

# DR JS MOROKA LOCAL MUNICIPALITY



## DRAFT ANNUAL BUDGET

# 2022/2023

"WE DEVELOP AS WE GROW"

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## **1. EXECUTIVE MAYOR'S FOREWORD**

The 2022/2023 draft annual budget is presented and tabled in terms of section 16(2) of the Municipal Finance management Act no. 56 of 2003 which prescribes that "the mayor of the municipality must table the annual budget at council municipal council must at least 90 days before the start of the budget year" The Act further provides that's the municipality must take into account the national and provincial budget, the DORA as well as any other agreement reached in the relevant budget forum.

The draft budget aims to satisfy the constitutional obligation of the municipality as contained in Part B of schedule 4 and 5 of ACT 108 OF 1996. The tabling and publication of this draft budget is also aimed at soliciting the public to comment to ensure that the budget truly represents the needs of the community.

The 2022/2023 draft budget has maintained our resolute approach of prioritizing water projects with 47% of the total capital budget has been allocated for water provision within different areas of the municipality with the main aim of reducing the water infrastructure backlog.

The efforts of the municipality to extract itself from grant dependence will only be achieved if the municipality thoroughly implement all its revenue collection strategies and plans. The budget related policies which are concurrently being tabled with the draft budget gives the municipality the necessary legal standing to enforce the collection of rates and taxes.

Therefore this 2022/2023 draft annual budget is presented for public comments and inputs.

**EXECUTIVE MAYOR**  
**Cllr Nomsa Sanny Mtsweni**



**dr.jsmlm**

Dr JS Moroka Local Municipality

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01 April 2022

**TO: ACTING CHIEF FINANCIAL OFFICER**

1. You are hereby informed that Council at its ordinary sitting held on the 31 March 2022 resolved as follows:

**R76.03.2022ND DRAFT ANNUAL BUDGET 2022/23 – 2024/25  
MTREF**

1. **THAT** the Draft annual budget for the financial year 2022/23 and the multi-year and single-year capital appropriations be noted and approved in terms of section 16(2) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) as set out in the following tables:

- 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification)
- 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote).
- 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type)
- 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source

2. **THAT**, Council adopts 2022/2023 to 2024/25 Draft Medium Term Revenue and expenditure Framework.
3. **THAT**, Council adopts the total draft revenue of R807,5-million for 2022/23 financial year.
4. **THAT**, Council adopts the draft operating expenditure of R629,9-million and draft capital expenditure of R145,9-million for 2022/23 financial year.
5. **THAT**, Council adopts the following draft budget related policies:
  - Asset Management policy
  - Budget policy
  - Credit Control and Debt collection policy
  - Debt impairment and the writing off policy
  - Indigent policy
  - Property rates policy
  - Loss control policy
  - Supply chain management policy
  - Tariff policy
  - Loss Control policy
  - Cash Management and Accounts Payable Policy
  - Investment Policy

- Grants Policy
- Unauthorized, irregular and fruitless policy
- Inventory management policy
- Insurance management policy
- Cost containment policy
- Virement policy
- Travel and subsistence policy.

2. Please ensure that the above council resolution is dealt with.



.....  
**CLLR. NKOANE M.R**  
**SPEAKER**

### 3. EXECUTIVE SUMMARY

Guidance for the preparation of the 2022/23 Final Budget is provided by the National Treasury MFMA Circulars 112.

- 3.1. Highlights from MFMA Municipal Budget Circular for 2022/2023 MTREF Numbers 112 are as follows:
- 3.2. The purpose of the annual budget circular is to guide municipalities with their compilation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (mSCOA), and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.
- 3.3. Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda by focusing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimized, assets are managed efficiently, and supply chain management processes are adhered to, mSCOA is implemented correctly and that audit findings are addressed.
- 3.4. The National Treasury projects real economic growth of 5.1 per cent in 2021, following an expected contraction of 6.4 per cent in 2020. Real GDP growth is expected to moderate to 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024.
- 3.5. South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown. Real GDP contracted by 7.2 per cent in 2020 compared to 0.1 per cent increase in 2019. It is expected to increase by 6.2 per cent in 2021/22 and moderate by an average increase of 1.7 per cent over the 2022/23 MTEF.
- 3.6. The main risks to the economic outlook are slowdown in economic growth. The evolution of COVID-19 and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery.
- 3.7. Job creation is a top priority of the economic recovery plan that will guide policy actions over the medium term, supported by new infrastructure investment and

large-scale public employment programmes. In addition, targeted skills development will improve productivity and employment prospects.

- 3.8. Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF. In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate		Forecast	
CPI Inflation	2.90%	4.90%	4.00%	4.40%	4.50%

Source : Medium Term Budget Policy Statement- 2021  
 Note the fiscal year referred to is the national year ( April to March ) which is more closely aligned to Municipal than a calendar Year inflation

- 3.9. The schedule outlining the key deadlines for the preparation of the Annual Budget and the annual review of the Integrated Development Plan in terms of Section 34 of the Municipal Systems Act and budget related policies, has been approved by council.

#### 4. Key focus areas for the 2022/23 budget process

- 4.1. Transfers to local government will be increased by R17.8 billion, including R9.3 billion from the local government equitable share, R1.5 billion from the general fuel levy and R6.9 billion in direct conditional grants over the 2022 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period.
- 4.2. Government will revisit underperforming programmes. For example, some cities receiving the Public Transport Network Grant (PTNG) have not launched their integrated public transport networks. Over the MTEF period, government will suspend at least two more poorly performing cities from this grant and the

remaining cities will be required to reduce costs and demonstrate their effectiveness to remain funded.

## **5. Changes to the structure of local government allocations**

- 5.1 Over the 2022 MTEF period, transfers to municipalities will grow below inflation. Over the next three years, local government resources increase by 4.1 per cent.

## **6. Municipal Standard Chart of Accounts (mSCOA)**

- 6.1. Highlights from MFMA Municipal mSCOA Circular 10 & 11 (**Cash Flow and Fund Segment**)

## **7. Release of Version 6.6 of the Chart**

- 7.1. On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.6 is released with this circular.
- 7.2. The purpose of this circular is to provide further guidance to municipalities on the correct use of the municipal standard chart of accounts (mSCOA) data strings to populate the cash flows tables in Schedules A, B and C of the Municipal Budget Reporting Regulations (MBRR).
- 7.3. This circular must be read in conjunction within the guidance provided in MFMA Circulars No. 98 and 99 that was issued on 6 December 2019 and 6 March 2020 respectively on the population of the cash flow tables and the National Treasury email dated 24 March 2020 on the revised method of linking the MBRR cash flow tables to the mSCOA data strings.
- 7.3. The ongoing challenges with the population of the cash flow tables can be attributed to the following:
- 7.4. Balance sheet budgeting has not been implemented in accordance with the mSCOA Regulation to prepare the 2021/22 MTREF budget data strings (ORGB);
- 7.5. Movement accounting is not correctly used;
- 7.6. Cash receipts and payments are not populating due to the incorrect use of the mSCOA segments and the combination thereof;
- 7.7. Non-Funding (FD003) is used as a funding source; and



- 7.8. Some of the cash flow information is linked incorrectly on the Local Government Database and the municipal financial systems.

## **8. Balance sheet budgeting**

- 8.1 Balance sheet budgeting includes the result of a transaction. Where the municipality plans to receive revenue from billing, the debit transaction to *Trade and other receivables* and the credit to Revenue equates to balance sheet budgeting.

## **9. Addressing unfunded budgets in local government**

- 9.1. A revised strategy to address municipal financial performance failures has been endorsed by the Budget Council and Budget Forum (the respective intergovernmental forums for provincial and local government finances). This strategy is based on an analysis of performance failures in governance, financial management, institutional capabilities and service delivery. As part of this strategy, municipalities must ensure that their budgets are adequately funded.
- 9.2. No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy.
- 9.3. In addition to prescribed information, NT will also consider the following information on assessing rollover applications:
- 9.3.1 Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2020 DoRA, **including the municipal manager and chief financial officer signing-off on the information** sent to National Treasury;
- 9.3.2. Accurate disclosure of grant performance in the 2021/21 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
- 9.3.3. Cash available in the bank (net position including short term investments) as at 30 June 2021 is in line with the cash flow statements to finance the roll-over request. If the full amount that is requested for roll over is not entirely cash backed, such a roll over will not be approved. National Treasury will not approve portions of roll over requests.

- 9.4 It should be noted that under no circumstances will the National Treasury consider requests to roll-over:
- 9.4.1 The entirety of any allocation to the municipality, as there should be a minimum spend of 50 per cent of the allocation per programme;
  - 9.4.2 Funding from the same grant for the third consecutive time;
  - 9.4.3 Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
  - 9.4.4 Funding where there is evidence that the roll over application is linked to invoices that were issued within the last 30 days of the municipal financial year end.

## 10. Municipal Budget and Reporting regulations

10.1. The slow spending of capital budgets by most municipalities is a national concern as it has a negative impact on service delivery. In most cases the hockey stick phenomenon that exists (i.e. spending increases in the last six months of the year) is a direct result of poor planning by municipalities. Going forward and to address weak planning process, all municipalities will be required to table the following supporting documents to Council, as part of the budget pack, when they table their budgets by 31 May 2021:

10.1.1 Service Delivery and Budget Implementation Plan (SDBIP); and

10.1.2 Procurement Plan.

10.2. National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in item 31 of Schedule A of the Municipal Budget and Reporting Regulations. In addition to the above compliance check, the mSCOA data strings will be assessed to determine whether the municipalities are compliant.

10.3. The National Treasury herewith emphasises that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***they will be required to return to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations.***

## **11. DISCUSSION/ DELIBERATIONS**

11.1. Total draft projected revenue for 2022/2023 financial year is at R807,5-million which has increased by 5% compared to 2021/2022 adjustment budget. The total revenue comprises of 77% of grants and subsidies, and 23% of own revenue projected, and the total draft operating expenditure for the 2022/2023 financial year has been projected at R629,9-million and capital budget at R145,9-million.

## **12. OPERATING REVENUE**

12.1. Revenue management is fundamental to financial sustainability and therefore the municipal revenue strategy should be built around the following key components:

12.1.1 Tightening credit control measures and increase debt collection targets

12.1.2 Improve customer relations and promote a culture of payment

12.1.3 Realistic revenue estimates - going **back-to-basics** to ensure MTREF is properly funded

12.1.4 The impact of inflation and other cost increases

12.1.5 The indigent support policy to provide free basic services to poor households

12.1.6 Ensure all tariffs are fully cost reflective.

12.2 The revenue budget adjustment for the 2021/2022 financial year was used as the baseline to project revenue for the next three financial years.

12.3 Table A4 is a summary of the 2021/2022 MTREF classified by the main revenue sources whilst table A2 provides details of revenue by National Treasury's standard classification.

12.4 The annual budget presented in schedule A4 provides for total operating revenue of R653,8-million for 2022/2023, R692,8-million for 2023/2024 and R723,7-million for the 2024/2025 financial year.

12.5 Revenue from property rates is projected to amount to R40-million, which constitutes 6% of operating revenue.

12.6 Revenue from service charges amounts to R94,5-million and contributes 14% to operating revenue. From the service charges, water revenue is the largest source of revenue.

### 13 GRANTS AND SUBSIDIES

13.1 National Division of Revenue Bill allocations reflect the appropriation of Grants such as MIG, while there are strict conditions and processes for municipalities to access and retain the funding.

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

GRANTS AND SUBSIDIES	2021-2022 ADJUSTED BUDGET	2022-2023 DRAFT BUDGET	2023-2024 BUDGET	2024-2025 BUDGET
EQUITABLE SHARE	419 133 000	461 561 000	489 995 000	520 754 000
MIG	132 482 000	153 660 000	150 239 000	157 299 000
FMG	2 450 000	2 450 000	2 450 000	2 450 000
EPWP	1 451 000	2 432 000		
<b>TOTAL</b>	<b>555 516 000</b>	<b>620 103 000</b>	<b>642 684 000</b>	<b>680 503 000</b>

### 14 Equitable Share (ES)

14.1 The LGES grant is an unconditional grant. It is allocated through a formula that takes account of the number of households and people in a municipality, their incomes, whether they are serviced or not, the ability of the municipality to raise its own revenue and the number of municipal councilors.

- 14.2 Equitable share grant to be received for the 2022/23 financial year as per the DORA Bill 2021 amounts to R461 561 million. In the current financial year, the Equitable share amounts to R419 133 million. Therefore, the grant increases with R42 428 million from the previous financial year.

## **15 Municipal Infrastructure Grant (MIG)**

- 15.1 The MIG aims to eradicate municipal infrastructure backlogs in poor communities to ensure the provision of basic services such as water, sanitation, roads and community lighting. MIG to be received for the 2022/23 financial year amounts to R153 660 million, an increase of 21 178 million from the 2021/22 amount of R132 482 million.

## **16 Finance Management Grant (FMG)**

- 16.1 The purpose of this grant is to promote and support reforms in financial management by building the capacity in municipalities to implement the Municipal Finance Management Act. The FMG is 0.40% of the total grants and amounts to R2 450 million in the 2022/2023 financial year.

## **17 Expanded Public Works Grant (EPWP)**

- 17.1 This grant is an incentive grant to promote the creation of jobs through the EPWP program and it represents 0, 39% of the total grants. The amount to be received for the 2022/23 budget year amounts to R2 432 million.
- 17.2 Overall grants and subsidies allocation has increased by **10%** from 2021/2022 financial year.

## **18 OPERATING EXPENDITURE FRAMEWORK**

- 18.1 The expenditure framework for the 2022/2023 MTREF is informed by budget constraints where operating expenditure should not exceed operating revenue and available funds for the projects as identified in the IDP.
- 18.2 Table A4 is a summary of the 2022/2023 MTREF classified by expenditure type whilst table A2 provides details of expenditure by National Treasury's standard classification and municipal classification.
- 18.3 Table A4 indicates a surplus of R23,9-million for 2022/2023, R35,1-million for 2023/2024 and R36,4-million for 2023/2024, however these figures include the non-cash items, e.g. depreciation as well as debt impairment.
- 18.4 The following table is a high-level summary of the 2022/23 draft operating expenditure budget by type:

TYPE	2021-2022 ADJUSTED BUDGET	2022-2023 DRAFT BUDGET	2023-2024 BUDGET	2024-2025 BUDGET
Employee Costs	210 295 000	215 830 000	225 326 520	235 466 213
Councillors Remuneration	25 600 000	26 880 000	28 062 720	29 325 542
Contracted Service	103 823 000	129 860 000	135 573 840	141 674 663
Inventory Consumed	17 140 000	12 850 000	13 415 400	14 019 093
Depreciation	61 319 000	61 320 000	64 018 080	66 898 894
Debt Impairment	77 345 000	77 350 000	80 753 400	84 387 303
Finance Charges	3 200 000	3 200 000	3 340 800	3 491 136
Transfers and Subsidies	6 196 000	6 882 000	7 184 808	7 508 124
Operating Costs	129 280 000	95 770 000	99 983 880	104 483 155
<b>TOTAL</b>	<b>634 198 000</b>	<b>629 942 000</b>	<b>657 659 448</b>	<b>687 254 123</b>

18.5 The operating budget for the 2022/2023 financial year amounts to R629,9-million which decreases by 1% compared to the 2021/2022 adjustment budget.

18.6 The key operating expenditure allocations in the draft budget for 2022/2023 financial year include:

18.6.1 R29,5-million for Administration and Corporate Services

18.6.2 R47,6-million for Community Development Services

18.6.3 R28,6-million for Finance IDP & LED

18.6.4 R44,1-million for Good Governance

18.6.5 R104,6-million for Technical Services

18.7 The cost associated with the remuneration of councilors is determined in accordance with the Remuneration of Public Office Bearers Act.

18.8 The municipality is committed to maintain infrastructure and therefore, part of maintenance falls under capital projects for replacement or upgrading of assets.

## 19 CAPITAL EXPENDITURE FRAMEWORK

19.1 Capital budget is financed through Municipal Infrastructure Grant.

19.2 Table A5 provides details on the budgeted capital expenditure.

The following table illustrates the summary Capital Expenditure by vote

PROJECTS BY VOTE	2021-2022 ADJUSTED BUDGET	2022-2023 DRAFT BUDGET	2023-2024 BUDGET	2024-2025 BUDGET
WATER PROJECTS	40 870 269	68 477 000	77 379 009	80 796 009
SANITATION PROJECTS	64 617 122	37 442 000	39 259 991	41 222 991
ROADS & STORMWATER PROJECTS	20 369 510	30 000 000	33 600 000	35 280 000
FACILITIES PROJECTS	-	10 058 000	-	-
<b>TOTAL</b>	<b>125 856 901</b>	<b>145 977 000</b>	<b>150 239 000</b>	<b>157 299 000</b>

19.3 The draft capital expenditure for 2022/2023 amounts to R145,9-million, R150,2-million for the 2023/2024 financial year and an amount of R157,2-million for the 2024/2025 financial year.

19.4 The draft capital budget complies with the Municipal Structures Act and MFMA as it aligns with the Draft IDP. The budgetary allocations for draft capital expenditure have been undertaken in a manner that will not only ensure that the IDP outcomes are achieved but also lead to the municipality's vision being realized.

**DETAIL 2022/2023 CAPITAL PROJECTS**

<b>WATER PROJECTS</b>	<b>Ward</b>	<b>2022-2023 DRAFT BUDGET</b>
Construction of Setateng water reticulation	28	500 000
Construction of Maphotla water reticulation	14	10 392 061
Construction of Mbongo water reticulation	17	500 000
Replacement of asbestos bulk line from water treatment plant to Kuilen	8	11 041 553
Replacement of asbestos bulk line from water treatment plant to Bloedfontein resevoir	8 & 21	23 021 693
Replacement of asbestos bulk line Ga-Phahla and Siyabuswa A	1 & 3	23 021 693
<b>TOTALS</b>		<b>68 477 000</b>
<b>SANITATION PROJECTS</b>	<b>ward</b>	<b>2022-2023 DRAFT BUDGET</b>
Construction of Ga-Phaahla sewer out fall, sewer reticulation and precast tolets	1	30 442 000
Construction of Sewer reticulation at Libangeni	16 & 17	7 000 000
<b>TOTALS</b>		<b>37 442 000</b>
<b>ROADS &amp; STORMWATER PROJECTS</b>	<b>ward</b>	<b>2022-2023 DRAFT BUDGET</b>
Construction of Siyabuswa C bus and Taxi route (Next to Vezulwazi high School)	6	10 000 000
Construction of Mmametlake bus and taxi route	29	10 000 000
Construction of Radijoko bus and Taxi route	22	10 000 000
<b>TOTALS</b>		<b>30 000 000</b>
<b>FACILITIES PROJECTS</b>	<b>ward</b>	<b>2022-2023 DRAFT BUDGET</b>
Upgrading of Sport facility within DR JS Moroka local Municipality-Kammeriver sport Complex	10	10 058 000
<b>TOTALS</b>		<b>10 058 000</b>



## **PART 2 - SUPPORTING DOCUMENTATION**

### **20. BUDGET PROCESS OVERVIEW**

MFMA, Chapter 4, as well as Circular 112 provide guidance on the steps in the annual budget process. Critical to the development of a credible budget are:

Consultation with the community and other stakeholders, as summarized below:

1. Political oversight and management of the budget process
2. Time schedule relating to the budget process
3. Process for tabling of budget and community consultations

#### **20.1 Political oversight of the budget process**

The Council and Management convened various planning sessions to discuss political and strategic priorities that would inform the IDP/Budget review. Formal and Informal meetings were also convened with managers to discuss issues relevant to the budget.

#### **20.2 Schedule of Key Deadlines relating to budget process [MFMA s 21(1)(b)]**

The process schedule of key deadlines for the preparation of the budget for the 2022/2023 medium term budget was approved by Council in August 2021 which is 10 months before the start of the budget year.

#### **20.3 Process for tabling of budget and community consultation**

In terms of section 23 of the MFMA, after the budget is tabled, the municipal council must consider any views of the local community, National Treasury, relevant provincial treasury and any provincial or national organ of state or municipalities which made submissions on the budget.

### **21. OVERVIEW OF BUDGET RELATED POLICIES**

20.1 This section provides an overview of the draft budget related policies to be adopted by council resolution.

20.2 The following indicates the names of the existing budget-related policies which are also attached as annexures:

- ✓ Asset Management policy
- ✓ Budget policy
- ✓ Credit Control and Debt collection policy
- ✓ Debt impairment and the writing off policy
- ✓ Indigent policy
- ✓ Property rates policy
- ✓ Loss control policy
- ✓ Supply chain management policy
- ✓ Tariff policy
- ✓ Loss Control policy
- ✓ Cash Management and Accounts Payable Policy
- ✓ Investment Policy
- ✓ Grants Policy
- ✓ Cost containment policy
- ✓ Unauthorized, irregular and fruitless policy
- ✓ Inventory management policy
- ✓ Insurance management policy
- ✓ Virement policy
- ✓ Travel and subsistence policy.

## **22. Overview of Budget Assumptions**

### **22.1 Expenditure**

#### Salaries and Allowances

Salaries are at 34% of the total budget and the councilor's remuneration at 4%.

#### Contracted Services

Contracted Services is at 20% of the total budget

#### Operating Costs

The total operating costs is 15% of the total budget.

#### Capital projects

Capital projects are 23% of the total budget

## 22.2 Revenue

### Grants

It is assumed that the National grants as per Division of Revenue Act (DORA) which has been included in the budget will be received during the 2022/23 financial year.

### Indigents

It is assumed that the indigents will increase during the financial year.

## 23. OVERVIEW OF BUDGET FUNDING

In terms of Section 18 of Municipal Finance Management Act, an annual budget may be funded from:

- ✓ Realistically anticipated revenues to be collected
- ✓ Cash backed accumulated funds from previous years surpluses not committed for other purposes
- ✓ Borrowed funds but only for the capital budget referred to in Section 17

On the basis of the above it should be noted that the municipal budget is funded mainly from:

- ✓ **Equitable Share** which constitutes **57%** of the total revenue is to fund the day to day running of the municipality and fund the services consumed by the indigent section of the community.
- ✓ **Conditional Grants** (MIG, EPWP and FMG) constitute **20%** and the grant is used to fund the infrastructure backlog as well as capacitating financial officials and creating jobs through EPWP program.
- ✓ **Own revenue** constitutes **23%** of the budget. (Relates to realistically anticipated revenue to be collected) This portion of the budget depend on the municipal ability to raise and collect revenue so that it can be able to fund its operations

## 24. LEGISLATION COMPLIANCE STATUS

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

## **24.1 In year reporting**

Reporting to National Treasury in a prescribed format was complied with monthly and Section 71 reporting to the Executive Mayor (within 10 working days) has been adhered to.

## **25. Conclusion**

In terms of section 16(2) of the MFMA, the mayor must table the draft annual budget at least 90 days before the start of the budget year. After tabling the Draft Annual Budget to council, the draft annual budget is publicized for comments and inputs from community and stakeholders.



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## QUALITY CERTIFICATE: DR JS MOROKA LOCAL MUNICIPALITY 2022/2023 DRAFT ANNUAL BUDGET

Please find the quality certificate, as set out in the Government Gazette number 32141 dated 17 April 2009 of Dr JS Moroka Local Municipality.

I, M.M Mathebela Municipal Manager of Dr JS Moroka Local Municipality, hereby certify that the draft annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act.

Yours faithfully,

  
\_\_\_\_\_  
**Ms M.M Mathebela**  
**Municipal Manager**

01-04-2022  
**Date**

# **SUPPORTING SCHEDULES**

MP316 Dr J.S. Moroka - Table A1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>										
<b>Financial Performance</b>										
Properly rates	44 432	46 197	40 450	40 000	53 050	53 050	34 273	40 000	41 760	43 639
Service charges	112 614	96 839	75 883	97 700	97 610	97 610	59 674	94 500	98 658	103 098
Investment revenue	5 164	3 121	1 336	6 500	1 250	1 250	79	2 500	2 610	727
Transfers recognised - operational	368 254	378 990	586 183	423 034	485 325	485 325	443 502	466 443	486 966	508 880
Other own revenue	81 633	91 574	59 566	57 526	58 816	58 816	46 250	50 438	52 657	55 027
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>612 094</b>	<b>616 722</b>	<b>763 219</b>	<b>624 760</b>	<b>696 051</b>	<b>696 051</b>	<b>583 778</b>	<b>653 881</b>	<b>682 652</b>	<b>713 371</b>
Employee costs	194 286	189 133	202 019	215 830	210 300	210 300	155 563	216 230	228 057	236 557
Remuneration of councillors	23 696	23 822	23 914	25 600	25 600	25 600	17 578	28 890	28 063	29 326
Depreciation & asset impairment	55 516	66 221	65 585	61 319	61 319	61 319	-	61 320	64 018	66 899
Finance charges	230	-	-	3 200	3 200	3 200	-	3 200	3 341	3 491
Inventory consumed and bulk purchases	(1 908)	4 734	10 915	8 920	17 140	17 140	2 982	-	-	-
Transfers and grants	7 812	6 325	4 972	5 450	6 197	6 197	6 262	14 585	2 540	2 450
Other expenditure	264 345	245 403	392 895	298 828	310 695	310 695	172 570	291 580	301 006	311 071
<b>Total Expenditure</b>	<b>543 977</b>	<b>535 638</b>	<b>700 309</b>	<b>618 947</b>	<b>634 451</b>	<b>634 451</b>	<b>354 955</b>	<b>613 775</b>	<b>625 025</b>	<b>649 793</b>
<b>Surplus/(Deficit)</b>	<b>68 117</b>	<b>81 083</b>	<b>62 909</b>	<b>5 813</b>	<b>61 600</b>	<b>61 600</b>	<b>228 823</b>	<b>40 106</b>	<b>57 627</b>	<b>63 578</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	124 459	115 654	-	132 482	132 482	132 482	-	153 660	160 421	167 640
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	7	8	6	-	-	-	8	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>192 583</b>	<b>196 745</b>	<b>-</b>	<b>138 295</b>	<b>194 082</b>	<b>194 082</b>	<b>228 831</b>	<b>193 766</b>	<b>218 048</b>	<b>231 218</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>192 583</b>	<b>196 745</b>	<b>-</b>	<b>138 295</b>	<b>194 082</b>	<b>194 082</b>	<b>228 831</b>	<b>193 766</b>	<b>218 048</b>	<b>231 218</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	(272 335)	(214 551)	37 308	129 357	193 648	193 648	99 493	158 377	145 977	145 977
Transfers recognised - capital	-	-	92 846	129 357	131 357	131 357	84 257	145 977	145 977	145 977
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	6 019	-	62 291	62 291	13 987	12 400	-	-
<b>Total sources of capital funds</b>	<b>-</b>	<b>-</b>	<b>98 865</b>	<b>129 357</b>	<b>193 648</b>	<b>193 648</b>	<b>98 244</b>	<b>158 377</b>	<b>145 977</b>	<b>145 977</b>
<b>Financial position</b>										
Total current assets	206 666	395 294	386 639	284 659	531 280	531 280	596 438	257 577	295 203	303 469
Total non current assets	1 686 140	1 773 477	1 806 781	1 958 666	1 941 110	3 388 437	1 908 274	1 743 440	1 818 166	1 893 709
Total current liabilities	185 477	266 489	224 190	107 865	301 367	(293 688)	305 895	18 519	22 303	38 696
Total non current liabilities	24 231	25 188	33 444	33 754	33 444	(33 444)	33 444	22 857	23 851	24 845
Community wealth/Equity	1 494 507	1 683 886	1 677 280	2 101 706	2 137 579	2 137 579	2 165 372	1 959 641	2 067 215	2 133 638
<b>Cash flows</b>										
Net cash from (used) operating	351 060	369 528	536 892	168 217	245 048	245 048	448 686	84 791	190 280	194 411
Net cash from (used) investing	-	-	(98 282)	(129 357)	(129 357)	(129 357)	(101 993)	(161 602)	(169 003)	(174 530)
Net cash from (used) financing	-	-	35	-	-	-	20	64	67	69
<b>Cash/cash equivalents at the year end</b>	<b>351 060</b>	<b>369 528</b>	<b>537 018</b>	<b>86 457</b>	<b>176 922</b>	<b>176 922</b>	<b>407 943</b>	<b>65 018</b>	<b>86 362</b>	<b>106 311</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	15 501	97 418	61 231	86 457	176 922	176 922	146 975	63 954	88 858	85 277
Application of cash and investments	(222 014)	(91 635)	(117 233)	(615)	24 904	(385 924)	(77 670)	(84 673)	(87 241)	(76 882)
<b>Balance - surplus (shortfall)</b>	<b>237 515</b>	<b>189 053</b>	<b>178 464</b>	<b>87 073</b>	<b>152 018</b>	<b>562 846</b>	<b>224 645</b>	<b>148 626</b>	<b>177 098</b>	<b>162 159</b>
<b>Asset management</b>										
Asset register summary (WDV)	1 567 985	1 618 369	1 553 119	1 659 875	1 491 800	1 491 800	1 491 800	1 575 090	1 642 497	1 710 721
Depreciation	55 516	66 221	65 595	61 319	61 319	61 319	61 319	61 320	64 018	66 899
Renewal and Upgrading of Existing Assets	139 167	219 905	(32 970)	55 228	121 483	121 483	121 483	87 085	87 085	87 085
Repairs and Maintenance	30 924	20 487	64 782	33 275	49 314	49 314	49 314	47 330	49 413	51 636
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	28	28	28	28	28	28	28	28	28	28
Sanitation/sewerage:	1	1	1	1	1	1	1	1	1	1
Energy:	60	60	60	60	60	60	60	60	60	60
Refuse:	27	27	27	27	27	27	27	27	27	27

MP316 Dr J.S. Moroka - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		601 687	608 372	582 485	655 808	727 349	727 349	707 871	739 017	772 273
Executive and council		-	-	(446)	-	-	-	-	-	-
Finance and administration		601 687	608 372	582 931	655 808	727 349	727 349	707 871	739 017	772 273
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 407	212	608	3 595	3 435	3 435	5 106	5 331	5 571
Community and social services		523	295	161	215	55	55	156	163	170
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		884	(83)	448	3 380	3 380	3 380	4 950	5 168	5 400
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		273	27 247	49	102	102	102	34	35	37
Planning and development		302	26 883	48	102	102	102	34	35	37
Road transport		(29)	364	1	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		133 170	96 533	180 061	97 700	97 610	97 610	94 500	98 658	103 098
Energy sources		3 464	-	-	-	-	-	-	-	-
Water management		114 030	81 449	64 027	82 000	81 910	81 910	82 000	85 608	89 460
Waste water management		8 673	9 032	111 583	9 200	9 200	9 200	8 000	8 352	8 728
Waste management		7 003	6 053	4 450	6 500	6 500	6 500	4 500	4 698	4 909
<i>Other</i>	4	23	18	21	37	37	37	30	31	33
<b>Total Revenue - Functional</b>	2	736 560	732 383	763 224	757 242	828 533	828 533	807 541	843 073	881 011
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		405 808	313 106	362 530	294 719	297 545	297 545	282 335	293 938	306 148
Executive and council		46 110	41 300	34 703	53 515	46 666	46 666	54 795	57 519	60 435
Finance and administration		353 721	266 626	322 416	236 294	245 918	245 918	222 630	231 292	240 355
Internal audit		5 978	5 180	5 411	4 911	4 961	4 961	4 911	5 127	5 357
<i>Community and public safety</i>		(49 194)	64 712	70 955	73 186	72 407	72 407	74 461	77 738	81 236
Community and social services		35 381	26 890	30 278	30 467	30 230	30 230	29 967	31 286	32 694
Sport and recreation		372	453	388	747	747	747	747	760	815
Public safety		(84 947)	35 505	37 543	39 972	39 691	39 691	41 747	43 584	45 545
Housing		-	1 864	2 746	2 000	1 739	1 739	2 000	2 088	2 182
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		49 438	73 865	76 489	72 904	71 996	71 996	73 259	68 461	71 542
Planning and development		25 889	39 449	29 009	30 481	29 541	29 541	35 891	29 449	30 774
Road transport		23 549	34 415	47 480	42 423	42 455	42 455	37 368	39 012	40 768
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		127 042	78 047	179 259	169 175	183 540	183 540	187 567	188 905	195 066
Energy sources		63 531	23 971	45 858	41 967	48 167	48 167	48 267	50 391	52 659
Water management		78 875	37 489	93 417	85 444	89 620	89 620	92 444	95 236	98 216
Waste water management		3 853	3 775	22 618	4 520	7 762	7 762	7 880	8 095	8 324
Waste management		(19 218)	12 812	17 366	37 244	37 990	37 990	38 976	35 184	35 867
<i>Other</i>	4	10 884	5 908	11 077	8 963	8 963	8 963	9 002	9 399	9 822
<b>Total Expenditure - Functional</b>	3	543 977	535 638	700 309	618 947	634 451	634 451	626 625	638 440	663 813
<b>Surplus/(Deficit) for the year</b>		192 583	196 745	62 915	138 295	194 082	194 082	180 916	204 632	217 199



MP316 Dr J.S. Moroka - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>										
<b>Revenue by Vote</b>										
Vote 1 - EXECUTIVE AND COUNCIL	1	-	-	(446)	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMIN		601 687	608 372	582 931	655 808	727 349	727 349	707 871	739 017	772 273
Vote 3 - COMMUNITY AND SOCIAL SERVICES		523	295	161	215	55	55	156	163	170
Vote 4 - PLANNING AND DEVELOPMENT		302	26 883	48	102	102	102	34	35	37
Vote 5 - SPORTS AND RECREATION		-	-	-	-	-	-	-	-	-
Vote 6 - ROADS TRANSPORT		23	18	21	37	37	37	30	31	33
Vote 7 - WASTE MANAGEMENT		7 003	6 053	4 450	6 500	6 500	6 500	4 500	4 698	4 909
Vote 8 - WASTE WATER MANAGEMENT		122 571	90 268	175 469	91 200	91 110	91 110	90 000	93 960	98 188
Vote 9 - PUBLIC SAFETY		842	280	449	3 380	3 380	3 380	4 950	5 168	5 400
Vote 10 - ELECTRICITY		3 464	-	-	-	-	-	-	-	-
Vote 11 - WATER CAPITAL PROJECTS		144	214	141	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>736 560</b>	<b>732 383</b>	<b>763 224</b>	<b>757 242</b>	<b>828 533</b>	<b>828 533</b>	<b>807 541</b>	<b>843 073</b>	<b>881 011</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - EXECUTIVE AND COUNCIL	1	52 947	47 479	40 967	60 711	53 912	53 912	61 991	65 032	68 285
Vote 2 - FINANCE AND ADMIN		352 861	265 626	320 387	233 009	242 633	242 633	219 345	227 863	236 771
Vote 3 - COMMUNITY AND SOCIAL SERVICES		35 381	26 890	30 278	30 467	30 230	30 230	29 967	31 286	32 694
Vote 4 - PLANNING AND DEVELOPMENT		25 914	41 313	31 755	32 481	31 280	31 280	37 891	31 537	32 956
Vote 5 - SPORTS AND RECREATION		372	453	388	747	747	747	747	780	815
Vote 6 - ROADS TRANSPORT		10 859	5 908	11 077	8 963	8 963	8 963	9 002	9 399	9 822
Vote 7 - WASTE MANAGEMENT		(19 218)	12 812	17 366	37 244	37 990	37 990	38 976	35 184	35 867
Vote 8 - WASTE WATER MANAGEMENT		95 607	61 889	148 802	125 282	132 701	132 701	130 542	134 878	139 507
Vote 9 - PUBLIC SAFETY		(74 592)	49 243	53 431	48 077	47 829	47 829	49 897	52 093	54 437
Vote 10 - ELECTRICITY		63 531	23 971	45 858	41 967	48 167	48 167	48 267	50 391	52 659
Vote 11 - WATER CAPITAL PROJECTS		315	54	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>543 977</b>	<b>535 638</b>	<b>700 309</b>	<b>618 947</b>	<b>634 451</b>	<b>634 451</b>	<b>626 625</b>	<b>638 440</b>	<b>663 813</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>192 583</b>	<b>196 745</b>	<b>62 915</b>	<b>138 295</b>	<b>194 082</b>	<b>194 082</b>	<b>180 916</b>	<b>204 632</b>	<b>217 199</b>

MP316 Dr J.S. Moroka - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Rul	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue By Source</b>											
Property rates	2	44 432	46 197	40 450	40 000	53 050	53 050	34 273	40 000	41 760	43 639
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	96 800	81 541	63 646	82 000	81 910	81 910	50 391	82 000	85 608	89 460
Service charges - sanitation revenue	2	8 819	9 245	7 588	9 200	9 200	9 200	5 859	6 000	8 352	8 728
Service charges - refuse revenue	2	6 995	6 052	4 449	6 500	6 500	6 500	3 424	4 500	4 698	4 909
Rental of facilities and equipment		507	261	161	300	90	90	125	170	177	185
Interest earned - external investments		5 161	1 121	1 336	6 500	1 250	1 250	79	2 500	2 610	2 727
Interest earned - outstanding debtors		34 262	48 249	40 738	48 500	50 000	50 000	32 609	42 000	43 848	45 821
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 249	363	448	380	380	380	15	450	470	491
Licences and permits		3 586	2 698	4 307	3 197	3 197	3 197	2 944	4 540	4 740	4 953
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		368 254	378 990	586 183	423 034	485 325	485 325	443 502	466 443	486 966	506 880
Other revenue	2	42 029	40 004	14 686	5 149	5 149	5 149	10 558	3 278	3 422	3 576
Gains		-	-	(774)	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>612 094</b>	<b>616 722</b>	<b>763 219</b>	<b>624 760</b>	<b>696 051</b>	<b>696 051</b>	<b>583 778</b>	<b>653 881</b>	<b>682 652</b>	<b>713 371</b>
<b>Expenditure By Type</b>											
Employee related costs	2	194 266	189 133	202 019	215 830	210 300	210 300	155 563	216 230	226 057	236 557
Remuneration of councillors		23 696	23 822	23 914	25 600	25 600	25 600	17 578	26 880	28 063	29 326
Debt impairment	3	36 553	86 909	119 603	77 345	72 824	72 824	11	77 350	77 350	77 350
Depreciation & asset impairment	2	55 516	66 221	65 595	61 319	61 319	61 319	-	61 320	64 018	66 899
Finance charges		230	-	-	3 200	3 200	3 200	-	3 200	3 341	3 491
Bulk purchases - electricity	2	20 605	-	-	-	-	-	-	-	-	-
Inventory consumed	8	(22 512)	4 734	10 915	8 920	17 140	17 140	2 982	-	-	-
Contracted services		141 309	93 310	183 175	112 480	139 548	139 548	111 211	118 460	123 672	129 237
Transfers and subsidies		7 812	6 325	4 972	5 450	6 197	6 197	6 262	14 565	2 540	2 450
Other expenditure	4, 5	79 515	64 775	90 117	108 803	98 323	98 323	61 348	95 770	99 984	104 483
Losses		6 969	409	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>543 977</b>	<b>535 638</b>	<b>700 309</b>	<b>618 947</b>	<b>634 451</b>	<b>634 451</b>	<b>354 955</b>	<b>613 775</b>	<b>625 025</b>	<b>649 793</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		68 117	81 083	62 909	5 813	61 600	61 600	228 823	40 106	57 627	63 578
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	124 459	115 654	-	132 482	132 482	132 482	-	153 660	160 421	167 640
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	8	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>192 583</b>	<b>196 745</b>	<b>62 915</b>	<b>138 295</b>	<b>194 082</b>	<b>194 082</b>	<b>228 831</b>	<b>193 766</b>	<b>218 048</b>	<b>231 218</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>192 583</b>	<b>196 745</b>	<b>62 915</b>	<b>138 295</b>	<b>194 082</b>	<b>194 082</b>	<b>228 831</b>	<b>193 766</b>	<b>218 048</b>	<b>231 218</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>192 583</b>	<b>196 745</b>	<b>62 915</b>	<b>138 295</b>	<b>194 082</b>	<b>194 082</b>	<b>228 831</b>	<b>193 766</b>	<b>218 048</b>	<b>231 218</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>192 583</b>	<b>196 745</b>	<b>62 915</b>	<b>138 295</b>	<b>194 082</b>	<b>194 082</b>	<b>228 831</b>	<b>193 766</b>	<b>218 048</b>	<b>231 218</b>

**References**

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method (Includes Joint Ventures)

MP316 Dr J.S. Moroka - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	R thousand	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework			
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23
<b>Capital expenditure - Vote</b>												
<b>Multi-year expenditure to be appropriated</b>	2											
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMIN		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - SPORTS AND RECREATION		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - ROADS TRANSPORT		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - WATER CAPITAL PROJECTS		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2											
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	1 000	-	-	-
Vote 2 - FINANCE AND ADMIN		(412 312)	(486 152)	(65 250)	-	-	-	-	11 400	-	-	-
Vote 3 - COMMUNITY AND SOCIAL SERVICES		1 045	1 047	-	3 500	5 500	5 500	-	-	-	-	-
Vote 4 - PLANNING AND DEVELOPMENT		4 765	949	-	-	-	-	-	-	-	-	-
Vote 5 - SPORTS AND RECREATION		-	-	-	-	-	-	-	10 058	10 058	10 058	
Vote 6 - ROADS TRANSPORT		-	-	-	-	-	-	-	-	-	-	
Vote 7 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-	
Vote 8 - WASTE WATER MANAGEMENT		141 727	275 401	96 499	125 857	167 003	167 003	97 564	135 919	135 919	135 919	
Vote 9 - PUBLIC SAFETY		-	1 740	-	-	-	-	-	-	-	-	
Vote 10 - ELECTRICITY		(7 560)	(7 536)	-	-	-	-	-	-	-	-	
Vote 11 - WATER CAPITAL PROJECTS		-	-	6 059	-	21 145	21 145	1 929	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	-	
Vote 15 -		-	-	-	-	-	-	-	-	-	-	
<b>Capital single-year expenditure sub-total</b>		(272 335)	(214 551)	37 308	129 357	193 648	193 648	99 493	158 377	145 977	145 977	
<b>Total Capital Expenditure - Vote</b>		(272 335)	(214 551)	37 308	129 357	193 648	193 648	99 493	158 377	145 977	145 977	
<b>Capital Expenditure - Functional</b>												
<b>Governance and administration</b>		(412 312)	(486 152)	(65 250)	-	-	-	-	12 400	-	-	
Executive and council		-	-	-	-	-	-	-	1 000	-	-	
Finance and administration		(412 312)	(486 152)	(65 250)	-	-	-	-	11 400	-	-	
Internal audit		-	-	-	-	-	-	-	-	-	-	
<b>Community and public safety</b>		1 045	2 787	-	3 500	5 500	5 500	-	10 058	10 058	10 058	
Community and social services		1 045	1 047	-	3 500	5 500	5 500	-	10 058	10 058	10 058	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	
Public safety		-	1 740	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	
<b>Economic and environmental services</b>		69 796	217 455	74 618	60 778	61 240	61 240	39 863	41 392	41 392	41 392	
Planning and development		4 765	949	-	-	-	-	-	-	-	-	
Road transport		65 031	216 506	74 618	60 778	61 240	61 240	39 863	41 392	41 392	41 392	
Environmental protection		-	-	-	-	-	-	-	-	-	-	
<b>Trading services</b>		69 136	51 359	27 940	65 078	126 908	126 908	59 630	94 527	94 527	94 527	
Energy sources		(7 560)	(7 536)	-	-	-	-	-	-	-	-	
Water management		74 895	57 094	9 753	-	52 291	52 291	15 236	57 085	57 085	57 085	
Waste water management		1 801	1 801	18 187	65 078	74 617	74 617	44 384	37 442	37 442	37 442	
Waste management		-	-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure - Functional</b>	3	(272 335)	(214 551)	37 308	129 357	193 648	193 648	99 493	158 377	145 977	145 977	
<b>Funded by:</b>												
National Government		-	-	92 846	129 357	131 357	131 357	84 257	145 977	145 977	145 977	
Provincial Government		-	-	-	-	-	-	-	-	-	-	
District Municipality		-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	
<b>Transfers recognised - capital</b>	4	-	-	92 846	129 357	131 357	131 357	84 257	145 977	145 977	145 977	
Borrowing	6	-	-	-	-	-	-	-	-	-	-	
Internally generated funds		-	-	6 019	-	62 291	62 291	13 987	12 400	-	-	
<b>Total Capital Funding</b>	7	-	-	98 865	129 357	193 648	193 648	98 244	158 377	145 977	145 977	

**References:**

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year.
- Capital expenditure by functional classification must reconcile to the appropriations by vote.
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure).
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17.
- Total Capital Funding must balance with Total Capital Expenditure.
- Include any capitalised interest (MFMA section 46) as part of relevant capital budget.

MP316 Dr J.S. Moroka - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		241 759	321 676	304 173	86 457	419 864	419 864	389 917	63 954	89 858	85 277
Call investment deposits	1	(226 258)	(224 258)	(242 942)	-	(242 942)	(242 942)	(242 942)	-	-	-
Consumer debtors	1	86 173	155 880	177 882	166 394	214 213	214 213	277 550	118 570	127 020	136 366
Other debtors		105 008	142 012	147 542	28 513	141 589	141 589	189 199	72 852	76 029	79 434
Current portion of long-term receivables		(15)	(15)	(15)	-	(15)	(15)	(15)	-	-	-
Inventory	2	-	-	-	3 295	(1 429)	(1 429)	2 729	2 201	2 296	2 392
<b>Total current assets</b>		<b>206 666</b>	<b>395 294</b>	<b>386 639</b>	<b>284 659</b>	<b>531 280</b>	<b>531 280</b>	<b>596 438</b>	<b>257 577</b>	<b>295 203</b>	<b>303 469</b>
<b>Non current assets</b>											
Long-term receivables		1 050	1 050	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		154	154	154	154	154	154	154	153	160	167
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	1 684 830	1 772 273	1 808 627	1 958 248	1 940 956	3 388 282	1 908 119	1 743 273	1 817 992	1 693 528
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		107	0	0	264	0	0	0	14	14	15
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>1 685 140</b>	<b>1 773 477</b>	<b>1 808 781</b>	<b>1 958 666</b>	<b>1 941 110</b>	<b>3 388 437</b>	<b>1 908 274</b>	<b>1 743 440</b>	<b>1 818 166</b>	<b>1 693 709</b>
<b>TOTAL ASSETS</b>		<b>1 892 807</b>	<b>2 168 771</b>	<b>2 195 420</b>	<b>2 243 325</b>	<b>2 472 390</b>	<b>3 919 717</b>	<b>2 504 712</b>	<b>2 001 017</b>	<b>2 113 369</b>	<b>2 197 179</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	-	-	-	-	0	(0)	0	-	-	-
Consumer deposits		692	779	814	730	814	814	834	710	741	771
Trade and other payables	4	181 760	262 685	220 351	105 695	297 527	(297 527)	302 036	16 974	20 691	37 017
Provisions		3 026	3 026	3 026	1 440	3 026	3 026	3 026	835	871	907
<b>Total current liabilities</b>		<b>185 477</b>	<b>265 489</b>	<b>224 190</b>	<b>107 865</b>	<b>301 367</b>	<b>(293 688)</b>	<b>305 895</b>	<b>18 519</b>	<b>22 303</b>	<b>38 696</b>
<b>Non current liabilities</b>											
Borrowing		0	0	0	-	-	-	-	-	-	-
Provisions		24 231	25 188	33 444	33 754	33 444	(33 444)	33 444	22 857	23 851	24 845
<b>Total non current liabilities</b>		<b>24 231</b>	<b>25 188</b>	<b>33 444</b>	<b>33 754</b>	<b>33 444</b>	<b>(33 444)</b>	<b>33 444</b>	<b>22 857</b>	<b>23 851</b>	<b>24 845</b>
<b>TOTAL LIABILITIES</b>		<b>209 708</b>	<b>291 678</b>	<b>257 634</b>	<b>141 619</b>	<b>334 811</b>	<b>(327 132)</b>	<b>339 340</b>	<b>41 376</b>	<b>46 154</b>	<b>63 540</b>
<b>NET ASSETS</b>	5	<b>1 683 098</b>	<b>1 877 093</b>	<b>1 937 786</b>	<b>2 101 706</b>	<b>2 137 579</b>	<b>4 246 849</b>	<b>2 165 372</b>	<b>1 959 641</b>	<b>2 067 215</b>	<b>2 133 638</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		1 494 507	1 683 886	1 677 280	2 101 706	2 137 579	2 137 579	2 165 372	1 959 641	2 067 215	2 133 638
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>1 494 507</b>	<b>1 683 886</b>	<b>1 677 280</b>	<b>2 101 706</b>	<b>2 137 579</b>	<b>2 137 579</b>	<b>2 165 372</b>	<b>1 959 641</b>	<b>2 067 215</b>	<b>2 133 638</b>

MP316 Dr J.S. Moroka - Table A7 Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		142 785	110 273	24 561	28 000	28 000	28 000	21 369	46 064	48 174	49 749
Service charges		44 921	14 879	8 047	63 505	63 505	63 505	7 347	41 718	43 565	45 449
Other revenue		230 408	91 309	100 507	14 979	14 789	14 789	58 473	10 421	10 892	11 293
Transfers and Subsidies - Operational	1	344 852	375 278	479 570	423 034	485 325	485 325	443 285	459 561	484 426	506 430
Transfers and Subsidies - Capital	1	5 050	128 080	614	132 482	132 482	132 482	2 450	145 977	160 421	167 640
Interest		27 469	2 035	-	6 500	1 250	1 250	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(436 383)	(346 001)	(76 407)	(477 083)	(477 083)	(477 083)	(84 066)	(616 816)	(554 966)	(583 845)
Finance charges		(230)	-	-	(3 200)	(3 200)	(3 200)	(172)	(2 134)	(2 232)	(2 305)
Transfers and Grants	1	(7 812)	(6 325)	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>351 060</b>	<b>369 528</b>	<b>536 892</b>	<b>188 217</b>	<b>245 048</b>	<b>245 048</b>	<b>448 686</b>	<b>84 791</b>	<b>190 280</b>	<b>194 411</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		-	-	(98 282)	(129 357)	(129 357)	(129 357)	(101 993)	(161 602)	(169 003)	(174 530)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>(98 282)</b>	<b>(129 357)</b>	<b>(129 357)</b>	<b>(129 357)</b>	<b>(101 993)</b>	<b>(161 602)</b>	<b>(169 003)</b>	<b>(174 530)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	35	-	-	-	20	64	67	69
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>64</b>	<b>67</b>	<b>69</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>351 060</b>	<b>369 528</b>	<b>438 646</b>	<b>58 860</b>	<b>115 691</b>	<b>115 691</b>	<b>346 713</b>	<b>(76 747)</b>	<b>21 344</b>	<b>19 950</b>
Cash/cash equivalents at the year begin:	2	-	-	98 372	27 597	61 231	61 231	61 231	141 765	65 018	85 362
Cash/cash equivalents at the year end:	2	<b>351 060</b>	<b>369 528</b>	<b>537 018</b>	<b>86 457</b>	<b>176 922</b>	<b>176 922</b>	<b>407 943</b>	<b>65 018</b>	<b>86 362</b>	<b>106 311</b>