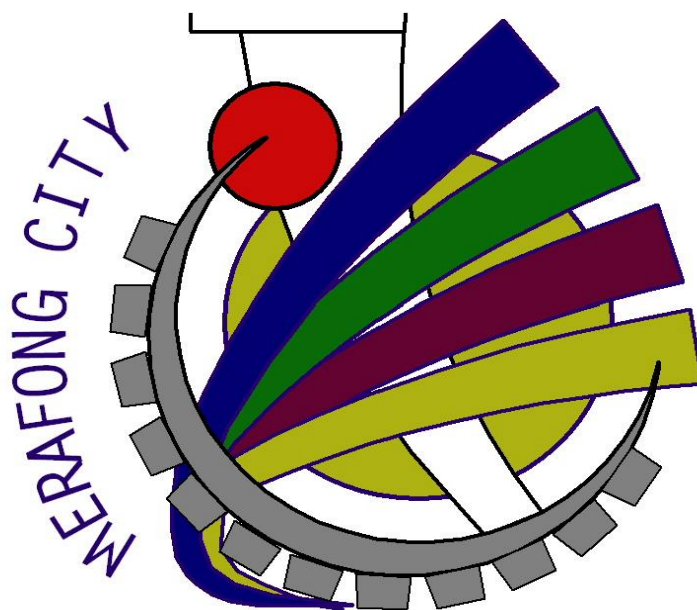


MERAFONG LOCAL MUNICIPALITY



FINAL BUDGET

2024/2025

**H9 Medium Term Revenue and
Expenditure Framework**

ANNUAL BUDGETS MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF): 2024/25 TO 2026/2027 AS REQUIRED BY SECTION 24 OF THE MFMA

1. PURPOSE

To submit the Annual Budget Medium Term Revenue and Expenditure Framework for the 2024/25 financial year and the two outer years 2025/26 and 2026/27.

To submit the Annual Budget Medium-Term Revenue and Expenditure Framework for the 2024/2025 to 2026/2027 financial period in terms of Section 24 of the Municipal Finance Management Act.

2. BACKGROUND

In terms of the legislative process, the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget. The Mayoral Imbizo on stakeholder and public participation have been concluded in the month of May 2024.

2.1. Section 24 (2) of the MFMA dealing with the approval of annual budgets, inter alia, reads as follows:

An annual budget must-

- a) Must be approved before the start of the budget year;
- b) Is approved by the adoption by the Council of resolution referred to in section 17 (3) (a)(i); and
- c) Must be approved together with the adoption of resolutions as may be necessary-
 - i. Imposing any municipal tax for the budget year;
 - ii. Setting any municipal tariffs for the budget year;
 - iii. Approving measurable performance objectives for revenue from each revenue source and for each vote in the budget;
 - iv. Approving any changes to the municipality's integrated development plan; and
 - v. Approving any changes to the municipality's budget related policies.

The Accounting Officer of the municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.

3. Process Followed

The key deadlines for the compilation of the IDP and Medium-Term Revenue and Expenditure Framework (MTREF, or Budget) was submitted to Council for approval during August 2023.

In terms of the approved key deadlines, the administrative process in the compilation of the budget and reported to Budget Steering Committee: 14th May 2024, Section 80 Committee: 16 May 2024, the Mayoral Committee: 16 May 2024 as well as Council for consideration.

4. ECONOMIC OULOOK

4.a 2024/25 National budget

Honorable Minister Enoch Godongwana delivered his budget speech on 21 February 2024.

We are tabling the 2024 Budget in a difficult domestic and global economic Environment.

Domestically, load-shedding has had a significant impact on service delivery and threatening the survival of many businesses.

This was perhaps the most significant message that came from his budget:

The higher budget deficit means that debt-service costs in 2023/24 have been revised higher, by R15.7 billion to R356 billion.

Debt-service costs will absorb more than 20 per cent of revenue. To put this into perspective, spending on debt-service costs is greater than the respective budgets of social protection, health, or peace and security.

Real Gross Domestic Product (GDP) growth is projected to average 1.6 per cent between 2024 and 2026.

In summary, Tax revenue collections for 2023/24 are expected to total R1.73 trillion. This is R53.1 billion lower than estimated in the 2023 Budget.

Over the medium term, revenue projections are R45.6 billion higher than the 2023 MTBPS estimates which increased personal income tax and additional medium term revenue proposals

The following macro-economic forecasts must be considered when preparing the 2024/25 MTREF municipal budgets:

| Table 1: Macroeconomic performance and projections 2022 - 2027 | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| Fiscal year | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| | Actual | Estimate | Forecast | | |
| CPI Inflation | 6.9% | 6.0% | 4.9% | 4.6% | 4.6% |
| <i>Source: Medium Term Budget Policy Statement 2023</i> | | | | | |

Key Focus areas for the 2024/2025 budget process as provided by National Treasury in Circular No. 126 and 128.

1. The local government equitable share and conditional grants will be reduced by a total of R12.8 billion, made up of R9.6 billion in the local government equitable share and R3.2 billion in direct conditional grants.
2. National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality.
3. The Consumer Price Index (CPI) inflation is forecasted to be within the 4 to 6 per cent target band; therefore, municipalities are required to justify all increases in excess of

the projected inflation target for 2024/25 in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups.

4. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.
5. Municipalities must ensure that the capital repayment of loans are included in the cost when determining the tariff. In addition, they must ensure that the consumption charges for services are only based on consumption and all other variable costs. Therefore, fixed costs such as salary and wages, etc. should be covered by a fixed charge.
6. The municipality must therefore focus in its 2024/25 MTREF Schedule A submission to report on ALL indigent households (also in Eskom supplied areas).
7. The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs of electricity. In the municipal financial year 2023/24, bulk electricity costs increased significantly at 12.8 per cent, compared to 8.61 per cent in the 2022/23 municipal financial year.
8. Credit control policies should be reviewed and amended to include the raising of consumer deposits, the authority to raise deposits should be deleted where it is still in the Electricity and Water by-laws, and this should be included in the credit control and debt collection by-laws. Deposits should be equal or more than two months bulk accounts from water services authorities and Eskom.
9. 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
10. Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance.
11. The Municipalities must adopt a credible funding plan in cases where the budget is unfunded (an unfunded budget is not encouraged).
12. Any write off of irrecoverable debt previously impaired and accounted for as an impairment loss should be adjusted as a reversal of impairment loss when the write-off takes place.

4.b GAUTENG PROVINCIAL GOVERNMENT SOCIO-ECONOMIC REVIEW AND OUTLOOK 2024

The MEC of Finance, Mr Jacob Mamabolo, in his 2024 State of the Nation Address (SoNA), the President emphasised the urgent need to implement structural reforms to boost economic growth. The government is working to resolve the most binding structural constraints to growth, which are the energy supply and logistics system.

Resolving these constraints is crucial to unlock the full potential of the domestic economy. During his 2024 State of the Province Address (SoPA), Premier Panyaza Lesufi reaffirmed the Gauteng Provincial Government's (GPG) commitment to addressing the province's socio-economic issues and fostering economic growth. The premier acknowledged the province's role in hosting the 5th South African Investment Conference, bringing about R22 billion in investments to the region, and creating opportunities for further development and growth. Additionally, over R2 billion has been

dedicated to township businesses to stimulate economic opportunities and employment. Crime, is recognised as a significant impediment to economic growth and prosperity, has been prioritised at the core of the Gauteng' Provincial Government's (GPG) developmental agenda. Over the Medium-Term Expenditure Framework (MTEF), the province plans to increase the budget for the Department of Community Safety, enhancing its capabilities to combat crime in the region.

The analysis within the 2024 SERO delves into the factors influencing the economic and fiscal landscape of both the country and Gauteng. Comprising four chapters, the publication explores global developments, national economic performance, socio-economic review, and outlook of Gauteng and its municipalities. The information presented in the SERO aims to provide valuable insights for policy makers, empowering them to enhance the standard of living for Gauteng's citizens.

Access to basic infrastructure services in Gauteng households improved between 2011 and 2022, with an increase in the number of households with access to formal housing from 79.8 per cent in 2011 to 88.5 per cent in 2022.

Chapter Four analyses Gauteng's municipalities, encompassing three metropolitan areas (metros), two district municipalities (districts), and six local municipalities. While each municipality has its own unique economic outlook, all are affected by national and international factors such as load shedding, geopolitics, weak global demand for goods and services, low commodity prices, and restrictive trade policies.

The trend of moderating economic growth is expected to have continued in 2023, with growth rates of 0.8 per cent in CoJ, 0.7 per cent in CoE and -0.1 per cent in CoT. In the districts, Sedibeng's economic growth rate is anticipated to have declined from 2.7 per cent in 2022 to 1.5 per cent in 2023. Similarly, the West Rand experienced a growth rate of 0.8 per cent in 2022 and is expected to have slowed to 0.4 per cent in 2023. Gauteng municipalities are grappling with high levels of unemployment in the labour market, as many people flock to these regions in the hope of finding jobs.

Consequently, the metros recorded a high rate of unemployment with weak employment levels across all sectors in 2022. Regarding socio-economic indicators, the population has increased in all three metros and the two districts in 2022. The human development index has shown improvement, along with the educational attainment of individuals aged 20 years and older, across all regions. Furthermore, there has been progress in access to basic services. However, poverty and inequality have remained stagnant, particularly between 2016 and 2022.

5. State of the Municipality

Since Merafong's economy is dependent on mining sector, and the sector is severely constrained by a drastic downward correction in prices of various commodities which is likely to have a negative effect in the cash flow of the municipality as more and more business are directly linked to the mining industry.

The ongoing mining dispute with some of the mining houses has also added to this situation.

The dolomite and sinkholes have put a strain on our aging infrastructure stretching our limited financial resources.

The theft and vandalism of our infrastructure has put a burden on our budget.

Payment Incentive Scheme:

Merafong City Local Municipality is currently implementing Payment Incentive Scheme named Ngwe Ka Ngwe.

The scheme is geared at achieving the following objectives:

Urgent revenue enhancement programme and increasing our collection rate from 60% to 93% as per the required norm.

Fixing of broken and tempered water and electricity meters in order to reduce water and electricity distribution losses at 54% and 64% respectively (NB: Norm being 10% water & 15% electricity). Creating a culture of payment within Merafong City.

Debt Relief compliance

Eskom Approved the municipality's Debt relief application in December 2023

Key compliance matters that the municipality is required to comply to on monthly bases are summarized at the end of the report .

6. Budget Summary

The operating revenue for 2024/2025 is budgeted at **R2 639 887 893** which is an increase of 3.20% from the **R2 558 088 161** 2023/2024 Adjusted budget. The Revenue Budget has been compiled based on projected billing, however provision has been made for a 65% collection rate through the provision of funds for the impairment of debtors.

The debt impairment provision has been calculated at 35% due to a low collection rate and due to the implementation outcome of the Payment Incentive Scheme which allows for 50% write off of the historical debt for consumers and rate payers if the other half is settled instantly.

These imperatives affect the estimates for the 2024/2025 budget estimates and the MTREF period.

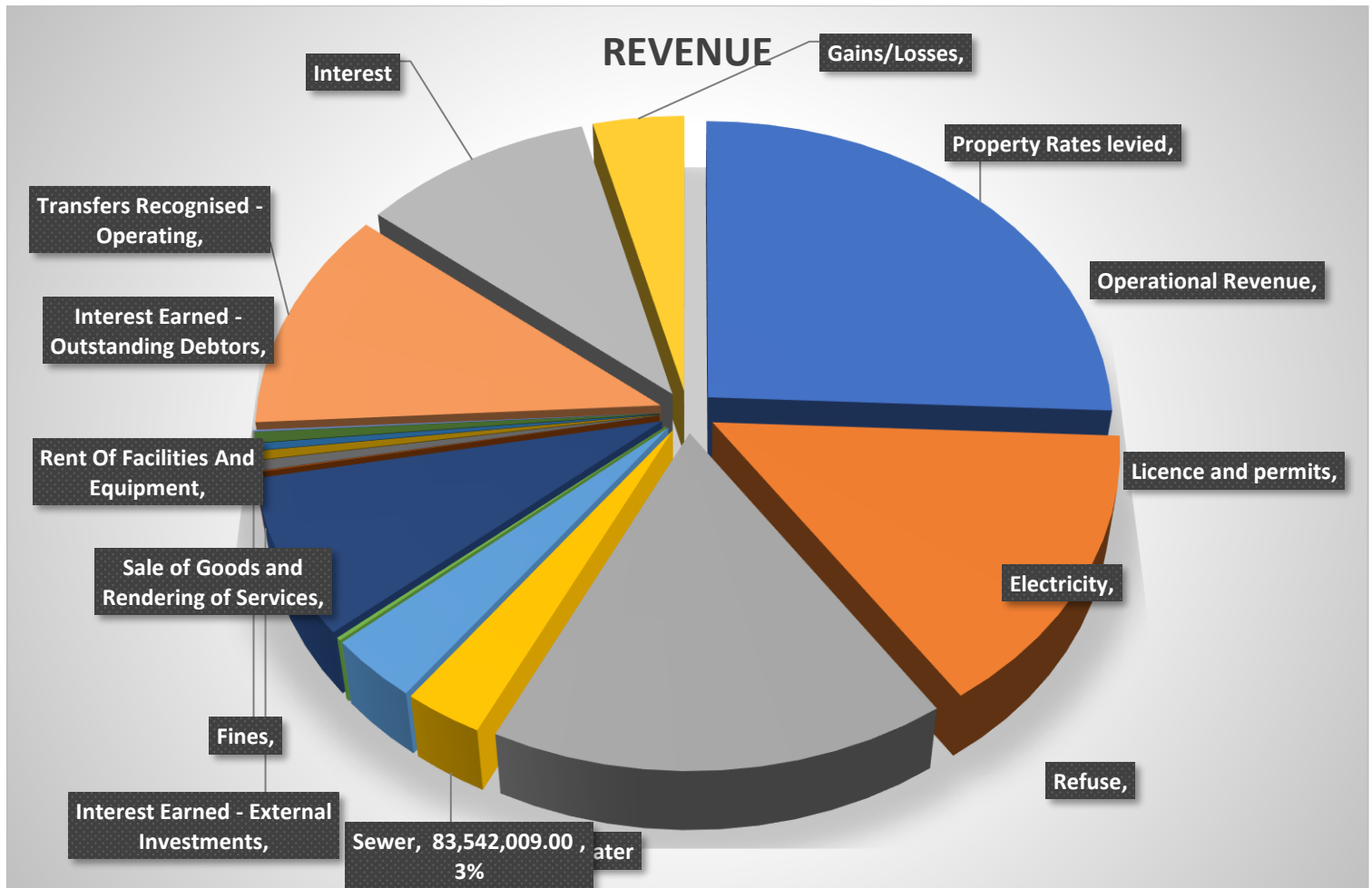
The proposed 2024/2025 budget estimates are as follows:

| <u>Details</u> | 2023/24 | 2023/24 Adjustment | 2024/25 |
|------------------------------|---------------------------|-------------------------------|----------------------------|
| Revenue | 2 248 908 047 | 2 558 088 161 | 2 639 887 893 |
| Expenditure | 2 248 908 047 | 2 547 211 271 | 2 598 895 124 |
| <u>Surplus</u> | <u>0</u> | <u>10 876 890</u> | <u>40 992 769</u> |
| | | | |
| <u>Capital Budget</u> | <u>197 900 000</u> | <u>228 447 480</u> | <u>R191 640 000</u> |

The 2023/24 adjusted revenue in line with Mscoa charts amounts to R2 450 424 000 (R2 558 088 161 plus R107 663 000 which is the reclassification of water losses account). While the 2023/24 adjusted expenditure in line with mSCOA amounts to R2 439 549 000 (R2 547 211 271 minus R107 663 000 which is the reclassification of water losses account from expenditure to revenue)

6.1. The 2024/2025 budgeted revenue by source:

| | |
|--|---------------|
| OPERATING REVENUE | |
| Property Rates levied | 737 198 |
| Electricity | 425 282 |
| Water | 479 319 |
| Sewer | 83 542 |
| Refuse | 97 634 |
| Sale of Goods and Rendering of Services | 4 845 |
| Interest Earned - Outstanding Debtors | 239 230 |
| Rent Of Facilities And Equipment | 1 614 |
| Interest Earned - External Investments | 15 000 |
| Licence and permits | 13 568 |
| Operational Revenue | 10 615 |
| Surcharges | 16 247 |
| Fines | 2 175 |
| Transfers Recognised - Operating | 337 434 |
| Interest | 290 647 |
| Gains/Losses | 114 469 |
| | 2 639 887 |
| Total Operating Revenue Generated | 870.74 |



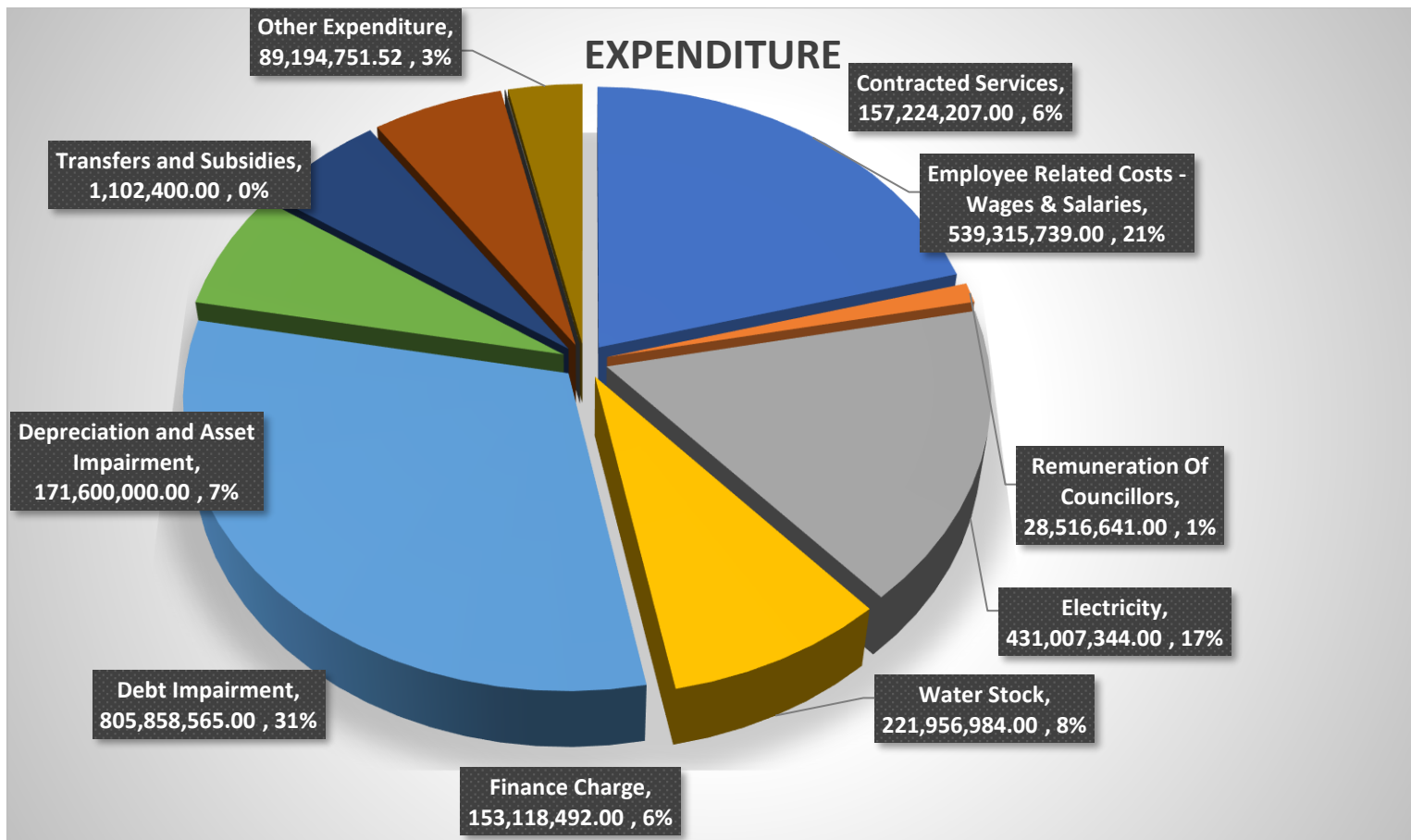
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Analysis

The operating Revenue for 2024/2025 is budgeted at R2 639 887 893 (an increase of 3.20% from R2 558 088 161 of the 2023/2024 Adjusted budget).

6.2. The 2024/2025 budgeted expenditure by source:

| Operating expenditure | R |
|---|-------------------------|
| Employee Related Costs - Wages & Salaries | 539 315 739.00 |
| Remuneration Of Councillors | 28 516 641.00 |
| Electricity | 431 007 344.00 |
| Water Stock | 221 956 984.00 |
| Debt Impairment | 805 858 565.00 |
| Depreciation and Asset Impairment | 171 600 000.00 |
| Finance Charge | 153 118 492.00 |
| Contracted Services | 157 224 207.00 |
| Transfers and Subsidies | 1 102 400.00 |
| Other Expenditure | 89 194 751.52 |
| Total Direct Operating Expenditure | 2 598 895 124.00 |



Analysis

The operating expenditure for 2024/2025 is budgeted at R2 598 895 124 (reflecting an increase of 2.03% from **R2 547 211 271** of the 2023/2024 Adjusted budget).

7. Tariffs

The tariffs preparation was informed by:

- Circular 128 that includes Macro-economic performance projections – CPI (4.9%)
- NERSA guidelines
- Randwater Board guideline
- Merafong Municipality Policies

The tariff increases are above the projected inflation targets. Tariffs could not be contained within the targeted inflation limits due to increased cost of the provision of services.

Projected revenue collection to be at 70% of levied service with implementation of all revenue recover and protection strategies.

The Elijah Barayi Village development shows a positive progress as a result there is a number of 2021 households that have been allocated to the members of Merafong in the 2023/24 financial year and provision for free basic services has been included in the 2024/25 budget. The increase in bulk purchases, inventory consumed and revenue from exchange for all service types is as a result of the allowed/recommended tariff increases and the number of new households.

In order to fund the operations budget, the following average tariffs per category are proposed:

| Service | % |
|---------------------|----------|
| Property Rates | 6% |
| Mine Property Rates | 7% |
| Water Services | 9.5% |
| Refuse Removal | 6% |
| Sewerage | 9.5% |
| Electricity | 11.05% |
| Sundry Tariffs | 6% |

8.

| MERAFONG CITY LOCAL MUNICIPALITY | | |
|---|--|--|
| CAPITAL PROJECTS 2024/2025 | | |
| Project No. | Project Description | Proposed Capital Budget 2024/25 |
| MUNICIPAL INFRASTRUCTURE GRANT (MIG) | | |
| P620 | PMU Management Fees | 4 134 850.00 |
| P769/Ph8 | Khutsong Roads and Stormwater (Phase 8) | 10 000 000.00 |
| P770/Ph8 | Kokosi Roads and Stormwater (Phase 4) | 6 000 000.00 |
| P757/Ph7 | Kokosi Roads and Stormwater (Phase 7) | 2 500 000.00 |
| P771/Ph8 | Kokosi Roads and Stormwater (Phase 8) | 10 000 000.00 |
| PNew | Access Roads Kokosi WWTW | 2 062 150.00 |
| PNew | Access Roads Wedela WWTW | 1 500 000.00 |
| P758/Ph7 | Wedela Ext 3 Roads and Stormwater (Phase 7) | 6 000 000.00 |
| P772/Ph8 | Wedela Ext 3 Roads and Stormwater (Phase 8) | 8 500 000.00 |
| P773 Stage 4 | Khutsong North Water & Sewer Reticulation (Stage 4) | 7 000 000.00 |
| PNew | Upgrading of Kokosi Stadium | 6 000 000.00 |
| P775 | Upgrading of Wedela Recreation Club | 4 000 000.00 |
| PNew | Merafong Roads and Stormwater Maintenance | 2 000 000.00 |
| PNew | Merafong Water and Sanitation Maintenance | 2 000 000.00 |
| PNew | Rehabilitation of Carletonville Cemetery Road | 5 623 000.00 |
| | TOTAL MIG ALLOCATION | 77 320 000.00 |
| | | |
| INTEGRATED NATIONAL ELECTRIFICATION PROGRAM (INEP) | | |
| PNew | 2x40 132-11KV Plover Substation | 7 768 000.00 |
| PNew | 132KV -150M Loop in-loopout Overhead Line for Plover | 10 000 000.00 |

| | | |
|--|--|------------------------|
| | TOTAL INEP ALLOCATION | 17 768 000.00 |
| WATER SERVICES INFRASTRUCTURE GRANT (WSIG) | | |
| P763 | Upgrading & Rehabilitation of Wedela WWTW | 10 000 000 |
| P777 | Foundation Stabilisation of Addata Reservoir | 5 000 000 |
| Pnew | Wolverdiend WWTW | 2 000 000 |
| Pnew | Refurbishment Khutsong WWTW | 10 000 000 |
| Pnew | Installation of Zone meter and PRV | 6 342 000 |
| TOTAL WSIG ALLOCATION | | 33 342 000.00 |
| HUMAN SETTLEMENTS DEVELOPMENT GRANT (MINING TOWNS ALLOCATION) | | |
| P778 | Khutsong Rehabilitation of Sinkholes | 12 000 000.00 |
| P747/Ph2 | Khutsong South Outfall Sewer Phase 2 | - |
| PNew | Khutsong Bulk Roads and Stormwater Phase 2 | 30 000 000.00 |
| TOTAL WSIG - HUMAN SETTLEMENTS DEVELOPMENT GRANT ALLOCATION | | 42 000 000.00 |
| TOTAL GRAND FUNDED CAPITAL BUDGET | | R170 430 000.00 |
| OWN FUNDED CAPITAL BUDGET | | |
| Supply and delivery of one 9kW, 400V, 21A, 6 pole submersible pump for Oberholzer WWTW | | 210 000 |
| Upgrading Public Safety Buildings | | 1 160 000 |
| Printers | | 1 000 000 |
| Procurement of office furniture | | 1 000 000 |
| Procurement of New Chamber furniture | | 1 500 000 |
| Procurement of Ride-on Lawnmowers | | 500 000 |
| Call Centre Renovations | | 1 500 000 |
| Foschchville Cemetry road - rehabilitation | | 2 000 000 |
| Stores warehouse | | 5 000 000 |
| Upgrading of Municipal Buildings | | 1 000 000 |
| Upgrading of stormwater system, Church street in Fochville | | 1 000 000 |
| Vehicle for politcal offices to reduce rentals cost | | 2 340 000 |
| Upgrading security in municipal properties | | 3 000 000 |
| TOTAL OWN FUNDED CAPITAL PROJECTS | | 21 210 000 |
| TOTAL CAPITAL BUDGET | | R 191 640 000 |

The capital grants allocations are essentially for the betterment of the Municipality's infrastructure. Merafong City mainly spends its capital expenditure on Municipal Infrastructure Grant (MIG), Integrated National Electrification Program (INEP, Water Services Infrastructure Grant (WSIG) and Human Settlement Grant (Mining Town Allocation).

9. Budget related policies

The following budget related policies have been annually reviewed and are presented to Council for approval.

1. That the property rates policy as attached in annexure be approved and submitted with the final budget for approval.
2. That the Tariff policy as attached in annexure be approved and submitted with the final budget for approval.
3. That the Sundry tariff as attached in annexure be approved and submitted with the final budget for approval.
4. That the Credit control and debt collection policy as attached in annexure b be approved and submitted with the final budget for approval.
5. That the Cash management policy as attached in annexure be approved and submitted with the final budget for approval.
6. That the Investment policy as attached in annexure be approved and submitted with the final budget for approval.
7. That the Borrowing policy as attached in annexure be approved and submitted with the final budget for approval.
8. That the Budget funding and Reserves policy as attached in annexure be approved and submitted with the final budget for approval.
9. That the Supply Chain Management policy as attached in annexure be approved and submitted with the final budget for approval.
10. That the Asset Management policy as attached in annexure be approved and submitted with the final budget for approval.
11. That the indigent policy as attached in annexure be approved and submitted with the final budget for approval.
12. That the Long-term financial planning policy as attached in annexure be approved and submitted with the final budget for approval.
13. That the Unauthorized Irregular, Fruitless and Wasteful Expenditure policy as attached in annexure 18 be approved and submitted with the final budget for approval.
14. That the Cost containment policy as attached in annexure 19 be approved and submitted with the final budget for approval.
15. That the Debt write off policy as attached in annexure 20 be approved and submitted with the final budget for approval.
16. That the Virement policy as attached in annexure 21 be approved and submitted with the final budget for approval.
17. That the Budget management policy as attached in annexure 22 be approved and submitted with the final budget for approval.
18. That the Adjustment budget policy as attached in annexure 23 be approved and submitted with the final budget for approval.
19. 2024/25 /financial recovery plan and Payment Incentive Scheme will continue as part of revenue recovery and protection.

It must be noted that all Personnel Policies will be submitted to Council as separate items where amendments are required.

10. Municipal Regulations on a Standard Chart of Accounts (mSCOA)

The municipality has prepared its budget and A schedules on the version 6.8 of the mSCOA classification framework. A high-level summary of the 2024/25 MTREF budget is provided in the table below:

Currently the Municipality is moving towards being compliant with the MSCOA framework.

The actual operational performance at mid-term

| Item Description | Budget | Mid-term Actual | Available budget as at mid-term |
|-------------------------|-----------------|------------------------|--|
| Revenue | R 2 558 088 161 | R 1 203 210 000 | R1 354 878 161 |
| Expenditure | R 2 547 211 271 | R747 841 137 | R1 799 370 134 |
| Capital | R 228 447 480 | R68 018 815 | R 160 428 665 |

The actual revenue at mid-term was **R 1 203 210 000** and it is inclusive of Billing for property taxes and services charges which were only collected at an average of **50%** which means that only half of the budgeted cash is receivable by the Municipality. This reality influenced the decision to adjust the budget at mid-term.

Conclusion

Currently there are economic uncertainties affecting the municipality. Many households and businesses are in distress. The municipality is also operating the financial recovery mode without generating sufficient own revenue to meet its current obligations. It is important to note that expenditure required to address the challenges facing the municipality and our communities will always exceed the available funding, hence the implementation of the financial strategies to achieve the balance to expenditure against realistically anticipated revenue as stipulated in Section 18 of the MFMA.

The litigation between the municipality and the mines for property rates is not yet finalized which aggravates the unfunded position of the municipality's budget.

Annual Budget tables

The following budget tables will be completed and be attached on the final budget to be tabled.

- Table A1 – Budget Summary;
- Table A2 – Budgeted Financial Performance (Revenue and Expenditure by standard classification);
- Table A3 – Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote);
- Table A4 – Budgeted Financial Performance (Revenue by Source and Expenditure by type);
- Table A5 – Budgeted Capital Expenditure by Vote, standard classification and funding.
- Table A6 – Budgeted Financial Position;
- Table A7 – Budgeted Cash Flows.
- Table A8 – Cash Backed reserves / accumulated surplus reconciliation.
- Table A9 – Asset Management; and

- Table A10 - Basic service delivery measurement.

The supporting schedules SA1 to SA38 will also be attached on the final budget to be tabled

RECOMMENDATIONS

1. That the report regarding the Annual Budget Medium-Term Revenue and Expenditure Framework for the 2024/2025 to 2026/2027 financial period, be noted and approved.
2. That the Annual Budget Medium-Term Revenue and Expenditure Framework for the 2024/2025 to 2026/2027 financial period, inclusive of tariffs, the budget related policies, be approved in terms of Section 16 of the Municipal Finance Management Act.
3. That the Annual Budget Medium-Term Revenue and Expenditure Framework for the 2024/2025 to 2026/2027 financial period, inclusive of tariffs, budget related policies and SDBIP be subjected to a community consultation process in terms of Sections 22 and 23 of the Municipal Finance Management Act and that the consultation process be done in accordance with Chapter 4 of the Municipal Systems Act.
4. That the Annual Budget Medium-Term Revenue and Expenditure Framework for the 2024/2025 financial period, inclusive of tariffs, budget related policies, SDBIP and organisational structures be submitted to Council for final consideration on May 2023 as required by section 24 of the Municipal Finance Management Act.
5. That the Council of Merafong City Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves:

The Annual Budget of the municipality for the financial year 2024/25 and the multi-year and single-year capital appropriations as set out in the following tables

- a. That the proposed operational and capital budget estimates for the 2024/2025 financial year be approved as follows:

- b. Operational budget**

| | |
|-------------|----------------|
| Revenue | R2 639 887 893 |
| Expenditure | R2 598 895 124 |
| Surplus | R 40 992 769 |

Capital Budget **R 191 640 000**

2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table of Annexure A;
3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table of Annexure A; and
4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table of Annexure A.
5. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved.
6. Budgeted Financial Position as contained in Table of Annexure A;
7. Budgeted Cash Flows as contained in Table of Annexure A;
8. Cash backed reserves and accumulated surplus reconciliation as contained in Table of Annexure A.
9. Asset management as contained in Table of Annexure A; and
10. Basic service delivery measurement as contained in Table of Annexure A.

11. That the Medium-Term Budget estimates for 2025/26; 2026/2027 as per the attached annexure 1 schedule be approved.

That the Council of Merafong City Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) APPROVES with effect from 1 July 2024 the tariffs as contained in Annexure:

2.1. the tariffs, rebates, and exemptions for property rates

2.2. the tariffs for electricity

2.3. the tariffs for the supply of water

2.4. the tariffs for sanitation services

2.5. the tariffs for solid waste services

That the Council of Merafong Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) ADOP with effect from 1 July 2024 the tariffs for other services.

2.6 That the tariffs for Property rates be approved as follows:

| Proposed Tariffs Structure -2024/25 | | | | |
|--|---------------|--------------------|-----------------|-----------------|
| | | | | |
| Rates | | | | |
| | | | | |
| RATES TARIFFS | | Approved | | Proposed |
| | | 2023/24 | | 2024/25 |
| Category | Tariff | Rate c in R | Increase | |
| | | | | |
| Residential | 141 | 0,0183 | 6,00% | 0,0194 |
| Industrial | | 0,044 | 6,00% | 0,0466 |
| Business and Commercial | 140 | 0,044 | 6,00% | 0,0466 |
| Farms – Agriculture | 143 | 0,0047 | 6,00% | 0,0050 |
| Mines | 142 | 0,045 | 6,00% | 0,0477 |
| PSI/80 | | 0,0046 | 6,00% | 0,0049 |
| Place of Worship (100% exempt) | | 0,0183 | 6,00% | 0,0194 |
| Roads/Roads Reserve | | 0,0183 | 6,00% | 0,0194 |
| | | | | |
| Rebate | | | | |
| Municipal properties | 0151 | 100% | | 100% |
| Residential Rebate | 0141 | 100 000 | | 100 000 |
| Pensioners Discount | 0160 | 0-100% | | 0-100% |
| Residential discount | 0150 | 0% | | 0% |
| Agricultural rebate | 0143 | 100 000 | | 80 000 |
| PBO rebate | | 80% | | 80% |
| PSI rebate | 0152 | 30% | | 30% |
| Government rebate | 0154 | 20% | | 20% |

2.7 That the tariffs for water be increased as following:

| | Tariff code | | <u>Approved 2023-2024</u> | <u>Proposed 2024-2025</u> | <u>Percentage increase</u> |
|---|-------------|-----------------------------|---------------------------|---------------------------|----------------------------|
| | | | | 9,50% | |
| Prepaid water 0 – 6 kiloliters | 0390 | | 15,89 | 17,40 | 9,50% |
| Prepaid water 7-15 kiloliters | | | 19,25 | 21,08 | 9,50% |
| Prepaid water 16 – 35 kiloliters | | | 25,58 | 28,01 | 9,50% |
| Prepaid water 36 – 50 kiloliters | | | 42,09 | 46,09 | 9,50% |
| Prepaid water > 50kiloliters | | | 54,34 | 59,50 | 9,50% |
| Residential 0 – 6 kiloliters | 0370/0371 | | 15,89 | 17,40 | 9,50% |
| Residential 7 – 15 kiloliters | | | 19,25 | 21,08 | 9,50% |
| Residential 16-35 kiloliters | | | 25,58 | 28,01 | 9,50% |
| Residential 36-50 kiloliters | | | 42,09 | 46,09 | 9,50% |
| Residential 50 kiloliters and above | | | 54,34 | 59,50 | 9,50% |
| Business and Industrial | 0372 | 200 Kiloliters and below | 42,54 | 46,58 | 9,50% |
| | | Above 200 Kiloliters | 54,34 | 59,50 | 9,50% |
| Special Consumers (Schools, Churches and welfare organisations) | 0373 | 200 Kiloliters and below | 31,82 | 34,84 | 9,50% |
| | | Above 200 Kiloliters | 54,34 | 59,50 | 9,50% |
| Old Age Homes and Services Centre for the age | | | 21,42 | 23,45 | 9,50% |
| Departmental | 0374 | | 28,12 | 30,79 | 9,50% |
| Mines Domestic | 0377 | | 28,79 | 31,53 | 9,50% |
| Mines Operations | 0378 | | 28,79 | 31,53 | 9,50% |
| Availability Charge | 0375 | Vacant Stands – Residential | 108,89 | 119,23 | 9,50% |
| Availability Charge | 0376 | Vacant stands-business | 108,89 | 119,23 | 9,50% |

PROPOSED REFUSE
TARIFFS

6.0%

| | Tariff code | | <u>Approved 2023/2024</u> | <u>Approved 2024/2025</u> | <u>% Increase</u> |
|--|----------------|--------------|-------------------------------|-------------------------------|-----------------------|
| Residential and Business | 0500 | 1 bin/week | 226.02 | 239.58 | 6.00% |
| Business | 0501 | Bin/3 x week | 590.59 | 626.02 | 6.00% |
| Business | 0502 | Bin/5 x week | 991.60 | 1051.10 | 6.00% |
| REFUSE DEPT MMH 3 X P.W. | 0503 | | 6999.56 | 7419.54 | 6.00% |
| REFUSE DEPT OTHER 1 X P.W. ! NO VAT ! | 0504 | | 226.03 | 239.59 | 6.00% |
| Refuse 3 x P.W. Departmental | 0505 | | 590.59 | 626.02 | 6.00% |
| MMH (1.75M³) 1x per week | 0510 | | 2843.57 | 3014.19 | 6.00% |
| MMH (1.75M³) 2x per week | 0511 | | 4928.86 | 5224.59 | 6.00% |
| MMH (1.75M³) 3x per week | 0512 | | 6999.56 | 7419.54 | 6.00% |
| MMH (1.75M³) 5x per week | 0513 | | 12686.71 | 13447.91 | 6.00% |
| Bulk container (30M³) 1x per week | 0520 | | 40101.66 | 42507.76 | 6.00% |
| Bulk container (30M³) 2x per week | | | 61246.17 | 64920.94 | 6.00% |
| Bulk container (30M³) 3x per week | | | 110097.28 | 116703.12 | 6.00% |
| Bulk container (30M³) 5x per week | | | 180822.02 | 191671.34 | 6.00% |
| Temporary service | | Per Bin | 107.03 | 113.45 | 6.00% |
| Bulky waste | | Per m³ | 495.80 | 525.55 | 6.00% |
| Special Exemption | | Per m³ | 247.90 | 262.78 | 6.00% |
| Garden services waste | | LDV/Trailer | 72.91 | 77.29 | 6.00% |
| Small Animal Carcasses | | | 192.65 | 204.21 | 6.00% |
| Bulky garden waste | | per 6m³ | 1051.69 | 1114.79 | 6.00% |
| Building rubble | | per m³ | 499.01 | 528.95 | 6.00% |

2.8 That the tariffs for Sewerage be increased as follows:

| PROPOSED SEWERAGE TARIFFS 2024/25 | | | | |
|---|------------------|--------------------------|---------------------------|---------------------------|
| | | | | 9,50% |
| | Tariff code | Descriptions | Proposed 2023- 2024 | Proposed 2024- 2025 |
| Residential 0 – 6 kiloliters | 0400/'0470/'0471 | | 7,09 | 7,76 |
| Residential 7 – 15 kiloliters | | | 7,27 | 7,96 |
| Residential 16-35 kiloliters | | | 7,49 | 8,20 |
| Residential 36-50 kiloliters | | | 7,77 | 8,51 |
| Max 50KL | | | | |
| Pre Paid Water Consumers | 0490 | | 180,60 | 197,76 |
| | | | | |
| Business and Industrial | 0402/'0472 | 200 Kilolitres and below | 7,70 | 8,43 |
| | | Above 200 Kilolitres | 8,59 | 9,41 |
| Departmental | 0403/'0474 | 200 Kilolitres and below | 7,70 | 8,43 |
| | | Above 200 Kilolitres | 8,59 | 9,41 |
| Special Consumers (Schools, Churches Welfare organisations; Old Age home) | 0473 | 200 Kilolitres and below | 7,29 | 7,98 |
| | | Above 200 Kilolitres | 7,77 | 8,51 |
| Basic Charge Pre-Paid Water Consumers | 0490 | | 184,54 | 202,07 |
| Basic Charge (Payable by property owner) | 0470 | | 77,39 | 84,74 |
| Basic Charge - Vacant Stands (Availability charge | 0475 | | 95,25 | 104,30 |

3 That the tariffs for electricity be increased as follows:

| Proposed Tariff Structure - Merafong City Local Municipality | | | | |
|--|------------------------|---------|------------|----------|
| Tariff Category | | Current | c/kWh | % change |
| 1. Domestic | | | | |
| Basic Charge R/Month | | 130.26 | 144.65 | 11.05% |
| Energy Charge c/kWh | Block 1 (0 - 50kWh) | 156.5 | 173.79325 | 11.05% |
| | Block 2 (51 - 350kWh) | 200.13 | 222.244365 | 11.05% |
| | Block 3 (351 - 600kWh) | 281.67 | 312.794535 | 11.05% |
| | Block 4 (above 600kWh) | 331.7 | 368.35285 | 11.05% |
| 2. Commercial | | | | |
| Basic Charge | | 1454.78 | 1615.53319 | 11.05% |
| Energy Charge | | 246.12 | 273.31626 | 11.05% |
| *Pre-Paid | | 304.83 | 338.513715 | 11.05% |
| 3. Industrial | | | | |
| Basic Charge | | 2111.62 | 2344.95401 | 11.05% |
| Energy Charge | | 175.2 | 194.5596 | 11.05% |
| Demand Charge | | 361.35 | 401.279175 | 11.05% |
| 3. Industrial -3% | | | | |
| Basic Charge | | 2111.62 | 2344.95401 | 11.05% |
| Energy Charge - 3 % | | 175.2 | 194.5596 | 11.05% |
| Demand Charge -3% | | 361.35 | 401.279175 | 11.05% |
| Temporary Power | | | | |
| Streetlights | | 176.7 | 190.836 | 8.00% |
| Council kWh | | 176.7 | 190.836 | 8.00% |

4. Indigent Tariffs be increased as follows

Provision of Free Basic Services to Indigent Households

Formal Settlements

The critical responsibility entrusted with local government in ensuring the effective functioning of the local economy is notable. This is expressed in Section 152 (1) [c] of the Constitution in terms of which local government is required to strive, 'within its financial and administrative capacity' to promote social and economic development'

The Municipality will be offering the following Free Basic Services

| | |
|---------------------------|---|
| Free Basic Water | 6kl per month |
| Free basic Electricity | 50 kWh per month |
| Free Basic waste removal | 100% subsidy on tariff |
| Rebates on Property rates | Rebates ranging from 25% to 100% and first R100 000.00 market value being 100% exempted from rates. |
| Free Basic sanitation | 6kl per month |

The Municipality has an indigent register compiled in line with the approved indigent policy. The cost of free basic services for the deprived people households within the municipal area is reflected below. The latest indigent harvesting program reflected that the Municipality has 4788 indigent households. The income threshold to qualify for an indigent support will be a total household income equivalent to or less than two times Government old age grant (from the 01st July 2024, (R2190X 2 = R4, 380)

The Municipality will be offering the following free basic services:

2024/2025

| Service | Units | Tariff | Amount | Vat | Total |
|------------------------|--------------|---------------|---------------|------------|----------------|
| 50 Kw/h of Electricity | 50 | 1.6774 | R83.87 | R12.5805 | R96.4505 |
| Electricity Basic | 1 | 140.379 | R140.379 | R21.0568 | R161.4358 |
| 6 Kl of water | 6 | 17.3995 | R104.3973 | R15.6595 | R120.0568 |
| 6 Kl of sewage | 6 | 7.76355 | R46.5813 | R6.9871 | R53.5689 |
| Sewage Basic | 1 | 84.742 | R84.742 | R12.7113 | R97.4533 |
| Refuse | 1 | 239.5812 | R239.5812 | R35.93718 | R275.52 |
| | | | | | R804.09 |

2023/2024

| Service | Units | Tariff | Amount | Vat | Total |
|------------------------|--------------|---------------|---------------|------------|----------------|
| 50 Kw/h of Electricity | 50 | 1,5105 | 75,525 | 11,32875 | R86,85 |
| Electricity Basic | 1 | 126,4109 | 126,4109 | 18,96164 | R145,37 |
| 6 Kl of water | 6 | 15,89 | 95,34 | 14,301 | R109,64 |
| 6 Kl of sewage | 6 | 7,09 | 42,54 | 6,381 | R48,92 |
| Sewage Basic | 1 | 77,39 | 77,39 | 11,6085 | R89,00 |
| Refuse | 1 | 226,02 | 226,02 | 33,903 | R259,92 |
| | | | | | R739,71 |

Informal Settlement

The Municipality intends to engage in an exercise to determine the statistics of indigents in informal settlements in the new Financial Year

5. Building Control Tariffs

| | |
|--|----------------------------------|
| Building Plan submitted to legalize an illegal building. Fee in addition to normal building plan fees applicable: 0 - <100m ² 100m ² - 200m ² >200m ² | R3127.00 R3751.34 R7503.74 |
| Monthly illegal fee in the absence of compliance or submission of building plans. This fee stops immediately once a valid building plan is submitted | R5 300 |
| Illegal extension of electricity in the absence of building plans and no certificate of compliance | R5 300.00 |
| Illegal extension and connection of sewer and water in the absence of building plans and no certificate of compliance | R5 300.00 |

| Description | 2024/2025 |
|---|-----------|
| Illegal land use on any zoning other than Residential. Non-refundable levy payable per month after non-compliance with written notice | R11 130 |
| Illegal land use on Residential zoning. Non-refundable levy payable per month after non-compliance written notice | R5 300 |

6. That cognizance be taken that ESKOM has increased the electricity tariffs from 1 July 2024 by 12%. See annexure 5
7. That the tariff increase allowed by NERSA for municipalities in the 2024/2025 financial year be implemented subject to their approval.
8. The sundry tariffs with an average increase of 6%.
9. That the capital budget for an amount of **R191 640 000.00** be approved.
10. Cognizance be taken that the capital budget is going to be funded as follows:

| Item description | R |
|--|------------------------|
| Municipal Infrastructure Grant (MIG) | R73 185 150.00 |
| 5% MIG Allocation (Operational) | R4 134 850.00 |
| Integrated National Electrification Program (INEP) | R17 768 000.00 |
| Water Services Infrastructure Grant (WSIG) | R33 342 000.00 |
| Mining Town Allocation | R42 000 000.00 |
| Sub –Total | R170 430 000.00 |
| Own funded capital projects | R21 210 000.00 |
| Total | R191 640 000.00 |

11. That the property rates policy as attached in annexure be approved and submitted with the final budget for approval.
12. That the Tariff policy as attached in annexure b be approved and submitted with the final budget for approval.

13. That the Sundry tariff policy as attached in annexure b be approved and submitted with the final budget for approval.
14. That the Credit control and debt collection policy as attached in annexure b be approved and submitted with the final budget for approval.
15. That the Cash management policy as attached in annexure b be approved and submitted with the final budget for approval.
16. That the Investment policy as attached in annexure b be approved and submitted with the final budget for approval.
17. That the Borrowing policy as attached in annexure b be approved and submitted with the final budget for approval.
18. That the Budget funding and Reserves policy as attached in annexure b be approved and submitted with the final budget for approval.
19. That the Supply Chain Management policy as attached in annexure b be approved and submitted with the final budget for approval.
20. That the Asset Management policy as attached in annexure b be approved and submitted with the final budget for approval.
21. That the indigent policy as attached in annexure b be approved and submitted with the final budget for approval.
22. That the Long-term financial planning policy as attached in annexure b be approved and submitted with the final budget for approval.
23. That the Unauthorized Irregular, Fruitless and Wasteful Expenditure policy as attached In annexure 18 be approved and submitted with the final budget for approval.
24. That the Cost containment policy as attached in annexure b be approved and submitted with the final budget for approval.
25. That the Debt write off policy as attached in annexure b be approved and submitted with the final budget for approval.
26. That the Virement policy as attached in annexure b be approved and submitted with the final budget for approval.
27. That the Budget management policy as attached in annexure b be approved and submitted with the final budget for approval.
28. That the Adjustment budget policy as attached in annexure b be approved and submitted with the final budget for approval.

TABLE AS Summary

[illegible]

Table A2 Budget financial Performance

GT484 Merafong City - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

| Functional Classification Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|---|------------------------|------------------------|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Revenue - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 250 502 | 276 782 | 1 118 179 | 1 121 783 | 1 576 383 | 1 576 383 | 1 620 900 | 1 786 973 | 1 983 726 |
| Executive and council | | 4 464 | 4 499 | – | 2 203 | 1 703 | 1 703 | 561 | 68 | 75 |
| Finance and administration | | 246 038 | 272 283 | 1 118 179 | 1 119 580 | 1 574 680 | 1 574 680 | 1 620 339 | 1 786 905 | 1 983 651 |
| Internal audit | | – | – | – | – | – | – | – | – | – |
| <i>Community and public safety</i> | | 78 518 | 59 448 | 175 307 | 32 679 | 23 960 | 23 960 | 66 860 | 70 038 | 73 861 |
| Community and social services | | 17 889 | 13 679 | 83 051 | 31 194 | 22 499 | 22 499 | 23 307 | 23 802 | 24 765 |
| Sport and recreation | | 67 | 62 | – | 15 | 15 | 15 | 15 | 17 | 18 |
| Public safety | | 59 049 | 43 993 | – | – | – | – | – | – | – |
| Housing | | 1 513 | 1 715 | 92 256 | 1 470 | 1 446 | 1 446 | 43 538 | 46 219 | 49 078 |
| Health | | – | – | – | – | – | – | – | – | – |
| <i>Economic and environmental services</i> | | 157 573 | 124 908 | 7 008 | 29 394 | 27 183 | 27 183 | 21 014 | 23 034 | 25 358 |
| Planning and development | | 157 436 | 124 170 | 6 602 | 23 603 | 24 426 | 24 426 | 18 173 | 19 895 | 21 872 |
| Road transport | | 137 | 737 | 405 | 5 791 | 2 757 | 2 757 | 2 841 | 3 139 | 3 486 |
| Environmental protection | | – | – | – | – | – | – | – | – | – |
| <i>Trading services</i> | | 939 459 | 991 277 | 832 114 | 1 090 052 | 1 075 461 | 1 075 461 | 1 212 313 | 1 293 389 | 1 433 291 |
| Energy sources | | 302 541 | 345 111 | 299 268 | 380 701 | 385 853 | 385 853 | 455 685 | 466 474 | 518 019 |
| Water management | | 405 182 | 415 229 | 406 029 | 536 655 | 527 031 | 527 031 | 575 619 | 635 982 | 706 406 |
| Waste water management | | 126 519 | 114 645 | 44 023 | 85 067 | 76 033 | 76 033 | 83 458 | 89 559 | 96 290 |
| Waste management | | 105 217 | 116 291 | 82 794 | 87 629 | 86 544 | 86 544 | 97 552 | 101 375 | 112 577 |
| <i>Other</i> | 4 | – | – | – | – | – | – | – | – | – |
| Total Revenue - Functional | 2 | 1 426 052 | 1 452 415 | 2 132 606 | 2 273 908 | 2 702 987 | 2 702 987 | 2 921 087 | 3 173 434 | 3 516 236 |

GT484 Merafong City - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

| Functional Classification Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|---|------------------------|------------------------|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Expenditure - Functional | - | | | | | | | | | |
| Governance and administration | | 958 664 | 940 790 | 311 298 | 510 860 | 391 872 | 391 872 | 579 189 | 635 285 | 699 871 |
| Executive and council | | 52 476 | 48 885 | 54 895 | 99 422 | 122 891 | 122 891 | 169 964 | 186 888 | 206 441 |
| Finance and administration | | 903 013 | 888 206 | 252 614 | 407 575 | 265 117 | 265 117 | 405 362 | 444 129 | 488 690 |
| Internal audit | | 3 174 | 3 700 | 3 789 | 3 863 | 3 863 | 3 863 | 3 863 | 4 269 | 4 740 |
| Community and public safety | | 157 073 | 130 895 | 79 772 | 67 263 | 64 769 | 64 769 | 72 259 | 78 937 | 86 578 |
| Community and social services | | 32 384 | 27 474 | 51 007 | 33 765 | 31 271 | 31 271 | 31 334 | 34 624 | 38 450 |
| Sport and recreation | | 20 310 | 22 127 | 22 246 | 24 681 | 24 681 | 24 681 | 32 109 | 34 570 | 37 310 |
| Public safety | | 98 808 | 75 361 | 290 | - | - | - | - | - | - |
| Housing | | 5 572 | 5 933 | 6 229 | 5 817 | 5 817 | 5 817 | 5 817 | 6 427 | 7 138 |
| Health | | 0 | (0) | - | 3 000 | 3 000 | 3 000 | 3 000 | 3 315 | 3 681 |
| Economic and environmental services | | 101 645 | 160 607 | 212 481 | 179 670 | 223 815 | 223 815 | 266 651 | 292 445 | 322 139 |
| Planning and development | | 13 194 | 14 120 | 38 354 | 42 704 | 46 409 | 46 409 | 73 645 | 79 173 | 85 301 |
| Road transport | | 88 451 | 146 487 | 174 126 | 136 966 | 177 406 | 177 406 | 193 006 | 213 271 | 236 838 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| Trading services | | 928 969 | 993 611 | 1 018 403 | 896 953 | 1 097 794 | 1 097 794 | 874 938 | 933 386 | 996 769 |
| Energy sources | | 435 580 | 484 539 | 528 932 | 511 020 | 755 381 | 755 381 | 505 842 | 538 310 | 573 235 |
| Water management | | 356 673 | 376 749 | 429 004 | 283 054 | 277 306 | 277 306 | 298 070 | 317 773 | 339 095 |
| Waste water management | | 52 434 | 49 564 | 12 111 | 17 873 | 17 873 | 17 873 | 16 364 | 18 083 | 20 081 |
| Waste management | | 84 283 | 82 759 | 48 357 | 85 006 | 47 233 | 47 233 | 54 661 | 59 219 | 64 357 |
| Other | 4 | - | - | - | - | - | - | - | - | - |
| Total Expenditure - Functional | 3 | 2 146 351 | 2 225 904 | 1 621 954 | 1 654 746 | 1 778 249 | 1 778 249 | 1 793 037 | 1 940 052 | 2 105 357 |
| Surplus/(Deficit) for the year | | (720 299) | (773 490) | 510 653 | 619 162 | 924 738 | 924 738 | 1 128 050 | 1 233 382 | 1 410 879 |

Table A3 Budgeted Financial Performance

GT484 Merafong City - 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 | | |
|--|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|---|------------------------|------------------------|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| <u>Revenue by Vote</u> | 1 | | | | | | | | | |
| Vote 1 - Municipal Manager | | 2 799 | 4 031 | 4 570 | 2 203 | 1 703 | 1 703 | 561 | 68 | 75 |
| Vote 2 - Finance | | 251 021 | 280 746 | 1 117 679 | 1 118 546 | 1 573 146 | 1 573 146 | 1 619 107 | 1 785 544 | 1 982 139 |
| Vote 3 - Community and Social Services | | 2 093 | 3 043 | 83 051 | 31 194 | 22 499 | 22 499 | 23 307 | 23 802 | 24 765 |
| Vote 4 - Sport and Recreation | | 984 157 | 988 425 | – | 15 | 15 | 15 | 15 | 17 | 18 |
| Vote 5 - Public Safety | | 182 197 | 173 911 | – | – | – | – | – | – | – |
| Vote 6 - Housing | | – | – | 92 256 | 1 470 | 1 446 | 1 446 | 43 538 | 46 219 | 49 078 |
| Vote 7 - Health | | 3 783 | 2 258 | – | – | – | – | – | – | – |
| Vote 8 - Planning and Development | | – | – | 6 602 | 23 603 | 24 426 | 24 426 | 18 173 | 19 895 | 21 872 |
| Vote 9 - Road Transport | | – | – | 405 | 5 791 | 2 757 | 2 757 | 2 841 | 3 139 | 3 486 |
| Vote 10 - Energy Sources | | – | – | 299 268 | 380 701 | 385 853 | 385 853 | 455 685 | 466 474 | 518 019 |
| Vote 11 - Water Management | | – | – | 406 029 | 536 655 | 527 031 | 527 031 | 575 619 | 635 982 | 706 406 |
| Vote 12 - [NAME OF VOTE 1210] | | – | – | 44 023 | 85 067 | 76 033 | 76 033 | 83 458 | 89 559 | 96 290 |
| Vote 13 - Waste Management | | – | – | 82 794 | 87 629 | 86 544 | 86 544 | 97 552 | 101 375 | 112 577 |
| Vote 14 - Internal Audit | | – | – | – | – | – | – | – | – | – |
| Vote 15 - Other | | – | – | 500 | 1 034 | 1 534 | 1 534 | 1 232 | 1 361 | 1 512 |
| Total Revenue by Vote | 2 | 1 426 049 | 1 452 415 | 2 137 176 | 2 273 908 | 2 702 987 | 2 702 987 | 2 921 087 | 3 173 434 | 3 516 236 |

GT484 Merafong City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description R thousand | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| <u>Expenditure by Vote to be appropriated</u> | 1 | | | | | | | | | |
| Vote 1 - Municipal Manager | | 41 974 | 39 529 | 54 895 | 99 422 | 122 891 | 122 891 | 169 964 | 186 888 | 206 441 |
| Vote 2 - Finance | | 758 861 | 712 951 | 249 869 | 407 575 | 265 117 | 265 117 | 405 362 | 444 129 | 488 690 |
| Vote 3 - Community and Social Services | | 16 269 | 15 874 | 51 007 | 33 765 | 31 271 | 31 271 | 31 334 | 34 624 | 38 450 |
| Vote 4 - Sport and Recreation | | 946 693 | 1 082 127 | 22 246 | 24 681 | 24 681 | 24 681 | 32 109 | 34 570 | 37 310 |
| Vote 5 - Public Safety | | 262 571 | 240 414 | 290 | – | – | – | – | – | – |
| Vote 6 - Housing | | 8 723 | 9 430 | 6 229 | 5 817 | 5 817 | 5 817 | 5 817 | 6 427 | 7 138 |
| Vote 7 - Health | | 111 238 | 125 559 | – | 3 000 | 3 000 | 3 000 | 3 000 | 3 315 | 3 681 |
| Vote 8 - Planning and Development | | – | – | 38 354 | 42 704 | 46 409 | 46 409 | 73 645 | 79 173 | 85 301 |
| Vote 9 - Road Transport | | – | 2 816 | 174 126 | 136 966 | 177 406 | 177 406 | 193 006 | 213 271 | 236 838 |
| Vote 10 - Energy Sources | | – | – | 528 932 | 511 020 | 755 381 | 755 381 | 505 842 | 538 310 | 573 235 |
| Vote 11 - Water Management | | – | – | 429 004 | 283 054 | 277 306 | 277 306 | 298 070 | 317 773 | 339 095 |
| Vote 12 - [NAME OF VOTE 1210] | | – | – | 12 111 | 17 873 | 17 873 | 17 873 | 16 364 | 18 083 | 20 081 |
| Vote 13 - Waste Management | | – | – | 48 357 | 85 006 | 47 233 | 47 233 | 54 661 | 59 219 | 64 357 |
| Vote 14 - Internal Audit | | – | – | 3 789 | 3 863 | 3 863 | 3 863 | 3 863 | 4 269 | 4 740 |
| Vote 15 - Other | | – | – | 2 746 | – | – | – | – | – | – |
| Total Expenditure by Vote | 2 | 2 146 329 | 2 228 700 | 1 621 954 | 1 654 746 | 1 778 249 | 1 778 249 | 1 793 037 | 1 940 052 | 2 105 357 |
| Surplus/(Deficit) for the year | 2 | (720 280) | (776 285) | 515 222 | 619 162 | 924 738 | 924 738 | 1 128 050 | 1 233 382 | 1 410 879 |

Table A4 Budgeted Financial Performance (Revenue and Expenditure

GT484 Merafong City - 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 | | |
|--|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|---|------------------------|------------------------|
| 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 |
| Revenue | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | |
| Service charges - Electricity | 2 | 260 672 | 287 569 | 276 930 | 343 066 | 348 218 | 348 218 | 330 923 | 425 282 | 432 879 | 480 712 |
| Service charges - Water | 2 | 349 402 | 374 832 | 406 043 | 440 356 | 430 732 | 430 732 | 430 554 | 479 320 | 529 572 | 588 238 |
| Service charges - Waste Water Management | 2 | 66 772 | 70 389 | 75 880 | 85 152 | 76 118 | 76 118 | 54 875 | 83 542 | 89 653 | 96 393 |
| Service charges - Waste Management | 2 | 76 110 | 79 346 | 82 533 | 87 711 | 86 627 | 86 627 | 66 702 | 97 635 | 101 466 | 112 678 |
| Sale of Goods and Rendering of Services | | 1 885 | 3 086 | 3 364 | 4 024 | 4 846 | 4 846 | 1 191 | 4 846 | 5 354 | 5 946 |
| Agency services | | - | - | 12 830 | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 133 698 | 179 646 | 156 145 | 239 231 | 239 231 | 239 231 | (4 198) | 239 231 | 264 350 | 293 561 |
| Interest earned from Current and Non Current Assets | | 4 848 | 5 046 | 12 758 | 8 140 | 14 846 | 14 846 | - | 15 000 | 16 575 | 18 407 |
| Dividends | | - | - | - | - | - | - | 13 226 | - | - | - |
| Rent on Land | | - | - | - | 0 | 0 | 0 | 186 514 | 0 | 0 | 0 |
| Rental from Fixed Assets | | 1 548 | 1 772 | 1 421 | 1 547 | 1 523 | 1 523 | 2 427 | 1 614 | 1 784 | 1 981 |
| Licence and permits | | 1 | 1 | 415 | 20 001 | 20 002 | 20 002 | (93) | 13 568 | 14 993 | 16 649 |
| Operational Revenue | | 1 110 | 606 | 865 | 10 163 | 10 021 | 10 021 | 31 | 10 615 | 11 730 | 13 026 |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | 2 | - | - | 581 883 | 620 246 | 695 470 | 695 470 | 667 433 | 737 199 | 814 605 | 904 618 |
| Surcharges and Taxes | | 25 722 | 18 154 | 23 784 | 18 842 | 17 698 | 17 698 | - | 16 247 | 18 065 | 20 061 |
| Fines, penalties and forfeits | | 59 536 | 44 418 | 24 183 | 5 126 | 2 092 | 2 092 | 521 | 2 176 | 2 404 | 2 670 |
| Transfer and subsidies - Operational | | 281 722 | 256 019 | 353 317 | 326 171 | 326 170 | 326 170 | 277 452 | 337 435 | 370 175 | 409 191 |
| Interest | | 8 835 | 8 307 | 18 125 | 39 131 | 284 493 | 284 493 | - | 290 647 | 321 165 | 356 654 |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Other Gains | | 3 886 | 12 332 | 18 069 | | | | - | (114 469) | (108 746) | (103 309) |
| Total Revenue (excluding capital transfers and contributions) | | 1 275 747 | 1 341 523 | 2 048 545 | 2 248 908 | 2 558 087 | 2 558 087 | 2 027 558 | 2 639 888 | 2 886 023 | 3 217 476 |

GT484 Merafong City - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------|-----|--------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | 1 | | | | | | | | | | |
| Expenditure | | | | | | | | | | | |
| Employee related costs | 2 | 349 940 | 367 383 | 383 731 | 401 338 | 424 701 | 424 701 | 987 | 539 316 | 586 | 640 599 |
| Remuneration of councillors | | 22 590 | 22 282 | 25 460 | 27 764 | 27 420 | 27 420 | - | 28 517 | 31 | 34 993 |
| Bulk purchases - electricity | 2 | 360 014 | 387 694 | 370 580 | 443 612 | 687 974 | 687 974 | 206 | 431 007 | 456 | 484 280 |
| Inventory consumed | 8 | 178 851 | 196 623 | 314 315 | 220 819 | 214 562 | 214 562 | 2 863 | 221 957 | 235 | 249 391 |
| Debt impairment | 3 | | | 755 451 | 500 000 | 658 904 | 658 904 | - | 805 859 | 854 | 905 463 |
| Depreciation and amortisation | | 102 930 | 176 782 | 172 763 | 113 324 | 156 000 | 156 000 | 11 | 171 600 | 189 | 210 571 |
| Interest | | 54 894 | 81 663 | 144 456 | 122 131 | 79 249 | 79 249 | 62 663 | 153 118 | 169 | 187 892 |
| Contracted services | | 63 862 | 88 396 | 97 491 | 91 291 | 105 552 | 105 552 | 146 850 | 157 224 | 171 | 186 828 |
| Transfers and subsidies | | 2 295 | 321 | 522 | 1 040 | 1 040 | 1 040 | 301 | 1 102 | 1 | 1 353 |
| Irrecoverable debts written off | | 940 886 | 820 796 | - | 130 664 | - | - | - | - | - | - |
| Operational costs | | 70 088 | 83 965 | 93 197 | 102 762 | 81 751 | 81 751 | 63 544 | 89 195 | 98 | 109 451 |
| Losses on disposal of Assets | | 75 777 | 17 566 | 2 395 | - | - | - | - | - | - | - |
| Other Losses | | 100 707 | 94 207 | - | 94 159 | 110 058 | 110 057 | - | - | - | - |
| Total Expenditure | | 2 322 836 | 2 337 677 | 2 360 359 | 2 248 905 | 2 547 211 | 2 547 211 | 277 424 | 2 598 895 | 2 794 262 | 3 010 820 |
| Surplus/(Deficit) | | (1 047 089) | (996 154) | (311 814) | 3 | 10 876 | 10 876 | 1 750 134 | 40 993 | 91 761 | 206 656 |

Table A5 Capital Expenditure

| 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 |
| Vote 1 - Municipal Manager | | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Finance | | - | - | (1 070) | (57) | - | - | - | - | - | - |
| Vote 3 - Community and Social Services | | - | - | 20 836 | 8 139 | 13 107 | 13 107 | 13 107 | 4 000 | 4 420 | 4 908 |
| Vote 4 - Sport and Recreation | | - | - | - | - | - | - | - | 6 000 | 6 360 | 6 742 |
| Vote 5 - Public Safety | | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - Housing | | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - Health | | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Planning and Development | | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - Road Transport | | - | - | 37 197 | 68 891 | 71 170 | 71 170 | 71 170 | 46 185 | 50 332 | 55 057 |
| Vote 10 - Energy Sources | | - | - | 36 616 | 44 524 | 50 500 | 50 500 | 50 500 | 17 768 | 19 634 | 21 803 |
| Vote 11 - Water Management | | - | - | 27 296 | 54 114 | 55 614 | 55 614 | 55 614 | 45 342 | 49 563 | 54 397 |
| Vote 12 - [NAME OF VOTE 1210] | | - | - | 36 745 | 33 613 | 33 102 | 33 102 | 33 102 | 47 000 | 50 585 | 54 569 |
| Vote 13 - Waste Management | | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - Internal Audit | | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - Other | | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | - | - | 157 621 | 209 223 | 223 493 | 223 493 | 223 493 | 166 295 | 180 893 | 197 476 |
| Total Capital Expenditure - Vote | | - | - | 157 621 | 209 223 | 223 493 | 223 493 | 223 493 | 166 295 | 180 893 | 197 476 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| Governance and administration | | - | - | (1 070) | (57) | - | - | (1 070) | - | - | - |

[illegible]

| | | | | | | | | | | | |
|--|---|---|---|---------|---------|---------|---------|---------|---------|---------|---------|
| 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 | - | - | 150 587 | 211 517 | 223 493 | 223 493 | 234 639 | 166 295 | 180 893 | 197 476 |
| Borrowing | 6 | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | - | - | - | - | - | - | - | - | - | - |
| Total Capital Funding | 7 | - | - | 150 587 | 211 517 | 223 493 | 223 493 | 234 639 | 166 295 | 180 893 | 197 476 |

Table A6 Financial Position

Currently the Municipality has engaged CCG to assist in building the mSCOA chart to enable A schedule to be populated on mSCOA chart 6.8 version.

GT484 Merafong City - Table A6 Budgeted Financial Position[illegible]

[illegible]

| | | | | | | | | | | | |
|-------------------------------|----|---|---|-----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|
| Other | | | | | | | | | | | |
| TOTAL COMMUNITY WEALTH/EQUITY | 10 | - | - | 4 690 110 | 156 373 | 2 281 975 | 2 281 975 | 5 525 125 | 2 508 241 | 2 862 187 | 3 174 197 |

Table A7 Budgeted Cash Flows

GT484 Merafong City - Table A7 Budgeted Cash Flows[illegible]

| | | | | | | | | | | | |
|--|---|------------------|----------------|----------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|
| Capital assets | | – | – | – | 243 244 | 257 017 | 257 017 | – | (119 238) | (128 776) | (139 458) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (2 419) | (5 207) | – | 243 244 | 257 017 | 257 017 | – | (119 238) | (128 776) | (139 458) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | – | – | – | – | – | – | – | – | – | – |
| Borrowing long term/refinancing | | – | – | – | – | – | – | – | – | – | – |
| Increase (decrease) in consumer deposits | | (2 419) | (5 207) | | | | | | – | – | – |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | – | – | – | – | – | – | – | – | – | – |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | (2 419) | (5 207) | – | – | – | – | – | – | – | – |
| NET INCREASE/ (DECREASE) IN CASH HELD | | (113 881) | 49 630 | – | 2 008 031 | 2 292 670 | 2 292 670 | 587 969 | 2 227 807 | 2 300 191 | 2 546 499 |
| Cash/cash equivalents at the year begin: | 2 | – | – | – | – | – | – | – | 158 032 | 2 385 839 | 4 686 030 |
| Cash/cash equivalents at the year end: | 2 | (113 881) | 49 630 | – | 2 008 031 | 2 292 670 | 2 292 670 | 587 969 | 2 385 839 | 4 686 030 | 7 232 530 |

Table A8 Cash Backed reserves

GT484 Merafong City - 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 |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | (228 500) | 125 909 | – | 2 008 031 (1 869 | 2 292 670 | 2 292 670 | 587 969 | 2 385 839 | 4 686 030 (4 138 | 7 232 530 (6 563 |
| Other current investments > 90 days | | 121 719 | 52 769 | 106 072 | 858) | (2 072 289) | (2 072 289) | (334 423) | (1 779 715) | 026) | 206) |
| Non current Investments | 1 | 868 396 | 197 984 | – | – | – | – | – | – | – | – |
| Cash and investments available: | | 761 616 | 376 662 | 106 072 | 138 173 | 220 381 | 220 381 | 253 546 | 606 124 | 548 004 | 669 324 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | – | – | 67 710 | – | 31 294 | 31 294 | 238 140 | 31 294 | 34 580 | 38 401 |
| Unspent borrowing | | 42 | (126) | | | | | | | | |
| Statutory requirements | 2 | | (329 | | | | | | | | |
| Other working capital requirements | 3 | (128 319) | 234) | 1 537 656 | 262 745 | 1 746 708 | 1 746 708 | 708 683 | 1 645 252 | 1 820 238 | 2 010 099 |
| Other provisions | | | | | | | | | | | |
| Long term investments committed | 4 | – | – | – | – | – | – | – | – | – | – |
| Reserves to be backed by cash/investments | 5 | | | | | | | | | | |
| Total Application of cash and investments: | | (128 277) | 360) | 1 605 367 | 262 745 | 1 778 002 | 1 778 002 | 946 823 | 1 676 545 | 1 854 818 | 2 048 500 |
| Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits | | 889 893 | 706 022 | (1 499 | (124 | (1 557 621) | (1 557 621) | (693 277) | (1 070 421) | (1 306 | (1 379 |
| Creditors transferred to Debt Relief - Non-Current portion | | – | – | – | – | – | – | – | – | – | – |
| Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits | | 889 893 | 706 022 | (1 499 | (124 | (1 557 621) | (1 557 621) | (693 277) | (1 070 421) | (1 306 | (1 379 |
| | | | | 295) | 572) | | | | 814) | 175) | |

Table A9 Asset management
GT484 Merafong City - Table A9 Asset Management

| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | | | | | |
| CAPITAL EXPENDITURE | | | | | | | | | | |
| Total New Assets | 1 | 6 204 | 9 967 | 113 505 | 199 577 | 219 979 | 219 979 | 155 295 | 168 738 | 183 978 |
| <i>Roads Infrastructure</i> | | (13 399) | 2 673 | 27 430 | 71 927 | 71 988 | 71 988 | 56 185 | 61 382 | 67 328 |
| <i>Storm water Infrastructure</i> | | - | - | - | - | - | - | - | - | - |
| <i>Electrical Infrastructure</i> | | - | - | 25 944 | 44 524 | 50 500 | 50 500 | 17 768 | 19 634 | 21 803 |
| <i>Water Supply Infrastructure</i> | | 19 603 | 7 293 | 11 243 | 54 114 | 61 614 | 61 614 | 45 342 | 49 563 | 54 397 |
| <i>Sanitation Infrastructure</i> | | - | - | 36 745 | 24 813 | 24 813 | 24 813 | 30 000 | 31 800 | 33 708 |
| <i>Solid Waste Infrastructure</i> | | - | - | - | - | - | - | - | - | - |
| <i>Rail Infrastructure</i> | | - | - | - | - | - | - | - | - | - |
| <i>Coastal Infrastructure</i> | | - | - | - | - | - | - | - | - | - |
| <i>Information and Communication Infrastructure</i> | | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 6 204 | 9 967 | 101 362 | 195 377 | 208 914 | 208 914 | 149 295 | 162 378 | 177 236 |
| Community Facilities | | - | - | 12 143 | 4 200 | 11 064 | 11 064 | - | - | - |
| Sport and Recreation Facilities | | - | - | - | - | - | - | 6 000 | 6 360 | 6 742 |
| Community Assets | | - | - | 12 143 | 4 200 | 11 064 | 11 064 | 6 000 | 6 360 | 6 742 |
| 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 | 2 | - | - | - | - | - | - | - | - | |
| Immature | | - | - | - | - | - | - | - | - | |
| Living Resources | | - | - | - | - | - | - | - | - | |
| Total Renewal of Existing Assets | | - | - | - | 1 939 | 1 042 | 1 042 | 4 000 | 4 420 | 4 908 |
| 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 | | - | - | - | 1 939 | 1 042 | 1 042 | 4 000 | 4 420 | 4 908 |
| Community Assets | | - | - | - | 1 939 | 1 042 | 1 042 | 4 000 | 4 420 | 4 908 |
| 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 Upgrading of Existing Assets | 6 | 5 948 | 10 008 | 22 103 | 10 000 | 2 471 | 2 471 | 7 000 | 7 735 | 8 590 |
| Roads Infrastructure | | (13 399) | 2 673 | - | - | - | - | - | - | - |
| Storm water Infrastructure | | - | - | - | - | - | - | - | - | - |
| Electrical Infrastructure | | - | - | - | - | - | - | - | - | - |
| Water Supply Infrastructure | | 19 603 | 7 293 | 13 409 | - | - | - | - | - | - |
| Sanitation Infrastructure | | - | - | - | - | - | - | - | - | - |
| Solid Waste Infrastructure | | - | - | - | - | - | - | - | - | - |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | | - | - | 8 694 | 10 000 | 2 471 | 2 471 | 7 000 | 7 735 | 8 590 |
| Infrastructure | | 6 204 | 9 967 | 22 103 | 10 000 | 2 471 | 2 471 | 7 000 | 7 735 | 8 590 |
| 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 | | (256) | 42 | - | - | - | - | - | - | - |
| Machinery and Equipment | | - | - | - | - | - | - | - | - | - |
| Transport Assets | | - | - | - | - | - | - | - | - | - |
| Land | | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| Mature | | - | - | - | - | - | - | - | - | - |
| Immature | | - | - | - | - | - | - | - | - | - |
| Living Resources | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure | 4 | 12 152 | 19 975 | 135 607 | 211 517 | 223 493 | 223 493 | 166 295 | 180 893 | 197 476 |
| Roads Infrastructure | | (26 797) | 5 347 | 27 430 | 71 927 | 71 988 | 71 988 | 56 185 | 61 382 | 67 328 |
| Storm water Infrastructure | | - | - | - | - | - | - | - | - | - |
| Electrical Infrastructure | | - | - | 25 944 | 44 524 | 50 500 | 50 500 | 17 768 | 19 634 | 21 803 |

| | | | | | | | | | | |
|---|---|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Water Supply Infrastructure</i> | | 39 205 | 14 586 | 24 651 | 54 114 | 61 614 | 61 614 | 45 342 | 49 563 | 54 397 |
| <i>Sanitation Infrastructure</i> | | – | – | 36 745 | 24 813 | 24 813 | 24 813 | 30 000 | 31 800 | 33 708 |
| <i>Solid Waste Infrastructure</i> | | – | – | – | – | – | – | – | – | – |
| <i>Rail Infrastructure</i> | | – | – | – | – | – | – | – | – | – |
| <i>Coastal Infrastructure</i> | | – | – | – | – | – | – | – | – | – |
| <i>Information and Communication Infrastructure</i> | | – | – | 8 694 | 10 000 | 2 471 | 2 471 | 7 000 | 7 735 | 8 590 |
| Infrastructure | | 12 408 | 19 933 | 123 465 | 205 377 | 211 386 | 211 386 | 156 295 | 170 113 | 185 826 |
| Community Facilities | | – | – | 12 143 | 4 200 | 11 064 | 11 064 | – | – | – |
| Sport and Recreation Facilities | | – | – | – | 1 939 | 1 042 | 1 042 | 10 000 | 10 780 | 11 650 |
| Community Assets | | – | – | 12 143 | 6 139 | 12 107 | 12 107 | 10 000 | 10 780 | 11 650 |
| 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 | | (256) | 42 | – | – | – | – | – | – | – |
| Machinery and Equipment | | – | – | – | – | – | – | – | – | – |
| Transport Assets | | – | – | – | – | – | – | – | – | – |
| Land | | – | – | – | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| Mature | | – | – | – | – | – | – | – | – | – |
| Immature | | – | – | – | – | – | – | – | – | – |
| Living Resources | | – | – | – | – | – | – | – | – | – |
| TOTAL CAPITAL EXPENDITURE - Asset class | | 12 152 | 19 975 | 135 607 | 211 517 | 223 493 | 223 493 | 166 295 | 180 893 | 197 476 |
| ASSET REGISTER SUMMARY - PPE (WDV) | 5 | – | – | 3 141 379 | 98 192 | 3 053 677 | 3 053 677 | 2 980 880 | 3 291 009 | 3 651 260 |
| <i>Roads Infrastructure</i> | | – | – | 1 012 360 | 22 842 | 965 157 | 965 157 | 933 754 | 1 031 095 | 1 144 195 |
| <i>Storm water Infrastructure</i> | | – | – | 183 475 | (8 160) | 441 054 | 441 054 | 441 054 | 487 364 | 541 218 |
| <i>Electrical Infrastructure</i> | | – | – | 380 095 | 38 812 | 399 185 | 399 185 | 366 453 | 404 930 | 449 675 |
| <i>Water Supply Infrastructure</i> | | – | – | 478 045 | 43 203 | 499 917 | 499 917 | 483 645 | 533 888 | 592 240 |
| <i>Sanitation Infrastructure</i> | | – | – | 293 059 | 14 409 | 218 416 | 218 416 | 223 603 | 245 731 | 271 279 |
| <i>Solid Waste Infrastructure</i> | | – | – | 13 367 | (611) | 12 569 | 12 569 | 12 569 | 13 888 | 15 423 |

| | | | | | | | | | | |
|--|----------|--------------|---------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| Rail Infrastructure | | – | – | – | (5 100) | (5 100) | (5 100) | (5 100) | (5 636) | (6 258) |
| Coastal Infrastructure | | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructure | | – | – | 8 694 | 10 000 | 2 471 | 2 471 | 7 000 | 7 735 | 8 590 |
| Infrastructure | | – | – | 2 369 095 | 115 394 | 2 533 668 | 2 533 668 | 2 462 977 | 2 718 997 | 3 016 361 |
| Community Assets | | – | – | 217 718 | 4 | 211 548 | 211 548 | 209 441 | 231 162 | 256 385 |
| Heritage Assets | | – | – | 136 | – | 136 | 136 | 136 | 150 | 167 |
| | | – | – | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | 217 300 | (459) | 216 841 | 216 841 | 216 841 | 239 609 | 266 086 |
| | | – | – | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – | – | – |
| Other Assets | | – | – | 71 595 | (359) | 107 666 | 107 666 | 107 666 | 118 971 | 132 117 |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | 208 | (878) | (670) | (670) | (670) | (740) | (822) |
| Computer Equipment | | – | – | 5 897 | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | 9 811 | (12 323) | (12 323) | (12 323) | (12 323) | (13 617) | (15 121) |
| Machinery and Equipment | | – | – | 20 721 | (3 188) | (3 188) | (3 188) | (3 188) | (3 523) | (3 912) |
| Transport Assets | | – | – | – | – | – | – | – | – | – |
| Land | | – | – | 228 897 | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – | – | – |
| Living Resources | | – | – | – | – | – | – | – | – | – |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | – | – | 3 141 379 | 98 192 | 3 053 677 | 3 053 677 | 2 980 880 | 3 291 009 | 3 651 260 |
| EXPENDITURE OTHER ITEMS | | 9 018 | 22 371 | 159 131 | 122 085 | 166 172 | 166 172 | 180 009 | 198 906 | 220 879 |
| <u>Depreciation</u> | 7 | – | – | 156 239 | 113 324 | 156 000 | 156 000 | 171 600 | 189 618 | 210 571 |
| <u>Repairs and Maintenance by Asset Class</u> | 3 | 9 018 | 22 371 | 2 892 | 8 760 | 10 172 | 10 172 | 8 409 | 9 288 | 10 309 |
| <i>Roads Infrastructure</i> | | 1 459 | 755 | – | 1 533 | 2 945 | 2 945 | 2 945 | 3 254 | 3 614 |
| <i>Storm water Infrastructure</i> | | – | – | – | 281 | 281 | 281 | 281 | 310 | 344 |
| <i>Electrical Infrastructure</i> | | 2 906 | 13 949 | – | 1 941 | 1 941 | 1 941 | 433 | 474 | 521 |
| <i>Water Supply Infrastructure</i> | | 315 | 2 211 | 2 | 4 618 | 4 618 | 4 618 | 4 618 | 5 103 | 5 667 |
| <i>Sanitation Infrastructure</i> | | 2 422 | 2 801 | – | 255 | 255 | 255 | – | – | – |
| <i>Solid Waste Infrastructure</i> | | – | – | – | – | – | – | – | – | – |
| <i>Rail Infrastructure</i> | | – | – | – | – | – | – | – | – | – |
| <i>Coastal Infrastructure</i> | | – | – | 2 889 | 92 | 92 | 92 | 92 | 101 | 113 |
| <i>Information and Communication Infrastructure</i> | | – | – | – | – | – | – | – | – | – |
| Infrastructure | | 7 102 | 19 716 | 2 892 | 8 720 | 10 132 | 10 132 | 8 368 | 9 243 | 10 259 |

| | | | | | | | | | |
|---|--------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Community Facilities | - | - | - | - | - | - | - | - | - |
| Sport and Recreation Facilities | - | - | - | - | - | - | - | - | - |
| Community Assets | - | - | - | - | - | - | - | - | - |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Revenue Generating | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | - | - | - | - | - | - | - | - | - |
| Investment properties | - | - | - | - | - | - | - | - | - |
| Operational Buildings | 1 916 | 2 655 | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Other Assets | 1 916 | 2 655 | - | - | - | - | - | - | - |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | - | - |
| Servitudes | - | - | - | - | - | - | - | - | - |
| Licences and Rights | - | - | - | - | - | - | - | - | - |
| Intangible Assets | - | - | - | - | - | - | - | - | - |
| Computer Equipment | - | - | - | - | - | - | - | - | - |
| Furniture and Office Equipment | - | - | - | - | - | - | - | - | - |
| Machinery and Equipment | - | - | - | 41 | 41 | 41 | 41 | 45 | 50 |
| Transport Assets | - | - | - | - | - | - | - | - | - |
| Land | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | - | - | - | - | - | - | - | - | - |
| Mature | - | - | - | - | - | - | - | - | - |
| Immature | - | - | - | - | - | - | - | - | - |
| Living Resources | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURE OTHER ITEMS | 9 018 | 22 371 | 159 131 | 122 085 | 166 172 | 166 172 | 180 009 | 198 906 | 220 879 |

Table A10 Basic Services delivery management

GT484 Merafong City - Table A10 Basic service delivery measurement

| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-----|---------------|---------------|---------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Household service targets | 1 | | | | | | | | | |
| <u>Water:</u> | | | | | | | | | | 35 |
| Piped water inside dwelling | | 35 428 | 35 428 | 35 428 | 35 428 | 35 428 | 35 428 | 35 428 | 35 428 | 428 |
| Piped water inside yard (but not in dwelling) | | 35 791 | 35 791 | 35 791 | 35 791 | 35 791 | 35 791 | 35 791 | 35 791 | 791 |
| Using public tap (at least min.service level) | 2 | 25 787 | 25 787 | 25 787 | 25 787 | 25 787 | 25 787 | 25 787 | 25 787 | 787 |
| Other water supply (at least min.service level) | 4 | – | – | – | – | – | – | – | – | – |
| <i>Minimum Service Level and Above sub-total</i> | | 97 006 | 97 006 | 97 006 | 97 006 | 97 006 | 97 006 | 97 006 | 97 006 | 006 |
| Using public tap (< min.service level) | 3 | – | – | – | – | – | – | – | – | – |
| Other water supply (< min.service level) | 4 | – | – | – | – | – | – | – | – | – |
| No water supply | | – | – | – | – | – | – | – | – | – |
| <i>Below Minimum Service Level sub-total</i> | | – | – | – | – | – | – | – | – | – |
| Total number of households | 5 | 97 006 | 97 006 | 97 006 | 97 006 | 97 006 | 97 006 | 97 006 | 97 006 | 006 |
| <u>Sanitation/sewerage:</u> | | | | | | | | | | 97 |
| Flush toilet (connected to sewerage) | | 54 069 | 54 069 | 54 069 | 54 069 | 54 069 | 54 069 | 54 069 | 54 069 | 069 |
| Flush toilet (with septic tank) | | 1 300 | 1 300 | 1 300 | 1 300 | 1 300 | 1 300 | 1 300 | 1 300 | 300 |
| Chemical toilet | | – | – | – | – | – | – | – | – | – |
| Pit toilet (ventilated) | | – | – | – | – | – | – | – | – | – |
| Other toilet provisions (> min.service level) | | 7 900 | 7 900 | 7 900 | 7 900 | 7 900 | 7 900 | 7 900 | 7 900 | 900 |
| <i>Minimum Service Level and Above sub-total</i> | | 63 269 | 63 269 | 63 269 | 63 269 | 63 269 | 63 269 | 63 269 | 63 269 | 269 |
| Bucket toilet | | – | – | – | – | – | – | – | – | – |

| | | | | | | | | | | |
|---|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|-----------|
| Other toilet provisions (< min.service level) | | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | |
| No toilet provisions | | – | – | – | – | – | – | – | – | |
| <i>Below Minimum Service Level sub-total</i> | | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | |
| Total number of households | 5 | 63 371 | 63 371 | 63 371 | 63 371 | 63 371 | 63 371 | 63 371 | 371 | 63 |
| <u>Energy:</u> | | | | | | | | | | |
| Electricity (at least min.service level) | | 6 493 | 6 493 | 6 493 | 6 493 | 6 493 | 6 493 | 6 493 | 493 | 6 |
| Electricity - prepaid (min.service level) | | 14 739 | 14 739 | 14 739 | 14 739 | 14 739 | 14 739 | 14 739 | 739 | 14 |
| <i>Minimum Service Level and Above sub-total</i> | | 21 232 | 21 232 | 21 232 | 21 232 | 21 232 | 21 232 | 21 232 | 232 | 21 |
| Electricity (< min.service level) | | – | – | – | – | – | – | – | – | |
| Electricity - prepaid (< min. service level) | | – | – | – | – | – | – | – | – | |
| Other energy sources | | – | – | – | – | – | – | – | – | |
| <i>Below Minimum Service Level sub-total</i> | | – | – | – | – | – | – | – | – | |
| Total number of households | 5 | 21 232 | 21 232 | 21 232 | 21 232 | 21 232 | 21 232 | 21 232 | 232 | 21 |
| <u>Refuse:</u> | | | | | | | | | | |
| Removed at least once a week | | 28 893 | 28 893 | 28 893 | 28 893 | 28 893 | 28 893 | 28 893 | 893 | 28 |
| <i>Minimum Service Level and Above sub-total</i> | | 28 893 | 28 893 | 28 893 | 28 893 | 28 893 | 28 893 | 28 893 | 893 | 28 |
| Removed less frequently than once a week | | – | – | – | – | – | – | – | – | |
| Using communal refuse dump | | 11 604 | 11 604 | 11 604 | 11 604 | 11 604 | 11 604 | 11 604 | 604 | 11 |
| Using own refuse dump | | 47 659 | 47 659 | 47 659 | 47 659 | 47 659 | 47 659 | 47 659 | 659 | 47 |
| Other rubbish disposal | | – | – | – | – | – | – | – | – | |
| No rubbish disposal | | – | – | – | – | – | – | – | – | |
| <i>Below Minimum Service Level sub-total</i> | | 59 263 | 59 263 | 59 263 | 59 263 | 59 263 | 59 263 | 59 263 | 263 | 59 |
| Total number of households | 5 | 88 156 | 88 156 | 88 156 | 88 156 | 88 156 | 88 156 | 88 156 | 156 | 88 |
| <u>Households receiving Free Basic Service</u> | 7 | | | | | | | | | |

| | | | | | | | | | | | |
|---|---|--------------|--------------|--------------|---------------|---------------|---------------|--------------|--------------|------------|----|
| Water (6 kilolitres per household per month) | | 9 140 | 12 542 | 6 000 | 6 000 | 6 000 | 6 000 | 6 000 | 6 000 | 000 | 6 |
| Sanitation (free minimum level service) | | 9 140 | 12 542 | 6 000 | 6 000 | 6 000 | 6 000 | 6 000 | 6 000 | 000 | 6 |
| Electricity/other energy (50kwh per household per month) | | 9 140 | 12 542 | 6 000 | 6 000 | 6 000 | 6 000 | 6 000 | 6 000 | 000 | 6 |
| Refuse (removed at least once a week) | | 9 140 | 12 542 | 6 000 | 6 000 | 6 000 | 6 000 | 6 000 | 6 000 | 000 | 6 |
| <u>Informal Settlements</u> | | – | – | – | – | – | – | – | – | – | |
| <u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u> | | | | | | | | | | | |
| Water (6 kilolitres per indigent household per month) | | 219 | 358 | 565 | 5 037 | 5 037 | 5 037 | 565 | 565 | 565 | 1 |
| Sanitation (free sanitation service to indigent households) | | 1 477 | 1 837 | 1 686 | 6 178 | 6 178 | 6 178 | 1 686 | 1 686 | 686 | 1 |
| Electricity/other energy (50kwh per indigent household per month) | | 1 644 | 2 294 | 1 687 | 8 800 | 8 800 | 8 800 | 1 687 | 1 687 | 687 | 2 |
| Refuse (removed once a week for indigent households) | | 3 090 | 3 559 | 2 817 | 12 164 | 12 164 | 12 164 | 2 817 | 2 817 | 817 | |
| <u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u> | | – | – | – | – | – | – | – | – | – | 6 |
| Total cost of FBS provided | 8 | 6 430 | 8 049 | 6 755 | 32 179 | 32 179 | 32 179 | 6 755 | 6 755 | 755 | |
| <u>Highest level of free service provided per household</u> | | | | | | | | | | | |
| Property rates (R value threshold) | | 65 000 | 65 000 | 65 000 | 65 000 | 65 000 | 65 000 | 65 000 | 65 000 | 000 | 65 |
| Water (kilolitres per household per month) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | |
| Sanitation (kilolitres per household per month) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | |
| Sanitation (Rand per household per month) | | | | | | | | | | | |
| Electricity (kwh per household per month) | | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | |
| Refuse (average litres per week) | | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | |
| <u>Revenue cost of subsidised services provided (R'000)</u> | 9 | | | | | | | | | | |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | | – | – | – | – | – | – | – | – | – | |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA) | | 32 336 | 43 288 | 45 227 | 116 473 | 116 473 | 116 473 | 47 582 | 50 437 | 463 | 53 |
| Water (in excess of 6 kilolitres per indigent household per month) | | 46 739 | 42 485 | – | 75 518 | 75 518 | 75 518 | 5 471 | 5 834 | 217 | 6 |
| Sanitation (in excess of free sanitation service to indigent households) | | – | – | – | 13 945 | 13 945 | 13 945 | 6 440 | 6 928 | 445 | 7 |

| | | | | | | | | | | | |
|---|---|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|------------|------------|
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | | 58 766 | 60 778 | – | 66 753 | 66 753 | 66 753 | 29 975 | 31 875 | 889 | 33 |
| Refuse (in excess of one removal a week for indigent households) | | – | – | – | 17 780 | 17 780 | 17 780 | 11 394 | 12 247 | 150 | 13 |
| Municipal Housing - rental rebates | 6 | 19 901 | 634 | | | | | | | | |
| Housing - top structure subsidies | | | | | | | | | | | |
| Other | | – | – | – | – | – | – | – | – | – | – |
| Total revenue cost of subsidised services provided | | 157 742 | 147 186 | 45 227 | 290 469 | 290 469 | 290 469 | 100 863 | 107 320 | 164 | 114 |

ESKOM Debt Relief compliance conditions:

| Condition | 6,3 + 6,12 | Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption): |
|-----------|------------|---|
| 1 | 6.12.2 | <ul style="list-style-type: none"> - Has the municipality paid its <i>bulk water current account</i> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i> |
| 2 | 6.12.2 | <ul style="list-style-type: none"> - Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? |
| 3 | 6.12.2 | <ul style="list-style-type: none"> - Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity? |

| | | |
|---|----------------|---|
| 4 | 6.3.1 | <p>- Has the municipality paid its <i>Eskom bulk current account</i> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)?</p> <p><i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i></p> |
| 5 | 6.3.2 6.3.3 | <p>- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?</p> |
| 6 | 6.3.4 | <p>- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?</p> |
| | 6.4 | Compliance with a funded MTREF – (choose from drop down list the MTREF assessed) |
| 7 | 6.4.1 | <p>- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?</p> |
| 8 | 6.4.1 | <p>- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?</p> |
| 9 | 6.4.1 | <p>- Has the municipality made adequate provision for debt impairment (<i>considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget</i>) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?</p> |
| | | <p><i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i></p> |

| | | |
|----|-------|---|
| 10 | 6.4.1 | - Has the municipality made adequate provision for depreciation and asset impairment (<i>considering its asset register and physical state of assets</i>) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations? |
| | | <i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i> |
| 11 | 6.4.2 | - <i>If the municipality's MTREF is not funded</i> , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? |
| | | <i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i> |
| 12 | 6.4.2 | - <i>If the municipality's MTREF is not funded and it has an FRP per the legislative framework</i> , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022) |
| 13 | 6.4.2 | - Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (<i>For example higher winter Eskom tariffs, lower January collection rates, etc.?</i>) |
| 14 | 6,5 | Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF? |

| | | |
|----|-------|---|
| | 6,6 | Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, <i>demonstrated, through its by-laws and budget related policies</i> that: |
| 15 | 6.6.1 | - the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity? |
| 16 | 6.6.2 | - the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? |
| 17 | 6.6.3 | - the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i> |
| 18 | 6.6.4 | - If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i> |
| | 6.6 | <i>Supporting evidence: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.</i> |
| | 6,7 | Maintain a minimum average quarterly collection of property rates and services charges – |
| 19 | 6.7.1 | - Has the municipality achieved a minimum of <i>80 per cent average quarterly collection</i> of property rates and service charges with effect from 01 April 2023 and <i>85 per cent average quarterly collection</i> with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal? |

| | | |
|----|---------|---|
| | | <i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i> |
| | 6.7.2 | - If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following : |
| 20 | 6.7.2.1 | * the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1; |
| 21 | 6.7.2.2 | * the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)? |
| 22 | 6.7.2.3 | * the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure? |
| 23 | 6.7.3 | - The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process? |
| 24 | 6.7.4 | - Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter? |
| 25 | 6.7.5 | - Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4? |
| | 6,8 | Municipality's Completeness of the revenue base – |

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| 26 | 6.8.1 | - Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer? |
| 27 | 6.8.1 | - If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i> |
| 28 | 6.8.2 | - For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za ? |
| | 6,9 | Monitor and report on implementation – |
| 29 | 6.9.1 | - MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant? |
| 30 | 6.9.2 | - If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i> |
| 31 | 6.9.3 | - Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive? |
| 32 | 6.9.4 | - If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ? |
| | | <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i> |

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| | 6.10 | <i>Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</i> |
| 33 | 6.10.1 | - has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions? |
| 34 | 6.10.2 | - has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i> |
| 35 | 6.10.3 | - has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? |
| | | <i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i> |
| 36 | 6,11 | Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? |
| | | <i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i> |
| | 6,12 | For the duration of the Municipal Debt Relief (to ensure proper management of resources): |

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| 37 | 6.12.1 | - has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation? |
| 38 | 6.12.2 | - has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose? |
| | | <i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i> |
| 39 | | Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue. |
| 40 | 6,13 | Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i> |
| 41 | 6,14 | 'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? |

