

ANNUAL BUDGET MTERF FOR 2024/2025-2026/2027



MATATIELE

LOCAL MUNICIPALITY

ANNUAL BUDGET OF
MATATIELE LOCAL
MUNICIPALITY

2024/2025 TO 2026/27
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

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

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

Part 1 – Annual Budget

1.1 Mayor's report

Budgeted Financial Performance (revenue)

Remarks;

- The revenue is anticipated to be R657, 869, 312 in the 2024/25 financial year. The adjusted budget for 2023/24 was R706, 922, 116. This is a decrease of R49,052,804 from the current adjustment budget mainly due to decrease grants allocations. Revenue budget for the indicative years 2025/26 and 2026/27 is anticipated to be R654,786,127 and R641,221,048 respectively.
- The property rates amount is calculated from the current valuation roll to be implemented from 01st July 2024.
- It should be noted that capital transfers and subsidies has decreased due to decreased grants allocation for the disaster response grant and human settlements grant that is not included in the next year's draft budget.

Budgeted Financial Performance (operating expenditure)

- The draft operating expenditure is anticipated to be R578, 618, 779 in the 2024/25 financial year. The adjusted budget for 2023/24 was R564,065,940. This is an increase of R14,552,839 from the current adjustment budget. For the two outer years 2025/26 and 2026/27 the operating expenditure budget is anticipated to be R655,597,494 and R686,410,576 respectively.
- An increase of 4.9% has been affected on employee related costs, the Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government.
- Included in the budget for employee related costs is an allocation of R9,880,000 for the Expanded Public Works Programme.
- Included on contracted services is repairs and maintenance R32,790,000 as follows;
 - Maintenance Municipal Fleet & Plant - R4,200,000.
 - Maintenance of ICT Infrastructure - R2,550,000.
 - Maintenance of Machinery and Equipment -R1,650,000.
 - Maintenance of Building and Facilities -R3,390,000.
 - Maintenance of road sidewalks -R2,800,000.

- Maintenance of Electricity Infrastructure -R5,200,000.
- Refuse Removal and cleaning -R13,000,000.
- Special programmes have been allocated budget of R5,230,000
- Communications and Marketing has been allocated a budget of R2,160,000.
- Local Economic Development has been allocated budget as follows;
 - Cropping and Household food security -R7,400,000.
 - Livestock Improvement -R1,800,000.
 - Tourism -R7,480,000
 - SMME Support Programmes -R1,050,000
- Indigent support budget of R16,200,000 million has been provided for gas and solar maintenance, electricity and refuse.

Transfers and grant receipts

Remarks;

- The municipality will receive both conditional and unconditional grants of R439, million, a decrease of R60,3 million from R499,3 million on the 2023/24 from the allocations as gazetted on Division of Revenue Act (DoRA) inclusive of provincial allocations.
- 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 R16,3 million from the current financial year's allocation.
- Conditional operational grants (EPWP, Wattle clearing Grant & FMG) are appropriated to fund expenditures relating to EPWP programs and financial reforms respectively as per grants stipulated conditions.
- The Expanded public works incentive has been allocated a budget of R3,880,000, which is a decrease by R94,000 for the next budget year.
- The finance management grant has been maintained at an allocation of R1,700,000 for the next budget year.
- Conditional capital grants (Municipal Infrastructure grant and the Municipal Disaster relief grant) are appropriated to fund capital expenditure of roads construction, maintenance of roads affected by disaster and local economic development projects.
- The allocation for MIG has increased by R2,9 million from the current year's allocation.
- The allocation for INEP has decreased by R10,3 million from the current years adjusted allocation.

- The allocation for the Municipal Disaster relief grant has decreased by 10,4 million from the current year's adjusted allocation.

Capital Expenditure

- The capital expenditure is anticipated to be R165,482, 599 in the 2024/25 financial year. The adjusted budget for 2023/24 was R230, 089, 719. This is a decrease of R64,557,120 from the adjustment budget due to the following:
 - Allocation decrease of Municipal Disaster Relief grant by R10,415,000 from R34,957,000 to R24,542,000.
 - The capital allocation from the Municipal Infrastructure has increased slightly by R2,841,450.
 - Municipal reserves funding has been maintained at R 86,235,799.
 - Projects funded by the Human settlement grant have not been included in this draft budget.

The capital budget per municipal departments is tabulated as below,

Mayor & Council

Remarks;

- The total proposed budget for Mayor and Council is R50,000 to be funded from the capital replacement reserves.

Budget & Treasury

Remarks;

- The total proposed budget for budget and treasury is R2,6 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 R705,000 to be funded from capital replacement reserves.

Corporate Services**Remarks;**

- The total proposed budget for corporate services is R3,9 million to be funded from the municipal reserves.

Economic Development and planning**Remarks;**

- The proposed budget for economic development and planning is R8,7 million to be funded from the municipal reserves.

Community Services**Remarks;**

- The total proposed budget for community services is R15,4 million, to be funded from the capital replacement reserves.

INFRASTRUCTURE**Electricity Unit****Remarks;**

- The capital budget for Electricity unit is proposed to be R9,6 million, to be funded from the capital reserves.

Operations and Maintenance Unit**Remarks;**

- The total capital budget for the operations and maintenance unit is R39,7 million, the Municipal disaster relief grant will fund R24,5 million of the budgets and R15, 2 million will be funded from the capital reserves.

Project Management

- The capital budget for project management unit is proposed to be R84,6 million, a portion of R54,7 million will be funded from the Municipal infrastructure grant and R29,9 million will be funded from the capital reserves.

TOTAL BUDGET 2024/25-2026/27**Remarks;**

- The total draft budget is proposed to be R744,101,378, it should be noted that this is a decrease of R50,054,191 from the current adjustments budget.
- The decrease is mainly as a result of decreased allocation in capital grants.

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

Property rates tariff is proposed to increase by 0% for the 2024/25 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.

Nature Reserve Tariffs

The following are new and proposed tariffs for the Nature reserve

DESCRIPTION	New Tariff Including VAT 2024/2025
<u>Nature Reserve</u>	
Walks/Picnic/Day visitor per person	R 15.00
per car	R 45.00
per passenger	R 10.00
Hiking Clubs/Groups per day	R 250.00
Cycling	R 30.00
Motor Bike	R 50.00
4 x 4 Driving	R 100.00
Wedding events (50 to 80 people) per day	R 800.00
Other events: Birthday/Braai/Celebrations per day	R 500.00

Remuneration of Councillors and Employee related costs

The municipality has provided for a 4.9 % increase on both remunerations of councillors and Employee related costs subject to the SALGBC salary and wage increase agreement.

1.2 Council Resolutions

1. That, the draft budget of the municipality for the year 2024/25; and its indicative for the two projected outer years 2025/2026 and 2026/2027 as outlined on the report be tabled as set out in the following:
2. The revenue is anticipated to be R657, 869, 312 in the 2024/25 financial year. The adjusted budget for 2023/24 was R706, 922, 116. This is a decrease of R49,052,804 from the current adjustment budget mainly due to decrease grants allocations. Revenue budget for the indicative years 2025/26 and 2026/27 is anticipated to be R654,786,127 and R641,221,048 respectively.
3. The municipality will receive both conditional and unconditional grants of R439, million, a decrease of R60,3 million from R499,3 million on the 2023/24 from the allocations as gazetted on Division of Revenue Act (DoRA) inclusive of provincial allocations.
4. The draft operating expenditure is anticipated to be R578, 618, 779 in the 2024/25 financial year. The adjusted budget for 2023/24 was R564,065,940. This is an increase of R14,552,839 from the current adjustment budget. For the two outer years 2025/26 and 2026/27 the operating expenditure budget is anticipated to be R655,597,494 and R686,410,576 respectively
5. The council approves the draft employee costs of R171,308,289 and remuneration of Councillors of R26,035,757 with proposed salary increase of 4.9% for both Councillors and Employees for the 2024/2025 budget.
6. The council approves the following draft tariff increases for the 2024/25 financial year
 - Property rates tariff increase of 0% and first R65 000 property values as exemption, 40% rebates on all residential properties, 15% rebates on all commercial and government properties, 70% on farm properties, 15% rebates on industrial properties and 100% rebates to all municipal properties.
 - No increase of Refuse tariffs.

- Electricity tariff increase with 9 – 18% subject to approval by NERSA.
- That all other municipal tariffs will not be increased.
- New Nature reserve tariffs as proposed ;

DESCRIPTION	New Tariff Including VAT 2024/2025	
Nature Reserve		
Walks/Picnic/Day visitor per person	R	15.00
per car	R	45.00
per passenger	R	10.00
Hiking Clubs/Groups per day	R	250.00
Cycling	R	30.00
Motor Bike	R	50.00
4 x 4 Driving	R	100.00
Wedding events (50 to 80 people) per day	R	800.00
Other events: Birthday/Braai/Celebrations per day	R	500.00

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

- 7.1. Budget policy,
- 7.2. Cash management policy,
- 7.3. Cash shortage policy,
- 7.4. Credit control and debt collection policy,
- 7.5. Cost containment policy ,
- 7.6. Customer care policy,
- 7.7. Customer incentive scheme policy,
- 7.8. Data backup policy,
- 7.9. Debt capacity policy,
- 7.10. Donor finance policy,
- 7.11. Electricity token policy,
- 7.12. Entertainment & refreshments policy,
- 7.13. Fleet Management Policy ,
- 7.14. Unclaimed deposits policy,
- 7.15. Fraud prevention plan,
- 7.16. Gifts policy for officials,
- 7.17. Grants & donation policy,
- 7.18. GRAP framework policy,
- 7.19. Impairment and write off policy,
- 7.20. Cash-up Policy,
- 7.21. Fixed Assets Policy,
- 7.22. Payment Policy,
- 7.23. Petty Cash Policy,
- 7.24. Rates Policy,
- 7.25. Special Services Policy,
- 7.26. Strategy to improve Debtor policy,
- 7.27. Supply Chain Management Policy,
- 7.28. Tariff Policy,
- 7.29. Use of Credit Card Policy and
- 7.30. Virement Policy.
- 7.31. Infrastructure procurement and delivery management policy.
- 7.32. Indigent Policy

7.33. Banking and Investments Policy

7.34. Use of Consultants Policy

1.3 Executive Summary

ANNUAL BUDGET 2024/25 – 2026/2027

Budgeted Financial Performance (revenue)

REVENUE SOURCE	APPROVED BUDGET 2023/2024	ADJUSTMENTS BUDGET 2023/2024	DRAFT BUDGET 2024/2025	BUDGET 2024/25 % ALLOCATION	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
Property Rates	54,360,276	54,360,276	61,865,736	9%	64,897,157	67,947,323
Service Charges	86,941,680	86,941,680	91,971,669	14%	96,478,280	101,012,760
Rental Of Facilities & Equipment	2,027,556	2,027,544	2,027,544	0%	2,126,894	2,226,858
Interest - Outstanding Debtors	24,930,792	24,930,792	2,200,000	0%	2,307,800	2,416,267
Interest - External Investment	17,199,996	28,813,002	28,813,002	4%	30,224,839	31,645,407
Fines , Penalties and Forfeits	1,769,000	1,769,004	25,890,000	4%	27,158,610	28,435,065
Licences & Permits	4,118,844	4,118,844	4,547,108	1%	4,769,916	4,994,102
Transfers & Subsidies Operational	318,510,300	318,092,650	359,769,200	55%	343,348,700	332,928,650
Transfers & Subsidies Capital	95,480,700	181,253,920	79,246,800	12%	81,860,300	62,180,350
Other Revenue	4,894,572	4,614,404	1,538,256	0%	1,613,631	7,434,267
Total Revenue	610,233,716	706,922,116	657,869,312	100%	654,786,127	641,221,048

Remarks;

- The revenue is anticipated to be R657, 869, 312 in the 2024/25 financial year. The adjusted budget for 2023/24 was R706, 922, 116. This is a decrease of R49,052,804 from the current adjustment budget mainly due to decrease grants allocations. Revenue budget for the indicative years 2025/26 and 2026/27 is anticipated to be R654,786,127 and R641,221,048 respectively.
- The property rates amount is calculated from the current valuation roll to be implemented from 01st July 2024.
- It should be noted that capital transfers and subsidies has decreased due to decreased grants allocation for the disaster response grant and human settlements grant that is not included in the next year's draft budget.

Transfers and grant receipts

Description	Current Budget		2023-2024 Medium Term Revenue & Expenditure Framework		
	Approved Budget Year 2023/24	Adjustment Budget 2023/24	Draft 2024/2025	Draft 2025/2026	Draft 2026/2027
R thousand					
RECEIPTS:					
Operating Transfers and Grants					
National Government:	352,469	349,552	355,428	342,699	332,279
Local Government Equitable Share	303,970	303,970	320,321	317,882	307,006
Expanded Public Works Programme Integrated Grant	3,974	3,752	3,880	–	–
Local Government Financial Management Grant	1,700	1,700	1,700	1,800	2,000
Integrated National Electrification Programme	39,900	37,400	26,648	20,000	20,000
Municipal Infrastructure Grant (MIG)	2,925	2,730	2,879	3,017	3,273
Provincial Government:	5,941	5,941	4,341	650	650
Capacity Building and Other : Library	2,250	2,250	650	650	650
Other grant providers:	–	–	–	–	–
DEDEAT	3,691	3,691	3,691	0	–
Total Operating Transfers and Grants	358,410	355,493	359,769	343,349	332,929
Capital Transfers and Grants	55,581	86,820	79,247	81,860	62,180
Municipal Infrastructure Grant (MIG)	55,581	51,863	54,705	57,317	62,180
Disaster Response Grant	–	34,957	24,542	24,543	–
Human Settlement Development Grant	–	57,034	–	–	–
Total Capital Transfers and Grants	55,581	143,854	79,247	81,860	62,180
TOTAL RECEIPTS OF TRANSFERS & GRANTS	413,991	499,347	439,016	425,209	395,109

Remarks;

- The municipality will receive both conditional and unconditional grants of R439, million, a decrease of R60,3 million from R499,3 million on the 2023/24 from the allocations as gazetted on Division of Revenue Act (DoRA) inclusive of provincial allocations.
- 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 R16,3 million from the current financial year's allocation.
- Conditional operational grants (EPWP, Wattle clearing Grant & FMG) are appropriated to fund expenditures relating to EPWP programs and financial reforms respectively as per grants stipulated conditions.
- The Expanded public works incentive has been allocated a budget of R3,880,000, which is a decrease by R94,000 for the next budget year.
- The finance management grant has been maintained at an allocation of R1,700,000 for the next budget year.

- Conditional capital grants (Municipal Infrastructure grant and the Municipal Disaster relief grant) are appropriated to fund capital expenditure of roads construction, maintenance of roads affected by disaster and local economic development projects.
- The allocation for MIG has increased by R2,9 million from the current year's allocation.
- The allocation for INEP has decreased by R10,3 million from the current years adjusted allocation.
- The allocation for the Municipal Disaster relief grant has decreased by 10,4 million from the current year's adjusted allocation.

Budgeted Financial Performance (operating expenditure)

EXPENDITURE TYPE	APPROVED BUDGET 2023/2024	ADJUSTMENTS BUDGET 2023/2024	DRAFT BUDGET 2024/2025	BUDGET 2024/2025 % ALLOCATION	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
Employee Related Costs	161,716,372	168,729,700	171,308,289	30%	179,702,395	188,148,408
Remuneration of Councillors	25,320,190	25,320,192	26,035,757	4%	27,311,510	28,595,150
Bad Debt Written Off	6,000,000	7,000,000	6,294,000	1%	6,602,406	6,912,719
Depreciation	53,300,148	53,300,148	55,789,755	10%	58,523,453	61,274,055
Bulk Purchases	71,075,363	71,075,364	76,245,567	13%	79,981,600	83,740,735
Contracted Services	113,384,593	159,483,670	158,481,496	27%	210,882,039	220,793,495
Other Material	7,629,400	7,191,416	7,060,000	1%	7,405,940	7,754,019
Other Expenditure	76,324,246	71,965,450	77,403,914	13%	85,188,151	89,191,994
Total Expenditure	514,750,752	564,065,940	578,618,779	100%	655,597,494	686,410,576

Remarks;

- The draft operating expenditure is anticipated to be R578, 618, 779 in the 2024/25 financial year. The adjusted budget for 2023/24 was R564,065,940. This is an increase of R14,552,839 from the current adjustment budget. For the two outer years 2025/26 and 2026/27 the operating expenditure budget is anticipated to be R655,597,494 and R686,410,576 respectively.
- An increase of 4.9% has been affected on employee related costs, the Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government.
- Included in the budget for employee related costs is an allocation of R9,880,000 for the Expanded Public Works Programme.
- Included on contracted services is repairs and maintenance R32,790,000 as follows;
 - Maintenance Municipal Fleet & Plant - R4,200,000.

- Maintenance of ICT Infrastructure - R2,550,000.
- Maintenance of Machinery and Equipment -R1,650,000.
- Maintenance of Building and Facilities -R3,390,000.
- Maintenance of road sidewalks -R2,800,000.
- Maintenance of Electricity Infrastructure -R5,200,000.
- Refuse Removal and cleaning -R13,000,000.
- Special programmes have been allocated budget of R5,230,000
- Communications and Marketing has been allocated a budget of R2,160,000.
- Local Economic Development has been allocated budget as follows;
 - Cropping and Household food security -R7,400,000.
 - Livestock Improvement -R1,800,000.
 - Tourism -R7,480,000
 - SMME Support Programmes -R1,050,000
- Indigent support budget of R16,200,000 million has been provided for gas and solar maintenance, electricity and refuse.

BUDGETED CAPITAL EXPENDITURE PER VOTE AND FUNDING SOURCES

DEPARTMENT/MUNICIPAL VOTE	APPROVED BUDGET 2023/24	ADJUSTMENTS BUDGET 2023/24	DRAFT BUDGET 2024/2025	BUDGET YEAR +2025/2026	BUDGET YEAR 2026/2027
Executive and Council	-	-	50,000	-	-
Municipal Manager's Office	2,050,000	1,750,000	705,000	280,000	5,520,000
Budget & Treasury	3,780,000	3,780,000	2,560,000	600,000	-
Corporate Services	2,610,000	2,760,000	3,920,000	4,250,000	3,022,000
Community Services	9,130,000	9,280,000	15,410,000	8,560,000	2,210,000
Economic Development Planning	130,000	57,163,570	8,705,000	250,000	300,000
Infrastructure	164,016,499	155,356,149	134,132,599	116,832,630	109,511,448
TOTAL CAPITAL PER MUNICIPAL VOTE	181,716,499	230,089,719	165,482,599	130,772,630	120,563,448
Funding Sources					
Capital Replacement reserves	86,235,799	86,235,799	86,235,799	48,913,630	58,383,448
Municipal Disaster Grant	-	34,957,000	24,542,000	24,542,000	-
Municipal Infrastructure Grant	55,580,700	51,863,350	54,704,800	57,317,000	62,180,000
Intergrated National Electrification Programme	39,900,000	-	-	-	-
Human Settlements Grant	-	57,033,570	-	-	-
TOTAL CAPITAL FUNDING	181,716,499	230,089,719	165,482,599	130,772,630	120,563,448

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 R165,482, 599 in the 2024/25 financial year. The adjusted budget for 2023/24 was R230, 089, 719. This is a decrease of R64,557,120 from the adjustment budget due to the following:
 - Allocation decrease of Municipal Disaster Relief grant by R10,415,000 from R34,957,000 to R24,542,000.
 - The capital allocation from the Municipal Infrastructure has increased slightly by R2,841,450.
 - Municipal reserves funding has been maintained at R 86,235,799.
 - Projects funded by the Human settlement grant have not been included in this draft budget.

The capital budget per municipal departments is tabulated as below,

MAYOR AND COUNCIL

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2024/2025	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Mayor & Council			50,000	50,000	-	-	-
Smart TV	New	Admin	20,000	20,000	-	-	-
Computer Equipment	New	Admin	30,000	30,000	-	-	-
			-	-	-	-	-
Total Mayor & Council			50,000	50,000	-	-	-

Remarks;

- The total proposed budget for Mayor and Council is R50,000 to be funded from the capital replacement reserves.

BUDGET AND TREASURY

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2024/2025	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Budget Planning & Investments			-	-	-	-	-
			-	-	-	-	-
Revenue & Expenditure Management			90,000	90,000	-	-	-
Laptops	New	Admin	60,000	60,000	-	-	-
Office Furniture	New	Admin	30,000	30,000	-	-	-
Supply Chain Management			2,480,000	2,480,000	-	-	-
Municipal Fleet	New	Admin	2,480,000	2,480,000	-	-	-
Financial Reporting & Assets Management			40,000	40,000	-	-	-
Laptop	New	Admin	40,000	40,000	-	-	-
Finance Governance			-	-	-	-	-
TOTAL BUDGET & TREASURY			2,610,000	2,610,000	-	-	-

Remarks;

- The total proposed budget for budget and treasury is R2,6 million to be funded from the capital replacement reserves.

MUNICIPAL MANAGER'S OFFICE

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2024/2025	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Municipal Manager			40,000	40,000	-	-	-
Laptop	New	Admin	40,000	40,000	-	-	-
Legal Services			-	-	-	-	-
			-	-	-	-	-
Risk/Strategic Governance Unit			75,000	75,000	-	-	-
Laptop *2	New	Admin	60,000	60,000	-	-	-
Office Equipment /Office Printer	New	Admin	15,000	15,000	-	-	-
Internal Audit			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
SPU & Communications			590,000	590,000	-	-	-
2x Laptops	New	Admin	60,000	60,000	-	-	-
Led out door digital screen	New	All wards	500,000	500,000	-	-	-
Camcorder with flash and Tripod stand	New	Admin	30,000	30,000	-	-	-
Total Municipal Manager's Office			705,000	705,000	-	-	-

Remarks;

- The total proposed budget for the office of the Municipal manager amounts to R705,000 to be funded from capital replacement reserves.

CORPORATE SERVICES

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2024/2025	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Admin & Council Support							
Furniture and Equipment	New	Admin	30,000	30,000	-	-	-
Computer Equipment- Cleaning Machinery	New	Admin	60,000	60,000	-	-	-
			90,000	90,000	-	-	-
Public Participation							
Furniture	New	Various Wards	450,000	450,000	-	-	-
Laptops-Computer Equipment	New	Admin	60,000	60,000	-	-	-
			510,000	510,000	-	-	-
Human Resources							
Laptop	New	Admin	60,000	60,000	-	-	-
Furniture and Equipment	New	Admin	30,000	30,000	-	-	-
			90,000	90,000	-	-	-
ICT SERVICES							
Biometric Devices	Upgrade	Admin	300,000	300,000	-	-	-
Furniture and Equipment	Upgrade	Admin	30,000	30,000	-	-	-
UNINTERIPTED POWER SUPPLY (ups)	Upgrade	Admin	300,000	300,000	-	-	-
SURVEILLANCE CAMERAS	Upgrade	Ward 26	250,000	250,000	-	-	-
PUBLIC WI FI	Upgrade	Ward 02	350,000	350,000	-	-	-
IT EQUIPMENT	Upgrade	Admin	250,000	250,000	-	-	-
Server			1,500,000	1,500,000	-	-	-
Network Cable for ICT Centre	Upgrade	Ward 20	250,000	250,000	-	-	-
			3,230,000	3,230,000	-	-	-
TOTAL CORPORATE SERVICES			3,920,000	3,920,000	-	-	-

Remarks;

- The total proposed budget for corporate services is R3,9 million to be funded from the municipal reserves.

ECONOMIC DEVELOPMENT AND PLANNING

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2024/2025	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Admin & Council Support							
Furniture and Equipment	New	Admin	30,000	30,000	-	-	-
Computer Equipment- Cleaning Machinery	New	Admin	60,000	60,000	-	-	-
			90,000	90,000	-	-	-
Public Participation Planning							
Inspection equipment	New	Admin	50,000	50,000	-	-	-
lotter	New	Admin	50,000	50,000	-	-	-
			100,000	100,000			
Local Economic Development							
laptops	New	Admin	60,000	60,000	-	-	-
Completion of 2 silo facilities	New	All Wards	3,000,000	3,000,000	-	-	-
			3,060,000	3,060,000	-	-	-
EDP Governance			45,000	45,000	-	-	-
laptop	New	Admin	45,000	45,000			
Human Settlement			5,500,000	5,500,000	-	-	-
Refurbishment of main office	New	Admin	1,000,000	1,000,000	-	-	-
Renovation of Town Hall	Upgrade	19	1,500,000	1,500,000	-	-	-
Refurbishment of municipal stores	New	Admin	1,000,000	1,000,000	-	-	-
Renovation of Maluti office	New	Admin	1,000,000	1,000,000	-	-	-
EDP Carpots	New	Admin	400,000	400,000	-	-	-
renovation of pound building			600,000	600,000	-	-	-
ECONOMIC DEVELOPMENT AND PLANNING			8,705,000	8,705,000	-	-	-

Remarks;

- The proposed budget for economic development and planning is R8,7 million to be funded from the municipal reserves.

COMMUNITY SERVICES

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2024/2025	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Public Amenities			1,490,000	1,490,000	-	-	-
Northend Boreholes	New	19	400,000	400,000	-	-	-
Goal Post	New	All Wards	150,000	150,000	-	-	-
Laptops	New	Admin	90,000	90,000	-	-	-
Furniture	New	Admin	50,000	50,000	-	-	-
Grass Cutting Machinery	New	Admin	300,000	300,000	-	-	-
Nokhwe and Thandanani Stadium Fencing	New	20	500,000	500,000	-	-	-
Public Safety			7,900,000	7,900,000	-	-	-
Storage Container	New	Admin	300,000	300,000	-	-	-
Fire Engine	New	All Wards	6,500,000	6,500,000	-	-	-
Roadblock equipment	New	Admin	300,000	300,000	-	-	-
Backup generator	New	Admin	800,000	800,000	-	-	-
Solid Waste & Enviroment			5,950,000	5,950,000	-	-	-
Furniture and Equipment	New	All	350,000	350,000	-	-	-
Fencing of the Mountain Lake	Upgrade	19	1,500,000	1,500,000	-	-	-
Waste skip bins	Upgrade	All	800,000	800,000	-	-	-
Cemetery Development	Upgrade	All	600,000	600,000	-	-	-
Waste Buy Back Center	New	19 20	1,000,000	1,000,000	-	-	-
weigh bridge			1,700,000	1,700,000	-	-	-
Community Governace			70,000	70,000	-	-	-
Printer	New	All	20,000	20,000	-	-	-
Furniture	New	All	50,000	50,000	-	-	-
TOTAL COMMUNITY SERVICES			15,410,000	15,410,000	-	-	-

Remarks;

- The total proposed budget for community services is R15,4 million, to be funded from the capital replacement reserves.

INFRASTRUCTURE**PROJECT OPERATIONS AND MAINTENANCE**

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2024/2025	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Malubaluba AC 1,1km at ward 3	New	3	550,000	550,000	-	-	-
Skiti -Tholang AR 3km at ward 1	New	1	1,500,000	1,500,000	-	-	-
Office Furniture	New	Admin	100,000	100,000	-	-	-
New Resh AR 4km at ward 09	Maintenance	9	2,000,000	2,000,000	-	-	-
Mafaise AR 6km at ward 12	Maintenance	12	3,000,000	3,000,000	-	-	-
Bhakaneni 4,2km ward 06	Maintenance	6	2,100,000	2,100,000	-	-	-
Kinira to Shepard Hope Access Road	Maintenance	16	2,000,000	2,000,000	-	-	-
Chere Mahareng 8km at ward 13	Maintenance	13	4,000,000	4,000,000	-	-	-
Mngeni Bridge	Maintenance	7	4,064,731	-	-	-	4,064,731
Mdeni AC 5km and bridge	Maintenance	3	9,335,022	-	-	-	9,335,022
Mvenyane AC 7,5km and bridge	Maintenance	21	900,000	-	-	-	900,000
Lugada to Mahlabathini AC and Bridge at ward	Maintenance	17	10,242,247	-	-	-	10,242,247
				-	-	-	-
			39,792,000	15,250,000	-	-	24,542,000

Remarks;

- The total capital budget for the operations and maintenance unit is R39,7 million, the Municipal disaster relief grant will fund R24,5 million of the budget and R15, 2 million will be funded from the capital reserves.

PROJECT MANAGEMET

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2024/2025	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Harry Gwala Internal Streets	Upgrade	20	9,513,244	-	9,513,244	-	-
Extension Of Matatiele Sport Centre	New	20	1,937,503	-	1,937,503	-	-
Higmast Lights	New	20	1,100,000	-	1,100,000	-	-
Cedarville Internal Streets Phase 4	Upgrade	26	9,702,540	-	9,702,540	-	-
Maluti Internal Streets Phase 5	Upgrade	1	9,644,954	-	9,644,954	-	-
Mahasheng Access Road & Bridge	New	14	4,828,019	-	4,828,019	-	-
Likhalong via Magema to Outspan Access Road	New	27	6,077,265	-	6,077,265	-	-
Mafube-Nkosana Access Road & Bridge	New	8	2,800,000	-	2,800,000	-	-
Planning of Disaster & Fire Management Centre	New	9	1,035,000	-	1,035,000	-	-
Planning of Upgrading Mahangwe Sport Centre	New	6	1,035,000	-	1,035,000	-	-
Procurement of Specialised Vehicles	New	Admin	7,031,275	-	7,031,275	-	-
New Stance Access Road	New	25	4,218,000	4,218,000	-	-	-
Potlo Access Road	New	12	3,192,000	3,192,000	-	-	-
Upgrading of stormwater	New	19	1,000,000	1,000,000	-	-	-
Khauoe Access Road	New	25	6,270,000	6,270,000	-	-	-
Mapoleseng Access Road	New	15	2,679,000	2,679,000	-	-	-
Nkungwini-Ngudla Access Road	New	18	4,728,799	4,728,799	-	-	-
Sehlabeng Access Road (Newstance)	New	4	3,363,000	3,363,000	-	-	-
Fatima Access Road	New	14	2,280,000	2,280,000	-	-	-
Ramafole Access Road	New	24	1,710,000	1,710,000	-	-	-
St Paul Concrete Slab	New	25	500,000	500,000	-	-	-
			84,645,599	29,940,799	54,704,800	-	-

Remarks;

- The capital budget for project management unit is proposed to be R84,6 million, a portion of R54,7 million will be funded from the Municipal infrastructure grant and R29,9 million will be funded from the capital reserves.

ELECTRICITY

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2024/2025	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Christmas Lights	New	19	500,000	500,000	-	-	-
Transformers, RMU & Circuit Breakers ,Kiosks	Upgrade	19&20	5,000,000	5,000,000	-	-	-
Refurbishment of FM Towerline	Upgrade	19	2,000,000	2,000,000	-	-	-
Fencing of Substations/Mini-Sub/Transformers	New	19	300,000	300,000	-	-	-
Cherry Picker	New	Admin	1,200,000	1,200,000	-	-	-
Pound Electricity Connection	New	19	650,000	650,000	-	-	-
			9,650,000	9,650,000	-	-	-

- The capital budget for Electricity unit is proposed to be R9,6 million, to be funded from the capital reserves.

TOTAL BUDGET 2024/25-2026/27

Description	Current Budget		2024/25 Medium Term Revenue & Expenditure Framework		
	APPROVED BUDGET 2023/2024	ADJUSTMENTS BUDGET 2023/2024	DRAFT BUDGET +2024/2025	BUDGET +2025/2026	BUDGET +2026/2027
Operating Budget	514,750,752	564,065,940	578,618,779	655,597,494	686,410,576
Capital Budget	181,716,499	230,089,719	165,482,599	130,772,630	120,563,448
Total Budget	696,467,251	794,155,659	744,101,378	786,370,124	806,974,024

Remarks;

- The total draft budget is proposed to be R744,101,378, it should be noted that this is a decrease of R 50,054,191 from the current adjustments budget.
- The decrease is mainly as a result of decreased allocation in capital grants.

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

Property rates tariff is proposed to increase by 0% for the 2024/25 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%
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First R65 000 exempt		
40% Rebate		
Vacant Land	0.02176	0%
Commercial	0.013054	0%
15% exempt		0%
Government	0.02176	0%
Farms	0.0027195	0%
70% rebate		0%
Industrial	0.013054	0%
15% rebate		0%
Municipal	0.013054	0%
100% rebate		

New Nature Reserve Tariffs

The following are new and proposed tariffs for the Nature reserve

DESCRIPTION	New Tariff Including VAT 2024/2025	
<u>Nature Reserve</u>		
Walks/Picnic/Day visitor per person	R	15.00
per car	R	45.00
per passenger	R	10.00
Hiking Clubs/Groups per day	R	250.00
Cycling	R	30.00
Motor Bike	R	50.00
4 x 4 Driving	R	100.00
Wedding events (50 to 80 people) per day	R	800.00
Other events: Birthday/Braai/Celebrations per day	R	500.00

Service Charges

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

Remuneration of Councillors and Employee related costs

The municipality has provided for a 4.9 % increase on both remunerations of councillors and Employee related costs subject to the SALGBC salary and wage increase agreement.

Budget Related Policies

The following budget related policies have been reviewed for the 2024/25 budget,

1. Budget policy,
2. Cash management policy,
3. Cash shortage policy,
4. Credit control and debt collection policy,
5. Cost containment policy ,
6. Customer care policy,
7. Customer incentive scheme policy,
8. Data backup policy,
9. Debt capacity policy,
10. Donor finance policy,
11. Electricity token policy,
12. Entertainment & refreshments policy,

13. Fleet Management Policy ,
14. Unclaimed deposits policy,
15. Fraud prevention plan,
16. Gifts policy for officials,
17. Grants & donation policy,
18. GRAP framework policy,
19. Impairment and write off policy,
20. Cash-up Policy,
21. Fixed Assets Policy,
22. Payment Policy,
23. Petty Cash Policy,
24. Rates Policy,
25. Special Services Policy,
26. Strategy to improve Debtor policy,
27. Supply Chain Management Policy,
28. Tariff Policy,
29. Use of Credit Card Policy and
30. Virement Policy.
31. Infrastructure procurement and delivery management policy.
32. Indigent Policy
33. Banking and Investments Policy
34. Use of Consultants Policy

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 85 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 2024/25 MTREF (classified by main revenue source):

Table 1 -Summary of revenue classified by main revenue source

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue	1										
Exchange Revenue											
Service charges - Electricity	2	57 058	56 530	59 114	71 416	71 416	71 416	71 416	76 446	80 146	83 930
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	11 531	11 615	11 713	15 526	15 526	15 526	15 526	15 526	16 332	17 083
Sale of Goods and Rendering of Services		759	923	870	3 930	3 649	3 649	3 649	646	681	4 303
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 371	2 168	1 313	6 500	6 500	6 500	6 500	2 200	2 308	2 416
Interest earned from Current and Non Current Assets		8 835	9 599	19 146	17 200	28 813	28 813	28 813	28 813	30 225	31 645
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		172	144	206	-	-	-	-	-	-	-
Rental from Fixed Assets		1 398	1 260	1 237	2 028	2 028	2 028	2 028	2 028	2 127	2 227
Licence and permits		3 770	3 503	3 596	4 094	4 094	4 094	4 094	4 522	4 744	4 967
Operational Revenue		114	283	264	965	965	965	965	892	933	3 131
Non-Exchange Revenue	2										
Property rates	2	46 575	48 726	48 716	54 360	54 360	54 360	54 360	61 866	64 897	67 947
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		762	2 058	2 609	1 769	1 769	1 769	1 769	25 890	27 159	28 435
Licences or permits		17	(96)	64	25	25	25	25	25	26	27
Transfer and subsidies - Operational		306 535	267 351	293 763	318 510	318 093	318 093	318 093	359 769	343 349	332 929
Interest		11 986	14 020	14 956	18 431	18 431	18 431	18 431	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		333	-	104	-	-	-	-	-	-	-
Other Gains		1 468	(15)	591	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		452 685	418 070	458 264	514 753	525 668	525 668	525 668	578 623	572 926	579 041

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	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		(0)	83 508	59 183	8 599	8 182	77 797	35 107	24 817	25 273
Expanded Public Works Programme Integrated Grant		0	4 887	4 810	3 974	3 752	3 752	3 880	-	-
Integrated National Electrification Programme Grant		-	-	-	-	-	27 930	26 648	20 000	20 000
Local Government Financial Management Grant		-	1 650	1 650	1 700	1 700	1 700	1 700	1 800	2 000
Municipal Infrastructure Grant		(0)	76 971	52 723	2 925	2 730	44 415	2 879	3 017	3 273
Provincial Government:		2 224	-	-	5 941	5 941	-	4 341	650	650
Specify (Add grant description)		-	-	-	2 250	2 250	-	650	650	650
Specify (Add grant description)		2 224	-	-	3 691	3 691	-	3 691	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	2 224	83 508	59 183	14 540	14 123	77 797	39 448	25 467	25 923
Capital Transfers and Grants										
National Government:		(0)	97 778	48 539	95 481	124 220	42 176	79 247	81 860	62 180
Municipal Disaster Relief Grant		-	-	2 251	-	34 957	32 706	24 542	24 543	-
Municipal Infrastructure Grant		-	-	-	55 581	51 863	-	54 705	57 317	62 180
Integrated National Electrification Programme Grant		(0)	97 778	46 288	39 900	37 400	9 470	-	-	-
Provincial Government:		-	650	-	-	57 034	3 981	-	-	-
Specify (Add grant description)		-	-	-	-	-	3 331	-	-	-
Specify (Add grant description)		-	-	-	-	57 034	-	-	-	-
Specify (Add grant description)		-	650	-	-	-	650	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	(0)	98 428	48 539	95 481	181 254	46 157	79 247	81 860	62 180
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	2 224	181 936	107 722	110 021	195 377	123 954	118 695	107 327	88 103

The municipality operational grants budget amounts to R 39,4 million for 2024/25 year, the operational grants budget equates to 60% of the total revenue budget.

Table 3 Comparison of rated levies for the 2024/25 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	New Tariff Including VAT 2023/2024	Increase for 2024/2025	New Tariff VAT Excluded 2024/2025	New Tariff Including VAT 2024/2025
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 160.07	0%	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 240.09	0%	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 240.09	0%	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 271.33	0%	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 135.66	0%	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 2024/25 budget year.

The following table compares current and proposed amounts payable for the 204/25 MTREF Table 5

Comparison between current waste removal fees and increases

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	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25 % incr.	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Randicent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		355.79	355.79	355.79	411.87	411.87	411.87	-100.00%	-	-	-
Electricity: Basic levy		247.76	247.76	247.76	-	-	-	0.00%	0.16	0.16	0.16
Electricity: Consumption		745.45	745.45	745.45	-	-	-	0.00%	0.16	0.16	0.16
Water: Basic levy		-	-	-	-	-	-	0.00%	-	-	-
Water: Consumption		-	-	-	-	-	-	0.00%	-	-	-
Sanitation		-	-	-	-	-	-	0.00%	-	-	-
Refuse removal		117.99	117.99	132.00	139.20	139.20	139.20	-100.00%	-	-	-
Other		-	-	-	-	-	-	0.00%	-	-	-
sub-total		1 466.99	1 466.99	1 481.00	551.07	551.07	551.07	(99.9%)	0.32	0.32	0.32
VAT on Services		-	-	-	-	-	-	0.00%	-	-	-
Total large household bill:		1 466.99	1 466.99	1 481.00	551.07	551.07	551.07	(99.9%)	0.32	0.32	0.32
% increase/-decrease		-	-	1.0%	(62.8%)	-	-	(100.2%)	(99.9%)	-	-
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		322.72	355.79	355.79	411.87	411.87	411.87	-100.00%	0.03	0.03	0.03
Electricity: Basic levy		219.00	248.00	248.00	258.00	258.00	258.00	-100.00%	0.07	0.07	0.07
Electricity: Consumption		680.00	745.00	745.00	775.00	775.00	775.00	-100.00%	0.07	0.07	0.07
Water: Basic levy		-	-	-	-	-	-	0.00%	-	-	-
Water: Consumption		-	-	-	-	-	-	0.00%	-	-	-
Sanitation		-	-	-	-	-	-	0.00%	-	-	-
Refuse removal		50.85	117.99	132.00	139.00	139.00	139.00	-100.00%	-	-	-
Other		-	-	-	-	-	-	0.00%	-	-	-
sub-total		1 252.57	1 466.78	1 480.79	1 583.87	1 583.87	1 583.87	(100.0%)	0.17	0.17	0.17
VAT on Services		-	-	-	-	-	-	0.00%	-	-	-
Total small household bill:		1 252.57	1 466.78	1 480.79	1 583.87	1 583.87	1 583.87	(100.0%)	0.17	0.17	0.17
% increase/-decrease		-	17.1%	1.0%	7.0%	-	-	(100.1%)	(100.0%)	-	-
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	65 000.00	65 000.00	65 000.00	0.00%	65 000.00	65 000.00	65 000.00
Electricity: Basic levy		-	-	-	-	-	-	0.00%	-	-	-
Electricity: Consumption		50.00	50.00	50.00	50.00	50.00	50.00	0.00%	50.00	50.00	50.00
Water: Basic levy		-	-	-	-	-	-	0.00%	-	-	-
Water: Consumption		-	-	-	-	-	-	0.00%	-	-	-
Sanitation		-	-	-	-	-	-	0.00%	-	-	-
Refuse removal		72 813.69	76 454.37	132.00	139.00	139.00	139.00	0.00%	139.00	139.00	139.00
Other		-	-	-	-	-	-	0.00%	-	-	-
sub-total		102 863.69	106 504.37	55 182.00	65 189.00	65 189.00	65 189.00	-	65 189.00	65 189.00	65 189.00
VAT on Services		-	-	-	-	-	-	0.00%	-	-	-
Total small household bill:		102 863.69	106 504.37	55 182.00	65 189.00	65 189.00	65 189.00	-	65 189.00	65 189.00	65 189.00
% increase/-decrease		-	3.5%	(48.2%)	18.1%	-	-	(100.0%)	-	-	-

Operating Expenditure Framework

The Municipality's expenditure framework for the 2024/25 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 2024/25 budget and MTREF (classified per main type of operating expenditure):

Table 7 Summary of operating expenditure by standard classification item

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Expenditure											
Employee related costs	2	119 453	128 507	146 840	161 717	168 730	168 730	168 730	171 308	179 702	188 148
Remuneration of councillors		19 979	21 444	22 872	25 320	25 320	25 320	25 320	26 036	27 312	28 595
Bulk purchases - electricity	2	48 196	58 161	58 340	71 075	71 075	71 075	71 075	76 246	79 982	83 741
Inventory consumed	8	5 757	6 075	5 748	7 629	7 191	7 191	7 191	7 060	7 406	7 754
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		83 800	56 094	64 712	53 300	53 300	53 300	53 300	55 790	58 523	61 274
Interest		14	35	134	-	-	-	-	-	-	-
Contracted services		93 160	100 450	134 393	113 385	159 484	159 484	159 484	158 482	210 882	220 794
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		27 338	17 651	13 361	6 000	7 000	7 000	7 000	6 294	6 602	6 913
Operational costs		39 240	49 557	59 793	76 325	71 965	71 965	71 965	77 404	85 188	89 192
Losses on disposal of Assets		-	78 219	64 569	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		436 938	516 193	570 761	514 751	564 066	564 066	564 066	578 619	655 597	686 411

The budgeted allocation for employee related costs for the 2024/25 financial year totals

R 161,3 million, which equals 34 per cent of the total operating expenditure. The municipality has effected an increase of 4.9 % for the 2024/2025 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 85 per cent and the Debt Write-off Policy of the Municipality. For the 2024/25 financial year this amount equates to R 6,2 million and escalates to R 6,9 million by 2026/27. 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 2024/2025 financial and equates to 10 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 2024/25 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 13 per cent for 2024/25.

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 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
EXPENDITURE OTHER ITEMS											
Depreciation	7	63 618	74 026	70 525	78 945	74 995	74 995	82 770	89 062	93 912	
Repairs and Maintenance by Asset Class	3	42 843	54 938	55 782	53 300	53 300	53 300	55 790	58 523	61 274	
Roads Infrastructure		20 774	19 089	14 743	25 645	21 695	21 695	26 980	30 539	32 638	
Storm water Infrastructure		8 714	4 513	205	4 300	3 210	3 210	3 500	3 468	3 636	
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	
Infrastructure		8 714	4 513	205	4 300	3 210	3 210	3 500	3 468	3 636	
Community Facilities		989	1 491	1 064	1 800	1 450	1 450	2 550	3 667	3 790	
Sport and Recreation Facilities		6 125	7 523	7 434	11 900	9 755	9 755	8 500	10 402	11 611	
Community Assets		7 114	9 014	8 498	13 700	11 205	11 205	11 050	14 069	15 401	
Heritage Assets		-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	
Operational Buildings		1 311	715	393	1 750	1 665	1 665	4 450	4 655	4 869	
Housing		-	-	-	-	-	-	-	-	-	
Other Assets		1 311	715	393	1 750	1 665	1 665	4 450	4 655	4 869	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	
Computer Equipment		-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	
Machinery and Equipment		1 261	1 277	1 350	1 895	1 215	1 215	3 780	3 954	4 136	
Transport Assets		2 375	3 570	4 297	4 000	4 400	4 400	4 200	4 393	4 595	
Land		-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	
Mature		-	-	-	-	-	-	-	-	-	
Immature		-	-	-	-	-	-	-	-	-	
Living Resources		-	-	-	-	-	-	-	-	-	

For the 2024/25 financial year repairs and maintenance is budgeted at R 21,6 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 12 000 or more indigent households during the 2024/25 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 2024/25 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	562	3 280	4 060	4 060	4 060	3 450	-	-
Vote 3 - Corporate		3 467	(2 384)	4 068	2 310	2 310	2 310	2 310	2 300	-	-
Vote 4 - Development and Planning		158 094	21 920	163	500	500	500	500	155	-	-
Vote 5 - Community		5 579	2 402	2 484	6 360	6 360	6 360	6 360	9 090	1 963	2 087
Vote 6 - Infrastructure		189 132	122 092	181 915	158 879	167 421	167 421	167 421	150 866	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	151 664	189 898	171 308	180 661	180 661	180 661	167 811	198 236	199 288

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 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousands										
Financial Performance										
Property rates	46 575	48 726	48 716	54 360	54 360	54 360	54 360	61 866	64 897	67 947
Service charges	68 589	68 146	70 828	86 942	86 942	86 942	86 942	91 972	96 478	101 013
Investment revenue	8 635	9 599	19 146	17 200	28 813	28 813	28 813	28 813	30 225	31 645
Transfer and subsidies - Operational	306 535	267 351	293 763	318 510	318 093	318 093	318 093	359 769	343 349	332 929
Other own revenue	22 151	24 248	25 812	37 741	37 461	37 461	37 461	36 203	37 977	45 507
Total Revenue (excluding capital transfers and contributions)	452 685	418 070	458 264	514 753	525 668	525 668	525 668	578 623	572 926	579 041
Employee costs	119 453	128 507	146 840	161 717	168 730	168 730	168 730	171 308	179 702	188 148
Remuneration of councillors	19 979	21 444	22 872	25 320	25 320	25 320	25 320	26 036	27 312	28 595
Depreciation and amortisation	83 800	56 094	64 712	53 300	53 300	53 300	53 300	55 790	58 523	61 274
Interest	14	35	134	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	53 954	64 236	64 088	78 705	78 267	78 267	78 267	83 306	87 387	91 495
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	159 738	245 877	272 116	195 709	238 449	238 449	238 449	242 179	302 673	316 898
Total Expenditure	436 938	516 193	570 761	514 751	564 066	564 066	564 066	578 619	656 597	686 411
Surplus/(Deficit)	15 748	(98 124)	(112 498)	2	(38 398)	(38 398)	(38 398)	4	(82 672)	(107 370)
Transfers and subsidies - capital (monetary allocations)	92 926	165 532	108 353	95 481	181 254	181 254	181 254	79 247	81 860	62 180
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	108 674	67 408	(4 145)	95 483	142 856	142 856	142 856	79 251	(81 1)	(45 190)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	108 674	67 408	(4 145)	95 483	142 856	142 856	142 856	79 251	(81 1)	(45 190)
Capital expenditure & funds sources										
Capital expenditure	151 160	189 960	99 033	181 717	230 090	230 090	230 090	165 483	130 773	120 563
Transfers recognised - capital	78 907	141 845	50 899	95 481	143 854	143 854	143 854	79 247	81 860	62 180
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	72 253	47 709	48 134	86 236	86 236	86 236	86 236	86 236	48 912	58 383
Total sources of capital funds	151 160	189 554	99 033	181 717	230 090	230 090	230 090	165 483	130 773	120 563
Financial position										
Investments	-	-	-	-	-	-	-	-	-	-
LIABILITIES	-	-	-	-	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-	-	-	-	-
NET ASSETS	1 344 032	1 365 990	1 337 572	1 629 334	1 602 291	1 602 291	1 602 291	1 242 474	1 241 663	1 196 473
Community wealth/Equity	-	-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating	491 348	340 998	353 025	147 918	196 291	196 291	196 291	121 547	48 603	6 660
Net cash from (used) investing	(161 457)	(188 241)	(143 199)	(181 717)	(230 090)	(230 090)	(230 090)	(122 557)	(85 759)	(75 567)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	329 891	377 179	446 558	326 924	285 300	285 300	285 300	268 606	231 450	162 543
Cash backing/surplus reconciliation										
Non current investments	4 461	12 340	4 904	-	-	-	-	-	-	-
Statutory requirements	(186 782)	(188 509)	(148 028)	299 079	286 938	286 938	286 938	133 442	63 029	(42 440)
Balance - surplus (shortfall)	191 243	200 849	152 932	(299 079)	(286 938)	(286 938)	(286 938)	(133 442)	(63 029)	42 440
Asset management										
Asset register summary (WDV)	808 393	905 956	901 065	1 145 895	1 046 935	1 046 935	1 046 935	884 418	838 380	791 670
Depreciation	42 843	54 938	55 782	53 300	53 300	53 300	53 300	55 790	58 523	61 274
Renewal and Upgrading of Existing Assets	45 856	32 993	35 241	31 517	64 699	64 699	64 699	54 693	50 537	30 801
Repairs and Maintenance	20 774	19 089	14 743	25 645	21 695	21 695	21 695	26 980	30 539	32 638
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	0	-	-	15 945	15 945	15 945	-	10 257	11 729	13 268
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 2024/25, 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	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Revenue - Functional										
Governance and administration		369 360	333 981	372 020	403 019	414 562	414 562	438 046	441 399	438 599
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		369 360	333 981	372 020	403 019	414 562	414 562	438 046	441 399	438 599
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		9 482	11 484	12 853	12 190	11 909	11 909	12 554	9 083	9 456
Community and social services		4 965	6 057	6 664	6 989	6 708	6 708	6 854	3 087	3 201
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4 517	5 407	6 189	5 201	5 201	5 201	5 700	5 976	6 256
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		61 176	68 038	63 015	62 020	149 852	149 852	82 338	85 099	67 122
Planning and development		691	171	868	3 504	60 292	60 292	202	211	1 658
Road transport		60 486	67 867	62 147	58 516	89 560	89 560	82 136	84 887	65 464
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		105 593	170 119	118 729	133 005	130 599	130 599	124 932	119 226	126 044
Energy sources		91 192	156 620	106 919	113 716	111 216	111 216	105 494	102 663	107 283
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		14 401	13 498	11 810	19 289	19 383	19 383	19 438	16 563	18 761
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	545 611	583 602	566 616	610 234	706 922	706 922	657 869	654 786	641 221
Expenditure - Functional										
Governance and administration		209 526	241 984	213 148	233 487	249 822	249 822	252 091	304 521	318 617
Executive and council		24 561	28 897	30 685	33 967	33 664	33 664	35 047	36 737	38 454
Finance and administration		181 677	208 687	178 892	194 744	211 319	211 319	212 148	262 663	274 806
Internal audit		3 287	4 380	3 571	4 775	4 839	4 839	4 896	5 121	5 357
Community and public safety		32 878	35 002	46 537	51 797	70 013	70 013	54 363	54 555	58 037
Community and social services		13 826	15 738	24 553	27 466	46 638	46 638	28 843	28 338	30 592
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		19 052	19 264	21 984	24 331	23 375	23 375	25 520	26 217	27 445
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		63 504	72 266	125 473	105 773	83 530	83 530	115 264	129 753	135 348
Planning and development		17 620	19 907	19 784	38 759	39 209	39 209	48 647	59 885	63 026
Road transport		45 884	52 359	105 689	67 014	44 321	44 321	66 617	69 668	72 322
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		131 030	166 961	185 604	123 693	160 701	160 701	156 901	166 769	174 408
Energy sources		96 944	141 882	168 806	102 345	139 049	139 049	134 254	140 562	147 112
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		34 085	25 079	16 798	21 348	21 651	21 651	22 647	26 207	27 296
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	436 938	516 193	570 761	514 751	564 066	564 066	578 619	655 597	686 411
Surplus/(Deficit) for the year		108 674	67 408	(4 145)	95 483	142 856	142 856	79 251	(811)	(45 190)

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

- 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.
- 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.
- 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 R thousand	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		369 140	333 448	371 565	402 544	414 207	414 207	437 696	441 032	437 497
Vote 3 - Corporate		221	533	454	475	355	355	350	366	1 101
Vote 4 - Development and Planning		508	283	846	3 504	60 292	60 292	202	211	1 658
Vote 5 - Community		23 883	24 963	24 663	31 479	31 292	31 292	31 991	25 626	28 218
Vote 6 - Infrastructure		151 860	224 375	169 087	172 232	200 776	200 776	187 630	187 551	172 747
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	545 611	583 602	586 616	610 234	706 922	706 922	657 889	654 786	641 221
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Council		24 561	28 897	30 685	33 967	33 664	33 664	35 047	36 737	38 454
Vote 2 - Finance and Admin		114 110	144 926	106 403	111 852	120 004	120 004	123 477	154 913	162 072
Vote 3 - Corporate		67 567	63 761	72 489	82 892	91 315	91 315	88 671	107 749	112 733
Vote 4 - Development and Planning		20 280	20 957	19 940	38 759	39 209	39 209	48 647	59 885	63 026
Vote 5 - Community		66 963	60 081	63 335	73 146	91 665	91 665	77 010	80 762	85 334
Vote 6 - Infrastructure		140 169	193 191	274 339	169 359	183 370	183 370	200 871	210 430	219 434
Vote 7 - Internal Audit		3 287	4 380	3 571	4 775	4 839	4 839	4 896	5 121	5 357
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	436 938	516 193	570 761	514 751	564 066	564 066	578 619	655 597	686 411
Surplus/(Deficit) for the year	2	108 674	67 408	(4 145)	95 483	142 856	142 856	79 251	(811)	(45 190)

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

- 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	RMB	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	57 058	56 530	59 114	71 416	71 416	71 416	71 416	76 446	80 146	83 930
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	11 531	11 615	11 713	15 526	15 526	15 526	15 526	15 526	16 332	17 083
Sale of Goods and Rendering of Services		759	923	870	3 930	3 649	3 649	3 649	646	681	4 303
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 371	2 168	1 313	6 500	6 500	6 500	6 500	2 200	2 308	2 416
Interest earned from Current and Non Current Assets		8 835	9 599	19 146	17 200	28 813	28 813	28 813	28 813	30 225	31 645
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		172	144	206	-	-	-	-	-	-	-
Rental from Fixed Assets		1 398	1 260	1 237	2 028	2 028	2 028	2 028	2 028	2 127	2 227
Licence and permits		3 770	3 503	3 596	4 094	4 094	4 094	4 094	4 522	4 744	4 967
Operational Revenue		114	283	264	965	965	965	965	892	933	3 131
Non-Exchange Revenue											
Property rates	2	46 575	48 726	48 716	54 360	54 360	54 360	54 360	61 866	64 897	67 947
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		762	2 058	2 609	1 769	1 769	1 769	1 769	25 890	27 159	28 435
Licences or permits		17	(96)	64	25	25	25	25	25	26	27
Transfer and subsidies - Operational		306 535	267 351	293 763	318 510	318 093	318 093	318 093	359 769	343 349	332 929
Interest		11 986	14 020	14 956	18 431	18 431	18 431	18 431	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		333	-	104	-	-	-	-	-	-	-
Other Gains		1 468	(15)	591	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		452 685	418 070	458 264	514 753	525 668	525 668	525 668	578 623	572 926	579 041
Expenditure											
Employee related costs	2	119 453	128 507	146 840	161 717	168 730	168 730	168 730	171 308	179 702	188 148
Remuneration of councillors		19 979	21 444	22 872	25 320	25 320	25 320	25 320	26 036	27 312	28 595
Bulk purchases - electricity	2	48 196	58 161	58 340	71 075	71 075	71 075	71 075	76 246	79 982	83 741
Inventory consumed	8	5 757	6 075	5 748	7 629	7 191	7 191	7 191	7 060	7 406	7 754
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		83 800	56 094	64 712	53 300	53 300	53 300	53 300	55 790	58 523	61 274
Interest		14	35	134	-	-	-	-	-	-	-
Contracted services		93 160	100 450	134 393	113 385	159 484	159 484	159 484	158 482	210 882	220 794
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		27 338	17 651	13 361	6 000	7 000	7 000	7 000	6 294	6 602	6 913
Operational costs		39 240	49 557	59 793	76 325	71 965	71 965	71 965	77 404	85 188	89 192
Losses on disposal of Assets		-	78 219	64 569	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		436 938	516 193	570 761	514 751	564 066	564 066	564 066	578 619	655 597	686 411
Surplus/(Deficit)		15 748	(98 124)	(112 498)	2	(38 398)	(38 398)	(38 398)	4	(82 672)	(107 370)
Transfers and subsidies - capital (monetary)	6	92 926	165 532	108 353	95 481	181 254	181 254	181 254	79 247	81 860	62 180
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		108 674	67 408	(4 145)	95 483	142 856	142 856	142 856	79 251	(811)	(45 190)
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		108 674	67 408	(4 145)	95 483	142 856	142 856	142 856	79 251	(811)	(45 190)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		108 674	67 408	(4 145)	95 483	142 856	142 856	142 856	79 251	(811)	(45 190)
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	108 674	67 408	(4 145)	95 483	142 856	142 856	142 856	79 251	(811)	(45 190)

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

1. Total revenue is R 578,6 million (excluding capital and escalates to R 579, million by 2026/27.
2. Revenue to be generated from property rates is R 61,8 million in the 2024/25 financial year and increases to R 67,9 million by 2026/27 which represents 9 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 91,9 million for the 2024/25 financial year and increasing to R 101, million by 2026/27. For the 2024/25 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 amount to R 76,2 million and increases to R 83,7 million for 2026/27. 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure - Vote	1										
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		3 574	74	-	70	70	70	70	90	-	-
Vote 2 - Finance and Admin		4 061	562	3 867	3 900	3 900	3 900	3 900	3 225	136	142
Vote 3 - Corporate		2 516	4 698	1 704	2 610	2 760	2 760	2 760	3 920	596	1 678
Vote 4 - Development and Planning		19 040	163	-	130	57 164	57 164	57 164	8 705	1 046	6 911
Vote 5 - Community		984	2 484	2 417	9 130	9 280	9 280	9 280	15 410	2 270	2 724
Vote 6 - Infrastructure		120 986	181 979	91 046	164 017	155 356	155 356	155 356	134 133	126 725	109 108
Vote 7 - Internal Audit		-	-	-	1 860	1 560	1 560	1 560	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		151 160	189 960	99 033	181 717	230 090	230 090	230 090	165 483	130 773	120 563
Total Capital Expenditure - Vote		151 160	189 960	99 033	181 717	230 090	230 090	230 090	165 483	130 773	120 563
Capital Expenditure - Functional											
Governance and administration		10 150	5 334	5 571	8 440	8 290	8 290	8 290	7 235	732	1 820
Executive and council		3 574	74	-	70	70	70	70	90	-	-
Finance and administration		6 576	5 260	5 571	6 510	6 660	6 660	6 660	7 145	732	1 820
Internal audit		-	-	-	1 860	1 560	1 560	1 560	-	-	-
Community and public safety		830	1 366	2 086	4 600	5 050	5 050	5 050	9 460	73	427
Community and social services		675	166	373	910	1 360	1 360	1 360	1 560	73	127
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		155	1 199	1 713	3 690	3 690	3 690	3 690	7 900	-	300
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		92 462	84 209	87 929	99 791	189 921	189 921	189 921	133 188	127 091	115 308
Planning and development		488	163	-	130	57 164	57 164	57 164	8 705	1 046	6 911
Road transport		91 974	84 047	87 929	99 661	132 758	132 758	132 758	124 483	126 045	108 397
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		47 718	99 051	3 447	68 886	26 829	26 829	26 829	15 600	2 876	3 009
Energy sources		47 564	97 933	3 117	64 356	22 599	22 599	22 599	9 650	680	711
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		154	1 119	330	4 530	4 230	4 230	4 230	5 950	2 197	2 298
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	151 160	189 960	99 033	181 717	230 090	230 090	230 090	165 483	130 773	120 563
Funded by:											
National Government		78 786	141 845	50 899	95 481	86 820	86 820	86 820	79 247	81 860	62 180
Provincial Government		121	-	-	-	57 034	57 034	57 034	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	78 907	141 845	50 899	95 481	143 854	143 854	143 854	79 247	81 860	62 180
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		72 253	47 709	48 134	86 236	86 236	86 236	86 236	86 236	48 912	58 383
Total Capital Funding	7	151 160	189 554	99 033	181 717	230 090	230 090	230 090	165 483	130 773	120 563

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

- 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.
- 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		###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
ASSETS												
Current assets												
Cash and cash equivalents			224 422	236 732	254 787	326 924	285 300	285 300	285 300	268 606	231 450	162 543
Trade and other receivables from exchange transactions		1	(13 393)	(20 836)	(27 732)	125 378	103 587	103 587	103 587	117 383	146 374	177 652
Receivables from non-exchange transactions		1	103 001	126 487	143 549	52 209	32 890	32 890	32 890	37 580	32 170	25 468
Current portion of non-current receivables			—	—	—	—	—	—	—	—	—	—
Inventory		2	2 137	1 874	1 605	2 025	2 580	2 580	2 580	2 580	2 580	2 580
VAT			59 135	71 028	82 038	17 322	2 200	2 200	2 200	18 165	37 508	57 439
Other current assets			4 961	4 961	5 319	—	—	—	—	—	—	—
Total current assets			379 998	420 248	459 565	523 858	426 557	426 557	426 557	444 314	450 082	425 682
Non current assets												
Investments			—	—	—	—	—	—	—	—	—	—
Investment property			4 960	4 960	4 960	4 960	6 542	6 542	6 542	6 542	6 542	6 542
Property, plant and equipment		3	1 122 708	1 133 454	1 076 555	1 297 761	1 245 716	1 245 716	1 245 716	1 005 305	1 077 554	1 136 844
Biological assets			—	—	—	—	—	—	—	—	—	—
Living and non-living resources			—	—	—	—	—	—	—	—	—	—
Heritage assets			—	870	1 543	—	1 543	1 543	1 543	1 543	1 543	1 543
Intangible assets			403	206	911	1 975	550	550	550	550	550	550
Trade and other receivables from exchange transactions			—	—	—	—	—	—	—	—	—	—
Non-current receivables from non-exchange transactions			—	—	—	—	—	—	—	—	—	—
Other non-current assets			—	—	—	—	—	—	—	—	—	—
Total non current assets			1 128 072	1 139 490	1 083 969	1 304 697	1 254 350	1 254 350	1 254 350	1 013 940	1 086 189	1 145 478
TOTAL ASSETS			1 508 070	1 559 738	1 543 534	1 828 554	1 680 907	1 680 907	1 680 907	1 458 254	1 536 270	1 571 161
LIABILITIES												
Current liabilities												
Bank overdraft			—	—	—	—	—	—	—	—	—	—
Financial liabilities			—	—	—	—	—	—	—	—	—	—
Consumer deposits			1 497	1 578	1 636	413	465	465	465	465	465	465
Trade and other payables from exchange transactions		4	47 666	54 068	57 837	56 071	61 200	61 200	61 200	122 290	186 647	251 575
Trade and other payables from non-exchange transactions		5	4 461	12 340	4 904	—	—	—	—	—	—	—
Provision			12 357	11 350	11 816	90 868	29 993	29 993	29 993	29 993	29 993	29 993
VAT			57 369	68 021	81 928	13 041	(13 041)	(13 041)	(13 041)	23 781	38 253	53 405
Other current liabilities			2 961	2 961	2 961	—	—	—	—	—	—	—
Total current liabilities			126 310	150 317	161 082	160 394	78 617	78 617	78 617	176 529	255 357	335 437
Non current liabilities												
Financial liabilities		6	—	—	—	—	—	—	—	—	—	—
Provision		7	24 191	28 828	30 382	38 827	—	—	—	39 250	39 250	39 250
Long term portion of trade payables			—	—	—	—	—	—	—	—	—	—
Other non-current liabilities			13 536	14 601	14 497	—	—	—	—	—	—	—
Total non current liabilities			37 728	43 429	44 880	38 827	—	—	—	39 250	39 250	39 250
TOTAL LIABILITIES			164 038	193 746	205 962	199 221	78 617	78 617	78 617	215 779	294 608	374 687
NET ASSETS			1 344 032	1 365 990	1 337 572	1 629 334	1 602 291	1 602 291	1 602 291	1 242 474	1 241 663	1 196 473
COMMUNITY WEALTH/EQUITY												
Accumulated surplus/(deficit)		8	1 032 637	970 606	985 251	1 543 098	1 525 339	1 525 339	1 525 339	1 123 224	1 122 412	1 077 223
Reserves and funds		9	452 460	395 384	352 321	86 236	76 952	76 952	76 952	119 250	119 250	119 250
Other			—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY		10	1 485 097	1 365 990	1 337 572	1 629 334	1 602 291	1 602 291	1 602 291	1 242 474	1 241 663	1 196 473

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	##	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		17 483	36 620	43 708	43 488	43 488	43 488	43 488	61 304	66 665	70 658
Service charges		54 759	62 021	70 126	76 730	76 730	76 730	76 730	78 176	83 936	87 881
Other revenue		33 631	15 705	21 974	51 959	51 679	51 679	51 679	30 772	33 040	39 591
Transfers and Subsidies - Operational	1	309 461	266 202	293 564	318 510	318 093	318 093	318 093	359 769	343 349	332 929
Transfers and Subsidies - Capital	1	92 926	174 749	119 841	95 481	181 254	181 254	181 254	79 247	81 860	62 180
Interest		-	4 385	18 991	17 200	28 813	28 813	28 813	28 813	30 225	31 645
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(16 912)	(218 683)	(215 178)	(455 451)	(503 766)	(503 766)	(503 766)	(516 535)	(590 472)	(618 224)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		491 348	340 998	353 025	147 918	196 291	196 291	196 291	121 547	48 603	6 660
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)		-	-	-	-	-	-	-	42 925	45 014	44 996
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(161 457)	(188 241)	(143 199)	(181 717)	(230 090)	(230 090)	(230 090)	(165 483)	(130 773)	(120 563)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(161 457)	(188 241)	(143 199)	(181 717)	(230 090)	(230 090)	(230 090)	(122 557)	(85 759)	(75 567)
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		329 891	152 757	209 826	(33 799)	(33 799)	(33 799)	(33 799)	(1 011)	(37 156)	(68 907)
Cash/cash equivalents at the year begin:	2	-	224 422	236 732	360 723	319 099	319 099	319 099	269 616	268 606	231 450
Cash/cash equivalents at the year end:	2	329 891	377 179	446 558	326 924	285 300	285 300	285 300	268 606	231 450	162 543

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2024/25 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. The estimated surplus for the 2024/25 MTREF is based on enhancing the going concern principle of the municipality, the cash and cash equivalents is estimated at R 268,6 million and R 162,5 million in 2025/26 outer year.

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

Description		Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash and investments available												
Cash/cash equivalents at the year end		1	329 891	377 179	446 558	326 924	285 300	285 300	285 300	268 606	231 450	162 543
Other current investments > 90 days			(105 469)	(140 447)	(191 771)	-	-	-	-	-	-	-
Non current Investments		1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:			224 422	236 732	254 787	326 924	285 300	285 300	285 300	268 606	231 450	162 543
Application of cash and investments												
Unspent conditional transfers			4 461	12 340	4 904	-	-	-	-	-	-	-
Unspent borrowing			-	-	-	-	-	-	-	-	-	-
Statutory requirements		2	57 702	77 577	84 465	(4 281)	(15 241)	(15 241)	(15 241)	5 616	745	(4 035)
Other working capital requirements		3	(31 008)	(43 719)	(66 063)	(144 978)	(93 341)	(93 341)	(93 341)	(19 696)	18 433	59 775
Other provisions			15 318	14 310	14 776	90 868	29 993	29 993	29 993	29 993	29 993	29 993
Long term investments committed		4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		5	364 732	364 732	364 732	86 236	76 952	76 952	76 952	119 250	119 250	119 250
Total Application of cash and investments:			411 204	425 241	402 815	27 845	(1 637)	(1 637)	(1 637)	135 163	168 421	204 983
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits			(186 782)	(188 509)	(148 028)	299 079	286 938	286 938	286 938	133 442	63 029	(42 440)
Creditors transferred to Debt Relief - Non-Current portion			-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits			(186 782)	(188 509)	(148 028)	299 079	286 938	286 938	286 938	133 442	63 029	(42 440)

References

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 2024/25 MTREF is funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2024/25 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

EC441 Matatiele - Table A9 Asset Management

Description	R thousand	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CAPITAL EXPENDITURE										
Total New Assets	1	105 305	156 967	63 792	150 200	165 390	165 390	110 790	80 235	89 763
Roads Infrastructure		23 224	47 311	44 126	63 147	65 164	65 164	64 044	64 941	69 599
Storm water Infrastructure		-	-	-	-	-	-	1 000	1 046	1 094
Electrical Infrastructure		46 153	97 236	6 369	55 129	13 439	13 439	2 650	680	711
Water Supply Infrastructure		-	-	-	300	750	750	400	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	1 700	1 440	1 440	1 700	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		923	898	343	250	250	250	550	-	-
Infrastructure		70 299	145 445	50 838	120 528	81 043	81 043	70 344	88 887	71 404
Community Facilities		400	907	-	500	500	500	2 535	2 652	2 774
Sport and Recreation Facilities		5 323	1 634	92	4 308	4 308	4 308	1 185	1 083	1 132
Community Assets		5 723	2 541	92	4 808	4 808	4 808	3 720	3 734	3 906
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		17 937	2 464	2 918	6 100	3 481	3 481	6 900	1 674	4 413
Housing		-	-	-	-	57 034	57 034	-	-	-
Other Assets		17 937	2 464	2 918	6 100	60 515	60 515	6 900	1 674	4 413
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	50	-	2 150	1 950	1 950	-	-	-
Intangible Assets		-	50	-	2 150	1 950	1 950	-	-	-
Computer Equipment		2 661	4 328	1 757	2 350	2 430	2 430	4 410	230	1 295
Furniture and Office Equipment		3 952	301	225	1 085	1 245	1 245	1 175	575	652
Machinery and Equipment		1 228	1 837	3 203	4 280	4 320	4 320	7 080	-	400
Transport Assets		3 504	-	4 760	8 900	9 080	9 080	17 161	7 355	7 693
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	4 106	-	33 886	33 886	34 742	34 376	11 270
Roads Infrastructure		-	-	4 106	-	33 886	33 886	34 742	34 376	11 270
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	4 106	-	33 886	33 886	34 742	34 376	11 270
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		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	45 856	32 993	31 135	31 517	30 813	30 813	19 951	16 161	19 531
Roads Infrastructure		44 876	32 536	26 477	18 750	15 994	15 994	12 413	12 984	13 153
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	240	1 995	5 667	5 600	5 600	1 600	1 151	1 204
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	217	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		44 876	32 803	28 472	24 417	21 584	21 584	14 013	14 135	14 357
Community Facilities		-	-	-	-	-	-	1 500	-	1 054
Sport and Recreation Facilities		280	-	2 663	5 000	7 119	7 119	2 438	2 027	2 120
Community Assets		280	-	2 663	5 000	7 119	7 119	3 938	2 027	3 174
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		614	-	-	2 100	2 100	2 100	2 000	-	2 000
Housing		-	-	-	-	-	-	-	-	-
Other Assets		614	-	-	2 100	2 100	2 100	2 000	-	2 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Sevitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		85	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	151 160	189 960	99 033	181 717	230 090	230 090	165 483	130 773	120 563
Roads Infrastructure		68 100	79 847	74 710	81 897	115 044	115 044	111 199	112 302	94 022
Storm water Infrastructure		-	-	-	-	-	-	1 000	1 046	1 094
Electrical Infrastructure		46 153	97 476	8 364	60 796	19 039	19 039	4 250	1 830	1 915
Water Supply Infrastructure		-	-	-	300	750	750	400	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	217	-	1 700	1 440	1 440	1 700	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		923	898	343	250	250	250	550	-	-
Infrastructure		115 175	178 439	83 418	144 943	136 523	136 523	119 099	115 178	97 031
Community Facilities		400	907	-	500	500	500	4 035	2 652	3 828
Sport and Recreation Facilities		5 602	1 634	2 754	9 308	11 427	11 427	3 623	3 109	3 252
Community Assets		6 002	2 541	2 754	9 808	11 927	11 927	7 658	5 761	7 080
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		18 551	2 464	2 918	8 200	5 581	5 581	8 900	1 674	6 413
Housing		-	-	-	-	57 034	57 034	-	-	-
Other Assets		18 551	2 464	2 918	8 200	62 615	62 615	8 900	1 674	6 413
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Sevitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	50	-	2 150	1 950	1 950	-	-	-
Intangible Assets		-	50	-	2 150	1 950	1 950	-	-	-
Computer Equipment		2 661	4 328	1 757	2 350	2 430	2 430	4 410	230	1 295
Furniture and Office Equipment		3 952	301	225	1 085	1 245	1 175	1 175	575	652
Machinery and Equipment		1 314	1 837	3 203	4 280	4 320	4 320	7 080	-	400
Transport Assets		3 504	-	4 760	8 900	9 080	9 080	17 161	7 355	7 693
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		151 160	189 960	99 033	181 717	230 090	230 090	165 483	130 773	120 563

ASSET REGISTER SUMMARY - PPE (WDV)	5	808 393	905 958	901 065	1 145 895	1 046 935	1 046 935	884 418	838 380	791 670
Roads Infrastructure		500 561	496 836	510 789	(34 584)	(9 788)	(9 788)	(33 474)	(68 488)	(105 113)
Storm water Infrastructure		(2 282)	(2 282)	(2 282)	-	-	-	-	-	-
Electrical Infrastructure		1 960	(3 436)	(31 183)	(9 700)	(8 600)	(8 600)	(10 700)	(27 645)	(45 370)
Water Supply Infrastructure		-	-	-	(45)	(45)	(45)	(1 000)	(2 213)	(3 541)
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		(360)	12 585	12 071	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		371	371	371	(70)	(70)	(70)	250	250	250
Infrastructure		500 249	504 074	489 788	(44 399)	(18 503)	(18 503)	(44 924)	(98 097)	(153 774)
Community Assets		133 151	124 562	141 059	1 171 695	1 052 958	1 052 958	898 662	900 859	903 157
Heritage Assets		-	870	1 543	-	1 543	1 543	1 543	1 543	1 543
Investment properties		4 960	4 960	4 960	4 960	6 542	6 542	6 542	6 542	6 542
Other Assets		63 759	167 055	160 916	(10)	(10)	(10)	510	489	467
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		403	206	911	1 975	550	550	550	550	550
Computer Equipment		18 721	23 318	17 352	2 724	2 724	2 724	3 706	3 639	4 923
Furniture and Office Equipment		12 327	5 600	5 655	1 038	(1 080)	(1 080)	353	132	(50)
Machinery and Equipment		2 023	2 512	2 949	907	827	827	1 280	182	(867)
Transport Assets		20 065	20 065	23 220	7 005	1 385	1 385	16 195	22 542	29 179
Land		52 734	52 734	52 734	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	808 393	905 958	901 065	1 145 895	1 046 935	1 046 935	884 418	838 380	791 670
EXPENDITURE OTHER ITEMS		63 618	74 026	70 525	78 945	74 995	74 995	82 770	89 062	93 912
Depreciation	7	42 843	54 938	55 782	53 300	53 300	53 300	55 790	58 523	61 274
Repairs and Maintenance by Asset Class	3	20 774	19 089	14 743	25 645	21 695	21 695	26 980	30 539	32 638
Roads Infrastructure		8 714	4 513	205	4 300	3 210	3 210	3 500	3 468	3 636
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		8 714	4 513	205	4 300	3 210	3 210	3 500	3 468	3 636
Community Facilities		989	1 491	1 064	1 800	1 450	1 450	2 550	3 667	3 790
Sport and Recreation Facilities		6 125	7 523	7 434	11 900	9 755	9 755	8 500	10 402	11 611
Community Assets		7 114	9 014	8 498	13 700	11 205	11 205	11 050	14 089	15 401
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1 311	715	393	1 750	1 665	1 665	4 450	4 655	4 869
Housing		-	-	-	-	-	-	-	-	-
Other Assets		1 311	715	393	1 750	1 665	1 665	4 450	4 655	4 869
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		1 261	1 277	1 350	1 895	1 215	1 215	3 780	3 954	4 136
Transport Assets		2 375	3 570	4 297	4 000	4 400	4 400	4 200	4 393	4 595
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		63 618	74 026	70 525	78 945	74 995	74 995	82 770	89 062	93 912
Renewal and upgrading of Existing Assets as % of total capex		30.3%	17.4%	35.6%	17.3%	28.1%	28.1%	33.1%	38.6%	25.6%
Renewal and upgrading of Existing Assets as % of deprec		107.0%	60.1%	63.2%	69.1%	121.4%	121.4%	98.0%	86.4%	50.3%
R&M as a % of PPE		2.6%	2.1%	1.6%	2.2%	2.1%	2.1%	3.1%	3.7%	4.1%
Renewal and upgrading and R&M as a % of PPE		8.2%	5.8%	5.6%	5.0%	8.3%	8.3%	9.3%	9.7%	8.0%

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

EC441 Matatiele - Table A10 Basic service delivery measurement

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service levels	1								
Water									
Piped water inside dwelling	–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	5								
Sanitation/sewerage									
Flush toilet (connected to sewerage)	–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	5								
Energy									
Electricity (at least min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	5								
Refuse									
Removed at least once a week	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	5								
Households receiving Free Basic Service	7								
Water (6 kilolites per household per month)	–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)	–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)	–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)	–	–	–	–	–	–	–	–	–
Informal Settlements									
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolites per indigent household per month)	–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to indigent households)	–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)	–	–	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)	–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)									
Total cost of FBS provided	8								
Highest level of free service provided per household									
Property rates (R value threshold)	–	–	–	–	–	–	–	–	–
Water (kilolites per household per month)	–	–	–	–	–	–	–	–	–
Sanitation (kilolites per household per month)	–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)	–	–	–	50	50	50	50	50	50
Electricity (kwh per household per month)	–	–	–	–	–	–	139	139	139
Refuse (average litres per week)	–	–	–	–	–	–	18 852	18 852	18 852
Revenue cost of subsidised services provided (R'000)	9								
Property rates (after adjustments) (impermissible values per section 17 of MPRA)	–	–	–	–	–	–	–	–	–
Property rates: exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	0	–	–	15 945	15 945	15 945	10 257	11 729	13 258
Water (in excess of 6 kilolites per indigent household per month)	–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)	–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	0	0	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	0	–	–	16 945	16 945	16 945	10 257	11 729	13 258

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The budget provides for 12 000 households to be registered as indigent in 2024/25, and therefore entitled to receiving Free Basic Services. The number is to be maintained at 15 000 households given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
3. It is anticipated that these Free Basic Services will cost the municipality R 16,2 million in 2024/25, increasing to R 23,7 million in 2026/2027. This is covered by the municipality's equitable share allocation from national government and Interest receivables from Electricity.

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 16 – 18 October 2024, conducted its public consultative meetings with all 27 wards to review IDP for 2023-2027. The reviewed IDP has been used by the municipality to inform the draft budget for 2024/25 to 2026/27 (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.

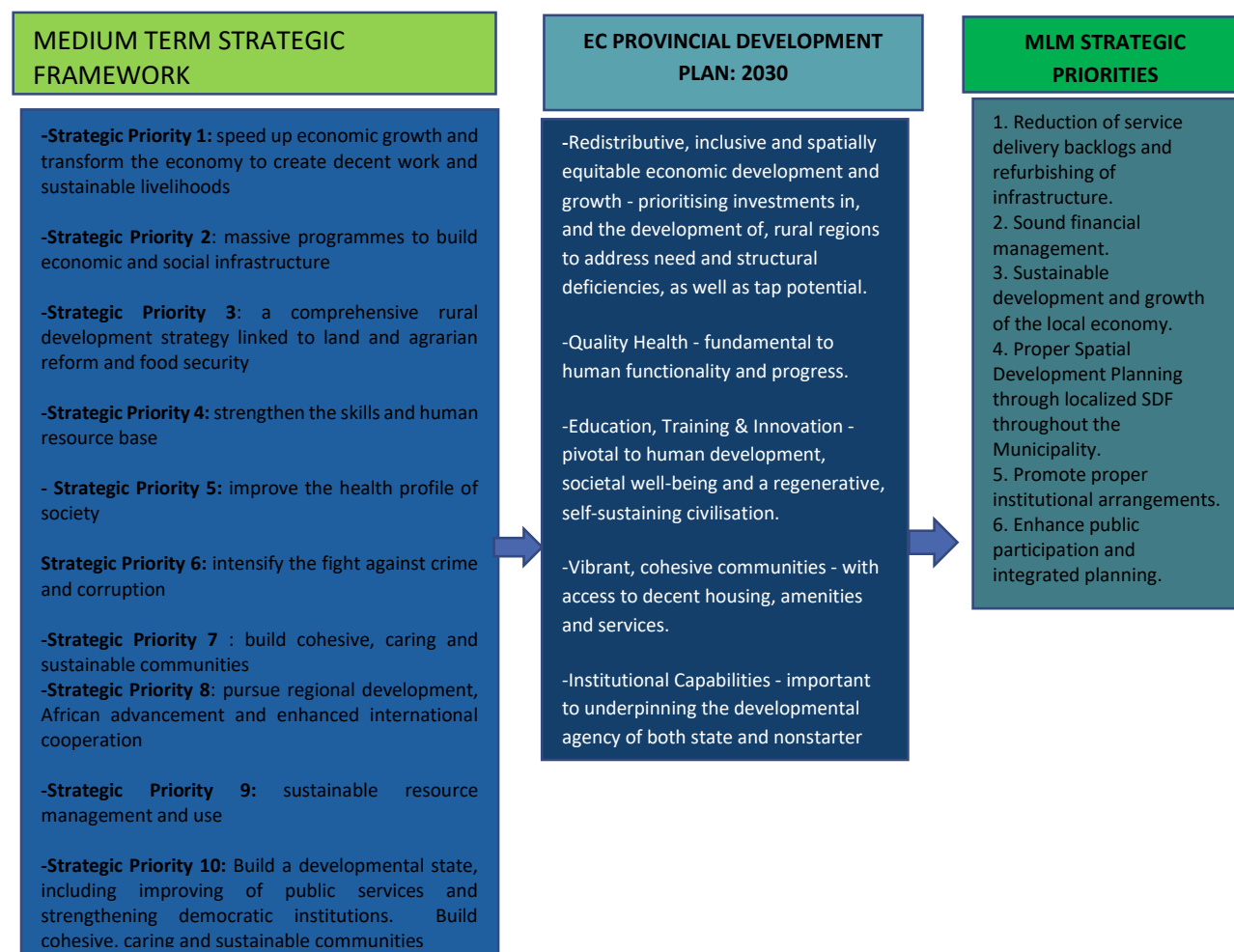
The aim of the revision cycle was develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and 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 2022/2027 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

EC441 Matatiele - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

2024/25 Medium Term Revenue & Expenditure Framework													
Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
R thousand													
Ensure full compliance with legislative requirements of MFMA, MPRA and financial relevant regulations and national treasury guides and returns to improve financial management and its viability	Sustain a Financially viable institution that is sustainable and complies with statutes	003		451 527	483 893		458 943	414 207	414 207	513 530	503 375	482 300	
To promote safer, informed and secure communities	Realize sustainable communities in a safe and Healthy environment	001		3 583	3 798		5 201	355	355	12 554	13 100	13 814	
Improve revenue enhancement through broadening revenue base and improving revenue collection	Sustain a Financially viable institution that is sustainable and complies with statutes	003		88 930	94 280		129 072	281 098	281 098	124 932	131 053	137 475	
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.			1 307	1 481		2 028	31 292	31 292	8 854	7 100	7 542	
Allocations to other priorities													
Total Revenue (excluding capital transfers and contributions)				1	645 438	683 458	-	604 943	708 822	708 822	867 889	854 788	841 221

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

EC441 Matatiele - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
				R thousand									
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					222 459	38 703	38 703	268 119	277 394	295 597	
Ensure full compliance with legislative requirements of MFMA, MPRA and financial relevant regulations and national treasury guides and	Sustain a Financially viable institution that is sustainable and complies with statutes	002		75 238	79 752		66 961	120 004	120 004	70 309	126 004	126 004	
Achieve sound environmental management and land use conservation management	Realize sustainable communities in a safe and Healthy environment	003		38 232	40 528		34 027	91 315	91 315	54 363	57 081	59 935	
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		22 472	23 820		20 000	91 665	91 665	16 200	17 010	17 861	
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		270 813	338 407		140 050	183 370	183 370	115 264	121 027	127 078	
Maintain municipal infrastructure and public amenities ;	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.	001		29 157	30 905		25 949	39 209	39 209	54 363	57 081	59 935	
Allocations to other priorities													
Total Expenditure				1	436 912	613 411	--	609 458	684 288	684 288	678 819	665 687	688 411

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.

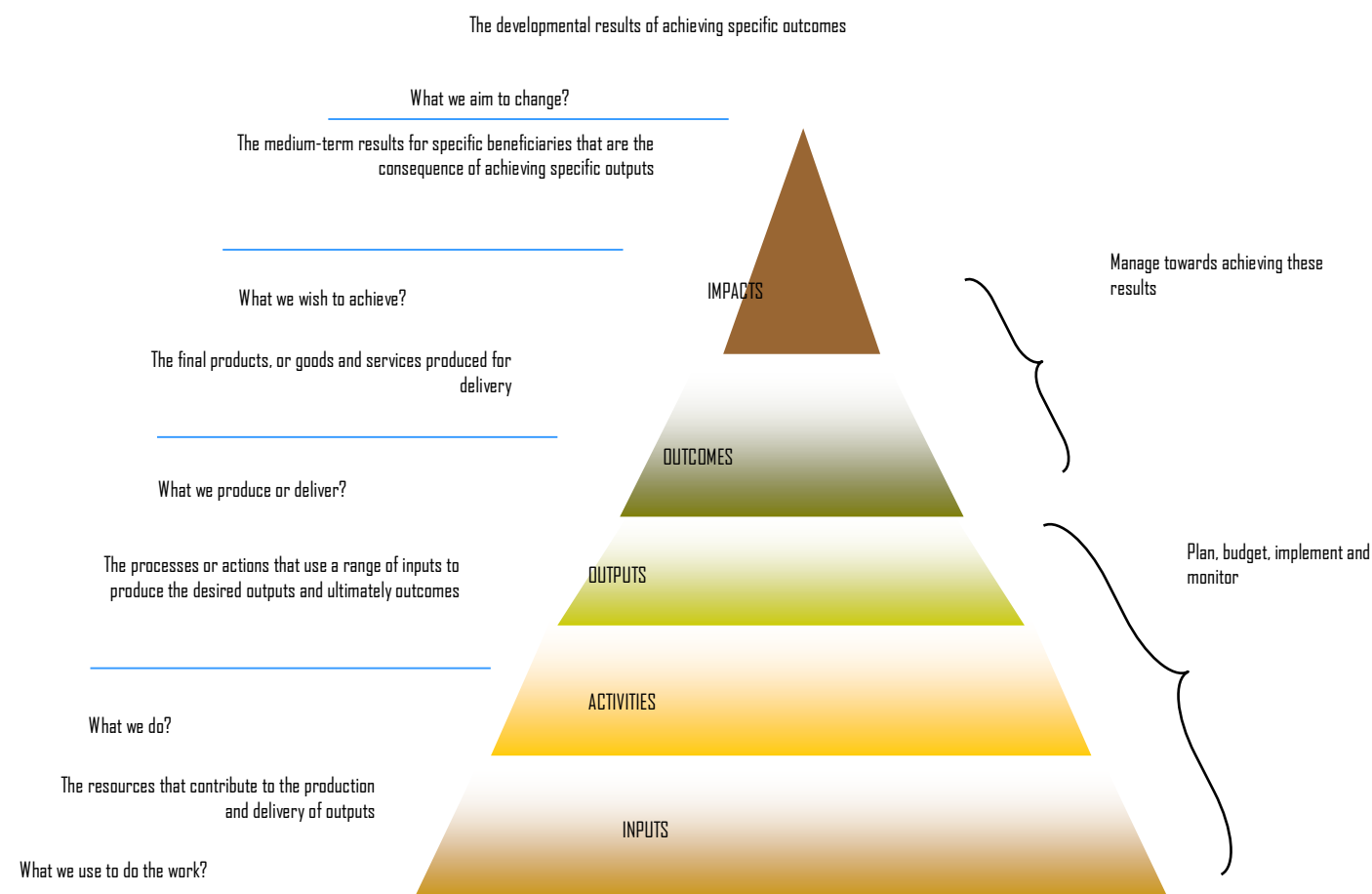


Figure 6 Definition of performance information concepts

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

MBRR Table SA8 - Performance indicators and benchmarks

EC441 Matatiele - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating	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	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	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
State of Capital											
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%
Liquidity											
Current Ratio	Current asset/current liabilities	-	-	-	-	-	-	-	-	-	-
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current	-	-	-	-	-	-	-	-	-	-
Liquidity Ratio	Monetary Assets/Current Liabilities	-	-	-	-	-	-	-	-	-	-
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratespayer & Other revenue)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >										
Debtors Management											
Debtors System Efficiency	% of Debtors Paid Within Terms (within MPRA's 65%)										
Debtors to Cash and Investments		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Indicators											
	Total Volume Losses (kV) technical								1 900 000.00	1 900 000.00	1 900 000.00
	Total Volume Losses (kV) non technical								1 500 000.00	1 500 000.00	1 500 000.00
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)								0.04	0.04	0.04
	% Volume (units purchased and generated less units sold)/units purchased and generated								1 900 000.00	1 900 000.00	1 900 000.00
	Bulk Purchase								1 500 000.00	1 500 000.00	1 500 000.00
Water Volumes /System input	(Water treatment works Natural sources										
	Total Volume Losses (kV)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remuneration	Total remuneration/(Total Revenue - capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
GPB resolution financial stability indicators											
I. Debt coverage	(Total Operating Revenue - Operating	-	-	-	-	-	-	-	-	-	-
II. O/S Service Debtors to Revenue	Total outstanding service debtors/annual	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
III. Cost coverage	(Available cash - investments)/monthly fixed	-	-	-	-	-	-	-	-	-	-

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 2024/25 MTREF the current ratio is 3.11 in the 2025/26 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 2024/25 financial year 12 000 registered indigents have been provided for in the budget with this figured increasing to 15 000 by 2026/27. 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

- 2024/25 – 4.9%
- 2025/26 – 4,9%
- 2026/27 – 4,9%

Debt Impairment: the overall collection levels are estimate around 85% overall for the MLM. Payment levels for the following revenue streams have been estimated as follows:

- Property Rates (85% in 2024/25)
- Electricity (85% in 2024/25)
- Refuse (95% in 2024/25)

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 2024/25- 2026/27 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 4.9% 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

EC441 Matatiele - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	57 058	56 530	59 114	71 416	71 416	71 416	71 416	76 446	80 146	83 930
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	11 531	11 615	11 713	15 526	15 526	15 526	15 526	15 526	16 332	17 083
Sale of Goods and Rendering of Services		759	923	870	3 930	3 649	3 649	3 649	646	681	4 303
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 371	2 168	1 313	6 500	6 500	6 500	6 500	2 200	2 308	2 416
Interest earned from Current and Non Current Assets		8 835	9 599	19 146	17 200	28 813	28 813	28 813	28 813	30 225	31 645
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		172	144	206	-	-	-	-	-	-	-
Rental from Fixed Assets		1 398	1 260	1 237	2 028	2 028	2 028	2 028	2 028	2 127	2 227
Licence and permits		3 770	3 503	3 595	4 094	4 094	4 094	4 094	4 522	4 744	4 967
Operational Revenue		114	283	264	965	965	965	965	892	933	3 131
Non-Exchange Revenue											
Property rates	2	46 575	48 726	48 716	54 360	54 360	54 360	54 360	61 866	64 897	67 947
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		762	2 058	2 609	1 769	1 769	1 769	1 769	25 890	27 159	28 435
Licences or permits		17	(96)	64	25	25	25	25	25	26	27
Transfer and subsidies - Operational		306 535	267 351	293 763	318 510	318 093	318 093	318 093	359 769	343 349	332 929
Interest		11 986	14 020	14 956	18 431	18 431	18 431	18 431	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		333	-	104	-	-	-	-	-	-	-
Other Gains		1 468	(15)	591	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		452 685	418 070	458 264	514 753	525 668	525 668	525 668	578 623	572 926	579 041

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 85 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 2025/26 MTREF on the different revenue categories are:

	DESCRIPTION	New Tariff Including VAT 2023/2024	Increase for 2024/2025	New Tariff VAT Excluded 2024/2025	New Tariff Including VAT 2024/2025
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 160.07	0%	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 240.09	0%	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 240.09	0%	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 271.33	0%	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 135.66	0%	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 935.40	0%	813.39	R 935.40
2.1.2	Building less than 100m².	R 2 358.91	0%	2051.23	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 303.62	0%	264.02	R 303.62
	Residential (for 3 months)	R 269.75	0%	234.57	R 269.75
	Industrial (for 3 months)	R 524.33	0%	455.94	R 524.33
	CBD Buildings (for 3 months)	R 822.12	0%	714.89	R 822.12
2.1.5	Demolishing fee for all buildings	R 498.05	0%	433.09	R 498.05

2.1.6	Copy of Building Plan					
	A4	R	7.01	0%	6.10	R 7.01
	A3	R	15.18	0%	13.20	R 15.18
	A2	R	30.37	0%	26.41	R 30.37
	A1	R	45.54	0%	39.60	R 45.54
	A0	R	59.56	0%	51.79	R 59.56
2.1.7	Boundary Wall					
	Boundary Wall (Brick or Blocks) 1800mm high	R	902.69	0%	784.95	R 902.69
	Boundary Wall (Precast) 1800mm high	R	902.69	0%	784.95	R 902.69
	Boundary Wall (Palisade Fencing) 1800mm high.	R	902.69	0%	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	472.95	0%	411.26	R 472.95
	None Residential	R	823.29	0%	715.90	R 823.29
2.1.9	Temporal Structures					
	Tent	R	373.69	0%	324.95	R 373.69
	Carport	R	898.02	0%	780.89	R 898.02
	Container for site office or site storage during construction only	R	898.02	0%	780.89	R 898.02
2.1.10	Building Plan Fee					
	Pre- Scrutiny Plan	R	332.82	0%	289.41	R 332.82
	Swimming Pool	R	902.69	0%	784.95	R 902.69
	Occupational Certificate	R	224.22	0%	194.97	R 224.22
	Second call site Inspection for the same inspection stage	R	298.95	0%	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		250.00	0%	250.00	250.00
(b)	Extensions more than 100m ² but less than 200m ² or part thereof		1 135.00	0%	1135.00	1 135.00
(c)	Extensions more than 200m ² but less than 500m ²		4 725.00	0%	4725.00	4 725.00
(d)	Extensions more than 500m ² or part thereof		6 615.00	0%	6615.00	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	133.13	0%	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	24.53	0%	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	19.85	0%	17.26	R 19.85
	Sheep and goats per head per day	R	14.01	0%	12.18	R 14.01
3.3	Schedule E: Pound Fees					
	Description of animal					
	Donkeys, Horses, Cattle, Pigs and Ostriches,	R	19.85	0%	17.26	R 19.85
	Sheep and Goats.	R	14.01	0%	12.18	R 14.01
3.4	Schedule F: Sustenance fees					
	Description of animal					
	Donkeys, Horses, Cattle, Pigs and Ostriches, per head per day	R	32.69	0%	28.43	R 32.69
	Sheep and Goats, per head per day	R	19.85	0%	17.26	R 19.85

6 ELECTRICITY CHARGES					
Electricity tariff subject to National Electricity Regulator S.A approval				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.	R	752.38	15%	654.24 R 752.38
	0-50	R	1.67	15%	1.45 R 1.67
	51-350	R	2.17	15%	1.89 R 2.17
	351-600	R	3.07	15%	2.67 R 3.07
	600 over	R	3.68	15%	3.20 R 3.68
(b)	Scale 2: Commercial & Other Consumers				
Basic charge of consumers with the following kVA installed per month					
	0 - 25 KVA	R	834.32	15%	725.50 R 834.32
	Commercial unit charge:	R	3.27	15%	2.84 R 3.27
	26 - 64 KVA	R	3 110.20	15%	2704.52 R 3 110.20
	Commercial unit charge:	R	3.32	15%	2.89 R 3.32
	65 KVA and more	R	18 198.43	15%	15824.72 R 18 198.43
	Commercial unit charge:	R	3.32	15%	2.89 R 3.32
(c) Scale 3: Pre-Paid Metre Units					
Domestic:					
That a flat rate per kWh					
	0-50	R	1.65	15%	1.44 R 1.65
	51-350	R	2.15	15%	1.87 R 2.15
	351-600	R	3.05	15%	2.66 R 3.05
	600 over	R	3.66	15%	3.18 R 3.66
Commercial Prepaid					
That a flat rate per kWh					
	0 - 2000 kWh	R	3.33	15%	2.89 R 3.33
(d)	Scale 4: Schools/School Hostels				
"Schools defined as the majority of its Teachers paid for by the Government or State Education Department."					
	Basic Charges per month,	R	600.23	15%	521.94 R 600.23
	Plus the following charger per kWh per month				
	0 - 2000 kWh	R	2.26	15%	1.96 R 2.26
	2000 - and more	R	2.26	15%	1.96 R 2.26
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.	R	127.05	0%	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.				

6.6	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	R	4 600.00	0%	4600.00 R 4 600.00
(b)	Small power consumers with installation not exceeding 25 KVA	R	11 500.00	0%	11500.00 R 11 500.00
(c)	Medium power consumers with a demand exceeding 25kVA but not exceeding 64 Kva	R	20 125.00	0%	20125.00 R 20 125.00
(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.	R	703.38	0%	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)	R	79.88	0%	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.	R	133.13	0%	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:	R	8 792.20	0%	7645.39 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.	R	11 240.72	0%	9774.54 R 11 240.72
	Tampering for second time	R	22 481.44	0%	19549.08 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.				

7	CEMETERY CHARGES				
	The following fees shall be payable to the Council in respect of burials				
7.1	<i>Burial Plots - Charge per Burial Plot</i>				
	A non-refundable charge of:	R	211.97	0%	184.32 R 211.97
7.2	<i>Burial Fees</i>				
(a)	Adult	R	350.82	0%	305.06 R 350.82
(b)	Child	R	350.82	0%	305.06 R 350.82
7.3	<i>Miscellaneous Charges</i>				
(a)	Exhumation of body	R	2 653.20	0%	2307.13 R 2 653.20
(b)	Widening or deepening of grave	R	358.13	0%	311.42 R 358.13
(c)	Permit to erect a memorial	R	145.98	0%	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	585.06	0%	508.75 R 585.06
7.8	Internment of ashes in excising graves	R	46.71	0%	40.62 R 46.71

8 PUBLIC HALLS TARIFF					
8.1	<i>Town Hall (Matatiele)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R	5 030.93	0%	4374.72 R 5 030.93
(b)	Main hall and kitchen per function exceeding 12 hour.	R	5 855.05	0%	5091.35 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	5 030.93	0%	4374.72 R 5 030.93
(b)	Main hall and kitchen per function exceeding 12 hour.	R	5 855.05	0%	5091.35 R 5 855.05
	<i>Town Hall (Cedarville)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R	1 901.81	0%	1653.75 R 1 901.81
(b)	Main hall and kitchen per function exceeding 12 hour.	R	2 744.95	0%	2386.91 R 2 744.95
(c)	Old Cedarville Boardroom	R	183.84	0%	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	824.12	0%	716.63 R 824.12
(b)	Main hall and kitchen per function exceeding 12 hour.	R	824.12	0%	716.63 R 824.12
8.4	<i>Nokhwezi & Msingizi Community Hall</i>				
(a)	Hall per 12 hour period per day	R	824.12	0%	716.63 R 824.12
(b)	Hall per kitchen per function exceeding 12 hours	R	824.12	0%	716.63 R 824.12
8.5	<i>Library Hall (Matatiele)</i>				
(a)	Hall per 12 hour period per day	R	273.86	0%	238.14 R 273.86
8.6	<i>Library Hall (Cedarville)</i>				
(a)	Hall per 12 hour period per day	R	238.36	0%	207.27 R 238.36
8.7	<i>Community Halls (Rural Area)</i>				
(a)	Hall per 12 hour period per day	R	183.84	0%	159.86 R 183.84
8.8	<i>Equipment</i>				
	The public address system per day or part thereof	R	504.61	0%	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	4 535.00	0%	4535.00 R 4 535.00
	Town Hall (Cedarville)	R	1 790.00	0%	1790.00 R 1 790.00
	Harry Gwala Park Community Hall	R	735.00	0%	735.00 R 735.00
	Nokhwezi & Msingizi Community Hall	R	735.00	0%	735.00 R 735.00
	Library Hall (Matatiele)	R	245.00	0%	245.00 R 245.00
	Library Hall (Cedarville)	R	192.00	0%	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	92.00	0%	80.00 R 92.00

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) Between 1 to 12 months	47.15		41.00	47.15
	(c) More than 12 months but not more than 24 months.	R 93.42	0%	81.24	R 93.42
	(d) 24 Months or more but not more than 48 months.	R 175.17	0%	152.32	R 175.17
	(e) 48 months or more	R 350.33	0%	304.64	R 350.33
9.2	Copy of valuation roll (Electronic only)	R 874.67	0%	760.58	R 874.67
9.3	Copy of voters roll (per ward)	R 874.67	0%	760.58	R 874.67
9.4	Rates and Service clearance certificates	R 93.42	0%	81.24	R 93.42
	Deed Search Print out	R 36.76	0%	31.96	R 36.76
	Title Deed Search	R 162.75	0%	141.52	R 162.75
	SG Diagram Search per image (1page)	R 21.00	0%	18.26	R 21.00
9.5	Objections or Appeals to property valuations	R 81.74	0%	71.08	R 81.74
9.6	Services rendered by Council but not covered in tariffs of charges.				
9.7	Valuation Certificate	R 100.43	0%	87.33	R 100.43
9.8	Copy of estimates	R 374.86	0%	325.96	R 374.86
9.11	Amendments of conditions of approval (per condition)	R 329.32	0%	286.36	R 329.32
9.12	Vehicle pound fees on all impounded vehicles per vehicle per day plus tow-in costs Impounded vehicles not released within 90 (ninety) days will be sold.	R 258.07	0%	224.41	R 258.07
9.13	Chemical toilet hire per toilet per day:				
	Fee	R 917.87	0%	798.15	R 917.87
	Deposit per toilet	R 458.93	0%	399.07	R 458.93
9.14	Sports grounds rental				
	Local clubs for practices per practice	R 102.77	0%	89.36	R 102.77
	Local clubs per game	R 512.66	0%	445.79	R 512.66
	Outside clubs per game	R 768.40	0%	668.18	R 768.40
	Stadium hire for non sporting events.	R 656.29	0%	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 30.00	0%	26.09	R 30.00
	(18 and above)	R 110.00	0%	95.65	R 110.00
	PER MATCH				
	Fees per Match team of 2 players– (below the age of 18)	R 120.00	0%	104.35	R 120.00
	(18 and above)	R 210.00	0%	182.61	R 210.00
	SEASON TICKETS (SIX MONTHS)				
	Fees per Practice per team of 2 – (below the age of 18)	R 220.00	0%	191.30	R 220.00
	(18 and above)	R 660.00	0%	573.91	R 660.00
	YEAR TICKETS (12 MONTHS)				
	Fees per Practice per team of 2 – (below the age of 18)	R 560.00	0%	486.96	R 560.00
	(18 and above)	R 1 120.00	0%	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 230.05	0%	200.04	R 230.05
9.17	Damage to any Council property	R 2 499.05	0%	2173.09	R 2 499.05
9.18	Cleaning of over grown property after failing to respond to councils instruction to clean this said property.	R 6 477.67	0%	5632.76	R 6 477.67
9.19	Dog Licenses				
	Dogs	R 25.70	0%	22.34	R 25.70
9.20	Library Fines				
	Lost books + cost of the book.	R 35.04	0%	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 300.00			R 300.00
	Tender that is between R1 million and R10 million (including VAT)	R 500.00			R 500.00
	Tender that is above R10 million (including VAT)	R 1 000.00			R 1 000.00
	The fee will increase according to the size of the tender document.				

10	BUSINESS LICENSES					
10.1	Food Vendors in caravans & carts or similar vessel	R	224.22	0%	194.97	R 224.22
10.2	General Dealers	R	747.37	0%	649.89	R 747.37
10.3	Supermarkets, Wholesalers & Butcheries	R	747.37	0%	649.89	R 747.37
10.4	Restaurants, B&B's, Hotels, Guest Houses, Lodges	R	747.37	0%	649.89	R 747.37
10.5	Spaza Shops	R	448.64	0%	390.12	R 448.64
10.6	Funeral Parlours	R	747.37	0%	649.89	R 747.37
10.7	Hawker License: Trucks & Bakkies	R	224.22	0%	194.97	R 224.22
10.8	Hawker License: Street Vendors	R	120.00	0%	104.35	R 120.00
10.8.1	Hawker License: Sheltered	R	180.00	0%	156.52	R 180.00
10.9	Hawker License: (Special Application – Events)	R	448.43	0%	389.94	R 448.43
10.10	Clothing Shops	R	747.37	0%	649.89	R 747.37
10.11	Hardware	R	747.37	0%	649.89	R 747.37
10.12	Garages	R	747.37	0%	649.89	R 747.37
10.13	Livestock Sales	R	298.95	0%	259.96	R 298.95
10.14	Car wash	R	298.95	0%	259.96	R 298.95
10.15	Laundromat/Dry Cleaning	R	747.37	0%	649.89	R 747.37
10.16	Financial Institution	R	747.37	0%	649.89	R 747.37
10.17	Beauty Parlour: Hair Salons, Barber Shops etc	R	298.95	0%	259.96	R 298.95
10.18	Furniture Shops	R	747.37	0%	649.89	R 747.37
10.19	Legal Practice	R	747.37	0%	649.89	R 747.37
10.20	Surgeries	R	747.37	0%	649.89	R 747.37
10.21	Transport Industry	R	747.37	0%	649.89	R 747.37
10.22	Liquor: Bottle Stores, Taverns	R	747.37	0%	649.89	R 747.37
10.23	Book Shops	R	747.37	0%	649.89	R 747.37
10.24	Brokers: Insurance, Estate agents etc	R	747.37	0%	649.89	R 747.37

15	ADVERTISING & SIGNAGE					
15.1	Billboards					
	non refundable application fee per board/sign (annually)	R	3 400.00	0%		R 3 400.00
	+ Approval fee per applicant	R	91.00	0%		R 91.00
15.2	Ground Signs					
	non refundable application fee per board/sign (annually)	R	313.00	0%		R 313.00
	+ Approval fee per applicant	R	50.00	0%		R 50.00
15.3	Wall Sign - Flat					
	non refundable application fee per board/sign (annually)	R	563.00	0%		R 563.00
	+ Approval fee per applicant	R	50.00	0%		R 50.00
15.4	Roof, Veranda, Balcony, Canopy and Under awning Sign					
	non refundable application fee per board/sign (annually)	R	563.00	0%		R 563.00
15.5	Estate Agent Boards					
	non refundable application fee (annually)	R	750.00	0%		R 750.00
	+ per board/sign (annually)	R	62.00	0%		R 62.00
15.6	Portable Boards / Collapsible Structures / Signs					
	non refundable application fee per board/sign (annually)	R	313.00	0%		R 313.00
15.7	Aerial Advertisement					
	non refundable application fee per board/sign (annually)	R	625.00	0%		R 625.00
15.8	Advertising Vehicles					
	non refundable application fee per board/sign (annually)	R	1 500.00	0%		R 1 500.00
15.9	Temporary Signs (Posters, Flags & Others)					
	non refundable application fee per board/sign	R	62.00	0%		R 62.00
	+ non commercial fee per signs, posters, flags & others	R	4.00	0%		R 4.00
	+ commercial fee per signs, posters, flags & others	R	6.00	0%		R 6.00
15.10	Banners					
	non refundable application fee per board/sign	R	188.00	0%		R 188.00

Table 1MBRR SA16 – Investment particulars by maturity

EC441 Matatiele - Supporting Table 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														
Short term deposits		Daily	Daily	Yes	Fixed					278 909	45 576	(30 773)	12 947	306 659
														-
														-
														-
														-
Municipality sub-total										278 909		(30 773)	12 947	306 659
Entities														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									278 909		(30 773)	12 947	306 659

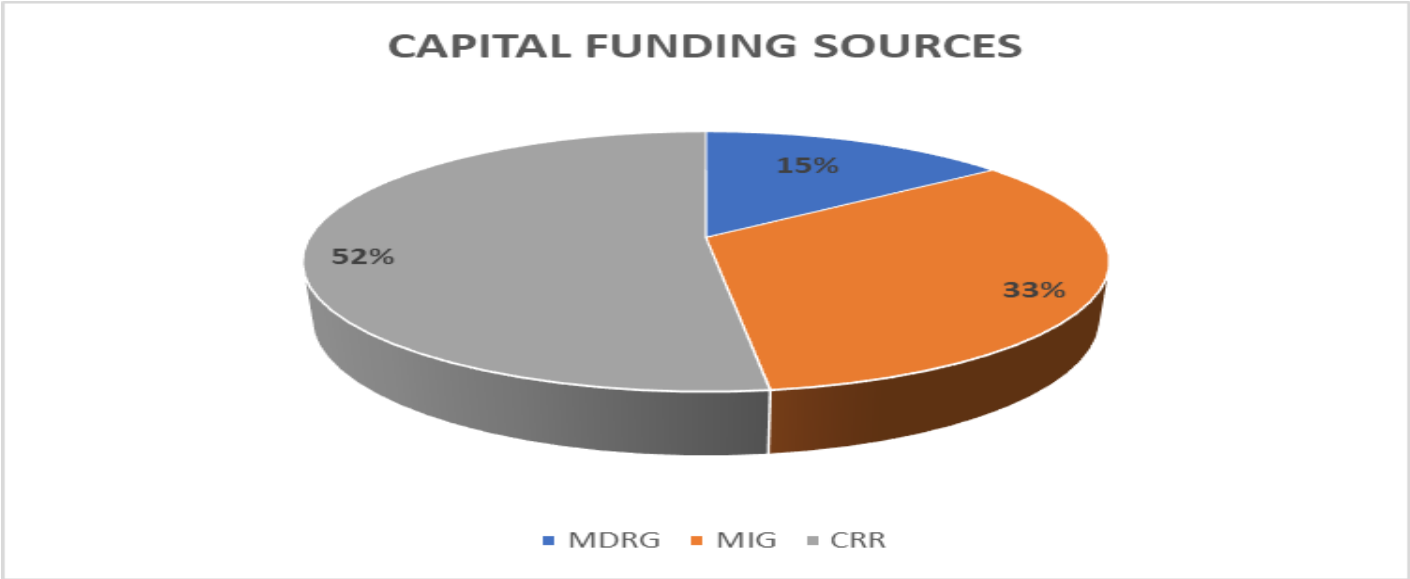
2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2024/25 medium-term capital programme:

Sources of capital revenue for the 2024/25 financial year

FUNDING OF CAPITAL BUDGET	2024/25
Municipal Disaster Grant	24 542 000
Municipal Infrastructure Grant (MIG)	54 704 800
Capital Replacement Reserve (CRR)	86 235 799
TOTAL	165 482 599

The above table is graphically represented as follows for the 2024/25 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 2024/25 as we have no long term debt

Table 2MBRR Table SA 17 - Detail of borrowings

EC441 Matatiele - Supporting Table SA17 Borrowing

Borrowing - Categorised by type R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
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	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		(0)	83 508	59 183	8 599	8 182	77 797	35 107	24 817	25 273
Expanded Public Works Programme Integrated Grant		0	4 887	4 810	3 974	3 752	3 752	3 880	–	–
Integrated National Electrification Programme Grant		–	–	–	–	–	27 930	26 648	20 000	20 000
Local Government Financial Management Grant		–	1 650	1 650	1 700	1 700	1 700	1 700	1 800	2 000
Municipal Infrastructure Grant		(0)	76 971	52 723	2 925	2 730	44 415	2 879	3 017	3 273
Provincial Government:		2 224	–	–	5 941	5 941	–	4 341	650	650
Specify (Add grant description)		–	–	–	2 250	2 250	–	650	650	650
Specify (Add grant description)		2 224	–	–	3 691	3 691	–	3 691	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	2 224	83 508	59 183	14 540	14 123	77 797	39 448	25 467	25 923
Capital Transfers and Grants										
National Government:		(0)	97 778	48 539	95 481	124 220	42 176	79 247	81 860	62 180
Municipal Disaster Relief Grant		–	–	2 251	–	34 957	32 706	24 542	24 543	–
Municipal Infrastructure Grant		–	–	–	55 581	51 863	–	54 705	57 317	62 180
Integrated National Electrification Programme Grant		(0)	97 778	46 288	39 900	37 400	9 470	–	–	–
Provincial Government:		–	650	–	–	57 034	3 981	–	–	–
Specify (Add grant description)		–	–	–	–	–	3 331	–	–	–
Specify (Add grant description)		–	–	–	–	57 034	–	–	–	–
Specify (Add grant description)		–	650	–	–	–	650	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	(0)	98 428	48 539	95 481	181 254	46 157	79 247	81 860	62 180
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	2 224	181 936	107 722	110 021	195 377	123 954	118 695	107 327	88 103

2.6.3 Cash Flow Management

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

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

Table 42 MBRR Table A7 - Budget cash flow statement

EC441 Matatiele - Table A7 Budgeted Cash Flows

Description	R thousand	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		17 483	36 620	43 708	43 488	43 488	43 488	43 488	61 304	66 665	70 658
Service charges		54 759	62 021	70 126	76 730	76 730	76 730	76 730	78 176	83 936	87 881
Other revenue		33 631	15 705	21 974	51 959	51 679	51 679	51 679	30 772	33 040	39 591
Transfers and Subsidies - Operational	1	309 461	266 202	293 564	318 510	318 093	318 093	318 093	359 769	343 349	332 929
Transfers and Subsidies - Capital	1	92 926	174 749	119 841	95 481	181 254	181 254	181 254	79 247	81 860	62 180
Interest		-	4 385	18 991	17 200	28 813	28 813	28 813	28 813	30 225	31 645
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(16 912)	(218 683)	(215 178)	(455 451)	(503 766)	(503 766)	(503 766)	(516 535)	(590 472)	(618 224)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		491 348	340 998	353 025	147 918	196 291	196 291	196 291	121 547	48 603	6 660
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)		-	-	-	-	-	-	-	42 925	45 014	44 996
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(161 457)	(188 241)	(143 199)	(181 717)	(230 090)	(230 090)	(230 090)	(165 483)	(130 773)	(120 563)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(161 457)	(188 241)	(143 199)	(181 717)	(230 090)	(230 090)	(230 090)	(122 557)	(85 759)	(75 567)
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		329 891	152 757	209 826	(33 799)	(33 799)	(33 799)	(33 799)	(1 011)	(37 156)	(68 907)
Cash/cash equivalents at the year begin:	2	-	224 422	236 732	360 723	319 099	319 099	319 099	269 616	268 606	231 450
Cash/cash equivalents at the year end:	2	329 891	377 179	446 558	326 924	285 300	285 300	285 300	268 606	231 450	162 543

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

EC441 Matatiele - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
Cash and investments available:											
Cash/cash equivalents at the year end	1	329 891	377 179	446 558	326 924	285 300	285 300	285 300	268 606	231 450	162 543
Other current investments > 90 days		(105 469)	(140 447)	(191 771)	—	—	—	—	—	—	—
Non-current Investments	1	—	—	—	—	—	—	—	—	—	—
Cash and investments available:		224 422	236 732	254 787	326 924	285 300	285 300	285 300	268 606	231 450	162 543
Application of cash and investments:											
Unspent conditional transfers		4 461	12 340	4 904	—	—	—	—	—	—	—
Unspent borrowing		—	—	—	—	—	—	—	—	—	—
Statutory requirements	2	57 702	77 577	84 465	(4 281)	(15 241)	(15 241)	(15 241)	5 616	745	(4 035)
Other working capital requirements	3	(31 008)	(43 719)	(66 063)	(144 978)	(93 341)	(93 341)	(93 341)	(19 696)	18 433	59 775
Other provisions		15 318	14 310	14 776	90 868	29 993	29 993	29 993	29 993	29 993	29 993
Long term investments committed	4	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments	5	364 732	364 732	364 732	86 236	76 952	76 952	76 952	119 250	119 250	119 250
Total Application of cash and investments:		411 204	425 241	492 815	27 845	(1 637)	(1 637)	(1 637)	135 163	168 421	204 983
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(186 782)	(188 509)	(148 028)	299 079	286 938	286 938	286 938	133 442	63 029	(42 440)
Creditors transferred to Debt Relief - Non-Current portion		—	—	—	—	—	—	—	—	—	—
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(186 782)	(188 509)	(148 028)	299 079	286 938	286 938	286 938	133 442	63 029	(42 440)

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 2023/24 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	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		–	6 537	6 460	2 925	2 730	25 125	35 107	24 817	25 273
Expanded Public Works Programme Integrated Grant		–	4 887	4 810	–	–	3 752	3 880	–	–
Integrated National Electrification Programme Grant		–	–	–	–	–	18 901	26 648	20 000	20 000
Local Government Financial Management Grant		–	1 650	1 650	–	–	1 441	1 700	1 800	2 000
Municipal Infrastructure Grant		–	–	–	2 925	2 730	1 030	2 879	3 017	3 273
Provincial Government:		(484)	2 113	345	3 691	3 691	2 477	4 341	650	650
Specify (Add grant description)		(484)	2 113	345	–	–	0	–	–	–
Specify (Add grant description)		–	–	–	–	–	135	650	650	650
Specify (Add grant description)		–	–	–	3 691	3 691	2 342	3 691	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		(484)	8 650	6 805	6 616	6 421	27 602	39 448	25 467	25 923
Capital expenditure of Transfers and Grants										
National Government:		–	165 407	108 353	103 405	131 922	47 623	79 247	81 860	62 180
Municipal Disaster Relief Grant		–	–	–	–	34 957	1 760	24 542	24 543	–
Municipal Infrastructure Grant		–	67 629	62 065	63 505	59 565	39 192	54 705	57 317	62 180
Integrated National Electrification Programme Grant		–	97 778	46 288	39 900	37 400	6 671	–	–	–
Provincial Government:		–	–	–	–	57 034	(1 565)	–	–	–
Specify (Add grant description)		–	–	–	–	57 034	(1 565)	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		–	165 407	108 353	103 405	188 956	46 058	79 247	81 860	62 180
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		(484)	174 057	115 157	110 021	195 377	73 660	118 695	107 327	88 103

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

EC441 Matatiele - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

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	–	586 985	123 048	252 675			962 708
Chief Whip		–	550 300	97 044	240 491			887 835
Executive Mayor		–	545 201	95 974	489 240			1 130 414
Deputy Executive Mayor		–						–
Executive Committee		–	3 327 201	570 752	2 951 994			6 849 947
Total for all other councillors		–	8 390 528	1 040 215	6 774 110			16 204 854
Total Councillors	8	–	13 400 215	1 927 033	10 708 510			26 035 758
Senior Managers of the Municipality	5							
Municipal Manager (MM)		–	629 939	197 946	772 743	128 636	–	1 729 264
Chief Finance Officer		–	578 069	63 760	663 608	124 895	–	1 430 332
GM Community Services			297 056	88 699	906 704	117 072		1 409 532
GM Corporate Services			693 010	14 392	578 033	154 130		1 439 565
GM Planning			360 140	144 879	610 326	296 984		1 412 329
GM Infrastructure			631 603	67 751	615 479	121 638		1 436 471
<i>List of each official with packages >= senior manager</i>								
Municipal Staff			113 196 391	22 270 946	18 052 530	8 931 018		162 450 885
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	116 386 210	22 848 373	22 199 423	9 874 372		171 308 378

Table 49 MBRR SA24–Summary of personnel numbers

EC441 Matatiele - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		2022/23			Current Year 2023/24			Budget Year 2024/25		
Number	###	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)		54	–	54	54	–	54	54	–	54
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	–	–	–	–	–	–	–	–	–
Other Managers	7	6	–	6	6	1	5	6	2	2
Professionals		52	44	8	126	98	–	110	76	–
Finance		26	22	4	63	42	–	73	42	–
Spatial/town planning		11	10	1	40	35	–	18	19	–
Information Technology		2	2	–	14	13	–	4	1	–
Roads		1	1	–	9	8	–	1	1	–
Electricity		6	3	3	–	–	–	7	7	–
Water		6	6	–	–	–	–	6	5	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	1	1	–
Technicians		204	204	–	150	136	–	118	110	–
Finance		102	102	–	75	68	–	59	55	–
Spatial/town planning		18	18	–	28	25	–	–	–	–
Information Technology		2	2	–	4	2	–	4	2	–
Roads		4	4	–	5	5	–	4	4	–
Electricity		3	3	–	5	5	–	6	5	–
Water		–	–	–	18	17	–	3	3	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		1	1	–	13	12	–	2	1	–
Other		74	74	–	2	2	–	40	40	–
Clerks (Clerical and administrative)		48	48	–	54	48	30	81	73	30
Service and sales workers		25	25	–	50	40	–	56	49	–
Skilled agricultural and fishery workers		–	–	–	2	2	–	2	1	–
Craft and related trades		9	9	–	–	–	–	–	–	–
Plant and Machine Operators		13	13	–	14	3	–	14	3	–
Elementary Occupations		93	93	–	78	74	–	65	52	–
TOTAL PERSONNEL NUMBERS	9	504	436	68	534	402	89	506	366	86
% increase					6.0%	(7.8%)	30.9%	(5.2%)	(9.0%)	(3.4%)
Total municipal employees headcount	6, 10	395	312	83	417	292	108	431	303	105
Finance personnel headcount	8, 10	–	–	–	–	–	–	40	38	5
Human Resources personnel headcount	8, 10	–	–	–	–	–	–	13	12	1

2.9 Monthly targets for revenue, expenditure and cash flow

Description	###	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue																
Exchange Revenue																
Service charges - Electricity		6 370	6 370	6 370	6 370	6 370	6 370	6 370	6 370	6 370	6 370	6 370	6 370	76 446	80 146	83 930
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	15 526	16 332	17 083
Sale of Goods and Rendering of Services		54	54	54	54	54	54	54	54	54	54	54	54	646	681	4 303
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		183	183	183	183	183	183	183	183	183	183	183	183	2 200	2 308	2 416
Interest earned from Current and Non Current Assets		2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	28 813	30 225	31 645
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		377	377	377	377	377	377	377	377	377	377	377	377	4 522	4 744	4 967
Operational Revenue		74	74	74	74	74	74	74	74	74	74	74	74	892	933	3 131
Non-Exchange Revenue																
Property rates		5 155	5 155	5 155	5 155	5 155	5 155	5 155	5 155	5 155	5 155	5 155	5 155	61 866	64 897	67 947
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 158	2 158	2 158	2 158	2 158	2 158	2 158	2 158	2 158	2 158	2 158	2 158	25 890	27 159	28 435
Licences or permits		2	2	2	2	2	2	2	2	2	2	2	2	25	26	27
Transfer and subsidies - Operational		29 981	29 981	29 981	29 981	29 981	29 981	29 981	29 981	29 981	29 981	29 981	29 981	359 769	343 349	332 929
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		48 219	48 219	48 219	48 219	48 219	48 219	48 219	48 219	48 219	48 219	48 219	48 219	578 623	572 926	579 041
Expenditure																
Employee related costs		14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	171 308	179 702	188 148
Remuneration of councillors		2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	26 036	27 312	28 595
Bulk purchases - electricity		6 354	6 354	6 354	6 354	6 354	6 354	6 354	6 354	6 354	6 354	6 354	6 354	76 246	79 982	83 741
Inventory consumed		588	588	588	588	588	588	588	588	588	588	588	588	7 060	7 406	7 754
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		4 649	4 649	4 649	4 649	4 649	4 649	4 649	4 649	4 649	4 649	4 649	4 649	55 790	58 523	61 274
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		13 207	13 207	13 207	13 207	13 207	13 207	13 207	13 207	13 207	13 207	13 207	13 207	158 482	210 882	220 794
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		525	525	525	525	525	525	525	525	525	525	525	525	6 294	6 602	6 913
Operational costs		6 450	6 450	6 450	6 450	6 450	6 450	6 450	6 450	6 450	6 450	6 450	6 450	77 404	85 188	89 192
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		48 218	48 218	48 218	48 218	48 218	48 218	48 218	48 218	48 218	48 218	48 218	48 218	578 619	655 597	686 411
Surplus/(Deficit)		0	0	0	0	0	0	0	0	0	0	0	0	4	(82 672)	(107 370)
Transfers and subsidies - capital (monetary allocations)		6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	79 247	81 860	82 180
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	79 251	(811)	(45 190)
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	79 251	(811)	(45 190)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	79 251	(811)	(45 190)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	79 251	(811)	(45 190)

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

EC441 Matatiele - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	###	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Revenue by Vote																
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		36 475	36 475	36 475	36 475	36 475	36 475	36 475	36 475	36 475	36 475	36 475	36 475	437 696	441 032	437 497
Vote 3 - Corporate		29	29	29	29	29	29	29	29	29	29	29	29	350	366	1 101
Vote 4 - Development and Planning		17	17	17	17	17	17	17	17	17	17	17	17	202	211	1 658
Vote 5 - Community		2 666	2 666	2 666	2 666	2 666	2 666	2 666	2 666	2 666	2 666	2 666	2 666	31 991	25 626	28 218
Vote 6 - Infrastructure		15 636	15 636	15 636	15 636	15 636	15 636	15 636	15 636	15 636	15 636	15 636	15 636	187 630	187 551	172 747
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		54 822	54 822	54 822	54 822	54 822	54 822	54 822	54 822	54 822	54 822	54 822	54 822	657 869	654 786	641 221
Expenditure by Vote to be appropriated																
Vote 1 - Executive Council		2 921	2 921	2 921	2 921	2 921	2 921	2 921	2 921	2 921	2 921	2 921	2 921	35 047	36 737	38 454
Vote 2 - Finance and Admin		10 290	10 290	10 290	10 290	10 290	10 290	10 290	10 290	10 290	10 290	10 290	10 290	123 477	154 913	162 072
Vote 3 - Corporate		7 389	7 389	7 389	7 389	7 389	7 389	7 389	7 389	7 389	7 389	7 389	7 389	88 671	107 749	112 733
Vote 4 - Development and Planning		4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	48 647	59 885	63 026
Vote 5 - Community		6 418	6 418	6 418	6 418	6 418	6 418	6 418	6 418	6 418	6 418	6 418	6 418	77 010	80 762	85 334
Vote 6 - Infrastructure		16 739	16 739	16 739	16 739	16 739	16 739	16 739	16 739	16 739	16 739	16 739	16 739	200 871	210 430	219 434
Vote 7 - Internal Audit		408	408	408	408	408	408	408	408	408	408	408	408	4 896	5 121	5 357
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		48 218	48 218	48 218	48 218	48 218	48 218	48 218	48 218	48 218	48 218	48 218	48 218	578 619	655 597	686 411
Surplus/(Deficit) before assoc.		6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	79 251	(811)	(45 190)
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	79 251	(811)	(45 190)

Table 5MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**EC441 Matatiele - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)**

Description	###	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
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	90	-	-
Vote 2 - Finance and Admin		269	269	269	269	269	269	269	269	269	269	269	269	3 225	136	142
Vote 3 - Corporate		327	327	327	327	327	327	327	327	327	327	327	327	3 920	596	1 678
Vote 4 - Development and Planning		725	725	725	725	725	725	725	725	725	725	725	725	8 705	1 046	6 911
Vote 5 - Community		1 284	1 284	1 284	1 284	1 284	1 284	1 284	1 284	1 284	1 284	1 284	1 284	15 410	2 270	2 724
Vote 6 - Infrastructure		11 178	11 178	11 178	11 178	11 178	11 178	11 178	11 178	11 178	11 178	11 178	11 178	134 133	126 725	109 108
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	165 483	130 773	120 563
Total Capital Expenditure	2	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	165 483	130 773	120 563

Table 6MBRR SA30 - Budgeted monthly cash flow

EC441 Matatiele - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand															
Cash Receipts By Source													1		
Property rates	5 109	5 109	5 109	5 109	5 109	5 109	5 109	5 109	5 109	5 109	5 109	5 109	61 304	66 665	70 658
Service charges - electricity revenue	5 428	5 428	5 428	5 428	5 428	5 428	5 428	5 428	5 428	5 428	5 428	5 272	64 979	70 054	73 360
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	13 197	13 882	14 521
Rental of facilities and equipment	138	138	138	138	138	138	138	138	138	138	138	107	1 626	1 817	1 751
Interest earned - external investments	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	2 401	28 813	30 225	31 645
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2 108	2 108	2 108	2 108	2 118	2 118	2 118	2 118	2 118	2 118	2 118	2 067	25 328	26 538	27 532
Licences and permits	308	308	308	308	308	308	308	308	308	308	308	267	3 656	4 357	4 359
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	29 981	29 981	29 981	29 981	29 981	29 981	29 981	29 981	29 981	29 981	29 981	29 981	359 769	343 349	332 929
Other revenue	3 605	3 605	3 605	3 605	3 605	3 605	3 605	3 605	3 605	3 605	3 605	(39 495)	162	329	5 948
Cash Receipts by Source	50 178	50 178	50 178	50 178	50 188	50 188	50 188	50 188	50 188	50 188	50 188	6 808	558 835	557 214	562 704
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	6 604	79 247	81 860	62 180
Transfers and subsidies - capital (monetary allocations) (Nat / Prov	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Departm 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/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)	3 577	3 577	3 577	3 577	3 577	3 577	3 577	3 577	3 577	3 577	3 577	(82 273)	42 925	45 014	44 996
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	60 359	60 359	60 359	60 359	60 369	60 369	60 369	60 369	60 369	60 369	60 369	(68 861)	681 007	684 088	669 880
Cash Payments by Type															
Employee related costs	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	171 308	179 702	188 148
Remuneration of councillors	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	26 036	27 312	28 595
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	6 354	6 354	6 354	6 354	6 354	6 354	6 354	6 354	6 354	6 354	6 354	6 354	76 246	79 982	83 741
Acquisitions - water & other inventory	588	588	588	588	588	588	588	588	588	588	588	588	7 060	7 406	7 754
Contracted services	13 207	13 207	13 207	13 207	13 207	13 207	13 207	13 207	13 207	13 207	13 207	13 207	158 481	210 882	220 793
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	6 450	6 450	6 450	6 450	6 450	6 450	6 450	6 450	6 450	6 450	6 450	6 450	77 404	85 188	89 192
Cash Payments by Type	43 045	43 045	43 045	43 045	43 045	43 045	43 045	43 045	43 045	43 045	43 045	43 045	516 535	590 472	618 224
Other Cash Flows/Payments by Type															
Capital assets	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	13 790	165 483	130 773	120 563
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	56 835	56 835	56 835	56 835	56 835	56 835	56 835	56 835	56 835	56 835	56 835	56 835	682 018	721 244	738 787
NET INCREASE/(DECREASE) IN CASH HELD	3 524	3 524	3 524	3 524	3 534	3 534	3 534	3 534	3 534	3 534	3 534	(125 696)	(1 011)	(37 156)	(68 907)
Cash/cash equivalents at the month/year begin:	269 616	273 141	276 665	280 189	283 713	287 247	290 781	294 315	297 849	301 383	304 917	308 451	269 616	268 606	231 450
Cash/cash equivalents at the month/year end:	273 141	276 665	280 189	283 713	287 247	290 781	294 315	297 849	301 383	304 917	308 451	182 755	268 606	231 450	162 543

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:-
EC441 Matatiele - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework			Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
<u>Revenue Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
<u>Revenue Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

2.13 Legislation compliance status

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

1. In year reporting

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

2. Internship programme

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

3. Budget and Treasury Office

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

4.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and was tabled with the draft budget 2024/25 MTREF directly aligned and informed by the 2024/25 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 Draft Annual Budget for the 2024/2025 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 _____