

ANNUAL BUDGET MTERF FOR 2022/2023-2024/2025



MATATIELE

LOCAL MUNICIPALITY

ANNUAL BUDGET OF
MATATIELE LOCAL
MUNICIPALITY

2022/23 TO 2024/25
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CM	Municipality Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DORA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment

PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises
Mscosa	Municipal standard chart of accounts

Part 1 – Annual Budget

1.1 Mayor's report

Honourable members of the council, allow me to table the following Annual budget for 2022/23-2024/25 MTREF:

PURPOSE

To present to Council the draft MTREF report for 2022/23 and two outer years 2023/24 and 2024/25 for consideration and recommendations for approval by Council before start of the 2022/2023 financial year.

LEGAL / STATUTORY REQUIREMENTS

- Municipal Finance Management Act 56 of 2003, Chapter 4.
- Municipal System Act 32 of 2000.
- National Treasury Regulations and Guidelines.
- Municipal Budget and Reporting Regulations (reg 21, 22, 23, 24, 25, 26 and 27).
- Municipal Standard Chart of Accounts (mSCOA).

BACKGROUND AND REASONING

The Budget was prepared according to the Zero Based Method. In terms of the method all votes and line items were reduced to zero and every amount allocated had to be motivated. General Managers were requested to hand their requests to the Chief Financial Officer for inclusion on the budget. The information was requested to reach the Chief Financial Officer by the 21st January 2022.

As required by the Municipal Finance Management Act (MFMA) and other relevant legislations, regulations and guidelines, the municipality started the processes of budget preparation from August 2021 to March 2022 as follows:

Budget process plan

On 29th July 2020, the IDP and Budget process plan as required by section 21 of the MFMA was submitted and approved by Council to ensure that municipality does not fail to prepare and approve its credible budget within the legislated time frames.

IDP review

As per the approved plan, the municipality on the 13 – 16 September 2021, conducted its public consultative meetings with all 26 wards to review IDP for 2022-2027. The reviewed IDP has been used by the municipality to inform the draft budget for 2022/23 to 2024/25 (MTREF) for consideration. The tabled draft budget will then be subjected for comments and suggestions by stakeholders and public.

DRAFT BUDGET 2022/23 – 2024/2025

Budgeted Financial Performance (revenue)

REVENUE SOURCE	APPROVED BUDGET 2021/2022	ADJUSTMENTS BUDGET 2021/22	DRAFT BUDGET 2022/2023	BUDGET 2022/23 % ALLOCATION	BUDGET YEAR 2023/2024	BUDGET YEAR 2024/2025
Property Rates	54 088 413	54 088 413	54 088 413	9%	56 792 834	59 632 475.55
Service Charges	70 532 408	70 532 408	86 941 669	15%	91 288 752	95 853 189.63
Rental Of Facilities & Equipment	1 245 000	1 245 000	2 027 556	0%	2 128 934	2 235 380.49
Interest - Outstanding Debtors	11 798 768	11 798 768	18 730 800	3%	15 382 500	16 151 628.00
Interest - External Investment	14 650 000	14 650 000	14 650 000	3%	17 462 340	18 335 460.00
Fines , Penalties and Forfeits	2 093 696	2 093 696	1 769 000	0%	1 521 456	1 597 536.00
Licences & Permits	4 524 689	4 524 689	4 130 853	1%	4 337 400	4 554 276.00
Transfers & Subsidies Operational	269 911 550	272 135 261	293 418 000	51%	304 242 000	321 932 004.00
Transfers & Subsidies Capital	142 872 450	142 872 450	102 356 000	18%	111 006 000	115 965 000.00
Other Revenue	1 501 156	1 501 156	1 470 696	0%	1 544 268	1 621 476.00
Total Revenue	573 218 130	575 441 841	579 582 987	100%	605 706 484	637 878 426

Remarks;

- The revenue is anticipated to be R579, 582, 987 in the 2022/23 financial year. The adjusted budget for 2021/22 was R575, 441, 841. This is an increase of R4,141,749 from the current adjustment budget. Revenue budget for the indicative years 2023/24 and 2024/25 is anticipated to be R605,706,484 and R637,878,426 respectively.
- The property rates amount is calculated from the current valuation roll as implemented from 01st July 2018.
- It should be noted that capital transfers and subsidies has decreased due to decreased grants allocation for the integrated national electrification grant.

Budgeted Financial Performance (operating expenditure)

EXPENDITURE TYPE	APPROVED BUDGET 2021/2022	ADJUSTMENTS BUDGET 2021/22	BUDGET 2022/2023	BUDGET 2022/23 % ALLOCATION	BUDGET YEAR +2023/2024	BUDGET YEAR 2024/2025
Employee Related Costs	132 260 715	132 260 904	137 172 096	29%	144 030 696.00	155 650 200
Remuneration of Councillors	21 689 909	21 689 916	22 459 248	5%	23 582 232	24 291 924
Bad Debt Written Off	7 000 000	6 999 996	6 000 000	1%	6 300 000	6 615 000
Depreciation	35 300 000	35 300 004	58 970 004	12%	61 918 524	65 014 425
Bulk Purchases	50 000 000	62 000 004	61 382 988	13%	64 452 132	68 094 741
Contracted Services	105 630 010	105 714 863	113 874 096	24%	111 021 756	100 961 004
Other Material	7 379 200	6 880 872	7 696 992	2%	8 081 880	5 361 492
Other Expenditure	71 085 712	61 723 048	72 467 760	15%	76 091 328	83 158 660
Total Expenditure	430 345 546	432 569 607	480 023 184	100%	495 478 548	509 147 446

Remarks;

- The draft operating expenditure is anticipated to be R480, 023, 184 in the 2022/23 financial year. The adjusted budget for 2021/22 was R432,569,607. This is an increase of R47,453,577 from the current adjustment budget. For the two outer years 2023/24 and 2024/25 the operating expenditure budget is R495,478,548 and R509,147,446 respectively.
- An increase of 4.8% has been effected on employee related costs as per 2021-2024 Salary and Wage collective agreement from SALGBC.
- Included on contracted services is repairs and maintenance R31,543,000 which represents 7% of the total operating expenditure budget as follows;
 - Maintenance of Municipal Fleet -R2500,000
 - Maintenance of ICT Network -R525,000
 - Property Plant and Equipment -R5,755,000
 - Road Maintenance -R7,543,000
 - Expanded Public works -R9,620,000
 - Building and Facilities -R5,050,000
 - Electrical Infrastructure -R550,000
- Indigent support budget of R30 million has been provided for gas and solar maintenance, electricity and refuse.
- A budget of R1500,000 has been provided for livestock improvement
- Cropping and Households Food Security Programme Has been allocated a budget of R3,000,000.
- Tourism programmes have been allocated a budget of R4,050,000 in this budget.

Budgeted Capital Expenditure by vote, and funding

DEPARTMENT/MUNICIPAL VOTE	APPROVED BUDGET 2021/22	ADJUSTMENTS BUDGET 2021/22	BUDGET 2022/23	BUDGET YEAR +2023/2024	BUDGET YEAR 2024/2025	Increase/ Decrease
Executive and Council	90 000	90 000	-	-	-	-90 000
Municipal Manager's Office	405 000	435 000	260 000	280 800	303 264	-175 000
Budget & Treasury	320 500	1 720 500	1 600 000	5 200 000	5 200 000	-120 500
Corporate Services	6 710 000	6 710 000	2 310 000	2 425 500	2 546 775	-4 400 000
Community Services	4 962 000	217 500	6 360 000	6 678 000	7 011 900	6 142 500
Economic Development Planning	247 500	5 067 000	500 000	525 000	551 250	-4 567 000
Infrastructure	180 137 450	190 137 450	148 879 299	135 154 800	131 560 611	-41 258 151
TOTAL CAPITAL PER MUNICIPAL VOTE	192 872 450	204 377 450	159 909 299	150 264 100	147 173 800	-44 468 151
Funding Sources						
Capital Replacement	50 000 000	61 505 000	60 356 699	41 412 000	33 525 300	-1 148 301
Municipal Infrastructure Grant	49 372 450	49 372 450	53 264 600	55 587 500	58 060 200	3 892 150
Intergrated National Electrification Programme	93 500 000	93 500 000	46 288 000	53 264 600	55 588 300	-47 212 000
Library Support	-	-	-	-	-	-
TOTAL CAPITAL FUNDING	192 872 450	204 377 450	159 909 299	150 264 100	147 173 800	-44 468 151

Remarks;

Capital expenditure is the expenditure appropriated for items to be utilised over a period of time longer than 12 months to generate future income and derive economic benefit for the municipality.

- The capital expenditure is anticipated to be R159,909, 299 in the 2022/23 financial year. The adjusted budget for 2021/22 was R204, 377, 450 million. This is a decrease of R44,468, 151 from the adjustment budget due to the following:
 - Decrease on INEP from R93,500,000 to R46,288,000.
 - Increase of MIG from R49,372,450 to R53,264,600.
 - Municipal reserves funding has been maintained at R 60,356,699.

Transfers and grant receipts

Description	Current Year		2022/23 Medium Term Revenue & Expenditure Framework		
	Budget Year 2021/22	Adjusted Budget	Draft Budget 2022/23	Budget 2023/24	Budget 2024/25
RECEIPTS:					
Operating Transfers and Grants					
National Government:	265 363	265 363	292 768	304 242	321 932
Local Government Equitable Share	258 826	258 826	286 308	302 542	320 232
Expanded Public Works Programme Integrated Grant	4 887	4 887	4 810	–	–
Local Government Financial Management Grant	1 650	1 650	1 650	1 700	1 700
Provincial Government:	650	2 874	650	650	650
Capacity Building and Other : Library	650	650	650	650	650
DEDEAT	–	2 224	–	–	–
Total Operating Transfers and Grants	266 013	268 237	293 418	304 892	322 582
Capital Transfers and Grants	145 471	145 471	102 356	110 626	115 965
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	93 500	93 500	46 288	52 492	54 849
Municipal Infrastructure Grant (MIG)	51 971	51 971	56 068	58 134	61 116
Total Capital Transfers and Grants	145 471	145 471	102 356	110 626	115 965
TOTAL RECEIPTS OF TRANSFERS & GRANTS	411 484	413 708	395 774	415 518	438 547

Remarks;

- The municipality will receive both conditional and unconditional grants of R395, 7 million, a decrease of R17,9 million from R413, 7 million on the 2021/22 adjusted budget) from the allocations as gazetted on Division of Revenue Act (DoRA).
- The equitable share allocation is appropriated to fund municipal delivery of services through day to day operations and strategic social development programs, the allocation for equitable share has increased with R27,4 million from the adjusted allocation for the current financial year.
- Conditional operational grants (EPWP & FMG) are appropriated to fund expenditures relate to EPWP programs and financial reforms respectively as per grants stipulated conditions
- The Expanded public works incentive has decreased by R77,000 for the next budget year
- The finance management grant has not changed remaining at an allocation of R1,650,000 for the next budget year.
- Conditional capital grants (MIG & INEP) are appropriated to fund capital expenditure of roads construction, local economic development capital projects and electrification projects.
- The allocation for MIG has increased by R4, million from the current adjusted budget.
- The allocation for INEP has decreased by R47,2 million from the current adjusted budget.

The capital budget per municipal departments is tabulated as below,

Budget & Treasury

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Budget Planning & Investments			100 000	100 000	-	-	-
Computer Equipment	New	Admin	100 000	100 000			
				-			
Revenue & Expenditure Management			100 000	100 000	-	-	-
Office partitioning	New	Admin	100 000	100 000	-	-	-
Supply Chain Management			1 400 000	1 400 000	-	-	-
Car Ports	New	Admin	800 000	800 000	-	-	-
14 Seater Council Bus	New	Admin	600 000	600 000			
TOTAL BUDGET & TREASURY			1 600 000	1 600 000	-	-	-

Remarks;

- The total proposed budget for budget and treasury is R1,6 million to be funded from the capital replacement reserves.

Municipal Manager's Office

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Legal Services			60 000	60 000			
Computer Equipment		Admin	60 000	60 000			
Strategic Governance Unit			70 000	70 000	-	-	-
Laptop	New	Admin	30 000	30 000			
Portable Speakers	New	Admin	40 000	40 000			
SPU & Communications			130 000	130 000	-	-	-
Trolley	New	Admin	50 000	50 000	-	-	-
Camera Drone	New	Admin	50000	50 000			
Laptop	New	Admin	30000	30 000			
Total Municipal Manager's Office			260 000	260 000	-	-	-

Remarks;

- The total proposed budget for the office of the Municipal manager amounts to R260,000 to be funded from capital replacement reserves.

Corporate Services

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Admin & Council Support							
Computer Equipment _Laptops	New	Admin	150 000	150 000			
Guard Houses	New	Admin	200 000	200 000			
			350 000	350 000	-	-	-
Human Resources							
Laptops	New	Admin	60 000	60 000			
Office Furniture & Equipment	New	Admin	100 000	100 000			
			160 000	160 000	-	-	-
ICT SERVICES							
Public Wi-Fi Rollout	Upgrade	Admin	500 000	500 000			
Uninterrupted Power Supply (UPSs) Infrastructure	Upgrade	Admin	200 000	200 000			
Provision of Surveillance Cameras	Upgrade	Admin	400 000	400 000			
Network Establishment	Upgrade	Admin	350 000	350 000			
Computer Equipment - Wards	Upgrade	Admin	150 000	150 000			
Network Switch replacement ?	Upgrade	Admin	200 000	200 000	-	-	-
			1 800 000	1 800 000	-	-	-
TOTAL CORPORATE SERVICES			2 310 000	2 310 000	-	-	-

Remarks;

- The total proposed budget for corporate services is R2,3 million to be funded from the municipal reserves.

Economic Development and planning

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Planning							
Land Survey Equipment	New	Admin	500 000	500 000			
			500 000	500 000	-	-	-
TOTAL ECONOMIC DEVELOPMENT AND PLANNING			500 000	500 000	-	-	-

Remarks;

- The proposed budget is R500, 000 for economic development and planning to be funded from the municipal reserves.

Community Services

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Public Amenities			1 510 000	1 510 000	-	-	-
Goal Posts	New	1,19,20	200 000	200 000			
Grass Cutting Machinery	New	Various	260 000	260 000			
Sport field Marking Machine	New	Various	90 000	90 000			
Laptops	New	Admin	60 000	60 000			
Fencing of Open Ground in Itsokolele	New	20	200 000	200 000			
Maluti Civic Centre	New	1	450 000	450 000	-	-	-
Refurbishment of Swimming Pool Pump	Upgrade	19	250 000	250 000	-	-	-
Public Safety			1 950 000	1 950 000	-	-	-
Installation of Traffic management system	New	19	1 000 000	1 000 000	-	-	-
Procurement of 5 ton roll-back breakdown vehicle	New	Admin	950 000	950 000	-	-	-
Solid Waste & Enviroment			2 900 000	2 900 000	-	-	-
Cemetery Management system	Upgrade	All	600 000	600 000	-	-	-
landfill weighbridge	New	20	1 100 000	1 100 000	-	-	-
Grass cutting machines	New	All	200 000	200 000	-	-	-
Cemetery Development	new	19 &20	1 000 000	1 000 000	-	-	-
				-			
TOTAL COMMUNITY SERVICES			6 360 000	6 360 000	-	-	-

Remarks;

- The total proposed budget for community services is R6,3million, to be funded from the capital replacement reserves.

INFRASTRUCTURE**Electricity Unit**

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Hilside - Manzi Phase 2	New	7	5 500 000	-	-	5 500 000	-
Hilside - Manzi Phase 2 Link Line	New	7	1 600 000	-	-	1 600 000	-
Pote	New	7	1 000 000	-	-	1 000 000	-
Pote-Hillside Link Line	New	7	4 000 000	-	-	4 000 000	-
Rockville	New	2	5 828 000	-	-	5 828 000	-
Polar Park	New	3	2 740 000	-	-	2 740 000	-
Tsepisong	New	3	12 000 000	-	-	12 000 000	-
Masupa	New	13	4 500 000	-	-	4 500 000	-
Mavundleni	New	5	3 100 000	-	-	3 100 000	-
Moiketsi	New	14	4 420 000	-	-	4 420 000	-
Mapoti	New	12	1 600 000	-	-	1 600 000	-
Transformers	New	19 & 20	2 200 000	2 200 000	-	-	-
Substation Switch Gears	New	19	450 000	450 000	-	-	-
Palisade Fencing of Substations	New	20	200 000	200 000	-	-	-
Furniture	New	Admin	20 000	20 000	-	-	-
computer Equipment	New	Admin	60 000	60 000	-	-	-
Furniture	New	Admin	60 000	60 000	-	-	-
			49 278 000	2 990 000	-	46 288 000	-

Remarks;

- The total capital budget for the electricity unit is R49,2 million, INEP will fund R46,2 million of the budget and R2,9 million will be funded from the capital reserves.
- This budget includes electrification in various wards and the upgrade of electricity infrastructure.

Project Management

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Mahangu Access Road & Bridge	New	9	8 000 000	-	8 000 000	-	-
Purutle Moyeni Access Road & Bridge	New	24	8 000 000	-	8 000 000	-	-
Mohapi Access Road & Bridge	New	13	1 264 600	-	1 264 600	-	-
Harry Gwala Internal Streets	Upgrade	20	15 000 000	-	15 000 000	-	-
Rehabilitation of Matatiele Internal Streets Cluster 1	Upgrade	19	5 000 000	-	5 000 000	-	-
Rehabilitation of Cedarville Internal Streets	Upgrade	26	4 500 000	-	4 500 000	-	-
Extension of Matatiele Sport Centre Phase 2	New	20	5 000 000	-	5 000 000	-	-
Installation of Streetlights	New	19	3 500 000	-	3 500 000	-	-
Installation of High Masts	New	20	3 000 000	-	3 000 000	-	-
Silo Facility Phase 4	New	19	3 000 000	3 000 000	-	-	-
Council Chambers Backup Water Supply	New	Admin	500 000	500 000	-	-	-
Upgrading of Matatiele Stormwater Drainage- Planning & Design	New	19&20	700 000	700 000	-	-	-
Meggie Resha Statue	New	Admin	800 000	800 000	-	-	-
Dlodlweni Access Road	New	10	2 000 000	2 000 000	-	-	-
Queen's Mercy Access Road	New	12	2 300 000	2 300 000	-	-	-
Ramatli Access Road	New	6	910 000	910 000	-	-	-
Lekhalong Access Road	New	14	2 500 000	2 500 000	-	-	-
Computer Equipment	New	Admin	100 000	100 000	-	-	-
			66 074 600	12 810 000	53 264 600	-	-

Remarks;

- The capital budget for project management unit is proposed to be R66 million, a portion of R53,2 million to be funded from the municipal infrastructure grant and R12,8 million will be funded from the capital reserves.
- The total capital budget for project management unit relates to construction, upgrade of existing road infrastructure and construction of sports fields and per the table above.

Operations and Maintenance Unit

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Air-conditioners	Maintainance	1,19 &20	80 000	80 000	-	-	-
Purchasing of bituman sprayer and concrete cutter / Machinery and equipment	New	ALL	20 000	20 000	-	-	-
Plant (3x10 cubes truck, watercart, 2x rollers, grader, excavator, grader)	New	ALL	15 000 000	15 000 000	-	-	-
Linotseng Access Road 1.8km	Renewal	24	1 500 000	1 500 000	-	-	-
Black Diamond Access Road & Bridge 7.9km (SMME incubator Programme)	Renewal	26	5 494 200	5 494 200	-	-	-
Mavundleni Access Road 6km	Renewal	5	1 800 000	1 800 000	-	-	-
Makomorweni Access Road & Bridge 6km(SMME incubator Programme)	Renewal	11	2 300 000	2 300 000	-	-	-
Nkosana-Mafube Access Road 4km	Renewal	8	1 200 000	1 200 000	-	-	-
Mountain Lake Access Road	Renewal	19	1 000 000	1 000 000	-	-	-
Hebron to Madimong Access Road	Renewal	3	1 300 000	1 300 000	-	-	-
Zikhalini AR	Renewal	4	720 833	720 833	-	-	-
Maphutsing Access Road	Renewal	25	1 100 000	1 100 000	-	-	-
Matolweni Access Road	Renewal	23	940 833	940 833	-	-	-
Mbobbo Access Road	Renewal	8	1 070 833	1 070 833	-	-	-
			33 526 699	33 526 699	-	-	-

- The capital budget for operations and Maintenance unit is proposed to be R33,5 million, to be funded from the capital reserves.

TOTAL BUDGET 2022/23-2024/25

Description	Current Budget		MEDIUM TERM REVENUE		
	Approved Budget	Adjusted Budget	BUDGET 2022/2023	BUDGET +2023/2024	BUDGET +2024/2025
Operating Budget	430 345 546	432 569 607	480 023 184	495 478 548	509 147 446
Capital Budget	192 872 450	204 377 450	159 909 312	150 264 084	147 173 784
Total Budget	623 217 996	636 947 057	639 932 496	645 742 632	656 321 230

Remarks:

- The total draft budget is proposed to be R639,9 million, it should be noted that this is an increase of R2,9 million from the current adjustments budget.
- The Increase is mainly as a result of increased allocation on the capital grants i.e. MIG and equitable share.

PROPOSED TARIFF INCREASES AND BUDGET ASSUMPTIONS**Property Rates**

Property rates tariff is proposed to increase by 0% for the 2022/23 financial year as follows;

Categories	Rate Randages /Rand Value – c/R	Ratio in relation to residential property
Residential property	0.103597	1:1
Farm property as defined in Section 8(2) (d)(i) and 8 (2) (f) (i) of the Act (being Farm property used for agricultural purposes and smallholdings used for agricultural purposes)	0.0025899	1: 0.25

Agricultural property used predominantly for commercial and / or industrial purposes	0.0025899	1:0.25
Smallholdings used predominantly for commercial and / or industrial purposes	0.0025899	1: 0.25
Commercial / Business properties	0.013076	1: 1.2
Industrial properties	0.0124316	1:1.2
Public Service Infrastructure properties	0.0025145	1:0.25
Municipal properties	0.0120696	1:1.2

Residential	0.010878	0%
First R65 000 exempt		
40% Rebate		
Vacant Land	0.02176	0%
Commercial	0.013054	0%
15% exempt		0%
Government	0.02176	0%
Farms	0.0027195	0%
70% rebate		0%
Industrial	0.013054	0%
15% rebate		0%
Municipal	0.013054	0%

100% rebate		
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Service Charges

- The electricity tariff is proposed to increase by 9-16% subject to approval from NERSA.
- No increase is proposed for the Refuse tariffs and all other tariffs.

Remuneration of Councillors and Employee related costs

The municipality has provided for a 4.8 % increase on both remunerations of councillors and Employee related costs as per the SALGBC salary and wage increase agreement.

Budget Related Policies

The following budget related policies have been reviewed for the 2022/23 budget,

- 1) Budget policy,
- 2) Cash management policy,
- 3) Cash shortage policy,
- 4) Credit control and debt collection policy,
- 5) Cost containment policy ,
- 6) Customer care policy,
- 7) Customer incentive scheme policy,
- 8) Data backup policy,
- 9) Debt capacity policy,
- 10) Donor finance policy,
- 11) Electricity token policy,
- 12) Entertainment & refreshments policy,
- 13) Fleet Management Policy ,
- 14) Unclaimed deposits policy,
- 15) Fraud prevention plan,
- 16) Gifts policy for officials,
- 17) Grants & donation policy,
- 18) GRAP framework policy,
- 19) Impairment and write off policy,
- 20) Cash-up Policy,
- 21) Fixed Assets Policy,
- 22) Payment Policy,
- 23) Petty Cash Policy,
- 24) Rates Policy,
- 25) Special Services Policy,
- 26) Strategy to improve Debtor policy,
- 27) Supply Chain Management Policy,
- 28) Tariff Policy,
- 29) Use of Credit Card Policy and
- 30) Virement Policy.
- 31) Infrastructure procurement and delivery management policy.
- 32) Indigent Policy
- 33) Banking and Investments Policy
- 34) Use of Consultants Policy

1.2 Council Resolutions

Council resolves the following,

Council resolves the following,

1. That, the draft budget of the municipality for the year 2022/23; and its indicative for the two projected outer years 2023/2024 and 2024/2025 as outlined on the report be tabled as set out in the following:
 - Operating Revenue by source R579, 582, 987
 - Operating Expenditure by source of R480, 023,184
 - Capital Expenditure by source and municipal vote of R159,909, 312
 - Total budget of R639, 932, 496
2. The council approves the proposed salary increase of 4.8% for both Councillors and Employees for the 2022/2023 budget.
3. The council notes and approves the following draft tariff increases for the 2022/23 financial year
 - Property rates tariff increase of 0% and first R65 000 property values as exemption, 40% rebates on all residential properties, 15% rebates on all commercial and government properties, 70% on farm properties, 15% rebates on industrial properties and 100% rebates to all municipal properties.
 - No increase of Refuse tariffs.
 - Electricity tariff increase with 9 – 16% subject to approval by NERSA.
 - That all other municipal tariffs will not be increased.

4. That, council tables the reviewed policies as listed below,

- 4.1. Budget policy,
- 4.2. Cash management policy,
- 4.3. Cash shortage policy,
- 4.4. Credit control and debt collection policy,
- 4.5. Cost containment policy ,
- 4.6. Customer care policy,
- 4.7. Customer incentive scheme policy,
- 4.8. Data backup policy,
- 4.9. Debt capacity policy,
- 4.10. Donor finance policy,
- 4.11. Electricity token policy,
- 4.12. Entertainment & refreshments policy,
- 4.13. Fleet Management Policy ,
- 4.14. Unclaimed deposits policy,
- 4.15. Fraud prevention plan,
- 4.16. Gifts policy for officials,
- 4.17. Grants & donation policy,
- 4.18. GRAP framework policy,
- 4.19. Impairment and write off policy,
- 4.20. Cash-up Policy,
- 4.21. Fixed Assets Policy,
- 4.22. Payment Policy,
- 4.23. Petty Cash Policy,
- 4.24. Rates Policy,
- 4.25. Special Services Policy,
- 4.26. Strategy to improve Debtor policy,
- 4.27. Supply Chain Management Policy,
- 4.28. Tariff Policy,
- 4.29. Use of Credit Card Policy and
- 4.30. Virement Policy.
- 4.31. Infrastructure procurement and delivery management policy.
- 4.32. Indigent Policy
- 4.33. Banking and Investments Policy

4.34. Use of Consultants Policy

1.3 Executive Summary

ANNUAL BUDGET 2021/22 – 2023/2024

Budgeted Financial Performance (revenue)

REVENUE SOURCE	APPROVED BUDGET 2021/2022	ADJUSTMENTS BUDGET 2021/22	DRAFT BUDGET 2022/2023	BUDGET 2022/23 % ALLOCATION	BUDGET YEAR 2023/2024	BUDGET YEAR 2024/2025
Property Rates	54 088 413	54 088 413	54 088 413	9%	56 792 834	59 632 475.55
Service Charges	70 532 408	70 532 408	86 941 669	15%	91 288 752	95 853 189.63
Rental Of Facilities & Equipment	1 245 000	1 245 000	2 027 556	0%	2 128 934	2 235 380.49
Interest - Outstanding Debtors	11 798 768	11 798 768	18 730 800	3%	15 382 500	16 151 628.00
Interest - External Investment	14 650 000	14 650 000	14 650 000	3%	17 462 340	18 335 460.00
Fines , Penalties and Forfeits	2 093 696	2 093 696	1 769 000	0%	1 521 456	1 597 536.00
Licences & Permits	4 524 689	4 524 689	4 130 853	1%	4 337 400	4 554 276.00
Transfers & Subsidies Operational	269 911 550	272 135 261	293 418 000	51%	304 242 000	321 932 004.00
Transfers & Subsidies Capital	142 872 450	142 872 450	102 356 000	18%	111 006 000	115 965 000.00
Other Revenue	1 501 156	1 501 156	1 470 696	0%	1 544 268	1 621 476.00
Total Revenue	573 218 130	575 441 841	579 582 987	100%	605 706 484	637 878 426

Remarks;

- The revenue is anticipated to be R579, 582, 987 in the 2022/23 financial year. The adjusted budget for 2021/22 was R575, 441, 841. This is an increase of R4,141,749 from the current adjustment budget. Revenue budget for the indicative years 2023/24 and 2024/25 is anticipated to be R605,706,484 and R637,878,426 respectively.
- The property rates amount is calculated from the current valuation roll as implemented from 01st July 2018.
- It should be noted that capital transfers and subsidies has decreased due to decreased grants allocation for the integrated national electrification grant.

Budgeted Financial Performance (operating expenditure)

EXPENDITURE TYPE	APPROVED BUDGET 2021/2022	ADJUSTMENTS BUDGET 2021/22	BUDGET 2022/2023	BUDGET 2022/23 % ALLOCATION	BUDGET YEAR +2023/2024	BUDGET YEAR 2024/2025
Employee Related Costs	132 260 715	132 260 904	137 172 096	29%	144 030 696.00	155 650 200
Remuneration of Councillors	21 689 909	21 689 916	22 459 248	5%	23 582 232	24 291 924
Bad Debt Written Off	7 000 000	6 999 996	6 000 000	1%	6 300 000	6 615 000
Depreciation	35 300 000	35 300 004	58 970 004	12%	61 918 524	65 014 425
Bulk Purchases	50 000 000	62 000 004	61 382 988	13%	64 452 132	68 094 741
Contracted Services	105 630 010	105 714 863	113 874 096	24%	111 021 756	100 961 004
Other Material	7 379 200	6 880 872	7 696 992	2%	8 081 880	5 361 492
Other Expenditure	71 085 712	61 723 048	72 467 760	15%	76 091 328	83 158 660
Total Expenditure	430 345 546	432 569 607	480 023 184	100%	495 478 548	509 147 446

Remarks;

- The draft operating expenditure is anticipated to be R480, 023, 184 in the 2022/23 financial year. The adjusted budget for 2021/22 was R432,569,607. This is an increase of R47,453,577 from the current adjustment budget. For the two outer years 2023/24 and 2024/25 the operating expenditure budget is R495,478,548 and R509,147,446 respectively.
- An increase of 4.8% has been effected on employee related costs as per 2021-2024 Salary and Wage collective agreement from SALGBC.
- Indigent support budget of R30 million has been provided for gas and solar maintenance, electricity and refuse.
- A budget of R1500,000 has been provided for livestock improvement
- Cropping and Households Food Security Programme Has been allocated a budget of R3,000,000.
- Tourism programmes have been allocated a budget of R4,050,000 in this budget.

Budgeted Capital Expenditure by vote, and funding

DEPARTMENT/MUNICIPAL VOTE	APPROVED BUDGET 2021/22	ADJUSTMENTS BUDGET 2021/22	BUDGET 2022/23	BUDGET YEAR +2023/2024	BUDGET YEAR 2024/2025	Increase/ Decrease
Executive and Council	90 000	90 000	-	-	-	-90 000
Municipal Manager's Office	405 000	435 000	260 000	280 800	303 264	-175 000
Budget & Treasury	320 500	1 720 500	1 600 000	5 200 000	5 200 000	-120 500
Corporate Services	6 710 000	6 710 000	2 310 000	2 425 500	2 546 775	-4 400 000
Community Services	4 962 000	217 500	6 360 000	6 678 000	7 011 900	6 142 500
Economic Development Planning	247 500	5 067 000	500 000	525 000	551 250	-4 567 000
Infrastructure	180 137 450	190 137 450	148 879 299	135 154 800	131 560 611	-41 258 151
TOTAL CAPITAL PER MUNICIPAL VOTE	192 872 450	204 377 450	159 909 299	150 264 100	147 173 800	-44 468 151
Funding Sources						
Capital Replacement	50 000 000	61 505 000	60 356 699	41 412 000	33 525 300	-1 148 301
Municipal Infrastructure Grant	49 372 450	49 372 450	53 264 600	55 587 500	58 060 200	3 892 150
Integrated National Electrification Programme	93 500 000	93 500 000	46 288 000	53 264 600	55 588 300	-47 212 000
Library Support	-	-	-	-	-	-
TOTAL CAPITAL FUNDING	192 872 450	204 377 450	159 909 299	150 264 100	147 173 800	-44 468 151

Remarks;

Capital expenditure is the expenditure appropriated for items to be utilised over a period of time longer than 12 months to generate future income and derive economic benefit for the municipality.

- The capital expenditure is anticipated to be R159,909, 299 in the 2022/23 financial year. The adjusted budget for 2021/22 was R204, 377, 450 million. This is a decrease of R44,468, 151 from the adjustment budget due to the following:
 - Decrease on INEP from R93,500,000 to R46,288,000.
 - Increase of MIG from R49,372,450 to R53,264,600.
 - Municipal reserves funding has been maintained at R 60,356,699.

Transfers and grant receipts

Description	Current Year		2022/23 Medium Term Revenue & Expenditure Framework		
	Budget Year 2021/22	Adjusted Budget	Draft Budget 2022/23	Budget 2023/24	Budget 2024/25
RECEIPTS:					
Operating Transfers and Grants					
National Government:	265 363	265 363	292 768	304 242	321 932
Local Government Equitable Share	258 826	258 826	286 308	302 542	320 232
Expanded Public Works Programme Integrated Grant	4 887	4 887	4 810	–	–
Local Government Financial Management Grant	1 650	1 650	1 650	1 700	1 700
Provincial Government:	650	2 874	650	650	650
Capacity Building and Other : Library	650	650	650	650	650
DEDEAT	–	2 224	–	–	–
Total Operating Transfers and Grants	266 013	268 237	293 418	304 892	322 582
Capital Transfers and Grants	145 471	145 471	102 356	110 626	115 965
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	93 500	93 500	46 288	52 492	54 849
Municipal Infrastructure Grant (MIG)	51 971	51 971	56 068	58 134	61 116
Total Capital Transfers and Grants	145 471	145 471	102 356	110 626	115 965
TOTAL RECEIPTS OF TRANSFERS & GRANTS	411 484	413 708	395 774	415 518	438 547

Remarks;

- The municipality will receive both conditional and unconditional grants of R395, 7 million, a decrease of R17,9 million from R413, 7 million on the 2021/22 adjusted budget) from the allocations as gazetted on Division of Revenue Act (DoRA).
- The equitable share allocation is appropriated to fund municipal delivery of services through day to day operations and strategic social development programs, the allocation for equitable share has increased with R27,4 million from the adjusted allocation for the current financial year.
- Conditional operational grants (EPWP & FMG) are appropriated to fund expenditures relate to EPWP programs and financial reforms respectively as per grants stipulated conditions
- The Expanded public works incentive has decreased by R77,000 for the next budget year
- The finance management grant has not changed remaining at an allocation of R1,650,000 for the next budget year.
- Conditional capital grants (MIG & INEP) are appropriated to fund capital expenditure of roads construction, local economic development capital projects and electrification projects.
- The allocation for MIG has increased by R4, million from the current adjusted budget.
- The allocation for INEP has decreased by R47,2 million from the current adjusted budget.

TOTAL BUDGET 2022/23-2024/25

Description	Current Budget		MEDIUM TERM REVENUE		
	Approved Budget	Adjusted Budget	BUDGET 2022/2023	BUDGET +2023/2024	BUDGET +2024/2025
Operating Budget	430 345 546	432 569 607	480 023 184	495 478 548	509 147 446
Capital Budget	192 872 450	204 377 450	159 909 312	150 264 084	147 173 784
Total Budget	623 217 996	636 947 057	639 932 496	645 742 632	656 321 230

Remarks:

- The total draft budget is proposed to be R639,9 million, it should be noted that this is an increase of R2,9 million from the current adjustments budget.
- The Increase is mainly as a result of increased allocation on the capital grants
i.e. MIG and equitable share.

PROPOSED TARIFF INCREASES AND BUDGET ASSUMPTIONS**Property Rates**

Property rates tariff is proposed to increase by 0% for the 2022/23 financial year as follows;

Categories	Rate Randages /Rand Value – c/R	Ratio in relation to residential property
Residential property	0.010878	1:1
Farm property as defined in Section 8(2) (d)(i) and 8 (2) (f) (i) of the Act (being Farm property used for agricultural purposes and smallholdings used for agricultural purposes)	0.0027195	1: 0.25
Agricultural property used predominantly for commercial and / or industrial purposes	0.0027195	1:0.25
Smallholdings used predominantly for commercial and / or industrial purposes	0.0027195	1: 0.25
Commercial / Business properties	0.013054	1: 1.2
Industrial properties	0.013054	1:1.2
Public Service Infrastructure properties	0.0027195	1:0.25
Municipal properties	0.013054	1:1.2

Residential	0.010878	0%
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First R65 000 exempt		
40% Rebate		
Vacant Land	0.02176	0%
Commercial	0.013054	0%
15% exempt		0%
Government	0.02176	0%
Farms	0.0027195	0%
70% rebate		0%
Industrial	0.013054	0%
15% rebate		0%
Municipal	0.013054	0%
100% rebate		

Service Charges

- The electricity tariff is proposed to increase by 9-16% subject to approval from NERSA.
- No increase is proposed for the Refuse tariffs and all other tariffs.

Remuneration of Councillors and Employee related costs

The municipality has provided for a 4.8 % increase on both remunerations of councillors and Employee related costs as per the SALGBC salary and wage increase agreement.

Budget Related Policies

The following budget related policies have been reviewed for the 2022/23 budget,

- 1) Budget policy,
- 2) Cash management policy,
- 3) Cash shortage policy,
- 4) Credit control and debt collection policy,
- 5) Cost containment policy ,
- 6) Customer care policy,
- 7) Customer incentive scheme policy,
- 8) Data backup policy,
- 9) Debt capacity policy,
- 10) Donor finance policy,
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- 12) Entertainment & refreshments policy,
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- 14) Unclaimed deposits policy,
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- 18) GRAP framework policy,
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- 20) Cash-up Policy,
- 21) Fixed Assets Policy,
- 22) Payment Policy,
- 23) Petty Cash Policy,
- 24) Rates Policy,
- 25) Special Services Policy,
- 26) Strategy to improve Debtor policy,
- 27) Supply Chain Management Policy,
- 28) Tariff Policy,
- 29) Use of Credit Card Policy and
- 30) Virement Policy.
- 31) Infrastructure procurement and delivery management policy.
- 32) Indigent Policy
- 33) Banking and Investments Policy
- 34) Use of Consultants Policy

Operating Revenue Framework

For Matatiele Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 80 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2022/23 MTREF (classified by main revenue source):

Table 1 -Summary of revenue classified by main revenue source

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
Revenue By Source											
Property rates	2	43 280	44 904	46 575	54 088	54 088	54 088	45 451	54 088	56 793	59 632
Service charges - electricity revenue	2	51 157	47 645	57 058	55 007	55 007	55 007	34 733	71 416	74 987	78 736
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	10 009	10 790	11 531	15 526	15 526	15 526	7 737	15 526	16 302	17 117
Rental of facilities and equipment		1 081	2 783	1 397	1 245	1 245	1 245	1 040	2 028	2 129	2 235
Interest earned - external investments		10 495	12 973	8 835	14 650	14 650	14 650	5 464	14 650	15 383	16 152
Interest earned - outstanding debtors		9 614	11 555	13 357	11 799	11 799	11 799	10 673	18 731	17 462	18 335
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		3 471	1 398	762	2 094	2 094	2 094	661	1 769	1 521	1 598
Licences and permits		3 279	2 557	3 787	4 525	4 525	4 525	3 215	4 131	4 337	4 554
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		215 619	244 441	306 535	267 313	269 537	269 537	263 741	293 418	304 242	321 932
Other revenue	2	2 441	1 475	873	1 501	1 501	1 501	875	1 471	1 544	1 621
Gains		18 761	(3)	1 801	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		369 207	380 515	452 512	427 747	429 971	429 971	373 589	477 227	494 701	521 913

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No.51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio to residential properties to be 1:025. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17 (h) of the MPRA). In addition to this rebate, a further R50 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy i.e. the market value less R 65 000.00;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a minimum total rebate of 40 per cent will be granted to owners of rateable property if the total gross income of the applicant and/or his/her spouse, if any, is the following:
 - Income not exceeding R5 000.00

In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse.
- The applicant must submit proof of his/her age, identity and also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to the debt should be in place; and
- The property must be categorized as residential.

Additional:

- Residential properties a 40% rebate
- Properties categorized commercial 15% rebate on rates.
- Farms/ Smallholdings used for agricultural purposes 70% rebates.
- The municipality may award a 100 per cent grant in aid on the assessment rates of rate-able properties of certain
Classes such as churches, registered welfare organizations, institutions or organizations performing charitable work,
Sports grounds used for purposes of amateur sport.

In considering changes in property rates, cognizance was taken of the local economic conditions such as the gradual recovery in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non-payment and increased bad debts.

Table 2- Transfers and Grant Receipts

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
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		214 943	–	–	265 363	265 363	265 363	292 768	304 242	321 932
Local Government Equitable Share		207 642			258 826	258 826	258 826	286 308	302 542	320 232
Expanded Public Works Programme Integrated Grant		3 185			4 887	4 887	4 887	4 810	–	–
Local Government Financial Management Grant		1 701			1 650	1 650	1 650	1 650	1 700	1 700
Municipal Disaster Grant					–	–	–			
Municipal Infrastructure Grant		2 415								
Other transfers/grants [insert description]										
Provincial Government:		676	–	–	650	650	650	650	–	–
Human Settlement Development		–								
IDP		–								
Libraries, Archives and Museums		168			650	650	650	650	–	–
Library Service		508								
Other transfers/grants [insert description]		–								
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	215 619	–	–	266 013	266 013	266 013	293 418	304 242	321 932
Capital Transfers and Grants										
National Government:		104 386	–	–	145 471	145 471	145 471	102 356	111 006	115 965
Municipal Infrastructure Grant (MIG)		43 080			51 971	51 971	51 971	56 068	58 514	61 116
Integrated National Electrification Programme (Municipal)		61 306			93 500	93 500	93 500	46 288	52 492	54 849
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	104 386	–	–	145 471	145 471	145 471	102 356	111 006	115 965
TOTAL RECEIPTS OF TRANSFERS & GRANTS		320 005	–	–	411 484	411 484	411 484	395 774	415 248	437 897

The municipality operational grants budget amounts to R293, 418 million for 2022/23 year, included in this amount is the equitable share allocation, the operational grants budget equates to 49% of the total revenue budget.

Table 3 Comparison of rated levies for the 2022/23 financial year

CATEGORY	CURRENT TARIFF 2020/21	TARIFF (EFFECTIVE FROM 1ST JULY
Residential	0.0106	0.0109
Vacant Land	0.0211	0.0218
Commercial	0.0127	0.0131
Farms	0.0026	0.0026
Government	0.0211	0.0218
Industrial	0.0127	0.0131
Municipal	0.0127	0.0131

Table 4 Comparison between current electricity charges and increases

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
1	REFUSE REMOVAL CHARGES				
1,1	<i>Domestic Removals</i>				
(a)	Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of per bag per month.	R 139,19	0%	R 139,19	R 160,07
1,2	<i>Commercial Removals</i>				
(a)	Each individual/separate business shall be charged a basic service charge per month.	R 208,77	0%	R 208,77	R 240,09
1,3	In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice weekly.	R 208,77	0%	R 208,77	R 240,09
1,4	Provided that Council may at any time conclude separate agreements with commercial users who require that refuse be removed more than twice a week. The above tariff shall be the applicable tariff.				
1,5	<i>Removal from Separate Consumers on same Premises</i>				
	Where refuse is removed from shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the removal of refuse shall be as prescribed in applicable scales.				
1,6	<i>Availability Charge</i>				
	A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	R 235,94	0%	R 235,94	R 271,33
	A availability fee , is charged to any vacant domestic erven located in the town areas of Cedarville, Matatiele and Maluti.	R 117,97	0%	R 117,97	R 135,66

Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as fuel and oil and the employee related cost.

No increase on the waste tariff is proposed from for the 2022/23 budget year.

The following table compares current and proposed amounts payable for the 2021/23 MTREF

Table 6 Comparison between current waste removal fees and increases

WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
REFUSE REMOVAL CHARGES				
<i>Domestic Removals</i>				
Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of per bag per month.	R 139,19	0%	R 139,19	R 160,07
<i>Commercial Removals</i>				
Each individual/separate business shall be charged a basic service charge per month.	R 208,77	0%	R 208,77	R 240,09
In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice weekly.	R 208,77	0%	R 208,77	R 240,09
Provided that Council may at any time conclude separate agreements with commercial users who require that refuse be removed more than twice a week. The above tariff shall be the applicable tariff.				
<i>Removal from Separate Consumers on same Premises</i>				
Where refuse is removed from shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the removal of refuse shall be as prescribed in applicable scales.				
<i>Availability Charge</i>				
A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	R 235,94	0%	R 235,94	R 271,33
A availability fee , is charged to any vacant domestic erven located in the town areas of Cedarville, Matatiele and Maluti.	R 117,97	0%	R 117,97	R 135,66

1.2.1 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 7 EC441 MATATIELE LOCAL MUNICIPALITY Table SA14 – Household bills

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22 % incr.	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		322.72	355.79	355.79	355.79	355.79	355.79	0.03	411.87	432.46	445.44
Electricity: Basic levy		219.21	247.76	247.76	461.56	461.56	461.56	0.16	535.41	621.08	720.46
Electricity: Consumption		659.56	745.45	745.45	745.45	745.45	745.45	0.16	1,010.36	1,141.71	1,141.71
Water: Basic levy	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water: Consumption	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sanitation	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Refuse removal		50.85	117.99	132.00	139.00	139.00	139.00	–	139.00	145.95	153.00
Other		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
sub-total		1,252.34	1,466.99	1,481.00	1,701.80	1,701.80	1,701.80	0.35	2,096.64	2,341.20	2,460.61
VAT on Services											
Total large household bill:		1,252.34	1,466.99	1,481.00	1,701.80	1,701.80	1,701.80	0.35	2,096.64	2,341.20	2,460.61
% increase/-decrease		–	17.1%	1.0%	14.9%	–	–		598,940.0%	11.7%	5.1%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		322.72	355.79	355.79	355.79	355.79	355.79	0.03	411.87	432.46	432.46
Electricity: Basic levy		219.21	247.76	247.76	461.56	461.56	461.56	0.16	535.41	621.08	720.46
Electricity: Consumption		659.56	745.45	745.45	745.45	745.45	745.45	0.16	1,075.60	1,215.44	1,215.44
Water: Basic levy	–	–	–	–	–	–	–	n/a	n/a	n/a	n/a
Water: Consumption	–	–	–	–	–	–	–	n/a	n/a	n/a	n/a
Sanitation	–	–	–	–	–	–	–	n/a	n/a	n/a	n/a
Refuse removal		50.85	117.99	132.00	139.00	139.00	139.00	–	139.00	145.95	153.00
Other		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
sub-total		1,252.34	1,466.99	1,481.00	1,701.80	1,701.80	1,701.80	0.35	2,161.88	2,414.93	2,521.36
VAT on Services											
Total small household bill:		1,252.34	1,466.99	1,481.00	1,701.80	1,701.80	1,701.80	0.35	2,161.88	2,414.93	2,521.36
% increase/-decrease		–	17.1%	1.0%	14.9%	–	–		617,580.0%	11.7%	4.4%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		30,000.00	30,000.00	55,000.00	55,000.00	55,000.00	55,000.00	0.03	65,000.00	65,000.00	65,000.00
Electricity: Basic levy											
Electricity: Consumption		50.00	50.00	50.00	50.00	50.00	50.00	–	50.00	50.00	50.00
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		72,813.69	76,454.37	132.00	139.00	139.00	139.00	–	139.00	145.95	153.00
Other											
sub-total		102,863.69	106,504.37	55,182.00	55,189.00	55,189.00	55,189.00	0.03	65,189.00	65,195.95	65,203.00
VAT on Services											
Total small household bill:		102,863.69	106,504.37	55,182.00	55,189.00	55,189.00	55,189.00	0.03	65,189.00	65,195.95	65,203.00
% increase/-decrease		–	3.5%	(48.2%)	0.0%	–	–		217,296,566.7%	0.0%	0.0%

Operating Expenditure Framework

The Municipality's expenditure framework for the 2022/23 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Strict adherences to the principle of no project plan no budget.
- Cost containment regulations

The following table is a high level summary of the 2022/22 budget and MTREF (classified per main type of operating expenditure):

Table 8 Summary of operating expenditure by standard classification item

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
Expenditure By Type											
Employee related costs	2	109 115	114 310	117 964	132 261	132 261	132 261	83 277	137 172	144 031	155 650
Remuneration of councillors		19 626	20 447	19 979	21 690	21 690	21 690	12 467	22 459	23 582	24 292
Debt impairment	3	5 848	15 797	34 121	7 000	7 000	7 000	—	6 000	6 300	6 615
Depreciation & asset impairment	2	55 067	57 441	82 540	35 300	35 300	35 300	22 765	58 970	61 919	65 014
Finance charges		5	3	1	—	—	—	—	—	—	—
Bulk purchases - electricity	2	39 260	43 138	48 196	50 000	62 000	62 000	42 470	61 383	64 452	68 095
Inventory consumed	8	3 666	4 016	5 763	7 379	6 881	6 881	1 303	7 697	8 082	5 361
Contracted services		67 838	80 304	93 220	105 630	105 785	105 785	63 841	113 874	111 022	100 961
Transfers and subsidies		150	—	—	—	—	—	—	—	—	—
Other expenditure	4, 5	41 919	36 353	34 128	71 086	61 253	61 253	27 960	72 468	76 091	83 159
Losses		118 195	684	—	—	—	—	—	—	—	—
Total Expenditure		460 689	372 494	435 912	430 346	432 170	432 170	254 083	480 023	495 479	509 147

The budgeted allocation for employee related costs for the 2022/23 financial year totals R137, 1 million, which equals 31 per cent of the total operating expenditure. The municipality has effected an increase of 29 % for the 2021/2022 budget year.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 80 per cent and the Debt Write-off Policy of the Municipality. For the 2022/23 financial year this amount equates to R6, million and escalates to R6,6million by 2024/25. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R58,9 million for the 2022/23 financial and equates to 12 per cent of the total operating expenditure.

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

Other material comprises of amongst others materials for maintenance. For 2022/23 budget year the appropriation against this group of expenditure is by 2 per cent and continues to grow at 3 and 5 per cent for the two outer years.

Other expenditure comprises of various line items relating to the daily operations of the municipality. The appropriation for this group of expenditures equates to 15 per cent for 2022/23.

1.2.2 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2022/23 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

The table below provides a breakdown of the repairs and maintenance in relation expenditure items:

Table 9 Repairs and maintenance by expenditure item

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		2,497	5,896	5,229	6,998	8,788	8,788	8,990	3,941	4,138
Roads Infrastructure		2,497	5,896	5,229	6,998	8,788	8,788	8,990	3,941	4,138
Roads		2,497	5,896	5,229	6,998	8,788	8,788	8,990	3,941	4,138
Community Assets		104	833	9,106	10,230	10,930	10,930	10,879	11,372	11,940
Community Facilities		104	527	695	1,180	1,780	1,780	2,030	2,132	2,238
Halls		–	–	27	100	200	200	550	578	606
Fire/Ambulance Stations		104	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	500	525	551
Public Open Space		–	–	–	210	210	210	10	11	11
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	527	667	750	1,250	1,250	850	893	937
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	120	120	120	120	126	132
Sport and Recreation Facilities		–	307	8,412	9,050	9,150	9,150	8,849	9,240	9,702
Indoor Facilities		–	–	–	–	–	–	500	–	–
Outdoor Facilities		–	307	8,412	9,050	9,150	9,150	8,349	9,240	9,702
Capital Spares		–	–	–	–	–	–	–	–	–
Other assets		3,005	2,460	2,781	1,210	1,510	1,510	950	–	–
Operational Buildings		3,005	2,460	2,781	1,210	1,510	1,510	950	–	–
Municipal Offices		3,005	2,460	2,781	1,210	1,510	1,510	950	–	–
Machinery and Equipment		136	1,452	1,026	1,225	2,035	2,035	1,605	1,685	1,770
Machinery and Equipment		136	1,452	1,026	1,225	2,035	2,035	1,605	1,685	1,770
Transport Assets		–	–	–	2,430	2,430	2,430	2,000	2,100	2,205
Transport Assets		–	–	–	2,430	2,430	2,430	2,000	2,100	2,205
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	5,742	10,642	18,143	22,093	25,693	25,693	24,424	19,097	20,052

For the 2021/22 financial year repairs and maintenance is budgeted at R30, 6 million this equates to 7% of the total operating budget.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 13 453 or more indigent households during the 2022/23 financial year, a process reviewed annually.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.3 Capital expenditure

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

Table 10 2021/22 Medium-term capital budget per vote

CL441 Matatiele - Table A3 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 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 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote	2										
Multi-year expenditure, to be appropriated											
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure, to be appropriated	2										
Vote 1 - Executive Council		1	(28)	-	90	90	90	74	-	-	-
Vote 2 - Finance and Admin		119 108	133 748	4 061	726	2 156	2 156	506	1 860	-	-
Vote 3 - Corporate		2 099	3 467	(2 384)	6 710	6 710	6 710	3 943	2 310	-	-
Vote 4 - Development and Planning		84 306	84 968	21 713	248	218	218	89	500	-	-
Vote 5 - Community		22 230	5 469	2 402	4 962	5 067	5 067	1 445	6 360	1 265	1 265
Vote 6 - Infrastructure		36 114	101 812	122 181	180 138	194 138	194 138	100 811	148 879	148 999	145 909
Vote 7 - Internal Audit		(12 655)	(12 655)	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		251 204	316 781	147 972	192 873	208 378	208 378	106 866	159 909	150 264	147 174
Total Capital Expenditure - Vote		251 204	316 781	147 972	192 873	208 378	208 378	106 866	159 909	150 264	147 174
Capital Expenditure - Functional											
Governance and administration		108 553	124 532	1 676	7 526	8 956	8 956	4 522	4 170	-	-
Executive and council		1	(28)	-	90	90	90	74	-	-	-
Finance and administration		121 207	137 215	1 676	7 436	8 866	8 866	4 448	4 170	-	-
Internal audit		(12 655)	(12 655)	-	-	-	-	-	-	-	-
Community and public safety		16 541	52 627	2 248	1 762	1 867	1 867	1 196	3 460	-	-
Community and social services		13 881	49 846	2 093	410	410	410	59	1 510	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		2 659	2 781	155	1 352	1 457	1 457	1 136	1 950	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		118 963	151 684	98 125	82 205	92 175	92 175	40 223	100 101	96 508	91 060
Planning and development		241	904	488	248	218	218	89	500	-	-
Road transport		118 722	150 780	97 637	81 957	91 957	91 957	40 134	99 601	96 508	91 060
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		7 147	(12 062)	45 923	101 380	105 380	105 380	60 926	52 178	53 757	56 114
Energy sources		1 457	35 097	45 769	98 180	102 180	102 180	60 677	49 278	52 492	54 849
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		5 690	(47 159)	154	3 200	3 200	3 200	249	2 900	1 265	1 265
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	251 204	316 781	147 972	192 873	208 378	208 378	106 866	159 909	150 264	147 174
Funded by:											
National Government		119 401	132 730	63 340	142 872	142 872	142 872	94 068	99 553	108 079	112 909
Provincial Government		22 820	22 821	121	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		(0)	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	142 221	155 550	63 461	142 872	142 872	142 872	94 068	99 553	108 079	112 909
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		53 452	22 267	69 066	50 000	65 505	65 505	12 653	60 357	42 185	34 265
Total Capital Funding	7	195 673	177 817	132 527	192 873	208 378	208 378	106 720	159 909	150 264	147 174

1.4 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2022/23 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 11 MBRR 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
R thousands										
Financial Performance										
Property rates	43 280	44 904	46 575	54 088	54 088	54 088	45 451	54 088	56 793	59 632
Service charges	61 166	58 434	68 589	70 532	70 532	70 532	42 470	86 942	91 289	95 853
Investment revenue	10 495	12 973	8 835	14 650	14 650	14 650	5 464	14 650	15 383	16 152
Transfers recognised - operational	215 619	244 441	306 535	267 313	269 537	269 537	263 741	293 418	304 242	321 932
Other own revenue	38 647	19 764	21 978	21 163	21 163	21 163	16 464	28 129	26 994	28 344
Total Revenue (excluding capital transfers and contributions)	369 207	380 515	452 512	427 747	429 971	429 971	373 589	477 227	494 701	521 913
Employee costs	109 115	114 310	117 964	132 261	132 261	132 261	83 277	137 172	144 031	155 650
Remuneration of councillors	19 626	20 447	19 979	21 690	21 690	21 690	12 467	22 459	23 582	24 292
Depreciation & asset impairment	55 067	57 441	82 540	35 300	35 300	35 300	22 765	58 970	61 919	65 014
Finance charges	5	3	1	—	—	—	—	—	—	—
Inventory consumed and bulk purchases	42 926	47 154	53 959	57 379	68 881	68 881	43 773	69 080	72 534	73 456
Transfers and grants	150	—	—	—	—	—	—	—	—	—
Other expenditure	233 800	133 139	161 470	183 716	174 038	174 038	91 801	192 342	193 413	190 735
Total Expenditure	460 689	372 494	435 912	430 346	432 170	432 170	254 083	480 023	495 479	509 147
Surplus/(Deficit)	(91 482)	8 022	16 600	(2 599)	(2 199)	(2 199)	119 506	(2 796)	(778)	12 766
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	104 943	124 782	92 926	145 471	145 471	145 471	105 940	102 356	111 006	115 965
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)	2 874	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	16 335	132 803	—	142 872	143 272	143 272	225 445	99 560	110 228	128 731
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	16 335	132 803	—	142 872	143 272	143 272	225 445	99 560	110 228	128 731
Capital expenditure & funds sources										
Capital expenditure	251 204	316 781	147 972	192 873	208 378	208 378	106 866	159 909	150 264	147 174
Transfers recognised - capital	142 221	155 550	63 461	142 872	142 872	142 872	94 068	99 553	108 079	112 909
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	53 452	22 267	69 066	50 000	65 505	65 505	12 653	60 357	42 185	34 265
Total sources of capital funds	195 673	177 817	132 527	192 873	208 378	208 378	106 720	159 909	150 264	147 174
Financial position										
Total current assets	256 904	305 491	373 948	264 567	251 217	251 217	510 985	305 844	327 726	374 298
Total non current assets	986 772	1 064 250	1 130 191	1 152 868	1 168 373	1 238 973	1 214 293	1 344 695	1 433 041	1 515 200
Total current liabilities	97 383	111 033	131 863	(62 284)	(48 569)	23 881	127 807	99 372	99 372	99 372
Total non current liabilities	26 904	28 276	32 753	(29 578)	(29 578)	29 578	32 753	14 442	14 442	14 442
Community wealth/Equity	1 104 028	1 099 331	1 320 735	1 509 297	1 497 737	1 958 628	1 499 161	1 536 725	1 646 953	1 775 684
Cash flows										
Net cash from (used) operating	222 412	198 241	500 027	153 450	163 157	163 157	311 951	134 844	147 344	167 703
Net cash from (used) investing	—	—	(161 457)	(192 872)	(204 327)	(204 327)	(112 408)	(159 909)	(150 264)	(147 174)
Net cash from (used) financing	—	—	110	—	—	—	71	—	—	—
Cash/cash equivalents at the year end	222 412	198 241	491 876	138 887	125 578	125 578	424 036	248 363	245 442	265 971
Cash backing/surplus reconciliation										
Cash and investments available	123 957	153 196	224 422	140 943	127 095	127 095	321 327	248 363	245 442	265 971
Application of cash and investments	(133 324)	(78 106)	(59 289)	(147 091)	(133 376)	(60 926)	(104 279)	22 549	4 129	(14 690)
Balance - surplus (shortfall)	257 281	231 302	283 711	288 034	260 471	188 021	425 606	225 814	241 313	280 661
Asset management										
Asset register summary (WDV)	763 311	754 393	799 270	983 839	978 756	978 756	978 756	1 220 456	1 167 860	1 114 641
Depreciation	48 540	47 812	41 583	35 300	35 300	35 300	35 300	58 970	61 919	65 014
Renewal and Upgrading of Existing Assets	3 084	15 620	46 475	26 100	37 410	37 410	37 410	37 500	38 500	35 500

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. These places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2022/23, when a small surplus is reflected.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard 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
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		300 209	309 872	369 360	341 497	341 497	341 497	376 020	394 166	416 352
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		300 209	309 872	369 360	341 497	341 497	341 497	376 020	394 166	416 352
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		7 240	7 125	9 482	13 841	13 841	13 841	11 569	6 414	6 735
Community and social services		1 107	3 469	4 965	7 602	7 602	7 602	6 368	953	1 001
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		6 133	3 655	4 517	6 239	6 239	6 239	5 201	5 461	5 734
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		64 764	59 075	61 176	52 183	52 183	52 183	56 290	58 747	61 361
Planning and development		888	481	691	202	202	202	202	212	223
Road transport		63 877	58 594	60 486	51 981	51 981	51 981	56 088	58 535	61 138
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		104 810	129 225	105 421	165 697	167 921	167 921	135 705	146 379	153 431
Energy sources		94 680	118 306	91 020	150 099	150 099	150 099	120 104	129 999	136 231
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		10 131	10 919	14 401	15 598	17 822	17 822	15 601	16 381	17 200
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	477 024	505 297	545 438	573 218	575 442	575 442	579 583	605 707	637 878
Expenditure - Functional										
<i>Governance and administration</i>		288 425	183 488	213 330	254 309	242 209	242 209	281 820	289 990	314 249
Executive and council		27 744	30 896	24 449	28 860	28 660	28 660	29 645	31 127	32 065
Finance and administration		257 610	150 259	185 594	221 705	209 605	209 605	248 483	254 986	278 030
Internal audit		3 071	2 333	3 287	3 744	3 944	3 944	3 692	3 877	4 154
<i>Community and public safety</i>		27 388	29 052	32 885	42 778	42 228	42 228	48 680	48 489	46 562
Community and social services		10 768	11 872	13 828	20 523	19 973	19 973	26 010	24 686	23 428
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		16 620	17 180	19 057	22 255	22 255	22 255	22 670	23 803	23 134
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		82 581	82 304	62 504	49 016	48 906	48 906	51 818	54 409	43 933
Planning and development		47 416	15 981	17 626	21 954	23 254	23 254	23 882	25 076	18 193
Road transport		35 166	66 323	44 878	27 062	25 652	25 652	27 936	29 333	25 740
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		62 295	77 650	127 193	84 242	99 226	99 226	97 706	102 591	104 404
Energy sources		46 013	59 728	96 946	60 140	76 200	76 200	71 862	75 455	77 425
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		16 283	17 922	30 246	24 102	23 026	23 026	25 843	27 136	26 979
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	460 689	372 494	435 912	430 346	432 570	432 570	480 023	495 479	509 147
Surplus/(Deficit) for the year		16 335	132 803	109 526	142 872	142 872	142 872	99 560	110 228	128 731

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

Table 13 Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

CS441 matatiele - 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
R thousand										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		296 639	309 400	369 139	341 022	341 022	341 022	375 670	393 799	415 966
Vote 3 - Corporate		3 570	471	221	475	475	475	350	368	386
Vote 4 - Development and Planning		1 008	816	508	202	202	202	202	212	223
Vote 5 - Community		17 371	18 044	23 883	29 439	31 663	31 663	27 169	22 795	23 934
Vote 6 - Infrastructure		158 436	176 565	151 688	202 080	202 080	202 080	176 192	188 534	197 369
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	477 024	505 297	545 438	573 218	575 442	575 442	579 583	605 707	637 878
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Council		27 744	30 896	24 449	28 860	28 660	28 660	29 645	31 127	32 065
Vote 2 - Finance and Admin		200 945	90 105	120 964	153 257	142 837	142 837	176 224	179 114	196 294
Vote 3 - Corporate		56 664	60 154	64 630	68 449	66 769	66 769	72 259	75 872	81 736
Vote 4 - Development and Planning		17 339	18 673	20 297	21 954	23 254	23 254	23 882	25 076	18 193
Vote 5 - Community		43 670	46 974	63 132	66 880	65 254	65 254	74 524	75 625	73 541
Vote 6 - Infrastructure		111 254	123 359	139 154	87 202	101 852	101 852	99 798	104 788	103 165
Vote 7 - Internal Audit		3 071	2 333	3 287	3 744	3 944	3 944	3 692	3 877	4 154
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	460 689	372 494	435 912	430 346	432 570	432 570	480 023	495 479	509 147
Surplus/(Deficit) for the year	2	16 335	132 803	109 526	142 872	142 872	142 872	99 560	110 228	128 731

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 14 Table A4 - Budgeted Financial Performance (revenue and expenditure)

2021/22 Medium Term Revenue & Expenditure Framework - Table A: Budgeted & Actual Performance (Revenue and Expenditure)											
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
R thousand	1										
Revenue By Source											
Property rates	2	43 280	44 904	46 575	54 088	54 088	54 088	45 451	54 088	56 793	59 632
Service charges - electricity revenue	2	51 157	47 645	57 058	55 007	55 007	55 007	34 733	71 416	74 987	78 736
Service charges - water revenue	2	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue	2	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue	2	10 009	10 790	11 531	15 526	15 526	15 526	7 737	15 526	16 302	17 117
Rental of facilities and equipment		1 081	2 783	1 397	1 245	1 245	1 245	1 040	2 028	2 129	2 235
Interest earned - external investments		10 495	12 973	8 835	14 650	14 650	14 650	5 464	14 650	15 383	16 152
Interest earned - outstanding debtors		9 614	11 555	13 357	11 799	11 799	11 799	10 673	18 731	17 462	18 335
Dividends received		—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		3 471	1 398	762	2 094	2 094	2 094	661	1 769	1 521	1 598
Licences and permits		3 279	2 557	3 787	4 525	4 525	4 525	3 215	4 131	4 337	4 554
Agency services		—	—	—	—	—	—	—	—	—	—
Transfers and subsidies		215 619	244 441	306 535	267 313	269 537	269 537	263 741	293 418	304 242	321 932
Other revenue	2	2 441	1 475	873	1 501	1 501	1 501	875	1 471	1 544	1 621
Gains		18 761	(3)	1 801	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		369 207	380 515	452 512	427 747	429 971	429 971	373 589	477 227	494 701	521 913
Expenditure By Type											
Employee related costs	2	109 115	114 310	117 964	132 261	132 261	132 261	83 277	137 172	144 031	155 650
Remuneration of councillors		19 626	20 447	19 979	21 690	21 690	21 690	12 467	22 459	23 582	24 292
Debt impairment	3	5 848	15 797	34 121	7 000	7 000	7 000	—	6 000	6 300	6 615
Depreciation & asset impairment	2	55 067	57 441	82 540	35 300	35 300	35 300	22 765	58 970	61 919	65 014
Finance charges		5	3	1	—	—	—	—	—	—	—
Bulk purchases - electricity	2	39 260	43 138	48 196	50 000	62 000	62 000	42 470	61 383	64 452	68 095
Inventory consumed	8	3 666	4 016	5 763	7 379	6 881	6 881	1 303	7 697	8 082	5 361
Contracted services		67 838	80 304	93 220	105 630	105 785	105 785	63 841	113 874	111 022	100 961
Transfers and subsidies		150	—	—	—	—	—	—	—	—	—
Other expenditure	4, 5	41 919	36 353	34 128	71 086	61 253	61 253	27 960	72 468	76 091	83 159
Losses		118 195	684	—	—	—	—	—	—	—	—
Total Expenditure		460 689	372 494	435 912	430 346	432 170	432 170	254 083	480 023	495 479	509 147
Surplus/(Deficit)		(91 482)	8 022	16 600	(2 599)	(2 199)	(2 199)	119 506	(2 796)	(778)	12 766
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		104 943	124 782	92 926	145 471	145 471	145 471	105 940	102 356	111 006	115 965
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)		2 874	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		16 335	132 803	109 526	142 872	143 272	143 272	225 445	99 560	110 228	128 731
Taxation		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation		16 335	132 803	109 526	142 872	143 272	143 272	225 445	99 560	110 228	128 731
Attributable to minorities		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		16 335	132 803	109 526	142 872	143 272	143 272	225 445	99 560	110 228	128 731
Share of surplus/ (deficit) of associate	7	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year		16 335	132 803	109 526	142 872	143 272	143 272	225 445	99 560	110 228	128 731

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

1. Total revenue is R477,2 million (excluding capital and escalates to R521,9million by 2024/25.
2. Revenue to be generated from property rates is R54, million in the 2022/23 financial year and increases to R59, million by 2024/25 which represents 12 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality's own revenue.
3. Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R86,9 million for the 2022/23 financial year and increasing to R95,8 million by 2024/25. For the 2022/23 financial year services charges amount to 18 per cent of the total operating revenue base. This growth can mainly be attributed to the increase in the bulk prices of electricity.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. The percentage share of this revenue source increases each year as per the allocations on the DORA.
5. Bulk purchases amounts to R61 million and increases to R68 million for 2024/25. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 15 Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

ECM1 Matatiele - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

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	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Council	1	(28)	-	90	90	90	74	-	-	-	-
Vote 2 - Finance and Admin	119 108	133 748	4 061	726	2 156	2 156	506	1 860	-	-	-
Vote 3 - Corporate	2 099	3 467	(2 384)	6 710	6 710	6 710	3 943	2 310	-	-	-
Vote 4 - Development and Planning	84 306	84 968	21 713	248	218	218	89	500	-	-	-
Vote 5 - Community	22 230	5 469	2 402	4 962	5 067	5 067	1 445	6 360	1 265	1 265	-
Vote 6 - Infrastructure	36 114	101 812	122 181	180 138	194 138	194 138	100 811	148 879	148 999	145 909	-
Vote 7 - Internal Audit	(12 655)	(12 655)	-	-	-	-	-	-	-	-	-
Vote 8 -	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		251 204	316 781	147 972	192 873	208 378	208 378	106 866	159 909	150 264	147 174
Total Capital Expenditure - Vote		251 204	316 781	147 972	192 873	208 378	208 378	106 866	159 909	150 264	147 174
Capital Expenditure - Functional											
Governance and administration		108 553	124 532	1 676	7 526	8 956	8 956	4 522	4 170	-	-
Executive and council	1	(28)	-	90	90	90	74	-	-	-	-
Finance and administration	121 207	137 215	1 676	7 436	8 866	8 866	4 448	4 170	-	-	-
Internal audit	(12 655)	(12 655)	-	-	-	-	-	-	-	-	-
Community and public safety	16 541	52 627	2 248	1 762	1 867	1 867	1 196	3 460	-	-	-
Community and social services	13 881	49 846	2 093	410	410	410	59	1 510	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-
Public safety	2 659	2 781	155	1 352	1 457	1 457	1 136	1 950	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	118 963	151 684	98 125	82 205	92 175	92 175	40 223	100 101	96 508	91 060	-
Planning and development	241	904	488	248	218	218	89	500	-	-	-
Road transport	118 722	150 780	97 637	81 957	91 957	91 957	40 134	99 601	96 508	91 060	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-
Trading services	7 147	(12 062)	45 923	101 380	105 380	105 380	60 926	52 178	53 757	56 114	-
Energy sources	1 457	35 097	45 769	98 180	102 180	102 180	60 677	49 278	52 492	54 849	-
Water management	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-
Waste management	5 690	(47 159)	154	3 200	3 200	3 200	249	2 900	1 265	1 265	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	251 204	316 781	147 972	192 873	208 378	208 378	106 866	159 909	150 264	147 174
Funded by:											
National Government		119 401	132 730	63 340	142 872	142 872	142 872	94 068	99 553	108 079	112 909
Provincial Government		22 820	22 821	121	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		(0)	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	142 221	155 550	63 461	142 872	142 872	142 872	94 068	99 553	108 079	112 909
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds	6	53 452	22 267	69 066	50 000	65 505	65 505	12 653	60 357	42 185	34 265
Total Capital Funding	7	195 673	177 817	132 527	192 873	208 378	208 378	106 720	159 909	150 264	147 174

notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations..
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

The capital programme is funded from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 16 MBRR Table A6 -Budgeted Financial Position
Explanatory notes to 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
R thousand											
ASSETS											
Current assets											
Cash		11 360	2 891	11 295	669	11 294	11 294	82 418	15 424	12 504	33 033
Call investment deposits	1	112 597	150 305	213 127	140 275	115 801	115 801	238 909	232 938	232 938	232 938
Consumer debtors	1	72 292	76 813	66 327	33 127	33 127	33 127	92 579	51 451	75 949	101 673
Other debtors		60 655	75 481	83 199	88 896	88 896	88 896	95 129	4 937	5 241	5 561
Current portion of long-term receivables		—	—	—	—	—	—	—	—	—	—
Inventory	2	—	—	—	1 600	2 098	2 098	1 950	1 093	1 093	1 093
Total current assets		256 904	305 491	373 948	264 567	251 217	251 217	510 985	305 844	327 726	374 298
Non current assets											
Long-term receivables		—	—	—	—	—	—	—	—	—	—
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		35 575	3 698	4 960	2 327	2 327	2 327	4 960	—	—	—
Investment in Associate		—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	3	950 785	1 059 860	1 124 828	1 148 451	1 163 956	1 234 556	1 208 847	1 343 569	1 436 640	1 583 814
Biological		—	—	—	—	—	—	—	—	—	—
Intangible		413	692	403	590	590	590	206	326	(4 399)	(69 414)
Other non-current assets		—	—	—	1 500	1 500	1 500	280	800	800	800
Total non current assets		986 772	1 064 250	1 130 191	1 152 868	1 168 373	1 238 973	1 214 293	1 344 695	1 433 041	1 515 200
TOTAL ASSETS		1 243 677	1 369 741	1 504 140	1 417 435	1 419 590	1 490 190	1 725 278	1 650 539	1 760 767	1 889 498
LIABILITIES											
Current liabilities											
Bank overdraft	1	—	—	—	—	—	—	—	—	—	—
Borrowing	4	—	—	—	—	—	—	—	—	—	—
Consumer deposits		1 255	1 387	1 497	(345)	(345)	(345)	1 568	822	822	822
Trade and other payables	4	81 837	94 529	115 049	(49 940)	(36 225)	36 225	110 921	62 798	62 798	62 798
Provisions		14 291	15 117	15 318	(11 998)	(11 998)	(11 998)	15 318	35 752	35 752	35 752
Total current liabilities		97 383	111 033	131 863	(62 284)	(48 569)	23 881	127 807	99 372	99 372	99 372
Non current liabilities											
Borrowing		—	—	—	—	—	—	—	—	—	—
Provisions		26 904	28 276	32 753	(29 578)	(29 578)	29 578	32 753	14 442	14 442	14 442
Total non current liabilities		26 904	28 276	32 753	(29 578)	(29 578)	29 578	32 753	14 442	14 442	14 442
TOTAL LIABILITIES		124 287	139 309	164 616	(91 861)	(78 147)	53 459	160 560	113 814	113 814	113 814
NET ASSETS	5	1 119 390	1 230 432	1 339 523	1 509 297	1 497 737	1 436 731	1 564 718	1 536 725	1 646 953	1 775 684
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		651 568	646 871	868 275	1 739 743	1 728 183	1 728 183	1 046 701	379 337	489 565	618 296
Reserves	4	452 460	452 460	452 460	(230 446)	(230 446)	230 446	452 460	1 157 388	1 157 388	1 157 388
TOTAL COMMUNITY WEALTH/EQUITY	5	1 104 028	1 099 331	1 320 735	1 509 297	1 497 737	1 958 628	1 499 161	1 536 725	1 646 953	1 775 684

1. Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 17 Table A7 - Budgeted Cash Flow Statement

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
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		1	9	17 483	45 975	45 975	45 975	31 791	43 271	45 434	47 706
Service charges		49 707	57 798	54 759	60 729	60 729	60 729	41 248	69 553	73 031	76 683
Other revenue		116 518	44 102	33 631	9 365	9 365	9 365	11 056	7 919	8 046	8 448
Transfers and Subsidies - Operational	1	240 745	259 411	309 461	267 313	267 313	267 313	266 150	293 418	304 242	321 932
Transfers and Subsidies - Capital	1	73 290	108 432	92 926	145 471	145 471	145 471	106 971	102 356	111 006	115 965
Interest		-	-	8 578	-	14 650	14 650	710	33 381	32 845	34 487
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(257 700)	(271 512)	(16 811)	(375 402)	(380 346)	(380 346)	(145 975)	(415 053)	(427 260)	(437 518)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Grants	1	(150)	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		222 412	198 241	500 027	153 450	163 157	163 157	311 951	134 844	147 344	167 703
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	(161 457)	(192 872)	(204 327)	(204 327)	(112 408)	(159 909)	(150 264)	(147 174)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(161 457)	(192 872)	(204 327)	(204 327)	(112 408)	(159 909)	(150 264)	(147 174)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	110	-	-	-	71	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	110	-	-	-	71	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	222 412	198 241	338 680	(39 422)	(41 171)	(41 171)	199 614	(25 065)	(2 920)	20 529
Cash/cash equivalents at the year end:	2	222 412	198 241	491 876	138 887	125 578	125 578	424 036	248 363	245 442	265 971

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2022/23 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. The estimated surplus for the 2022/23 MTREF is based on enhancing the going concern principle of the municipality, the cash and cash equivalents is estimated at R248,3million and R265,9 million in 2024/25 outer year .

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	222 412	198 241	491 876	138 887	125 578	125 578	424 036	248 363	245 442	265 971
Other current investments > 90 days		(98 455)	(45 044)	(267 454)	2 057	1 517	1 517	(102 709)	—	—	—
Non current assets - Investments	1	—	—	—	—	—	—	—	—	—	—
Cash and investments available:		123 957	153 196	224 422	140 943	127 095	127 095	321 327	248 363	245 442	265 971
Application of cash and investments											
Unspent conditional transfers		3 236	1 753	4 461	(0)	(2 224)	2 224	7 765	—	—	—
Unspent borrowing		—	—	—	—	—	—	—	—	—	—
Statutory requirements	2	—	—	—	—	—	—	—	—	—	—
Other working capital requirements	3	(136 561)	(79 859)	(63 750)	(147 091)	(131 152)	(63 150)	(112 044)	22 549	4 129	(14 690)
Other provisions		—	—	—	—	—	—	—	—	—	—
Long term investments committed	4	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments	5	—	—	—	—	—	—	—	—	—	—
Total Application of cash and investments:		(133 324)	(78 106)	(59 289)	(147 091)	(133 376)	(60 926)	(104 279)	22 549	4 129	(14 690)
Surplus(shortfall)		257 281	231 302	283 711	288 034	260 471	188 021	425 606	225 814	241 313	280 661

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be “funded”.
4. Considering the requirements of section 18 of the MFMA, it can be concluded that the tabled 2022/23 MTREF is funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2022/23 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 18 A9 - Asset Management

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
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	248 120	301 161	101 497	166 773	170 968	170 968	122 409	111 764	111 674
Roads Infrastructure		196 742	230 163	27 071	47 567	49 332	49 332	35 701	48 685	43 765
Storm water Infrastructure		-	-	-	-	-	-	700	-	-
Electrical Infrastructure		(0)	181	43 793	96 200	101 250	101 250	53 238	61 815	66 645
Water Supply Infrastructure		-	-	-	-	-	-	450	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	1 100	1 265	1 265
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		371	454	(3 358)	1 035	927	927	550	-	-
Infrastructure		197 113	230 797	67 506	144 802	151 509	151 509	91 739	111 764	111 674
Community Facilities		32 291	35 010	400	850	1 350	1 350	-	-	-
Sport and Recreation Facilities		40	40	5 828	2 300	2 250	2 250	200	-	-
Community Assets		32 331	35 051	6 228	3 150	3 600	3 600	200	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		4 490	(48 237)	20 610	8 650	5 295	5 295	6 500	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		4 490	(48 237)	20 610	8 650	5 295	5 295	6 500	-	-
Biological or Cultivated Assets		-	-	-	400	400	400	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		23	642	-	600	600	600	600	-	-
Intangible Assets		23	642	-	600	600	600	600	-	-
Computer Equipment		17 450	18 507	2 008	5 137	4 632	4 632	1 700	-	-
Furniture and Office Equipment		6 258	39 159	412	643	521	521	350	-	-
Machinery and Equipment		3 084	3 118	1 228	2 590	3 010	3 010	3 770	-	-
Transport Assets		30 940	33 816	3 504	800	1 400	1 400	17 550	-	-
Land		(43 568)	(11 692)	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	1 200	3 000	-
Roads Infrastructure		-	-	-	-	-	-	1 200	3 000	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	1 200	3 000	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-

2022/2023 Medium Term Revenue & Expenditure Management

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
R thousand										
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		2 746	3 510	45 441	26 100	37 410	37 410	31 000	31 000	31 000
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	334	-	-	-	5 200	4 500	4 500
Community Assets		-	-	334	-	-	-	5 200	4 500	4 500
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		208	208	614	-	-	-	100	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		208	208	614	-	-	-	100	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		130	130	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	11 772	85	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	251 204	316 781	147 972	192 873	208 378	208 378	159 909	150 264	147 111
<i>Roads Infrastructure</i>		198 163	231 584	71 947	73 117	86 192	86 192	67 901	82 685	74 761
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	700	-	-
<i>Electrical Infrastructure</i>		1 325	2 269	44 358	96 500	101 550	101 550	53 238	61 815	66 641
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	450	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	250	250	250	1 100	1 265	1 265
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		371	454	(3 358)	1 035	927	927	550	-	-
Infrastructure		199 859	234 307	112 947	170 902	188 919	188 919	123 939	145 764	142 667
Community Facilities		32 291	35 010	400	850	1 350	1 350	-	-	-
Sport and Recreation Facilities		40	40	6 163	2 300	2 250	2 250	5 400	4 500	4 500
Community Assets		32 331	35 051	6 563	3 150	3 600	3 600	5 400	4 500	4 500
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		4 698	(48 029)	21 225	8 650	5 295	5 295	6 600	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		4 698	(48 029)	21 225	8 650	5 295	5 295	6 600	-	-
Biological or Cultivated Assets		-	-	-	400	400	400	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		23	642	-	600	600	600	600	-	-
Intangible Assets		23	642	-	600	600	600	600	-	-
Computer Equipment		17 580	18 637	2 008	5 137	4 632	4 632	1 700	-	-
Furniture and Office Equipment		6 258	39 159	412	643	521	521	350	-	-
Machinery and Equipment		3 084	14 891	1 314	2 590	3 010	3 010	3 770	-	-
Transport Assets		30 940	33 816	3 504	800	1 400	1 400	17 550	-	-
Land		(43 568)	(11 692)	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		251 204	316 781	147 972	192 873	208 378	208 378	159 909	150 264	147 111

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 7 per cent of PPE.

Table 19 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)		55,000	55,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)					50	50	50	50	50	50
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)				19	18			19	20	20
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other	6									
Total revenue cost of subsidised services provided		-	-	19	18	-	-	19	20	20

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The budget provides for 13 453 households to be registered as indigent in 2022/23, and therefore entitled to receiving Free Basic Services. The number is to be maintained at 15 000 households given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
3. It is anticipated that these Free Basic Services will cost the municipality R30 million in 2022/23, decreasing to R 15million in 2024/2025. This is covered by the municipality's equitable share allocation from national government.

2 Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

On 29th July 2020, the IDP and Budget process plan as required by section 21 of the MFMA was submitted and approved by Council to ensure that municipality does not fail to prepare and approve its credible budget within the legislated time frames.

IDP review

As per the approved plan, the municipality on the 13 – 16 September 2021, conducted its public consultative meetings with all 26 wards to review IDP for 2022-2027. The reviewed IDP has been used by the municipality to inform the draft budget for 2022/23 to 2024/25 (MTREF) for consideration. The tabled draft budget will then be subjected for comments and suggestions by stakeholders and public.

The Municipal Departments are aligned with the 5 Local Government Key Performance Areas. The Department's strategies are therefore linked to the 5 KRA's Details of the Budgets allocated to the various departments are reflected in schedules SA4-6.

The Departmental SDBIP contains projects and programmes listed in the IDP. The General Manager's performances plan is linked to the Departmental SDBIP.

The SDBIP marries the Performance Management System with the budget and the IDP. Thus the strategic Direction mapped out in the IDP is matched with financial resources and delivery of services as specified in the PMS.

The SDBIP allows the budget to be implemented fully as it identifies:

- The Strategic Imperative – Through link with the IDP.
- The Financial Imperative – Through links with the Budget
- The Performance Imperative – Through links to the PMS

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South Africa society can only be realised through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A Municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst other, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with Nation and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the City, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the City strategically complies with the key national and provincial priorities.

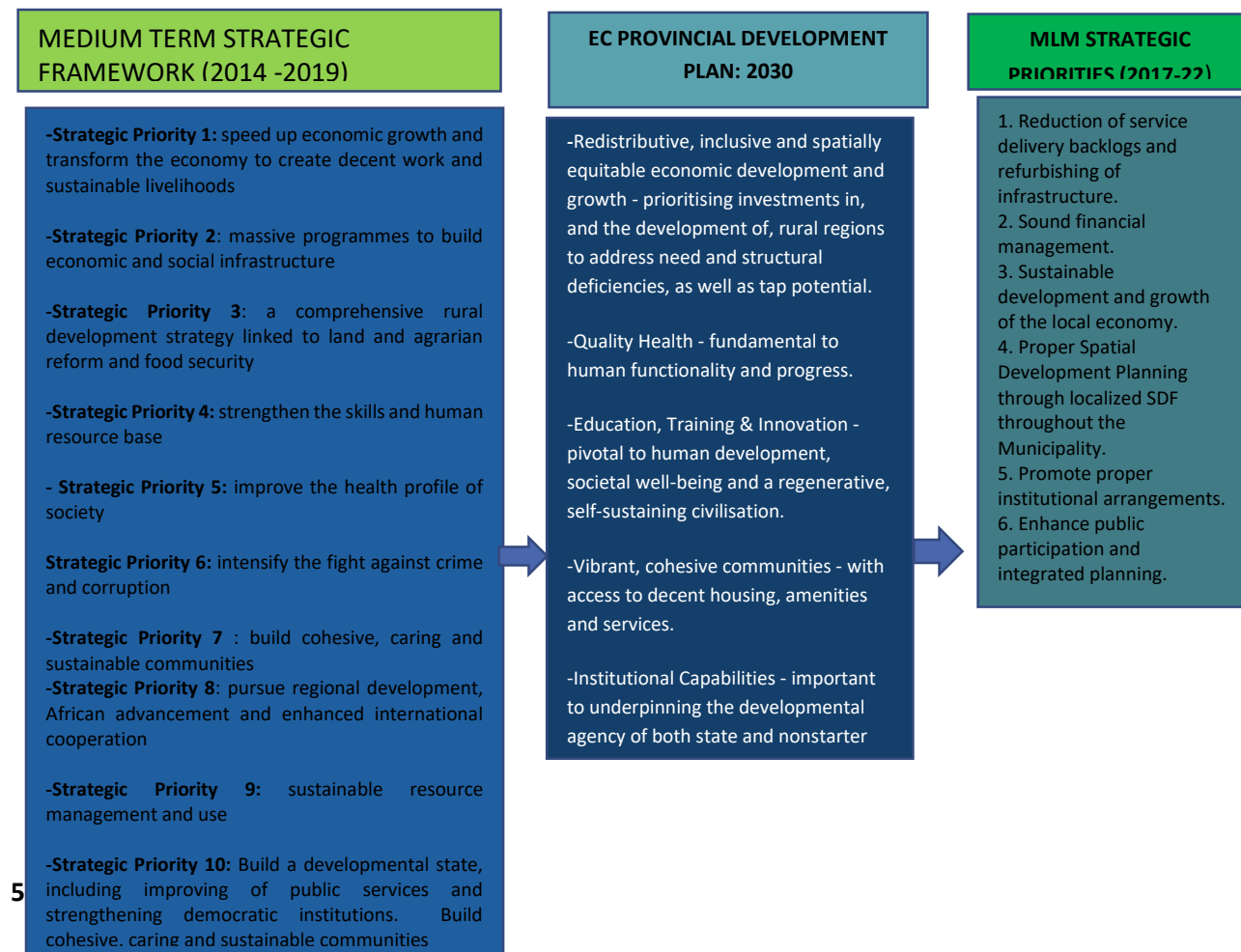
The aim of the revision cycle was develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the City's response to these requirements.

The national and provision priorities, policies

- Green Paper on National Strategic
- Government Programme of Action
- Development Facilitation Act of
- Provincial Growth and Development
- National and Provincial Spatial Development Perspectives;
- Relevant Sector plans such as transportation, Legislation and policy;
- National Key Performance Indicators (NKPI's);
- Accelerated and Shared Growth
- National Spatial Development
- The National Priority Outcomes

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2016/2017 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives



In order to ensure integrated and focused service delivery between all spheres of government it was important for the city to align its budget with that of national and provincial government. All spheres of government place a high priority on infrastructure development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements. Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic service and infrastructure which includes, amongst others:
 - Provide Electricity
 - Provide Water
 - Provide Sanitation
 - Provide Waste Removal
 - Provide Housing
 - Provide Roads and Storm Water
 - Provide Public Transport
 - Provide City Planning Service; and
 - Maintaining the Infrastructure of the municipality
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
3. Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the Provincial Department of Health to provide primary health care services;
 - Extending waste removal services and ensuring effective city cleansing;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.1 Integrated Social Services for empowered and sustained communities
 - Work with Provincial Departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and

- Implementing Batho Pele in the Revenue Management Strategy.
- 5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 4.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personal;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the City. The five-year programme responds to the development challenges and opportunities faced by the City by identifying the key performance areas to achieve the five strategic objectives mentioned above.

In addition to the five-year IDP, the City undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the City so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the City's IDP, associated scrolal plans and strategies, and the allocation of resources of the City and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building Social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals

Lessons learned with Previous IDP revision planning cycles as well as changing environments were taken into consideration in the compilation for the fourth revised IDP, including;

- Strengthening the analysis and strategic planning processes of the City;
- Initiating zoned planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

2021/22 Medium Term Revenue & Expenditure Framework Strategic Objective and Budget Review												
Strategic Objective	Goal	Goal Code	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
R thousand												
To improve revenue enhancement through broadening revenue base and improving revenue collection	Financially viable institution that is sustainable and complies with statutes			476 814			563 313	563 313		552 559	577 332	608 085
To promote safer, informed and secure communities	Realize sustainable communities in a safe and Healthy environment						9 906	9 906		27 024	28 375	29 793
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	476 814	-	-	573 218	573 218	-	579 583	605 706	637 878

Table 20MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	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
R thousand												
To Support the development of SMME to participate in a diversified and growing economy							9 567	9 567	9 567	12 322	12 938	13 585
To build a healthy competent and effective workforce							12 800	12 800	12 800	72 259	75 872	79 666
To ensure full compliance with legislative requirements of MFMA MPRA and financial relevant regulations and national treasury							331 600	331 600	331 600	261 363	265 885	254 211
To improve the provision basic services to rural and urban communities in the municipality							31 597	33 820	33 820	71 862	75 455	79 228
To maintain municipal infrastructure and public amenities							18 598	18 598	18 598	27 936	29 333	30 799
To promote a coherent and interactive communication and participation with customers and stakeholders around service							7 413	7 413	7 413	14 894	15 638	16 420
To Provide Land for Residential Commercial and Industrial Development							10 047	10 047	10 047	9 275	9 739	10 421
To Strengthen integrated planning performance monitoring and evaluation of municipal programmes.							8 723	8 723	8 723	10 113	10 618	11 149

2.2 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

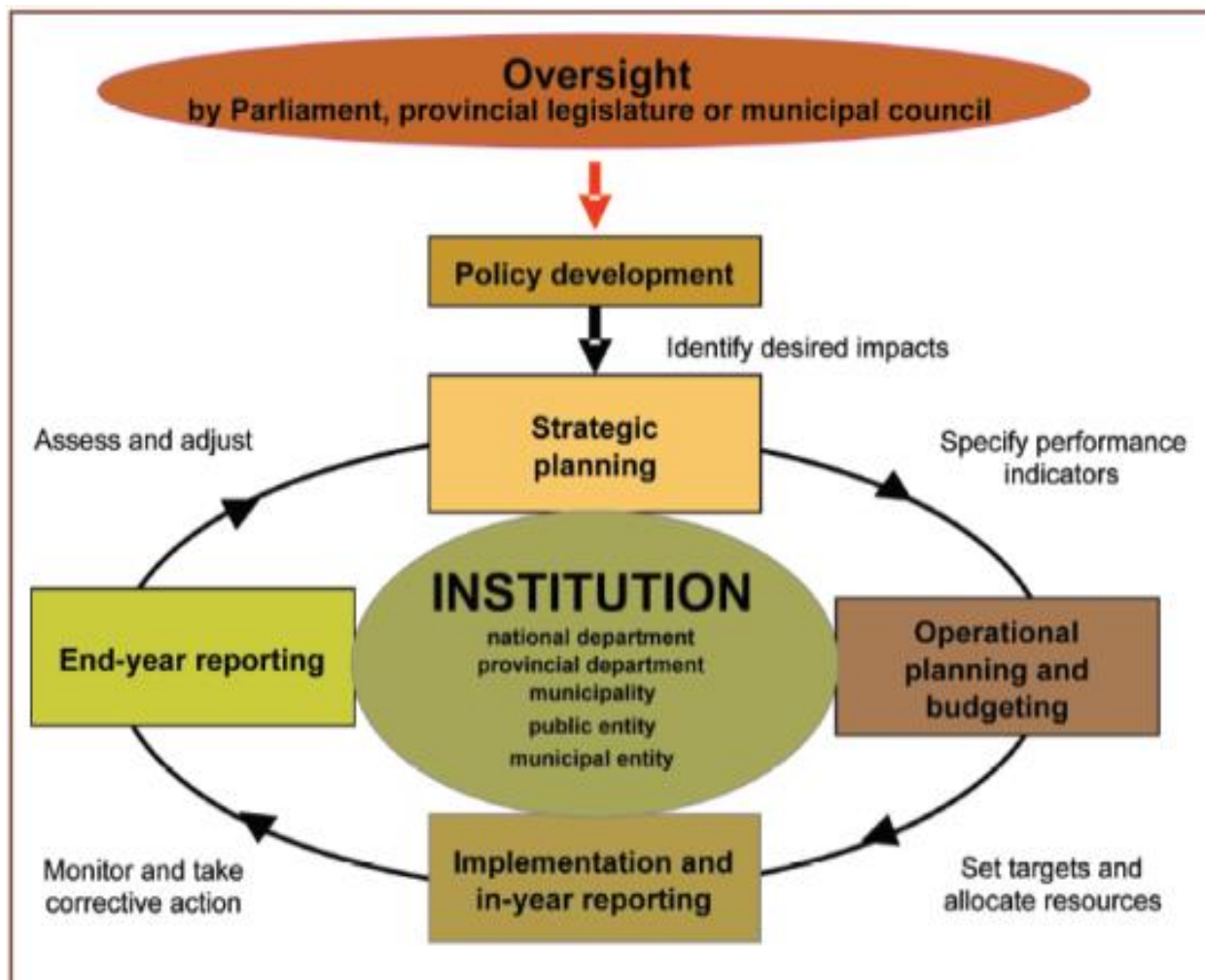


Figure 5 Planning, Budgeting and Reporting Cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitor and checking on the progress against plan);
- Measurement (indicators of success)
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary)

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the Framework of Managing Programme Performance Information issued by the National Treasury:

Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

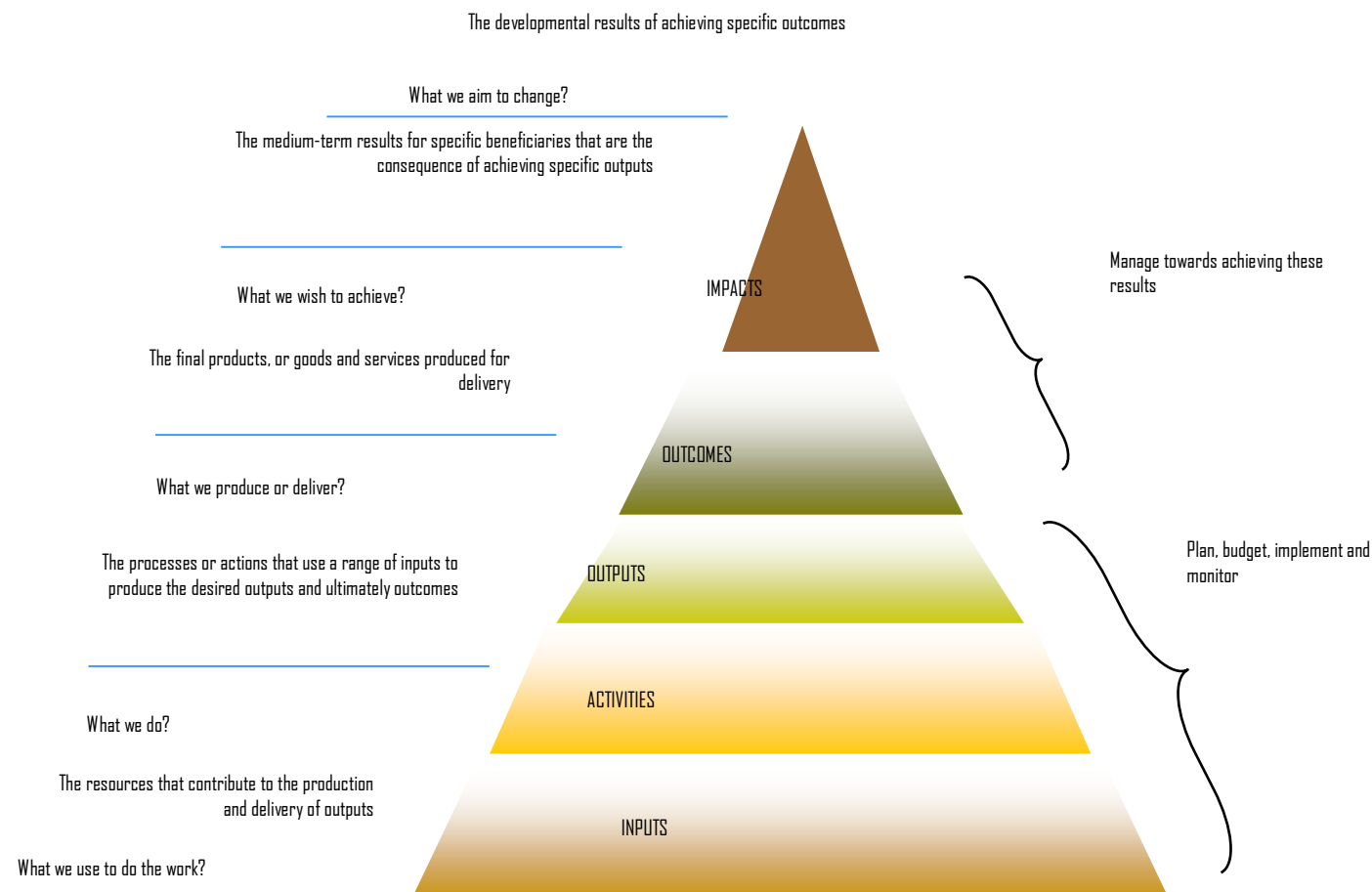


Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 21MBRR Table SA8 - Performance indicators and benchmarks

Local Municipality - Supporting Table SA8 Performance Indicators and Benchmarks											
Description of financial indicator	Basis of calculation	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
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	2.6	2.8	2.8	(4.2)	(5.2)	10.5	4.0	3.1	3.3	3.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.6	2.8	2.8	(4.2)	(5.2)	10.5	4.0	3.1	3.3	3.8
Liquidity Ratio	Monetary Assets/Current Liabilities	1.3	1.4	1.7	(2.3)	(2.6)	5.3	2.5	2.5	2.5	2.7
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		47.6%	55.9%	62.7%	85.6%	85.6%	85.6%	83.1%	80.0%	80.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		47.6%	55.9%	62.7%	85.6%	85.6%	85.6%	83.1%	80.0%	80.0%	80.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	36.0%	40.0%	33.0%	28.5%	28.4%	28.4%	50.2%	11.8%	16.4%	20.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		18.5%	23.3%	10.8%	-36.0%	-27.1%	27.1%	9.2%	25.3%	25.6%	23.6%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (KW)	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
	Total Cost of Losses (Rand '000)	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (M)	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
	Total Cost of Losses (Rand '000)	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.6%	30.0%	26.1%	30.9%	30.8%	30.8%	22.3%	28.7%	29.1%	29.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.9%	35.4%	30.5%	36.0%	35.8%	35.8%		33.4%	33.9%	34.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.9%	4.8%	4.6%	5.7%	5.7%	5.7%		6.4%	6.0%	4.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	14.9%	15.1%	18.2%	8.3%	8.2%	8.2%	6.1%	12.4%	12.5%	12.5%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	-	15.9	-	11.0	11.0	11.0	3.3	5.6	5.5	5.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	126.0%	143.5%	128.3%	96.9%	96.9%	96.9%	211.0%	39.4%	54.1%	68.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	10.3	8.2	17.9	4.8	4.2	4.2	23.8	8.0	7.7	8.2

2.2.1 Performance indicators and benchmarks

2.2.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Matatiele

Local Municipality's borrowing strategy is primarily informed by the affordability of debt repayment. The structure of the Municipality's debt portfolio is dominated by annuity loans.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

2.2.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

2.2.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2022/23 MTREF the current ratio is 1.4 in the 2021/21 financial year and 1.3 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately.

2.2.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

2.2.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.2.1.6 Other Indicators

- Employee costs as a percentage of operating revenue continues to increase over the MTREF.

- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

2.2.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2022/23 financial year 13 453 registered indigents have been provided for in the budget with this figured increasing to 15000 by 2024/25. In terms of the Municipality's indigent policy registered households are entitled to 50 kWh of electricity and free waste removal as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement)

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

2.4 OVERVIEW OF BUDGET RALATED POLICIES

As listed hereunder are all the policies that were re

Matatiele Local Municipality. All these policies can be viewed on the official municipal website www.matatiele.gov.za

Budget Related Policies

Appointment of consultant's policy,
Banking and investments policy,
Budget policy,
Cash management policy,
Cash shortage policy,
Credit control and debt collection policy,
Cost containment policy ,
Customer care policy,
Customer incentive scheme policy,
Data backup policy,
Debt capacity policy,
Donor finance policy,
Electricity token policy,
Entertainment & refreshments policy,
Unclaimed deposits policy,
Fleet Management Policy,
Fraud prevention plan ,
Gifts policy for officials,
Grants & donation policy,
GRAP framework policy,
Impairment and write off policy,
Cash-up Policy,
Fixed Assets Policy,
Policy,
Petty Cash Policy,
Rates Policy,
Special Services Policy,
Strategy to improve Debtor policy,
Supply Chain Management Policy,
Tariff Policy,
Use of Credit Card Policy and
Virement Policy.
Infrastructure procurement and delivery management policy.
Indigent Policy

Overview of Budget Assumptions

Arising from the above Overview of Economic Analysis, the following Budget Assumptions were made and are affected in the 2021/22 budget:

Estimate Salary Increases

- 2022/23 – 4.8%
- 2023/24 – 4.4%
- 2024/25 – 4.5%

Debt Impairment: the overall collection levels are estimate around 80% overall for the MLM.

Payment levels for the following revenue streams have been estimated as follows:

- Property Rates (80% in 2022/23)
- Electricity (80% in 2022/23)
- Refuse (80% in 2022/23)

Other expenditure: In order to accommodate the increases in salaries, bulk purchases, debt

Impairment and depreciation, it means that all other expenditure will increase at a reduced rate or maintained at the current levels;

The Budget is based on current service levels.

Government grants for the years 2022/23- 2024/25 are as per the Division of Revenue Act, assuming that all allocations will be received;

Growth in staff related costs has been provided for in the budget at 4.8% per annum, growth in the remaining expense items range from 0% to 10%;

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 1 Breakdown of the operating revenue over the medium-term

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

- The revenue strategy is a function of key components such as:
 - Growth in the municipality and economic development;
 - Revenue management and enhancement;
 - Achievement of a 80 per cent annual collection rate for consumer revenue;
 - National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The tariff increases for the 2022/23 MTREF on the different revenue categories are:

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
1	REFUSE REMOVAL CHARGES				
1,1	<i>Domestic Removals</i>				
(a)	Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of	R 139,19	0%	R 139,19	R 160,07
1,2	<i>Commercial Removals</i>				
(a)	Each individual/separate business shall be charged a basic service charge per month.	R 208,77	0%	R 208,77	R 240,09
1,3	In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice	R 208,77	0%	R 208,77	R 240,09
1,4	Provided that Council may at any time conclude separate agreements with commercial users who require that refuse be removed more than twice a week. The above				
1,5	<i>Removal from Separate Consumers on same Premises</i>				
	Where refuse is removed from shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the removal of				
1,6	<i>Availability Charge</i>				
	A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	R 235,94	0%	R 235,94	R 271,33
	A availability fee , is charged to any vacant domestic erven located in the town areas of Cedarville, Matatiele and Maluti.	R 117,97	0%	R 117,97	R 135,66
2	BUILDING PLAN FEES				
2,1	The fees payable for plans of any building submitted in terms of the building regulations shall be calculated at R6.00 per R1 000 or part thereof in respect of total estimated cost of the work, subject to a minimum charge of R1 000. Building Cost is calculated at R2 500 per m². This calculation is used to calculate the building plan fees for buildings in excess of 100m² and major alterations to existing buildings.				
2.1.1	Building less than 80m².	R 813,39	0%	R 813,39	R 935,00
2.1.2	Building less than 100m².	R 2 051,23	0%	R 2 051,23	R 2 360,00
2.1.3	Building more than 100m².				
	Tariff 2.1 is applicable				
2.1.4	Hoarding Permit				
	Commercial (for 3 months)	R 264,02	0%	R 264,02	R 304,00
	Residential (for 3 months)	R 234,57	0%	R 234,57	R 270,00
	Industrial (for 3 months)	R 455,94	0%	R 455,94	R 525,00
	CBD Buildings (for 3 months)	R 714,89	0%	R 714,89	R 822,00
2.1.5	Demolishing fee for all buildings	R 433,09	0%	R 433,09	R 500,00

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
2.1.6	Copy of Building Plan				
	A4	R 6,10	0%	R 6,10	R 7,01
	A3	R 13,20	0%	R 13,20	R 15,18
	A2	R 26,41	0%	R 26,41	R 30,37
	A1	R 39,60	0%	R 39,60	R 45,54
	A0	R 51,79	0%	R 51,79	R 59,56
2.1.7	Boundary Wall				
	Boundary Wall (Brick or Blocks) 1800mm high	R 784,95	0%	R 784,95	R 903,00
	Boundary Wall (Precast) 1800mm high	R 784,95	0%	R 784,95	R 903,00
	Boundary Wall (Palisade Fencing) 1800mm high. Identification of site beacons must be done by professional land surveyor. The Municipality will provide	R 784,95	0%	R 784,95	R 903,00
2.1.8	Minor Works in terms of section 13 of the act (valid for 6 months only)				
	Residential	R 411,26	0%	R 411,26	R 473,00
	None Residential	R 715,90	0%	R 715,90	R 863,00
2.1.9	Temporal Structures				
	Tent	R 324,95	0%	R 324,95	R 374,00
	Carport	R 780,89	0%	R 780,89	R 900,00
	Container for site office or site storage during	R 780,89	0%	R 780,89	R 900,00
2.1.10	Building Plan Fee				
	Pre- Scrutiny Plan	R 289,41	0%	R 289,41	R 333,00
	Swimming Pool	R 784,95	0%	R 784,95	R 903,00
	Occupational Certificate	R 194,97	0%	R 194,97	R 225,00
	Second call site inspection for the same inspection stage	R 259,96	0%	R 259,96	R 300,00
2.2	Builders Deposits				
	The following deposits must be paid by building contractors/owners in a developed area, prior to the				
(a)	Extensions less than 100m ² or part thereof as determined by the Building Inspector but not more than	R 240,35	0%	R 240,35	240,00
(b)	Extensions more than 100m ² but less than 200m ² or part	R 1 091,48	0%	R 1 091,48	1 092,00
(c)	Extensions more than 200m ² but less than 500m ²	R 4 542,30	0%	R 4 542,30	4 542,00
(d)	Extensions more than 500m ² or part thereof	R 6 361,43	0%	R 6 361,43	6 362,00
2.3	Penalty				
	Deposits will be forfeited after 7 days from date of completion certificate, should the Developer/Contractor not have the sidewalk/pavement cleared within such				
2.4	Exemption Certificate				
	Fee payable for minor building work as contemplated in Section 13 of the National Building Regulations and Building Standards Act, 1977(Act 103 of 1977) as	R 115,76	0%	R 115,76	R 133,00
3	POUND FEES				
3.1	Schedule B: Rate of Compensation for all animals delivered to the pound, per head.	R 21,33	0%	R 21,33	R 25,00
3.2	Schedule C: Trespass on private land				
	Description of animal				
	Donkeys, horses, Cattle, Pigs and Ostriches, per head	R 17,26	0%	R 17,26	R 20,00
	Sheep and goats per head per day	R 12,18	0%	R 12,18	R 14,00
3.3	Schedule E: Pound Fees				
	Description of animal				
	Donkeys, Horses, Cattle, Pigs and Ostriches,	R 17,26	0%	R 17,26	R 20,00
	Sheep and Goats.	R 12,18	0%	R 12,18	R 14,00
3.4	Schedule F: Sustenance fees				
	Description of animal				
	Donkeys, horses, Cattle, Pigs and Ostriches, per head	R 28,43	0%	R 28,43	R 33,00
	Sheep and Goats, per head per day	R 17,26	0%	R 17,26	R 20,00
4	SWIMMING POOL FEES				
4.1	Single Tickets				
	Entrance, per occasion				
(a)	Adults	R 10,52	0%	R 10,52	R 12,00
(b)	Scholars and Children	R 5,26	0%	R 5,26	R 6,00
4.2	Season Tickets				
	Bath only, not transferable				
(a)	Adult (Full Season)	R 234,57	0%	R 234,57	R 270,00
(b)	Adult (Part Season - valid for one month from day issue)	R 117,80	0%	R 117,80	R 135,00
(c)	Scholars and children (Full Season)	R 117,80	0%	R 117,80	R 135,00
(d)	Scholars and children (Part Season valid for one month from day of issue)	R 46,71	0%	R 46,71	R 54,00
	For the purposes of this Section "scholars" shall mean any scholars attending a primary or secondary school and "children" shall mean any children who have not reached the age of 17 years; provided that children have not reached the age of five years may be admitted free				
	School Swimming Classes				
	The Council may permit school swimming classes to use the bath free of charge at such times as the Council may determine from time to time provided that the pupils of such swimming classes are accompanied by and under				

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
5	FIRE SERVICES				
	The charges payable for services rendered or materials supplied by the Council's Fire Department and for the use or the Department's Equipment, appliances and water, in connection with the preservation of life and property against fire, accident or other mishap, whether on private property or otherwise shall be as follows:				
5,1	For the services rendered involving the making available of any appliances, together with the attendance of personnel, the charges shall be as follows:				
(a)	Fire fighting and life-saving, per hour or part thereof	R 468,12	0%	R 468,12	R 540,00
(b)	Travelling costs: Fire tenders per km or part thereof	R 17,26	0%	R 17,26	R 20,00
(c)	Subsidized vehicles and any other equipment, materials used during a fire by officials of the Council				
6,1	Scale 1: Domestic Consumers				
(a)	Basic charge, single or three phase per household per month. Plus the following kWh charges per month.	R 528,90	17%	R 618,82	R 711,64
	0-50	R 1,17	17%	R 1,37	R 1,58
	51-350	R 1,52	17%	R 1,78	R 2,05
	351-600	R 2,16	17%	R 2,52	R 2,90
	600 over	R 2,58	17%	R 3,02	R 3,48
(b)	Scale 2: Commercial & Other Consumers				
	Basic charge of consumers with the following KVA installed per month:				
	0 - 25 KVA	R 586,51	17%	R 686,21	R 789,14
	Commercial unit charge:	R 2,30	17%	R 2,69	R 3,09
	26 - 64 KVA	R 2 186,39	17%	R 2 558,08	R 2 941,79
	Commercial unit charge:	R 2,34	17%	R 2,73	R 3,14
	65 KVA and more	R 12 793,03	17%	R 14 967,85	R 17 213,03
	Commercial unit charge:	R 2,34	17%	R 2,73	R 3,14
(c)	Scale 3: Pre-Paid Metre Units				
	Domestic:				
	That a flat rate per kWh				
	0-50	R 1,16	17%	R 1,36	R 1,56
	51-350	R 1,51	17%	R 1,77	R 2,04
	351-600	R 2,15	17%	R 2,51	R 2,89
	600 over	R 2,57	17%	R 3,01	R 3,46
	Commercial Prepaid				
	That a flat rate per kWh				
	0 - 2000 kWh	R 2,34	17%	R 2,74	R 3,15
(d)	Scale 4: Schools/School Hostels				
	"Schools defined as the majority of its Teachers paid for by the Government or State Education Department."				
	Basic Charges per month,	R 421,94	17%	R 493,68	R 567,73
	Plus the following charger per kWh per month				
	0 - 2000 kWh	R 1,59	17%	R 1,86	R 2,14
	2000 - and more	R 1,59	17%	R 1,86	R 2,14
6,2	Special Agreements				
	The Council reserves the right in special circumstances to enter into special agreements subject to the approval of the Premier of the supply of electrical energy to				
6,3	Change of Scale				
	Where a consumer elects to change from any one scale to any other scale, he shall notify the Municipal Manager in writing at least 30 days prior to the date on which the elected scale shall take effect, and shall remain on such				
6,4	Supply to Separate Consumers on same Premises				
	Where electricity is supplied to shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the supply of				
6,5	Payment of Accounts				
(a)	All accounts for the supply of electricity shall become due and payable on demand but not later than the last working day of the month following the month to which such accounts relate. Any account which remains unpaid after such date shall be subject to a penalty of 1,5%.				
(b)	The Council may disconnect the supply of electricity where any account remains unpaid at the end of the month following the month in respect of which such account was rendered and the supply of electricity shall only be resumed on payment of a charge of R105,21	R 110,48	0%	R 110,48	R 127,05
(c)	Consumers shall be responsible for obtaining statements of their accounts so as to enable them to effect payment thereof within the prescribed period.				

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
6,6	Deposits	Deposits			
	Every consumer shall when making application for a supply of electricity deposit with the Council the				
(a)	Domestic consumers	R 4 600,00	0%	R 4 600,00	R 4 600,00
(b)	Small power consumers with installation not exceeding 25 kVA	R 11 500,00	0%	R 11 500,00	R 11 500,00
(c)	Medium power consumers with a demand exceeding 25kVA but not exceeding 64 Kva	R 20 125,00	0%	R 20 125,00	R 20 125,00
(d)	Large power consumers with a demand exceeding 65KVA to supply a bank guarantee equal to two months				
6,7	Connection Fees and other Charges				
(a)	Commercial and other consumers electricity connection fees and be charged at cost of materials, labour, supervision plus 10% payable in advance.				
(b)	Domestic consumers electricity connection fees payable in advance				
	Cost plus 10% provided that the cost be taken from the boundary of the Erf per property of the applicant.				
(c)	For a connection after a disconnection at consumers request, or in case of a faulty installation exc vat payable in advance.	R 611,63	0%	R 611,63	R 703,00
(d)	For the testing of a metre cost plus 10%				
(e)	For a special reading of metre R50.00 payable in advance				
(f)	For an investigation to establish the cause of a defect in consumers installation - R63.00 plus VAT payable in	R 69,46	0%	R 69,46	R 80,00
(g)	For each inspection and testing of an installation after failure to pass the first inspection and test - R100.00	R 115,76	0%	R 115,76	R 133,00
(h)	Conversion				
	On application from a consumer to convert from the conventional electricity metre to a pre-paid metre the	R 7 645,39	0%	R 7 645,39	R 8 792,00
(i)	On application from a consumer to convert from the conventional electricity metre or any other meter to a pre-paid metre the following fee is applicable on condition that such application and payment is made before 30				
(j)	Where supply has been disconnected as a result of unauthorized reconnection, illegal bypassing of meter or for tampering; per disconnection and additional sum for units stolen.	R 9 774,54	0%	R 9 774,54	R 11 241,00
	Tampering for second time	R 19 549,08	0%	R 19 549,08	R 22 481,00
	Tampering for 3rd time				
	NOTE: In addition to the amounts contained in item (i), reconnection shall only occur once any arrears consumption charges; estimated charges for unmetered consumption and/or additional deposits owed by the				

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
	7 CEMETERY CHARGES				
	The following fees shall be payable to the Council in				
7,1	<i>Burial Plots - Charge per Burial Plot</i>				
	A non-refundable charge of:	R 184,32	0%	R 184,32	R 212,00
7,2	<i>Burial Fees</i>				
(a)	Adult	R 305,06	0%	R 305,06	R 351,00
(b)	Child	R 305,06	0%	R 305,06	R 351,00
7,3	<i>Miscellaneous Charges</i>				
(a)	Exhumation of body	R 2 307,13	0%	R 2 307,13	R 2 653,00
(b)	Widening or deepening of grave	R 311,42	0%	R 311,42	R 358,00
(c)	Permit to erect a memorial	R 126,94	0%	R 126,94	R 146,00
7,4	Fees for non-residents of the municipal area shall be the prescribed fees in (7.1) and (7.2) above, plus 50%				
7,5	After hours burial request as in (7.1) plus 100%				
7,6	At least 16 working hours notice must be given of a burial				
7,7	Pauper burial fees	R 508,75	0%	R 508,75	R 585,00
7,8	Internment of ashes in excising graves	R 40,62	0%	R 40,62	R 47,00

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
	8 PUBLIC HALLS TARIFF				
8,1	<i>Town Hall (Matatiele)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 4 374,72	0%	R 4 374,72	R 5 031,00
(b)	Main hall and kitchen per function exceeding 12 hour.	R 5 091,35	0%	R 5 091,35	R 5 855,00
8,2	<i>Town Hall (Maluti Civic Centre)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 4 374,72	0%	R 4 374,72	R 5 031,00
(b)	Main hall and kitchen per function exceeding 12 hour.	R 5 091,35	0%	R 5 091,35	R 5 855,00
	<i>Town Hall (Cedarville)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 1 653,75	0%	R 1 653,75	R 1 902,00
(b)	Main hall and kitchen per function exceeding 12 hour.	R 2 386,91	0%	R 2 386,91	R 2 745,00
(c)	Old Cedarville Boardroom	R 159,86	0%	R 159,86	R 184,00
8,3	<i>Harry Gwala Park Community Hall</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 716,63	0%	R 716,63	R 824,00
(b)	Main hall and kitchen per function exceeding 12 hour.	R 716,63	0%	R 716,63	R 824,00
8,4	<i>Nokhwezi & Msingizi Community Hall</i>				
(a)	Hall per 12 hour period per day	R 716,63	0%	R 716,63	R 824,00
(b)	Hall per kitchen per function exceeding 12 hours	R 716,63	0%	R 716,63	R 824,00
8,5	<i>Library Hall (Matatiele)</i>				
(a)	Hall per 12 hour period per day	R 238,14	0%	R 238,14	R 274,00
8,6	<i>Library Hall (Cedarville)</i>				
(a)	Hall per 12 hour period per day	R 207,27	0%	R 207,27	R 238,00
8,7	<i>Community Halls (Rural Area)</i>				
(a)	Hall per 12 hour period per day	R 159,86	0%	R 159,86	R 184,00
8,8	<i>Equipment</i>				
	The public address system per day or part thereof	R 438,80	0%	R 438,80	R 505,00
8,9	In addition to 8.1 to 8.6 above the hirer shall purchase pre-paid electricity cards for the supply of				
8.10	Where the hall is hired there shall first be deposited with the Chief Financial Officer the following amounts which amounts shall be refunded when the premises is handed	HALL DEPOSIT			
	Town Hall (Matatiele)	R 4 360,00	0%	R 4 360,00	R 4 360,00
	Town Hall (Cedarville)	R 1 720,00	0%	R 1 720,00	R 1 720,00
	Harry Gwala Park Community Hall	R 705,00	0%	R 705,00	R 705,00
	Nokhwezi & Msingizi Community Hall	R 705,00	0%	R 705,00	R 705,00
	Library Hall (Matatiele)	R 235,00	0%	R 235,00	R 235,00
	Library Hall (Cedarville)	R 185,00	0%	R 185,00	R 185,00
8.11	<i>Community Halls</i>				
74 P a g e	The Municipal Manager has delegated Authority to hire the Community Halls to Matatiele Local Registered Non-Profit Organisations/Institutions and to resident members of the community for memorial/personal social activities at a variable charge not less than the following	R 80,00	0%	R 80,00	R 92,00

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
9	MISCELLANEOUS SERVICES				
	<i>Sundry Charges</i>				
9,1	Search Fees				
(a)	Other than from the Minutes of proceedings of the Council, for any document or information required dated				
(b)	More than 12 months but not more than 24 months.	R 81,24	0%	R 81,24	R 94,00
(c)	24 Months or more but not more than 48 months.	R 152,32	0%	R 152,32	R 175,00
(d)	48 months or more	R 304,64	0%	R 304,64	R 350,00
9,2	Copy of valuation roll (Electronic only)	R 760,58	0%	R 760,58	R 875,00
9,3	Copy of voters roll (per ward)	R 760,58	0%	R 760,58	R 875,00
9,4	Rates and Service clearance certificates	R 81,24	0%	R 81,24	R 94,00
	Deed Search Print out	R 31,96	0%	R 31,96	R 37,00
	Title Deed Search	R 141,52	0%	R 141,52	R 163,00
	SG Diagram Search per image (1page)	R 18,26	0%	R 18,26	R 21,00
9,5	Objections or Appeals to property valuations	R 71,08	0%	R 71,08	R 82,00
9,6	Services rendered by Council but not covered in tariffs or charges				
9,7	Valuation Certificate	R 87,33	0%	R 87,33	R 101,00
9,8	Copy of estimates	R 325,96	0%	R 325,96	R 375,00
9,11	Amendments of conditions of approval (per condition)	R 286,36	0%	R 286,36	R 330,00
9,12	Vehicle pound fees on all impounded vehicles per vehicle per day plus tow-in costs impounded vehicles not released within 90 (ninety) days will be sold.	R 224,41	0%	R 224,41	R 259,00
9,13	Chemical toilet hire per toilet per day:				
	Fee	R 798,15	0%	R 798,15	R 918,00
	Deposit per toilet	R 399,07	0%	R 399,07	R 400,00
9,14	Sports grounds rental				
	Local clubs for practices per practice	R 89,36	0%	R 89,36	R 103,00
	Local clubs per game	R 445,79	0%	R 445,79	R 513,00
	Outside clubs per game	R 668,18	0%	R 668,18	R 768,00
	Stadium hire for non sporting events.	R 570,69	0%	R 570,69	R 656,00
	Tennis Court Rental				
	PER PRACTICE				
	<i>Practice sessions maximum of 3 hours per session</i>				
	<i>Fees per team of 2 players – (below the age of 18)</i>	R 26,09	0%	R 26,09	R 30,00
	<i>(18 and above)</i>	R 95,65	0%	R 95,65	R 110,00
	PER MATCH				
	<i>Fees per Match team of 2 players– (below the age of</i>	R 104,35	0%	R 104,35	R 120,00
	<i>(18 and above)</i>	R 182,61	0%	R 182,61	R 210,00
	SEASON TICKETS (SIX MONTHS)				
	<i>Fees per Practice per team of 2 – (below the age of</i>	R 191,30	0%	R 191,30	R 220,00
	<i>(18 and above)</i>	R 573,91	0%	R 573,91	R 660,00
	YEAR TICKETS (12 MONTHS)				
	<i>Fees per Practice per team of 2 – (below the age of</i>	R 486,96	0%	R 486,96	R 560,00
	<i>(18 and above)</i>	R 973,91	0%	R 973,91	R 1 120,00
9,15	Pre-paid Electricity Metering cards to be purchased for the use of lights at the stadium at the Domestic Rates.				
9,16	A penalty will be charged for any dishonoured cheque.	R 200,04	0%	R 200,04	R 230,05
9,17	Damage to any Council property	R 2 173,09	0%	R 2 173,09	R 2 500,00
9,18	Cleaning of over grown property after failing to respond to councils instruction to clean this said property.	R 5 632,76	0%	R 5 632,76	R 6 478,00
9,19	Dog Licenses				
	Dogs	R 22,34	0%	R 22,34	
9,20	Library Fines				
	Lost books + cost of the book.	R 30,47	0%	R 30,47	R 35,00
	Book/s per day				
	Video/s per day				
	Photocopies per copy				
	Internet per 30 minutes				
	Internet E-Mail address per 6 months.				
9,22	Tender Documents				
	Tender that is less than R1 million (including VAT)	R 260,87	0%	R 260,87	R 300,00
	Tender that is between R1 million and R10 million	R 434,79	0%	R 434,79	R 500,00
	Tender that is above R10 million (including VAT)	R 869,57	0%	R 869,57	R 1 000,00
	The fee will increase according to the size of the tender				

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
10 BUSINESS LICENSES					
11,1	Food Vendors in caravans & carts or similar vessel	R 194,97	0%	R 194,97	R 224,00
11,2	General Dealers	R 649,89	0%	R 649,89	R 747,00
11,3	Supermarkets, Wholesalers & Butcheries	R 649,89	0%	R 649,89	R 747,00
11,4	Restaurants, B&B's, Hotels, Guest Houses, Lodges	R 649,89	0%	R 649,89	R 747,00
11,5	Spaza Shops	R 390,12	0%	R 390,12	R 450,00
11,6	Funeral Parlours	R 649,89	0%	R 649,89	R 747,00
11,7	Hawker License: Trucks & Bakkies	R 194,97	0%	R 194,97	R 224,00
11,8	Hawker License: Street Vendors	R 104,35	0%	R 104,35	R 120,00
11,8.1	Hawker License: Sheltered	R 156,52	0%	R 156,52	R 180,00
11,9	Hawker License: (Special Application – Events)	R 389,94	0%	R 389,94	R 450,00
11,10	Clothing Shops	R 649,89	0%	R 649,89	R 747,00
11,11	Hardware	R 649,89	0%	R 649,89	R 747,00
11,12	Garages	R 649,89	0%	R 649,89	R 747,00
11,13	Livestock Sales	R 259,96	0%	R 259,96	R 300,00
11,14	Car wash	R 259,96	0%	R 259,96	R 300,00
11,15	Laundromat/Dry Cleaning	R 649,89	0%	R 649,89	R 747,00
11,16	Financial Institution	R 649,89	0%	R 649,89	R 747,00
11,17	Beauty Parlour: Hair Salons, Barber Shops etc	R 259,96	0%	R 259,96	R 300,00
11,18	Furniture Shops	R 649,89	0%	R 649,89	R 747,00
11,19	Legal Practice	R 649,89	0%	R 649,89	R 747,00
11,20	Surgeries	R 649,89	0%	R 649,89	R 747,00
11,21	Transport Industry	R 649,89	0%	R 649,89	R 747,00
11,22	Liquor: Bottle Stores, Taverns	R 649,89	0%	R 649,89	R 747,00
11,23	Book Shops	R 649,89	0%	R 649,89	R 747,00
11,24	Brokers: Insurance, Estate agents etc	R 649,89	0%	R 649,89	R 747,00
	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
15 ADVERTISING & SIGNAGE					
15,1	Billboards				
	non refundable application fee per board/sign (annually)	R 2 957,02	0%		R 3 400,00
	+ Approval fee per applicant	R 79,21	0%		R 91,00
15,2	Ground Signs				
	non refundable application fee per board/sign (annually)	R 272,15	0%		R 313,00
	+ Approval fee per applicant	R 43,66	0%		R 50,00
15,3	Wall Sign - Flat				
	non refundable application fee per board/sign (annually)	R 489,45	0%		R 563,00
	+ Approval fee per applicant	R 43,67	0%		R 50,00
15,4	Roof, Veranda, Balcony, Canopy and Under awning Sign				
	non refundable application fee per board/sign (annually)	R 488,44	0%		R 563,00
15,5	Estate Agent Boards				
	non refundable application fee (annually)	R 651,93	0%		R 750,00
	+ per board/sign (annually)	R 53,82	0%		R 62,00
15,6	Portable Boards / Collapsible Structures / Signs				
	non refundable application fee per board/sign (annually)	R 272,15	0%		R 313,00
15,7	Aerial Advertisement				
	non refundable application fee per board/sign (annually)	R 543,27	0%		R 625,00
15,8	Advertising Vehicles				
	non refundable application fee per board/sign (annually)	R 1 303,85	0%		R 1 500,00
15,9	Temporary Signs (Posters, Flags & Others)				
	non refundable application fee per board/sign	R 53,82	0%		R 62,00
	+ non commercial fee per signs, posters, flags & others	R 3,05	0%		R 4,00
	+ commercial fee per signs, posters, flags & others	R 5,08	0%		R 6,00
15,10	Banners				
	non refundable application fee per board/sign	R 163,49	0%		R 188,00

eTable 2MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
CALL ACC STD		DAILY	CALL	YES	5%		0			24 106	108		10 300	-
CALL ACC STD		DAILY	CALL	YES	5%		0			10 150	40		40	
CALL ACC FNB		DAILY	MONEY MARKET	YES	5%		0			6 805	30			
NEDBANK 32 DAY CALL		32 DAY	32 DAY	YES	7%		0			5 605	33		33	
NEDBANK		DAILY	DAILY CALL	YES	6%		0			16 055	321	(10 027 393.97)	168	
NEDBANK MIG ACC		DAILY	DAILY CALL	YES	6%		0			20 004	215		215	
NEDBANK DOE ACC		DAILY	DAILY CALL	YES	6%		0			17 936	105	(786 972.50)	105	
NEDBANK RETENTION ACC			DAILY CALL	YES	6%		0			5 506	38	(5 732 240.18)	10 038	
NEDBANK SMARTGRID		DAILY	DAILY CALL	YES	6%		0			5 087	27		27	
NEDBANK MAN OF PLANT		DAILY	DAILY CALL	YES	6%		0			49	0		0	
NEDBANK ELECTRIFICATION		DAILY	DAILY CALL	YES	5%		0			5 111	27		27	
FNB ESTABLISHMENT PLAN		DAILY	MONEY MARKET	YES	5%		0			245	1		1	
FNB HOUSING DEV FUND		DAILY	MONEY MARKET	YES	5%		0			50 011	305		305	
FNB TOURISM		DAILY	MONEY MARKET	YES	5%		0			178				
Municipality sub-total										166 848		(16 547)	21 260	-
Entities														
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									166 848		(16 547)	21 260	-

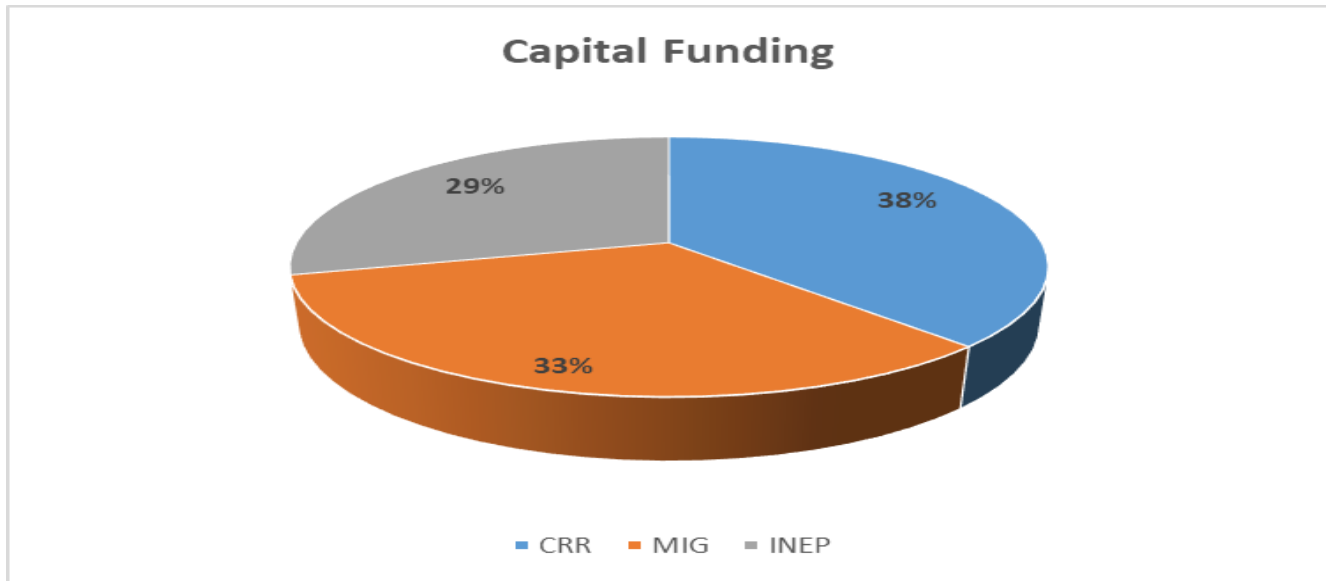
2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2022/23 medium-term capital programme:

Sources of capital revenue for the 2022/23 financial year

FUNDING OF CAPITAL BUDGET	2022/23
INEP	R 46,288,000
Municipal Infrastructure Grant (MIG)	R 53,264,600
Capital Replacement Reserve (CRR)	R 60,356,724
TOTAL	R 159,909,312

The above table is graphically represented as follows for the 2022/23 financial year.



The Municipality's capital funding is dependant highly on the external grants as allocated on the DORA.

The following table is of the Municipality's borrowing liability, which is not applicable for the 2022/23 as we have no long term debt

Table 3MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Parent municipality										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

Table 41 MBRR Table SA 18 - transfers and grants receipts

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
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		214 943	–	–	265 363	265 363	265 363	292 768	304 242	321 932
Local Government Equitable Share		207 642			258 826	258 826	258 826	286 308	302 542	320 232
Expanded Public Works Programme Integrated Grant		3 185			4 887	4 887	4 887	4 810	–	–
Local Government Financial Management Grant		1 701			1 650	1 650	1 650	1 650	1 700	1 700
Municipal Disaster Grant					–	–	–			
Municipal Infrastructure Grant		2 415								
Other transfers/grants [insert description]										
Provincial Government:		676	–	–	650	650	650	650	–	–
Human Settlement Development IDP		–								
Libraries, Archives and Museums Library Service		168			650	650	650	650	–	–
Other transfers/grants [insert description]		508								
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	215 619	–	–	266 013	266 013	266 013	293 418	304 242	321 932
Capital Transfers and Grants										
National Government:		104 386	–	–	145 471	145 471	145 471	102 356	111 006	115 965
Municipal Infrastructure Grant (MIG)		43 080			51 971	51 971	51 971	56 068	58 514	61 116
Integrated National Electrification Programme (Municipal)		61 306			93 500	93 500	93 500	46 288	52 492	54 849
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	104 386	–	–	145 471	145 471	145 471	102 356	111 006	115 965
TOTAL RECEIPTS OF TRANSFERS & GRANTS		320 005	–	–	411 484	411 484	411 484	395 774	415 248	437 897

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
 - Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue, and
 - Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 42 MBRR Table A7 - Budget cash flow statement

EC441 Matatiele - Table A7 Budgeted Cash Flows

Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework			
R thousand			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	
CASH FLOW FROM OPERATING ACTIVITIES													
Receipts													
Property rates			1	9	17 483	45 975	45 975	45 975	31 791	43 271	45 434	47 706	
Service charges			49 707	57 798	54 759	60 729	60 729	60 729	41 248	69 553	73 031	76 683	
Other revenue			116 518	44 102	33 631	9 365	9 365	9 365	11 056	7 919	8 046	8 448	
Transfers and Subsidies - Operational		1	240 745	259 411	309 461	267 313	267 313	267 313	266 150	293 418	304 242	321 932	
Transfers and Subsidies - Capital		1	73 290	108 432	92 926	145 471	145 471	145 471	106 971	102 356	111 006	115 965	
Interest			-	-	8 578	-	14 650	14 650	710	33 381	32 845	34 487	
Dividends			-	-	-	-	-	-	-	-	-	-	
Payments													
Suppliers and employees			(257 700)	(271 512)	(16 811)	(375 402)	(380 346)	(380 346)	(145 975)	(415 053)	(427 260)	(437 518)	
Finance charges			-	-	-	-	-	-	-	-	-	-	
Transfers and Grants		1	(150)	-	-	-	-	-	-	-	-	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES				222 412	198 241	500 027	153 450	163 157	163 157	311 951	134 844	147 344	167 703
CASH FLOWS FROM INVESTING ACTIVITIES													
Receipts													
Proceeds on disposal of PPE			-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current receivables			-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments			-	-	-	-	-	-	-	-	-	-	
Payments													
Capital assets			-	-	(161 457)	(192 872)	(204 327)	(204 327)	(112 408)	(159 909)	(150 264)	(147 174)	
NET CASH FROM/(USED) INVESTING ACTIVITIES				-	-	(161 457)	(192 872)	(204 327)	(204 327)	(112 408)	(159 909)	(150 264)	(147 174)
CASH FLOWS FROM FINANCING ACTIVITIES													
Receipts													
Short term loans			-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing			-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits			-	-	110	-	-	-	71	-	-	-	
Payments													
Repayment of borrowing			-	-	-	-	-	-	-	-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES				-	-	110	-	-	-	71	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD				222 412	198 241	338 680	(39 422)	(41 171)	(41 171)	199 614	(25 065)	(2 920)	20 529
Cash/cash equivalents at the year begin:		2	-	-	153 196	178 309	166 749	166 749	224 422	273 428	248 363	245 442	
Cash/cash equivalents at the year end:		2	222 412	198 241	491 876	138 887	125 578	125 578	424 036	248 363	245 442	265 971	

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 43 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

2021 Matatiele - Table A8 Cash backed reserves/accumulated surplus reconciliation

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
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	222 412	198 241	491 876	138 887	125 578	125 578	424 036	248 363	245 442	265 971
Other current investments > 90 days		(98 455)	(45 044)	(267 454)	2 057	1 517	1 517	(102 709)	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		123 957	153 196	224 422	140 943	127 095	127 095	321 327	248 363	245 442	265 971
Application of cash and investments											
Unspent conditional transfers		3 236	1 753	4 461	(0)	(2 224)	2 224	7 765	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(136 561)	(79 859)	(63 750)	(147 091)	(131 152)	(63 150)	(112 044)	22 549	4 129	(14 690)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(133 324)	(78 106)	(59 289)	(147 091)	(133 376)	(60 926)	(104 279)	22 549	4 129	(14 690)
Surplus(shortfall)		257 281	231 302	283 711	288 034	260 471	188 021	425 606	225 814	241 313	280 661

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 44MBRR SA10 – Funding compliance measurement

Description	MFMA section	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	788,398	1,046,495	1,221,034	456,983	454,865	454,865	783,976	140,943	127,349	88,379
Cash + investments at the yr end less applications - R'000	18(1)b	2	372,737	257,659	232,136	191,051	166,999	166,999	371,680	288,034	280,017	242,066
Cash year end/monthly employee/supplier payments	18(1)b	3	39.3	48.3	50.5	16.6	15.1	15.1	40.6	4.9	4.4	2.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	69,639	16,335	142,234	101,528	116,026	116,026	254,536	142,872	130,953	100,008
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	18.8%	(7.1%)	7.2%	(6.0%)	(6.0%)	(25.7%)	0.5%	(1.0%)	(1.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	316.2%	133.7%	82.8%	102.7%	72.6%	72.6%	85.0%	79.6%	79.8%	79.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	(0.1%)	5.6%	15.3%	4.3%	4.3%	4.3%	0.0%	5.6%	5.6%	5.6%
Capital payments % of capital expenditure	18(1)c;19	8	(105.8%)	(58.0%)	(49.0%)	(100.0%)	(100.0%)	(100.0%)	(108.9%)	100.0%	96.8%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.5%	100.2%	100.2%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	36.8%	15.2%	(17.9%)	46.3%	0.0%	(7.4%)	(33.6%)	7.1%	(2.1%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.6%	1.1%	1.7%	2.0%	2.1%	2.1%	2.0%	2.1%	1.5%	1.7%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High Level Outcome of Funding Compliance												
Total Operating Revenue			303,807	369,207	380,515	408,394	462,450	462,450	423,029	427,747	441,287	442,107
Total Operating Expenditure			362,898	460,689	363,063	408,393	439,610	439,610	250,085	430,346	431,402	453,104
Surplus/(Deficit) Budgeted Operating Statement			(59,091)	(91,482)	17,452	1	22,840	22,840	172,944	(2,599)	9,885	(10,998)
Surplus/(Deficit) Considering Reserves and Cash Backing			372,737	257,659	232,136	191,051	166,999	166,999	371,680	288,034	280,017	242,066
MTREF Funded (1) / Unfunded (0)		15	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded *		15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

2.6.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 43, on page 84. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. It is especially important to consider the position should the municipality be faced with an expected disaster that threatens revenue collection such as rate boycotts. As part of the 2022/23 MTREF the municipalities improving cash position causes the ratio to move upwards to 7.3 and then increase slightly to 9 for outer years. As indicated above the Municipality aims to archive at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

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

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

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

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 80 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DORA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.5.10 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtor's accounts within 30 days.

2.6.5.11 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.12 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability.

Table 45 MBRR SA19 - Expenditure on transfers and grant programmes

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
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		214 943	–	–	265 363	265 363	265 363	292 768	304 242	321 932
Local Government Equitable Share		207 642			258 826	258 826	258 826	286 308	302 542	320 232
Expanded Public Works Programme Integrated Grant		3 185			4 887	4 887	4 887	4 810	–	–
Local Government Financial Management Grant		1 701			1 650	1 650	1 650	1 650	1 700	1 700
Municipal Disaster Grant					–	–	–			
Municipal Infrastructure Grant		2 415					–			
Other transfers/grants [insert description]										
Provincial Government:		676	–	–	650	650	650	650	–	–
Human Settlement Development IDP		–								
Libraries, Archives and Museums		168			650	650	650	650	–	–
Library Service		508								
Other transfers/grants [insert description]		–								
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	215 619	–	–	266 013	266 013	266 013	293 418	304 242	321 932
Capital Transfers and Grants										
National Government:		104 386	–	–	145 471	145 471	145 471	102 356	111 006	115 965
Municipal Infrastructure Grant (MIG)		43 080			51 971	51 971	51 971	56 068	58 514	61 116
Integrated National Electrification Programme (Municipal Capital Grant)		61 306			93 500	93 500	93 500	46 288	52 492	54 849
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	104 386	–	–	145 471	145 471	145 471	102 356	111 006	115 965
TOTAL RECEIPTS OF TRANSFERS & GRANTS		320 005	–	–	411 484	411 484	411 484	395 774	415 248	437 897

2.8 Table 4MBRR SA23 - Summary of councillor and staff benefits

[illegible]

Table 49 MBRR SA24–Summary of personnel numbers

Summary of Personnel Numbers		Ref	2019/20			Current Year 2020/21			Budget Year 2021/22		
Number	1,2		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)	4										
Board Members of municipal entities	5										
Municipal employees											
Municipal Manager and Senior Managers	3										
Other Managers	7										
Professionals			26	22	4	63	56	–	32	29	3
Finance											
Spatial/town planning			11	10	1	40	35	–	19	19	–
Information Technology			2	2	–	14	13	–	4	4	–
Roads			1	1	–	9	8	–	1	1	–
Electricity			6	3	3	–	–	–	7	4	3
Water			6	6	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			–	–	–	–	–	–	–	–	–
Other			–	–	–	–	–	–	1	1	–
Technicians			102	102	–	6	6	–	58	58	–
Finance			18	18	–	–	–	–	8	8	–
Spatial/town planning			2	2	–	–	–	–	–	–	–
Information Technology			4	4	–	1	1	–	7	7	–
Roads			3	3	–	–	–	–	9	9	–
Electricity			–	–	–	3	3	–	3	3	–
Water			–	–	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			1	1	–	–	–	–	1	1	–
Other			74	74	–	2	2	–	30	30	–
Clerks (Clerical and administrative)			48	48	–	–	66	2	65	39	26
Service and sales workers			25	25	–	–	44	1	–	–	–
Skilled agricultural and fishery workers			–	–	–	2	2	–	–	–	–
Craft and related trades			9	9	–	–	–	–	–	–	–
Plant and Machine Operators			13	13	–	3	3	–	15	15	–
Elementary Occupations			93	93	–	178	157	–	96	96	–
TOTAL PERSONNEL NUMBERS	9		316	312	4	252	334	3	266	237	29
% increase						(20.3%)	7.1%	(25.0%)	5.6%	(29.0%)	866.7%
Total municipal employees headcount	6, 10										
Finance personnel headcount	8, 10										
Human Resources personnel headcount	8, 10										

2.9 Monthly targets for revenue, expenditure and cash flow

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
Revenue By Source																
Property rates		4 507	4 507	4 507	4 507	4 507	4 507	4 507	4 507	4 507	4 507	4 507	4 507	54 088	56 793	59 632
Service charges - electricity revenue		5 951	5 951	5 951	5 951	5 951	5 951	5 951	5 951	5 951	5 951	5 951	5 951	71 416	74 987	78 736
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	15 526	16 302	17 117
Rental of facilities and equipment		169	169	169	169	169	169	169	169	169	169	169	169	2 028	2 129	2 235
Interest earned - external investments		1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	14 650	15 383	16 152
Interest earned - outstanding debtors		1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	18 731	17 462	18 335
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		147	147	147	147	147	147	147	147	147	147	147	147	1 769	1 521	1 598
Licences and permits		344	344	344	344	344	344	344	344	344	344	344	344	4 131	4 337	4 554
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	293 418	304 242	321 932
Other revenue		123	123	123	123	123	123	123	123	123	123	123	123	1 471	1 544	1 621
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		39 769	39 769	39 769	39 769	39 769	39 769	39 769	39 769	39 769	39 769	39 769	39 769	477 227	494 701	521 913
Expenditure By Type																
Employee related costs		11 431	11 431	11 431	11 431	11 431	11 431	11 431	11 431	11 431	11 431	11 431	11 431	137 172	144 031	155 650
Remuneration of councillors		1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	22 459	23 582	24 292
Debt impairment		500	500	500	500	500	500	500	500	500	500	500	500	6 000	6 300	6 615
Depreciation & asset impairment		4 914	4 914	4 914	4 914	4 914	4 914	4 914	4 914	4 914	4 914	4 914	4 914	58 970	61 919	65 014
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity		5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	61 383	64 452	68 095
Inventory consumed		641	641	641	641	641	641	641	641	641	641	641	641	7 697	8 082	8 361
Contracted services		9 490	9 490	9 490	9 490	9 490	9 490	9 490	9 490	9 490	9 490	9 490	9 490	113 874	111 022	100 961
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		6 039	6 039	6 039	6 039	6 039	6 039	6 039	6 039	6 039	6 039	6 039	6 039	72 468	76 091	83 159
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	480 023	495 479	509 147
Surplus/(Deficit)		(233)	(233)	(233)	(233)	(233)	(233)	(233)	(233)	(233)	(233)	(233)	(233)	(2 796)	(778)	12 766
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	102 356	111 006	115 965
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	99 560	110 228	128 731
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	99 560	110 228	128 731

Table 5MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote																
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		31 306	31 306	31 306	31 306	31 306	31 306	31 306	31 306	31 306	31 306	31 306	31 306	375 670	393 799	415 966
Vote 3 - Corporate		29	29	29	29	29	29	29	29	29	29	29	29	350	368	386
Vote 4 - Development and Planning		17	17	17	17	17	17	17	17	17	17	17	17	202	212	223
Vote 5 - Community		2 264	2 264	2 264	2 264	2 264	2 264	2 264	2 264	2 264	2 264	2 264	2 264	27 169	22 795	23 934
Vote 6 - Infrastructure		14 683	14 683	14 683	14 683	14 683	14 683	14 683	14 683	14 683	14 683	14 683	14 683	176 192	188 534	197 369
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		48 299	48 299	48 299	48 299	48 299	48 299	48 299	48 299	48 299	48 299	48 299	48 299	579 583	605 707	637 878
Expenditure by Vote to be appropriated																
Vote 1 - Executive Council		2 470	2 470	2 470	2 470	2 470	2 470	2 470	2 470	2 470	2 470	2 470	2 470	29 645	31 127	32 065
Vote 2 - Finance and Admin		14 685	14 685	14 685	14 685	14 685	14 685	14 685	14 685	14 685	14 685	14 685	14 685	176 224	179 114	196 294
Vote 3 - Corporate		6 022	6 022	6 022	6 022	6 022	6 022	6 022	6 022	6 022	6 022	6 022	6 022	72 259	75 872	81 736
Vote 4 - Development and Planning		1 990	1 990	1 990	1 990	1 990	1 990	1 990	1 990	1 990	1 990	1 990	1 990	23 882	25 076	18 193
Vote 5 - Community		6 210	6 210	6 210	6 210	6 210	6 210	6 210	6 210	6 210	6 210	6 210	6 210	74 524	75 625	73 541
Vote 6 - Infrastructure		8 316	8 316	8 316	8 316	8 316	8 316	8 316	8 316	8 316	8 316	8 316	8 316	99 798	104 788	103 165
Vote 7 - Internal Audit		308	308	308	308	308	308	308	308	308	308	308	308	3 692	3 877	4 154
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	480 023	495 479	509 147
Surplus/(Deficit) before assoc.		8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	99 560	110 228	128 731
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	99 560	110 228	128 731

Table 6MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		155	155	155	155	155	155	155	155	155	155	155	155	1 860	-	-
Vote 3 - Corporate		193	193	193	193	193	193	193	193	193	193	193	193	2 310	-	-
Vote 4 - Development and Planning		42	42	42	42	42	42	42	42	42	42	42	42	500	-	-
Vote 5 - Community		530	530	530	530	530	530	530	530	530	530	530	530	6 360	1 265	1 265
Vote 6 - Infrastructure		12 407	12 407	12 407	12 407	12 407	12 407	12 407	12 407	12 407	12 407	12 407	12 407	148 879	148 999	145 909
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	159 909	150 264	147 174
Total Capital Expenditure	2	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	159 909	150 264	147 174

Table 7MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand															
Cash Receipts By Source															
Property rates	3 606	3 606	3 606	3 606	3 606	3 606	3 606	3 606	3 606	3 606	3 606	3 606	43 271	45 434	47 706
Service charges - electricity revenue	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	57 133	59 989	62 989
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	12 421	13 042	13 694
Rental of facilities and equipment	135	135	135	135	135	135	135	135	135	135	135	135	1 622	1 703	1 788
Interest earned - external investments	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	14 650	15 383	16 152
Interest earned - outstanding debtors	1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	18 731	17 462	18 335
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	118	118	118	118	118	118	118	118	118	118	118	118	1 415	1 217	1 278
Licences and permits	275	275	275	275	275	275	275	275	275	275	275	275	3 305	3 470	3 643
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	293 418	304 242	321 932
Other revenue	131	131	131	131	131	131	131	131	131	131	131	131	1 577	1 655	1 738
Cash Receipts by Source	37 295	37 295	37 295	37 295	37 295	37 295	37 295	37 295	37 295	37 295	37 295	37 295	447 541	463 598	489 256
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	102 356	111 006	115 965
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	45 825	45 825	45 825	45 825	45 825	45 825	45 825	45 825	45 825	45 825	45 825	45 825	549 897	574 604	605 221
Cash Payments by Type															
Employee related costs	13 303	13 303	13 303	13 303	13 303	13 303	13 303	13 303	13 303	13 303	13 303	13 303	159 631	167 613	179 942
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	61 383	64 452	68 095
Acquisitions - water & other inventory	641	641	641	641	641	641	641	641	641	641	641	641	7 697	8 082	5 361
Contracted services	9 490	9 490	9 490	9 490	9 490	9 490	9 490	9 490	9 490	9 490	9 490	9 490	113 874	111 022	100 961
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	6 039	6 039	6 039	6 039	6 039	6 039	6 039	6 039	6 039	6 039	6 039	6 039	72 468	76 091	83 159
Cash Payments by Type	34 588	34 588	34 588	34 588	34 588	34 588	34 588	34 588	34 588	34 588	34 588	34 588	415 053	427 260	437 518
Other Cash Flows/Payments by Type															
Capital assets	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	13 326	159 909	150 264	147 174
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	47 914	47 914	47 914	47 914	47 914	47 914	47 914	47 914	47 914	47 914	47 914	47 914	574 962	577 524	584 692
NET INCREASE/(DECREASE) IN CASH HELD	(2 089)	(2 089)	(2 089)	(2 089)	(2 089)	(2 089)	(2 089)	(2 089)	(2 089)	(2 089)	(2 089)	(2 089)	(25 065)	2022/03/25 16:48:35	2022/03/25 16:48:35
Cash/cash equivalents at the month/year begin:	273 428	271 339	269 250	267 161	265 073	262 984	260 895	258 806	256 718	254 629	252 540	250 451	273 428	248 363	245 442
Cash/cash equivalents at the month/year end:	271 339	269 250	267 161	265 073	262 984	260 895	258 806	256 718	254 629	252 540	250 451	248 363	248 363	245 442	245 971

10 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, there were no contracts awarded beyond the medium-term revenue and expenditure framework (three years). See table attached:-

Description	Ref	Preceding Years	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
<u>Revenue Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
<u>Revenue Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

2.13 Legislation compliance status

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

1. In year reporting

Reporting to National Treasury uploading financial and non-financial information on the portal was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed 4 interns undergoing training in various divisions of the Financial Services Department recruitment processes are still underway for the additional 1 interns to be placed under budget and treasury.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and was tabled with the draft budget 2022/23 MTREF directly aligned and informed by the 2022/23 MTREF.

6. Annual Report

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

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **LIZO MATIWANE**, Municipal Manager of **Matatiele Local Municipality**, hereby certify that the Annual Budget for the 2022/2023 MTREF and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name Lizo Matiwane

Municipal Manager of Matatiele Local Municipality (EC441)

Signature _____

Date _____