

ANNUAL BUDGET MTERF FOR 2023/2024-2025/2026



MATATIELE

LOCAL MUNICIPALITY

ANNUAL BUDGET OF

MATATIELE LOCAL MUNICIPALITY

**2023/2024 TO 2025/26
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
Mscoa	Municipal standard chart of accounts

Part 1 – Annual Budget

1.1 Mayor's report

Budgeted Financial Performance (revenue)

Remarks;

- The revenue is anticipated to be R 604, 942, 708 in the 2023/24 financial year. The adjusted budget for 2022/23 was R 591, 449, 136. This is an increase of R 13,493,572 from the current adjustment budget. Revenue budget for the indicative years 2024/25 and 2025/26 is anticipated to be R 638,242,304 and R 642,508,820 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.
- Included on the other revenue is an amount of R 3,301,845 which relates to 5% admin fees for the human settlements projects that the Municipality will be implementing on behalf of Human settlements.

Budgeted Financial Performance (operating expenditure)

Remarks;

- The draft operating expenditure is anticipated to be R 509, 456, 388 in the 2023/24 financial year. The adjusted budget for 2022/23 was R 612,547,719. This is a decrease of R 103,091,331 from the current adjustment budget. For the two outer years 2024/25 and 2025/26 the operating expenditure budget is R 533,077,596 and R 558,190,608 respectively.
- An increase of 4.9% has been effected on employee related costs as per 2022-2024 Salary and Wage collective agreement from SALGBC.
- Included in the budget for employee related costs is an allocation of R 11,500,000 for the Expanded Public Works Programme and an amount of R 1,597,237 for the staff establishment of human settlements unit.

- Employee related costs represents 37% of the total operating budget with senior managers and other staff representing 32% and remuneration of Councillors representing 5% of the total operating budget.
- Included on contracted services is repairs and maintenance R 19,645,000 as follows;
 - Maintenance of Municipal Fleet and Plant-R 4000,000
 - Maintenance of ICT Network -R 1,100,000
 - Road Maintenance -R 2,700,000
 - Building and Facilities -R 5,700,000
 - Electrical Infrastructure -R 5,550,000
 - Machinery and Equipment -R 595,000
- Special programmes have been allocated budget as follows;
 - Mayoral Cup -R 1050,000
 - Youth and Children Programmes -R 2,800,000
 - Gender and Elderly Programmes -R 400,000
 - HIV and Disability programmes -R 420,000
- Communications and Marketing has been allocated a budget of R 2,150,000.
- Local Economic Development has been allocated budget as follows;
 - Cropping and Household food security -R 6,000,000
 - Livestock improvement programme -R 1,500,000
 - LED Support programme -R 1,250,000
 - Tourism events -R 5,450,000
- Indigent support budget of R 20 million has been provided for gas and solar maintenance, electricity and refuse.

Budgeted Capital Expenditure by vote, and funding

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 R 167,610, 700 in the 2023/24 financial year. The adjusted budget for 2022/23 was R 180, 650, 964. This is a decrease of R 13,040, 264 from the adjustment budget due to the following:
 - Decrease on INEP from R 46,288,000 to R 39,900,000

- Decrease of MIG from R 62,606,276 to R 55,580,700 due roll-over was allocated in the 2022/23 financial.
- Municipal reserves funding has been slightly increased from R 71,756,716 to R 72,130,000.

Transfers and grant receipts

Remarks;

- The municipality will receive both conditional and unconditional grants of R 408,7 million, an increase of R 12,9 million from R 395, 7 million on the 2023/24 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 R 17,6 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 been allocated a budget of R 3,974,000, decreased by R 836,000 for the next budget year.
- The finance management grant has an allocation of R 1,700,000, increased slightly by R 50,000 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 R 2,3 million from the current years 'allocation.
- The allocation for INEP has decreased by R 6,3 million from the current years 'allocation.

The capital budget per municipal departments is tabulated as below,

Budget & Treasury

Remarks;

- The total proposed budget for budget and treasury is R 3,3 million to be funded from the capital replacement reserves.

Municipal Manager's Office

Remarks;

- The total proposed budget for the office of the Municipal manager amounts to R 2,050,000 to be funded from capital replacement reserves.

Corporate Services

Remarks;

- The total proposed budget for corporate services is R 2,3 million to be funded from the municipal reserves.

Economic Development and planning

Remarks;

- The proposed budget is R 155, 000 for economic development and planning to be funded from the municipal reserves.

Community Services

Remarks;

- The total proposed budget for community services is R 9, million, to be funded from the capital replacement reserves.

INFRASTRUCTURE

Electricity Unit

Remarks;

- The total capital budget for the electricity unit is R 50,9 million, INEP will fund R 39,9 million of the budget and R 11, million will be funded from the capital reserves.

- This budget includes electrification in various wards and the upgrade of electricity infrastructure.

Operations and Maintenance Unit

Remarks;

- The capital budget for operations and maintenance unit is proposed to be R 23,7 million, to be funded from the capital reserves.

Project Management

- The capital budget for project management unit is proposed to be R 75,9 million, a portion of R 55,5 million will be funded from the Municipal infrastructure grant and R 20,3 million will be funded from the capital reserves.

TOTAL BUDGET 2023/24-2025/26

Remarks;

- The total draft budget is proposed to be R 677, million, it should be noted that this is a decrease of -R 116,1 million from the current adjustments budget.
- The decrease is mainly as a result of decreased allocation on the capital grants i.e. INEP and loss on disposal of Property Plant and Equipment.

PROPOSED TARIFF INCREASES AND BUDGET ASSUMPTIONS

Property Rates

Property rates tariff is proposed to increase by 0% for the 2023/24 financial year

Service Charges

- The electricity tariff is proposed to increase by 9-18% 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 4.9 % increase on employee related costs as per the SALGBC salary and wage increase agreement.

1.2 Council Resolutions

1. That, the draft budget of the municipality for the year 2023/24; and its indicative for the two projected outer years 2024/2025 and 2025/2026 as outlined on the report be tabled as set out in the following:
 - Operating Revenue by source of R 604, 942,708
 - Operating Expenditure by source of R 509, 456,388
 - Capital Expenditure by source and municipal vote of R 167,610, 700
 - Total budget of R 677, 067, 088
2. The council approves the proposed salary increase of 4.9% for employees for the 2023/2024 budget.
3. The council notes that employee related costs represent 37% of the total operation budget including the establishment of Human settlements unit.
4. The council notes and approves the following draft tariff increases for the 2023/24 financial year
 - Property rates tariff increase of 0% and first R 65 000 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 – 18% subject to approval by NERSA.
 - That all other municipal tariffs will not be increased.
5. That, council approves the reviewed policies as listed below,
 - 5.1. Budget policy,
 - 5.2. Cash management policy,
 - 5.3. Cash shortage policy,
 - 5.4. Credit control and debt collection policy,
 - 5.5. Cost containment policy,
 - 5.6. Customer care policy,
 - 5.7. Customer incentive scheme policy,
 - 5.8. Data backup policy,
 - 5.9. Debt capacity policy,
 - 5.10. Donor finance policy,
 - 5.11. Electricity token policy,
 - 5.12. Entertainment & refreshments policy,
 - 5.13. Fleet Management Policy,
 - 5.14. Unclaimed deposits policy,
 - 5.15. Fraud prevention plan,
 - 5.16. Gifts policy for officials,
 - 5.17. Grants & donation policy,
 - 5.18. GRAP framework policy,
 - 5.19. Impairment and write off policy,
 - 5.20. Cash-up Policy,
 - 5.21. Fixed Assets Policy,
 - 5.22. Payment Policy,
 - 5.23. Petty Cash Policy,
 - 5.24. Rates Policy,
 - 5.25. Special Services Policy,
 - 5.26. Strategy to improve Debtor policy,
 - 5.27. Supply Chain Management Policy,

- 5.28. Tariff Policy,
- 5.29. Use of Credit Card Policy and
- 5.30. Virement Policy.
- 5.31. Infrastructure procurement and delivery management policy.
- 5.32. Indigent Policy
- 5.33. Banking and Investments Policy
- 5.34. Use of Consultants Policy

1.3 Executive Summary

ANNUAL BUDGET 2023/24 – 2025/2026

Budgeted Financial Performance (revenue)

REVENUE SOURCE	APPROVED BUDGET 2022/2023	ADJUSTMENTS BUDGET 2022/23	DRAFT BUDGET 2023/2024	BUDGET 2023/24 % ALLOCATION	BUDGET YEAR 2024/2025	BUDGET YEAR 2025/2026
Property Rates	54,088,413	54,088,413	54,360,292	9%	57,023,952	59,074,080
Service Charges	86,941,669	86,941,669	86,941,669	14%	91,201,812	95,488,296
Rental Of Facilities & Equipment	2,027,556	2,027,556	2,027,556	0%	2,126,904	2,226,864
Interest - Outstanding Debtors	18,730,800	18,730,800	24,930,800	4%	26,152,416	27,381,588
Interest - External Investment	14,650,000	15,060,000	17,200,000	3%	18,042,804	18,890,808
Fines , Penalties and Forfeits	1,769,000	1,769,000	1,769,000	0%	1,855,680	1,942,920
Licences & Permits	4,130,853	4,130,853	4,130,853	1%	4,130,844	4,536,912
Transfers & Subsidies Operational	293,418,000	295,226,337	310,294,000	51%	329,427,584	319,347,548
Transfers & Subsidies Capital	102,356,000	111,697,672	98,406,000	16%	102,956,100	107,627,280
Other Revenue	1,470,696	1,776,836	4,882,541	1%	5,324,208	5,992,524
Total Revenue	579,582,987	591,449,136	604,942,708	100%	638,242,304	642,508,820

Remarks;

- The revenue is anticipated to be R 604, 942, 708 in the 2023/24 financial year. The adjusted budget for 2022/23 was R 591, 449, 136. This is an increase of R 13,493,572 from the current adjustment budget. Revenue budget for the indicative years 2024/25 and 2025/26 is anticipated to be R 638,242,304 and R 642,508,820 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.
- Included on the other revenue is an amount of R 3,301,845 which relates to 5% admin fees for the human settlements projects that the Municipality will be implementing on behalf of Human settlements.

Budgeted Financial Performance (operating expenditure)

EXPENDITURE TYPE	APPROVED BUDGET 2022/2023	ADJUSTMENTS BUDGET 2022/23	DRAFT BUDGET 2023/2024	BUDGET 2023/24 % ALLOCATION	BUDGET YEAR 2024/2025	BUDGET YEAR 2025/2026
Employee Related Costs	141,262,190	155,816,212	161,346,180	32%	169,251,996	177,206,916
Remuneration of Councillors	22,459,243	22,459,248	25,518,844	5%	26,769,276	28,027,416
Bad Debt Written Off	6,000,000	6,000,000	6,000,000	1%	6,294,000	6,589,818
Depreciation	53,336,135	73,136,148	53,300,156	10%	55,911,864	58,539,721
Bulk Purchases	61,382,985	61,382,988	71,000,000	14%	74,479,000	77,979,513
Contracted Services	113,584,081	110,776,264	108,600,493	21%	113,254,752	118,635,876
Other Material	7,747,000	8,141,966	7,310,000	1%	7,668,190	8,028,595
Other Expenditure	74,251,400	69,834,863	76,380,540	15%	79,448,518	83,182,752.35
Loss on disposal of Assets	-	105,000,000	-	0%	-	-
Total Expenditure	480,023,034	612,547,719	509,456,388	100%	533,077,596	558,190,608

Remarks;

- The draft operating expenditure is anticipated to be R 509, 456, 388 in the 2023/24 financial year. The adjusted budget for 2022/23 was R 612,547,719. This is a decrease of R 103,091,331 from

the current adjustment budget. For the two outer years 2024/25 and 2025/26 the operating expenditure budget is R 533,077,596 and R 558,190,608 respectively.

- An increase of 4.9% has been effected on employee related costs as per 2021-2024 Salary and Wage collective agreement from SALGBC.
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 - Electrical Infrastructure -R 5,550,000
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- Communications and Marketing has been allocated a budget of R 2,150,000.
- Local Economic Development has been allocated budget as follows;
 - Cropping and Household food security -R 6,000,000
 - Livestock improvement programme -R 1,500,000
 - LED Support programme -R 1,250,000
 - Tourism events -R 5,450,000
- Indigent support budget of R 17 million has been provided for gas and solar maintenance, electricity and refuse.

Budgeted Capital Expenditure by vote, and funding

DEPARTMENT/MUNICIPAL VOTE	APPROVED BUDGET 2022/23	ADJUSTMENTS BUDGET 2022/23	DRAFT BUDGET 2023/2024	BUDGET YEAR +2024/2025	BUDGET YEAR 2025/2026
Executive and Council	-	-	-	-	-
Municipal Manager's Office	260,000	260,000	2,050,000	-	-
Budget & Treasury	3,000,000	3,000,000	3,300,000	-	-
Corporate Services	2,310,000	2,310,000	2,300,000	-	-
Community Services	6,360,000	6,360,000	9,090,000	2,086,776	2,205,722
Economic Development Planning	500,000	500,000	155,000	-	-
Infrastructure	158,879,299	168,220,964	150,715,700	134,148,192	137,081,878
TOTAL CAPITAL PER MUNICIPAL VOTE	171,309,299	180,650,964	167,610,700	136,234,968	139,287,600
Funding Sources				-	-
Capital Replacement	71,756,716	71,756,716	72,130,000	45,689,028	48,695,448
Municipal Infrastructure Grant	53,264,624	62,606,276	55,580,700	58,045,940	60,592,140
Integrated National Electrification Programme	46,287,972	46,287,972	39,900,000	32,499,996	30,000,012
TOTAL CAPITAL FUNDING	171,309,312	180,650,964	167,610,700	136,234,964	139,287,600

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 R 167,610, 700 in the 2023/24 financial year. The adjusted budget for 2022/23 was R 180, 650, 964. This is a decrease of R 13,040, 264 from the adjustment budget due to the following:
 - Decrease on INEP from R 46,288,000 to R 39,900,000
 - Decrease of MIG from R 62,606,276 to R 55,580,700 due roll-over was allocated in the 2022/23 financial.
 - Municipal reserves funding has been slightly increased from R 71,756,716 to R 72,130,000.

Transfers and grant receipts

Description	2022/23 Medium Term Revenue & Expenditure Framework		2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2022/23	Adjustments Budget	Draft Budget 2023/24	Draft Budget 2024/25	Draft Budget 2025/26
RECEIPTS:					
Operating Transfers and Grants					
National Government:	292,768,000	292,768,000	309,644,000	324,577,000	314,131,000
Local Government Equitable Share	286,308,000	286,308,000	303,970,000	322,877,000	312,431,000
Expanded Public Works Programme Integrated Grant	4,810,000	4,810,000	3,974,000	-	-
Local Government Financial Management Grant	1,650,000	1,650,000	1,700,000	1,700,000	1,700,000
Provincial Government:	650,000	2,458,337	650,000	-	-
Capacity Building and Other : Library	650,000	2,458,337	650,000	-	-
		-			
Total Operating Transfers and Grants	293,418,000	295,226,337	310,294,000	324,577,000	314,131,000
Capital Transfers and Grants	102,356,000	111,697,672	98,406,000	93,601,000	93,805,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	46,288,000	46,288,000	39,900,000	32,500,000	30,000,000
Municipal Infrastructure Grant (MIG)	56,068,000	65,409,672	58,506,000	61,101,000	63,805,000
TOTAL RECEIPTS OF TRANSFERS & GRANTS	395,774,000	406,924,009	408,700,000	418,178,000	407,936,000

Remarks;

- The municipality will receive both conditional and unconditional grants of R 408,7 million, an increase of R 12,9 million from R 395, 7 million on the 2023/24 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 R 17,6 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 been allocated a budget of R 3,974,000, decreased by R 836,000 for the next budget year.
- The finance management grant has an allocation of R 1,700,000, increased slightly by R 50,000 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 R 2,3 million from the current years 'allocation.
- The allocation for INEP has decreased by R 6,3 million from the current years 'allocation.

The capital budget per municipal departments is tabulated as below,

Budget & Treasury

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT	BUDGET +2024/2025	BUDGET +/2025/2026
Budget Planning & Investments			50,000	50,000	-	-	-	-	-
Computer Equipment	New	Admin	50,000	50,000					
Revenue & Expenditure Management			100,000	100,000	-	-	-	-	-
LAPTOPS	New	Admin	50,000	50,000					
OFFICE FURNITURE	New	Admin	50,000	50,000	-	-	-	-	-
Supply Chain Management			3,100,000	3,100,000	-	-	-	-	-
Municipal Fleet	New	Admin	3,000,000	3,000,000	-	-	-	-	-
Furniture	New	Admin	50,000	50,000					
Laptops	New	Admin	50,000	50,000					
Financial Reporting & Assets Management			50,000	50,000				-	-
Laptops	New	Admin	50,000	50,000					
TOTAL BUDGET & TREASURY			3,300,000	3,300,000	-	-	-	-	-

Remarks;

- The total proposed budget for budget and treasury is R 3,3 million to be funded from the capital replacement reserves.

Municipal Manager's Office

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT	BUDGET +2024/2025	BUDGET +/2025/2026
Municipal Manager			100,000	100,000	-	-	-	-	-
Computer Equipment			100,000	100,000					
Internal Audit			1,850,000	1,850,000	-	-	-	-	-
Laptops	New	Admin	50,000	50,000				-	-
Internal Audit System			1,800,000	1,800,000					
SPU & Communications			100,000	100,000	-	-	-	-	-
Computer Equipment	New	Admin	50,000	50,000	-	-	-	-	-
Loudhailer/Loudcruiser round horn roof mounted vehicle PA system kit	New	Admin	50,000	50,000					
Total Municipal Manager's Office			2,050,000	2,050,000	-	-	-	-	-

Remarks;

- The total proposed budget for the office of the Municipal manager amounts to R 2,050,000 to be funded from capital replacement reserves.

Corporate Services

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT	BUDGET +2024/2025	BUDGET +/2025/2026
Admin & Council Support									
Furniture and Equipment	New	Admin	50,000	50,000					
Computer Equipment	New	Admin	20,000	20,000					
			70,000	70,000	-	-	-	-	-
Council Support									
Purchasing of Furniture	New	Admin	300,000	300,000					
Purchasing of Computers Equipment	New	Admin	50,000	50,000					
			350,000	350,000	-	-	-	-	-
Human Resources									
Laptop	New	Admin	30,000	30,000					
			30,000	30,000	-	-	-	-	-
ICT SERVICES									
Computer Equipment (Laptops for ward Clerks)	Upgrade	All Wards	600,000	600,000					
Delegate management system (New Council chambers)	Upgrade	Admin	350,000	350,000					
UNINTERIPTED POWER SUPPLY (ups)	Upgrade	Admin	250,000	250,000					
SURVEILLANCE CAMERAS	Upgrade	Ward 26	200,000	200,000					
PUBLIC WI FI	Upgrade	Ward 1 or 6 (village)	350,000	350,000					
IT EQUIPMENT		Admin	100,000	100,000					
			1,850,000	1,850,000	-	-	-	-	-
TOTAL CORPORATE SERVICES			2,300,000	2,300,000	-	-	-	-	-

Remarks;

- The total proposed budget for corporate services is R 2,3 million to be funded from the municipal reserves.

Economic Development and planning

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT	BUDGET +2024/2025	BUDGET +/2025/2026
Planning									
Projector	New	Admin	15,000	15,000	-	-	-	-	-
filing cabinet (shelf)	New	Admin	5,000	5,000					
			20,000	20,000					
Local Economic Development									
Laptop	New	Admin	75,000	75,000					
			75,000	75,000	-	-	-	-	-
EDP Governance									
Laptop			60,000	60,000	-	-	-	-	-
			60,000	60,000					
TOTAL ECONOMIC DEVELOPMENT AND PLANNING			155,000	155,000	-	-	-	-	-

Remarks;

- The proposed budget is R 155, 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 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Sportsfield Goal Posts & Maintenance Cleaning Machinery	New	1,19,20	250,000	250,000		
Laptops	New	Office personnel	60,000	60,000		
Swimming Pool Pump	New	19	200,000	200,000		
Stadiums borehole	New and upgrade	1 & 19	200,000	200,000		
Replacement of Libraries AIRCONS	NEW	1,19,26	100,000	100,000	-	
Public Safety			3,730,000	3,730,000	-	-
Procurement of the fire engine		All	3,000,000	3,000,000		
2 x Containers for Licensing and Fire storage		All	130,000	130,000		
2 x Laptops		All	100,000	100,000		
Procurement of the automatic plate recognition Machinery		19	400,000	400,000		
Procurement of grassfire high pressure Bakkie fire fighter Unit 500L		All	100,000	100,000		
Solid Waste & Enviroment			4,550,000	4,550,000	-	-
Development of parks	New	1,19,20,26	150,000	150,000	-	-
Tractor	new	Admin	400,000	400,000		
Grass cutting Machines	new	Admin	200,000	200,000		
Laptops	new	Admin	50,000	50,000		
Furniture	new	Admin	50,000	50,000		
Cemetery development	new	Admin	1,000,000	1,000,000		
Construction of chalets	new	19	500,000	500,000		
Fencing Nature reserve	new	19	500,000	500,000		
Weighbridge	new	19	1,700,000	1,700,000		
				-		
Community Governace			-	-	-	-
TOTAL COMMUNITY SERVICES			9,090,000	9,090,000	-	-

Remarks;

- The total proposed budget for community services is R 9, million, to be funded from the capital replacement reserves.

INFRASTRUCTURE

Electricity Unit

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Nkululekweni	New	3	12,500,000	-	-	12,500,000
Tholang	New	1	10,125,000	-	-	10,125,000
Skiti	New	1	7,750,000	-	-	7,750,000
fubane	New	23	1,250,000	-	-	1,250,000
Matolong	New	23	1,400,000	-	-	1,400,000
Bethesda	New	23	3,000,000	-	-	3,000,000
Jabavu	New	2	3,875,000	-	-	3,875,000
Replace 1 substation switch gears	New	19	3,000,000	3,000,000	-	-
Replace 3 transformer	New	19	3,200,000	3,200,000	-	-
Fencing of Transformors	New	19	500,000	500,000	-	-
Refurbishment of FM Tower line	New	19	2,000,000	2,000,000	-	-
Christmas Lights in Town	New	19	500,000	500,000	-	-
Highmast Lights	New	1 & 26	1,800,000	1,800,000	-	-
Laptops	New	Admin	70,000	70,000	-	-
			50,970,000	11,070,000	-	39,900,000

Remarks;

- The total capital budget for the electricity unit is R 50,9 million, INEP will fund R 39,9 million of the budget and R 11, million will be funded from the capital reserves.
- This budget includes electrification in various wards and the upgrade of electricity infrastructure.

Operations and Maintenance Unit

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
4km Pholile Access Road at ward 15	New	15	2,000,000	2,000,000	-	-	-
2,6km Belford Access Road at ward 8	New	8	1,690,000	1,690,000	-	-	-
2,4km Moriting Access Road at ward 24	New	24	1,560,000	1,560,000	-	-	-
9,2km Shepard's hope Access Road at wrad 16	Renewal	16	3,000,000	3,000,000	-	-	-
3,7km Springana Access Road at ward 11	Renewal	11	2,000,000	2,000,000	-	-	-
5km Sekhutlong Access Road	Renewal	23	3,000,000	3,000,000	-	-	-
3,6km Mkrwabo Access Road at ward 18	Renewal	18	2,340,000	2,340,000	-	-	-
6,3km Pamlaville – Mngeni Access Road	Renewal	9	3,095,000	3,095,000	-	-	-
Upgrade of Municipal Offices	Renewal	Admin	1,000,000	1,000,000	-	-	-
Municipal Plant	Renewal	All	2,500,000	2,500,000	-	-	-
Laptops	Renewal	Admin	100,000	100,000	-	-	-
Aircons	Renewal	Admin	500,000	500,000	-	-	-
Landfill Site access road	Upgrade	19	1,000,000	1,000,000	-	-	-
			23,785,000	23,785,000	-	-	-

Remarks;

- The capital budget for operations and maintenance unit is proposed to be R 23,7 million, to be funded from the capital reserves.

Project Management

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Extension of Matatiele Sports Centre - Phase 2	New	20	5,000,000	-	5,000,000	-
Construction of Harry Gwala Internal Streets	New	20	15,000,000	-	15,000,000	-
Rehabilitation of Matatiele Internal Streets-Cluster 1	New	19	7,000,000	-	7,000,000	-
Installation of 250 Streetlights	Upgrade	19	7,852,900	-	7,852,900	-
Installation of 10 High Mast	Upgrade	20	5,166,800	-	5,166,800	-
Construction of Cedarville Internal Streets Phase 4	Upgrade	26	4,000,000	-	4,000,000	-
Maluti Internal Streets Phase 5	New	1	4,000,000	-	4,000,000	-
Mahasheng Access Road & Bridge	New	14	2,500,000	-	2,500,000	-
Mnceba - Matiasse Access Road & Bridge	New	5	1,861,000	-	1,861,000	-
Mafube-Nkosana Access Road & Bridge		8	3,200,000		3,200,000	
Masopa A/R		13	3,500,000	3,500,000	-	-
Dlodlweni Phase 2		10	3,500,000	3,500,000		
Khesa A/R		10	2,650,000	2,650,000	-	-
Mpofini A/R		24	2,300,000	2,300,000	-	-
Mango A/R		17	2,800,000	2,800,000	-	-
Rehabilitation of Matatiele Internal Streets-Cluster 1		19	5,360,000	5,360,000		
Laptops		Admin	120,000	120,000	-	-
Furniture & equipment	Renewal	Admin	100,000	100,000		
			75,910,700	20,330,000	55,580,700	-

- The capital budget for project management unit is proposed to be R 75,9 million, a portion of R 55,5 million will be funded from the Municipal infrastructure grant and R 20,3 million will be funded from the capital reserves.

TOTAL BUDGET 2023/24-2025/26

Description	Current Budget		2023/24 Medium Term Revenue & Expenditure Framework		
	Approved Budget 2022/2023	Adjusted Budget 2022/2023	BUDGET +2023/2024	BUDGET +2024/2025	BUDGET +2025/2026
Operating Budget	480,023,034	612,547,719	509,456,388	533,077,596	558,190,608
Capital Budget	171,309,299	180,650,964	167,610,700	136,234,964	139,287,600
Total Budget	651,332,333	793,198,683	677,067,088	669,312,560	697,478,208

Remarks;

- The total draft budget is proposed to be R 677, million, it should be noted that this is a decrease of -R 116,1 million from the current adjustments budget.
- The decrease is mainly as a result of decreased allocation on the capital grants i.e. INEP and loss on disposal of Property Plant and Equipment.

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

Property rates tariff is proposed to increase by 0% for the 2023/24 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		

Service Charges

- The electricity tariff is proposed to increase by 9-18% 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 4.9 % increase on 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 2023/2024 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
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 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 2023/24 MTREF (classified by main revenue source):

Table 1 -Summary of revenue classified by main revenue source

Description	Ref	2018/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	47 645	57 058	58 530	71 416	71 416	71 416	71 416	71 416	74 915	78 438
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	10 790	11 531	11 615	15 526	15 526	15 526	15 526	15 526	16 287	17 052
Sale of Goods and Rendering of Services		1 144	759	923	566	872	872	872	3 920	4 112	4 305
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		485	1 371	2 168	4 300	4 300	4 300	4 300	6 500	6 819	7 139
Interest earned from Current and Non Current Assets		12 973	8 835	9 599	14 650	15 080	15 080	15 080	17 200	18 043	18 891
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	172	144	-	-	-	-	-	-	-
Rental from Fixed Assets		2 783	1 398	1 260	2 028	2 028	2 028	2 028	2 028	2 127	2 227
Licence and permits		1 232	3 770	3 503	4 106	4 106	4 106	4 106	4 106	4 307	4 509
Operational Revenue		330	114	283	905	905	905	905	963	1 010	1 058
Non-Exchange Revenue											
Property rates	2	44 904	46 575	48 726	54 088	54 088	54 088	54 088	54 360	57 024	59 704
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 398	762	2 058	1 769	1 769	1 769	1 769	1 769	1 856	1 943
Licences or permits		1 325	17	(94)	25	25	25	25	25	26	27
Transfer and subsidies - Operational		244 441	306 535	267 351	293 418	295 226	295 226	295 226	310 294	329 428	319 348
Interest		11 070	11 986	14 020	14 431	14 431	14 431	14 431	18 431	19 334	20 243
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	333	-	-	-	-	-	-	-	-
Other Gains		(3)	1 468	(15)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contr		380 515	452 685	418 070	477 227	478 751	478 751	478 751	508 537	535 286	534 882

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 R 8 000.00

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	-	265 363	265 363	-	309 644	324 577	314 269
Local Government Equitable Share					258 826	258 826		303 970	322 877	312 431
Expanded Public Works Programme Integrated Grant					4 887	4 887		3 974	-	-
Local Government Financial Management Grant					1 650	1 650		1 700	1 700	1 838
Municipal Disaster Grant										
Municipal Infrastructure Grant										
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	650	2 458	-	650	-	-
Municipal Disaster Grant					650	2 458		650	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	-	-	-	266 013	267 821	-	310 294	324 577	314 269
Capital Transfers and Grants										
National Government:		-	-	-	102 356	111 698	-	98 406	93 601	93 805
Municipal Infrastructure Grant (MIG)					56 068	65 410		58 506	61 101	63 805
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]					46 288	46 288		39 900	32 500	30 000
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	-	-	-	102 356	111 698	-	98 406	93 601	93 805
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	-	368 369	379 519	-	408 700	418 178	408 074

The municipality operational grants budget amounts to R 310,294 million for 2023/24 year, included in this amount is the equitable share allocation, the operational grants budget equates to 51% of the total revenue budget.

Table 3 Comparison of rated levies for the 2023/24 financial year

CATEGORY	CURRENT TARIFF	TARIFF (EFFECTIVE FROM 1ST JULY)
Residential	0.0109	0.0109
Vacant Land	0.0218	0.0218
Commercial	0.0131	0.0131
Farms	0.0026	0.0026
Government	0.0218	0.0218
Industrial	0.1013	0.1013
Municipal	0.0131	0.0131

Table 4 Comparison between current electricity charges and increases

	DESCRIPTION	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
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 2023/24 budget year.

The following table compares current and proposed amounts payable for the 2023/24 MTREF Table 6 Comparison between current waste removal fees and increases

Table 5 Comparison between current refuse 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
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 6 EC441 MATATIELE LOCAL MUNICIPALITY Table SA14 – Household bills

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Randicent											
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	3.0%	411.87	432.46	432.46
Electricity: Basic levy		219.21	247.76	247.76	461.56	528.90	461.56	7.0%	621.30	621.30	621.30
Electricity: Consumption		659.56	745.45	745.45	745.45	745.45	745.45	7.0%	875.68	875.68	875.68
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		-	-	-	-	-	-	-	-	-	-
sub-total		1 252.34	1 466.99	1 481.00	1 701.80	1 769.14	1 701.80	20.3%	2 047.85	2 075.39	2 082.44
VAT on Services											
Total large household bill:		1 252.34	1 466.99	1 481.00	1 701.80	1 769.14	1 701.80	20.3%	2 047.85	2 075.39	2 082.44
% increase/decrease			17.1%	1.0%	14.9%	4.0%	(3.8%)		20.3%	1.3%	0.3%
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	3.0%	411.87	432.46	432.46
Electricity: Basic levy		219.21	247.76	247.76	461.56	528.90	461.56	7.0%	621.30	621.30	621.30
Electricity: Consumption		659.56	745.45	745.45	745.45	745.45	745.45	7.0%	875.68	875.68	875.68
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		-	-	-	-	-	-	-	-	-	-
sub-total		1 252.34	1 466.99	1 481.00	1 701.80	1 769.14	1 701.80	20.3%	2 047.85	2 075.39	2 082.44
VAT on Services											
Total small household bill:		1 252.34	1 466.99	1 481.00	1 701.80	1 769.14	1 701.80	20.3%	2 047.85	2 075.39	2 082.44
% increase/decrease			17.1%	1.0%	14.9%	4.0%	(3.8%)		20.3%	1.3%	0.3%
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	3.0%	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	18.1%	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	18.1%	65 189.00	65 195.95	65 203.00
% increase/decrease			3.5%	(48.2%)	0.0%	-	-		18.1%	0.0%	0.0%

Operating Expenditure Framework

The Municipality's expenditure framework for the 2023/24 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 2023/24 budget and MTREF (classified per main type of operating expenditure):

Table 7 Summary of operating expenditure by standard classification item

Description	Ref	2018/19	2020/21	2021/22	Current Year 2023/24				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure											
Employee related costs	2	114 310	119 453	128 303	141 202	155 816	155 816	155 816	161 348	169 252	177 207
Remuneration of councillors		20 447	19 979	21 444	22 459	22 459	22 459	22 459	25 519	26 769	28 027
Bulk purchases - electricity	2	43 138	48 195	58 161	61 383	61 383	61 383	61 383	71 000	74 479	77 980
Inventory consumed	8	4 016	5 757	6 075	7 747	8 142	8 142	8 142	7 310	7 668	8 029
Debt Impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		57 441	83 800	53 955	53 336	73 136	73 136	73 136	53 300	55 912	58 540
Interest	3	-	14	35	-	-	-	-	-	-	-
Contracted services		80 304	93 160	100 354	113 584	110 776	110 776	110 776	108 601	113 255	118 636
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		15 797	27 338	17 651	6 000	6 000	6 000	6 000	6 000	6 294	6 590
Operational costs		36 353	39 240	49 201	74 252	69 835	69 835	69 835	76 381	79 448	83 183
Losses on disposal of Assets		684	-	78 219	-	105 000	105 000	105 000	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		372 484	436 838	519 398	480 929	612 648	612 648	608 923	609 468	638 078	658 191

The budgeted allocation for employee related costs for the 2023/24 financial year totals

R 161,3 million, which equals 31 per cent of the total operating expenditure. The municipality has effected an increase of 5.3 % for the 2023/2024 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 2023/24 financial year this amount equates to R 6, million and escalates to R 6,4 million by 2025/26. 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 R 53,3 million for the 2023/24 financial and equates to 11 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 2023/24 budget year the appropriation against this group of expenditure is by 1 per cent and is maintained at 1 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 2023/24.

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 2023/24 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 8 Repairs and maintenance by expenditure item

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
EXPENDITURE OTHER ITEMS		65 955	63 618	71 887	83 981	93 613	93 613	77 218	81 001	84 808
Depreciation	7	47 812	42 843	52 798	53 336	73 136	73 136	53 300	55 912	58 540
Repairs and Maintenance by Asset Class	3	18 143	20 774	19 089	30 645	20 477	20 477	23 917	25 089	26 269
Roads Infrastructure		5 229	8 714	4 513	10 790	1 170	1 170	4 300	4 511	4 723
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		5 229	8 714	4 513	10 790	1 170	1 170	4 300	4 511	4 723
Community Facilities		695	989	1 491	3 750	1 450	1 450	2 850	2 990	3 130
Sport and Recreation Facilities		8 412	6 125	7 523	9 700	9 852	9 852	9 400	9 861	10 324
Community Assets		9 106	7 114	9 014	13 450	11 302	11 302	12 250	12 850	13 454
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		2 781	1 311	715	600	600	600	950	997	1 043
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2 781	1 311	715	600	600	600	950	997	1 043
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		1 026	1 261	1 277	3 305	1 905	1 905	2 418	2 536	2 655
Transport Assets		-	2 375	3 570	2 500	5 500	5 500	4 000	4 196	4 393
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

For the 2023/24 financial year repairs and maintenance is budgeted at R 23,9 million this equates to 4% 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 15 000 or more indigent households during the 2023/24 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 09 2023/24 Medium-term capital budget per vote

Vote Description	Ref	2018/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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		(28)	3 574	74	-	-	-	-	100	-	-
Vote 2 - Finance and Admin		133 748	4 061	502	3 080	4 060	4 060	4 060	3 450	-	-
Vote 3 - Corporate		3 467	(2 384)	4 898	2 310	2 310	2 310	2 310	2 300	-	-
Vote 4 - Development and Planning		158 094	21 920	183	500	500	500	500	155	-	-
Vote 5 - Community		5 579	2 402	2 484	6 360	6 360	6 360	6 360	9 090	1 993	2 087
Vote 6 - Infrastructure		189 132	122 062	181 915	158 879	167 421	167 421	167 421	150 886	134 242	137 201
Vote 7 - Internal Audit		(12 655)	-	-	-	-	-	-	1 850	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		477 336	161 664	189 898	171 308	180 661	180 661	180 661	167 811	158 236	139 288

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 2023/24 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

MBRR Table A1 - Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands										
Financial Performance										
Property rates	44 904	46 575	48 726	54 088	54 088	54 088	54 088	54 360	57 024	59 704
Service charges	58 434	68 589	68 146	86 942	86 942	86 942	86 942	86 942	91 202	95 488
Investment revenue	12 973	8 835	9 599	14 650	15 060	15 060	15 060	17 200	18 043	18 891
Transfer and subsidies - Operational	244 441	306 535	267 351	293 418	295 226	295 226	295 226	310 294	329 428	319 348
Other own revenue	19 764	22 151	24 248	28 129	28 435	28 435	28 435	37 741	39 590	41 451
Total Revenue (excluding capital transfers and contributions)	380 515	452 685	418 070	477 227	479 751	479 751	479 751	506 537	535 286	534 882
Employee costs	114 310	119 453	128 303	141 262	155 816	155 816	155 816	161 348	169 252	177 207
Remuneration of councillors	20 447	19 979	21 444	22 459	22 459	22 459	22 459	25 519	26 769	28 027
Depreciation and amortisation	57 441	83 800	53 955	53 336	73 136	73 136	73 136	53 300	55 912	58 540
Finance charges	3	14	35	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	47 154	53 954	64 236	69 130	69 525	69 525	65 001	78 310	82 147	86 008
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	133 139	159 738	245 424	193 836	291 611	291 611	291 611	190 981	198 997	208 408
Total Expenditure	372 494	436 938	513 396	480 023	612 548	612 548	608 023	509 456	533 078	558 191
Surplus/(Deficit)	8 022	15 748	(95 327)	(2 796)	(132 796)	(132 796)	(128 272)	(2 920)	2 209	(23 309)
Transfers and subsidies - capital (monetary allocations)	124 782	92 926	165 532	102 356	111 698	111 698	111 698	98 406	102 956	107 627
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	(21 099)	(21 099)	(16 574)	95 486	105 165	84 318
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	132 803	108 674	70 206	99 560	(21 099)	(21 099)	(16 574)	95 486	105 165	84 318
Capital expenditure & funds sources										
Capital expenditure	477 336	151 664	189 896	171 309	180 651	180 651	180 651	167 611	136 235	139 288
Transfers recognised - capital	329 461	63 461	141 845	99 553	108 894	108 894	108 894	95 481	90 546	90 592
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	8 503	72 758	47 688	71 757	71 757	71 757	71 757	72 130	45 689	48 695
Total sources of capital funds	337 964	136 219	189 533	171 309	180 651	180 651	180 651	167 611	136 235	139 288
Financial position										
Total current assets	307 193	379 998	420 000	309 470	354 413	354 413	354 413	515 312	603 580	673 063
Total non current assets	1 064 250	1 128 072	1 140 318	1 361 729	1 246 271	1 246 271	1 246 271	1 351 702	1 432 025	1 512 773
Total current liabilities	111 761	126 310	148 127	99 372	149 515	149 515	149 515	104 869	168 295	234 208
Total non current liabilities	28 276	37 728	43 429	14 442	14 442	14 442	14 442	26 109	26 109	26 109
Community wealth/Equity	1 098 604	1 344 132	1 365 373	1 557 385	1 436 727	1 436 727	1 436 727	1 736 035	1 841 200	1 925 518
Cash flows										
Net cash from (used) operating	645 889	491 348	340 998	110 185	132 586	132 586	132 586	146 563	153 493	134 489
Net cash from (used) investing	(165 782)	(161 457)	(188 241)	(171 309)	(180 651)	180 651	180 651	(167 611)	(136 235)	(139 288)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	604 064	329 891	377 179	232 963	246 023	607 325	607 325	308 197	325 455	320 656
Cash backing/surplus reconciliation										
Cash and investments available	1 216 263	1 333 737	1 350 289	1 634 675	1 551 412	1 551 412	1 551 412	1 714 981	1 839 745	1 944 154
Application of cash and investments	383 006	343 141	320 303	470 666	197 014	197 014	197 014	226 953	272 724	318 952
Balance - surplus (shortfall)	833 257	990 596	1 029 986	1 164 009	1 354 398	1 354 398	1 354 398	1 488 028	1 567 021	1 625 202
Asset management										
Asset register summary (MDV)	754 393	808 393	906 805	1 239 140	1 095 686	1 095 686	1 225 746	1 225 746	1 183 491	1 139 251
Depreciation	47 812	42 843	52 798	53 336	73 136	73 136	53 300	53 300	55 912	58 540
Renewal and Upgrading of Existing Assets	17 620	46 475	32 993	30 215	47 823	47 823	26 150	26 150	26 869	28 809
Repairs and Maintenance	18 143	20 774	19 089	30 645	20 477	20 477	23 917	23 917	25 089	26 269
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	185	0	-	25 514	20 214	20 214	15 945	15 945	16 727	17 513
Households below minimum service level										
Water	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage	-	-	-	-	-	-	-	-	-	-
Energy	-	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-	-

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 2023/24, 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.

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

Functional Classification Description R thousand	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional	1									
Governance and administration		309 872	369 360	333 981	376 020	376 430	376 430	403 019	426 697	421 188
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		309 872	369 360	333 981	376 020	376 430	376 430	403 019	426 697	421 188
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		7 125	9 482	11 464	11 569	13 377	13 377	10 590	11 109	11 631
Community and social services		3 469	4 965	6 057	6 368	8 176	8 176	5 389	5 653	5 919
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		3 655	4 517	5 407	5 201	5 201	5 201	5 201	5 456	5 712
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		59 075	61 176	68 038	56 290	65 938	65 938	62 020	64 787	67 664
Planning and development		481	691	171	202	508	508	3 504	3 676	3 848
Road transport		58 594	60 486	67 867	56 088	65 430	65 430	58 516	61 111	63 816
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		129 225	105 593	170 119	135 705	135 705	135 705	129 314	135 650	142 026
Energy sources		118 306	91 192	156 620	57 024	57 024	57 024	113 716	119 288	124 895
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		10 919	14 401	13 498	78 681	78 681	78 681	15 598	16 362	17 131
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	505 297	545 611	583 602	579 583	591 449	591 449	604 943	638 242	642 509
Expenditure - Functional										
Governance and administration		183 488	209 526	241 512	224 974	230 309	230 309	234 648	245 559	257 159
Executive and council		30 896	24 561	28 850	29 845	30 745	30 745	33 129	34 752	36 385
Finance and administration		150 259	181 677	208 282	191 438	195 383	195 383	196 742	205 795	215 526
Internal audit		2 333	3 287	4 380	3 692	4 182	4 182	4 778	5 012	5 247
Community and public safety		29 052	32 878	34 947	53 254	55 661	55 661	52 289	54 641	57 210
Community and social services		11 872	13 826	15 683	27 956	31 219	31 219	28 208	29 380	30 761
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		17 180	19 052	19 264	25 297	24 442	24 442	24 081	25 261	26 449
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		82 304	63 504	69 977	90 830	112 152	112 152	101 269	105 686	110 653
Planning and development		15 981	17 620	19 907	24 989	25 871	25 871	35 134	36 310	38 017
Road transport		66 323	45 884	50 069	65 841	86 281	86 281	66 135	69 376	72 637
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		77 650	131 030	166 961	110 966	214 426	214 426	121 250	127 191	133 169
Energy sources		59 728	96 944	141 882	86 897	194 757	194 757	102 309	107 322	112 366
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		17 922	34 085	25 079	24 069	19 669	19 669	18 941	19 869	20 803
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	372 494	436 938	513 396	480 023	612 548	612 548	509 456	533 078	558 191
Surplus/(Deficit) for the year		132 803	108 674	70 206	99 560	(21 099)	(21 099)	95 486	105 165	84 318

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		309 400	369 140	333 448	375 670	376 080	376 080	402 544	426 198	420 666
Vote 3 - Corporate		471	221	533	350	350	350	475	498	522
Vote 4 - Development and Planning		816	508	283	202	508	508	3 504	3 676	3 848
Vote 5 - Community		18 044	23 883	24 963	90 249	92 057	92 057	26 188	27 471	28 762
Vote 6 - Infrastructure		176 565	151 860	224 375	113 112	122 454	122 454	172 232	180 399	188 711
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	505 297	545 611	583 602	579 583	591 449	591 449	604 943	638 242	642 509
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Council		30 896	24 561	28 850	29 845	30 745	30 745	33 129	34 752	36 385
Vote 2 - Finance and Admin		90 105	114 110	144 999	118 223	122 563	122 563	116 167	121 755	127 535
Vote 3 - Corporate		60 154	67 567	63 283	73 215	72 820	72 820	80 575	84 041	87 991
Vote 4 - Development and Planning		18 673	20 280	20 957	24 989	25 871	25 871	35 134	36 310	38 017
Vote 5 - Community		46 974	66 963	60 026	77 323	75 330	75 330	71 230	74 511	78 013
Vote 6 - Infrastructure		123 359	140 169	190 901	152 737	281 037	281 037	168 444	176 698	185 003
Vote 7 - Internal Audit		2 333	3 287	4 380	3 692	4 182	4 182	4 778	5 012	5 247
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	372 494	436 938	513 396	480 023	612 548	612 548	509 456	533 078	558 191
Surplus/(Deficit) for the year	2	132 803	108 674	70 206	99 560	(21 099)	(21 099)	95 486	105 165	84 318

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 A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	47 645	57 058	58 530	71 416	71 416	71 416	71 416	71 416	74 915	78 436
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	10 790	11 531	11 815	15 526	15 526	15 526	15 526	15 526	16 287	17 052
Sale of Goods and Rendering of Services		1 144	759	923	566	872	872	872	3 920	4 112	4 305
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		485	1 371	2 168	4 300	4 300	4 300	4 300	6 500	6 819	7 139
Interest earned from Current and Non Current Assets		12 973	8 835	9 599	14 650	15 060	15 060	15 060	17 200	18 043	18 891
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	172	144	-	-	-	-	-	-	-
Rental from Fixed Assets		2 783	1 398	1 290	2 028	2 028	2 028	2 028	2 028	2 127	2 227
Licence and permits		1 232	3 770	3 503	4 106	4 106	4 106	4 106	4 106	4 307	4 509
Operational Revenue		330	114	283	905	905	905	905	963	1 010	1 058
Non-Exchange Revenue	2										
Property rates		44 904	46 575	48 726	54 088	54 088	54 088	54 088	54 300	57 024	59 704
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 398	762	2 056	1 769	1 769	1 769	1 769	1 769	1 856	1 943
Licences or permits		1 325	17	(96)	25	25	25	25	25	26	27
Transfer and subsidies - Operational		244 441	306 535	267 351	293 418	295 226	295 226	295 226	310 264	329 428	319 348
Interest		11 070	11 986	14 020	14 431	14 431	14 431	14 431	18 431	19 334	20 243
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	333	-	-	-	-	-	-	-	-
Other Gains		(3)	1 468	(15)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		380 616	462 886	418 979	477 227	479 751	479 751	479 751	508 537	536 286	564 882
Expenditure											
Employee related costs	2	114 310	119 453	128 303	141 262	155 816	155 816	155 816	161 346	169 252	177 207
Remuneration of councillors		20 447	19 979	21 444	22 459	22 459	22 459	22 459	25 519	26 760	28 027
Bulk purchases - electricity	2	43 138	48 196	58 191	61 383	61 383	61 383	61 383	71 000	74 479	77 980
Inventory consumed	8	4 016	5 757	6 075	7 747	8 142	8 142	8 142	7 310	7 668	8 029
Debt Impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		57 441	83 800	53 955	53 336	73 136	73 136	73 136	53 300	55 912	58 540
Interest		-	14	35	-	-	-	-	-	-	-
Contracted services		80 304	93 160	100 354	113 584	110 776	110 776	110 776	108 601	113 255	118 636
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		15 797	27 338	17 651	6 000	6 000	6 000	6 000	6 000	6 204	6 590
Operational costs		36 353	39 240	49 201	74 252	69 835	69 835	69 835	76 361	79 446	83 163
Losses on disposal of Assets		684	-	78 219	-	105 000	105 000	105 000	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		372 484	436 838	619 398	480 023	612 648	612 648	608 023	609 468	633 078	668 191
Surplus/(Deficit)		8 022	16 748	(6 327)	(2 796)	(132 796)	(132 796)	(132 796)	(2 930)	2 208	(23 309)
Transfers and subsidies - capital (monetary)	6	124 782	92 926	165 532	102 356	111 698	111 698	111 698	98 405	102 956	107 627
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		132 803	108 674	70 208	89 660	(21 099)	(21 099)	(18 674)	86 488	106 186	84 318
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		132 803	108 674	70 208	89 660	(21 099)	(21 099)	(18 674)	86 488	106 186	84 318
Share of Surplus/(Deficit) attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/(Deficit) attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		132 803	108 674	70 208	89 660	(21 099)	(21 099)	(18 674)	86 488	106 186	84 318
Share of Surplus/(Deficit) attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	132 803	108 674	70 208	89 660	(21 099)	(21 099)	(18 674)	86 488	106 186	84 318

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

1. Total revenue is R 506,5 million (excluding capital and escalates to R 534,9 million by 2025/26).
2. Revenue to be generated from property rates is R 54,3 million in the 2023/24 financial year and increases to R 59,7 million by 2025/26 which represents 11 per cent of the own 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 R 86,9 million for the 2023/24 financial year and increasing to R 95,8 million by 2025/26. For the 2023/24 financial year services charges amount to 14 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 R 71 million and increases to R 77,9 million for 2025/26. 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 A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description R thousand	Ref	2018/20	2020/21	2021/22	Current Year 2023/24				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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		(28)	3 574	74	-	-	-	-	100	-	-
Vote 2 - Finance and Admin		133 748	4 061	502	3 280	4 060	4 060	4 060	3 450	-	-
Vote 3 - Corporate		3 487	(2 384)	4 698	2 310	2 310	2 310	2 310	2 300	-	-
Vote 4 - Development and Planning		158 094	21 920	103	500	500	500	500	155	-	-
Vote 5 - Community		5 579	2 402	2 484	6 360	6 360	6 360	6 360	9 000	1 993	2 087
Vote 6 - Infrastructure		189 132	122 092	181 915	158 879	167 421	167 421	167 421	150 666	134 242	137 201
Vote 7 - Internal Audit		(12 655)	-	-	-	-	-	-	1 850	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		477 336	161 664	189 898	171 308	180 661	180 661	180 661	167 811	158 236	159 288
Total Capital Expenditure - Vote		477 336	161 664	189 898	171 308	180 661	180 661	180 661	167 811	158 236	159 288
Capital Expenditure - Functional											
Governance and administration		124 582	5 250	5 304	5 570	6 370	6 370	6 370	7 700	-	-
Executive and council		(28)	3 574	74	-	-	-	-	100	-	-
Finance and administration		137 215	1 670	5 280	5 570	6 370	6 370	6 370	5 750	-	-
Internal audit		(12 655)	-	-	-	-	-	-	1 850	-	-
Community and public safety		62 797	2 248	1 388	3 480	3 480	3 480	3 480	4 540	210	220
Community and social services		49 950	2 093	100	1 510	1 510	1 510	1 510	810	210	220
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		2 781	155	1 109	1 950	1 950	1 950	1 950	3 730	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		208 818	98 243	84 145	110 101	117 848	117 848	117 848	99 861	101 742	107 201
Planning and development		904	488	103	500	500	500	500	155	-	-
Road transport		207 909	97 755	83 983	109 601	117 448	117 448	117 448	99 606	101 742	107 201
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		91 254	45 829	99 051	62 178	62 873	62 873	62 873	56 620	34 288	31 887
Energy sources		138 413	45 769	97 933	49 278	49 973	49 973	49 973	50 970	32 500	30 000
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		(47 150)	154	1 110	2 900	2 900	2 900	2 900	4 550	1 783	1 867
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	477 336	161 664	189 898	171 308	180 661	180 661	180 661	167 811	158 236	159 288
Funded by:											
National Government		306 482	63 340	141 845	99 553	108 894	108 894	108 894	95 481	90 546	90 592
Provincial Government		22 821	121	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		158	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	329 481	83 461	141 845	99 553	108 894	108 894	108 894	95 481	90 546	90 592
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		8 503	72 758	47 688	71 757	71 757	71 757	71 757	72 130	45 669	48 095
Total Capital Funding	7	337 964	156 219	189 533	171 308	180 661	180 661	180 661	167 811	158 236	159 288

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).

MBRR Table A6 -Budgeted Financial Position**Explanatory notes to Table A6 - Budgeted Financial Position**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		153 196	224 422	236 732	232 938	245 998	245 998	245 998	308 197	325 455	320 656
Trade and other receivables from exchange transactions	1	3 206	(13 393)	(20 836)	45 253	64 390	64 390	64 390	56 748	83 721	111 962
Receivables from non-exchange transactions	1	92 060	103 001	126 487	30 185	30 185	30 185	30 185	131 767	159 084	187 685
Current portion of non-current receivables		—	—	—	—	—	—	—	—	—	—
Inventory	2	1 703	2 137	1 874	1 093	1 094	1 094	1 094	1 912	1 912	1 912
VAT		56 961	59 135	70 782	—	12 746	12 746	12 746	16 689	33 408	50 848
Other current assets		76	4 696	4 961	—	—	—	—	—	—	—
Total current assets		307 193	379 998	420 000	309 470	354 413	354 413	354 413	515 312	603 580	673 063
Non current assets											
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		3 698	4 960	4 960	—	—	—	—	—	—	—
Property, plant and equipment	3	1 059 860	1 122 708	1 134 394	1 356 483	1 241 025	1 241 025	1 241 025	1 350 036	1 430 569	1 511 536
Biological assets		—	—	—	—	—	—	—	—	—	—
Living and non-living resources		—	—	—	—	—	—	—	—	—	—
Heritage assets		—	—	870	620	620	620	620	—	—	—
Intangible assets		692	403	94	4 626	4 626	4 626	4 626	1 666	1 456	1 236
Trade and other receivables from exchange transactions		—	—	—	—	—	—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—	—	—	—	—	—
Other non-current assets		—	—	—	—	—	—	—	—	—	—
Total non current assets		1 064 250	1 128 072	1 140 318	1 361 729	1 246 271	1 246 271	1 246 271	1 351 702	1 432 025	1 512 773
TOTAL ASSETS		1 371 443	1 508 070	1 560 318	1 671 199	1 600 683	1 600 683	1 600 683	1 867 014	2 035 604	2 185 835
LIABILITIES											
Current liabilities											
Bank overdraft		—	—	—	—	—	—	—	—	—	—
Financial liabilities		—	—	—	—	—	—	—	—	—	—
Consumer deposits		1 387	1 497	1 578	822	822	822	822	415	415	415
Trade and other payables from exchange transactions	4	46 942	47 666	51 878	62 798	99 104	99 104	99 104	57 113	106 859	158 449
Trade and other payables from non-exchange transactions	5	1 753	4 461	12 340	0	0	0	0	—	—	—
Provision		12 157	12 357	11 350	35 752	35 752	35 752	35 752	34 299	34 299	34 299
VAT		46 562	57 369	68 021	—	13 836	13 836	13 836	13 041	26 722	41 045
Other current liabilities		2 961	2 961	2 961	—	—	—	—	—	—	—
Total current liabilities		111 761	126 310	148 127	99 372	149 515	149 515	149 515	104 869	168 295	234 208
Non current liabilities											
Financial liabilities	6	—	—	—	—	—	—	—	—	—	—
Provision	7	19 617	24 191	28 828	14 442	14 442	14 442	14 442	26 109	26 109	26 109
Long term portion of trade payables		—	—	—	—	—	—	—	—	—	—
Other non-current liabilities		8 659	13 536	14 601	—	—	—	—	—	—	—
Total non current liabilities		28 276	37 728	43 429	14 442	14 442	14 442	14 442	26 109	26 109	26 109
TOTAL LIABILITIES		140 037	164 038	191 556	113 814	163 956	163 956	163 956	130 978	194 404	260 317
NET ASSETS		1 231 407	1 344 032	1 368 762	1 557 385	1 436 727	1 436 727	1 436 727	1 736 035	1 841 200	1 925 518
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	545 144	891 672	969 989	1 178 048	1 365 148	1 365 148	1 365 148	1 562 666	1 667 831	1 752 149
Reserves and funds	9	452 460	452 460	395 384	379 337	71 579	71 579	71 579	173 370	173 370	173 370
Other		—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	10	1 098 604	1 344 132	1 365 373	1 557 385	1 436 727	1 436 727	1 436 727	1 736 035	1 841 200	1 925 518

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 A7 - Budgeted Cash Flow Statement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		9	17 483	36 620	43 271	43 271	43 271	43 271	46 750	49 041	51 346
Service charges		57 798	54 759	62 021	69 553	64 253	64 253	64 253	74 770	78 434	82 120
Other revenue		44 102	33 631	15 705	7 598	31 464	31 464	31 464	49 299	46 464	48 219
Transfers and Subsidies - Operational	1	259 411	309 461	266 202	293 418	295 226	295 226	295 226	310 294	329 428	319 348
Transfers and Subsidies - Capital	1	108 432	92 926	174 749	102 356	111 698	111 698	111 698	98 406	102 956	107 627
Interest		174	-	4 385	14 650	15 060	15 060	15 060	17 200	18 043	18 891
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		175 962	(16 912)	(218 683)	(420 662)	(428 386)	(428 386)	(428 386)	(450 156)	(470 872)	(493 061)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM(USED) OPERATING ACTIVITIES		645 889	491 348	340 998	110 185	132 586	132 586	132 586	146 563	153 493	134 489
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		(165 782)	(161 457)	(188 241)	(171 309)	(180 651)	180 651	180 651	(167 611)	(136 235)	(139 288)
NET CASH FROM(USED) INVESTING ACTIVITIES		(165 782)	(161 457)	(188 241)	(171 309)	(180 651)	180 651	180 651	(167 611)	(136 235)	(139 288)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		480 107	329 891	152 757	(61 125)	(48 065)	313 237	313 237	(21 048)	17 258	(4 799)
Cash/cash equivalents at the year begin:	2	123 957	-	224 422	294 088	294 088	294 088	294 088	329 245	308 197	325 455
Cash/cash equivalents at the year end:	2	604 064	329 891	377 179	232 963	246 023	607 325	607 325	308 197	325 455	320 656

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 2023/24 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. The estimated surplus for the 2023/24 MTREF is based on enhancing the going concern principle of the municipality, the cash and cash equivalents is estimated at R 308,2 million and R 320,7 million in 2025/26 outer year.

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

Description		Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 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 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available												
Cash/cash equivalents at the year end		1	604 064	329 891	377 179	232 963	246 023	607 325	607 325	308 197	325 455	320 656
Other current investments > 90 days			(447 661)	(118 862)	(161 283)	45 228	64 365	(296 937)	(296 937)	56 748	83 721	111 962
Investments - Property, plant and equipment		1	1 059 860	1 122 708	1 134 394	1 356 483	1 241 025	1 241 025	1 241 025	1 350 036	1 430 569	1 511 536
Cash and investments available:			1 216 263	1 333 737	1 350 289	1 634 675	1 551 412	1 551 412	1 551 412	1 714 981	1 839 745	1 944 154
Application of cash and investments												
Trade payables from Non-exchange transactions: Other			-	-	-	-	-	-	-	-	-	-
Unspent borrowing			-	-	-	-	-	-	-	-	-	-
Statutory requirements		2	(20 604)	(57 702)	(77 824)	-	(1 091)	(1 091)	(1 091)	3 648	6 686	9 804
Other working capital requirements		3	23 761	20 794	19 085	55 576	90 773	90 773	90 773	15 636	58 369	101 480
Other provisions			15 117	15 318	14 310	35 752	35 752	35 752	35 752	34 299	34 299	34 299
Long term investments committed		4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		5	364 732	364 732	364 732	379 337	71 579	71 579	71 579	173 370	173 370	173 370
Total Application of cash and investments:			383 006	343 141	320 303	470 666	197 014	197 014	197 014	226 953	272 724	318 952
Surplus(shortfall)			833 257	990 596	1 029 986	1 164 009	1 354 398	1 354 398	1 354 398	1 488 028	1 567 021	1 625 202

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 2023/24 MTREF is funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

A9 - Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	459 716	105 189	156 903	141 095	132 828	132 828	141 461	109 366	110 479
Roads Infrastructure		179 041	26 982	47 268	43 437	52 651	52 651	58 356	61 215	64 093
Storm water Infrastructure		-	-	-	700	700	700	-	-	-
Electrical Infrastructure		102 932	43 793	97 236	63 238	57 488	57 488	59 720	46 158	44 300
Water Supply Infrastructure		-	-	-	450	590	590	200	210	220
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	1 100	1 100	1 100	1 700	1 783	1 867
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		454	(3 358)	898	550	630	630	250	-	-
Infrastructure		282 427	67 417	145 403	109 475	113 159	113 159	120 226	109 366	110 479
Community Facilities		35 562	400	885	-	-	-	500	-	-
Sport and Recreation Facilities		33 289	5 828	1 634	200	100	100	250	-	-
Community Assets		68 851	6 228	2 519	200	100	100	750	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		24 889	20 817	2 464	5 700	6 773	6 773	1 500	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		24 889	20 817	2 464	5 700	6 773	6 773	1 500	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		642	-	50	600	600	600	1 800	-	-
Intangible Assets		642	-	50	600	600	600	1 800	-	-
Computer Equipment		18 507	2 008	4 328	1 700	1 940	1 940	2 335	-	-
Furniture and Office Equipment		39 159	3 986	301	700	380	380	1 470	-	-
Machinery and Equipment		3 118	1 228	1 837	3 770	4 875	4 875	4 480	-	-
Transport Assets		33 816	3 504	-	18 950	5 000	5 000	8 900	-	-
Land		(11 692)	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	2 850	4 944	4 944	-	-	-
Roads Infrastructure		-	-	-	2 850	4 944	4 944	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	2 850	4 944	4 944	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	17 620	46 475	32 993	27 365	42 880	42 880	26 150	26 869	28 809
Roads Infrastructure		2 747	44 876	32 536	21 615	40 980	40 980	19 000	21 624	23 317
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2 653	565	240	-	-	-	500	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	217	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		5 400	45 441	32 993	21 615	40 980	40 980	19 500	21 624	23 317
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		110	334	-	5 200	1 800	1 800	5 000	5 245	5 492
Community Assets		110	334	-	5 200	1 800	1 800	5 000	5 245	5 492
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		208	614	-	550	100	100	1 650	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		208	614	-	550	100	100	1 650	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		130	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		11 772	85	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Meture		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	477 336	151 664	189 896	171 309	180 651	180 651	167 611	136 235	139 288
Roads Infrastructure		181 788	71 858	79 805	67 901	98 575	98 575	77 356	82 839	87 410
Storm water Infrastructure		-	-	-	700	700	700	-	-	-
Electrical Infrastructure		105 585	44 358	97 475	63 238	57 488	57 488	60 220	46 158	44 300
Water Supply Infrastructure		-	-	-	450	590	590	200	210	220
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	217	1 100	1 100	1 100	1 700	1 783	1 867
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		454	(3 358)	898	550	630	630	250	-	-
Infrastructure		287 827	112 858	178 896	133 839	159 083	159 083	139 726	130 990	133 796
Community Facilities		35 562	400	885	-	-	-	500	-	-
Sport and Recreation Facilities		33 399	6 163	1 634	5 400	1 900	1 900	5 250	5 245	5 492
Community Assets		68 961	6 563	2 519	5 400	1 900	1 900	5 750	5 245	5 492
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		25 097	21 432	2 464	6 250	6 873	6 873	3 150	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		25 097	21 432	2 464	6 250	6 873	6 873	3 150	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		642	-	50	600	600	600	1 800	-	-
Intangible Assets		642	-	50	600	600	600	1 800	-	-
Computer Equipment		18 637	2 008	4 328	1 700	1 940	1 940	2 335	-	-
Furniture and Office Equipment		39 159	3 985	301	700	380	380	1 470	-	-
Machinery and Equipment		14 891	1 314	1 837	3 770	4 875	4 875	4 480	-	-
Transport Assets		33 816	3 504	-	18 950	5 000	5 000	8 900	-	-
Land		(11 692)	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Meture		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		477 336	151 664	189 896	171 309	180 651	180 651	167 611	136 235	139 288

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Roads Infrastructure		489 356	500 561	509 380	(32 234)	(51 743)	(51 743)	(34 584)	(70 863)	(108 847)
Storm water Infrastructure		(2 282)	(2 282)	(2 282)	-	-	-	-	-	-
Electrical Infrastructure		127	1 960	(3 076)	3 150	(106 455)	(106 455)	6 020	2 684	(809)
Water Supply Infrastructure		-	-	-	(45)	(45)	(45)	(45)	(92)	(142)
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		(360)	(360)	(360)	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		371	371	371	280	335	335	(70)	(143)	(220)
Infrastructure		487 213	500 249	504 033	(28 848)	(157 908)	(157 908)	(28 679)	(68 415)	(110 018)
Community Assets		120 124	133 151	124 476	1 241 380	1 240 930	1 240 930	1 239 225	1 239 225	1 239 225
Heritage Assets		-	-	870	620	620	620	-	-	-
Investment properties		3 698	4 960	4 960	-	-	-	-	-	-
Other Assets		66 603	63 759	168 332	1 270	1 420	1 420	1 490	1 480	1 469
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		692	403	94	4 626	4 626	4 626	1 666	1 456	1 236
Computer Equipment		17 183	18 721	23 318	1 818	2 083	2 083	2 739	2 659	2 576
Furniture and Office Equipment		8 072	12 327	5 410	673	303	303	1 423	1 374	1 322
Machinery and Equipment		1 495	2 023	2 512	1 397	1 357	1 357	877	695	505
Transport Assets		16 579	20 065	20 065	16 205	2 255	2 255	7 005	5 017	2 936
Land		52 734	52 734	52 734	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	754 393	808 393	906 805	1 239 140	1 095 686	1 095 686	1 225 746	1 183 491	1 139 251
EXPENDITURE OTHER ITEMS		65 955	63 618	71 887	83 961	93 613	93 613	77 218	81 001	84 808
Depreciation	7	47 812	42 843	52 798	53 336	73 136	73 136	53 300	55 912	58 540
Repairs and Maintenance by Asset Class	3	18 143	20 774	19 089	30 645	20 477	20 477	23 917	25 089	26 269
Roads Infrastructure		5 229	8 714	4 513	10 790	1 170	1 170	4 300	4 511	4 723
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		5 229	8 714	4 513	10 790	1 170	1 170	4 300	4 511	4 723
Community Facilities		695	989	1 491	3 750	1 450	1 450	2 850	2 990	3 130
Sport and Recreation Facilities		8 412	6 125	7 523	9 700	9 852	9 852	9 400	9 861	10 324
Community Assets		9 106	7 114	9 014	13 480	11 302	11 302	12 290	12 850	13 454
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		2 781	1 311	715	600	600	600	950	997	1 043
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2 781	1 311	715	600	600	600	950	997	1 043
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		1 026	1 261	1 277	3 305	1 905	1 905	2 418	2 536	2 655
Transport Assets		-	2 375	3 570	2 500	5 500	5 500	4 000	4 196	4 393
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		65 955	63 618	71 887	83 961	93 613	93 613	77 218	81 001	84 808
Renewal and upgrading of Existing Assets as % of total capex		3.7%	30.6%	17.4%	17.6%	26.5%	26.5%	15.6%	19.7%	20.7%
Renewal and upgrading of Existing Assets as % of deprec		36.9%	106.5%	62.5%	56.6%	65.4%	65.4%	49.1%	48.1%	49.2%
R&M as a % of PPE		1.7%	1.9%	1.7%	2.3%	1.7%	1.7%	1.9%	1.9%	1.8%
Renewal and upgrading and R&M as a % of PPE		5.0%	8.0%	6.0%	5.0%	6.0%	6.0%	4.0%	4.0%	5.0%

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service levels	1									
Water:										
Piped water inside dwelling	2	--	--	--	--	--	--	--	--	--
Piped water inside yard (but not in dwelling)	3	--	--	--	--	--	--	--	--	--
Using public tap (at least min service level)	4	--	--	--	--	--	--	--	--	--
Other water supply (at least min service level)	5	--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total		--	--	--	--	--	--	--	--	--
Using public tap (< min service level)	6	--	--	--	--	--	--	--	--	--
Other water supply (< min service level)	7	--	--	--	--	--	--	--	--	--
No water supply	8	--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total		--	--	--	--	--	--	--	--	--
Total number of households	9	--	--	--	--	--	--	--	--	--
Sanitation services:										
Flush toilet (connected to sewerage)	10	--	--	--	--	--	--	--	--	--
Flush toilet (with septic tank)	11	--	--	--	--	--	--	--	--	--
Chemical toilet	12	--	--	--	--	--	--	--	--	--
Pit toilet (ventilated)	13	--	--	--	--	--	--	--	--	--
Other toilet provisions (> min service level)	14	--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total		--	--	--	--	--	--	--	--	--
Bucket toilet	15	--	--	--	--	--	--	--	--	--
Other toilet provisions (< min service level)	16	--	--	--	--	--	--	--	--	--
No toilet provisions	17	--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total		--	--	--	--	--	--	--	--	--
Total number of households	18	--	--	--	--	--	--	--	--	--
Energy:										
Electricity (at least min service level)	19	--	--	--	--	--	--	--	--	--
Electricity - prepaid (min service level)	20	--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total		--	--	--	--	--	--	--	--	--
Electricity (< min service level)	21	--	--	--	--	--	--	--	--	--
Electricity - prepaid (< min service level)	22	--	--	--	--	--	--	--	--	--
Other energy sources	23	--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total		--	--	--	--	--	--	--	--	--
Total number of households	24	--	--	--	--	--	--	--	--	--
Refuse:										
Removed at least once a week	25	--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total		--	--	--	--	--	--	--	--	--
Removed less frequently than once a week	26	--	--	--	--	--	--	--	--	--
Using communal refuse dump	27	--	--	--	--	--	--	--	--	--
Using own refuse dump	28	--	--	--	--	--	--	--	--	--
Other rubbish disposal	29	--	--	--	--	--	--	--	--	--
No rubbish disposal	30	--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total		--	--	--	--	--	--	--	--	--
Total number of households	31	--	--	--	--	--	--	--	--	--
Household monthly Free Basic Service:	32									
Water (5 kilolitre per household per month)	33	--	--	--	--	--	--	--	--	--
Sanitation (free minimum level service)	34	--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per household per month)	35	--	--	--	--	--	--	--	--	--
Refuse (removed at least once a week)	36	--	--	--	--	--	--	--	--	--
Informal Settlements	37	--	--	--	--	--	--	--	--	--
Cost of Free Basic Services provided - Formal Settlements (R'000)	38									
Water (5 kilolitre per indigent household per month)	39	--	--	--	--	--	--	--	--	--
Sanitation (free sanitation service to indigent households)	40	--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per indigent household per month)	41	--	--	--	--	--	--	--	--	--
Refuse (removed once a week for indigent households)	42	--	--	--	--	--	--	--	--	--
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	43									
Total cost of FBS provided	44	--	--	--	--	--	--	--	--	--
Subsidised level of free service provided per household:										
Property rate (R value threshold)	45									
Water (kilolitre per household per month)	46									
Sanitation (kilolitre per household per month)	47									
Electricity (kwh per household per month)	48									
Refuse (average time per week)	49									
Revenue cost of subsidised service provided (R'000)	50									
Property rate (bott adjustment) (impermissible values per section 17 of MFPA)	51									
Property rate: exemptions, reductions and relative and impermissible values in excess of section 17 of MFPA	52	100	0	--	13 514	13 514	13 514	15 945	16 727	17 513
Water (in excess of 5 kilolitre per indigent household per month)	53	--	--	--	--	--	--	--	--	--
Sanitation (in excess of free sanitation service to indigent households)	54	--	--	--	--	--	--	--	--	--
Electricity/other energy (in excess of 50 kwh per indigent household per month)	55	0	--	--	12 000	6 700	6 700	--	--	--
Refuse (in excess of free removal a week for indigent households)	56	--	--	--	--	--	--	--	--	--
Municipal Housing - rental relative	57									
Housing - top structure relative	58									
Other	59									
Total revenue cost of subsidised service provided	60	100	0	--	25 514	20 214	20 214	15 945	16 727	17 513

Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The budget provides for 15 164 households to be registered as indigent in 2023/24, 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.
- It is anticipated that these Free Basic Services will cost the municipality R 17 million in 2023/24, increasing to R 21,9 million in 2025/2026. 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 2023-2027. The reviewed IDP has been used by the municipality to inform the draft budget for 2023/24 to 2025/26 (MTREF) for consideration. The tabled draft budget will then be subjected for comments and suggestions by stakeholders and publicly 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.

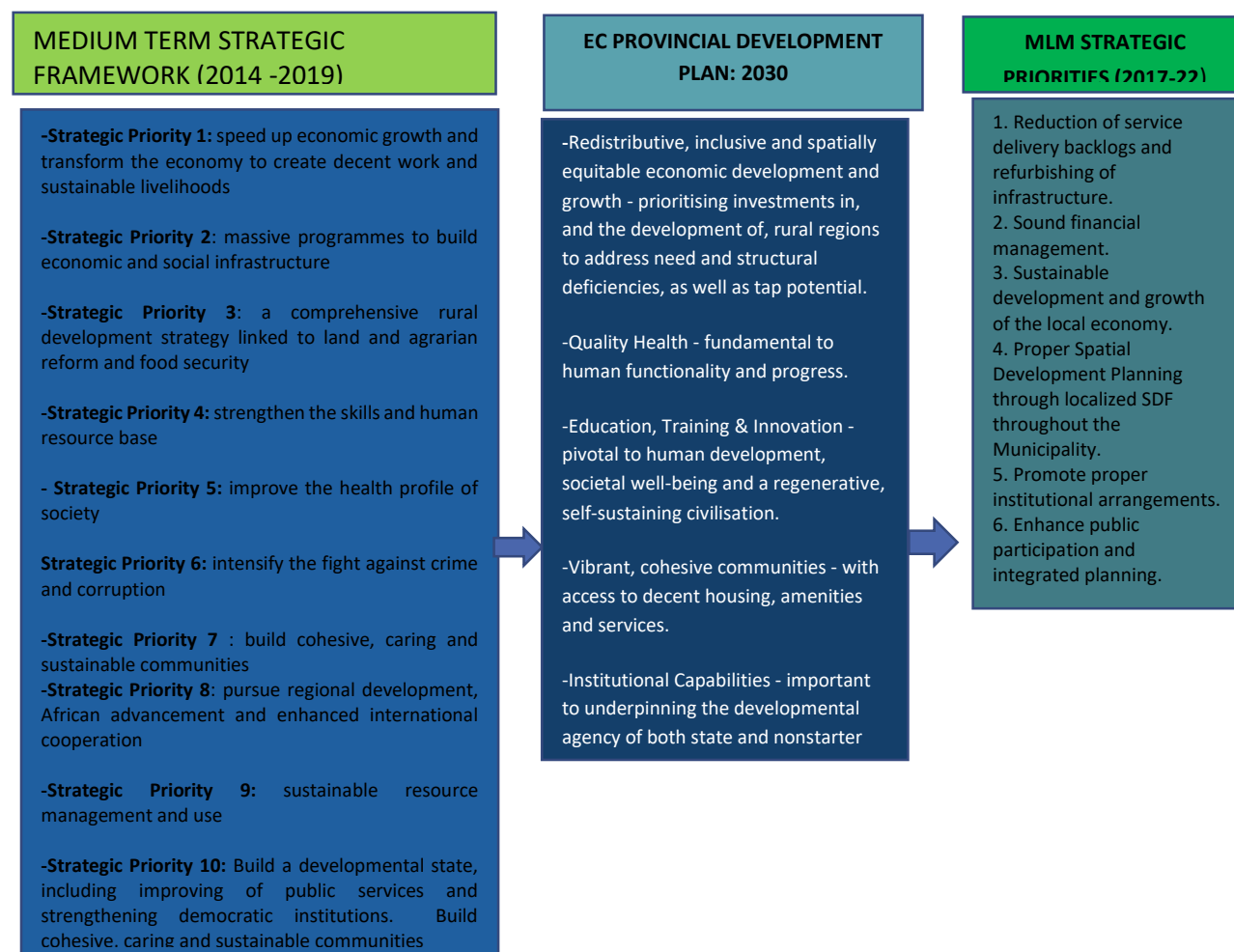
The aim of the revision cycle was develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and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

Strategic Objective	Goal	Goal Code	Ref	2018/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
R thousand													
Ensure full compliance with legislative requirements of MFMA, MPRSA and financial relevant regulations and national treasury guides and reforms to improve financial management and its viability	Sustain a Financially viable institution that is sustainable and complies with statutes	003		416 702	451 527	463 893	474 065	479 600	479 600	468 643	495 127	492 238	
To promote safer, informed and secure communities	Realize sustainable communities in a safe and Healthy environment	001		3 380	3 583	3 798	4 026	4 268	4 268	5 201	5 461	5 733 821.38	
Improve revenue enhancement through broadening revenue base and improving revenue collection	Sustain a Financially viable institution that is sustainable and complies with statutes	003		83 897	88 930	94 266	99 922	105 918	105 918	129 072	135 525	142 302	
Improve access to sports and recreational facilities in rural and urban areas within the municipality	: Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.			1 318	1 397	1 481	1 570	1 664	1 664	2 028	2 129	2 235 380.49	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	606 297	645 438	683 438	679 683	681 448	681 448	804 843	838 242	842 538

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

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
Provide suitable and conducive working conditions for municipal staff and councillors	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.	001								222 489	231 741	241 787
Ensure full compliance with legislative requirements of MFMA, MPRR and financial relevant regulations and national treasury	Sustain a Financially viable institution that is sustainable and complies with statutes	002		70 978 842.32	75 238	70 752	84 537	89 808	89 808	88 981	70 309	73 825
Achieve sound environmental management and land use conservation management	Realize sustainable communities in a safe and Healthy environment	003		36 068 110.88	36 232	40 528	42 958	45 535	45 535	34 027	35 728	37 514
Provide support to indigent households with the municipality	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.	001		21 200 000.00	22 472	23 820	25 250	26 785	26 785	20 000	21 000	22 050
Improve the provision basic services to rural and urban communities in the municipality	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.	001		216 740 885.67	270 813	338 407	294 518	415 913	415 913	140 050	147 053	154 405 455.41
Maintain municipal infrastructure and public amenities ;	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.	001		27 506 381.13	28 157	30 906	32 781	34 726	34 726	25 949	27 247	28 808

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 (marking 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.

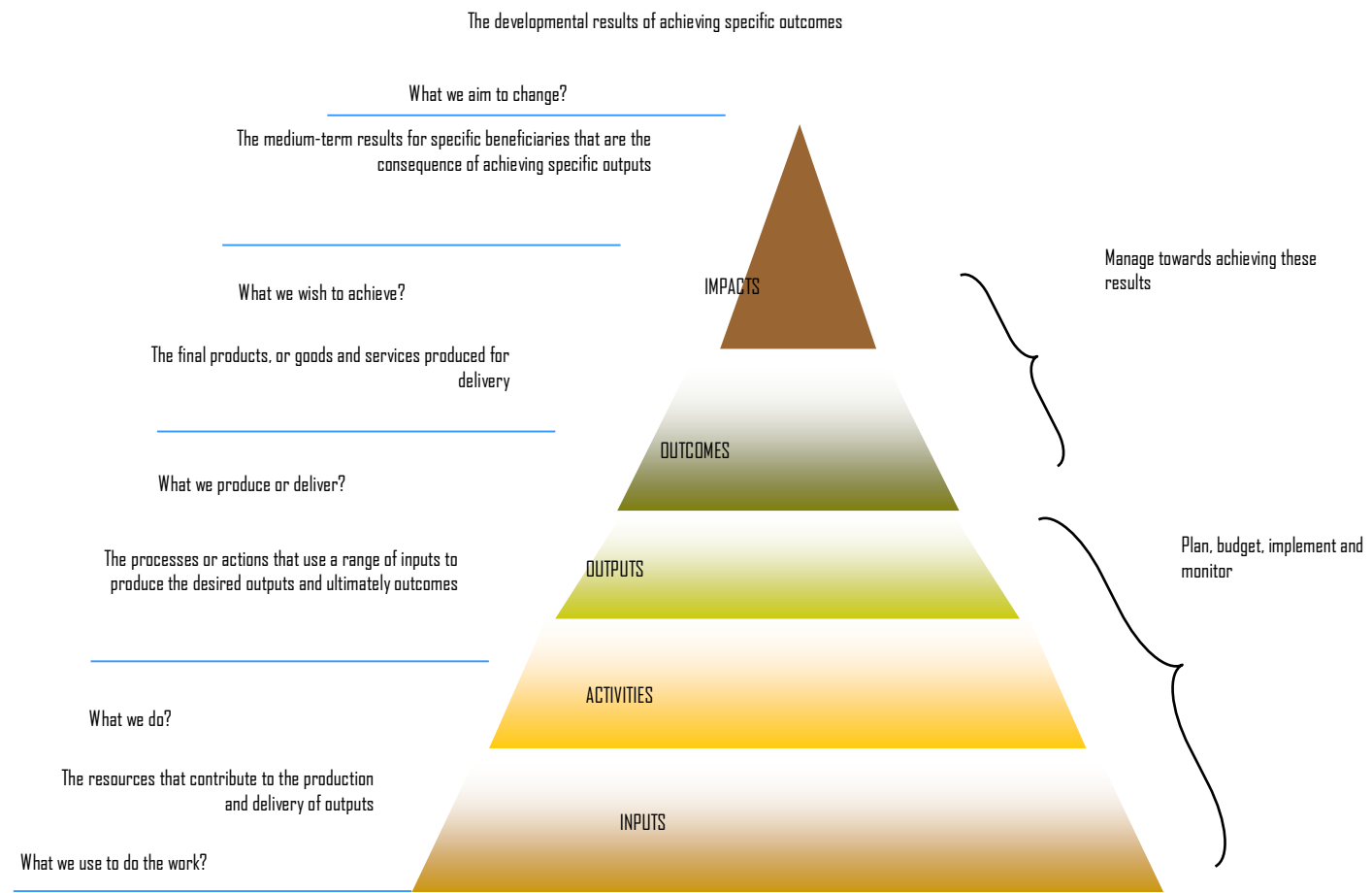


Figure 6 Definition of performance information concepts

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

MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<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	2.7	3.0	2.8	3.1	2.4	2.4	2.4	4.9	3.6	2.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.7	3.0	2.8	3.1	2.4	2.4	2.4	4.9	3.6	2.9
Liquidity Ratio	Monetary Assets/Current Liabilities	1.4	1.7	1.5	2.8	2.1	2.1	2.1	3.5	2.4	1.8
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		55.9%	62.7%	84.4%	80.0%	76.2%	76.2%	53.2%	54.2%	54.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		55.3%	62.3%	63.7%	79.7%	75.8%	75.8%	75.8%	63.7%	63.7%	63.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	40.6%	37.4%	48.8%	6.6%	9.2%	9.2%	9.2%	29.7%	36.3%	45.0%
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(c))										
Creditors to Cash and Investments		7.8%	14.4%	13.8%	27.0%	40.3%	16.3%	16.3%	18.9%	32.8%	49.4%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kWh) technical								1 900	1 900	1 900
	Total Volume Losses (kWh) non technical								1 500	1 500	1 500
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated								4.0%	4.0%	4.0%
Water Volumes :System Input	Bulk Purchase								1 900	1 900	1 900
	Water treatment works								1 500	1 500	1 500
	Natural sources										
	Total Volume Losses (kH)										
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.0%	26.4%	30.7%	29.6%	32.9%	32.9%	32.9%	31.9%	31.6%	33.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.9%	26.4%	30.6%	34.2%	37.1%	37.1%		36.8%	36.5%	38.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.8%	4.6%	4.6%	6.4%	4.3%	4.3%		4.7%	4.7%	4.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15.1%	18.9%	12.9%	11.2%	15.2%	15.2%	15.2%	10.9%	10.4%	10.9%
<u>GP resolution financial viability indicators</u>											
I. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	-	103.2	28.5	31.7	31.7	31.7	27.9	28.1	28.3	28.3
II. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	253.0%	236.9%	288.3%	35.7%	50.1%	50.1%	50.1%	165.5%	204.0%	240.9%
III. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	26.4	13.2	13.7	7.5	7.7	19.1	19.2	9.2	9.3	8.8

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 3.11 in the 2023/24 financial year 4.91 and 3.59 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 2023/24 financial year 15 164 registered indigents have been provided for in the budget with this figured increasing to 15 000 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 budget related policies that were reviewed;

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 2023/24 budget:

Estimate Salary Increases

- 2023/24 – 4.9%
- 2024/25 – 5%
- 2025/26 – 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 2023/24)
- Electricity (80% in 2023/24)
- Refuse (80% in 2023/24)

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 2023/24- 2025/26 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:

Breakdown of the operating revenue over the medium-term

Description	Ref	2018/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	47 645	57 058	58 530	71 416	71 416	71 416	71 416	71 416	74 915	78 436
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	10 790	11 531	11 615	15 526	15 526	15 526	15 526	15 526	16 287	17 052
Sale of Goods and Rendering of Services		1 144	759	923	566	872	872	872	3 920	4 112	4 305
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		485	1 371	2 166	4 300	4 300	4 300	4 300	6 500	6 819	7 139
Interest earned from Current and Non Current Assets		12 973	8 835	9 599	14 650	15 060	15 060	15 060	17 200	18 043	18 891
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	172	144	-	-	-	-	-	-	-
Rental from Fixed Assets		2 783	1 398	1 260	2 028	2 028	2 028	2 028	2 028	2 127	2 227
Licence and permits		1 232	3 770	3 503	4 106	4 106	4 106	4 106	4 106	4 307	4 509
Operational Revenue		330	114	283	905	905	905	905	963	1 010	1 058
Non-Exchange Revenue											
Property rates	2	44 904	46 575	48 726	54 088	54 088	54 088	54 088	54 360	57 024	59 704
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 398	762	2 058	1 769	1 769	1 769	1 769	1 769	1 856	1 943
Licences or permits		1 325	17	(96)	25	25	25	25	25	26	27
Transfer and subsidies - Operational		244 441	306 535	267 351	293 418	295 226	295 226	295 226	310 294	329 428	319 348
Interest		11 070	11 986	14 020	14 431	14 431	14 431	14 431	18 431	19 334	20 243
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	333	-	-	-	-	-	-	-	-
Other Gains		(3)	1 468	(15)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and grants)		389 616	462 686	418 970	477 227	479 761	479 761	479 761	509 537	536 286	534 882

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 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 2023/24 MTREF on the different revenue categories are:

	WITHOUT VAT	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
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
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 935.40
2.1.2	Building less than 100m².	R 2 051.23	0%	R 2 051.23	R 2 358.91
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 303.62
	Residential (for 3 months)	R 234.57	0%	R 234.57	R 269.75
	Industrial (for 3 months)	R 455.94	0%	R 455.94	R 524.33
	CBD Buildings (for 3 months)	R 714.89	0%	R 714.89	R 822.12
2.1.5	Demolishing fee for all buildings	R 433.09	0%	R 433.09	R 498.05

	WITHOUT VAT	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
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 902.69
	Boundary Wall (Precast) 1800mm high	R 784.95	0%	R 784.95	R 902.69
	Boundary Wall (Palisade Fencing) 1800mm high.	R 784.95	0%	R 784.95	R 902.69
	Identification of site beacons must be done by professional land surveyor. The Municipality will provide technical advice only.				
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 472.95
	None Residential	R 715.90	0%	R 715.90	R 823.29
2.1.9	Temporal Structures				
	Tent	R 324.95	0%	R 324.95	R 373.69
	Carport	R 780.89	0%	R 780.89	R 898.02
	Container for site office or site storage during construction only	R 780.89	0%	R 780.89	R 898.02
2.1.10	Building Plan Fee				
	Pre- Scrutiny Plan	R 289.41	0%	R 289.41	R 332.82
	Swimming Pool	R 784.95	0%	R 784.95	R 902.69
	Occupational Certificate	R 194.97	0%	R 194.97	R 224.22
	Second call site Inspection for the same inspection stage	R 259.96	0%	R 259.96	R 298.95
2.2	Builders Deposits				
	The following deposits must be paid by building contractors/owners in a developed area, prior to the commencement of any work:				
(a)	Extensions less than 100m ² or part thereof as determined by the Building Inspector but not more than	R 240.35	0%	R 250.00	250.00
(b)	Extensions more than 100m ² but less than 200m ² or part thereof	R 1 091.48	0%	R 1 135.00	1 135.00
(c)	Extensions more than 200m ² but less than 500m ²	R 4 542.30	0%	R 4 725.00	4 725.00
(d)	Extensions more than 500m ² or part thereof	R 6 361.43	0%	R 6 615.00	6 615.00
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 period.				
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 amended	R 115.76	0%	R 115.76	R 133.13
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 24.53
3.2	Schedule C: Trespass on private land				
	Description of animal				
	Donkeys, Horses, Cattle, Pigs and Ostriches, per head per day	R 17.26	0%	R 17.26	R 19.85
	Sheep and goats per head per day	R 12.18	0%	R 12.18	R 14.01
3.3	Schedule E: Pound Fees				
	Description of animal				
	Donkeys, Horses, Cattle, Pigs and Ostriches,	R 17.26	0%	R 17.26	R 19.85
	Sheep and Goats.	R 12.18	0%	R 12.18	R 14.01
3.4	Schedule F: Sustenance fees				
	Description of animal				

	WITHOUT VAT	Increase for 2022/2023	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
6	ELECTRICITY CHARGES					
	Electricity tariff subject to National Electricity Regulator S.A approval					
	The charges payable by consumers for the supply of electricity shall be as follows:					
6.1	Scale 1: Domestic Consumers					
(a)	Basic charge, single or three phase per household per month. Plus the following kWh charges per month.	0.0747	R 568.41			
	0-50	0.0747	R 1.26			
	51-350	0.0747	R 1.64			
	351-600	0.0747	R 2.32			
	600 over	0.0747	R 2.78			
(b)	Scale 2: Commercial & Other Consumers					
	Basic charge of consumers with the following kVA installed per month					
	0 - 25 KVA	0.0747	R 630.32			
	Commercial unit charge:	0.0747	R 2.47			
	26 - 64 KVA	0.0747	R 2 349.71			
	Commercial unit charge:	0.0747	R 2.51			
	65 KVA and more	0.0747	R 13 748.67			
	Commercial unit charge:	0.0747	R 2.51			
(c)	Scale 3: Pre-Paid Metre Units					
	Domestic:					
	That a flat rate per kWh					
	0-50	0.0747	R 1.25			
	51-350	0.0747	R 1.63			
	351-600	0.0747	R 2.31			
	600 over	0.0747	R 2.77			
	Commercial Prepaid					
	That a flat rate per kWh					
	0 - 2000 kWh	0.0747	R 2.51			
(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,	0.0747	R 453.46			
	Plus the following charger per kWh per month					
	0 - 2000 kWh	0.0747	R 1.71			
	2000 - and more	0.0747	R 1.71			
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 consumers.					
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 elected scale for a period of not less than 12 months.					
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 electricity shall be as prescribed in applicable scales.					
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%. Please note that a portion of a month shall be deemed a full month.					
(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 excl. VAT in addition to all other outstanding charges.	0%	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	Increase for 2021/2022	New Tariff VAT Excluded 2021/2022	Increase for 2022/2023	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
6.6	Deposits		Deposits					
	Every consumer shall when making application for a supply of electricity deposit with the Council the applicable amount as tabled hereunder.							
(a)	Domestic consumers	0%	R 4 600.00	0%	R 4 600.00	0%	R 4 600.00	R 4 784.00
(b)	Small power consumers with installation not exceeding 25 KVA	0%	R 11 500.00	0%	R 11 500.00	0%	R 11 500.00	R 11 960.00
(c)	Medium power consumers with a demand exceeding 25kVA but not exceeding 64 Kva	0%	R 20 125.00	0%	R 20 125.00	0%	R 20 125.00	R 20 930.00
(d)	Large power consumers with a demand exceeding 65KVA to supply a bank guarantee equal to two months estimated average usage.							
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.	0%	R 611.63	0%	R 611.63	0%	R 611.63	R 703.38
(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 - R72.24 plus VAT payable in advance. (Call out fee)	0%	R 69.46	0%	R 69.46	0%	R 69.46	R 79.88
(g)	For each inspection and testing of an installation after failure to pass the first inspection and test - R120.39 payable in advance.	0%	R 115.76	0%	R 115.76	0%	R 115.76	R 133.13
(h)	Conversion							
	On application from a consumer to convert from the conventional electricity metre to a pre-paid metre the following fee is applicable:	0%	R 7 645.39	0%	R 7 645.39	0%	R 7 645.39	R 8 792.20
(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 September 2004. After 30 September 2004 - (h) apply.							
(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.	0%	R 9 774.54	0%	R 9 774.54	0%	R 9 774.54	R 11 240.72
	Tampering for second time	0%	R 19 549.08	0%	R 19 549.08	0%	R 19 549.08	R 22 481.44
	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 consumer have been paid.							

	WITHOUT VAT	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
	CEMETERY CHARGES				
	The following fees shall be payable to the Council in respect of burials and other services in the public cemetery.				
7.1	<i>Burial Plots - Charge per Burial Plot</i>				
	A non-refundable charge of:	R 184.32	0%	R 184.32	R 211.97
7.2	<i>Burial Fees</i>				
(a)	Adult	R 305.06	0%	R 305.06	R 350.82
(b)	Child	R 305.06	0%	R 305.06	R 350.82
7.3	<i>Miscellaneous Charges</i>				
(a)	Exhumation of body	R 2 307.13	0%	R 2 307.13	R 2 653.20
(b)	Widening or deepening of grave	R 311.42	0%	R 311.42	R 358.13
(c)	Permit to erect a memorial	R 126.94	0%	R 126.94	R 145.98
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 585.06
7.8	Internment of ashes in excising graves	R 40.62	0%	R 40.62	R 46.71

	WITHOUT VAT	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
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 5 030.93
(b)	Main hall and kitchen per function exceeding 12 hour.	R 5 091.35	0%	R 5 091.35	R 5 855.05
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 5 030.93
(b)	Main hall and kitchen per function exceeding 12 hour.	R 5 091.35	0%	R 5 091.35	R 5 855.05
	<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 1 901.81
(b)	Main hall and kitchen per function exceeding 12 hour.	R 2 386.91	0%	R 2 386.91	R 2 744.95
(c)	Old Cedarville Boardroom	R 159.86	0%	R 159.86	R 183.84
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 824.12
(b)	Main hall and kitchen per function exceeding 12 hour.	R 716.63	0%	R 716.63	R 824.12
8.4	<i>Nokhwezi & Msingizi Community Hall</i>				
(a)	Hall per 12 hour period per day	R 716.63	0%	R 716.63	R 824.12
(b)	Hall per kitchen per function exceeding 12 hours	R 716.63	0%	R 716.63	R 824.12
8.5	<i>Library Hall (Matatiele)</i>				
(a)	Hall per 12 hour period per day	R 238.14	0%	R 238.14	R 273.86
8.6	<i>Library Hall (Cedarville)</i>				
(a)	Hall per 12 hour period per day	R 207.27	0%	R 207.27	R 238.36
8.7	<i>Community Halls (Rural Area)</i>				
(a)	Hall per 12 hour period per day	R 159.86	0%	R 159.86	R 183.84
8.8	<i>Equipment</i>				
	The public address system per day or part thereof	R 438.80	0%	R 438.80	R 504.61
8.9	In addition to 8.1 to 8.6 above the hirer shall purchase pre-paid electricity cards for the supply of electricity.				
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 over in satisfactory condition.				
	Town Hall (Matatiele)	R 4 360.00	0%	R 4 535.00	R 4 535.00
	Town Hall (Cedarville)	R 1 720.00	0%	R 1 790.00	R 1 790.00
	Harry Gwala Park Community Hall	R 705.00	0%	R 735.00	R 735.00
	Nokhwezi & Msingizi Community Hall	R 705.00	0%	R 735.00	R 735.00
	Library Hall (Matatiele)	R 235.00	0%	R 245.00	R 245.00
	Library Hall (Cedarville)	R 185.00	0%	R 192.00	R 192.00
8.11	<i>Community Halls</i>				
	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 amount per occasion	R 80.00	0%	R 80.00	R 92.00

	WITHOUT VAT	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
9	MISCELLANEOUS SERVICES				
9.1	Sundry Charges				
	Search Fees				
(a)	Other than from the Minutes of proceedings of the Council, for any document or information required dated back:				
(b)	More than 12 months but not more than 24 months.	R 81.24	0%	R 81.24	R 93.42
(c)	24 Months or more but not more than 48 months.	R 152.32	0%	R 152.32	R 175.17
(d)	48 months or more	R 304.64	0%	R 304.64	R 350.33
9.2	Copy of valuation roll (Electronic only)	R 760.58	0%	R 760.58	R 874.67
9.3	Copy of voters roll (per ward)	R 760.58	0%	R 760.58	R 874.67
9.4	Rates and Service clearance certificates	R 81.24	0%	R 81.24	R 93.42
	Deed Search Print out	R 31.96	0%	R 31.96	R 36.76
	Title Deed Search	R 141.52	0%	R 141.52	R 162.75
	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 81.74
9.6	Services rendered by Council but not covered in tariffs of charges.				
9.7	Valuation Certificate	R 87.33	0%	R 87.33	R 100.43
9.8	Copy of estimates	R 325.96	0%	R 325.96	R 374.86
9.11	Amendments of conditions of approval (per condition)	R 286.36	0%	R 286.36	R 329.32
9.12	Vehicle pound fees on all impounded vehicles per vehicle per day plus tow-in costs	R 224.41	0%	R 224.41	R 258.07
	Impounded vehicles not released within 90 (ninety) days will be sold.				
9.13	Chemical toilet hire per toilet per day:				
	Fee	R 798.15	0%	R 798.15	R 917.87
	Deposit per toilet	R 399.07	0%	R 399.07	R 458.93
9.14	Sports grounds rental				
	Local clubs for practices per practice	R 89.36	0%	R 89.36	R 102.77
	Local clubs per game	R 445.79	0%	R 445.79	R 512.66
	Outside clubs per game	R 668.18	0%	R 668.18	R 768.40
	Stadium hire for non sporting events.	R 570.69	0%	R 570.69	R 656.29
	Tennis Court Rental				
	PER PRACTICE				
	Practice sessions maximum of 3 hours per session				
	Fees per team of 2 players – (below the age of 18)	R 26.09	0%	R 26.09	R 30.00
	(18 and above)	R 95.65	0%	R 95.65	R 110.00
	PER MATCH				
	Fees per Match team of 2 players– (below the age of 18)	R 104.35	0%	R 104.35	R 120.00
	(18 and above)	R 182.61	0%	R 182.61	R 210.00
	SEASON TICKETS (SIX MONTHS)				
	Fees per Practice per team of 2 – (below the age of 18)	R 191.30	0%	R 191.30	R 220.00
	(18 and above)	R 573.91	0%	R 573.91	R 660.00
	YEAR TICKETS (12 MONTHS)				
	Fees per Practice per team of 2 – (below the age of 18)	R 486.96	0%	R 486.96	R 560.00
	(18 and above)	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 2 499.05
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 6 477.67
9.19	Dog Licenses				
	Dogs	R 22.34	0%	R 22.34	R 25.70
9.20	Library Fines				
	Lost books + cost of the book.	R 30.47	0%	R 30.47	R 35.04
	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			R 300.00
	Tender that is between R1 million and R10 million (including VAT)	R 434.79			R 500.00
	Tender that is above R10 million (including VAT)	R 869.57			R 1 000.00
	The fee will increase according to the size of the tender document				

	WITHOUT VAT	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
10	BUSINESS LICENSES				
11.1	Food Vendors in caravans & carts or similar vessel	R 194.97	0%	R 194.97	R 224.22
11.2	General Dealers	R 649.89	0%	R 649.89	R 747.37
11.3	Supermarkets, Wholesalers & Butcheries	R 649.89	0%	R 649.89	R 747.37
11.4	Restaurants, B&B's, Hotels, Guest Houses, Lodges	R 649.89	0%	R 649.89	R 747.37
11.5	Spaza Shops	R 390.12	0%	R 390.12	R 448.64
11.6	Funeral Parlours	R 649.89	0%	R 649.89	R 747.37
11.7	Hawker License: Trucks & Bakkies	R 194.97	0%	R 194.97	R 224.22
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 448.43
11.10	Clothing Shops	R 649.89	0%	R 649.89	R 747.37
11.11	Hardware	R 649.89	0%	R 649.89	R 747.37
11.12	Garages	R 649.89	0%	R 649.89	R 747.37
11.13	Livestock Sales	R 259.96	0%	R 259.96	R 298.95
11.14	Car wash	R 259.96	0%	R 259.96	R 298.95
11.15	Laundromat/Dry Cleaning	R 649.89	0%	R 649.89	R 747.37
11.16	Financial Institution	R 649.89	0%	R 649.89	R 747.37
11.17	Beauty Parlour: Hair Salons, Barber Shops etc	R 259.96	0%	R 259.96	R 298.95
11.18	Furniture Shops	R 649.89	0%	R 649.89	R 747.37
11.19	Legal Practice	R 649.89	0%	R 649.89	R 747.37
11.20	Surgeries	R 649.89	0%	R 649.89	R 747.37
11.21	Transport Industry	R 649.89	0%	R 649.89	R 747.37
11.22	Liquor: Bottle Stores, Taverns	R 649.89	0%	R 649.89	R 747.37
11.23	Book Shops	R 649.89	0%	R 649.89	R 747.37
11.24	Brokers: Insurance, Estate agents etc	R 649.89	0%	R 649.89	R 747.37

	WITHOUT VAT	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
15	ADVERTISING & SIGNAGE				
15.1	Billboards				
	non refundable application fee per board/sign (annually)		0%		R 3 400.00
	+ Approval fee per applicant		0%		R 91.00
15.2	Ground Signs				
	non refundable application fee per board/sign (annually)		0%		R 313.00
	+ Approval fee per applicant		0%		R 50.00
15.3	Wall Sign - Flat				
	non refundable application fee per board/sign (annually)		0%		R 563.00
	+ Approval fee per applicant		0%		R 50.00
15.4	Roof, Veranda, Balcony, Canopy and Under awning Sign				
	non refundable application fee per board/sign (annually)		0%		R 563.00
15.5	Estate Agent Boards				
	non refundable application fee (annually)		0%		R 750.00
	+ per board/sign (annually)		0%		R 62.00
15.6	Portable Boards / Collapsible Structures / Signs				
	non refundable application fee per board/sign (annually)		0%		R 313.00
15.7	Aerial Advertisement				
	non refundable application fee per board/sign (annually)		0%		R 625.00
15.8	Advertising Vehicles				
	non refundable application fee per board/sign (annually)		0%		R 1 500.00
15.9	Temporary Signs (Posters, Flags & Others)				
	non refundable application fee per board/sign		0%		R 62.00
	+ non commercial fee per signs, posters, flags & others		0%		R 4.00
	+ commercial fee per signs, posters, flags & others		0%		R 6.00
15.10	Banners				
	non refundable application fee per board/sign		0%		R 188.00

Table 1MBRR 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							115 965			5 500	125 465
CALL ACC STD		DAILY	CALL							117 794	53			117 847
CALL ACC FNB		DAILY	MONEY MARKET							8 805	43			8 805
NEDBANK 30 DAY CALL		30 DAY	30 DAY							5 985	166	(23 000)		8 929
NEDBANK		DAILY	DAILY CALL							27 194				4 960
NEDBANK MRG		DAILY	DAILY CALL							21 498	119		(1 785)	19 832
NEDBANK DOE		DAILY	DAILY CALL							15 545	93	(1 529)	11 458	25 668
NEDBANK SMARTGRID		DAILY	DAILY CALL							58	0			58
NEDBANK RETENTION		DAILY	DAILY CALL							28 475	158			28 693
NEDBANK ELECTRIFICATION		DAILY	DAILY CALL							290	2			292
FNB ESTABLISHMENT PLAN		DAILY	MONEY MARKET							203	1			204
FNB HOUSING		DAILY	MONEY MARKET							2 070	9			2 079
FNB TOURISM		DAILY	MONEY MARKET							630	3			633
FNB BANK ACC		DAILY	CURRENT							-				-
DISASTER RELIEF FUND		DAILY	DAILY CALL							619	5			624
COVID-19 SOLIDALITY FUND		DAILY	DAILY CALL							99	1			100
TERMINATION GUARANTEE		DAILY	DAILY CALL							145				145
ACCOUNT GUARENTEE		DAILY	DAILY CALL							8 202				8 202
STANDARD BANK		DAILY	CALL							50 635	317			60 962
STANDARD BANK		DAILY	CALL							20 036	127			20 164
STANDARD BANK		YEARLY										-	8 108	8 108
Municipality sub-total										918 870		(24 629)	24 281	919 218
Entities														
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									918 870		(24 629)	24 281	919 218

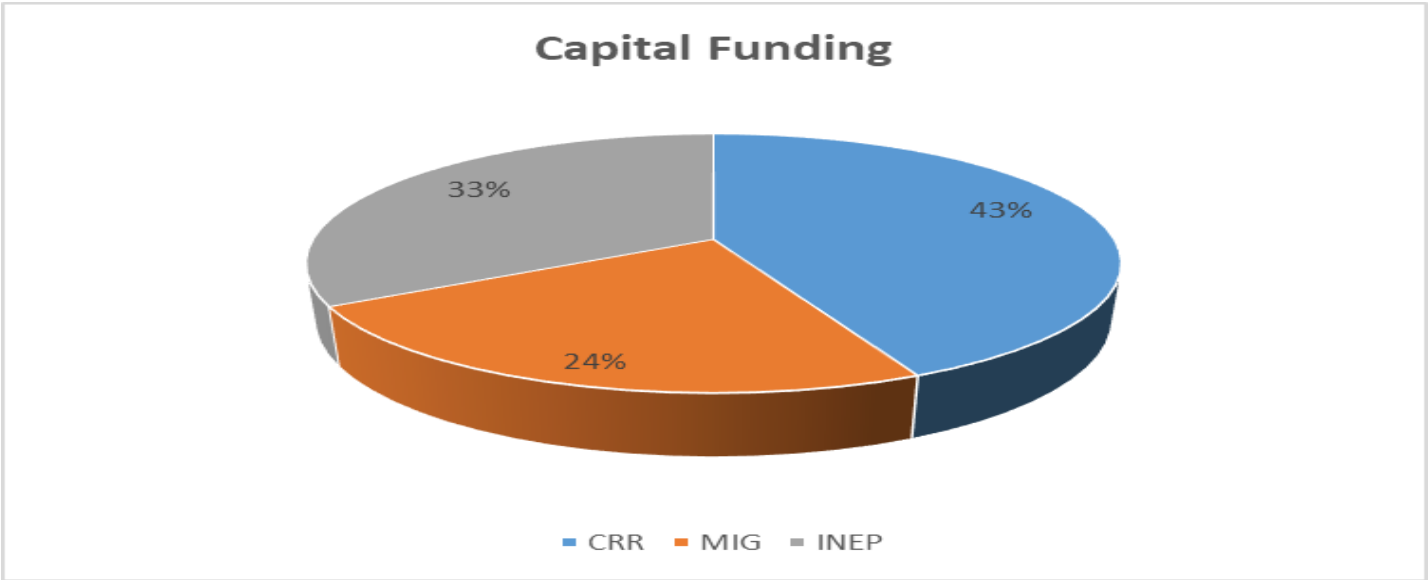
2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

Sources of capital revenue for the 2023/24 financial year

FUNDING OF CAPITAL BUDGET	2023/24
INEP	R 39,900,012
Municipal Infrastructure Grant (MIG)	R 55,580,688
Capital Replacement Reserve (CRR)	R 72 130 076
TOTAL	R 167,610,776

The above table is graphically represented as follows for the 2023/24 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 2023/24 as we have no long term debt

Table 2MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type R thousand	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	-	265 363	265 363	-	309 644	324 577	314 269
Local Government Equitable Share					258 826	258 826		303 970	322 877	312 431
Expanded Public Works Programme Integrated Grant					4 887	4 887		3 974	-	-
Local Government Financial Management Grant					1 650	1 650		1 700	1 700	1 838
Municipal Disaster Grant										
Municipal Infrastructure Grant										
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	650	2 458	-	650	-	-
Municipal Disaster Grant					650	2 458		650	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	-	-	-	266 013	267 821	-	310 294	324 577	314 269
Capital Transfers and Grants										
National Government:		-	-	-	102 356	111 698	-	98 406	93 601	93 805
Municipal Infrastructure Grant (MIG)					56 068	65 410		58 506	61 101	63 805
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]					46 288	46 288		39 900	32 500	30 000
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	-	-	-	102 356	111 698	-	98 406	93 601	93 805
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	-	368 369	379 519	-	408 700	418 178	408 074

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 understand ability 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 provide 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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		9	17 483	36 620	43 271	43 271	43 271	43 271	46 750	49 041	51 346
Service charges		57 798	54 759	62 021	69 553	64 253	64 253	64 253	74 770	78 434	82 120
Other revenue		44 102	33 631	15 705	7 598	31 464	31 464	31 464	49 299	46 464	48 219
Transfers and Subsidies - Operational	1	259 411	309 461	266 202	293 418	295 226	295 226	295 226	310 294	329 428	319 348
Transfers and Subsidies - Capital	1	108 432	92 926	174 749	102 356	111 698	111 698	111 698	98 406	102 956	107 627
Interest		174	—	4 385	14 650	15 060	15 060	15 060	17 200	18 043	18 891
Dividends		—	—	—	—	—	—	—	—	—	—
Payments											
Suppliers and employees		175 962	(16 912)	(218 683)	(420 662)	(428 386)	(428 386)	(428 386)	(450 156)	(470 872)	(493 061)
Finance charges		—	—	—	—	—	—	—	—	—	—
Transfers and Subsidies	1	—	—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		645 889	491 348	340 998	110 185	132 586	132 586	132 586	146 563	153 493	134 489
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		(165 782)	(161 457)	(188 241)	(171 309)	(180 651)	180 651	180 651	(167 611)	(136 235)	(139 288)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(165 782)	(161 457)	(188 241)	(171 309)	(180 651)	180 651	180 651	(167 611)	(136 235)	(139 288)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—	—	—
Payments											
Repayment of borrowing		—	—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	—	—	—	—	—	—	—	—	—
NET INCREASE/ (DECREASE) IN CASH HELD		480 107	329 891	152 757	(61 125)	(48 065)	313 237	313 237	(21 048)	17 258	(4 799)
Cash/cash equivalents at the year begin:	2	123 957	—	224 422	294 088	294 088	294 088	294 088	329 245	308 197	325 455
Cash/cash equivalents at the year end:	2	604 064	329 891	377 179	232 963	246 023	607 325	607 325	308 197	325 455	320 656

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
Cash and investments available:											
Cash/cash equivalents at the year end	1	604 064	329 891	377 179	232 963	246 023	607 325	607 325	308 197	325 455	320 656
Other current investments - > 90 days		(447 661)	(118 862)	(161 283)	45 228	64 365	(296 937)	(296 937)	56 748	83 721	111 962
Investments - Property, plant and equipment	1	1 059 860	1 122 708	1 134 394	1 356 483	1 241 025	1 241 025	1 241 025	1 350 036	1 430 569	1 511 536
Cash and investments available:		1 216 263	1 333 737	1 350 289	1 634 675	1 551 412	1 551 412	1 551 412	1 714 981	1 839 745	1 944 154
Application of cash and investments:											
Trade payables from Non-exchange transactions: Other		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(20 604)	(57 702)	(77 824)	-	(1 091)	(1 091)	(1 091)	3 648	6 686	9 804
Other working capital requirements	3	23 761	20 794	19 085	55 576	90 773	90 773	90 773	15 636	58 369	101 480
Other provisions		15 117	15 318	14 310	35 752	35 752	35 752	35 752	34 299	34 299	34 299
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	364 732	364 732	364 732	379 337	71 579	71 579	71 579	173 370	173 370	173 370
Total Application of cash and investments:		383 006	343 141	320 303	470 666	197 014	197 014	197 014	226 953	272 724	318 952
Surplus(shortfall)		833 257	990 596	1 029 986	1 164 009	1 354 398	1 354 398	1 354 398	1 488 028	1 567 021	1 625 202

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.

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		–	–	–	265 363	265 363	–	309 644	324 577	314 269
Local Government Equitable Share					258 826	258 826		303 970	322 877	312 431
Expanded Public Works Programme Integrated Grant					4 887	4 887		3 974	–	–
Local Government Financial Management Grant					1 650	1 650		1 700	1 700	1 838
Municipal Disaster Grant										
Municipal Infrastructure Grant										
0										
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	650	2 458	–	650	–	–
Municipal Disaster Grant					650	2 458		650	–	–
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants:		–	–	–	266 013	267 821	–	310 294	324 577	314 269
Capital expenditure of Transfers and Grants										
National Government:		–	–	–	–	–	–	98 406	93 601	93 805
Municipal Infrastructure Grant (MIG)								58 506	61 101	63 805
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]								39 900	32 500	30 000
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 expenditure of Transfers and Grants		–	–	–	–	–	–	98 406	93 601	93 805
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	–	–	266 013	267 821	–	408 700	418 178	408 074

2.8 Table 3MBRR SA23 - Summary of councillor and staff benefits

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4			516 168	134 575	239 033		650 743
Chief Whip				500 153	112 305	227 065		612 458
Executive Mayor				498 401	114 327	467 929		612 728
Deputy Executive Mayor				—	—	—		—
Executive Committee				—	—	—		—
Total for all other councillors				12 637 106	7 126 173	2 945 589		19 763 280
Total Councillors	8	—	—	14 151 828	7 487 380			21 639 209
Senior Managers of the Municipality	5							
Municipal Manager (MM)			375 144	149 025	644 312	76 724		1 245 205
Chief Finance Officer			532 780	44 702	620 125	124 203		1 321 811
GM Community Services			759 095	84 213	470 342			1 313 650
GM Corporate Services			669 709	13 410	508 482	148 824		1 340 425
GM Planning			375 144	13 152	926 072			1 314 368
GM Infrastructure			474 855	63 700	401 258	117 441		1 057 254
List of each official with packages >= senior manager								
Municipal Staff			107 666 100	23 068 189	14 636 316	8 382 792		153 753 397
								—
								—
								—
								—
								—
								—
								—
								—
Total Senior Managers of the Municipality	8,10	—	110 852 827	23 436 391	18 206 906	8 849 954		161 346 108

Table 49 MBRR SA24–Summary of personnel numbers

Summary of Personnel Numbers		Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
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)			56	-	56	57	-	56	56	56	56
Board Members of municipal entities	4		-	-	-	-	-	-	-	-	-
Municipal employees	5										
Municipal Manager and Senior Managers	3		6	-	6	6	-	4	4	4	4
Other Managers	7		19	-	19	19	-	19	19	-	19
Professionals			26	22	4	63	56	-	40	39	-
Finance			11	10	1	40	35	-	25	25	-
Spaetia/town planning			2	2	-	14	13	-	4	4	-
Information Technology			1	1	-	9	8	-	3	3	-
Roads			6	3	3	-	-	-	7	7	-
Electricity			6	6	-	-	-	-	-	-	-
Water			-	-	-	-	-	-	-	-	-
Sanitation			-	-	-	-	-	-	-	-	-
Refuse			-	-	-	-	-	-	-	-	-
Other						-	-	-	1	-	-
Technicians			102	102	-	6	6	-	58	58	-
Finance			18	18	-	-	-	-	8	8	-
Spaetia/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	65	-
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	-	11	11	-
Elementary Occupations			93	93	-	178	157	-	96	96	-
TOTAL PERSONNEL NUMBERS		9	397	312	85	334	334	82	349	329	79
% increase						(15.9%)	7.1%	(3.5%)	4.5%	(1.5%)	(3.7%)
Total municipal employees headcount		6, 10							36	33	3
Finance personnel headcount		8, 10							16	15	1
Human Resources personnel headcount		8, 10									

2.9 Monthly targets for revenue, expenditure and cash flow

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue																
Exchange Revenue																
Service charges - Electricity		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	74 915	78 438
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	15 528	16 287	17 052
Sale of Goods and Rendering of Services		327	327	327	327	327	327	327	327	327	327	327	327	3 920	4 112	4 305
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		542	542	542	542	542	542	542	542	542	542	542	542	6 500	6 819	7 139
Interest earned from Current and Non Current Assets		1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	17 200	18 043	18 891
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		169	169	169	169	169	169	169	169	169	169	169	169	2 028	2 127	2 227
Licence and permits		342	342	342	342	342	342	342	342	342	342	342	342	4 106	4 307	4 509
Operational Revenue		80	80	80	80	80	80	80	80	80	80	80	80	963	1 010	1 058
Non-Exchange Revenue																
Property rates		4 530	4 530	4 530	4 530	4 530	4 530	4 530	4 530	4 530	4 530	4 530	4 530	54 360	57 624	59 704
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		147	147	147	147	147	147	147	147	147	147	147	147	1 789	1 858	1 943
Licences or permits		2	2	2	2	2	2	2	2	2	2	2	2	25	26	27
Transfer and subsidies - Operational		25 858	25 858	25 858	25 858	25 858	25 858	25 858	25 858	25 858	25 858	25 858	25 858	310 294	329 428	319 348
Interest		1 536	1 536	1 536	1 536	1 536	1 536	1 536	1 536	1 536	1 536	1 536	1 536	18 431	19 334	20 243
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		42 211	42 211	42 211	42 211	42 211	42 211	42 211	42 211	42 211	42 211	42 211	42 211	506 537	535 286	534 882
Expenditure																
Employee related costs		13 446	13 446	13 446	13 446	13 446	13 446	13 446	13 446	13 446	13 446	13 446	13 446	161 346	169 252	177 207
Remuneration of councillors		2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	25 519	26 769	28 627
Bulk purchases - electricity		5 917	5 917	5 917	5 917	5 917	5 917	5 917	5 917	5 917	5 917	5 917	5 917	71 000	74 479	77 980
Inventory consumed		609	609	609	609	609	609	609	609	609	609	609	609	7 310	7 668	8 029
Debt Impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		4 442	4 442	4 442	4 442	4 442	4 442	4 442	4 442	4 442	4 442	4 442	4 442	53 300	55 912	58 540
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		9 050	9 050	9 050	9 050	9 050	9 050	9 050	9 050	9 050	9 050	9 050	9 050	108 601	113 255	118 836
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable debts written off		500	500	500	500	500	500	500	500	500	500	500	500	6 000	6 294	6 580
Operational costs		6 365	6 365	6 365	6 365	6 365	6 365	6 365	6 365	6 365	6 365	6 365	6 365	76 381	79 448	83 183
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		42 455	42 455	42 455	42 455	42 455	42 455	42 455	42 455	42 455	42 455	42 455	42 455	509 456	533 078	558 191
Surplus/(Deficit)		(243)	(243)	(243)	(243)	(243)	(243)	(243)	(243)	(243)	(243)	(243)	(243)	(2 920)	2 209	(23 309)
Transfers and subsidies - capital (monetary allocations)		8 201	8 201	8 201	8 201	8 201	8 201	8 201	8 201	8 201	8 201	8 201	8 201	98 408	102 958	107 627
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	95 486	105 165	84 318
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Income tax		7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	95 486	105 165	84 318
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	95 486	105 165	84 318
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	95 486	105 165	84 318

Table 4MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand																
Revenue by Vote																
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		33 545	33 545	33 545	33 545	33 545	33 545	33 545	33 545	33 545	33 545	33 545	33 545	402 544	426 198	420 666
Vote 3 - Corporate		40	40	40	40	40	40	40	40	40	40	40	40	475	498	522
Vote 4 - Development and Planning		292	292	292	292	292	292	292	292	292	292	292	292	3 504	3 676	3 848
Vote 5 - Community		2 182	2 182	2 182	2 182	2 182	2 182	2 182	2 182	2 182	2 182	2 182	2 182	26 188	27 471	28 762
Vote 6 - Infrastructure		14 353	14 353	14 353	14 353	14 353	14 353	14 353	14 353	14 353	14 353	14 353	14 353	172 232	180 399	188 711
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		50 412	50 412	50 412	50 412	50 412	50 412	50 412	50 412	50 412	50 412	50 412	50 412	604 943	638 242	642 509
Expenditure by Vote to be appropriated																
Vote 1 - Executive Council		2 761	2 761	2 761	2 761	2 761	2 761	2 761	2 761	2 761	2 761	2 761	2 761	33 129	34 752	36 385
Vote 2 - Finance and Admin		9 681	9 681	9 681	9 681	9 681	9 681	9 681	9 681	9 681	9 681	9 681	9 681	116 167	121 755	127 535
Vote 3 - Corporate		6 715	6 715	6 715	6 715	6 715	6 715	6 715	6 715	6 715	6 715	6 715	6 715	80 575	84 041	87 991
Vote 4 - Development and Planning		2 928	2 928	2 928	2 928	2 928	2 928	2 928	2 928	2 928	2 928	2 928	2 928	35 134	36 310	38 017
Vote 5 - Community		5 936	5 936	5 936	5 936	5 936	5 936	5 936	5 936	5 936	5 936	5 936	5 936	71 230	74 511	78 013
Vote 6 - Infrastructure		14 037	14 037	14 037	14 037	14 037	14 037	14 037	14 037	14 037	14 037	14 037	14 037	168 444	176 698	185 003
Vote 7 - Internal Audit		398	398	398	398	398	398	398	398	398	398	398	398	4 778	5 012	5 247
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		42 455	42 455	42 455	42 455	42 455	42 455	42 455	42 455	42 455	42 455	42 455	42 455	509 456	533 078	558 191
Surplus/(Deficit) before assoc.		7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	95 486	105 165	84 318
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	95 486	105 165	84 318

Table 5MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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		8	8	8	8	8	8	8	8	8	8	8	8	100	-	-
Vote 2 - Finance and Admin		288	288	288	288	288	288	288	288	288	288	288	288	3 450	-	-
Vote 3 - Corporate		192	192	192	192	192	192	192	192	192	192	192	192	2 300	-	-
Vote 4 - Development and Planning		13	13	13	13	13	13	13	13	13	13	13	13	155	-	-
Vote 5 - Community		758	758	758	758	758	758	758	758	758	758	758	757	9 090	1 993	2 087
Vote 6 - Infrastructure		12 555	12 555	12 555	12 555	12 555	12 555	12 555	12 555	12 555	12 555	12 555	12 555	150 666	134 242	137 201
Vote 7 - Internal Audit		154	154	154	154	154	154	154	154	154	154	154	154	1 850	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	167 611	136 235	139 288
Total Capital Expenditure	2	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	167 611	136 235	139 288

Table 6MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Receipts By Source													1		
Property rates	3 896	3 896	3 896	3 896	3 896	3 896	3 896	3 896	3 896	3 896	3 896	3 896	46 750	48 041	51 346
Service charges - electricity revenue	5 118	5 118	5 118	5 118	5 118	5 118	5 118	5 118	5 118	5 118	5 118	5 118	61 418	64 427	67 455
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	13 352	14 006	14 665
Rental of facilities and equipment	189	189	189	189	189	189	189	189	189	189	189	189	2 028	2 127	2 227
Interest earned - external investments	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	17 200	18 043	18 891
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	147	147	147	147	147	147	147	147	147	147	147	147	1 789	1 856	1 943
Licences and permits	344	344	344	344	344	344	344	344	344	344	344	344	4 131	4 333	4 537
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	25 858	25 858	25 858	25 858	25 858	25 858	25 858	25 858	25 858	25 858	25 858	25 858	310 294	329 428	319 348
Other revenue	3 448	3 448	3 448	3 448	3 448	3 448	3 448	3 448	3 448	3 448	3 448	3 448	41 372	38 146	39 512
Cash Receipts by Source	41 526	41 526	41 526	41 526	41 526	41 526	41 526	41 526	41 526	41 526	41 526	41 526	488 313	521 408	519 922
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	8 201	8 201	8 201	8 201	8 201	8 201	8 201	8 201	8 201	8 201	8 201	8 201	98 406	102 956	107 627
Transfers and subsidies - capital (monetary allocations) (Nat./Prov. Deparment Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	49 727	49 727	49 727	49 727	49 727	49 727	49 727	49 727	49 727	49 727	49 727	49 727	586 719	624 365	627 550
Cash Payments by Type															
Employee related costs	15 572	15 572	15 572	15 572	15 572	15 572	15 572	15 572	15 572	15 572	15 572	15 572	186 865	196 021	205 234
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	5 917	5 917	5 917	5 917	5 917	5 917	5 917	5 917	5 917	5 917	5 917	5 917	71 000	74 479	77 980
Acquisitions - water & other inventory	609	609	609	609	609	609	609	609	609	609	609	609	7 310	7 668	8 029
Contracted services	9 050	9 050	9 050	9 050	9 050	9 050	9 050	9 050	9 050	9 050	9 050	9 050	108 601	113 255	118 636
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	6 365	6 365	6 365	6 365	6 365	6 365	6 365	6 365	6 365	6 365	6 365	6 365	76 381	79 446	83 183
Cash Payments by Type	37 513	37 513	37 513	37 513	37 513	37 513	37 513	37 513	37 513	37 513	37 513	37 513	450 156	470 872	493 061
Other Cash Flows/Payments by Type															
Capital assets	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	13 968	(321 254)	167 611	136 235	136 288
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	51 481	51 481	51 481	51 481	51 481	51 481	51 481	51 481	51 481	51 481	51 481	(283 741)	617 767	607 107	632 349
NET INCREASE(DECREASE) IN CASH HELD	(1 754)	(1 754)	(1 754)	(1 754)	(1 754)	(1 754)	(1 754)	(1 754)	(1 754)	(1 754)	(1 754)	333 468	(21 048)	17 258	(4 799)
Cash/cash equivalents at the month/year begin:	329 245	327 491	325 737	323 983	322 229	320 475	318 721	316 967	315 213	313 459	311 705	309 951	329 245	308 197	325 455
Cash/cash equivalents at the month/year end:	327 491	325 737	323 983	322 229	320 475	318 721	316 967	315 213	313 459	311 705	309 951	643 418	308 197	325 455	320 656

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:-

Description	Ref	Preceding Years	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Total Contract Value
		Total	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	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 2023/24 MTREF directly aligned and informed by the 2023/24 MTREF.

6. Annual Report

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

MUNICIPAL MANAGER’S QUALITY CERTIFICATE

I LIZO MATIWANE, Municipal Manager of **Matatiele Local Municipality**, hereby certify that the Annual Budget for the 2023/2024 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 _____