</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		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>32 598</b>	<b>110 920</b>	<b>148 039</b>	<b>16 436</b>	<b>12 299</b>	<b>12 299</b>	<b>133 435</b>	<b>9 359</b>	<b>9 908</b>	<b>12 919</b>
Cash/cash equivalents at the year begin:	2	23 011	89 546	105 279	118 872	112 262	112 262	-	124 012	133 372	143 280
Cash/cash equivalents at the year end:	2	55 609	200 466	253 317	135 308	124 561	124 561	133 435	133 372	143 280	156 199

**Explanatory notes to Table A7**

**Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2024/25 MTREF provide for a net increase in cash of R 9 million for the 2025/26 financial year, net increase of R 10 million 2026/27 and net increase of R 12 million in 2025/26.

**Cash Flow from operating activities;**

- The municipality has projected to receive R 27 million from Property rates and R 28 million from other revenue. Transfers from National government are projected to be received 100%. Trade and other payables as indicated in table A6 has been subtracted from the total expenditure included in the cash flow and non-cash flow items such as depreciation and debt impairment has been disregarded in the calculations.

## Property Rates

- The municipality has budgeted to collect about R 27 million from the property rates billing during the 2024/25 budget year.

## Other Revenue

- Other revenue sources include, rental of facilities and agency services income. - The municipality is anticipating 100% collection on these items of revenue on the basis that collection on all these revenue items has already went above 100% in the current 2024/25 financial year.

## Government Grants & Transfers Cash Flow Assumptions

- All government grants are projected to be received at 100% and all conditional grants are projected to be spent at 100% during the 2024/25 budget year.

## Interest on investments Cash Flow Assumptions

- The interest on investments is projected to be received at 100%. All budgeted investments will be carried out as and when there is surplus cash available in the municipality's primary bank accounts and such available cash surpluses are not currently committed. The interest projection was made considering the fact that, irrespective of a separate investment account being opened, the positive balance in the municipality's primary account is maintained.

**Table A8**

LIM353 Molemole - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	55 609	200 466	253 317	135 308	124 561	124 561	133 435	133 372	143 280	156 199
Other current investments > 90 days		13 635	281 158	302 467	(133)	860	860	126 821	5 689	11 919	14 296
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>69 245</b>	<b>481 624</b>	<b>555 784</b>	<b>135 176</b>	<b>125 422</b>	<b>125 422</b>	<b>260 256</b>	<b>139 060</b>	<b>155 198</b>	<b>170 495</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		629	2 806	4 763	774	774	774	35 000	605	-	-
Unspent borrowing											
Statutory requirements	2	(10 296)	(14 736)	(13 799)	(6 751)	(7 251)	(7 251)	(14 351)	(7 055)	(7 380)	(7 712)
Other working capital requirements	3	136 806	(106 822)	(75 232)	27 599	27 438	27 438	(29 670)	(52 177)	(54 354)	(56 807)
Other provisions		328	869	(1 067)	1 422	2 022	2 022	(1 099)	1 506	1 575	1 646
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>127 467</b>	<b>(117 883)</b>	<b>(85 335)</b>	<b>23 044</b>	<b>22 983</b>	<b>22 983</b>	<b>(10 120)</b>	<b>(57 122)</b>	<b>(60 158)</b>	<b>(62 873)</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(58 222)</b>	<b>599 507</b>	<b>641 119</b>	<b>112 131</b>	<b>102 439</b>	<b>102 439</b>	<b>270 377</b>	<b>196 182</b>	<b>215 356</b>	<b>233 368</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(58 222)</b>	<b>599 507</b>	<b>641 119</b>	<b>112 131</b>	<b>102 439</b>	<b>102 439</b>	<b>270 377</b>	<b>196 182</b>	<b>215 356</b>	<b>233 368</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 Circular42 – 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. From the table it can be seen that for the period 2024/25 to 2026/27 the municipality's budget is properly funded and reflect surplus.
- Considering the requirements of section 18 of the MFMA, it can be concluded that the 2024/25 MTREF was fully funded. The municipality does not have non-current investments and no projection has been

made for unspent conditional grants as we plan to utilize 100% of the allocation by year end. The municipality is planning to spend 100% of its conditional grants.

- VAT input will always be more than VAT output which is reflecting in the cash flow from operating activities and therefore no amount will reflect under statutory requirements. The municipality's third party payments such as SARS under the statutory requirements are accounted for under the employee related costs on A7 as part of the payments to suppliers and employees over the 2024/25 MTREF.
- The VAT portion is also accounted for as part of the payments to suppliers and employees and also under the capital assets payments on the A7. The main purpose of the other working capital is to ensure that sufficient funds are available to meet obligations as they fall due.
- A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors.
- High levels of debtor non-payment and receipt delays will have a greater requirement for working capital. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations

## **Table A9**

LIM353 Molemole - Table A9 Asset Management										
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	43 188	47 323	41 874	56 695	64 290	64 290	56 479	50 045	43 871
<i>Roads Infrastructure</i>		28 472	34 517	28 494	31 095	59 651	59 651	18 210	15 440	43 871
<i>Storm water Infrastructure</i>		-	870	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		11 604	8 691	6 900	19 168	-	-	3 000	4 000	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	20 569	25 120	-
<b>Infrastructure</b>		<b>40 076</b>	<b>44 077</b>	<b>35 394</b>	<b>50 263</b>	<b>59 651</b>	<b>59 651</b>	<b>41 779</b>	<b>44 559</b>	<b>43 871</b>
Operational Buildings		-	-	-	200	199	199	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	<b>200</b>	<b>199</b>	<b>199</b>	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	1 500	-	-	5 000	-	-
<b>Intangible Assets</b>		-	-	-	<b>1 500</b>	-	-	<b>5 000</b>	-	-
Computer Equipment		1 519	785	2 229	2 000	1 669	1 669	1 000	-	-
Furniture and Office Equipment		300	300	157	300	470	470	1 000	400	-
Machinery and Equipment		438	676	30	1 432	1 410	1 410	7 700	5 086	-
Transport Assets		856	1 486	4 064	1 000	891	891	-	-	-
<b>Total Renewal of Existing Assets</b>	2	<b>6 869</b>	<b>1 201</b>	<b>10 981</b>	<b>15 686</b>	<b>15 516</b>	<b>15 516</b>	-	<b>3 972</b>	<b>3 386</b>
<i>Roads Infrastructure</i>		159	-	10 443	12 786	12 786	12 786	-	-	-
<i>Electrical Infrastructure</i>		189	1 201	538	-	-	-	-	3 972	3 386
<b>Infrastructure</b>		<b>348</b>	<b>1 201</b>	<b>10 981</b>	<b>12 786</b>	<b>12 786</b>	<b>12 786</b>	-	<b>3 972</b>	<b>3 386</b>
Sport and Recreation Facilities		3 678	-	-	2 300	2 300	2 300	-	-	-
<b>Community Assets</b>		<b>3 678</b>	-	-	<b>2 300</b>	<b>2 300</b>	<b>2 300</b>	-	-	-
Computer Equipment		2 842	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	600	430	430	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	-	<b>163</b>	-	-	-	-	-	-	-
Machinery and Equipment		-	163	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	<b>50 057</b>	<b>48 687</b>	<b>52 855</b>	<b>72 380</b>	<b>79 805</b>	<b>79 805</b>	<b>56 479</b>	<b>54 017</b>	<b>47 257</b>
<i>Roads Infrastructure</i>		28 631	34 517	38 937	43 880	72 436	72 436	18 210	15 440	43 871
<i>Storm water Infrastructure</i>		-	870	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		11 793	9 892	7 437	19 168	-	-	3 000	7 972	3 386
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	20 569	25 120	-
<b>Infrastructure</b>		<b>40 425</b>	<b>45 279</b>	<b>46 375</b>	<b>63 048</b>	<b>72 436</b>	<b>72 436</b>	<b>41 779</b>	<b>48 532</b>	<b>47 257</b>
Sport and Recreation Facilities		3 678	-	-	2 300	2 300	2 300	-	-	-
<b>Community Assets</b>		<b>3 678</b>	-	-	<b>2 300</b>	<b>2 300</b>	<b>2 300</b>	-	-	-
Operational Buildings		-	-	-	200	199	199	-	-	-
<b>Other Assets</b>		-	-	-	<b>200</b>	<b>199</b>	<b>199</b>	-	-	-
Licences and Rights		-	-	-	1 500	-	-	5 000	-	-
<b>Intangible Assets</b>		-	-	-	<b>1 500</b>	-	-	<b>5 000</b>	-	-
Computer Equipment		4 361	785	2 229	2 000	1 669	1 669	1 000	-	-
Furniture and Office Equipment		300	300	157	900	900	900	1 000	400	-
Machinery and Equipment		438	839	30	1 432	1 410	1 410	7 700	5 086	-
Transport Assets		856	1 486	4 064	1 000	891	891	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>50 057</b>	<b>48 687</b>	<b>52 855</b>	<b>72 380</b>	<b>79 805</b>	<b>79 805</b>	<b>56 479</b>	<b>54 017</b>	<b>47 257</b>

LIM353 Molemole - Table A9 Asset Management										
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	299 792	320 142	359 008	386 849	390 574	390 574	371 007	383 145	391 195
<i>Roads Infrastructure</i>		135 507	159 786	194 908	200 047	219 603	219 603	174 377	178 790	214 572
<i>Storm water Infrastructure</i>		–	870	870	913	913	913	913	955	998
<i>Electrical Infrastructure</i>		25 810	18 244	26 516	37 411	21 243	21 243	21 243	27 054	23 327
<i>Solid Waste Infrastructure</i>		–	–	–	–	–	–	20 569	25 120	–
<b>Infrastructure</b>		<b>161 317</b>	<b>178 899</b>	<b>222 293</b>	<b>238 371</b>	<b>241 759</b>	<b>241 759</b>	<b>217 102</b>	<b>231 919</b>	<b>238 897</b>
<b>Community Assets</b>		58 971	56 285	53 802	60 470	60 470	60 470	58 170	60 846	63 584
<b>Heritage Assets</b>		380	393	407	429	429	429	429	448	468
<b>Investment properties</b>		1 614	1 546	1 503	1 844	1 844	1 844	1 844	1 929	2 015
<b>Other Assets</b>		28 654	27 441	24 277	26 990	26 989	26 989	26 790	28 023	29 284
<b>Biological or Cultivated Assets</b>										
<b>Intangible Assets</b>		(0)	1 151	733	2 766	1 266	1 266	6 326	1 517	1 585
<b>Computer Equipment</b>		5 741	5 202	6 367	6 574	8 544	8 544	5 574	4 785	5 000
<b>Furniture and Office Equipment</b>		2 787	1 694	1 330	652	652	652	752	140	(271)
<b>Machinery and Equipment</b>		9 823	10 006	9 616	10 348	10 326	10 326	16 616	14 412	9 746
<b>Transport Assets</b>		11 717	11 798	13 430	11 391	11 283	11 283	10 391	10 869	11 359
<b>Land</b>		18 789	25 727	25 251	27 013	27 013	27 013	27 013	28 256	29 527
<b>Zoo's, Marine and Non-biological Animals</b>										
<b>Living Resources</b>										
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>299 792</b>	<b>320 142</b>	<b>359 008</b>	<b>386 849</b>	<b>390 574</b>	<b>390 574</b>	<b>371 007</b>	<b>383 145</b>	<b>391 195</b>
<b>EXPENDITURE OTHER ITEMS</b>		30 314	34 855	31 533	37 712	37 258	37 258	37 565	39 293	37 588
<b>Depreciation</b>	7	12 115	19 095	18 587	22 082	22 082	22 082	22 115	23 133	24 173
<b>Repairs and Maintenance by Asset Class</b>	3	18 199	15 760	12 946	15 630	15 175	15 175	15 450	16 161	13 415
<i>Roads Infrastructure</i>		7 760	5 461	4 658	6 380	5 648	5 648	5 500	5 753	2 539
<b>Infrastructure</b>		<b>7 760</b>	<b>5 461</b>	<b>4 658</b>	<b>6 380</b>	<b>5 648</b>	<b>5 648</b>	<b>5 500</b>	<b>5 753</b>	<b>2 539</b>
Community Facilities		88	89	110	700	700	700	500	523	547
Sport and Recreation Facilities		–	–	–	200	200	200	200	209	219
<b>Community Assets</b>		<b>88</b>	<b>89</b>	<b>110</b>	<b>900</b>	<b>900</b>	<b>900</b>	<b>700</b>	<b>732</b>	<b>765</b>
<b>Heritage Assets</b>		–	–	–	–	–	–	–	–	–
Operational Buildings		2 243	1 533	984	1 100	1 430	1 430	1 350	1 412	1 476
<b>Other Assets</b>		<b>2 243</b>	<b>1 533</b>	<b>984</b>	<b>1 100</b>	<b>1 430</b>	<b>1 430</b>	<b>1 350</b>	<b>1 412</b>	<b>1 476</b>
<b>Computer Equipment</b>		2 362	1 509	2 169	1 850	2 731	2 731	2 600	2 720	2 842
<b>Furniture and Office Equipment</b>		303	161	209	300	177	177	400	418	437
<b>Machinery and Equipment</b>		3 939	5 300	3 280	4 100	3 390	3 390	3 900	4 079	4 263
<b>Transport Assets</b>		1 505	1 710	1 536	1 000	900	900	1 000	1 046	1 093
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>30 314</b>	<b>34 855</b>	<b>31 533</b>	<b>37 712</b>	<b>37 258</b>	<b>37 258</b>	<b>37 565</b>	<b>39 293</b>	<b>37 588</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		13,7%	2,8%	20,8%	21,7%	19,4%	19,4%	0,0%	7,4%	7,2%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		56,7%	7,1%	59,1%	71,0%	70,3%	70,3%	0,0%	17,2%	14,0%
<i>R&amp;M as a % of PPE &amp; Investment Property</i>		6,1%	4,9%	3,6%	4,1%	3,9%	3,9%	4,2%	4,2%	3,4%
<i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Pr</i>		8,4%	5,4%	6,7%	8,2%	7,9%	7,9%	4,2%	5,3%	4,3%

The municipality does not have renewal and upgrading of existing assets as a total of capital assets in the 2024/25 financial which indicates a 0% budgeted for as per table A9 and it has budgeted for upgrading of existing assets in the two outer years which indicates 7.4% and 7.2% in 2025/26 and 2026/27 financial years respectively. The municipality does not have renewal and upgrading of existing assets as a total depreciation in the 2024/25 financial which indicates a 0% budgeted for as per table A9 and it indicates and outer years it has a renewal of existing assets which indicates 17.2% and 14.0% in 2025/26 and 2026/27 financial years respectively.

Repairs and maintenance as a percentage of property, plant and equipment and investment property indicates 4.2% in 2024/25 financial year, which is below the norm as per Circular 71 of MFMA and it indicates 4.2% and 3.4% in the 2025/26 and 2026/27 financial years respectively.

**Table A10**

LIM353 Molemole - Table A10 Basic service delivery measurement										
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		(6 497)	(7 891)	(8 636)	4 320	4 320	4 320	3 932	4 113	4 298
Refuse (removed once a week for indigent households)		-	-	-	52	52	52	54	57	59
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>	<b>8</b>	<b>(6 497)</b>	<b>(7 891)</b>	<b>(8 636)</b>	<b>4 372</b>	<b>4 372</b>	<b>4 372</b>	<b>3 986</b>	<b>4 169</b>	<b>4 357</b>
<b>Revenue cost of subsidised services provided (R'000)</b>										
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	9									
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		6 094	1 055	-	8 145	8 145	8 145	8 544	8 937	9 339
<b>Total revenue cost of subsidised services provided</b>		<b>6 094</b>	<b>1 055</b>	<b>-</b>	<b>8 145</b>	<b>8 145</b>	<b>8 145</b>	<b>8 544</b>	<b>8 937</b>	<b>9 339</b>

**PART 2 – SUPPORTING DOCUMENTS**

**Overview of municipal 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 of the municipality consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio chairperson for Finance.

The primary aims of the Budget Steering Committee are 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 prioritized in the allocation of resources.

The budget steering committee had regular meetings to deal with the IDP/Budget processes as contained in the municipality's approved time schedule that sets out the process to review the IDP and prepare the annual budget.

### **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) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule in August 2022. Key dates applicable to the process were adhered to and progress was reported to council quarterly

### **IDP and Service Delivery and Budget Implementation Plan**

This is the first review of the IDP as adopted by Council in May 2022. The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions.

This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

The Process Plan applicable to the first 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

### **Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2024/25 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2024/25 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2024/25 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

➤ **The municipality's Spatial Development Plan**

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54, 55, 58, 59,66, 67, 70, 72, 74, 75, 78, 79, 85, 86, 89,91,93, 94, 98 & 99, 107,108,122,123, 126 and 128 has been taken into consideration in the planning and prioritization process.

**IDP/Budget Process Plan**

**TIME-FRAMES FOR 2024/2025 IDP AND BUDGET REVIEW**

The time frames for the 2024/25 IDP and Budget Review processes are detailed below.

The municipality revised the IDP/Budget process plan for 2024/25 financial during a council sitting of the 27th March 2024, due to national elections.

PHASE	PROCESSES	ACTIVITY	RESPONSIBILITY	TARGET DATE	AMENDED DATES
PLANNING	PMS	Signing of all Performance Contracts of Senior Managers	Municipal Manager	26 July 2023	26 July 2024
		Strategic Planning Session on the Review of 2023/2024 Organizational Performance on IDP/Budget	Management	31 July 2023	10- 11 August 2023
		Tabling of draft Annual Performance Report to council	Municipal Manager & Mayor	29 August 2023	TBC
	IDP	Establishment of IDP Representative Forum and 1 <sup>st</sup> IDP Rep Meeting (IDP Status Quo Report and 1 <sup>st</sup> Quarter Report awareness session)	Mayor	31 October 2023	08 December 2023
ANALYSIS		Management Strategic working session on IDP Analysis Phase	Management	23,24 & 25 October 2022	6-7, 9-10 November 2023
		Finalize review of IDP Analysis Phase	Management	25 October 2023	25 October 2023
STRATEGIES AND OBJECTIVES	IDP	Tabling of draft policies	Municipal Manager & Mayor	28 November 2023	27 March 2024
		Submission of 2023/2024 Mid-Year Organizational Performance Assessment Report on IDP and Budget	Municipal Manager	29 January 2024	29 January 2024
	PMS	Tabling of 2022/2023 Draft Annual Report and submission to Oversight Committee	Mayor	29 January 2024	30 January 2024
		Public Hearings on 2022/2023 Draft Annual Report	Municipal Public Accounts Committee	5–09 February 2024	18-19 March 2024
	PMS	2 <sup>nd</sup> IDP Representative Forum (IDP Status Quo Report and 2 <sup>nd</sup> Quarter Report awareness session)	Mayor	29 February 2024	28 February 2024

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**Mission: To provide essential and sustainable services in an efficient and effective manner**

PHASE	PROCESSES	ACTIVITY	RESPONSIBILITY	TARGET DATE	AMENDED DATES
<b>PROJECTS, PROGRAMMES and BUDGET</b>	<b>IDP</b>	Strategic working session on IDP Strategies & Projects Phase	Management & Council	16,17&18 March 2024	11-12 & 14 15 March
	<b>IDP AND BUDGET</b>	Presentation of Draft 2024/2025 IDP/Budget & Budget related policies to Portfolio Committees	Management	12 – 13 March 2024	18-22 march 2024
		Consideration of Draft IDP/Budget related policies to be tabled to EXCO	Management	26 March 2024	27 March 2024
		Submission of reviewed 2024/2025 SDBIP aligned to budget adjustment and Adjustment budget 2021/2022 to Provincial Treasury, National Treasury and COGHSTA	Municipal Manager	27 March 2024	27 March 2024
	<b>IDP AND BUDGET PMS</b>	Tabling of 2024/2025 Draft IDP/Budget and Draft Budget related policies to Council	Municipal Manager	26 March 2024	27 March 2024
		Tabling of 2022/2023 Annual and Oversight Report to council	Mayor	26 March 2024	27 March 2024
	<b>IDP AND BUDGET</b>	Consultation with rate payers (Morebeng/Mowadi)	Mayor	28-29 March 2024	4- 5 April 2024

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PHASE	PROCESSES	ACTIVITY	RESPONSIBILITY	TARGET DATE	AMENDED DATES
		2024/2025 Draft IDP/Budget Consultative Meetings	Mayor	06– 10 April 2024	9- 12 April 2024
		Annual Children’s forum	Mayor	13 April 2024	13 April 2024
		3 <sup>rd</sup> IDP Representative Forum (Draft IDP/Budget and 3 <sup>rd</sup> Quarter report)	Mayor	24 April 2024	15 April 2024
	<b>IDP AND BUDGET</b>	Final Draft IDP/Budget and budget related policies presented to portfolio committees	Senior Managers	16 – 17 April 2024	23-26 April 2024
	<b>IDP AND BUDGET PMS</b>	Organizational strategic planning session (finalization of inputs from communities during public consultations)	All Senior Managers, Divisional Managers and All councillors	26,27 & 28 May 2024	23 -26 April 2024
	<b>IDP AND BUDGET PMS IDP AND BUDGET</b>	Tabling and Approval of 2024/2025 Final IDP/Budget and Draft 2024/2025 SDBIP	Mayor/Council	29 May 2024	8 May 2024
<b>APPROVAL</b>	<b>IDP AND BUDGET PMS IDP AND BUDGET</b>	Submission of approved 2024/2025 IDP/Budget to MEC(COGHSTA), Provincial Treasury and National Treasury	SIDP Manager	08 June 2024	10 May 2024
	<b>IDP AND BUDGET PMS</b>	Publish and distribute approved 2024/2025 IDP/Budget	Municipal Manager	15 June 2024	15 June 2024

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PHASE	PROCESSES	ACTIVITY	RESPONSIBILITY	TARGET DATE	AMENDED DATES
		Submission and approval of 2024/25 Final SDBIP to the Mayor	Municipal Manager	25 June 2024	25 June 2024
APPROVAL	<b>IDP AND BUDGET PMS PMS</b>	Submission and approval of 2024/2025 Performance contracts of section 57 managers to EXCO/COUNCIL	Municipal Manager	26 July 2024	26 July 2024

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