SCHEDULE A

ANNUAL BUDGET AND SUPPORTING DOCUMENTATION

OF

CITY OF MATLOSANA MUNICIPALITY (NW403)

2023/24 – 2025/26 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

Copies of this document is available:

- In the Office of the Speaker
- All public libraries within the municipality
 - At <u>www.matlosana.gov.za</u>

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PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT

STATE OF THE CITY ADDRESS DELIEVERED BY EXECUTIVE MAYOR, COUNCILLOR NJ TSOLELA

1.2 COUNCIL RESOLUTION

 a) That the Proposed MTREF Budget as set-out in the document for the financial year 2023/2024 and indicative allocations for the two outer years 2024/2025 and 2025/2026 be tabled in accordance with section 16(1)(2) of the Municipal Finance Management Act 56 of 2003:

National Treasury tables, schedule A indicating operating revenue by source and operating expenditure by vote and capital funding by source document for the 2023/2024 and two outer years 2024/2025 and 2025/2026.

- b) The Executive Mayor acting in terms of Section 75A of the Local Government Systems Act (Act 32 of 2000, as amended) tables for public participation the following tariffs:
 - The proposed tariffs for electricity;
 - the proposed tariffs for the supply of water;
 - the proposed tariffs for sanitation services;
 - the proposed tariffs for property rates;
 - the proposed tariffs for solid waste removal.

The increase in electricity tariffs is subject NERSA approval. The increase in water tariffs is subject to Midvaal increases

- c) The Executive Mayor acting in terms of Section 75A of the Local Government Systems Act (Act 32 of 2000, as amended) tables for public participation the tariffs for other services, as set out in the document:
- d) That the following proposed revised budget related policies for 2023/2024 be tabled for public participation:
 - CUSTOMER CARE, CREDIT CONTROL & DEBT COLLECTION POLICY
 - PROVISION FOR DEBT IMPAIRMENT POLICY
 - IRRECOVERABLE BAD DEBT POLICY
 - PROPERTY RATES POLICY
 - TARIFF POLICY
 - INDIGENT RELIEF POLICY
 - SUPPLY CHAIN MANAGEMENT POLICY
 - ASSET MANAGEMENT POLICY
 - COST CONTAINMENT POLICY
- e) That the following budget related policies be noted as were approved during previous financial years and remain in force for the 2023/2024 financial year.
 - GRANT POLICY
 - BUDGET POLICY
 - INVENTORY POLICY
 - UNAURTHTORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE POLICY
 - BORROWINGS POLICY

- VIREMENT POLICY
- FUNDING & RESERVE POLICY
- EXPENDITURE MANAGEMENT POLICY
- f) That Council take note of the Financial Plan to address the unfunded budged position.
- g) That Council take note MFMA Circular No 122 & 123 on which the 2023/2024 2025/2026 Medium Term Revenue and Expenditure Framework was compiled
- h) That Council approves the revised Financial Plan to address the unfunded budged position.
- i) That the Accounting Officer of the municipality submit the approved annual budget to the National and relevant Provincial Treasuries in terms of section, 24(3) of the MFMA.
- j) That the National Treasury Schedule A tables be aligned to the mSCOA data strings for the 2023/2024 2025/2026 MTREF budget.

3 EXECUTIVE SUMMARY

The state of the economy in South Africa as a whole has recorded a decline in economic output since the COVID-19 pandemic that have negatively affected the economy over last three years. There is signs of slow recovery in the economy, however South Africa are faced with a big challenge namely the supply of electricity that results in load shedding that have an enormous impact on the country's economy.

The state of the economy will continue to have an adverse effect on the consumers of the City of Matlosana in the 2023/24 financial year. As a result, the municipal revenue and cash flow will remain under pressure. Therefore, the application of sound financial management principles for the City of Matlosana's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The City will continue with efforts to enhance revenue. However, more needs to be done to ensure the sustainability of the municipality as the Auditor General has expressed itself over the going concern matter of the municipality.

In South Africa, economic growth has continued to be under pressure. The outlook remains highly uncertain, and the economic effects of load shedding are far-reaching. South Africa's biggest economic risk is Eskom. Ongoing problems with the utility's operations continue to disrupt the supply of electricity to households and businesses. Government has allocated significant resources to assist Eskom.

Rising unemployment and income losses have affected the debt collection rate of the City of Matlosana. The collection rate has shown signs of slow recovery.

South Africa's public finances deteriorated over the past decade; a trend that accelerated in recent years as low growth led to large revenue shortfalls. For 10 years, the country has run large budget deficits. This has put the country deeply in debt, to the point where interest payments on the government external debt have begun to escalate at an alarming above the norm of 65% of the country's GDP.

National Treasury's MFMA circulars 122 and 123 were used to guide with the compilation of the 2022/23 – 2024/25 MTREF.

The main challenges experienced during the compilation of the 203/24 – 2025/26 MTREF can be summarized as follows:

- The declining economic growth, which was impacted further by COVID-19 and the disruption in power supply.
- High unemployment rate and the impact on household ability to pay for municipal services.
- The real economic growth is projected to be 0.9% in 2023. The recovery in South Africa will be slower than many of its developing-country peers.
- CPI inflation estimates over 2023/24 medium term are 5.3%, 4.9% and 4.7% respectively.
- The economic challenges will continue to exert pressure on municipal revenue generation capacity, and collection levels.
- Securing the health of the asset base (especially the revenue generating assets) by increasing spending on repairs and maintenance and renewal of assets. One of the fundamental challenges that the municipality faces are the aged fleet and infrastructure, which result in ever escalating repairs and maintenance costs. This anomaly puts more pressure on the municipality to come up with a turn-around strategy, with the main focus

on the replacement of its old fleet, plant and equipment, with the aim of reducing high maintenance costs and the hiring of fleet (yellow fleet), plant and equipment in the provision of services to the communities of the municipality.

- The increased cost of bulk water and electricity (due to tariff increases from Midvaal and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable as there will be a point where services will no longer be affordable.
- A growing debtor's book as well as the remaining outstanding creditors, especially for bulk services.
- A growing debtor's book as well as the remaining outstanding creditors, especially for bulk services is a major concern, and contributing factors to the municipality's unfunded budget, and going concern – financial sustainability.
- Wage increases for municipal staff that continues to exceed consumer inflation, as well as the need to fill critical vacancies with limited resources;
- The declining liquidity ratio due to budgeted deficit of financial performance
- The impact of the current COVID 19 epidemic on the consumer base of the municipality and the sustainability of the municipality's service delivery objectives and financial viability.

The following budget principles and guidelines directly informed the compilation of the 2023/24 MTREF:

- Price increases in the inputs of services that are beyond the control of the municipality are for instance the cost of bulk water and electricity. Furthermore, tariffs need to remain or move towards being cost reflective; and should take into account the need to address infrastructure backlogs.
- The cost containment measures that are being implemented to eliminate wasteful expenditure, reprioritise spending and ensure savings on six focus areas, namely;

Consultancy fees; No credit cards; Travel and related costs; Advertising; Catering and events; As well as the costs for accommodation.

The Municipality did take note of the cost containment measures as per Municipal Cost Containment Regulation – Circular 97. The municipality also developed a Cost Containment policy that was approved on 21 October 2019 and is currently up for review.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2023/24 Medium-term Revenue and Expenditure Framework:

	Budget Year 2022/2023 (Adjusted)	Budget Year 2023/2024	Budget Year +1 2024/2025	Budget Year+2 2025/2026
	R '000	R '000	R '000	R '000
Total Operating Revenue	(3 994 393)	(4 286 033)	(4 531 329)	(4 783 889)
Total Operating Expenditure	4 335 663	4 389 042	4 489 490	4 598 411
Total Capital	(169 918)	(191 469)	(189 116)	(188 925)
Surplus/(Deficit) for the year after Capital contribution	(171 353)	88 460	230 955	374 462

Table 1 Consolidated Overview of the 2023/24 to 2025/26 MTREF

The two outer years, operational revenue will increase by 5.7% and 5.5% respectively, and the financial performance will start to show surpluses, since most of the measures contained in the Financial Plan will be implemented in the coming year of 2023/2024, with the effects showing the results in the second half of the year.

Total operating expenditure for the 2023/24 financial year has been appropriated at R 4.38 billion.

The bulk of the capital programs will be funded from Government grants and transfers. Provision is made for Council funded capital in the coming financial year. Council funded capital must be cash backed.

1.4 OPERATING REVENUE FRAMEWORK

For the City of Matlosana to continue improving the quality of services to its citizens, it needs to generate the required revenue. In these tough economic conditions, strong revenue management is fundamental to the financial sustainability of any municipality. The reality is that we are faced with development backlogs, unemployment, and poverty and ageing infrastructure. 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 macro-economic policy;
- Growth in the City and continued economic development;
- Efficient revenue management which aims to ensure maximum annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa;
- 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) as amended;
- Increased ability to extend new services and recover costs through increased revenue generation;
- The municipality's Indigent Policy and rendering of free basic services;
- Enforcement of the Credit Control and Debt Collection Policy.

To achieve the above, the municipality needs to investigate the implementation of Smart metering technology that will assist with accurate billing, water and electricity theft, and reduce the cost of meter readings and overtime to process it. The municipality is in the process of implementing Smart Metering.

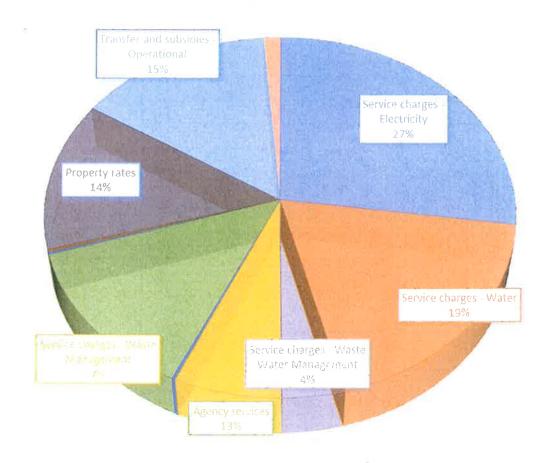


Table 2 Summary of revenue classified by main revenue source.

Table 3 Percentage growth in revenue by main revenue source

Description	Ref	2019/20	2020/21	2021/22 Audited Outcome	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26
Revenue											
Exchange Revenue						0					
Service charges - Electricity	2	782 325	854 446	9 <mark>57 447</mark>	1 127 210	1 084 563	<mark>1 084 563</mark>	<u>605 011</u>	1 142 045	1 202 573	1 266 309
Service charges - Water	2	603 946	653 812	650 602	783 676	743 676	7 <mark>43 676</mark>	497 310	787 552	8 <mark>34</mark> 018	883 22
Service charges - Waste Water Management	2	112 787	118 205	125 356	17 <mark>3 864</mark>	153 673	153 673	94 826	162 319	171 453	181 103
Service charges - Waste Management	2	137 040	14 <mark>0 063</mark>	1 <mark>67 812</mark>	223 421	<mark>223 42</mark> 1	<mark>223 421</mark>	1 <mark>31 4</mark> 75	284 856	299 953	<mark>315 85</mark> 1
Sale of Goods and Rendering of Services		5 458	7 246	6 384	8 360	8 610	8 610	4 866	9 021	9 463	9 463
Agency services										-	-
Interest											
Interest earned from Receivables		322 034	383 189	461 282	467 848	530 914	530 914	358 963	559 052	586 446	614 00
Interest earned from Current and Non Current As		16 545	8 060	10 685	9 270	9 270	9 270	9 810	9 761	10 239	10 72
Dividends											
Rent on Land											
Rental from Fixed Assets		13 747	365 557	251 709	8 105	8 833	8 833	5 868	9 300	9 756	10 21
Licence and permits	1	6 146	8 749	7 871	9 965	8 899	8 899	5 518	8 909	9 346	9 78
Operational Revenue		32 743	46 412	42 360	87 769	70 669	70 669	27 285	77 620	79 609	81 61
Non-Exchange Revenue											
Property rales	2	334 343	425 503	451 441	507 345	532 836	532 836	315 341	561 076	588 569	616 232
Surcharges and Taxes			*		229	229	229		241	253	264
Fines, penalties and forfeits		8 099	24 737	7 356	4 523	4 523	4 523	2 351	3 104	3 189	3 278
Licences or permits		203	479	152	419	300	300	221	50	150	150
Transfer and subsidies - Operational		443 368	530 448	511 231	561 824	561 978	561 978	543 742	616 921	668 873	721 536
Interest		30 442	40 881	43 424	46 027	52 000	52 000	23 912	54 756	57 439	60 139
Fuel Lev y											
Operational Revenue											
Gains on disposal of Assets			(9 489)	(2 164)						_	
Other Gains		180	1 967	2 865				9			
iscontinued Operations								_			
otal Revenue (excluding capital transfers and	-+-	2 849 406	3 600 265	3 695 815	4 019 854	3 994 393	3 994 393	2 626 510	4 286 582	4 531 329	4 783 889

NW403 City Of Matlosana - Table A4 Budgeted Financial Performance (revenue and expenditure)

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and service charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charges revenue comprise 70.5% of the total revenue mix in 2023/24. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

The third largest source (besides other service charges) is transfer recognised-operational Grants and transfers totaled R 616.9 million in the 2023/24 financial year.

Property rates is the fourth largest revenue source totaling 14% and will increase to R 561 million.

Find below explanations for increases in excess of 6%:

- Electricity is currently increased by 5.3% of basic charges and 7.47% of consumption. These percentages may increase further based on NERSA final increases.
- Water revenue will increase by 6% from Midvaal.
- Interest of outstanding debtors will increase in line with the 2021/22 audited outcome.
- Fines and penalties will increase as the municipality increase its debt collection and fines for illegal connections.

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

Table 4 Supporting Table SA18 Operating Transfers and Grant Receipts.

Description R thousand RECEIPTS:		2019/20	2020/21	2021/22 Audited Outcome	Cur	rent Year 2022	/23	2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
RECEIPTS:	1, 2										
Operating Transfers and Grants											
National Government:		442 416	529 969	509 661	560 590	560 590	560 590	614 953	603 540	720 118	
Local Government Equitable Share	ľ	429 953	466 536	484 096	545 300	545 300	545 300	599 104	588 793	703 647	
Energy Efficiency and Demand Side Manager		2 894	5 974	-	5 000	5 000	5 000	4 000	4 000	4 000	
Expanded Public Works Programme Integrate		1 386	2 452	1 756	2 181	2 181	2 181	3 512	2 181	3 512	
Local Government Financial Management Gra		2 511	2 929	3 123	3 100	3 100	3 100	3 100	3 100	3 228	
Municipal Disaster Relief Grant		1 013	47 222	15 897	20	-	100			1.00	
Municipal Infrastructure Grant		4 660	4 857	4 789	5 009	5 009	5 009	5 237	5 466	5 731	
Provincial Government:	-	952	478	1 570	1 234	1 388	1 388	1 418	1 418	1 418	
Capacily Building and Other Grants		952	478	1 570	1 234	1 388	1 388	1 418	1 418	1 418	
District Municipality:		-						×.			
Other grant providers:		12	25	9	<u>a</u>	98	-	-	H	÷	
Total Operating Transfers and Grants	5	443 368	530 448	511 231	561 824	561 978	561 978	616 371	604 958	721 536	
Capital Transfers and Grants											
National Government:		123 785	189 551	156 811	169 918	169 918	169 918	191 469	189 116	188 925	
Integrated National Electrification Programme G	rant	3 869	21 022	-	29 064	29 064	29 064	1 732	10 000	27 458	
Municipal Infrastructure Grant	55443	81 769	100 789	92 568	95 178	95 178	95 178	109 945	104 116	99 509	
Neighbourhood Development Partnership Gran	t	38 147	49 063	55 743	30 000	30 000	30 000	31 162	25 000	43 932	
Water Services Infrastructure Grant		-	18 678	8 500	15 676	15 676	15 676	48 630	50 000	18 026	
Provincial Government:		-	125	-		-	2		12	-	
District Municipality:			-	-	-	-	-	-	-		
Other grant providers:									_		
Developers Contribution					-				724		
otal Capital Transfers and Grants	5	123 785	189 551	156 811	169 918	169 918	169 918	191 469	189 116	188 925	
OTAL RECEIPTS OF TRANSFERS & GRANTS		567 154	719 998	668 042	731 742	731 896	731 896	807 841	794 074	910 460	

NW 403 City Of Matlosana - Supporting Table SA18 Transfers and grant receipts

Tariff setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, salary and wage increases, other input costs of services provided by the municipality, and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

The municipality is still awaiting the increase from Midvaal Water's for the bulk tariff, the increase is expected to bridge the 6% inflation for 2023/24. Bulk electricity tariff increases are determined by external agencies such as the National Electricity Regulator of South Africa. The impact it has on the municipality's electricity tariffs is largely beyond the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

The consumer price index is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items like food, petrol, and medical services, whereas items such as the cost of remuneration, bulk purchases of electricity and water, and fuel inform the cost drivers of municipalities. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational gains or service level reductions.

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. Property rates will increase with 6%. The municipality implemented the new valuation roll during the 2023/24 financial year.

The following stipulations in the Property Rates Policy are highlighted:

- Residential The first R 15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll is statutorily exempted from the levying of rates as per the provisions of section 17 (1) (h) of the MPRA).
- Retired or disabled persons on residential property only who earn less than or equals two government pensions can qualify for (100%) discount, the property must be categorized as residential.

Category	Current Tariff (1 July 2022)	Proposed Tariff (from 1 July 2023)		
	R	R		
Residential properties	0.01510	0.01590		
State owned properties	0.03602	0.03793		
Business & Commercial	0.03602	0.03793		
Agricultural	0.01510	0.01590		
Vacant land	0.03602	0.03793		
Industrial	0.03602	0.03793		
Public benefit organization properties	0.01510	0.01590		

Table 5: Comparison of rates to be levied for the 2023/24 financial year

1.4.2 Sale of Water and Impact on Tariff Increases

South Africa faces similar challenges with regards to water supply as it did with electricity since demand growth outstrips supply. The City of Matlosana is facing the similar dilemma as any municipality in the Country. Consequently, National Treasury urges municipalities to review the level and structure of their water tariffs carefully, with a view to ensure:

- That water tariffs are fully cost-reflective including the cost of maintenance and renewal of purification plants, and water networks; and the cost associated with reticulation expansion.
- That water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor(indigent); and
- That water tariffs are designed to encourage efficient and sustainable consumption (e.g., through increasing block tariffs).

One of the focus areas in the 2023/24 MTREF, once again, needs to be the curbing of water distribution losses. In this regard, the municipality has developed a plan for water distribution losses.

- The tariff structure is designed to charge higher levels of consumption at a higher rate.
- The basic charge for water will increase with 5.9% and consumption on a sliding scale up to 8%.
- All registered indigents will again be granted 6 kl water free of charge seeTable 6 Water Tariffs.

Table SA14 shows the impact of the increases in water tariffs on the water charges for a single dwelling house:

CATEGORY	CURRENT TARIFFS 2022/23	PROPOSED TARIFFS 2023/24
	Rand per kℓ	Rand per ke
RESIDENTIAL		
For the first 6kl, per kl: 1-6	R 26.25	R 27.80
For the following 14 kl, per kl: 7 - 20	R 32.16	R 34.06
For the following 30 kl, per kl: 21 - 50	R 33.18	R 35.14
For the following 50 kl, per kl: 51 - 100	R 34.32	R 36.34
For the following 100 kl, per kl: 101 - 200	R 36.20	R 38.34
For the following 100 kl, per kl: 201 - 300	R 38.36	R 40.62
For the following 100 kl, per kl: 301 -	R 48.31	R 51.16

Table 6

1.4.3 Sale of Electricity and Impact on Tariff Increases

The municipality has budgeted for an electricity tariff increase of 18.63 percent on electricity consumption as approved by NERSA. Basic charges with effect from 1 July 2023 will increase with 6%. Increases on consumption will be implemented on a sliding scale in accordance with the block tariffs for consumption. The municipality still awaits the latest available draft tariff increases from the National Electricity Regulator of South Africa (NERSA).

The inadequate electricity bulk capacity and the impact of distribution losses remains a challenge for the municipality.

All registered indigents consumers will be granted 50 Kwh of electricity per month free of charge.

The following table shows the impact of the increases in electricity tariffs on the electricity charges for domestic customers:

Table 7 Comparison between current electricity charges and increases (Domestic)

Table SA14 will shows the impact of the increases in electricity tariffs on the electricity charges for a single dwelling house:

Monthly consumption kWh	Current amount Payable 2022/23 R	Proposed Amount Payable 2023/24 R
1-50	1.3603	1.4324
51-350	1.7389	1.8311
351-600	2.3384	2.4623
601-1500	2.6860	2.8264
>1500	2.8280	2.9779

1.4.4 Sanitation and Impact on Tariff Increases

The increase in sanitation tariffs is capped at 5.3% for 2023/24 financial year as per guideline from National Treasury. The impact of higher electricity cost impacts on the operation cost of sewer plants and profitability on sewer services.

Table 9 MBRR Table SA14 – Household bills will show the impact of the increases in sanitation tariffs on the sanitation charges

1.4.5 Waste Removal and Impact on Tariff Increase

Waste removal tariffs will increase with inflation from 1 July 2023 to keep the service sustainable. The municipality is busy with an exercise to make the trading services cost reflective that might have an impact on the tariff increases. Any increase higher than 6 per cent may result in affordability challenges for individual rates payers, thereby raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2023:

Table 8 Solid Waste Removal Tariffs

CATEGORY	CURRENT TARIFFS 2022/23	PROPOSED TARIFFS 2023/24
	Rand per <i>l</i>	Rand per ℓ
RESIDENTIAL		
Per 85 and 240L container once a week	R 189.54	R 198.45
Per 85 and 240L container twice a week	R 245.44	R 256.98

Table SA14 will shows the impact of the proposed increases in waste removal tariffs.

1.4.6 Overall impact of tariff increases on households.

The table SA14 in Schedule A shows the overall expected impact of the tariff increases on a large and small household, as well as indigent household receiving free basic services.

Table 9 MBRR Table SA14 – Household bills

NW 403 City Of Matlosana - Supporting Table SA14 Household bills

Description		2019/20	2020/21	2021/22	Cu	rrent Year 2022	/23	2023/24	Medium Term Fram	Revenue & Exp ework	enditure
Rand/cent	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26
Rand/cent								% incr.		1	
Monthly Account for Household - 'Middle	1										
Income Range'											
Rates and services charges:											
Property rates		711.26	849.35		943.52	943 52	943 52	4.8%	949_18	991_90	1 039.00
Electricity: Basic levy			140.07		175.34	175.34	175,34	18,1%	229.45	272,10	238.0
Electricity: Consumption			1 825.99		2 248 67	2 248.67	2 248.67	7.5%	2 942.61	3 489.64	3 653 65
Water: Basic levy	E.	=	149.59		166.18	166.18	166.18	2.9%	172.17	179.92	188.3
Water: Consumption		-	797.81	20	939.54	939.54	939.54	23.7%	995.87	1 055 62	1 105 23
Sanitation		78.87	82.42	-	91,56	91.56	91.56	4.8%	94,86	99,13	103.78
Refuse removal	18.1	-	150.72	-	189.54	189.54	189.54	4.8%	196,37	205.21	214.8
Other			84.61	-	94.00	94.00	94.00	4.8%	97.38	101.76	106.54
sub-tot	- I	790.13	4 080.56		4 848.35	4 848.35	4 848.35	17.1%	5 677.89	6 395.28	6 649.42
VAT on Services	41		4 000.00								í
	1.3	18.18	-	-	585.72	585,72	585.72	20.8%	709.31	810.51	848.60
Total large household bill:	11	808.31	4 080.56	-	5 434.07	5 434.07	5 434.07	17.5%	6 387.20	7 205.79	7 498.02
% increase/-decrease			404.8%	(100.0%)	-	-	0.		17.5%	12.8%	4.1%
Monthly Account for Household - 'Affordabl	e 2										
Range'		1									
Rates and services charges:											
Property rates	1.1	5.00	622.85	-	691.91	691.91	691.91	4.8%	677.98	708.49	741.78
Electricity: Basic levy	1	134.04	140.07	=	175.34	175.34	175_34	18.1%	229.45	272.10	284.88
Electricity: Consumption	11	718.53	763.47	=	940.44	940.44	940.44	7.5%	1 230.65	1 459 43	1 528 14
Water: Basic levy	11		149.59	Ξ.	166,18	166,18	166,18	2.9%	172.17	179.92	188.38
Water: Consumption	11	625.67	656.95	÷	773.64	773.64	773.64	9.0%	819.97	869.17	910.02
Sanitation	11	78.87	82.42	-	91.56	91,56	91.56	4.8%	94.86	99.13	103.76
Refuse removal	1		150.72	=	189.54	189.54	189.54	4.8%	196.37	205_21	214.85
Other		80.97	84.61	7	94.00	94.00	94.00	4.8%	97.38	101.76	106,54
sub-lot	al	1 643.08	2 650.68		3 122.61	3 122.61	3 122.61	12.7%	3 518.83	3 895.21	4 078.35
VAT on Services		2		-	364,60	364,60	364.60	(30.9%)	426.13	478.01	500,48
Total small household bill:		1 643.08	2 650.68	-	3 487.21	3 487.21	3 487.21	13.1%	3 944.96	4 373.22	4 578.83
% increase/-decrease			61.3%	(100.0%)		.			13.1%	10.9%	4.7%
Monthly Account for Household - 'Indigent'	3				4.00						_
Household receiving free basic services	100	1									
Rates and services charges:											
Property rates							_				
	11	-		(**)	*	-	-	. = 1	58		
Electricity: Basic levy			000 70			554.04	551.01	-	-	-	=
Electricity: Consumption		1	398.79		551.64	551.64	551,64	28,1%	682,65	809,55	533.49
Water: Basic levy	1	-		~	-	-	1	-		÷.	3
Water: Consumption		-	364.14	-	450.24	450,24	450.24	14.5%	450.22	477.23	499,75
Sanitation		19 M		(e.)	÷.		-			×	×
Refuse removal			-	3-0	*	-				÷	
Other			-	-	-	-		(m)			
sub-tota	1		762.93		1 001.88	1 001.88	1 001.88	13.1%	1 132.87	1 286.78	1 033.24
VAT on Services		-	144.44	-	150.28	150.28	150.28	21.6%	145.42	193.02	202.09
otal small household bill:		-	907.37	-	1 152.16	1 152.16	1 152.16	10.9%	1 278.29	1 479.80	1 235.33
% increase/-decrease		5	-	(100.0%)	1102.10	-	-	recend	10.9%	15.8%	(16.5%)
	1 1			(1001070)	-	-			19.070	10.070	(10.370

1.5 Operating Expenditure Framework

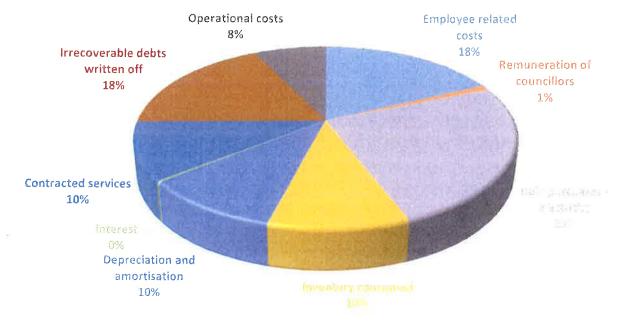
The Municipality's expenditure framework for the 2023/24 MTREF budget is informed by the following factors:

- The repairs and maintenance backlogs.
- Funding of the budget over the medium-term as informed by section 18 and 19 of MFMA.
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the 2023/24 budget and MTREF (classified per main type of operating expenditure):

Description	Ref	2019/20	2020/21	2021/22		Current Ye	ar 2022/23		ledium Term R enditure Frame		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure			-								
Employee related costs	2	642 949	711 929	686 188	744 037	742 907	742 907	524 163	783 171	824 354	867 936
Remuneration of councillors	1	34 575	36 496	34 189	39 456	39 456	39 456	27 845	41 586	43 832	46 199
Bulk purchases - electricity	2	691 073	746 597	874 375	1 088 924	1 088 924	1 088 924	277 176	1 109 287	1 130 030	1 151 162
Inventory consumed	8	32 436	42 048	38 391	484 125	484 125	484 125	33 976	440 738	440 738	445 146
Debt impairment	3	11 573	(4 252)	18 030		÷	-	2	44		
Depreciation and amortisation		411 946	417 553	383 480	440 000	440 000	440 000	272 329	440 000	440 000	440 000
Interest		79 009	74 477	117 080	10 123	10 123	10 123	952	10 711	11 235	11 764
Contracted services		234 969	250 964	335 867	435 466	463 857	463 857	202 025	449 843	470 759	493 070
Transfers and subsidies			3	a l			-				
Irrecoverable debts written off		835 012	1 149 480	1 284 786	788 344	788 344	788 344	375 947	788 344	788 344	788 344
Operational costs		143 700	211 237	216 986	225 054	277 926	277 926	168 715	325 462	340 197	354 790
Losses on disposal of Assels		16 111	12 257	19 270							*
Other Losses		300	7 440	2 575					1.60		
Total Expenditure		3 133 651	3 656 226	4 011 218	4 255 531	4 335 663	4 335 663	1 883 129	4 389 142	4 489 490	4 598 411

Table 10 Summary of operating expenditure by standard classification item



The budget allocation for **employee related costs** (including remuneration of councillors) for the 2023/24 financial year totals R 824.76 million, which is 18 % of the total operating expenditure. Employee Salaries and Allowances will increase in line with the 3 year Bargaining Council agreement. The remuneration of Councilors will increase.

The cost associated with **the remuneration of councilors** is determined by the Minister of Cooperative 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 expected collection rate of **70%** and the writing off of interest on outstanding debtors. Adherence to the debt collection policy is monitored continuously through the year. The collection of outstanding debt and increasing the payment rate of consumers will again be one of the main priorities for the 2023/24 budget year. While this expenditure is considered 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 of asset consumption. Budget appropriations in this regard totals R 440 million for the 2023/24 financial year and equates to 10% of the total operating expenditure. The Municipality has fully implemented GRAP 17. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges amounts to R 10.71 million and decreases as loans is settled.

Bulk purchases are directly informed by the purchases of electricity from Eskom and water from Midvaal. The cost incurred to provide those services have been factored into the budget appropriations and directly inform the revenue provisions.

Contracted Services will increase to R 449.84 million from the increased base set after the 2022/23 adjustment budget. As part of the compilation of the 2023/24 MTREF, management critically evaluated this group of expenditure. The municipality had tabled a Cost Containment Policy to enforce operational efficiencies.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Departments were requested to submit zero based budgets with the necessary proof of evidence. Increases that were not supported by the necessary proof of evidence were also limited.

Find below explanations for increases in excess of 6%.

Water Bulk Purchases increases with 5.9% subject to the increase of Midvaal.

Provision for the urgent challenges that the water and sewer sections faced with maintenance of infrastructure. Provision is also made for the repair and maintenance of the road infrastructure as well.

The provision for Debt Impairment has been increased compared to the previous year's budget and in line with the 2023/24 mid-year assessment. The debt impairment is calculated at a 70% collection rate.

1.5.1 Priority given to Repairs and Maintenance.

According to the 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.

Repair and Maintenance at less than 4% of the operational budget is below the national norm of 8%. One must note that it only includes material, outsourced services, and exclude the salaries and vehicle charges associated with Repair and Maintenance. Considering these cost drivers, the following table (Table 11) is a consolidation of all the expenditures associated with repairs and maintenance:

During the compilation of the 2022/23 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the City's infrastructure and historic deferred maintenance.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Description	Ref	2019/20	2020/21	2021/22	Cu	rrent Year 2022	/23		2023/24 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year		
K Indusanu	1976	Outcome	Outcome	Outcome	Budget	Budget	Forecast	2023/24	+1 2024/25	+2 2025/26		
Repairs and maintenance expenditure I	by Asset Clas	s/Sub-class										
Infrastructure		66 413	45 791	92 816	156 185	186 094	186 094	196 887	206 891	216 643		
Roads Infrastructure	Ĩ	24 973	6 017	14 286	48 376	63 326	63 326	66 998	70 638	73 986		
Roads	÷.	24 878	5 833	14 034	47 744	62 444	62 444	66 065	69 303	72 560		
Road Structures	11											
Road Furniture		95	185	251	632	882	882	933	1 335	1 426		
Capital Spares												
Storm water Infrastructure		-	~	-		-	278	200				
Drainage Collection												
Storm water Conveyance	1											
Altenuation												
Electrical Infrastructure		29 346	35 985	45 970	69 691	86 691	86 691	91 719	96 213	100 736		
Power Plants												
HV Substations	-											
HV Switching Stalion												
HV Transmission Conductors			5									
MV Substations		335	217	330	278	778	778	823	864	904		
MV Switching Stations		1 636	1 139	3	115	115	115	122	128	134		
MV Networks												
LV Networks		27 374	34 629	45 637	69 298	85 798	85 798	90 774	95 222	99 697		
Capital Spares												

Table 11 Repairs and maintenance per asset class

Water Supply Infrastructure	9 985	2 292	25 146	17 565	15 765	15 765	16 679	17 496	18 319
Dams and Weirs Boreholes									
Reservoirs	1 169	13	945	3 494	3 494	3 494	3 697	3 878	4 060
Pump Stations				0.01					
Water Treatment Works									
Bulk Mains									
Distribution	8 816	2 279	24 201	14 070	12 270	12 270	12 982	13 618	14 258
Distribution Points									
PRV Stations Capital Spares									
Sanitation Infrastructure	2 110	1 496	7 415	20 553	20 312	20 312	21 490	22 543	23 603
Pump Station							2. 100		10 000
Reliculation	1 790	1 432	5 540	10 903	10 662	10 662	11 281	11 833	12 390
Waste Water Treatment Works	320	64	1 875	9 650	9 650	9 650	10 210	10 710	11 213
Outfall Sewers									
Toilet Facilities									
Capital Spares		4 700		10.000	40.000		E	17.00	4
Community Assets Community Facilities	9 124 5 602	1 768 649	2 500	13 208 6 181	13 928 6 901	13 928 6 901	17 175		
Halls	5 002	049	415	0 101	0 901	0 901	5 0 3 0	5 400	551
Centres									
Crèches									
Clinics/Care Centres									1
Fire/Ambulance Stations									
Testing Stations				1					
Museums	34	39	28	104	119	119	1 012	1 062	1 11
Galleries Theatres		i i							
Libraries	857	208	417	980	985	985	1 911	1 969	2 066
Cemeteries/Crematoria	3 696	175	(209)	3 916	4 616	4 616	4 884	5 123	
Police			()						
Parks								1	
Public Open Space	-	195	-	4	4	4	5	5	ŧ
Nature Reserves	28		90	505	505	505	535	561	587
Public Ablution Facilities									
Markets Stalls	986	226	89	672	672	672	711	746	781
Abaltoirs									
Airports									
Taxi Ranks/Bus Terminals		1					-		
Capital Spares									
Sport and Recreation Facilities	3 522	1 120	2 085	7 026	7 026	7 026	8 119	8 517	8 917
Indoor Facilities	737	147	670	2 330	2 330	2 330	2 505	2 627	2 751
Ouldoor Facilities	2 785	973	1 415	4 696	4 696	4 696	5 614	5 889	6 166
Capital Spares									
Heritage assets	173	163	79	168	188	188	199	208	218
Monuments									
Historic Buildings									
Works of Art Conservation Areas	- 170	-	-	-	400	-	-	- 000	040
Other Heritage	173	163	79	168	188	188	199	208	218
	4 625	4.075	4 424	5 407	7 505	7 505	0.020	44.007	40.040
Other assets	1 635	1 075	1 131	5 127	7 505	7 505	9 930	11 667	12 313
Operational Buildings	1 635	1 075	1 131	5 127	7 505	7 505	9 930	11 667	12 313
Municipal Offices	1 613	1 042	1 102	5 070	7 448	7 448	9 870	11 604	12 247
Pay/Enquiry Points									1
Building Plan Offices									
Workshops	19	26	26	48	48	48	51	53	56
	13	20	20	40	40	48	51	53	00
Yards									
Stores	3	8	2	9	9	9	10	10	11
Laboratories									
Training Centres									
Manufacturing Plant	U								
Depots									
Capital Spares									1

R&M as % Operating Expenditure		4.5%	3.4%	2.9%	5.3%	6.0%	6.0%	-44.7%	6.6%	6.8%
R&M as a % of PPE	11	2.9%	-22.1%	-18.7%	2253.1%	2597.4%	2597.4%	-44.7%	2931.0%	3065.7%
Total Repairs and Maintenance Expenditure	1	141 223	125 569	115 619	223 989	258 213	258 213	276 266	291 378	304 76
Zoological plants and animals										
Policing and Protection								1.1		
Immature		14		5	1.0	2	5			
Zoological plants and animals							_			
Policing and Protection										
Mature		(3)		*			*	э.	ж	
Living resources		31	8		5 %)		<u></u>	a.	Υ.	2
Transport Assets		35 174	50 418	2 557	15 894	15 814	15 814	15 022	15 713	16 01
Transport Assets		35 174	50 418	2 557	15 894	15 814	15 814	15 022	15 713	16 01
Machinery and Equipment		16 942	7 212	11 385	24 213	24 233	24 233	25 639	26 942	28 21
Machinery and Equipment		16 942	7 212	11 385	24 213	24 233	24 233	25 639	26 942	28 21
Furniture and Office Equipment		413	243	427	1 199	2 216	2 216	2 702	2 834	2 96
Furniture and Office Equipment		413	243	427	1 199	2 216	2 216	2 702	2 834	2 96
Computer Equipment		(2 589)	1 835	3 389	4 065	4 <mark>065</mark>	4 065	4 300	<mark>4 5</mark> 11	4 72
Computer Equipment		(2 589)	1 835	3 389	4 065	4 065	4 065	4 300	4 511	4 72
Unspecified	1									
Load Settlement Software Applications	11									
Computer Software and Applications		13 937	17 063	1 337	3 931	4 171	4 171	4 413	4 629	4 84
Solid Waste Licenses								-		
Effluent Licenses						- · · · ·				
Licences and Rights Waler Rights		13 937	17 063	1 337	3 931	4 171	4 171	4 413	4 629	4 84
Servitudes		10.000								
Intangible Assets	11	13 937	17 063	1 337	3 931	4 171	4 171	4 413	4 629	4 84

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 the free services, the households are required to register in terms of the City's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in MBRR A10 (Basic Service Delivery Measurement)

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

1.6 Capital Expenditure

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

Vote Description	Ref	2019/20	2020/21	2021/22		Current Ye	ear 2022/23			Aedium Term R enditure Frame	
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 01 - Public Safety			- 19 A	- 14 A			10				
Vote 02 - Health Services	11		-		-	100	390	-	-		-
Vote 03 - Community Services			54 S				197	<u> </u>		2	
Vote 04 - Housing		-	20				300				
Vote 05 - Sport Arts And Culture		8 994	12 193	25 390	10 431	10 431	10 431	3 283	<u></u>		10 431
Vote 06 - Council General							100				-
Vote 07 - Civil Engineering	E	18 494	49 600	50 195	57 182	61 004	61 004	15 766	124 937	109 596	61 004
Vote 08 - Water Section		40 876	18 037	22 577	28 715	32 680	32 680	4 094	48 630	50 000	32 680
Vote 09 - City Electrial Engineering		15 906	43 537	13 093	33 544	33 544	33 544	13 322	1 732		33 544
Vote 10 - Corporate Governane						-			-	-	-
Vote 11 - Budget And Treasury Office		×	-		-	-	140		-		
Vote 12 - Cleansing		: <u> </u>		÷	10 447	12 626	12 626	-	÷		12 626
Vote 13 - Sew erage		5 563	35 389	10 500	21 535	11 569	11 569	406	16 170	25 000	11 569
Vote 14 - Market		2 888	6 126	13 678	8 064	8 064	8 064	1 546			8 064
Vote 15 - Other			-				-	Ξ.		-	-
Capital multi-year expenditure sub-total	7	92 721	164 882	135 433	169 918	169 918	169 918	38 417	191 469	184 596	169 918
Single-year expenditure to be appropriated	2										
Vote 01 - Public Safety		-	-	-	3 000	3 000	3 000	1 132	=	-	-
Vote 02 - Health Services	11	-			÷ .	-	9		2	-	
Vote 03 - Community Services	1.1	-	-	-	-	-	-	-		-	-
Vote 04 - Housing			÷ .	-	6 000	6 000	6 000	-	2		
Vote 05 - Sport Arts And Culture		-	÷	=	-	1	-	-	-		-
Vote 06 - Council General		(0)	-	=	11 300	24 889	24 889	3 900	30 000	1	-
Vote 07 - Civil Engineering		14	-		-	5	=	=	-	-	-
Vote 08 - Water Section		(H)	8 672	1 750	-	-	-	=			
Vote 09 - City Electrial Engineering		297	14 604	11 516	22 000	22 000	22 000	3 960	-		-
Vote 10 - Corporate Governane				-	520	520	520		-		-
Vote 11 - Budget And Treasury Office		4 863	-	1.2	3 000	3 025	3 025	2 876	÷		
Vole 12 - Cleansing		(e).	-	-	*		-	-	-	0.00	-
Vote 13 - Sew erage			3 314	3 841	-	8	<u>=</u>	2	÷.,	125	(e)
Vote 14 - Market		2 2 3	-		1 300	1 300	1 300	-	-	-	
Vole 15 - Other		(iii)		121	12	2	2	14	142	1	<u>_</u>
Capital single-year expenditure sub-total		5 160	26 590	17 107	47 120	60 734	60 734	11 868	30 000	-	-
Total Capital Expenditure - Vote		97 881	191 473	152 541	217 038	230 651	230 651	50 285	221 469	184 596	169 918

Table 12 2023/24 Medium-term capital budget per vote

For 2023/24, an amount of R191 million is being appropriated for the development of infrastructure.

New assets represent 100 per cent or R 191million of the total capital budget while no provision was made for asset renewal. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital program relating to new asset construction, as well as operational repairs and maintenance by asset class

1.7 Annual Budget Tables.

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2023/24 MTREF budget for approval by the Council. Explanatory notes accompany each table on the facing page.

Table 13 MBRR Table A1 - Budget Summ	ary
NW403 City Of Matlosana - Table A1 Budget Summary	

Description	2019/20	2020/21	2021/22		Current Ye	ar 2022/23		2023/24 Medium Term Revenue & Expenditure Framework			
R thousands	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 Yea +2 2025/26	
Financial Performance											
Property rates	334 343	425 503	451 441	507 345	532 836	532 836	315 341	561 076	588 569	616 232	
Service charges	1 636 099	1 766 526	1 901 216	2 308 170	2 205 332	2 205 332	1 328 623	2 376 772	2 507 997	2 646 488	
Investment revenue	16 545	8 060	10 685	9 270	9 270	9 270	9 810	9 761	10 239	10 720	
Transfer and subsidies - Operational	443 368	530 448	511 231	561 824	561 978	561 978	543 742	616 921	668 873	721 53	
Other own revenue	419 051	869 728	821 241	633 244	684 977	684 977	428 993	722 053	755 650	788 913	
Total Revenue (excluding capital transfers and	2 849 406	3 600 265	3 695 815	4 019 854	3 994 393	3 994 393	2 626 510	4 286 582	4 531 329	4 783 889	
contributions)											
Employ ee costs	642 949	711 929	686 188	744 037	742 907	742 907	524 163	783 171	824 354	867 930	
Remuneration of councillors	34 575	36 496	34 189	39 456	39 456	39 456	27 845	41 586	43 832	46 199	
Depreciation and amortisation	411 946	417 553	383 480	440 000	440 000	440 000	272 329	440 000	440 000	440 00	
Finance charges	79 009	74 477	117 080	10 123	10 123	10 123	952	10 711	11 235	11 76	
Inventory consumed and bulk purchases	723 508	788 646	912 766	1 573 049	1 573 049	1 573 049	311 152	1 550 025	1 570 769	1 596 30	
Transfers and subsidies	4 044 004	4 007 405	1.077 544	4 440 005	4 600 400	4 600 400	740 007	4 503 040	1 500 200	1 000 000	
Other expenditure	1 241 664 3 133 651	1 627 125	1 877 514 4 011 218	1 448 865	1 530 128	1 530 128	746 687 1 883 129	1 563 649 4 389 142	1 599 300 4 489 490	1 636 205	
Total Expenditure Surplus/(Deficit)	(284 245)	3 656 226 (55 960)	4 011 218 (315 403)	4 255 531 (235 677)	4 335 663 (341 271)	4 335 663 (341 271)	743 381	4 389 142 (102 560)		4 598 41	
Transfers and subsidies - capital (monetary	(204 240)	(00 000)	(510 400)	(233 017)	(341 271)	(341 27 ()	140-001	(102.000)	41.030	103 470	
	100 707	400.554	450.044	400.040	100 010	100 010	44.000	191 469	100 440	400.00	
allocations)	123 785	189 551	156 811	169 918	169 918	169 918	44 686	191 469	189 116	188 92	
Transfers and subsidies - capital (in-kind)	=				-		700.007	00.010	-	071.107	
Surplus/(Deficit) after capital transfers &	(160 460)	133 590	(158 592)	(65 759)	(171 353)	(171 353)	788 067	88 910	230 955	374 402	
contributions											
Share of Surplus/Deficit attributable to Associate	-			240	÷	-		2e		-	
Surplus/(Deficit) for the year	(160 460)	133 590	(158 592)	(65 759)	(171 353)	(171 353)	788 067	88 910	230 955	374 402	
Capital expenditure & funds sources											
Capital expenditure	97 881	191 473	152 541	217 038	230 651	230 651	56 932	221 469	184 596	169 918	
Transfers recognised - capital	92 721	184 304	145 097	169 918	169 918	169 918	45 064	191 469	184 596	169 918	
Borrowing	2			: 	2			5 2 3	12	-	
Internally generated funds	5 160	7 169	7 444	47 120	60 734	60 734	11 868	30 000	122	1 12	
Fotal sources of capital funds	97 881	191 473	152 541	217 038	230 651	230 651	56 932	221 469	184 596	169 918	
financial position											
Total current assets	894 372	2 061 897	1 866 240	1 314 681	1 377 234	1 377 234	2 877 979	494 202	1 371 283	1 213 014	
Total non current assets	4 958 906	5 390 070	5 565 160	5 066 938	5 080 552	5 080 552	5 349 543	4 109 658	3 797 751	3 819 204	
Total current liabilities	2 259 045	4 678 189	4 033 788	1 831 731	2 358 633	2 358 633	4 474 986	390 006	845 003	547 973	
Total non current liabilities	10		1.00	100			(2.)	5	1.5	(e)	
Community wealth/Equity	4 091 272	4 103 042	3 686 458	4 167 993	4 062 399	4 062 399	4 011 542	4 251 778	4 393 823	4 578 899	
Cash flows	1 700 010						4 450 407	00.074	500 700	1.051.175	
Net cash from (used) operating	1 706 919	1 094 533	2 152 140	59 754	59 754	59 754	1 459 107	88 274	538 732	1 951 178	
Net cash from (used) investing	(2.020)	(140 342)	(152 541)	(217 005)	(217 038)	(217 038)	(49 739)	(221 469)	(184 596)	(0	
Net cash from (used) financing Cash/cash equivalents at the year end	(2 839) 1 651 660	817 804	1 804 197	1 500 155 104	153 572	153 572	1 409 368	(108 957)	245 180	(15 2 196 342	
Service 100 - 100	1 001 000	01/ 604	1 604 197	155 104	100 072	103 072	1 409 300	(106.957)	243 100	2 190 342	
ash backing/surplus reconciliation									1 10- 000		
Cash and investments available	5 035 881	7 102 563	5 152 362	5 698 293	5 726 706	5 726 706	5 909 102	4 038 013	4 477 671	4 342 858	
Application of cash and investments	957 813	3 440 786	997 238	959 592	1 470 396	1 470 396	897 673 5 011 429	(420 025)	(67 667)		
Balance - surplus (shortfall)	4 078 068	3 661 777	4 155 124	4 738 700	4 256 310	4 256 310	5 011 429	4 458 037	4 545 338	4 732 839	
Asset management Asset register summary (WDV)	4 958 906	5 390 070	5 565 160	5 066 906	5 080 519	5 080 519	4 109 625	3 797 718	3 819 171		
Depreciation	4 930 900	417 553	383 480	440 000	440 000	440 000	440 000	440 000	440 000	1 2	
Renewal and Upgrading of Existing Assets	6 253	22 368	19 161	16 130	15 664	15 664	440 000	440 000	9 664		
Repairs and Maintenance	141 223	125 569	115 619	223 989	258 213	258 213	276 266	291 378	304 765	ಿನ ಸಿಕ್ಟ್	
ree services											
Cost of Free Basic Services provided	129 407	123 888	174 701	204 237	204 237	204 237	166 182	175 756	185 882	1.00	
Revenue cost of free services provided	93 314	131 391	142 242	93 004	93 004	93 004	97 933	102 732	107 560	14	
Households below minimum service level					/						
Water:	22	- 1	-	_	- 1	-	-	-	-	-	
Sanitation/sew erage:	5	5	-	5	5	5	5	5	5	-	
Energy	168	180		20	20	20	20	20	21		

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 emphasize 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 negative due to non-cash item (provision for bad debts and depreciation).
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized 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 our investments. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.
- 4. 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 provide by the municipality continues to increase, even though the revenue cost of free services provided by the municipality continues to decrease.

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Cu	rrent Year 2022	/23		ledium Term R Inditure Frame	
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26
Revenue - Functional										
Governance and administration	11	888 340	1 031 368	1 103 392	1 220 631	1 268 994	1 268 994	1 360 784	1 450 130	1 539 703
Executive and council		2 215	(5 518)	952	2 829	2 7 2 9	2 729	2 661	2 692	2 72
Finance and administration		886 126	1 036 886	1 102 440	1 217 802	1 266 266	1 266 266	1 358 123	1 447 438	1 536 97
Internal audit		121			22	<u> </u>	220	122	2	
Community and public safety		49 089	473 455	325 340	99 627	81 846	81 846	72 218	75 998	91 45
Community and social services		10 393	408 869	263 727	4 350	4 529	4 529	4 729	4 892	4 89
Sport and recreation	-	11 904	14 670	29 670	14 872	14 872	14 872	710	2 745	16 80
Public salety		26 793	49 916	28 136	33 404	32 444	32 444	31 778	33 361	34 76
Housing	11	=	-	3 808	47 000	30 000	30 000	35 000	35 000	35 00
Health		-	2				-			_
Economic and environmental services	11	31 775	67 003	70 959	57 038	57 038	57 038	38 015	41 046	71 22
Planning and development	1.8	8 789	9 354	9 993	10 763	10 763	10 763	11 846	11 822	12 36
Road transport		22 806	57 432	60 814	46 065	46 065	46 065	25 948	28 992	58 62
Environmental protection		180	216	152	210	210	210	221	232	23
Trading services		1 979 517	2 188 481	2 316 072	2 785 219	2 728 446	2 728 446	2 984 087	3 127 199	3 239 03
Energy sources	8.8	852 666	953 143	1 017 620	1 209 703	1 178 456	1 178 456	1 209 534	1 279 902	1 366 47
Water management		789 206	851 987	879 796	1 018 229	998 532	998 532	1 052 461	1 093 857	1 177 63
Waste water management		122 421	157 705	143 840	207 797	187 605	187 605	253 267	252 240	218 60
Waste management		215 225	225 646	274 817	349 489	363 853	363 853	468 826	501 201	476 32
Other	4	24 470	29 510	36 863	27 258	27 986	27 986	22 947	26 072	31 39
fotal Revenue - Functional	2	2 973 191	3 789 816	3 852 626	4 189 772	4 164 310	4 164 310	4 478 052	4 720 445	4 972 81
xpenditure - Functional										
Governance and administration		846 953	830 185	1 206 014	746 226	727 018	727 018	756 711	783 681	812 05
Executive and council		266 471	364 934	279 619	431 089	401 261	401 261	421 020	438 341	456 28
Finance and administration		575 752	460 849	922 698	309 136	319 756	319 756	329 366	338 675	348 75
Internal audit		4 729	4 401	3 697	6 001	6 001	6 001	6 326	6 665	7 02
Community and public safety		281 747	292 433	296 946	383 563	395 854	395 854	428 327	454 269	479 90
Community and social services		69 295	77 826	63 816	116 557	119 289	119 289	125 845	130 525	135 43
Sport and recreation		90 757	80 865	90 892	100 852	101 952	101 952	113 249	121 906	131 46
Public safety		120 913	119 336	138 930	159 088	161 298	161 298	170 883	182 581	192 83
Housing		642	4 777	3 206	6 903	13 153	13 153	18 179	19 077	19 98
Health		140	9 629	101	162	162	162	171	180	18
Economic and environmental services		220 630	238 232	246 223	284 751	293 197	293 197	300 139	311 765	321 13
Planning and development		50 475	51 817	84 720	69 467	69 412	69 412	74 293	78 246	82 39
Road transport		168 949	122 989	161 979	213 300	221 801	221 801	223 759	231 322	236 43
Environmental protection	1	1 206	63 427	(476)	1 984	1 984	1 984	2 088	2 197	2 31
Trading services		2 120 152	2 654 534	2 700 663	2 501 039	2 924 742	2 924 742	2 982 230	3 048 247	3 118 60
Energy sources		918 134	1 307 545	1 148 407	1 629 984	1 695 472	1 695 472	1 743 840	1 768 333	1 795 16
Water management		814 353	956 130	1 046 263	417 355	750 150	750 150	775 329	801 408	828 77
Waste water management		172 300	200 452	218 936	200 674	224 594	224 594	232 902	239 857	247 29
Waste management		215 366	190 406	287 057	253 026	254 526	254 526	230 159	238 649	247 37
Other	4	44 800	34 664	24 043	25 948	25 990	25 990	27 550	29 212	31 020
otal Expenditure - Functional	3	3 514 282	4 050 048	4 473 890	3 941 528	4 366 801	4 366 801	4 494 958	4 627 174	4 762 733
urplus/(Deficit) for the year		(541 091)	(260 232)	(621 264)	248 244	(202 491)	(202 491)	(16 906)	93 271	210 081

NW403 City Of Matlosana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

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.
- Note the Total Revenue on this table includes capital revenues (Transfers recognized capital).

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2019/20	2020/21	2021/22	Cu	rrent Year 2022	/23		fedium Term R enditure Frame	
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Yea
i i i ou saitu		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2023/24	+1 2024/25	+2 2025/26
Revenue by Vote	1									
Vote 01 - Public Safety		27 806	97 138	44 033	33 404	32 444	32 444	31 778	33 361	34 761
Vote 02 - Health Services		-	-		1	5			-	-
Vote 03 - Community Services		1 879	3 137	2 586	3 485	3 485	3 485	3 669	3 849	3 866
Vote 04 - Housing		4 129	4 497	9 011	52 753	35 753	35 753	41 058	41 355	41 633
Vole 05 - Sport Arts And Culture		19 584	373 396	275 066	15 947	16 126	16 126	1 992	4 020	18 062
Vote 06 - Council General		2 053	(7 501)	(338)	400	400	400	421	442	463
Vote 07 - Civil Engineering		27 466	62 289	65 603	51 074	51 074	51 074	31 735	34 458	64 358
Vote 08 - Water Section	1.4	789 206	851 987	879 796	1 018 229	998 532	998 532	1 052 461	1 093 857	1 177 634
Vote 09 - City Electrial Engineering	11	852 666	953 143	1 017 620	1 209 703	1 178 456	1 178 456	1 209 534	1 279 902	1 366 474
Vote 10 - Corporate Governane	11	162	1 983	1 290	2 429	2 329	2 329	2 240	2 250	2 261
Vote 11 - Budget And Treasury Office		886 126	1 036 886	1 102 440	1 217 802	1 266 266	1 266 266	1 358 123	1 447 438	1 536 979
Vote 12 - Cleansing		215 225	225 646	274 817	349 489	363 853	363 853	468 826	501 201	476 326
Vole 13 - Sew erage		122 421	157 705	143 840	207 797	187 605	187 605	253 267	252 240	218 601
Vote 14 - Markel		24 470	29 510	36 863	27 258	27 986	27 986	22 947	26 072	31 394
Vote 15 - Other		1	1	1	1	1	1	1	1	1
Total Revenue by Vote	2	2 973 191	3 789 816	3 852 626	4 189 772	4 164 310	4 164 310	4 478 052	4 720 445	4 972 814
Expenditure by Vote to be appropriated	1									
Vote 01 - Public Safety		169 987	242 473	218 020	257 081	259 159	259 159	272 783	288 344	302 373
Vote 02 - Health Services		9 088	32 343	8 360	10 356	10 356	10 356	10 899	11 426	11 969
Vote 03 - Community Services		100 069	124 751	79 256	109 146	112 491	112 491	114 399	118 565	122 906
Vole 04 - Housing	11	15 399	17 593	17 487	32 445	38 445	38 445	46 065	48 363	50 729
Vote 05 - Sport Arts And Culture		76 839	79 489	53 658	89 131	92 587	92 587	102 085	105 997	110 122
Vote 06 - Council General		136 779	173 056	151 963	271 610	234 853	234 853	247 884	258 318	269 048
Vote 07 - Civil Engineering		191 383	146 533	219 092	241 648	250 343	250 343	253 720	262 868	269 636
Vote 08 - Water Section	11	820 257	961 313	1 050 747	422 781	755 577	755 577	781 075	807 494	835 219
Vote 09 - City Electrial Engineering		941 766	1 334 458	1 174 884	1 662 842	1 728 329	1 728 329	1 782 851	1 814 647	1 850 150
Vote 10 - Corporate Governane		53 460	55 114	56 549	63 375	73 466	73 466	79 146	83 168	87 445
Vole 11 - Budget And Treasury Office		562 739	452 125	911 048	295 216	299 836	299 836	308 321	316 555	325 535
Vote 12 - Cleansing		216 921	192 003	288 952	255 064	256 564	256 564	232 304	240 907	249 751
Vote 13 - Sewerage		168 479	196 135	214 452	195 252	219 172	219 172	226 131	231 467	236 962
Vote 14 - Market		42 508	32 021	21 364	22 852	22 894	22 894	23 939	24 994	26 090
Vote 15 - Other		8 608	10 641	8 059	12 730	12 730	12 730	13 357	14 062	14 798
otal Expenditure by Vote	2	3 514 282	4 050 048	4 473 890	3 941 528	4 366 801	4 366 801	4 494 958	4 627 174	4 762 733
Surplus/(Deficit) for the year	2	(541 091)	(260 232)	(621 264)	248 244	(202 491)	(202 491)	(16 906)	93 271	210 081

NW403 City Of Matlosana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

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 organizational structure of the Municipality.

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Description	Ref	2019/20	2020/21	2021/22		Current Ye	ar 2022/23			ledium Term F enditure Frame	
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	782 325	854 446	957 447	1 127 210	1 084 563	1 084 563	605 011	1 142 045	1 202 573	1 266 309
Service charges - Water	2	603 946	6 <mark>53 812</mark>	650 602	7 <mark>83 676</mark>	743 676	7 <mark>43 676</mark>	<mark>497 310</mark>	787 552	834 018	883 22
Service charges - Waste Water Management	2	<mark>112 787</mark>	118 205	1 <mark>25 356</mark>	173 864	153 673	153 673	94 826	162 319	171 453	181 10
Service charges - Wasle Management	2	137 040	140 063	167 812	223 421	223 421	223 421	131 475	284 856	299 953	315 85
Sale of Goods and Rendering of Services		5 458	7 246	6 384	8 360	8 610	8 610	4 866	9 021	9 463	9 46
Agency services					- E.					9	
Interest											
Interest earned from Receiv ables		322 034	383 189	461 282	467 848	530 914	530 914	358 963	559 052	586 446	614 00
Interest earned from Current and Non Current As		16 545	8 060	10 685	9 270	9 270	9 270	9 810	9 761	10 239	10 72
Dividends											
Rent on Land											
Rental from Fixed Assets		13 747	365 557	251 709	8 105	8 833	8 833	5 868	9 300	9 756	10 215
Licence and permits		6 146	8 749	7 871	9 965	8 899	8 899	5 518	8 909	9 346	9 78
Operational Revenue		32 743	46 412	42 360	87 769	70 669	70 669	27 285	77 620	79 609	81 611
Non-Exchange Revenue											
Property rates	2	334 343	425 503	451 441	507 345	532 836	532 836	315 341	561 076	588 569	616 232
Surcharges and Taxes		•	•		229	229	229		241	253	264
Fines, penalties and forfeits		8 099	24 737	7 356	4 523	4 523	4 523	2 351	3 104	3 189	3 278
Licences or permits		203	479	152	419	300	300	221	50	150	150
Transfer and subsidies - Operational		443 368	530 448	511 231	561 824	561 978	561 978	543 742	616 921	668 873	721 536
Interest		30 442	40 881	43 424	46 027	52 000	52 000	23 912	54 756	57 439	60 139
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets			(9 489)	(2 164)							1
Other Gains		180	1 967	2 865				9	14		
Discontinued Operations		100	1 007	2 000							
Total Revenue (excluding capital transfers and		2 849 406	3 600 265	3 695 815	4 019 854	3 994 393	3 994 393	2 626 510	4 286 582	4 531 329	4 783 889
Expenditure								2 020 010			1100 000
Employee related costs	2	642 949	711 929	686 188	744 037	742 907	742 907	524 163	783 171	824 354	867 936
Remuneration of councillors		34 575	36 496	34 189	39 456	39 456	39 456	27 845	41 586	43 832	46 199
Bulk purchases - electricity	2	691 073	746 597	874 375	1 088 924	1 088 924	1 088 924	277 176	1 109 287	1 130 030	1 151 162
Inventory consumed Debt impairment	8	32 436 11 573	42 048	38 391 18 030	484 125	484 125	484 125	33 976	440 738	440 738	445 146
Depreciation and amortisation	3	411 946	(4 252) 417 553	383 480	440 000	440 000	440 000	272 329	440 000	440 000	440 000
Interest		79 009	74 477	117 080	10 123	10 123	10 123	952	10 711	11 235	11 764
Contracted services		234 969	250 964	335 867	435 466	463 857	463 857	202 025	449 843	470 759	493 070
Transfers and subsidies		1.60	(#)	*	× .	<u>x</u>		×	- SK		
irrecoverable debts written off		835 012	1 149 480	1 284 786	788 344	788 344	788 344	375 947	788 344	788 344	788 344
Operational costs Losses on disposal of Assets		143 700 16 111	211 237	216 986 19 270	225 054	277 926	277 926	168 715	325 462	340 197	354 790
Other Losses		300	12 257 7 440	2 575							
Total Expenditure		3 133 651	3 656 226	4 011 218	4 255 531	4 335 663	4 335 663	1 883 129	4 389 142	4 489 490	4 598 411
Surplus/(Deficit)		(284 245)	(55 960)	(315 403)	(235 677)	(341 271)	(341 271)	743 381	(102 560)	41 838	185 478
Transfers and subsidies - capital (monetary	6	123 785	189 551	156 811	169 918	169 918	169 918	44 686	191 469	189 116	188 925
Transfers and subsidies - capilal (in-kind)	6										
Surplus/(Deficit) after capital transfers &		(160 460)	133 590	(158 592)	(65 759)	(171 353)	(171 353)	788 067	88 910	230 955	374 402
contributions					1						
income Tax											
Surplus/(Deficit) after income tax		(160 460)	133 590	(158 592)	(65 759)	(171 353)	(171 353)	788 067	88 910	230 955	374 402
Share of Surplus/Deficit attributable to Joint Ventur Share of Surplus/Deficit attributable to Minorities	e										
Share of Surplus/Deficit attributable to Minorities		1160 4600	122 500	(159 502)	(65 760)	(174 353)	/174 2621	700 057	010	220.065	274 400
Surplus/(Deficit) attributable to municipality Share of Surplus/Deficit attributable to Associate	7	(160 460)	133 590	(158 592)	(65 759)	(171 353)	(171 353)	788 067	88 910	230 955	374 402
Intercompany/Parent subsidiary transactions	1										
Surplus/(Deficit) for the year	1	(160 460)	133 590	(158 592)	165 7501	1174 252	1174 3521	700 007	88 910	220.055	374 402
an provide on ordinal the Acai	1	(100 400)	133 330	(130 332)	(65 759)	(171 353)	(171 353)	788 067	00 310	230 955	J14 40Z

NW403 City Of Matlosana - Table A4 Budgeted Financial Performance (revenue and expenditure)

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

- 1. Total revenue is R 4.26 billion in 2023/24 and escalates to R 4.78 billion by 2025/26.
- 2. Revenue to be generated from property rates is R 561 million in the 2023/24 financial year and increases to R 616 million by 2025/26.
- 3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totaling R 2.37 billion for the 2023/24 financial year and increasing to R 2.64 billion by 2025/26.

Expenditure by major type

- 4. Bulk purchases have significantly increased over the 2013/14 to 2023/24 period escalating from R 1.10 billion to R 1.15 billion. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Midvaal Water.
- 5. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains.
- 6. Other expenditure is broken down on Table SA 1 for financial transparency.

Narrations A4

REVENUE

Description	2023/24 Medwm Term Revenue & Expenditure Framework	Narration
R thousand	Budget Year 2023/24	
Revenue		
Exchange Revenue		
Service charges - Electricity	1 142 045	Eskom increase of 5.9%, waiting for Nersa approval
Service charges - Water	787 552	Water increase withMidviaal, 5.9%, waiting for final increase confirmation
Service charges - Wasie Water Management	162 319	Increase with 5.3% as per MFMA circular 123 inflation expektations
Service charges - Waste Management	284 856	horease with 5.3% as per MFMA circular 123 inflation expexitations
Sale of Goods and Rendering of Services	9 02 1	Increase with 5.3% as per MIFMA circular 123 inflation expexiations
Interest earned from Receivables	559 052	Based on 2021/22 adjustment budget.
Interest earned from Current and Non Current Assets	9 761	Based on 2021/22 adjustment budget
Rental from Fixed Assets	9 300	increase with 5.3% as per MIFMA circular 123 inflation expexitations
Licence and permits	8 90 9	Increase with 5.3% as per MFMA circular 123 inflation expexitations
Operational Revenue	77 620	Increase with 5.3% as per MFMA circular 123 inflation expexitations
Non-Exchange Revenue	-	
Properly rates	561 076	Increase with inflation and based on adjustment budget increase of new residentiol developments
Surcharges and Taxes	241	In crease w⊰h 5 3% as per MFMA circular 123 in flation expextations
Fines, penalties and forfeits	3 104	Increase with 5 3% as per MFMA circular 123 inflation expexitations
Licences or permits	50	In crease with 5.3% as per MFMA circular 123 inflation expextations
Transfer and subsidies - Operational	616 921	As per theDORA
Interest	54 756	Increase with 5 3% as per MIFMA circular 123 inflation expexitations
Fuel Levy		
Operational Revienue		
Gains on disposal of Assets		
Other Gains		
Discontinued Operations		
Total Revenue (excluding capital transfers and	4 286 582	
contributions)		

EXPENDITURE

Description	2023/24 Medium Term Revenue & Expenditure Framework	Narration
R thousand	Budget Year 2023/24	
Expenditure		
Employ ee related costs	7 <mark>83 171</mark>	Based on a 6% increase as per SALGB agreement.
Remuneration of councillors	41 586	Based in 6% increase subject to upper limits.
Bulk purchases - electricity	1 109 287	Increase with 18.7% as approved by NERSA
Inventory consumed	<mark>440</mark> 738	Adjusted with inflation and as per Midvaal Water increase.
Debt impairment		N/A
Depreciation and amortisation	440 000	Based on the 2021/22 audit outcome.
Interest	10 711	Based on the 2021/22 audit outcome.
Contracted services	449 843	increased based on the outcome of the 2021/22 adjustment budget.
Transfers and subsidies		N/A
lrrecoverable debts written off	788 344	Increased based on 70% collection rate
Operational costs	325 462	
Total Expenditure	4 389 142	

Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2019/20	2020/21	2021/22		Current Ye	ar 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audiled Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26
Capital expenditure - Vote Multi-year expenditure to be appropriated	2										
Vote 01 - Public Safety	2										
Vote 02 - Health Services		8			-	1.00			8	-	
Vote 03 - Community Services											
		-			-		1		2	5	
Vole 04 - Housing Vote 05 - Sport Arts And Culture		8 994	12 193	15 200	10 424	10 404	40.424	2 002	7.		10.4
Vote 06 - Council General				25 390	10 431	10 431	10 431	3 283		-	10 4
		18 494	40 000	50.105	57 100	C4 004	C4 004	45 700	404.007	-	
Vote 07 - Civil Engineering Vote 08 - Water Section			49 600	50 195	57 182	61 004	61 004	15 766	124 937	109 596	61 0
		40 876	18 037	22 577	28 715	32 680	32 680	4 094	48 630	50 000	32.6
Vote 09 - City Electrial Engineering		15 906	43 537	13 093	33 544	33 544	33 544	13 322	1 732	-	33 5
Vote 10 - Corporate Governane		5	-	8	-		2.66		÷.	-	
Vole 11 - Budget And Treasury Office	11	-				-		-		-	
Vote 12 - Cleansing			-	-	10 447	12 626	12 626				12 6
Vote 13 - Sew erage	1 1	5 563	35 389	10 500	21 535	11 569	11 569	406	16 170	25 000	11 5
Vole 14 - Market		2 888	6 126	13 678	8 064	8 064	8 064	1 546	-		80
Vote 15 - Other	1	-	-				28			÷	
Capital multi-year expenditure sub-total	7	92 721	164 882	135 433	169 918	169 918	169 918	38 417	191 469	184 596	169 9
Single-year expenditure to be appropriated Vote 01 - Public Safety	2				2.000	3 000	3.000	4 400			
Vote 01 - Public Salety Vote 02 - Health Services		100			3 000	3 000	3 000	1 132	-		19
				- × ÷ .	20		-	-	-		
Vole 03 - Community Services			-	-		-	-	-	÷		1 2
Vote 04 - Housing		10 C		2	6 000	6 000	6 000	57.	2.2		1.1
Vote 05 - Sport Arts And Culture				7		04.000		(e) (e)	00.000	: e:	6
Vole 06 - Council General		(0)	-	-	11 300	24 889	24 889	3 900	30 000	(G)	2
Vote 07 - Civil Engineering			-		8	140	-		161	1.00	1 6
Vote 08 - Water Section		-	8 672	1 750	-	-	-	-	-	1.1	2
Vote 09 - City Electrial Engineering	11	297	14 604	11 516	22 000	22 000	22 000	3 960	1.77	:	
Vote 10 - Corporate Governane	11	5.775	-	-	520	520	520	R	(**)		3
Vote 11 - Budget And Treasury Office		4 863	~	-	3 000	3 025	3 025	2 876	8 6 3	2.24	14
Vote 12 - Cleansing	1	-	-	=		-	-	1420	(~	1	
Vote 13 - Sewerage	11	-	3 314	3 841		120		100		100	
Vote 14 - Market	11		18		1 300	1 300	1 300		(m)	280	13
Vote 15 - Other		-		-	~		-		-	28	
Capital single-year expenditure sub-total		5 160	26 590	17 107	47 120	60 734	60 734	11 868	30 000		
otal Capital Expenditure - Vote		97 881	191 473	152 541	217 038	230 651	230 651	50 285	221 469	184 596	169 91
apital Expenditure - Functional											
Governance and administration		4 863	-	-	14 820	28 434	28 434	6 776	30 000	1	
Executive and council		(0)	-	-	11 820	25 409	25 409	3 900	30 000		
Finance and administration		4 863	100	100	3 000	3 025	3 025	2 876	1.0	1.00	
Internal audit						1					
Community and public safety		8 994	12 193	25 390	19 431	19 431	19 431	4 415	: 🗩) (10 43
Community and social services		-	-	-	-	÷.	-	÷ (
Sport and recreation		8 994	12 193	25 390	10 431	10 431	10 431	3 283		100	10 43
Public safety		27.0	100	: T	3 000	3 000	3 000	1 132			-
Housing		1997 (-	3 - 2	6 000	6 000	6 000	-			
Health											
Economic and environmental services		18 494	49 600	50 195	57 182	61 004	61 004	15 766	124 937	109 596	61 00
Planning and development											
Road transport		18 494	49 600	50 195	57 182	61 004	61 004	15 766	124 937	109 596	61.00
Environmental protection											
Trading services		62 641	123 554	63 277	116 241	112 419	112 419	28 430	66 532	75 000	90 41
Energy sources		16 202	58 141	24 609	55 544	55 544	55 544	17 283	1 732		33 54
Water management		40 876	26 709	24 327	28 715	32 680	32 680	4 094	48 630	50 000	32 6
Waste water management		5 563	38 703	14 342	21 535	11 569	11 569	406	16 170	25 000	11 5
Waste management		1.27	521		10 447	12 626	12 626	6 648	-	-	12 6
Other		2 888	6 126	13 678	9 364	9 364	9 364	1 546	-		8 06
otal Capital Expenditure - Functional	3	97 881	191 473	152 541	217 038	230 651	230 651	56 932	221 469	184 596	169 9
nded by:											
National Government		92 721	184 304	145 097	169 918	169 918	169 918	45 064	191 469	184 596	160.0
Provincial Government		JEIEI	104 304	140.021	102 910	103,310	103 310	40 U04	131 409	104 990	169 9
District Municipality											
Transfers and subsidies - capital (in-kind)		-	3	-		5	2	~	-		
Transfers recognised - capital	4	92 721	184 304	145 097	169 918	169 918	169 918	45 064	191 469	184 596	169 9
Borrowing	6	8	81	-	÷.		-		-		2
Internally generated funds	110	5 160	7 169	7 444	47 120	60 734	60 734	11 868	30 000	=	
Serended Johnson											

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

- 1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (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 departments.
- 2. Single-year capital expenditure has been appropriated at R 221 million for the 2023/24 financial year and remains relatively constant over the MTREF at levels of R 184 million and R 169 million respectively for the two outer years.

Table 18 MBRR Table A6 - Budgeted Financial Position

NW 403 City Of Matlosana - Table A6 Budgeted Financial Position

Description R thousand	Ref	2019/20	2020/21	2021/22		Current Ye	ar 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
ASSETS											
Current assets	11										
Cash and cash equivalents	1	(136 386)	732 562	224 921	398 392	398 392	398 392	598 768	179 999	658 288	344 972
Trade and other receivables from exchange transactions	1	371 371	670 755	(904 783)	501 854	516 654	516 654	(306 272)	16 727	290 004	449 737
Receivables from non-exchange transactions	1	21 348	(147 674)	1 520 913	142 057	189 809	189 809	1 442 626	23 632	147 635	139 047
Current portion of non-current receivables		62	35	7	29	29	29	(12)	29	29	30
Inventory	2	45 765	33 479	38 725	40 233	40 233	40 233	59 722	41 747	43 261	44 790
VAT	11	555 029	734 896	947 974	195 040 1	195 040	195 040	1 044 596	195 040	195 040	196 991
Other current assets	1	37 185	37 842	38 482	37 076	37 076	37 076	38 551	37 026	37 026	37 447
Total current assets		894 372	2 061 897	1 866 240	1 314 681	1 377 234	1 377 234	2 877 979	494 202	1 371 283	1 213 014
Non current assets	1	_				-					
Investments	11										
Investment property		257 100	256 971	monnan	257 100	257 100	257 100	349 865	257 100	257 100	259 671
Property, plant and equipment	3	4 800 897	5 699 245	5 832 224	4 798 047	4 811 660	4 811 660	5 6 16 607	3 841 286	3 529 379	3 548 149
Biological assets								0 010 001	0 0 200		0010110
Living and non-living resources											
Hentage assets		(100 389)	(567 444)	(618 226)	9 941	9 941	9 941	(618 226)	9 941	9 941	10 041
Intangible assets		1 297	(307 444)	1 297	1 817	1 817	1 817	1 297	1 297	1 297	1 310
•											
Trade and other receivables from exchange transactions		(#C		-	33	33	33		33	33	33
Non-current receivables from non-exchange transactions											
Other non-current assels											
Total non current assets		4 958 906	5 390 070	5 565 160	5 066 938	5 080 552	5 080 552	5 349 543	4 109 658	3 797 751	3 819 204
TOTAL ASSETS LIABILITIES		5 853 278	7 451 967	7 431 400	6 381 620	6 457 786	6 457 786	8 227 522	4 603 860	5 169 034	5 032 218
Current liabilities									. ii		
	. 1										
Bank ov erdraft								1			
- nancia di Alla		1 614	(1 539)	(5 042)	2 000	2 000	2 000	(5 0 4 2)	2 000	2 000	2 020
Consumer deposils		59 930	61 754	64 143	94 930	94 930	94 930	65 589	97 430	99 930	100 929
Trade and other pay ables from exchange transactions	4	1 298 095	3 490 001	2 646 802	1 135 478	1 662 380	1 662 380	2 812 581	(308 101)	110 140	(192 290
Trade and other pay ables from non-exchange transaction	5	43 668	42 709	23 273	41 953	41 953	41 953	97 660	26 306	45 563	44 069
Provision		236 605	243 710	260 321	261 605	261 605	261 605	260 321	265 605	269 605	272 301
VAT		360 368	552 242	741 130	-	*	2	940 573	5 M (1
Other surrent liabilities		258 766	289 311	303 160	295 766	295 766	295 766	303 304	306 766	317 766	320 943
Total current liabilities	- 1	2 259 045	4 678 189	4 033 788	1 831 731	2 358 633	2 358 633	4 474 986	390 006	845 003	547 973
Non current liabilities		1									
Financial liabilities	6	83 274	48 848	42 018	81 274	81 274	81 274	35 040	81 274	81 274	82 087
Prov ision	7		100	5	\sim			25			
Long lerm portion of trade pay ables											
Other non-current liabilities											
Total non current liabilities				-		-		47		•	-
TOTAL LIABILITIES		2 259 045	4 678 189	4 033 788	1 831 731	2 358 633	2 358 633	4 474 986	390 006	845 003	547 973
NET ASSETS	1	3 594 233	2 773 778	3 397 612	4 549 889	4 099 153	4 099 153	3 752 536	4 213 854	4 324 031	4 484 245
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	4 091 272	4 103 042	3 686 458	4 167 993	4 062 399	4 062 399	4 011 542	4 251 778	4 393 823	4 578 899
Reserves and lunds	9	-	5	-			-			5	
Other									1		
OTAL COMMUNITY WEALTH/EQUITY	10	4 091 272	4 103 042								

Explanatory notes to Table A6 - Budgeted Financial Position

- 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. Table 53 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
- 4. 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.
- 5. 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.

Narration A6

NW403 City Of Matlosana - Table A6 Budgeted Financial Position

Description	2023/24 Medium Term Revenue & Expenditure Framework	Narration						
R thousand	Budget Year 2023/24							
ASSETS								
Current assets		E.						
Cash and cash equivalents	179 999	Inline with the 2021/22 audited outcome and the current year forecast						
Trade and other receivables from exchange transaction	16 727	Inline with the 2021/22 audited outcome and the current year forecast						
Receivables from non-exchange transactions	23 632	Increase in deblors based on 72% collection rate and old debt that needed to be written off.						
Current portion of non-current receiv ables	29	Inline with the 2021/22 audited outcome and the current year forecast						
Inventory	41 747	Inline with the 2021/22 audited outcome and the current year forecast						
VAT	195 040	Inline with the 2021/22 audited outcome and the current year forecast						
Other current assets	37 026	inline with the 2021/22 audiled outcome and the current year forecast						
Total current assets	494 202							
Non current assets	1							
investments		N/A						
Investment property	257 100	Inline with the 2021/22 audited outcome and the current year forecast						
Property, plant and equipment		Reduce as it depreciated and inline with						
Biological assets								
Living and non-living resources								
Herilage assets	9 941							
Intangible assets	1 297							
Trade and other receivables from exchange transactions		Inline with the 2021/22 audited outcome and the current year forecast						
Non-current receivables from non-exchange transaction	e	Inline with the 2021/22 audited outcome and the current year forecast						
Other non-current assets	1	······································						
Total non current assets	4 109 658							
TOTAL ASSETS	4 603 860							
LIABILITIES	1 000 000							
Current liabilities								
Bank overdraft	N/A							
Financial liabilities	2 000	Inline with the 2021/22 audiled oulcome and the current year forecast						
Consumer deposits	97 430	Inline with the 2021/22 addied outcome and the current year forecast						
Trade and other pay ables from exchange transactions	(308 101)	Inline with the 2021/22 addied outcome and the current year forecast						
Trade and other pay ables from non-ex change transaction	26 306	Inline with the 2021/22 addied outcome and the current year forecast						
Provision	265 605							
VAT	-	N/A						
Other current liabilities	306 766	Inline with the 2021/22 audited outcome and the current year forecast						
fotal current liabilities	390 006	ninne with the 2021/22 addied outcome and the current year lorecast						
Von current liabilities	390 000							
Financial liabilities	04 074	bling with the 2021/22 and tool and so and the summer of t						
	81 274	Inline with the 2021/22 audited outcome and the current year forecast						
Provision	Ξ.	N/A						
Long term portion of trade pay ables Other non-current liabilities		N/A						
		N/A						
otal non current liabilities								
OTAL LIABILITIES	390 006							
IET ASSETS	4 213 854	Inline with the 2021/22 audited outcome and the current year forecast						
COMMUNITY WEALTH/EQUITY								
Accumulated surplus/(deficit)	4 251 778							
Reserves and lunds	8 8 .	N/A						
Other		N/A						
OTAL COMMUNITY WEALTH/EQUITY	4 251 777 678							

Table 19 MBRR Table A7 - Budgeted Cash Flow Statement

SYSTEM GENERATED CASH FLOW (Data strings not aligned)

Description R thousand	Ref	2019/20 Audited Outcome	2020/21 Audited Outcome	2021/22 Audited Outcome		Current Ye	ar 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			
					Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts	1				1	-					
Property rates	1	4 158 960		419 718	365 289	365 289	365 289	515 434	392 753	420 430	3 030 000
Service charges	1		908 957	1 351 237	1 685 932	1 685 932	1 685 932	669 661	1 764 862	1 937 326	÷.
Olher revenue	1		1 475 216	3 785 551	237 037	237 037	237 037	2 350 305	(20 698)	211 583	
Transfers and Subsidies - Operational	1	=	=	479 886	561 824	561 824	561 824	394 520	611 134	662 076	
Transfers and Subsidies - Capital	1	-		170 551	169 918	169 918	169 918	115 133	173 965	194 582	
Interest			4 448	21	108 337	108 337	108 337	17	97 947	102 256	
Dividends									-		
Payments	0.7										
Suppliers and employees	ьá	(2 452 041)	(1 294 088)	(4 054 823)	(3 068 583)	(3 068 583)	(3 068 583)	(2 585 964)	(2 931 689)	(2 989 520)	(1 078 822)
Finance charges	63		· · · /		, í					-	
Transfers and Subsidies	: 1										
NET CASH FROM/(USED) OPERATING ACTIVIT	TES	1 706 919	1 094 533	2 152 140	59 754	59 7 54	59 754	1 459 107	88 274	538 732	1 951 178
CASH FLOWS FROM INVESTING ACTIVITIES	711	10000									
Receipts	24										
Proceeds on disposal of PPE	11										
Decrease (increase) in non-current receiv ables			-	12	33	-		-		1	(0)
Decrease (increase) in non-current investments											-
Payments											
Capital assets		-	(140 342)	(152 541)	(217 038)	(217 038)	(217 038)	(49 739)	(221 469)	(184 596)	-
NET CASH FROM/(USED) INVESTING ACTIVITI	ES	-	(140 342)	(152 541)	(217 005)	(217 038)	(217 038)	(49 739)	(221 469)	(184 596)	(0)
			1		1	1					
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									=1	80	
Borrowing long lerm/refinancing					1.500				-	-	-
Increase (decrease) in consumer deposits		-		-	1 500	-	-	2	-	(#)	(15)
Payments		(0.000)									
Repay ment of borrowing	-	(2 839)	-		-	-		-	-		-
NET CASH FROM/(USED) FINANCING ACTIVIT	ES	(2 839)		-	1 500	-			-		(15)
NET INCREASE/ (DECREASE) IN CASH HELD		1 704 080	954 191	1 999 599	(155 751)	(157 284)	(157 284)	1 409 368	(133 195)	354 136	1 951 163
Cash/cash equivalents at the year begin:	2	(52 420)	(136 386)	(195 402)	310 855	310 855	310 855		24 238	(108 957)	245 180
Cash/cash equivalents at the year end:	2	1 651 660	817 804	1 804 197	155 104	153 572	153 572	1 409 368	(108 957)	245 180	2 196 342

NW403 City Of Matlosana - Table A7 Budgeted Cash Flows

MANUAL CASH FLOW TO WHICH SHEDULES AND DATA STRINGS SHOULD BE ALIGNED

Description	Ref	2019/20	2020/21	2021/22		Current Ye	ar 2022/23			Aedium Term R enditure Frame	
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts				f i							
Property rates	1	4 158 960	-	419 718	365 289	365 289	365 289	352 734	392 753	429 655	462 174
Service charges		-	908 957	1 351 237	1 685 932	1 685 932	1 685 932	669 661	1 663 740	1 830 838	1 984 866
Other revenue	11	÷	1 475 216	3 785 551	237 037	237 037	237 037	2 350 305	108 245	111 765	105 039
Transfers and Subsidies - Operational	1	-		479 886	561 824	561 824	561 824	394 520	616 921	668 887	721 546
Transfers and Subsidies - Capital	1	-	-	170 551	169 918	169 918	169 918	115 133	191 469	189 116	190 216
Interest		्रम्	4 448	21	108 337	108 337	108 337	17	132 523	133 537	134 559
Dividends											
Payments											
Suppliers and employees		(2 452 041)	(1 294 088)	(4 054 823)	(3 068 583)	(3 068 583)	(3 068 583)	(2 497 513)	(3 399 987)	(3 479 910)	(3 133 158)
Finance charges	1	~ 1			· .	1	· ·	-	(10 711)	(11 235)	(11 764)
Transfers and Subsidies	11								-	-	
NET CASH FROM/(USED) OPERATING ACTIVIT	IES	1 706 919	1 094 533	2 152 140	59 754	59 754	59 754	1 384 858	(305 047)	(127 347)	453 477
CASH FLOWS FROM INVESTING ACTIVITIES		1									
Receipts		1									
Proceeds on disposal of PPE						1			α.	-	
Decrease (increase) in non-current receiv ables				-	33	-	-	-	33	33	33
Decrease (increase) in non-current investments							1			-	:=):
Payments											
Capilal assets			(140 342)	(152 541)	(217 038)	(217 038)	(217 038)	(49 739)	(221 469)	(189 116)	(190 216)
NET CASH FROM/(USED) INVESTING ACTIVITIE	S	-	(140 342)	(152 541)	(217 005)	(217 038)	(217 038)	(49 739)	(221 436)	(189 083)	(190 183)
CASH FLOWS FROM FINANCING ACTIVITIES Receipts											
Short term loans									=	. e:	200
Borrowing long term/refinancing									×	(1 5	20
Increase (decrease) in consumer deposits			-		1 500	-	-		1 500	1 500	1 500
Repay ment of borrowing		(2 839)	-	-	-	_ +	- 1	-	(4 697)	(4 697)	-
ET CASH FROM/(USED) FINANCING ACTIVITI	ES	(2 839)	-		1 500	-	-	-	(3 197)	(3 197)	1 500
ET INCREASE/ (DECREASE) IN CASH HELD		1 704 080	954 191	1 999 599	(155 751)	(157 284)	(157 284)	1 335 119	(529 680)	(319 627)	264 794
Cash/cash equivalents at the year begin:	2	(52 420)	(136 386)	(195 402)	310 855	310 855	310 855	1000113	200 000	(329 680)	(649 307)
Cash/cash equivalents at the year end:	2	1 651 660	817 804	1 804 197	155 104	153 572	153 572	1 335 119	(329 680)	(649 307)	(384 513)

NW403 City Of Matlosana - Table A7 Budgeted Cash Flows

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 municipality still provided for the Eskom payment arrangement under trade creditors, as there is not yet clarity on the writing off Eskom debt as per MFMA circular 123, section 5.6. This will have a big impact to determine if the budget is cash funded or not.

Narrations A7

Description	2023/24 Medium Term Revenue & Expenditure Framework	Narration
R thousand	Budget Year 2023/24	
CASH FLOW FROM OPERATING ACTIVITIES		
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts		
		Increase with inflation and based on adjustment budget increase of new residentiol
Property rates		developments
Service charges	1 663 740	Increas based on bulk increases and inflation Increase base on 2021/22 audit outcome, the 2022/23 adjustment
Other revenue	108 245	
Transfers and Subsidies - Operational	616 921	As per 2023/24 DORA
Transfers and Subsidies - Capital	191 469	Based on the outcome of the 2021/22 AFS
Interest	132 523	Based on the outcome of the 2021/22 AFS
Dividends	=	N/A
Payments		N/A
Suppliers and employees	(3 399 987)	Increased in outstanding creditors, taken into account the payment agreements with bulk service providersof expenditure
Finance charges	(10 711)	,
Transfers and Subsidies	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES	(305 047)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Proceeds on disposal of PPE	-	N/A
Decrease (increase) in non-current receivables	33	Based on the outcome of the 2021/22 AFS.
Decrease (increase) in non-current investments	~ <u>~</u>	
Payments		
Capital assets	(221 469)	Based on the outcome of the 2021/22 AFS.
NET CASH FROM/(USED) INVESTING ACTIVITIES	(221 436)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Short term loans		N/A
Borrowing long term/refinancing		N/A
Increase (decrease) in consumer deposits	1 500	Based on the outcome of the 2021/22 AFS.
Payments		
Repayment of borrowing	(4 697)	Based on the outcome of the 2021/22 AFS.
IET CASH FROM/(USED) FINANCING ACTIVITIES	(3 197)	
IET INCREASE/ (DECREASE) IN CASH HELD	(529 680)	
Cash/cash equivalents at the year begin:	200 000	Based on the outcome of the 2021/22 AFS
Cash/cash equivalents at the year end:	(329 680)	

Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2019/20	2020/21	2021/22		Current Ye	ar 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
D they good		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year	
R thousand		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2023/24	+1 2024/25	+2 2025/26	
Cash and investments available												
Cash/cash equivalents at the year end	1	1 651 660	817 804	1 804 197	155 104	153 572	153 572	1 409 368	(108 957)	245 180	2 196 342	
Other current investments > 90 days		(1 416 676)	585 513	(2 484 059)	745 141	761 474	761 474	(1 116 873)	305 683	703 112	(1 401 633)	
Investments - Property, plant and equipment	1	4 800 897	5 699 245	5 832 224	4 798 047	4 811 660	4 811 660	5 616 607	3 841 286	3 529 379	3 548 149	
Cash and investments available:		5 035 881	7 102 563	5 152 362	5 698 293	5 726 706	5 726 706	5 909 102	4 038 013	4 477 671	4 342 858	
Application of cash and investments												
Trade pay ables from Non-exchange transactions	s: 09	120		1 a a a a a a a a a a a a a a a a a a a	1	19	- 1		44		2	
Unspent borrowing		1.0	-	-	5.	-	-		3	8	-	
Statutory requirements	2											
Other working capital requirements	3	957 813	3 440 786	997 238	959 592	1 470 396	1 470 396	897 673	(420 025)	(67 667)	(389 982)	
Other provisions					1							
Long term investments committed	4	-	-		-		-	×		-	-	
Reserves to be backed by cash/investments	5	1			1	i i						
Total Application of cash and investments:		957 813	3 440 786	997 238	959 592	1 470 396	1 470 396	897 673	(420 025)	(67 667)	(389 982)	
Surplus(shortfall)		4 078 068	3 661 777	4 155 124	4 738 700	4 256 310	4 256 310	5 011 429	4 458 037	4 545 338	4 732 839	

NW403 City Of Matlosana - Table A8 Cash backed reserves/accumulated surplus reconciliation

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

- 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. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
- 5. As part of the budgeting and planning guidelines that informed the compilation of the 2021/22
- 6. MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 21 MBRR Table A9 - Asset Management

NW403 City Of Matlosana - Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Cur	rrent Year 2022	/23		ledium Term F Inditure Frame	
thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Ye +2 2025/2
APITAL EXPENDITURE										
Total New Assets	1	91 628	169 105	133 379	200 908	214 987	214 987	221 469	184 596	160 2
Roads Infrastructure		18 494	49 600	50 195	57 182	61 004	61 004	124 937	109 596	61 0
Storm water Infrastructure		-	-	00100		51 004				010
Electrical Infrastructure							=	+	1	
		12 541	50 705	20 538	53 944	53 944	53 944	1 732	ে হে	31 9
Water Supply Infrastructure		40 876	34 145	28 398	28 715	32 680	32 680	48 630	50 000	32 6
Sanitation Infrastructure	11	5 563	22 462	8 858	21 069	11 569	11 569	16 170	25 000	11 :
Solid Waste Infrastructure		-	1.00	(m)	10 447	12 626	12 626		~	12 6
Rail Infrastructure	1.1	-		-	-	<u></u>	<u>_</u>		1	
Coastal Infrastructure	11	2					-	-		
Information and Communication Infrastructure										
Infrastructure		77 474	156 912	107 989	171 357	171 823	171 823	191 469	184 596	149
Community Facilities					5 000	5 000	5 000	151 405		145
Sport and Recreation Facilities	- 1	0.004	40.400					-	-	
	11	8 994	12 193	25 390	10 431	10 431	10 431	-	18	10
Community Assets		8 994	12 193	25 390	15 431 :	15 431	15 431	(H)	2 2	10
Heritage Assets		246	14 C	- 1	540 I			V#10	2 4 21)	1
Revenue Generating		-	-							
Non-revenue Generating			- 1				-			
Investment properties	ł	12	-	-	-					
Operational Buildings							-			
		255	3	(# C	2	-				
Housing		-	-	- <u>-</u>	-	-	-	(m)	-	
Other Assets						-	(m. 1	: = (-	
Biological or Cultivated Assets	1.1	3 - 5	140	100	14 A	2 C	- 1	1.1.20	121	
Servitudes	1.1	-		-		- 1				
Licences and Rights		*	-	-	520	520	520		-	
Intangible Assets		1			520	520				
				5			520	(* <u>-</u>		
Computer Equipment		4 863	5 2 5	-		25	25	-	-	
Furniture and Office Equipment	11				2 000	2 000	2 000	-		
Machinery and Equipment		297		-	4 600	4 600	4 600	30 000		
Transport Assets				-	7 000	20 589	20 589	-	-	
Land		140	_			12	12	-	-	
Zoo's, Marine and Non-biological Animals	11.1		-	-	-	19 - 1	-	-		
				· · · · ·	~	1.1	-			
Mature			5 I.	S		3.1		8		
Immature			÷	- S. (1.0	Sec. 1	94 L		÷ (
Living Resources						(a)		2		
tal Renewal of Existing Assets	2	3 365	16 242	5 483	2 066	1 600	1 600			1
Roads Infrastructure				*	-	- 1	-	-	8	
Storm water Infrastructure		- C		-	- 1	- 3		-		
Electrical Infrastructure	1.1	3 365	-	-	1 600	1 600	1 600	-		Ť.
Water Supply Infrastructure			-	2		1 000	1 000			
Sanitation Infrastructure	11						-		2	
			16 242	5 483	466	= (250		-	
Solid Waste Infrastructure	4 1	-	÷ .	-	-	-	1.00	-	-	
Rail Infrastructure			-	-			(**)	1	-	
Coastal Infrastructure		- 1	÷ .	-	(Ref.)	-				
Information and Communication Infrastructure	11	-	- E 1	-	-	- 1	-	-	-	
Infrastructure	1 1 1	3 365	16 242	5 483	2 066	1 600	1 600			10
Community Facilities			-	•	-	1 000				
Sport and Recreation Facilities				-			2.1			
	1.1-	=	-			-	-	-	*	
tal Upgrading of Existing Assets	6	2 888	6 126	13 678	14 064	14 064	14 064	-		8
Roads Infrastructure		÷ .	-	(a)	-		-	- 1	-	
Storm water Infrastructure			-				2	2		
Electrical Infrastructure		-	200	26	÷.	- 1			÷ .	
Water Supply Infrastructure		-		-	2 H C		a			
Sanilation Infrastructure			(0)				-		_	
			1.67	188 I.					2	
Solid Waste Infrastructure		÷			-	(7. S)		5	2	
Rail Infrastructure		-		G20	-	-	8	2	2	
Coastal Infrastructure		-				÷ 1	-			
	1					-	-	-	-	

infrastructure	11		(0)	=	-		-		-	-
Community Facilities		2 888	6 126	13 678	11 064	11 064	11 064	-	=	8 064
Sport and Recreation Facilities				=		-	-	-	-	
Community Assets		2 888	6 126	13 678	11 064	11 064	11 064	-	-	8 064
Heritage Assets		9 [<u></u>		-	-			-	-
Revenue Generaling			÷.		3	100			12	
Non-revenue Generaling		-	<u> </u>	-		-	-	-		
Investment properties			-	-		•	-	-	-	1.75
Operational Buildings		¥ .	-	12	3 000	3 000	3 000	-	-	100
Housing		-	2	124	220	-	3	3	-	1
Other Assets		-	27		3 000	3 000	3 000	8		25
Biological or Cultivated Assets		-	÷ []	5 2 3	-	-	-	8	196 - E	-
Servitudes		Ξ.	-				22	8	1 an 1	
Licences and Rights		-		12	1		<u>a</u>	8	-	-
Intangible Assets	1.1	+	-	840	-	2	-	2	9	-
Computer Equipment		÷ (;		-	50.1	-			-	्य
Furniture and Office Equipment		8	(e)	÷.	-	20	-	-	3. 	-
Machinery and Equipment		2 i			-					-
Transport Assets		-		1.00	-		-	-		
Land		-	3 - 1	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	11			-	-		-	÷:))	-	
Mature		141	- a -		ā.	4	2	-	4	8
Immature								200	. 1	
Living Resources	- li	эC					22	320		
Total Capital Expenditure	4	97 881	191 473	152 541	217 038	230 651	230 651	221 469	184 596	169 918
Roads Infrastructure	100	18 494	49 600	50 195	57 182	61 004	61 004	124 937	109 596	61 004
Storm water Infrastructure	1.1	-	3407	2 4 0	-		-	141	141	440
Electrical Infrastructure		15 906	50 705	20 538	55 544	55 544	55 544	1 732	-	33 544
Water Supply Infrastructure	1.6	40 876	34 145	28 398	28 715	32 680	32 680	48 630	50 000	32 680
Sanitation Infrastructure		5 563	38 703	14 342	21 535	11 569	11 569	16 170	25 000	11 569
Solid Waste Infrastructure	10.4			54 L	10 447	12 626	12 626	20	-23	12 626
Rail Infrastructure				-		¥ .	-	S=3		-
Coastal Infrastructure			-		-	¥ (*	-	=	-	- 20
Information and Communication Infrastructure	11	-		-	*	-		-		<u>s</u>
Infrastructure	1	80 839	173 153	113 472	173 423	173 423	173 423	191 469	184 596	151 423
Community Facilities		2 888	6 126	13 678	16 064	16 064	16 064	-	-	8 064
Sport and Recreation Facilities		8 994	12 193	25 390	10 431	10 431	10 431	-		10 431
Community Assets		11 882	18 319	39 068	26 495	26 495	25 495		-	18 495
Heritage Assets		-		-	-	- 1	140		-	-
Revenue Generating		-	н (-	-	-	241	-	÷ .	<u>_</u>
Non-revenue Generaling		-	Ξ.	-	-		5943	(a)	-	<u>ц</u>
Investment properties	-	-			-	-		(a)	-	
Operational Buildings		-	- 1	-	3 000	3 000	3 000	-20	-	-
Housing			- 1	-	÷	-	248	:42	÷ .	÷
Other Assets		-	-	-	3 000	3 000	3 000			2

Biological or Cultivated Assets Servitudes			-				-	-		
Licences and Rights		-	-		520	520	520	<u> </u>	1	
Intangible Assets			-	-	520	520	520	-		
Computer Equipment		4 863	- E	÷.		25	25	=	. . .	
Furniture and Office Equipment			3	-	2 000	2 000	2 000			
Machinery and Equipment		297	-		4 600	4 600	4 600	30 000	1.251	
Transport Assets			-	100	7 000	20 589	20 589	÷ =	(#)	
Land		-		((e t		-	-		S#2	
Zoo's, Marine and Non-biological Animals	+	-	-	- 196 196	1	2	-	2	2 4 1	
Mature	1			21	8	3	2			
Immature		-		1.5		8	*2	e		
Living Resources		+1	(a)	A.	2	×	2	- F		
TOTAL CAPITAL EXPENDITURE - Asset class		97 881	191 473	152 541	217 038	230 651	230 651	221 469	184 596	169
ASSET REGISTER SUMMARY · PPE (WDV)	5	4 958 906	5 390 070	5 565 160	5 066 906	5 080 519	5 080 519	4 109 625	3 797 718	3 819
Roads Infrastructure		4 099 878	4 058 715	4 018 137	1 366 816	1 370 638	1 370 638	1 491 547	1 513 598	1 479
Storm water Infrastructure	- t - 1	-	1.70		82 376	82 376	82 376	55 937	29 499	29
Electrical Infrastructure	- 1- 1	(56 499)	(49 387)	(81 494)	803 950	803 950	803 950	676 322	608 575	648
Water Supply Infrastructure		(156 753)	350 776	462 956	559 260	563 225	563 225	510 792	423 226	409
Sanitation Infrastructure	1.1	(32 738)	6 024	21 446	547 763	537 797	537 797	465 778	397 895	388
Solid Waste Infrastructure		~			28 943	31 121	31 121	14 289	32 083	45
Rail Infrastructure Coastal Infrastructure										
Information and Communication Infrastructure					3 989	2.000	2 090	2.000	2547	-
Infrastructure		3 853 887	4 366 128	4 421 045	3 393 096	3 989 3 393 096	3 989 3 393 096	3 268 3 217 934	2 547 3 007 422	3 002
Community Assets		872 892	1 259 727	1 321 982	1 355 936	52572255570	 SNOTEPSTOCE 			
Heritage Assets		(100 389)			1 355 936 9 941	1 355 936	1 355 936	567 908	503 483	527
Investment properties		• 220.000	(567 444)	(618 226)		9 941	9 941	9 941	9 941	10
	1.1	257 100	256 971	349 865	257 100	257 100	257 100	257 100	257 100	259
Other Assets Biological of Cultivated Assets		1 803	7 129	5 501	31 684	31 684	31 684	24 838	20 992	21
Biological or Cultivated Assets	12.11									
Intangible Assets		1 297	1 297	1 297	1 817	1 817	1 817	1 297	1 297	1
Computer Equipment	1.1	13 224	12 899	14 336	-	25	25	-	-	
Furniture and Office Equipment		4 629	3 491	2 377	2 949	2 949	2 949	(1 455)	(3 858)	(3
Machinery and Equipment		4 367	3 267	2 706	5 387	5 387	5 387	30 066	(655)	
Transport Assets		48 100	44 872	62 247	7 000	20 589	20 589	340	-	
Land										
Zoo's, Marine and Non-biological Animals		1 995	1 731	2 0 3 2	1 995	1 995	1 995	1 995	1 995	2
Living Resources	10.1		_		-					
DTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	4 958 906	5 390 070	5 565 160	5 066 906	5 080 519	5 080 519	4 109 625	3 797 718	3 819
KPENDITURE OTHER ITEMS		553 169	543 122	499 100	663 989	698 213	698 213	716 266	731 378	744
Depreciation	7	411 946	417 553	383 480	440 000	440 000	440 000	440 000	440 000	440
Repairs and Maintenance by Asset Class	3	141 223	125 569	115 619	223 989	258 213	258 213	276 266	291 378	304
Roads Infrastructure	9	24 973	6 017	14 286	48 376	63 326	63 326	66 998	70 638	73
Slorm water Infrastructure			- 1		-	-	-	-	-	
Electrical Infrastructure	1.1	29 346	35 985	45 970	69 691	86 691	86 691	91 719	96 213	100
Water Supply Infrastructure	11	9 985	2 292	25 146	17 565	15 765	15 765	16 679	17 496	18
Sanitation Infrastructure	1 1	2 110	1 496	7 415	20 553	20 312	20 312	21 490	22 543	23
Solid Waste Infrastructure			-		-	1.000	-		-	
Rail Infrastructure				÷		-	-	-	-	
Coastal Infrastructure	11	-	-	8	-	-	. . .	22.0		
Information and Communication Infrastructure		-	-	=		17	-	27. L		
Infrastructure	1.1	66 413	45 791	92 816	156 185	186 094	186 094	196 887	206 891	216
Community Facilities		5 602	649	415	6 181	6 901	6 901	9 056	9 465	9
Sport and Recreation Facilities		3 522	1 120	2 085	7 026	7 026	7 026	8 119	8 517	8
Community Assets	11	9 124	1 768	2 500	13 208	13 928	13 928	17 175	17 981	18
Heritage Assets		173	163	79	168	188	188	199	208	
Revenue Generating	1.1	× .	-	-	-	240	100		-	
Non-revenue Generating			-	-	-	520) 	120	<u> </u>		
Investment properties		-	4.075	-	- 1		-		-	
Operational Buildings		1 635	1 075	1 131	5 127	7 505	7 505	9 930	11 667	12
Housing Other Associa			4 1570			-	-	-	-	
Other Assets Biological or Cultivated Assets		1 635	1 075	1 131	5 127	7 505	7 505	9 930	11 667	12
Serviludes		5	-	5et 1		(H)	e₩01	÷	÷1	
		12 027	17.063	1 227	-		-	-	-	
Licences and Rights Intangible Assets	1	13 937	17 063	1 337	3 931	4 171	4 171	4 413	4 629	4
Computer Equipment		13 937	17 063	1 337	3 931	4 171	4 171	4 413	4 629	4
	1.	(2 589)	1 835	3 389	4 065	4 065	4 065	4 300	4 511	4
Furniture and Office Equipment Machinery and Equipment		413	243	427	1 199	2 215	2 216	2 702	2 834	2
• • • •		16 942	7 212	11 385	24 213	24 233	24 233	25 639	26 942	28
Transport Assets		35 174	50 418	2 557	15 894 :	15 814	15 814	15 022	15 713	16
Land	1.1	-		543		-	-	<u> </u>	19 s	
Zoo's, Marine and Non-biological Animals		-	1	· 24		3.5	3	8	100	
Mature		1.00	2	3	15			(1)	20	
in platine					×		<u>6</u>		34	
Living Resources		100		<u>e</u> 1						
	1-1-	553 169	543 122	499 100	663 989	698 213	698 213	716 266	731 378	744
AL EXPENDITURE OTHER ITEMS				-00 100	333 305	030 £ (J	030 213	10 200	131310	144
newal and upgrading of Existing Assets as % of total		6.4%	11.7%	12.6%	7_4%	6.8%	6.8%	0.0%	0.0%	5.7%
IAL EXPENDITURE OTHER ITEMS newal and upgrading of Existing Assets as % of total newal and upgrading of Existing Assets as % of depr M as a % of PPE		6.4% 1.5% 2.9%	11.7% 5.4% 2.2%	12.6% 5.0% 2.0%	7 4% 3 7% 4 7%	6.8% 3.6% 5.4%	6 8% 3 6% 5 4%	0 0% 0 0% 4 9%	0.0% 0.0% 7.6%	57% 22% 86%

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 8 per cent of PPE.

Table 2 MBRR Table A10 - Basic Service Delivery Measurement

NW 403 City Of Matlosana - Table A10 Basic service delivery measurement

Description	Ref	2019/20	2020/21	2021/22		rrent Year 2022		Ехр	Aedium Term R anditure Frame	work
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26
Household service targets	1									
Water: Piped water inside dwelling	1	440.000	456.030		150 507	150 507	450 507	170.070	171.010	170.00
	1	146 398	156 939	33	158 587	158 587	158 587	172 670	174 518	176 38
Piped water inside yard (bul nol in dwelling) Using public lap (at least min service level)	1	30 897	33 122		33 470	33 470	33 470	201.01	12 020	10.70
	2	2 111	2 263	-	2 287	2 287	2 287	13 495	13 639	13 78
Other water supply (at least min service level)	4	2 111	2 263		2 263	2 263	2 263	1 031	1 042	1 05
Minimum Service Level and Above sub-total. Using public tap (< min.service level)	3	181 517	194 587	-	196 607	196 607	196 607	187 196	189 199	191 22
Other water supply (< min.service level)	4		-	5e)	-	-	040	240	00	2.4
No water supply	4			340	-	-	000	1943	000	
Below Minimum Service Level sub-total					· • ·	-4		-		
Total number of households	5	181 517	194 587	-	196 607	196 607	196 607	187 196	189 199	191 223
		101 217	184 307		190 007	190 001	190 001	101 130	109 199	191 22.
Sanitation/sewerage:	1									
Flush toilel (connected to sew erage)		127 253	136 416	221	165 936	165 936	165 936	171 322	171 322	171 32
Flush toilel (with septic tank)		218	234	-	251	251	251	268	288	28
Chemical toilel		622	667		715	715	715	745	745	74
Pit loilet (v entilaled)		2 807	3 009		4 002	4 002	4 002	4 066	4 066	4 06
Other toilet provisions (> min service level)		1 161	1 244		23 631	23 631	23 631	23 660	23 660	23 66
Minimum Service Level and Above sub-total	1	132 061	141 570	12	194 535	194 535	194 535	200 081	200 081	200 08
Bucket toilet	6.1	1 010	1 083		1 033	1 033	1 033	1 070	1 070	1 07
Other (oilet provisions (< min service level)						1.0				~
Na lailet provisions	1.1	3 617	3 877	-	3 877	3 877	3 877	3 900	3 900	3 900
Below Minimum Service Level sub-total	1.1	4 627	4 960	-	4 910	4 910	4 910	4 970	4 970	4 970
Total number of households	5	136 688	146 530		199 445	199 445	199 445	205 051	205 051	205 051
Famou	1.5									
Energy Electricity (al least min service level)	F H	141.012	154,000		104 705	104 705	101.705	100 000	103 363	100.10
	彩 6	144 247	154 633		121 795	121 795	121 795	123 207	123 707	126 407
Electricity - prepaid (min service level)	101	23 654	25 357		51 655	51 655	51 655	53 067	55 767	56 267
Minimum Service Level and Above sub-total	1.1	167 901	179 990	5	173 450	173 450	173 450	176 274	179 474	182 674
Electricity (< min service level)	1.1	144 247	154 633		4 369	4 389	4 389	4 491	4 60 1	4 715
Electricity - prepaid (< min_service level)	1.1	23 654	25 357		15 595	15 595	15 595	15 703	15 850	15 955
Other energy sources	1.1	-	-							-
Below Minimum Service Level sub-total		167 901	179 990	3	19 984	19 984	19 984	20 194	20 451	20 670
fotal number of households	5	335 802	359 980	-	193 434	193 434	193 434	196 468	199 925	203 344
Refuse:				< 11						
Removed at least once a week				-	164 644	164 644	164 644	170 047	170 181	170 798
Minimum Service Level and Above sub-lotal		÷		-	164 544	164 644	164 644	170 047	170 181	170 798
Removed less frequently than once a week			-	_	2	101017	IOT OT I	10047	110 101	
Using communal refuse dump		1.45	5 716		6 378	6 378	6 378	8 518	8 518	8 518
Using own refuse dump			2 430		2 430	2 430	2 430	3 564	6 985	5 538
Other rubbish disposal	P		2 400	-	2 430	2 430	2 430	3 304	0 905	0 000
No rubbish disposal		125								
Below Minimum Service Level sub-total	1.3		8 146	-	808	8 808	8 808	12 082	15 503	14 056
otal number of households	5		8 146		173 452	173 452	173 452	182 129	185 684	184 854
			0.0201							
ouseholds receiving Free Basic Service	7									
Water (6 kilolitres per household per month)	1.1	50 135 245	54 223 019	74 795 138	-	8		101 826 153	107 935 722	112 900 765
Sanilation (free minimum level service)	1.1	18 987 071	20 907 551	23 605 098	-	-		25 632 960	26 786 444	28 018 620
Electricity/other energy (50kw h per household per month)	1.1	25 753 674	10 975 506	28 789 472	-	-		48 767 333	57 881 947	60 544 517
Refuse (removed al least once a week)		34 401 910	37 569 968	47 511 112	-	*		49 179 946	51 393 044	53 757 124
Informal Settlements		-		-	-	-		- 11 H		-
ost of Free Basic Services provided - Formal Settlements (R'000)										
Waler (6 kilolitres per Indigent household per month)		50 135	54 223	74 795	96 062	96 062	96 062	101 730	107 732	114 088
Sanitation (free sanitation service to indigent households)		18 987	20 908	23 605	24 553	24 553	24 553	26 001	27 535	29 160
Electricity /other energy (50kw h per indigent household per month)		25 754	10 976	28 789	36 515	36 515	36 515	38 450	40 488	42 634
Refuse (removed once a week for indigent households)		34 402	37 570	47 511	47 107	47 107	47 107			-
ost of Free Basic Services provided - Informal Formal Settlements (R'000)		129	212	-	+1.5	-	-	-		
otal cost of FBS provided	8	129 407	123 888	174 701	204 237	204 237	204 237	166 182	175 756	185 882
ighest level of free service provided per household	T									
Property rates (R value tiveshold)		4 020	4 020	4 020				4 020	4 020	4 020
Water (kilolitms per household per month)		6	6	6	-	201		6	4 020	4 020
Sanitation (kilolites per household per month)		8		0		-		0	U	U
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)		50	50	50					50	50
Refuse (average lites per week)		1000	1000		-	-		50	50	50
uonen fanaraño stas ha waazi		240	240	240		-		240	240	240
evenue cost of subsidised services provided (R'000)	9		1							
Property rates (tariff adjustment) (impermissable values per section 17			I.							
of MPRA)		93	78			1				-
Property rates exemptions, reductions and rebates and impermissable		and,	TV.							
		-	101.000		00.55	00.641			100	40E
values in excess of section 17 of MPRA)		93 220	131 313	142 242	93 004	93 004	93 004	97 933	102 732	107 560
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	1.00	-	~	i i		
Sanitation (in excess of free sanitation service to indigent households)		-	540	1	120	- 20			-	-
Electricity/other energy (in excess of 50 kwh per indigent household per mi	onth	240		1	1.2		-			
Robato (in excess of one removal a week for indigent households)		-	-	520	721			S 1	2	
Municipal Housing - rental rebates										
	6			1						
Housing - top structure subsidies										
Oher										

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.

PART 2 – SUPPORTING DOCUMENTATION

2.1 Overview of the Annual Budget Process

Section 53 of the MFMA requires the Executive Mayor to provide general political guidance in the budget process and setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget, and Reporting Regulations states that the Mayor must establish a Budget Steering Committee to provide technical assistance to the Mayor, in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee of the City of Matlosana consists of the Executive Mayor, MMC's, Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Executive Mayor.

The primary aim of the Budget Steering Committee is to ensure:

- That the process followed to compile the budget complies with legislation and good budget practices.
- That there is proper alignment between the policy and service delivery priorities set out in the City's IDP and the budget; taking into account the need to protect the financial sustainability of the municipality.
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available.
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Review

In terms of section, 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year, August 2022, a time schedule that sets out the process to revise the IDP and prepare the budget.

The required IDP and budget time schedule was tabled on 31 August 2022.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework rolled out into objectives, key performance indicators and targets for implementation, which directly inform the Service Delivery and Budget Implementation Plan.

The process plan included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the draft SDBIP; and
- The review of the performance management and monitoring processes.

2.1.3 Financial Modelling and Key Planning Drivers

The following key factors and planning strategies have informed the compilation of the 2022/23 MTREF:

- Growth of the City.
- National and Provincial priorities;
- Policy priorities and strategic objectives.
- Asset maintenance.
- Economic climate and trends.
- Performance trends.
- Cash Flow Management Strategy.
- Debtor Payment Levels and collection.
- Loan and Investment possibilities.
- The need for tariff increases versus the ability of the community to pay for services.
- Improved and sustainable service delivery.

2.1.4 Community Consultation.

After the tabling of the 2023/24 to 2025/26 MTREF the Executive Mayor of the city will undertake various public consultation meetings with the community of Matlosana.

All documents in the appropriate format (electronic and printed) will be made available to National and Provincial Treasury, and other national and provincial departments in accordance with section 23 of the MFMA. The 2022/23 MTREF budget will also be placed on the municipal website www.matlosana.gov.za

2.1.5 Engagements with NT, PT & other stakeholders

The engagements and the assessments of the tabled 2023/24 MTREF will done during the first week of May 2023. National and Provincial Treasuries will evaluate the municipalities budgets for completeness and for being funded.

2.2 Overview of Alignment of Annual Budget with IDP

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

The IDP provides a five-year strategic programme of action aimed at setting short; medium- and long-term strategic 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 Council 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 the municipality to make the best use of scarce resources and speed up service delivery.

IDP is an approach to planning aimed at involving the municipality and the community to find the best solutions towards sustainable development.

The IDP developed by Council must correlate with National 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 the 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 Municipality strategically complies with the key national and provincial priorities.

The national and provincial priorities; policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009.
- Government Programme of Action.
- Development Facilitation Act of 1995.
- Provincial Growth and Development Strategy (GGDS).
- National and Provincial spatial development perspectives.
- Relevant sector plans such as transportation; legislation and policy.
- National Key Performance Indicators (NKPIs)
- The National and Provincial Priority Outcome.

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. In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

2.3 Measurable Performance Objectives and Indicators

Performance Management is a system intended to manage and monitor service delivery progress against identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by National Framework for Managing Programme Performance Information, the City has developed and implemented a performance management system, which is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assesses, and reviews organisational performance, which is currently not directly linked to individual employees' 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:

The 2022/23 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure, and capital expenditure.

Table 23 MBRR Table SA4 – Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective Goal	Goal Code		2019/20	2020/21	2021/22	Cu	rrent Year 2022	2/23	2023/24 Medium Term Revenue & Expenditure Framework			
			Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year	
R thousand			Outcome	Outcome	Outcome	Budget	Budget	Forecast	2023/24	+1 2024/25	+2 2025/26	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION			251 024	681 768	564 465	367 308	380 890	380 890	448 196	471 253	494 947	
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT			888 179	1 029 3 <mark>85</mark>	1 102 102	1 218 202	1 266 666	1 2 <mark>66 666</mark>	1 358 545	1 447 880	1 537 441	
LOCAL ECONOMIC			21 149	22 465	21 134	21 065	21 793	21 793	22 948	24 073	25 202	
DEVELOPMENT MUNICIPAL INSTITUTIONAL			2 040	5 120	3 875	5 914	5 814	5 814	5 908	6 099	6 127	
DEVELOPMENT AND TRANSFORMATION							1					
SERVICE DELIVERY & INFRASTRUCTURE			1 687 014	1 861 527	2 004 239	2 407 366	2 319 230	2 319 230	2 450 985	2 582 024	2 720 171	
DEVELOPMENT							-					
Allocations to other priorities		2										
Total Revenue (excluding capital transfers and con	ntributions)	1	2 849 406	3 600 265	3 695 815	4 019 854	3 994 393	3 994 393	4 286 582	4 531 329	4 783 889	

NW403 City Of Matlosana - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Table 24 MBRR Table SA5 – Reconciliation between the IDP strategic objectives and budgeted operating expenditure

NW403 City Of Matlosana - S	Supporting Table SA5 Reconciliation of IDP strategic objective	es and budget (operating expenditure)
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Strategic Objective	Goal	Goal Code Rei	2019/20 2020/21 2021/22 Current Year 2022/23					/23	2023/24 Medium Term Revenue & Expenditure Framework				
R thousand		Ne.	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26		
GOOD GOVERNANCE AND PUBLIC PARTICIPATION			493 165	549 234	562 785	639 266	647 800	647 800	644 615	672 824	699 988		
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT			699 518	625 181	1 063 011	566 826	534 688	534 688	556 204	574 873	594 582		
LOCAL ECONOMIC DEVELOPMENT			51 116	42 662	29 423	35 582	35 625	35 625	37 296	39 056	40 888		
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION			117 427	174 201	129 531	128 685	140 622	140 622	149 874	157 612	165 756		
SERVICE DELIVERY & NFRASTRUCTURE DEVELOPMENT			2 153 056	2 658 770	2 689 140	2 571 168	3 008 067	3 008 067	3 106 968	3 182 809	3 261 518		
Allocations to other priorities		- 1				- i		_					
fotal Expenditure		1	3 514 282	4 050 048	4 473 890	3 941 528	4 366 801	4 366 801	4 494 958	4 627 174	4 762 733		

Table 25 MBRR Table SA6 – Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Cu	rent Year 2022	/23		Aedium Term F enditure Frami	
R thousand			riel .	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				8 994	12 193	25 390	23 878	26 057	26 057	1	-	23 057
MUNICIPAL FINANCIAL VIABLITY & MANAGEMENT				4 863	12	-	14 300	27 914	27 914	30 000	-	
LOCAL ECONOMIC DEVELOPMENT				2 888	6 126	13 678	9 364	9 364	9 364	(#)	-	8 064
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND IRANSFORMATION				-	-	-	520	520	520	-	-	120
SERVICE DELIVERY & NFRASTRUCTURE SEVELOPMENT				81 135	173 153	113 472	168 975	166 797	16 <mark>6 7</mark> 97	191 469	184 596	138 797
locations to other priorities			3								_	
otal Capital Expenditure			1	97 881	191 473	152 541	217 038	230 651	230 651	221 469	184 596	169 918

NW403 City Of Matlosana - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

2.3 Measurable performance objective and indicators

Performance Management is an intended to manage and monitor service delivery against the identified strategic objective and priorities. In accordance, the legislative requirements and good business practices as informed by the National Framework for managing programme performance information.

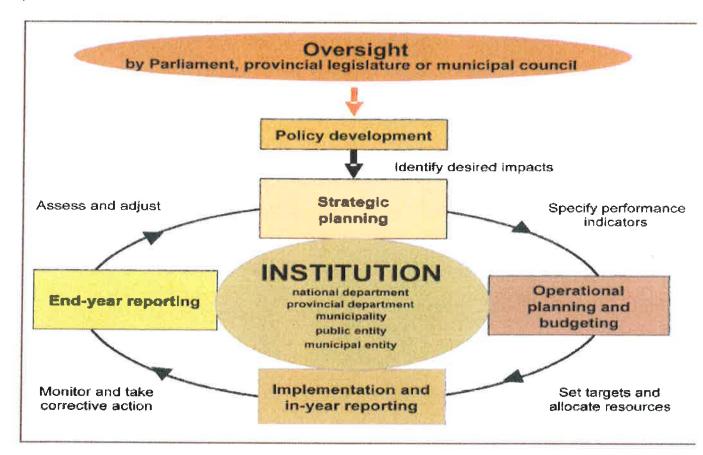


Figure 1 Planning, budgeting and reporting cycle

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 monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

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

Table 26 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2019/20	2020/21	2021/22	Cu	rrent Year 2022	/23		ledium Term F enditure Frame	
Description	Unit of measurement	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26
01 - Public Safety										
Public Safety										
Licensing And Control Of Animals										
Electricity (Kwh Per Hausehold Per Month)	Kwh Per Household Per	50	50	50	-	-	-	50	50	50
Property Rates (R000 Value Threshold		4 020	4 020	4 020		_		4 020	4 020	4 020
Property Rates (Tanif	Rand Value	93 220	78 339	-				-		-
Reluse (Average Litres Per Week)	Average Litres Per Week	240	240	240	-	-	_	240	240	240
Water (Kilolitres Per Household Per	Kilolitres Per Household	6	6	6	-	-1		6	6	8
07 - Civil Engineering		Ŭ	Ŭ	Ŭ				Ů	Ű	
Waste Management	-									
Solid Waste Disposal (Landfill Sites)	-									
Formal Settlement Households -	Households	34401 910	37569 968	47511 112	-			49179 946	51393 044	53757 124
Informal Settlements (R000)	Rand Value	34 402	45 700	TUTTL				40110 040	01000 011	0010112
Removed At Least Once A Week	Households	04 402	40 100		164 644	164 644	164 644	170 047	170 181	170 798
Using Communal Refuse Dump	Households	-	5 716		6 378	6 378	6 378	8 518	8 518	8 518
Using Own Refuse Dump	Households		2 430	120	2 430	2 430	2 430	3 564	6 985	5 538
8 - Water Section	1 Magazineada		£ 100		2 400	2 400	2 400	0.004	0.000	0.000
Water Management	-									
Water Distribution	-									
Formal Settlement Households	Households	50135 245	54223 019	74795 138				101826 153	107935 722	112900 765
Informal Settlements (R000)	Rand Value	50 135 245	85 7 19	14/90 100		(17) (17)		101020 133	10/955/22	112900700
Other Water Supply (At Least	Households	2 111	2 263		2 263	2 263	2 263	1 031	1 042	1 053
Piped Water Inside Dweiling	Households	146 398	156 939		158 587	158 587	158 587	172 670	174 518	176 385
Piped Water Inside Yard (But Not In	Households	30 897	33 122	-		33 470		172 070	174 310	170 303
Using Public Tap (< Min. Service Level)	Households	20 097	33 122	(18) (18)	33 470	33 470	33 470	(æ		38
Using Public Tap (At Least Min. Service		2 111	2 263		0.007	0.007	0.007	10.405	10 000	43 700
9 - City Electrial Engineering	nousenoias	2111	2 203		2 287	2 287	2 287	13 495	13 639	13 785
Energy Sources										
Electricity	-									
Electricity (< Min.Service Level)	minister	444.047	454.000		1 000	4 000	4.000	1.101	1.004	1 745
Electricity (At Least Min.Service Level)	Households	144 247	154 633	1.00	4 389	4 389	4 389	4 491	4 601	4 715
Electricity - Prepaid (< Min. Service	Households	144 247	154 633	-	121 795	121 795	121 795	123 207	123 707	126 407
Electricity - Prepaid (Min. Service	Households	23 654	25 357		15 595	15 595	15 595	15 703	15 850	15 955
Formal Settlement Households	Households	23 654	25 357		51 655	51 655	51 655	53 067	55 767	56 267
Informal Settlements (R000)	Households	25753 674	10975 506	28789 472	×	-		48767 333	57881 947	60544 517
2 - Cleansing	Rand Value	25 748	57 748	121	-	870) 1	-	25		8
Waste Water Management										
							_			
Sewerage Bucket Toilet						_				
	Households	1 010	1 083	-	1 033	1 033	1 033	1 070	1 070	1 070
Chemical Tollet	Households	622	667	-	715	715	715	745	745	745
Flush Toilet (Connected To Sewerage)	Households	127 253	136 416	-	165 936	165 936	165 936	171 322	171 322	171 322
Flush Toilet (With Septic Tank)	Households	218	234	-	251	251	251	288	288	288
Formal Settlement Households	Households	18987 071	20907 551	23605 098	-		-	25632 960	26786 444	28018 620
Informal Settlements (R000)	Rand Value	18 987	22 646		+	14	-	-	-	34
No Tallet Provisions	Households	3 617	3 877	-	3 877	3 877	3 877	3 900	3 900	3 900
Other Tailet Provisions (> Min. Service	Households	1 161	1 244	-	23 631	23 631	23 631	23 660	23 660	23 660
Pit Toilet (Ventilated)	Households	2 807	3 009		4 002	4 002	4 002	4 066	4 066	4 066

NW403 City Of Matlosana - Supporting Table SA7 Measureable performance objectives

The following table sets out the municipality's main performance objectives and benchmarks for the 2023/24 $\rm MTREF_{*}$

Table 27 MBRR Table SA8 - Performance indicators and benchmarks

NW403 City Of Matlosana - Supporting Table SA8 Performance indicators and benchmarks

		2019/20	2020/21	2021/22		Current Y	ear 2022/23		Exper	edium Term F nditure Frame	
Description of financial indicator	Basis of calculation	Audited Outcome	Audited Outcome	Audited Outcom e	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budgel Year +2 2025/26
Borrowing Management			-								
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating	2.6%	2 0%	2.9%	0 2%	0 2%	0 2%	0,1%	0 2%	0 3%	0.3%
	Expendituro										
Capilal Charges to Own Revenue	Finance charges & Repayment of	2.9%	2 1%	3.2%	0 3%	0 3%	0 3%	0.0%	0 2%	0.2%	0 2%
Borrow ed funding of 'ow n' capital expenditure	bottowing /Own Revenue e Borrowing/Capital expenditure excl	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Berrow carlanaing or own capital expendition	transfers and grants and contributions	0.0%	0.076	0 0 %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds &	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0 0%
	Reserves										
liquidity										1	
Current Ratio	Current assels/current liabilities	04	0.4	05	07	06	0,6	06	13	16	
Current Ratio adjusted for aged debtors	Current assets less deblors > 90	0.4	04	0.5	07	06	D 6	0.6	13	16	
Liquídity Ratio	day s/current liabilities Monetary Assets/Current Liabilities	0 1	03	(0.2)	0.5	04	04	01	0.5	11	
evenue Management	The second surrow classified	01	0.3	(v 2)	0.0	04	0.4	01	U.J	11	
Annual Debtors Collection Rate (Payment	Last 12 Mths Receipts/Last 12 Mths		253 4%	51 2%	92.8%	88 5%	92.7%	92.7%	88 9%	90.4%	93.79
Level %)	Billing										
Current Deblors Collection Rale (Cash		253 4%	51 2%	92 8%	88 5%	92 7%	92 7%	88 9%	90 4%	93 7%	114 19
receipls % of Ralepayer & Other revenue)											
Oulslanding Deblors to Revenue	Total Outstanding Debtors to Annual	30.9%	24.4%	77 3%	15.8%	17 1%	17 1%	110.3%	12 1%	14 2%	13 49
Longslanding Debtors Recovered	Revenue Deblors > 12 Miths Recovered/Total										
Longstanding bestora needy ered	Deblors > 12 Months Old										
reditors Management											
Credilors System Efficiency	% of Credilors Paid Within Terms									1	
	(within MFMA's 65(e))					I					
Creditors to Cash and Investments		78 6%	426 8%	146.7%	732 1%	1082.5%	1082 5%	199 5%	282 8%	44.9%	-8.8%
ther Indicators					_		_		_		
	THE R. P. L. HARRY MICH.				1. North State	2-0-0000			A		
		173025441	200802291	0	200500000	200502000	200500000	0	165000000	145000000	
	Tota Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	R() (alusta (units annotated and	203 713	247 036	×.	200 500	200 500	200 500		165 000	131 000	
	% Volume (units purchased and generated less units sold)/units									_	
	purchased and generaled	0	3400.0%	0.0%	2500.0%	2500.0%	2500.0%		1000 001	1000 001	
	By K Purchase	0	3400,076	0.075		2000.058	2000.075	0.0%	1900.0%	1500.0%	0
Water Volumes System input	Water treatment works										
	Matula sources										
	Total Volume Losses (k?)	11 550	14 777		8 000	8 000	0.000		0.500	4.500	
	Total Cost of Losses (Rand '000)	11.000	14 / / /		0 000	8 000	8 000		6 500	4 500	
Waler Distribution Losses (2)	The sector course (France 600)	117406743	247035989	0	105000000	105000000	105000000	0	90000000	75000000	
	% Volume (units purchased and										
	generated less units sold)/units										
-	purchased and generaled	0	4200.0%	0.0%	2300.0%	2300.0%	2300.0%	0.0%	1500.0%	1000.0%	0
Employ ee costs	Employ ee costs/(Total Revenue - capital revenue)	22.6%	19.8%	18 6%	18 5%	18.6%	18.6%	20.0%	18 3%	18 2%	18 1%
Remuneration	Total remuneration/(Total Revenue -	23 8%	20.8%	19 5%	19 5%	19.6%	19.6%		19.2%	19 2%	19.1%
	capital revenue)	25 0 70	20 0 70	10 070	13 5 70	13 0 /0	13.0 /0	- 1	J Z 10	13 2 70	13 170
Repairs & Maintenance	R&M/(Total Revenue excluding capital	5.0%	3.5%	3.1%	5.6%	6 5%	6.5%		6.4%	6 4%	6 4%
	revenue)					1					
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	17 2%	13 7%	13 5%	11.2%	11.3%	11.3%	10 4%	10.5%	10.0%	9 4%
P regulation financial viability indicators		1									
i Debl cov erage	(Total Operating Revenue - Operating	640 6	174 217 5	34_1	37 1	37 1	37.1	26 8	41.9	-	
	Granis)/Dobt service payments due										
ii O/S Service Deblors lo Revenue	within financial year) Total outstanding service deblors/annual	37.9%	35 0%	131.5%	16 3%	19 2%	19 2%	191.0%	10 9%	15.3%	14.3%
	revenue received for services	51 570	33 0 /0	131 370	10.070	13 270	13 270	131 076	10 370	13 3%	14 370
in Cost coverage	(Av allable cash + Inv estments)/monthly	11.3	51	10.0	0.7	0.7	07	15.2	(0.5)	11	S
	fix ed operational ex penditure	104	1.7911			7#2.5/			187.77	1404101	

Performance indicators and benchmarks

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. The following financial performance indicators have formed part of the compilation of the 2023/24 MTREF:

- Capital charges to operating expenditure measures what portion of total operating expenditure is used to service the existing loans. The municipality do not have a large dependency on loans and therefore this ratio is acceptable. This also indicate the possible under usage of loans to deliver on projects or to renew its asset base.
- Capital charges to operating revenue is due to the nature of the municipalities business in line with the previous ratio.
- Borrowing funding of own capital expenditure measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality has identified the need to utilize loans as to ensure that it can fulfill its service delivery commitments in the future and will do so prudently.

Analysing the municipalities debt profile thus clearly shows the underutilization of financing infrastructure. Notwithstanding this fact the municipality will diligently evaluate the feasibility of financing to ensure that while service delivery is ensured the municipality will also be able to service the future financing cost as well as repayment. 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.

- Current ratio is a measure of the current assets divided by the current liabilities. The goal
 of the municipality is to achieve a ratio of more than 1:1 as would be the norm. The
 generation of net cash inflows is of high importance and plans already put in place as well
 of further focus on expenditure control, revenue enhancement and loss control should
 have the desired effect to improve the current ratio.
- 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. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. As indicated in the previous paragraph the municipality believe that it is on track to achieve this ratio with the current plans in place.
- Due to cash flow constraints the municipality has to manage the payment of its creditors. Special arrangements were made with ESKOM and MIDVAAL. All other creditors are serviced in an equitable manner in order to create a stable environment for the municipality to acquire services and goods. The municipality will strive to pay all creditors within 30 days but do acknowledge that this will only be achieved over a period.

Other Indicators

 The electricity distribution losses remain a challenge as it is higher than the norm. The municipality need to urgently address the matter in the 2023/24 budget as it impacts on the municipality's ability to have a funded sustainable budget

- The water distribution losses for the 2021/22 year at over 40% is too high. Continued focus on leaks and illegal connections and other proposed actions should bear fruit and this should have a positive impact on the future cash flows of the municipality.
- Employee costs as a percentage of revenue is constant over the MTREF. This can be attributed to mainly to inflation linked drivers on both sides of the equation.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also stable.

2.4 Overview of Budget related-policies.

The Municipality's budgeting process is guided and governed by relevant legislation; frameworks; strategies and related policies.

2.4.1 Review of Customer Care; Credit Control and Debt Collection Policies.

This policy is up for review; among others; in order to achieve a higher collection rate.

2.4.2 Review of Indigent Relief Policy.

The indigent relief policy will be reviewed and amendments were made to the indigent qualifying threshold.

2.4.3 Review of Rates Policy

The policy will also be reviewed in line with the proposed tariffs.

2.4.4 Supply Chain Management Policy

The policy was reviewed and adopted by Council recently as per the new legislated regulations.

2.4.5 Expenditure Management Policy

This policy will remain in place.

2.4.5 Irrecoverable Bad Debt Policy

This policy is up for review.

2.4.6 Tariff Policy

This policy will be aligned to the new proposed tariffs.

2.4.7 Investment & Cash Management Policy

The policy will remain intact.

2.4.8 Budget Policy

The policy will remain in place.

2.4.9 Asset Management Policy

The policy was reviewed as recommended by the AG in their 2020/21 audit report.

2.4.10 Borrowing Management Policy

The policy will remain in place.

2.4.11 Funding & Reserve Policy

The policy will remain in place.

2.4.12 Cost Containment Policy

The policy reviewed and updated.

2.4.13 Unauthorised, Irregular, Fruitless & Wasteful Expenditure Policy This policy will remain in place.

2.4.14 Inventory Policy

The policy will remain in place.

2.4.15 Virement Policy

The policy is amended and recommended for approval.

2.4.16 Grants & Reserves Policy

This policy will remain in place.

2.4.17 Resellers Policy

This is a policy to address renewable energy.

2.4.18 ESSG Policy

This is a policy to address renewable energy.

All the above policies will be available on the City's website, www.matlosana.gov.za

2.5 Overview of Budget Assumptions.

2.5.1 External Factors.

Owing to the economic slowdown impact by the closure of mines in the region due to the low gold price, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

2.5.2 General Inflation Outlook and its impact on the municipal activities.

Four key factors have been taken into consideration in the compilation of the 2023/24 – 2025/26 MTREF.

- National Government macro-economic targets.
- The general inflationary outlook and the impact on City's residents and businesses.
- The impact of municipal cost drivers.
- The increase in prices for bulk electricity and water.
- The unfunded cash budget position.

2.5.3 Interest Rates for Borrowing and Investment of Funds.

MFMA specifies that borrowing can only be utilized to fund capital or refinancing borrowing in certain conditions. For simplicity, the 2023/24 – 2025/26 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

2.5.4 Collection Rate for Revenue Services.

The base assumption is that tariff and rates increase will increase at a rate slightly higher than CPI over long term. It is assumed that current economic conditions and relatively controlled

inflationary conditions will continue for the forecasted term. For the medium term, inflation is expected not to bridge the 6% band set by the Reserve Bank.

2.5.5 Growth or Decline in Tax Base of the Municipality.

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth of the City, household formation growth rate and the poor household change rate. It is expected that the number of indigent consumers will increase.

2.5.6 Salary Increases

The municipality made a provision for a 6% increase in salaries. The bargaining council approved 4.9%. Provision of R 20 million was also made for critical vacant posts.

2.5.7 Impact of National, Provincial and Local Policies.

Integration of service delivery between national; provincial and local government is critical to ensure focussed service delivery, and in this regard, various measures were implemented to align IDPs; provincial and national strategies around priority spatial interventions.

In this regard, the following national priorities form the basis of all integration initiatives:

- Creating Jobs.
- Enhancing Education and Skills Development.
- Improving Health Services.
- Rural Development and Agriculture.
- Fighting Crime and Corruption.
- Infrastructure development.

The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial, and local objectives.

2.5.8 Ability of the Municipality to Spend and Deliver on Programmes

Due to cash flow constrains it is estimated that the spending rate will be lower on operational expenditure. All grant-funded capital must be spent by the end of the financial year to avoid any fund being withheld by the National Treasury.

2.6 Overview of Budget Funding

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 water, electricity, sanitation and solid waste removal, property rates, operating and capital grants from organs of state and other minor charges like building plan fees, licenses and permits etc.

The revenue strategy is a function of key components such as:

- Growth in the City and economic development.
- Revenue Management and Enhancement.
- · Achievement of a higher annual collection rate for consumer revenue,
- National Treasury guidelines.
- Electricity tariff increases within the 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 MPRA.
- 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.

Investment revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R 10.2 million for the financial years of the 2022/23 MTREF.

The tables below provide detail investment information and investment particulars by maturity.

Table 28 MBRR SA15 – Detail Investment Information

Investment type		2019/20	2020/21	2021/22	Cu	rrent Year 2022	/23		ledium Term R enditure Frame	
	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Parent municipality Securities - National Government Listed Corporate Bonds										
Deposits - Bank Deposits - Public Investment Commissioners		290 992	(1 188 683)	(1 617 062)	220 192	220 192	220 192	288 119	262 427	162 602
Deposits - Corporation for Public Deposits Bankers Acceptance Certificates Negotiable Certificates of Deposit - Banks Guaranteed Endow ment Policies (sinking) Repurchase Agreements - Banks Municipal Bonds		10 281	10 281	10 776	113 056	113 056	113 056	10 281	10 281	122 692
Municipality sub-total	1	301 273	(1 178 403)	(1 606 285)	333 248	333 248	333 248	298 400	272 708	285 294
Entities Securities - National Government Listed Corporate Bonds Deposits - Bank Deposits - Public Investment Commissioners Deposits - Corporation for Public Deposits Bankers Acceptance Certificates Negotiable Certificates of Deposit - Banks Guaranteed Endow ment Policies (sinking) Repurchase Agreements - Banks										
Intities sub-total			E .		-			-		
Consolidated total:	1	301 273	(1 178 403)	(1 606 285)	333 248	333 248	333 248	298 400	272 708	285 294

NW403 City Of Matlosana - Supporting Table SA15 Investment particulars by type

Table 29 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Rel	Period of investment	Type of Investment	Capital Guarantee (Yest No)	Variable or Fixed interest rale	Interest Rate •	Commission Paid (Rands)	Commission Recipient	Expiry dale of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balanci
Name of institution & investment ID	1	YrsiMonths												
arent municipality										I I				
funicipality sub-total	ſ									#RÉF!		WREF:	TREF:	IREF:
nties	1													
ntifes 18A														
														1
	1													1
illies sub-total	Г			1						•				
OTAL INVESTMENTS AND INTEREST	1								5	KREF!		#REF:	IREF!	IREF!

NW 403 City Of Matlosana - Supporting Table SA16 Investment particulars by maturity

2.6.2 Medium-term outlook: capital revenue

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

Table 30 Sources of capital revenue over the MTREF

Description R		2020/21	2021/22	Cui	rrent Year 2022	/23		fedium Term R enditure Frame	
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Transfers and Grants									
National Government:	123 785	189 551	156 811	169 918	169 918	169 918	191 469	189 116	188 925
Integrated National Electrification Programme Gra	int <u> </u>	21 022	/ - (29 064	29 064	29 064	1 732	10 000	27 458
Municipal Infrastructure Grant	81 769	100 789	92 568	95 178	95 178	9 <mark>5 178</mark>	109 945	104 116	99 509
Neighbourhood Development Partnership Grant	38 147	49 063	55 743	30 000	30 000	30 000	31 162	25 000	43 932
Water Services Infrastructure Grant	121	18 678	8 500	1 <mark>5 6</mark> 76	15 676	15 676	48 630	50 000	18 026
Provincial Government:	-	-	•	-	•				*
District Municipality:	•	-	-			1.		-	
Other grant providers:	-	-	-	-	-	-	-		
Developers Contribution	-	-	-	-	÷.	-	-		3
Fotal Capital Transfers and Grants 5	123 785	189 551	156 811	169 918	169 918	169 918	191 469	189 116	188 925

Capital grants and receipts equates to R 191 million for the 2023/24 financial year and increase to R 189 million and R188.9 million in 2024/25 and 2025/26 respectively.

The following table is a detailed analysis of the Municipality's borrowing liability.

Table 31 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type	Ref	2019/20	2020/21	2021/22	Cur	rrent Year 2022	/23		ledium Term F enditure Frame	
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality										
Annuity and Bullet Loans		83 274	48 848	42 018	81 274	81 274	81 274	81 274	81 274	82 087
Long-Term Loans (non-annuity)	11									
Local registered stock										
Instalment Credit										
Financial Leases	0.0									
PPP liabilities										
Finance Granted By Cap Equipment Supplier	1									
Marketable Bonds										
Non-Marketable Bonds		1								
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	83 274	48 848	42 018	81 274	81 274	81 274	81 274	81 274	82 087
Entities	6.1				1					
Annuity and Bullet Loans		1	_	_	1	_		1		
Long-Term Loans (non-annuity)				-						
Local registered stock										
Instalment Credit	11									
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	-	-		-	•	12		-	
Fotal Borrowing	1	83 274	48 848	42 018	81 274	81 274	81 274	81 274	81 274	82 087

Table 32 MBRR Table SA 18 - Capital transfers and grant receipts

Description	Ref	2019/20	2020/21	2021/22	Cu	rrent Year 2022	/23		ledium Term F enditure Frame	
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Fuil Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		442 416	529 969	509 661	560 590	560 590	560 590	615 503	667 455	720 11
Local Government Equitable Share	ſ	429 953	466 536	484 096	545 300	545 300	545 300	599 104	651 377	703 64
Energy Efficiency and Demand Side Manager		2 894	5 974	-	5 000	5 000	5 000	4 000	4 000	4 000
Expanded Public Works Programme Integrates		1 386	2 452	1 756	2 181	2 181	2 181	3 512	3 512	3 512
Local Government Financial Management Gra	G 112	2 511	2 929	3 123	3 100	3 100	3 100	3 100	3 100	3 228
Municipal Disaster Relief Grant		1 013	47 222	15 897	0.00		-	-	-	U LL
Municipal Infrastructure Grant		4 660	4 857	4 789	5 009	5 009	5 009	5 787	5 466	5 73
Provincial Government:		0.50	170	4 570		1.000				
	11	952	478	1 570	1 234	1 388	1 388	1 418	1 418	1 418
Capacity Building and Other Grants		952	478	f 570	1 234	1 388	1 388	1 418	1 418	1 418
District Municipality:		12	2	<u>~</u>	-			-		
Other grant providers:		-	-		-	-		-		-
Total Operating Transfers and Grants	5	443 368	530 448	511 231	561 824	561 978	561 978	616 921	668 873	721 536
Capital Transfers and Grants										
National Government:		123 785	189 551	156 811	169 918	169 918	169 918	191 469	189 116	188 925
Integrated National Electrification Programme G	rant	3 869	21 022		29 064	29 064	29 064	1 7 3 2	10 000	27 458
Municipal Infrastructure Grant		81 769	100 789	92 568	95 178	95 178	95 178	109 945	104 116	99 509
Neighbourhood Development Partnership Grant	t	38 147	49 063	55 743	30 000	30 000	30 000	31 162	25 000	43 932
Water Services Infrastructure Grant			18 678	8 500	15 676	15 676	15 676	48 630	50 000	18 026
Provincial Government:	F	-	141	-		14		2		1
	Ē									
District Municipality:		-		-	-		<u>ت</u>	<u>1</u>	-	-
Other grant providers:			-	-	-	-	-	-		-
Developers Contribution		-	- 12 C	20	2	-	-			-
otal Capital Transfers and Grants	5	123 785	189 551	156 811	169 918	169 918	169 918	191 469	189 116	188 925
OTAL RECEIPTS OF TRANSFERS & GRANTS		567 154	719 998	668 042	731 742	731 896	731 896	808 390	857 989	910 460

NW403 City Of Matlosana - Supporting Table SA18 Transfers and grant receipts

Capital transfers and reserve as per the Division of Revenue Act.

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 understandability for councilors and management. Some specific features include:

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

Table 33 MBRR Table A7 - Budget cash flow statement

NW403 City Of Matlosana - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22		Current Ye	ar 2022/23			ledium Term R enditure Frame	
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											_
Receipts											
Property rales	11	4 158 960	=	419 718	365 289	365 289	365 289	515 434	392 753	420 430	3 030 000
Service charges	1	-	908 957	1 351 237	1 685 932	1 685 932	1 685 932	669 661	1 764 862	1 937 326	
Other revenue			1 475 216	3 785 551	237 037	237 037	237 037	2 350 305	(20 698)	211 583	
Transfers and Subsidies - Operalional	1			479 886	561 824	561 824	561 824	394 520	611 134	662 076	1
Transfers and Subsidies - Capital	1		- 1	170 551	169 918	169 918	169 918	115 133	173 965	194 582	24
Interest		-	4 448	21	108 337	108 337	108 337	17	97 947	102 256	
Dividends									243	54\	4
Payments											
Suppliers and employ ees		(2 452 041)	(1 294 088)	(4 054 823)	(3 068 583)	(3 068 583)	(3 068 583)	(2 585 964)	(2 931 689)	(2 989 520)	(1 078 822)
Finance charges	11				1			, , ,	240		=
Transfers and Subsidies	1										-
NET CASH FROM/(USED) OPERATING ACTIVIT	NES	1 706 919	1 094 533	2 152 140	59 754	59 7 54	59 754	1 459 107	88 274	538 732	1 951 178
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE	11								1	-	<u> </u>
Decrease (increase) in non-current receivables		-	1.00		33	1.4	1		~		(0)
Decrease (increase) in non-current investments									~	-	(0)
Payments											
Capilal assels	11	-	(140 342)	(152 541)	(217 038)	(217 038)	(217 038)	(49 739)	(221 469)	(184 596)	-
NET CASH FROM/(USED) INVESTING ACTIVITI	ES		(140 342)	(152 541)	(217 005)	(217 038)	(217 038)	(49 739)	(221 469)	(184 596)	(0)
CASH FLOWS FROM FINANCING ACTIVITIES Receipts			,		<u></u>		(=	((/ / / / / / / / / / / / / / / / / /	((0)
Short term loans											-
Borrowing long term/refinancing									~	-	-
Increase (decrease) in consumer deposits		120		-	1 500		(#2)		30		(15)
Payments Repayment of borrowing		(2.020)									
NET CASH FROM/(USED) FINANCING ACTIVIT	ES	(2 839) (2 839)			1 500		-	-	-	-	(15)
						1997 (P					
NET INCREASE/ (DECREASE) IN CASH HELD		1 704 080	954 191	1 999 599	(155 751)	(157 284)	(157 284)	1 409 368	(133 195)	354 136	1 951 163
Cash/cash equivalents at the year begin:	2	(52 420)	(136 386)	(195 402)	310 855	310 855	310 855	5 x 1	24 238	(108 957)	245 180
Cash/cash equivalents at the year end:	2	1 651 660	817 804	1 804 197	155 104	153 572	153 572	1 409 368	(108 957)	245 180	2 196 342

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

Description	Ref	2019/20	2020/21	2021/22		Current Ye	ar 2022/23			ledium Term F enditure Frame	
R thousand	Î	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available					-						
Cash/cash equivalents at the year end	1	1 651 660	817 804	1 804 197	155 104	153 572	153 572	1 409 368	(108 957)	245 180	2 196 342
Other current investments > 90 days		(1 416 676)	585 513	(2 484 059)	745 141	761 474	761 474	(1 116 873)	305 683	703 112	(1 401 633)
Investments - Property, plant and equipment	1	4 800 897	5 699 245	5 832 224	4 798 047	4 811 660	4 811 660	5 616 607	3 841 286	3 529 379	3 548 149
Cash and investments available:		5 035 881	7 102 563	5 152 362	5 698 293	5 726 706	5 726 706	5 909 102	4 038 013	4 477 671	4 342 858
Application of cash and investments											
Trade payables from Non-exchange transactions	: 01	8.	-		-	-	-	=	873		-
Unspent borrowing		*				-	-		-	-	<u></u>
Statutory requirements	2				Ť						
Other working capital requirements Other provisions	3	957 81 3	3 440 786	997 238	959 592	1 470 396	1 470 396	897 673	(420 025)	(67 667)	(389 982)
Long term investments committed	4			~	*			-	-		-
Reserves to be backed by cash/investments	5	1									
fotal Application of cash and investments:		957 813	3 440 786	997 238	959 592	1 470 396	1 470 396	897 673	(420 025)	(67 667)	(389 982)
Surplus(shortfall)		4 078 068	3 661 777	4 155 124	4 738 700	4 256 310	4 256 310	5 011 429	4 458 037	4 545 338	4 732 839

NW403 City Of Matlosana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Cash and cash equivalents / Cash backed reserves and accumulated funds

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

fundingcompliance measurement table essentially measures the degree to which the proposed buddget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 35 MBRR SA10 – Funding compliance measurement

Description	MFMA	Ref	2019/20	2020/21	2021/22		Current Ye	ar 2022/23		2023/24 Medium Term Revenue & Expenditure Framework			
ocsonhuon	section	IVEI	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year			
	1	1	Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2023/24	+1 2024/25	+2 2025/26	
Funding measures													
Cash/cash equivalents at the year end - R'000	18(1)b	1	1 651 660	817 804	1 804 197	155 104	153 572	153 572	1 409 368	(108 957)	245 180	2 196 342	
Cash + investments at the yr end less applications - R'000	18(1)b	2	4 078 068	3 661 777	4 155 124	4 738 700	4 256 310	4 256 310	5 011 429	4 458 037	4 545 338	4 732 839	
Cash year end/monthly employee/supplier payments	18(1)b	3	11.3	5,1	10.0	0.7	0.7	0.7	15.2	(0.5)	1.1	9.1	
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(160 460)	133 590	(158 592)	(65 759)	(171 353)	(171 353)	788 067	88 910	230 955	374 402	
Service charge rev % change - macro CPIX target ex clusive	18(1)a,(2)	5	N.A.	5.2%	1.3%	13.7%	(8.7%)	(6.0%)	(46.0%)	1.3%	(0.6%)	(0.6%)	
Cash receipts % of Ratepay er & Other revenue	18(1)a,(2)	6	105.0%	34.5%	86.4%	40.0%	39.4%	39.4%	103.4%	34.7%	39.7%	44.6%	
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7		(0.2%)	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Grants % of Govt. tegislated/gazetted allocations	18(1)a	10					- 1			0.0%	0.0%	0.0%	
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	33.2%	17.8%	4.5%	9.7%	0.0%	60.8%	(96.4%)	983.6%	34.5%	
Long lerm receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%	1.0%	
R&M % of Property Plant & Equipment		13	2.9%	2.2%	2.0%	4.7%	5,4%	5.4%	4.9%	7.6%	8.6%	0.0%	
Asset renew al % of capital budget	20(1)(vi)	14	3.4%	8.5%	3.6%	1.0%	0.7%	0.7%	0.0%	0.0%	0.0%	0.9%	

NW403 City Of Matlosana Supporting Table SA10 Funding measurement

								-			
oRA operating											
w manañe arunnar coulectiou tare (auleatz tucinziñ e)							P				
otal gazetted/advised national, provincial and district grants werage annual collection rate (arrears inclusive)									÷		
istrict Municipality grants											
Provincial capital grants											
Provincial operating grants											
DoRA capital grants total MFY											
DoRA operating grants total MFY											
CPI guideline		4.3%	3,9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Supporting benchmarks											
	ZULIJAIJ	3 300	10 242	0 400	2 000	1 000	1 000		-	-	1 600
Capital expenditure - renew al	20(1)(vi) 20(1)(vi)	3 365	16 242	5 483	217 038 2 066	230 651 1 600	230 651 1 600	56 932	221 469	184 596	169 918
Capital expenditure - total	18(1)a	97 881	719 998 : 191 473	668 042 152 541	731 742	731 896	731 896	588 428	808 390	857 989	910 460
Change in consumer deblors (current and non-current) Operating and Capital Grant Revenue	10(4).0	N/A 567 154	130 336	93 020	27 835	62 552	704 000	429 817	(1 095 920)	397 279	151 146
	18(1)a	3 962 556	6 916 720	6 432 101	5 716 420	5 806 266	5 806 266	3 419 651	6 156 955	6 473 592	6 797 61
Ralepayer & Other revenue	18(1)a	4 158 960	2 384 173	5 556 506	2 288 258	2 288 258	2 288 258	3 535 400	2 136 918	2 569 338	3 030 00
Capital expenditure excluding capital grant funding Cash receipts from ratepayers	10/41-	5 160	7 169	7 444	47 120	60 734	60 734	11 868	30 000	0.000.000	0.000.00
Agency services Copilal au copilities availation accilities availation			7.400	 	-	-	105 00	-		÷	<u></u>
Norther N											
Service charges - refuse removal		137 040	140 063	167 812	223 421	223 421	223 421	131 475	284 856	299 953	315 85
Service charges - sanilation revenue		112 787	118 205	125 356	173 864	153 673	153 673	94 826	162 319	171 453	181 10
Service charges - waler revenue		603 946	653 812	650 602	783 676	743 676	743 676	497 310	787 552	834 018	883 22
Service charges - electricity revenue		782 325	854 446	957 447	1 127 210	1 084 563	1 084 563	605 011	1 142 045	1 202 573	1 266 30
Property rales		334 343	425 503	451 441	507 345	532 836	532 836	315 341	561 076	588 569	616 23
Service charges		1 970 442	2 192 030	2 352 657	2 815 516	2 738 167	2 738 167	1 643 964	2 937 848	3 096 566	3 262 72
Total billable revenue	18(1)a	1 970 442	2 192 030	2 352 657	2 815 516	2 738 167	2 738 167	1 643 964	2 937 848	3 096 566	3 262 72
% incr in Sale of Goods and Rendering of Services	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
%incr Service charges - Waste Management	18(1)a		2.2%	19.8%	33_1%	0.0%	0.0%	(41.2%)	27.5%	5.3%	5.3%
% incr Service charges - Waste Water Management	18(1)a		4.8%	6.0%	38,7%	(11.6%)	0.0%	(38 3%)	5.6%	5.6%	5.6%
% incr Service charges - Water	18(1)a		8,3%	(0.5%)	20.5%	(5.1%)	0.0%	(33-1%)	5.9%	5.9%	5.9%
% incr Service charges - Electricity	18(1)a		9.2%	12.1%	17_7%	(3.8%)	0.0%	(44.2%)	5.3%	5.3%	5.3%
% incr Property Tax	18(1)a		27.3%	6.1%	12.4%	5.0%	0.0%	(40,8%)	5.3%	4.9%	4,7%
% incr total service charges (incl prop rates)	18(1)a		11.2%	7.3%	19.7%	(2.7%)	0.0%	(40,0%)	7_3%	5.4%	5.4%

Total Operating Revenue	2 849 406	3 600 265	3 695 815	4 019 854	3 994 393	3 994 393	2 626 510	4 286 582	4 531 329	4 783 88
Total Operating Expenditure	3 133 651	3 656 226	4 011 218	4 255 531	4 335 663	4 335 663	1 883 129	4 389 142	4 489 490	4 598 41
Operating Performance Surplus/(Deficit)	(284 245)	(55 960)	(315 403)	(235 677)	(341 271)	(341 271)	743 381	(102 560)	41 838	185 47
Cash and Cash Equivalents (30 June 2012)							i	(108 957)		
Revenue				1						
% Increase in Tolal Operating Revenue		26.4%	2,7%	8.8%	(0.6%)	0.0%	(34_2%)	7,3%	5.7%	5.6%
% Increase in Property Rates Revenue		27.3%	6,1%	12,4%	5.0%	0.0%	(40_8%)	77.9%	4.9%	4.7%
% Increase in Electricity Revenue	1	9.2%	12 1%	17,7%	(3.8%)	0.0%	(44,2%)	5.3%	5.3%	5.3%
% Increase in Property Rates & Services Charges		11.2%	7.3%	19.7%	(2.7%)	0.0%	(40.0%)	7.3%	5.4%	5.4%
Expenditure										
% Increase in Total Operating Expenditure		16,7%	9.7%	6.1%	1.9%	0.0%	(56.6%)	1.2%	2.3%	2.4%
% Increase in Employ ee Cosls		10.7%	(3.6%)	8.4%	(0.2%)	0.0%	(29.4%)	5.4%	5.3%	5.3%
% Increase in Electricity Bulk Purchases	1.1. 1	8.0%	17.1%	24.5%	0.0%	0.0%	(74.5%)	1.9%	1.9%	1.9%
Average Cost Per Budgeled Employee Position (Remuneration)			271327.958	290526.1183				306284.9335		
Average Cost Per Councillor (Remuneration)			444017_3065	512413 6753	-			540083.987		
R&M % of PPE	2.9%	2.2%	2.0%	4.7%	5.4%	5.4%		4.9%	7_6%	8,6%
Asset Renew al and R&M as a % of PPE	3.0%	3.0%	2,0%	5.0%	5_0%	5.0%		7_0%	8.0%	8,0%
Debt Impairment % of Total Billable Revenue	0.0%	(0,2%)	0,8%	0.0%	0.0%	0 0%	0.0%	0.0%	0.0%	0.0%
Capital Revenue										
Internally Funded & Other (R'000)	5 160	7 169	7 444	47 120	60 734	60 734	11 868	30 000	: <u>:</u> 21	3
Borrawing (R'000)	(a)					-		- 81	(A)	-
Grant Funding and Other (R'000)	92 721	184 304	145 097	169 918	169 918	169 918	45 064	191 469	184 596	169 918
Internally Generated funds % of Non Grant Funding	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100_0%	100.0%	0.0%	0.0%
Borrowing % of Non Grant Funding	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding	94.7%	96,3%	95.1%	78.3%	73.7%	73.7%	79,2%	86,5%	100.0%	100.0%
Capital Expenditure										
Total Capital Programme (R'000)	97 881	191 473	152 541	217 038	230 651	230 651	56 932	221 469	184 596	169 918
Asset Renew al	6 253	22 368	19 161	16 130	15 664	15 664		#	9 664	
Asset Renew al % of Total Capital Expenditure	6.4%	11,7%	12.6%	7.4%	6.8%	6.8%	0.0%	0.0%	5.2%	0.0%
Cash						1				
Cash Receipts % of Rate Pay er & Other	105.0%	34,5%	86.4%	40.0%	39.4%	39.4%	103.4%	34.7%	39.7%	44.6%
Cash Coverage Ratio	0	0	0	0	0	0	0	(0)	0	C
Borrowing										
Nost recent Credit Rating								0		
Capital Charges to Operating	2.6%	2.0%	2.9%	0.2%	0.2%	0.2%	0.1%	0.2%	0.3%	0.3%
korrowing Receipts % of Capital Expenditure	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves	0,070	0.078	0.078	0.070	0.076	0.070	0,070	0.076	0.070	0.076
Incommitted reserves after application of cash and investments	4 078 068	3 661 777	4 155 124	4 738 700	4 256 310	4 256 310	5 011 429	4 458 037	4 545 338	4 732 839
ree Services										
ree Basic Services as a % of Equitable Share	30.1%	26.6%	36.1%	37.5%	37.5%	37.5%		27.7%	27.0%	26.4%
ree Services as a % of Operating Revenue		10.070		01,070	01 010	0.070		21.170	C1.970	LV 770
ex cl operational transfers)	3.9%	4.3%	4.5%	2.7%	2.7%	2.7%		2.7%	2.7%	2.6%
	0.070	1.979	T= V /V	C-170	2110	2170		4170	61770	4 V /V

If the municipality's forecast cash position is negative, for any year of the medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short-term debt at the end of the financial year.

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. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

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 analyst the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget

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.

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 percent 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.

Table 36 MBRR SA19 - Expenditure on transfers and grant programs

Description R thousand	Ref	2019/20 Audited Outcome	2020/21	2021/22	Cui	rent Year 2022	(23	2023/24 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26	
EXPENDITURE:	1										
Operating expenditure of Transfers and Grants											
National Government:		69 874	131 735	109 339	102 079	104 277	104 277	109 687	114 794	121 030	
Local Government Equitable Share	1	58 968	65 087	71 877	86 606	88 906	88 906	93 855	98 662	103 606	
Energy Efficiency and Demand Side Managem		2 516	5 162	22	4 549	5 000	5 000	5 290	4 000	5 810	
Expanded Public Works Programme Integrated	1000-00	1 386	1 920	1 968	2 701	2 201	2 201	2 203	3 512	2 20	
Local Government Financial Management Gra	nt	2 220	35 277	21 708	3 100	3 100	3 100	3 100	3 100	3 59	
Municipal Disaster Relief Grant		-	19 400	8 661	-				-		
Municipal Infrastructure Grant		4 784	4 889	5 103	5 124	5 069	5 069	5 239	5 520	5 81	
Provincial Government:	ľ	952	372	755	1 256	2 038	2 038	2 068	2 123	2 23	
Capacity Building and Other Grants	ſ	952	372	755	1 256	2 038	2 038	2 068	2 123	2 23	
District Municipality:		-	-		-	-		•	-	-	
Other grant providers:		-	-	-	-	-			-	-	
Total operating expenditure of Transfers and Gr	ant	70 826	132 107	110 095	103 335	106 315	106 315	111 755	116 917	123 269	
Capital expenditure of Transfers and Grants											
National Government:		92 721	184 304	145 097	169 918	169 918	169 918	191 469	184 596	169 918	
Integrated National Electrification Programme Gr	ant	3 365	18 316	-	29 064	29 064	29 064	1 732	-	29 064	
Municipal Disaster Relief Grant		× 1	19 422	9 663		-	-	(4 0)	140	i. ¥	
Municipal Infrastructure Grant		70 285	86 086	79 512	95 178	95 178	<mark>95</mark> 178	109 945	109 596	95 178	
Neighbourhood Development Partnership Grant		19 071	44 238	48 530	30 000	30 000	30 000	31 162	25 000	30 000	
Water Services Infrastructure Grant		-	16 242	7 391	15 676	15 676	15 676	48 630	50 000	15 676	
Provincial Government:	L			(6	÷.	-				-	
District Municipality:		-	-	-	-	-	-	9	-	*	
Other grant providers:		240	-	-	-	-	-	-		2	
Developers Contribution	F		-	199	-	-	14	- F	-	-	
otal capital expenditure of Transfers and Grants	1	92 721	184 304	145 097	169 918	169 918	169 918	191 469	184 596	169 918	
OTAL EXPENDITURE OF TRANSFERS AND GRA	N	163 547	316 410	255 191	273 253	276 232	276 232	303 224	301 513	293 186	

NW 403 City Of Matlosana - Supporting Table SA19 Expenditure on transfers and grant programme

Transfers and grants as per the Division of Revenue Act.

Table 37 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	Ref	2019/20	2020/21	2021/22	Cur	rent Year 2022	23	2023/24 Medium Term Revenue & Expenditure Framework													
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26											
Operating transfers and grants: National Government: Balance unspent at beginning of the year Current year receipts Conditions met - transferred to revenue	1,3	(5 346) (0) (378 076) 377 203	(5 883) (703) (546 950) 522 463	(3 683) (24 149) (478 652) 494 509	(11 589) (344) (10 281) 7 100	(11 589) (344) (10 281) 7 100	(11 589) (344) (10 281) 7 100	(6 764) (344) (10 612) 3 100	(6 735) (344) (9 281) 3 100	(11 090 (348 (10 740 3 131											
Conditions still to be met - transferred to liabilitie: Provincial Government: Balance unspent at beginning of the year Current year receipts	S	(873)	(25 189)	(8 293)	(3 525)	(3 525)	(3 525)	(7 856)	(6 525)	(7 957											
Conditions met - transferred to revenue Conditions still to be met - transferred to liabilities District Municipality: Balance unspent at beginning of the year Current year receipts			-	-	-			-		-											
Conditions met - transferred to revenue Conditions still to be met - transferred to liabilities Other grant providers: Balance unspent at beginning of the year Current year receipts					-	•															
Conditions met - transferred to revenue Conditions still to be met - transferred to liabilities		-			-	æ).	i s al		-	-											
Total operating transfers and grants revenue		377 203	522 463	494 509	7 100	7 100	7 100	3 100	3 100	3 131											
Total operating transfers and grants - CTBM	2	(873)	(25 189)	(8 293)	(3 525)	(3 525)	(3 525)	(7 856)	(6 525)	(7 957)											
Capital transfers and grants: National Government: Balance unspent at beginning of the year Current year receipts Conditions met - transferred to revenue Conditions still to be met - transferred to liabilities Provincial Government: Balance unspent at beginning of the year	1,3	(33 646) (132 249) 128 445 (37 450)	(34 970) (171 074) 194 408 (11 637)	(2 346) (170 551) 161 600 (11 297)	(37 361) (169 918) 180 440 (26 838)	(37 361) (169 918) 180 440 (26 838)	(37 361) (169 918) 180 440 (26 838)	(37 361) (173 965) 199 640 (11 686)	(37 361) (194 582) 199 640 (32 303)	(37 734) (188 925) 201 636 (25 022)											
Current y ear receipts Conditions met - transferred to revenue Conditions still to be met - transferred to liabilities		-	•		•	-	-	•	-	-											
District Municipality: Balance unspent at beginning of the year Current year receipts																					
Conditions met - transferred to revenue Conditions still to be met - transferred to liabilities Other grant providers: Balance unspent at beginning of the year Current year receipts		-	-	-	-				-	-											
Conditions met - transferred to revenue Conditions still to be met - transferred to liabilities	-		-	(•)	-	-	-	-	•												
otal capital transfers and grants revenue	+	128 446	194 408	161 600	180 440	180 440	180 440	199 640	199 640	201 636											
otal capital transfers and grants - CTBM	2	(37 450)	(11 637)	(11 297)	(26 838)	(26 838)	(26 838)	(11 686)	(32 303)	(25 022)											
OTAL TRANSFERS AND GRANTS REVENUE		505 649	716 871	656 109	187 540	187 540	187 540	202 740	202 740	204 767											
OTAL TRANSFERS AND GRANTS - CTBM		(38 323)	(36 826)	(19 590)	(30 363)	(30 363)	(30 363)	(19 542)	(38 828)	(32 979)											

NW403 City Of Matlosana - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

2.7 Councilor and employee benefits

Table 38 MBRR SA22 - Summary of councilor and staff benefits

Summary of Employee and Councillor remuneration		2019/20	2020/21	2021/22	Cui	rrent Year 2022	/23	2023/24 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26	
	1	A	8	С	D	E	F	G	Н	1	
Councillors (Political Office Bearers plus Ot	her)	20222	assar	80.45							
Basic Salaries and Wages		21 035	22 682	21 698	24 558	24 558	24 558	25 884	27 281	28 75	
Pension and UIF Contributions	11	2 373	2 112	1 394	2 246	2 246	2 246	2 368	2 495	2 63	
Medical Aid Contributions	1 1	17	17	6	18	18	18	19	20	2	
Motor Vehicle Allow ance						_					
Cellphone Allowance		3 419	3 393	3 390	2 858	2 858	2 858	3 013	3 175	3 34	
Housing Allow ances	1.1										
Other benefits and allow ances	11	7 731	8 291	7 701	9 775	9 775	9 775	10 303	10 860	11 446	
Sub Total - Councillors		34 575	36 496	34 189	39 456	39 456	39 455	41 586	43 832	46 19	
% increase	4		5.6%	(6.3%)	15.4%	ж.		5.4%	5.4%	5.4%	
Senior Managers of the Municipality	2										
Basic Salaries and Wages	2	6 694	£ 000	5 200	10.000	40.000		11 007	10.004	10.05	
Pension and UIF Contributions		5 521	5 688	5 333	10 803	10 803	10.803	11 387	12 001	12 650	
Medical Aid Contributions		9	9	10	16	16	16	17	17	18	
		38	46	57	50	50	50	53	56	55	
Overtime		-	S# .	-	-	-	-	-	-		
Performance Bonus		1.23	133.		100	7.	a .			-	
Molor Vehicle Allow ance	3	560	596	659	1 364	1 364	1 364	1 438	1 515	1 597	
Cellphone Allow ance	3	24	24	20	211	211	211	222	234	247	
Housing Allow ances	3	30)		+		192	94 I	- av	14		
Other benefits and allow ances	3	21		<u> </u>	8	8	8	8	9	ç	
Payments in lieu of leave		-	-	100	-				~	-	
Long service awards		-	140		20	1.00	-	20		-	
Post-refirement benefit obligations Entertainment Scarcity Acting and post related allow ance	6					-					
In kind benefits Sub Total - Senior Managers of Municipality		6 151	6 363	6 179	12 452	12 452	12 452	13 124	13 833	14 580	
% increase	4	0.000	3.4%	(2.9%)	101.5%		-	5.4%	5.4%	5.4%	
Other Municipal Staff					1						
Basic Salaries and Wages	11	398 088	423 593	424 493	476 456	460 844	400.044	400 000	E40.022	500 704	
Pension and UIF Contributions		83 994	87 079	87 036	95 974		460 844	486 850	512 033	538 764	
Medical Aid Contributions						95 974	95 974	101 155	106 617	112 376	
		37 548	39 093	38 294	44 045	44 045	44 045	46 423	48 930	51 572	
Overtime		53 207	55 991	61 810	25 944	30 224	30 224	30 224	31 856	33 577	
Performance Bonus		31 478	33 169	33 145	38 047	38 047	38 047	40 102	42 267	44 550	
Motor Vehicle Allow ance	3										
Cellphone Allow ance	3	1 003	984	996	1 410	1 410	1 410	1 486	1 566	1 651	
Housing Allow ances	3	6 697	6 858	6 549	7 861	7 861	7 861	8 285	8 732	9 204	
Other benefits and allow ances	3	18 117	16 577	15 497	27 666	37 868	37 868	40 556	42 747	45 055	
Payments in lieu of leave		22 659	12 747	3 902	14 184	14 184	14 1 84	14 964	15 772	16 608	
Long service awards		(566)	(2 189)	(501)	× .	1	-	3	-	-	
Post-retirement benefit obligations Entertainment Scarcity Acting and post related allow ance In kind benefits	6	(15 428)	31 664	8 790	-	-	*	-	-	-	
Sub Total - Other Municipal Staff		636 798	705 568	680 010	731 586	730 456	730 456	770 046	810 521	853 357	
% increase	4		10.8%	(3.6%)	7.6%	(0.2%)	-	5.4%	5.3%	5.3%	
otal Parent Municipality		677 524	748 425	720 378	783 493	782 363	782 363	824 757	868 186	914 135	
			10.5%	(3.7%)	8.8%	(0.1%)	-	5.4%	5.3%	5.3%	
OTAL SALARY, ALLOWANCES & BENEFITS		677 524	748 425	720 378	783 493	782 363	782 363	824 757	868 186	914 135	
% increase	4		10.5%	(3.7%)	8.8%	(0.1%)	-	5.4%	5.3%	5.3%	
OTAL MANAGERS AND STAFF	12.41	642 040					740.007				
VIAL MANAGERG AND GIAFF	5,7	642 949	711 929	686 188	744 037	742 907	742 907	783 171	824 354	867 936	

NW403 City Of Matlosana - Supporting Table SA22 Summary councillor and staff benefits

A 6% increase is use in the calculation of councilor and staff benefits.

Table 39 MBRR SA23 - Salaries, allowances and benefits (political office
bearers/councilors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contribution	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		632 501	108 333	297 052			1 037 88
Chief Whip			538 133	85 824	281 585		1	905 54
Execulive Mayor			806 891	114 432	425 947			1 347 27
Deputy Executive Mayor			000 001	117 102	120 0 11			TON LI
Executive Committee								-
	1.1							=
Total for all other councillors			23 906 100	2 078 238	12 311 431			38 295 76
Total Councillors	8	-	25 883 625	2 386 827	13 316 015			41 586 46
Senior Managers of the Municipality	5							
Municipal Manager (MM)	Ŭ		1 461 149	0.104	360 718			1 823 99
	- 1- 0			2 124				
Chief Finance Officer	1 0		1 356 441	2 380	216 555			1 575 37
SM D01	1		1 315 072	2 124	412 881			1 730 07
SM D02			1 133 540	54 840	178 481			1 366 86
SM D03	1		1 372 032	2 380	89 239			1 463 65
SM D04			N		224 884		(I I I I I I I I I I I I I I I I I I I	2 059 44
			1 831 <mark>251</mark>	3 314				
SM D05	1			14	93 848	1		93 84
SM D06								
SM D07	1, 1		1 414 314	2 124	21 417			1 437 85
SM D08						P / /		
SM D09			1 502 794	10 (A)	70 202			1 572 99
		_						. e
ist of each offical with packages >= senior manager								
								5 0 12
						2 C		
				_				1
								12
	1 1		() ()					1.00
						1		25
						1		00 72
								00 72
								200 202 203
								20 20 20 20 20 20 20 20 20 20 20 20 20 2
atal Spains Managara of the Musicia like	8.10				4 000 005			
otal Senior Managers of the Municipality	8,10		11 386 593	69 286	1 668 225			20 20 20 20 20 20 20 20 20 20 20 20 20 2
Heading for Each Entity	8,10		11 386 593	69 286	1 668 225			
			11 386 593	69 286	1 668 225			20 22 23 23 24 25 25 25 25 25 25 25 25 25 25 25 25 25
Heading for Each Entity			11 386 593	69 286	1 668 225	-		20 22 23 23 24 25 25 25 25 25 25 25 25 25 25 25 25 25
Heading for Each Entity			11 386 593	69 286	1 668 225	-		20 22 23 23 24 25 25 25 25 25 25 25 25 25 25 25 25 25
Heading for Each Entity			11 386 593	69 286	1 668 225			
Heading for Each Entity			11 386 593	69 286	1 668 225	-		
Heading for Each Entity			11 386 593	69 286	1 668 225			
Heading for Each Entity		-	11 386 593	69 286	1 668 225			
Heading for Each Entity			11 386 593	69 286	1 668 225			
Heading for Each Entity			11 386 593	69 286	1 668 225			
Heading for Each Entity			11 386 593	69 286	1 668 225	-		
Heading for Each Entity		-	11 386 593	69 286	1 668 225			
Heading for Each Entity			11 386 593	69 286	1 668 225			
Heading for Each Entity			11 386 593	69 286	1 668 225	-		
Heading for Each Entity			11 386 593	69 286	1 668 225			
Heading for Each Entity			11 386 593	69 286	1 668 225			
Heading for Each Entity		-	11 386 593	69 286	1 668 225			
Heading for Each Entity			11 386 593	69 286	1 668 225			
Heading for Each Entity			11 386 593	69 286	1 668 225			
Heading for Each Entity List each member of board by designation	6.7							13 124 10

NW403 City Of Matlosana - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Table 40 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers Number	Ref		2021/22		Cu	rrent Year 202	2/23	Budget Year 2023/24		
	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)	1 8	77	-	77	77	-	77	77	1.000	77
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	8	-	8	8		8	8	6	2
Other Managers	7	45	45		46	42	4	46	42	4
Professionals		53	53	÷.	53	53	1.00	52	52	
Finance		7	7		7	7		7	7	-
Spatial/town planning		2	2	*	2	2	te:	1	1	
Information Technology		-	_		-	-		-	-	
Roads	1 4	-		-		_	-	<u> </u>	_	2
Electricity		-		-	-	_	-	-	_	
Water		-	122	<u> </u>	-	_	525			
Sanitation		_	_		-	_		_	_	-
Refuse		2	2	_	2	2	-	2	2	_
Other		42	42	-	42	42	-	42	42	
Technicians		237	237	-	246	239	7	246	239	7
Finance		22	22		22	22	_	22	22	
Spatial/town planning		19	19	-	19	19	_	19	19	
Information Technology		1	1		1	1		1	1	
Roads		5	5		5	5		5	5	
Electricity	1	20	20	-	20	20		20	20	-
Water		8	8		8	8		8	8	(.T) 22
Sanitation	1	10	10		10	10		10	10	-
Refuse		4	4		4	4		4	4	
Other	6 1	148	148		157	150	7	157	150	7
Clerks (Clerical and administrative)		506	506	1.1	515	494	21	515	494	21
Service and sales workers		162	162		175	175	21	175	175	
Skilled agricultural and fishery workers		102	102		10	10		10	1/5	04
Craft and related trades		142	142	1.54	142	142	1	142	142	A.52
Plant and Machine Operators		142	142	-	142	142	-	142	142	
Elementary Occupations		1 194	1 194	1.0	1 194	1 194	100	1 194	1 194	
OTAL PERSONNEL NUMBERS	9	2 606	2 521	- 85	2 638	2 521		2 634	2 523	-
% increase	9	2 000	2 921	60	2 638		117 37.6%	2 634	2 523	111
						100				(5.1%)
	6, 10	2 606	2 521	85	2 891	2 774	117	2 887	2 776	111
	8, 10		8	-	222	222	-57	222	222	
Human Resources personnel headcount	8, 10	:#1	-	-	31	31	90 (H	31	31	243

NW403 City Of Matlosana - Supporting Table SA24 Summary of personnel numbers

At 18% expenditure to the total budget, it indicates that the municipality have a high vacancy rate.

2.8 Monthly targets for revenue, expenditure and cash flow

Table 41 MBRR SA25 - Budgeted monthly revenue and expenditure

NW403 City Of Matlosana - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description R	ef					Budget Ye	ar 2023/24						Medium ler	m Revenue an Framework	i Expenditur
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	8udget Ye +2 2025/2
Revenue						1									
Exchange Revenue									0						
Service charges - Electricity	95 170	95 170	95 170	95 170	95 170	9 <mark>5 170</mark>	<u>95 170</u>	95 170	95 170	95 170	95 170	95 170	1 142 045	1 202 573	1 266 30
Service charges - Water	65 629	65 629	65 629	65 629	65 629	65 629	65 629	65 629	65 629	65 629	65 629	65 629	787 552	834 018	883 22
Service charges - Waste Water Management	13 527	13 527	13 527	13 527	13 527	13 527	13 527	13 527	13 527	13 527	13 527	13 527	162 319	171 453	181 10
Service charges - Waste Management	23 738	23 738	23 738	23 738	23 738	23 738	23 738	23 7 38	23 7 38	23 7 38	23 738	23 738	284 856	299 953	315 85
Sale of Goods and Rendering of Services	752	752	752	752	752	752	752	752	752	752	752	752	9 021	9 463	9 46
Agency services Interest	· · ·	240	-	*	-	-	-	-	-	- 24				-	
Interest earned from Receivables	46 588	46 588	46 588	46 588	46 588	46 588	46 588	46 588	46 588	46 588	46 588	46 588	559 052	586 446	614 00
Interest earned from Current and Non Current As Dividends	813	813	813	813	813	813	813	813	813	813	813	813	9 761	10 239 -	10 72
Rent on Land								1						÷	1.5
Rental from Fixed Assets	775	775	775	775	775	115	775	775	775	775	775	175	9 300	9 756	10 21
Licence and permits	742	742	742	742	742	742	742	742	742	742	742	742	8 909	9 346	978
Operational Revenue Non-Exchange Revenue	6 468	6 468	6 468	6 468	6 468	6.468	6 468	5 468	6 468	<mark>6 468</mark>	6 468	6 468	77 620	79 609	8161
Property rates	46 756	46 756	46 756	46 755	46 756	46 756	46 756	46 756	46 756	46 756	46 756	46 756	561 076	588 569	616 23
Surcharges and Taxes	20	20	20	20	20	20	20	20	20	20	20	20	241	253	. 26
Fines, penalties and forfeits	259	259	259	259	259	259	259	259	259	259	259	259	3 104	3 189	3 27
Licences or permits	4	4	4	(4	4	4	4	4	4	4	4	4	50	150	15
Transfer and subsidies - Operational	51 410	51 410	51 410	51 410	51 410	51 410	51 410	51 410	51 410	51 410	51 410	51 410	616 921	668 873	721 53
Interest	4 563	4 563	4 563	4 563	4 563	4 563	4 563	4 563	4 563	4 563	4 563	4 563	54 756	57 439	60 13
Fuel Levy										1					
Operational Revenue									1			-	÷.	*	
Gains on disposal of Assets		1	-	100	-	-	- 1	- 1	-	-	-		-	-	
Other Gains		-	-				-	-							
Viscontinued Operations												1.4	1.1	1	
otal Revenue (excluding capital transfers and	357 215	357 215	357 215	357 215	357 215	357 215	357 215	357 215	357 215	357 215	357 215	357 216	4 286 582	4 531 329	4 783 889
xpenditure		_				-									
Employ ee related costs	65 265	65 265	65 265	65 265	65 265	65 265	65 265	65 265	65 265	65 265	65 265	65 261	783 171	824 354	867 938
Remuneration of councillors	3 466	3 465	3 466	3 466	3 466	3 466	3 466	3 466	3 466	3 466	3 466	3 465	41 586	43 832	46 199
Bulk purchases - electricity	92 441	92 441	92 441	92 441	92 441	92 441	92 441	92 441	92 441	92 441	92 441	92 441	1 109 287	1 130 030	1 151 163
Inventory consumed	45 546	45 546	45 546	45 546	45 546	45 546	45 546	45 546	45 546	45 546	45 546	(60 271)	440 738	440 738	445 146
Debt impairment				-	-		-			-			-		
Depreciation and amortisation	36 667	36 667 .	36 667	36 667	36 667	36 667	36 667	36 667	36 667	36 667	36 667	36 667	440 000	440 000	440 000
Interest	893	893	893	893	893	893	893	893	893	893	893	892	10 711	11 235	11 764
Contracted services	37 487	37 487	37 487	37 487	37 487	37 487	37 487	37 487	37 487	37 487	37 487	37 486	449 843	470 759	493 070
Transfers and subsidies			200		01 107	01 101	0. 101	01 107		01 107	01 101				
irrecoverable debis written off	65 695	65 695	65 695	65 695	65 695	65 695	65 695	65 695	65 695	65 695	65 695	65 695	788 344	788 344	788 344
Operational costs	27 122	27 122	27 122	27 122	27 122	27 122	27 122	27 122	27 122	27 122	27 122	27 120	325 462	340 197	354 790
Losses on disposal of Assels	-							20	-		-	-			
Other Losses		-													
otal Expenditure	374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 581	268 756	4 389 142	4 489 490	4 598 411
urplus/(Deficit)	(17 355)	(17 365)	(17 355)	(17 365)	(17 365)	(17 365)	(17 365)	(17 365)	(17 365)	(17 365)	(17 365)	88 460	(102 560)	41 838	185 478
Transfers and subsidies - capital (monetary	1.000	1	(i) and		((11 446)		(11 000)	(11 000)	(11 000)	(11 000)	00 100	(102 000)		100 410
allocations)	15 555	15 956	15 956	15 956	15 955	15 956	15 955	15 956	15 956	15 956	15 956	15 956	191 469	189 116	188 925
Transfers and subsidies - capital (in-kind)			10 000		10 101	10 000	14.692	10 300		15 550	10 000	-	-	105 110	100 310
urplus/(Deficit) after capital transfers &															
ontributions	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1.410)	(1 410)	(1.410)	(1.410)	11 4401	104 415	88 910	230 955	274 402
income Tax		(r *rv)	(1410)	11 +10)	[1 410]	(1 + 10)	(1 410)	() ally)	(1 410)	(1 410)	(1 410)	104 413	00 910	230 933	374 402
urplus/(Deficit) after income tax	/1 /103	(4.440)	(1.110)	14 .8645	14 44 05	14 8489	11 4405	11 4165	11 1100	(4.440)	4 40				174 10
	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	104 415	88 910	230 955	374 402
Share of Surplus/Deficit attributable to Joint Venture Share of Surplus/Deficit attributable to Minorities												1	*	15	
urplus/(Deficit) attributable to municipality	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	104 415	88 910	230 955	374 402
Share of Surplus/Deficit attributable to Associate	((410)	(1.410)	(1410)	(1 +10)	((410)	(1410)	[1.410]	(1 410)	(r end)	(1410)	fi #ial	504 413		230 933	314 402
Intercompany/Parent subsidiary transactions												-			
									121			-	-		-

Table 42 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref						Budget Ye	ar 2023/24						Medium Terr	m Revenue and Framework	d Expenditure
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	•	Budget Year +2 2025/26
Revenue by Vote																
Vote 01 - Public Safety		2 648	2 648	2 648	2 6 4 8	2 648	2 648	2 648	2 648	2 648	2 648	2 648	2 648	31 778	33 361	34 76
Vole 02 - Health Services		- 14 C	-		-		- 2	2			- 4	- Ca.	:40		14	12
Vote 03 - Community Services		306	306	306	306	306	306	306	306	306	306	306	306	3 669	3 849	3 866
Vole 04 - Housing		3 422	3 422	3 422	3 422	3 422	3 422	3 422	3 422	3 422	3 422	3 422	3 422	41 058	41 355	41 633
Vote 05 - Sport Arts And Culture		166	166	166	166	166	166	166	166	166	166	16 <mark>6</mark>	166	1 992	4 020	18 062
Vote 06 - Council General		35	35	35	35	35	35	35	35	35	35	35	35	421	442	463
Vole 07 - Civil Engineering		2 645	2 645	2 645	2 6 4 5	2 6 4 5	2 645	2 645	2 645	2 645	2 645	2 645	2 645	31 735	34 458	64 358
Vote 08 - Water Section		87 705	87 705	87 705	87 705	87 705	87 705	87 705	87 705	87 705	87 705	87 705	87 705	1 052 461	1 093 857	1 177 634
Vote 09 - City Electrial Engineering		100 794	100 794	100 794	100 794	100 794	100 794	100 794	100 794	100 794	100 794	100 794	100 795	1 209 534	1 279 902	1 366 474
Vote 10 - Corporale Governane		187	187	187	187	187	187	187	187	187	187	187	187	2 240	2 250	2 261
Vote 11 - Budget And Treasury Office		113 177	113 177	113 177	113 177	113 177	113 177	113 177	113 177	113 177	113 177	113 177	113 177	1 358 123	1 447 438	I 536 979
Vole 12 - Cleansing		39 069	39 069	39 069	39 069	39 069	39 069	39 069	39 069	39 069	39 069	39 069	39 069	468 826	501 201	476 326
Vole 13 Sewerage	11	21 106	21 106	21 106	21 106	21 106	21 106	21 106	21 106	21 106	21 106	21 106	21 106	253 267	252 240	218 601
Vole 14 - Market		1 912	1912	1912	1 9 1 2	1912	1 912	1 912	1 912	1 912	1912	1912	1 912	22 947	26 072	31 394
Vote 15 - Other		0	0	8	0	0	0	0	0	0	0	0	0	1	1	1
Total Revenue by Vote		373 171	373 171	373 171	373 171	373 171	373 171	373 171	373 171	373 171	373 171	373 171	373 172	4 478 052	4 720 445	4 972 814
Expenditure by Vote to be appropriated	1	- 1							1							
Vote 01 - Public Safety	İ.	22 732	22 732	22 732	22 7 32	22 732	22 732	22 732	22 732	22 732	22 732	22 732	22 731	272 783	288 344	302 373
Vole 02 - Health Services		908	908	908	908	908	908	908	908	908	908	908	908	10 899	11 426	11 969
Vote 03 - Community Services		9 533	9 533	9 533	9 533	9 533	9 533	9 533	9 533	9 533	9 533	9 533	9 533	114 399	118 565	122 906
Vole 04 - Housing		3 839	3 839	3 839	3 839	3 839	3 839	3 839	3 839	3 839	3 839	3 839	3 838	46 065	48 363	50 729
Vote 05 - Sport Arts And Culture		8 507	8 507	8 507	8 507	8 507	8 507	8 507	8 507	8 507	8 507	8 507	8 506	102 085	105 997	110 122
Vote 06 - Council General		20 657	20 657	20 657	20 657	20 657	20 657	20 657	20 657	20 657	20 657	20 657	20 656	247 884	258 318	269 048
Vote 07 - Civil Engineering		21 143	21 143	21 143	21 143	21 143	21 143	21 143	21 143	21 143	21 143	21 143	21 143	253 720	262 868	269 636
Vote 08 - Water Section		65 090	65 090	65 090	65 090	65 090	65 090	65 090	65 090	65 090	65 090	65 090	65 089	781 075	807 494	835 219
Vote 09 - City Electrial Engineering		148 571	148 571	148 571	148 571	148 571	148 571	148 571	148 571	148 571	148 571	148 571	148 570	1 782 851	1 814 647	1 850 150
Vote 10 - Corporale Governane		6 596	6 596	6 596	6 596	6 596	6 596	6 596	6 596	6 596	6 596	6 596	6 595	79 146	83 168	87 445
Vole 11 - Budgel And Treasury Office		25 693	25 693	25 693	25 693	25 693	25 693	25 693	25 693	25 693	25 693	25 693	25 693	308 321	316 555	325 535
Vote 12 - Cleansing		19 359	19 359	19 359	19 359	19 359	19 359	19 359	19 359	19 359	19 359	19 359	19 358	232 304	240 907	249 751
Vole 13 - Sewerage		18 844	18 844	18 844	18 844	18 844	18 844	18 844	18 844	18 844	18 844	18 844	18 844	226 131	231 467	236 962
Vote 14 - Market		1 995	1 995	1 995	1 995	1 995	1 995	1995	1 995	1 995	1 995	1 995	1 995	23 939	24 994	26 090
Vote 15 - Other		1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	1 113	13 357	14 062	14 798
otal Expenditure by Vote		374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 572	4 494 958	4 627 174	4 762 733
urplus/(Deficit) before assoc.		(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 400)	(16 906)	93 271	210 081
Income Tax		, ,		1 1	1	1	1	1.114		1	1	1	· · · · · · · · · · · · · · · · · · ·			
Share of Surplus/Deficil attributable to Minorities																
1														(*)		
Intercompany/Parent subsidiary transactions	-												2		2	
urplus/(Deficit)	1	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 400)	(16 906)	93 271	210 081

NW403 City Of Matlosana - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Table 43 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Ref						Budget Ye	ar 2023/24						Medium Terr	n Revenue and Framéwork	Expenditure
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26
Revenue - Functional						-							-			
Governance and administration		113 399	113 399	113 399	113 399	113 399	113 399	113 399	113 399	113 399	113 399	113 399	113 399	1 360 784	1 450 130	1 539 70
Executive and council		222	222	222	222	222	222	222	222	222	222	222	222	2 661	2 692	2 72
Finance and administration		113 177	113 177	113 177	113 177	113 177	113 177	113 177	113 177	113 177	113 177	113 177	113 177	I 358 123	1 447 438	1 536 97
Internal audit																
Community and public safety		6 018	6 0 1 8	6 018	6 018	6 018	6 018	8 018	6 0 1 8	6 018	5 018	6 018	6 018	72 218	75 998	91 45
Community and social services		394	394	394	394	394	394	394	394	394	394	394	394	4 729	4 892	4 89
Sport and recreation		59	59	59	59	59	59	59	59	59	59	59	59	710	2 745	16 80
Public safety		2 648	2 648	2 648	2 648	2 648	2 648	2 648	2 648	2 648	2 648	2 648	2 6 4 8	31 778	33 361	34 76
Housing	11	2 917	2 917	2 917	2 9 17	2 917	2 917	2 917	2917	2917	2 917	2 917	2 9 17	35 000	35 000	35 00
Health												1	- 2		2	- 2
Economic and environmental services	8.1	3 168	3 168	3 168	3 168	3 168	3 168	3 168	3 168	3 168	3 168	3 168	3 168	38 015	41 046	71 22
Planning and development	11	987	987	987	987	987	987	987	987	987	987	987	987	11 846	11 822	12 36
Road transport		2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	25 948	28 992	58 62
Environmental protection		18	18	18	18	18	18	18	18	18	18	18	18	221	232	23
Trading services	i	248 674	248 674	248 674	248 674	248 674	248 674	248 674	248 674	248 674	248 674	248 674	248 674	2 984 087	3 127 199	3 239 03
Energy sources		100 794	100 794	100 794	100 794	100 794	100 794	100 794	100 794	100 794	100 794	100 794	100 795	1 209 534	1 279 902	1 366 47
Water management	11	87 705	87 705	87 705	87 705	87 705	87 705	87 705	87 705	87 705	87 705	87 705	87 705	1 052 461	1 093 857	1 177 63
Waste water management		21 106	21 106	21 106	21 106	21 106	21 106	21 106	21 106	21 106	21 106	21 106	21 106	253 267	252 240	218 60
Waste management	11	39 069	39 069	39 069	39 069	39 069	39 069	39 069	39 069	39 069	39 069	39 069	39 069	468 826	501 201	476 326
Olher		1 912	1 912	1 912	1 912	1 912	1 912	1 912	1 912	1 912	1 912	1 912	1 912	22 947	26 072	31 39
Total Revenue - Functional		373 171	373 171	373 171	373 171	373 171	373 171	373 171	373 171	373 171	373 171	373 171	373 172	4 478 052	4 720 445	4 972 81
Expenditure - Functional	11															
Governance and administration		62.050	C1 050	03.050	C2 050	C1 0F0	C2 050	02.050	63.050	03.050	C2 050	C2 050	02.057	760 744	702 004	040.000
	11	63 059	63 059	63 059	63 059	63 059	63 059	63 059	63 059 35 095	63 059	63 059	63 059	63 057	756 711	783 681	812 059
Executive and council	11	35 085	35 085	35 085	35 085	35 085	35 085	35 085	35 085	35 085	35 085	35 085	35 083	421 020	438 341	456 28
Finance and administration	11	27 447	27 447	27 447	27 447	27 447	27 447	27 447	27 447	27 447	27 447	27 447	27 446	329 366	338 675	348 75
Internal audit	11	527	527	527	527	527	527	527	527	527	527	527	527	6 326	6 665	7 022
Community and public safety		35 694	35 694	35 694	35 694	35 694	35 694	35 694	35 694	35 694	35 694	35 694	35 692	428 327	454 269	479 905
Community and social services		10 487	10 487	10 487	10 487	10 487	10 487	10 487	10 487	10 487	10 487	10 487	10 487	125 845	130 525	135 435
Sport and recreation		9 437	9 437	9 437	9 437	9 437	9 437	9 437	9 437	9 437	9 437	9 437	9 437	113 249	121 906 .	131 462
Public safety	1	14 240	14 240	14 240	14 240	14 240	14 240	14 240	14 240	14 240	14 240	14 240	14 240	170 883	182 581	192 834
Housing	11	1 515	1 515	1 515	I 515	1 5 1 5	1 515	1 5 1 5	I 515	1 515	1515	1 515	1 515	18 179	19 077	19 985
Health		14	14	14	- 14	14	14	14	14	14	14	14	14	171	180	186
Economic and environmental services	11	25 012	25 012	25 012	25 012	25 012	25 012	25 012	25 012	25 012	25 012	25 012	25 010	300 139	311 765	321 131
Planning and development		6 191	6 191	6 191	6 191	6 191	6 191	6 191	6 191	6 191	6 191	6 191	6 190	74 293	78 246	82 398
Road transport		18 647	18 647	18 647	18 6 47	18 647	18 647	18 647	18 647	18 647	18 647	18 647	18 646	223 759	231 322	236 432
Environmental protection	11	174	174	174	174	174	174	174	174	174	174	174	174	2 088	2 197	2 310
Trading services	11	248 519	248 519	248 519	248 519	248 519	248 519	248 519	248 519	248 519	248 519	248 519	248 517	2 982 230	3 048 247	3 118 605
Energy sources	11	145 320	145 320	145 320	145 320	145 320	145 320	145 320	145 320	145 320	145 320	145 320	145 319	1 743 840	1 768 333	1 795 166
Water management		64 611	64 611	64 6 1 1	64 611	64 611	64 6 1 1	64 611	64 611	64 611	64 611	64 611	64 610	775 329	801 408	828 774
Wasle water management		19 409	19 409	19 409	19 409	19 409	19 409	19 409	19 409	19 409	19 409	19 409	19 408	232 902	239 857	247 292
Waste management		19 180	19 180	19 180	19 180	19 180	19 180	19 180	19 (80	19 180	19 180	19 180	19 179	230 159	238 649	247 374
Other	11	2 296	2 296	2 296	2 296	2 296	2 296	2 296	2 296	2 296	2 296	2 296	2 296	27 550	29 212	31 026
otal Expenditure - Functional		374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 581	374 571	4 494 958	4 627 174	4 762 733
Gurplus/(Deficit) before assoc	+	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 400)	(16 906)	93 271	210 08*
		(, , , , , ,)	(, , , , ,)	1. 1.4	(, ,, ,, ,,	(1.1.0)	1, 10	(110)	(r rig	(1 110)	(1 + 14)	11 11 0		, ,		L 10 00
Intercompany/Parent subsidiary transactions Surplus/(Deficit)	1	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 410)	(1 400)	(16 906)	93 271	210 081

NW403 City Of Matlosana - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Table 44 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref						Budget Ye	ar 2023/24						Medlum Teri	n Revenue an Framework	d Expenditure
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June		Budget Year +1 2024/25	Budget Year +2 2025/26
Multi-year expenditure to be appropriated	1															
Vote 01 - Public Safety											30		:=)		×	
Vote 02 - Health Services	-14	822					8									(*)
Vote 03 - Community Services		2.55		1.00			~							e		
Vote 04 - Housing	94	200							-		-				×	
Vole 05 - Sport Arts And Culture			(e)				×				-				Ξ.	10 431
Vote 06 - Council General			100					*			14	3		-		i a
Vote 07 - Civil Engineering		10 411 ⁵	10 411	10 41 1	10 411	10 411	10 41 1	10 411	10 411	10 411	10 411	10 411	10 411	124 937	109 596	61 004
Vote 08 - Water Section		4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	48 630	50 000	32 680
Vote 09 - City Electrial Engineering		144	144	144	144	144	144	144	144	144	144	144	144	1 732	2	33 544
Vole 10 - Corporate Governane		142	- 22	\sim	-	20	-	÷		-				2		12
Vote 11 - Budget And Treasury Office					140						-	- 54	1.12	- u	÷	12
Vote 12 - Cleansing		(20)	- 23	-	18	-	2	9	-	2			12			12 626
Vote 13 - Sewerage		1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	16 170	25 000	11 569
Vote 14 - Markel		141	520	523	020	12	2	1	- 20	÷.		3	4	9	2	8 064
Vole 15 - Other	- 1	4	- 34	-			-	-			<u>_</u>	-	1	4		
Capital multi-year expenditure sub-total	2	15 956	15 956	15 956	15 956	15 956 :	15 956	15 956	15 956	15 956	15 956	15 956	15 956	191 469	184 596	169 918
Single-year expenditure to be appropriated	d ()				1											
Vote 01 - Public Safety		3	- 21	4				-	- 1	-			-		-	
Vote 02 - Health Services	11						-		_						-	
Vole 03 - Community Services	4	-		-						-					-	
Vote 04 - Housing							-				-	-		-	- :	
Vote 05 - Sport Arts And Culture	a 1	-	-	-						-	-			-		
Vote (16 - Council General		2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	30 000		
Vote 07 - Civil Engineering							-	-		-	-	-			-	
Vote 08 - Water Section				-		-			-		-	_				
Vote 09 - City Electrial Engineering		2				-	-			-		-			-	-
Vote 10 - Corporate Governane						-		<u> </u>	-				2		-	-
Vote 11 - Budget And Treasury Office						-	140	10			*	-			2.23	
Vole 12 - Cleansing							100		2		2	_	2		1	
Vole 13 - Sewerage		-		2	- 2	-			-				4	2		14
Vote 14 - Market		-	-		-	1		121	-					-	747	4
Vole 15 - Other			-	-	-	1		12	20	- 2	1	2		2	220	
apital single-year expenditure sub-total	2	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	30 000		
otal Capital Expenditure	2	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	221 459	184 596	169 918

NW403 City Of Matlosana - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Table 45 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Ref						Budget Ye	ar 2023/24						Medium Terr	n Revenue and Framework	Expenditure
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional	1	_					-					_				
Governance and administration		2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	30 000		
Executive and council		2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	30 000	÷	
Finance and administration		1.000	0.00		÷.	-	*	Ξ.	2	-	- 14 C		-	×	-	
Internal audit										1					-	
Community and public safety	11 I.	-	123	- 20		22	2		4							10 431
Community and social services					-		*	-	-			-				143
Sport and recreation			-			-	-	-	-			-		=	*	10 431
Public salety	8			-	127	-	-	-		-	-				2	12
Housing					-			-	-	-	-					
Health										1						
Economic and environmental services		10 411	10 411	10 411	10 411	10 411	18 411	10 411	10 411	10 411	10 411	10 411	10 411	124 937	109 596	61 004
Planning and development	1.1		1		1				1							
Road transport		10 41 1	10 411	10 411	10 411	10 411	10 411	10 411	10 411	10 411	10 411	10 411	10 411	124 937	109 596	61 004
Environmental protection															21	183
Trading services		5 544	5 544	5 544	5 544	5 544	5 544	5 544	5 544	5 544	5 544	5 544	5 544	66 532	75 000	90 419
Energy sources		144	144	144	144	144	144	144	144	144	144	144	144	1 732		33 544
Waler management		4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	48 630	50 000	32 680
Waste water management	11	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	16 170	25 000	11 569
Waste management		-	220	523		-	- 53	5	-	-	2		i.	8		12 626
Other	11				-										•	8 064
fotal Capital Expenditure - Functional	2	1B 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	221 469	184 596	169 918
Funded by:																
National Government		15 956	(5 956	15 956	15 956	15 956	15 956	15 956	15 956	15 956	15 956	15 956	15 956	191 469	184 596	169 918
Provincial Government			10 000			10 000	10 000	10 000	10 000	10 000	10 000	10 000	-	-		
District Municipality																
barra (nonapan)																
Transfers and subsidies - capital (in-kind)		-	-	~	-	-			-	-	*	-	*		(6)	
Transfers recognised - capital		15 956	15 956	15 956	15 956	15 956	15 956	15 956	15 956	15 956	15 956	15 956	15 956	191 469	184 596	169 918
Borrowing		-	-	-	-		-	-	-		-			*		
Internally generated funds		2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	30 000	121	ŝ
otal Capital Funding	+++	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	18 456	221 469	184 596	169 918

NW403 City Of Matlosana - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Table 46 MBRR SA30 - Budgeted monthly cash flow

NW403 City Of Matlosana - Supporting Table SA30 Bu	idgeted monthly cash flow
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MONTHLY CASH FLOWS						Budget Ye	ar 2023/24						Medium Terr	m Revenue and Framework	Expenditure
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Receipts By Source		-	_										1		
Property rates	32 075	32 075	32 075	32 075	32 075	32 075	32 075	32 075	32 075	32 075	32 075	39 924	392 753	429 655	462 174
Service charges - electricity revenue	66 519	66 519	66 519	66 519	66 519	66 519	66 519	66 519	66 519	66 519	66 519	67 719	799 431	677 878	949 732
Service charges - water revenue	45 941	45 941	45 941	45 941	45 941	45 941	45 941	45 941	45 941	45 941	45 941	45 941	551 287	608 833	662 419
Service charges - sanitation revenue	9 197	9 197	9 197	9 197	9 197	9 197	9 197	9 197	9 197	9 197	<mark>9</mark> 197	12 481	113 623	125 161	135 827
Service charges - refuse revenue	15 885	15 885	15 885	15 885	15 885	15 885	15 885	15 885	15 885	15 885	15 885	24 667	199 399	218 966	236 888
Rental of facilities and equipment	511	511	511	511	511	511	511	511	511	511	511	12 587	18 210	19 102	20 000
Interest earned - external investments	677	677	677	677	677	677	677	677	677	677	677	2 310	9 761	10 239	10 720
Interest earned - outstanding debtors	45 000	45 000	45 000	45 000	45 000	45 000	45 000	45 000	45 000	45 000	45 000	(372 242)	122 762	123 298	123 838
Dividends received		1			1 I							1.12		263	(¥
Fines, penalties and forfeits	120	120	120	120	120	120	120	120	120	120	120	1 781	3 104	3 189	3 278
Licences and permits	4	4	4	4	4	4	4	4	4	4	4	6	50	150	150
Agency services														100	-
Transfers and Subsidies - Operational	50 184	50 184	50 184	50 184	50 184	50 184	50 184	50 184	50 184	50 184	50 184	64 900	616 921	668 887	721 546
Other revenue	23	23	23	23	23	23	23	23	23	23	23	86 634	86 881	89 325	81611
Cash Receipts by Source	266 136	266 136	266 136	266 135	265 135	266 136	266 136	266 136	266 136	266 136	266 136	(13 317)	2 914 181	3 174 683	3 408 182
Other Cash Flows by Source Fransiers and sudsidies - capital (moneary and cauris) (manuliar)															
Provincial and District)	16 637	16 637	16 637	16 637	16 637	16 637	16 637	16 637	16 637	16 637	16 637	8 466	191 469	189 116	190 216
The same star contrasts to gran (contrast) stores with the s															
Prov Departm Agencies, Households, Non-profit Institutions,															
Private Enterprises, Public Corporatons, Higher Educ Institutions) Proceeds on Disposal of Fixed and Intangible Assets		-										100			2
Short term loans		1										1.1			
Borrowing long term/refinancing												1.3			
Increase (decrease) in consumer deposits		20	1	-		121	15		1		-	1 500	1 500	1 500	1 500
Decrease (increase) in non-current receivables Decrease (increase) in non-current investments	-			×	-			-				33	33	33	33
Total Cash Receipts by Source	282 772	282 772	282 772	282 772	282 772	282 772	282 772	282 772	282 772	282 772	282 772	[3 313]	3 107 184	3 365 332	3 599 931
Cash Payments by Type							_		-	1					
Employee related costs	69 817	69 817	69 817	69 817 ;	69 817	69 817	69 817	69 817	69 817	69 817 :	69 817	15 178	783 171	824 354	867 936
Remuneration of councillors									** ***	00 011		41 586	41 586	43 832	46 199
Finance charges									1			10 711	10 7 11	11 235	11 764
Bulk purchases - electricity	92 210	92 210	92 2 10	92 210	92 210	92 210	92 210	92 210	92 210	92 210	92 210	94 974	1 109 287	1 130 030	1 151 162
Acquisitions - water & other inventory	26 854	26 854	26 854	26 854	26 854	26 854	26 854	26 854	26 854	26 854	26 854	145 339	440 738	440 738	-
Contracted services		20 001	20 00 1			20 00 1	20 001		20 001	20 001	20 001	449 843	449 843	470 759	493 070
Transfers and subsidies - other municipalities								- 11					110 010	410 750	100 010
Trackers and subsidies - offer interrepaides													-		
Other expenditure	19 153	19 153	19 153	19 153	19 153	19 153	19 153	19 153	19 153	19 153	19 153	114 678	325 362	340 197	354 790
Cash Payments by Type	208 035	208 035	208 035	208 035	208 035	208 035	208 035	208 035	208 035	208 035	208 035	872 310	3 160 698	3 261 146	2 924 921
Other Cash Flows/Paymants by Type		1	725/200	9			215095655			(albeit)					
Capital assets	17 849	17 849	17 849	17 849	17 849	17 849	17 849	17 849	17 849	17 849	17 849	25 133	221 469	189 1 16	190 216
Repayment of borrowing					11 010		11010	11 045	17 040	11 045	11 010	4 697	4 697	4 697	30 210
Other Cash Flow s/Pay ments	42	42	42	42	42	42	42	42	42	42	42	249 542	250 000	230 000	220 000
Total Cash Paymenis by Type	225 926	225 926	225 926	225 926	225 926	225 926	225 926	225 926	225 926	225 926	225 926	1 151 681	3 636 864	3 684 959	3 335 137
NET INCREASE/(DECREASE) IN CASH HELD	56 847	56 847	56 847	56 847	56 847 :	56 847	56 847	56 847	56 847	56 847	56 847	(1 154 994)	(529 680)	(319 627)	264 794
Cash/cash equivalents at the monitry ear begin:	200 000	200 047	313 093	370 540	427 367	404 234	541 000	597 927	054774	711 621	100 401	020 314	200 000	(329 680)	(649 307
Cash/cash equivalents at the month/year end:	256 847	313 693	370 540	427 387	484 234 1	541 OBO	597 927	654 774	711 621	768 467 `	825 314	(329 680)	(329 680)	(649 307)	(384 513)

2.9 Capital expenditure details

The following two tables present details of the Municipal's capital expenditure programs, firstly on new assets, and the repair and maintenance of assets.

Table 47 MBRR SA 34a - Capital expenditure on new assets by asset class

NW403 City Of Matlosana - Support	ng Table SA34a Capital expenditure on new assets by asset	class
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Description	Ref	2019/20	2020/21	2021/22	Cur	rrent Year 2022	/23		ledium Term R Inditure Frame	
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26
Capital expenditure on new assets by Asset C	lass/Si	ib-class								
nfrastructure		77 474	156 912	107 989	171 357	171 823	171 823	191 469	184 596	149 823
Roads Infrastructure	11	18 494	49 600	50 195	57 182	61 004	61 004	124 937	109 596	61 004
Roads	11	18 494	49 600	50 195	57 182	61 004	61 004	124 937	109 596	61 004
Road Structures	11									
Road Furniture										
Capital Spares										
Storm water Infrastructure	11	-	100	~	-	106	90			-
Drainage Collection	11									
Storm water Conveyance	11									
Attenuation										
Electrical Infrastructure		12 541	50 705	20 538	53 944	53 944	53 944	1 732	-	31 944
Power Plants										
HV Substations		-	12 103	7 444	22 000	22 000	22 000		(a)	
HV Switching Station	L I									
HV Transmission Conductors										
MV Substations			2 674	<u>~</u>	121	522	<u></u>	120	C=7	1
MV Switching Stations										
MV Nelworks		6 285	14 820	13 093	29 064	29 064	29 064	1 732		29 064
LV Nelworks		6 256	21 108	2	2 880	2 880	2 880			2 880
Capital Spares	l I									
Water Supply Infrastructure		40 876	34 145	28 398	28 715	32 680	32 680	48 630	50 000	32 680
Dams and Weirs										
Boreholes					1	10				
Reservoirs									1	
Pump Stations		-	7 436	4 071		-	×	-		-
Water Treatment Works										
Bulk Mains		4 232	8 896	20 668	13 504	17 004	17 004		1213	17 004
Distribution		36 643	17 813	3 659	15 210	15 676	15 676	48 630	50 000	15 676
Distribution Points										
PRV Stations							_			
Capital Spares										
Sanilation Infrastructure		5 563	22 462	8 858	21 069	11 569	11 569	16 170	25 000	11 569
Pump Station		455	6 261	3 659	-	5 569	5 569			5 569
Reticulation		5 108	16 201	5 199	21 069	6 000	6 000	16 170	25 000	6 000
Waste Water Treatment Works										
Outfall Sewers		~	-	-	- 1		-	-	~	
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	14	10 447	12 626	12 626		-	12 626
Landfill Sites						12 020				12 020
Waste Transfer Stations		-	-	-	10 447	12 626	12 626	-	-	12 626
Waste Processing Facilities								21		12 020
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares			1							

Community Assets	8 994	12 193	25 390	15 431	15 431	15 431	*	÷ [10 431
Community Facilities	-	<u> </u>	-	5 000	5 000	5 000		÷.	-
Halls				_			_		
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations Museums									
Galleries									
Theatres									
Libraries	1								
Cemeteries/Crematoria									
Police		-	-	10 M	×	~	2.44	-	-
Parks				1					
				5 000	C 000	5 000	· · · ·		
Public Open Space		-	~	5 000	5 000	5 000	10	-	
Nalure Reserves Public Ablulion Facilities									
Markets									
Stalls		1.1					1		
Abaltoirs									
Airports Taxi Ranks/Bus Terminals				1					
				4					
Capital Spares	0.004								
Sport and Recreation Facilities	8 994	12 193	25 390	10 431	10 431	10 431	-	5	10 431
Indoor Facilities			-	-	5		-		×
Ouldoor Facilities	8 994	12 193	25 390	10 431	10 431	10 431		-	10 431
Capital Spares	_	_							
Biological or Cultivated Assets	-	(G)	8	-	5.5	3		-	-
Biological or Cultivated Assets		-	_		_	_			
Intangible Assets		_	_	520	520	520			-
Servitudes				ULV	520	520	-		-
				500	500	500			
Licences and Rights	-		-	520	520	520	-	-	-
Water Rights		-						1	
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications	-	30	~	520	520	520		1	-
Load Settlement Software Applications									
Unspecified									
Computer Equipment	4 863		100	-	25	25	-	. e.	-
Computer Equipment	4 863	577		-	25	25	-	873	
Furniture and Office Equipment			-	2 000	2 000	2 000		100	
Furniture and Office Equipment									
Turnure and Once Equipment			-	2 000	2 000	2 000	-		
Machinery and Equipment	297	-	0.00	4 600	4 600	4 600	30 000	100	10
Machinery and Equipment	297	-	120	4 600	4 600	4 600	30 000	_	-
Transport Assets									
	-	-	-	7 000	20 589	20 589	-	1.00	~
Transport Assets	-		-	7 000	20 589	20 589	-	1	5 1 1
Land	=		-	· · ·	<u>a</u>	728	-	-	1
Land							-	-	
Coo's, Marine and Non-biological Animals					200	5.000	-	-	1993) 1993
Zoo's, Marine and Non-biological Animals									
iving resources									
			4			•			-
Mature	745	*3		× .		- S	10	8	14
Policing and Protection									
Zoological plants and animals									
Immalure	-								
Policing and Protection	Contraction data	20	12		-				
Zoological plants and animals									

Table 48BRR SA34b - Repairs and maintenance expenditure by asset class

Description	Ref 2019/20	2020/21	2021/22	Cur	rent Year 2022	/23	1	Medium Term F enditure Frame	
R thousand	1 Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on renewal of existing asset	s by Asset Class	Sub-class							
Infrastructure	3 365	5 16 242	5 483	2 066	1 600	1 600		-	1 600
Roads Infrastructure	2	-	120		-	123	121	-	-
Roads									
Road Structures Road Furniture									
Capital Spares									
Storm water Infrastructure	-	× ×	-	14		1	1.4	-	
Drainage Collection									
Storm water Conveyance									
Altenuation									
Electrical Infrastructure	3 365		-	1 600	1 600	1 600	2		1 600
Power Plants									
HV Substations	3 365		-	100	2	(T)	-	1	
HV Switching Station HV Transmission Conductors									
MV Substations									
MV Switching Stations									
MV Networks									
LV Networks	1 28	-	3 # 2	1 600	1 600	1 600		-	1 600
Capital Spares									
Sanitation Infrastructure	-	16 242	5 483	466	-	94 C	120	~	
Pump Stalion									
Reticulation									
Waste Water Treatment Works		16 242	5 483	466			=		-
Outfall Sewers									
Toilet Facilities									
Capital Spares		_			_		_		
lving resources	•	•	•		3.03		•	•	(• .)
Mature	×	940	8	2	3 61	*	×		(a)
Policing and Protection									
Zoological plants and animals									
Immature		•	5	×		8	*	2	(•)
Policing and Protection									
Zoological plants and animals									
otal Capital Expenditure on renewal of existing	1 3 365	16 242	5 483	2 066	1 600	1 600	-	-	1 600
enewal of Existing Assets as % of total capex	3.4%	8.5%	3.6%	1.0%	0.7%	0.7%	0.0%	0.0%	0.9%
Renewal of Existing Assets as % of deprecn"	0.8%	3.9%	1.4%	0.5%	0.4%	0.4%	0.0%	0.0%	0.4%

NW403 City Of Matlosana - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Table 48BRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2019/20	2020/21	2021/22	Cur	rent Year 2022	/23		ledium Term F Inditure Frame	
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26
Repairs and maintenance expenditure by A	Asset Clas	s/Sub-class								
Infrastructure		66 413	45 791	92 816	156 185	186 094	186 094	196 887	206 891	216 64
Roads Infrastructure	Ī	24 973	6 017	14 286	48 376	63 326	63 326	66 998	70 638	73 98
Roads		24 878	5 833	14 034	47 744	62 444	62 444	66 065	69 303	72 56
Road Structures										
Road Fumilure		95	185	251	632	882	882	933	1 335	1 42
Capilal Spares										
Storm water Infrastructure		-		-	-	-				-
Drainage Collection										
Storm water Conveyance										
Attenuation	1.1									
Electrical Infrastructure		29 346	35 985	45 970	69 691	86 691	86 691	91 719	96 213	100 73
Power Plants	11									
HV Substations	1.6									
HV Switching Station	10.1	1								
HV Transmission Conductors										
MV Substations	4.4	335	217	330	278	778	778	823	8 <mark>6</mark> 4	90
MV Switching Stations		1 636	1 139	3	115	115	115	122	128	13
MV Networks			1100	Ĩ	110		110	142		10
LV Networks	11	27 374	34 629	45 637	69 298	85 798	85 798	90 774	95 222	99 69
Capital Spares			01010	10 001	00 200	00100	00100	00111	UU LLL	
Water Supply Infrastructure		9 985	2 292	25 146	17 565	15 765	15 765	16 679	17 496	18 31
Dams and Weirs		0 000	E LUL	LOTIO	11 000	10100	10 100	10 0/ 0	11 400	10 01
Boreholes										
Reservoirs		1 169	13	945	3 494	3 494	3 494	3 697	3 878	4 06
Pump Stations		1103		343	5 454	J 434	J 434	0.091	0.010	4 00
Water Treatment Works										
Bulk Mains										
Distribution		8 816	2 279	24 201	14 070	12 270	12 270	12 982	13 618	14 258
Distribution Points		0010	2213	24 201	14 070	12 210	12 210	12 302	10 010	14 200
PRV Stations							_		_	
Capital Spares							_			
		2 1 10	1 406	7 415	20 552	20.242	00.040	21,400	00 540	00.60
Sanilation Infrastructure		2 110	1 496	7 415	20 553	20 312	20 312	21 490	22 543	23 603
Pump Stalion Retiguistion		1 700	1 400	5 540	40.000	10.000	40.000	11.001	44.000	40.000
Reticulation		1 790	1 432	5 540	10 903	10 662	10 662	11 281	11 833	12 390
Waste Waler Treatment Works		320	64	1 875	9 650	9 650	9 650	10 210	10 710	11 213
Outfall Sewers										
Toilet Facilities						i.				
Capital Spares	11									

NW403 City Of Matlosana - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Community Assets	9 124	1 768	2 500	13 208	13 928	13 928	17 175	17 981	18 83
Community Facilities	5 602	649	415	6 181	6 901	6 901	9 056	9 465	9 91
Halls								_	
Centres									
Crèches		l l							
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums	34	39	28	104	119	119	1 012	1 062	1 11
Galleries									
Thealres									
Libraries	857	208	417	980	985	985	<mark>1 9</mark> 11	1 969	2 08
Cemeleries/Cremaloria	3 696	175	(209)	3 916	4 616	<mark>4 61</mark> 6	<mark>4 884</mark>	5 123	5 36
Police					10				
Parks									
Public Open Space	-	-	-	4	4	4	5	5	
Nature Reserves	28	=	90	505	505	505	535	561	58
Public Ablution Facilities									
Markels	986	226	89	672	672	672	711	746	7
Stalls					ĩ				
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	3 522	1 120	2 085	7 026	7 026	7 026	8 119	8 517	8 91
Indoor Facilities	737	147	670	2 330	2 330	2 330	2 505	2 627	2 7
Outdoor Facilities	2 785	973	1 415	4 696	4 696	4 696	5 614	5 889	6 16
Capital Spares									
eritage assets	173	163	79	168	188	188	199	208	21
Monuments		1	_						-
Historic Buildings		1					_		
Works of Art		-	-	-		-	-	-	
Conservation Areas	173	163	79	168	188	188	199	208	21
Other Heritage					100		100	200	
0									
her assets	1 635	1 075	1 131	5 127	7 505	7 505	9 930	11 667	12 31
Operational Buildings	1 635	1 075	1 131	5 127	7 505	7 505	9 930	11 667	12 31
Municipal Offices	1 613	1 042	1 102	5 070	7 448	7 448	9 870	11 604	12 24
Pay/Enquiry Points									
Building Plan Offices									
Workshops	19	26	26	48	48	48	51	53	5
Yards		10		10	10	10	01	00	0
Stores	3	8	2	9	0	9	10	10	4
Laboralories	3	0	2	3	9	9	10	10	1
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares			_						

R&M as % Operating Expenditure		4.5%	3.4%	2.9%	5.3%	6.0%	6.0%	14.7%	6.6%	6.8%
R&M as a % of PPE		2.9%	-22.1%	-18.7%	2253.1%	2597.4%	2597.4%	-44.7%	2931.0%	3065.7%
lotal Repairs and Maintenance Expenditure	1	141 223	125 569	115 619	223 989	258 213	258 213	276 266	291 378	304 76
Zoological plants and animals										
Policing and Protection										
Immature			*	8 5 5			•2	۰	28	
Zoological plants and animals										
Policing and Protection										
Mature	B [•	*					
Living resources				•		3.00	•		300	
Transport Assets		35 174	50 418	2 557	15 894	15 814	15 814	15 022	15 713	16 01
Transport Assets		35 174	50 418	2 557	15 894	15 814	15 814	15 022	15 713	16 0
Machinery and Equipment		16 942	7 212	11 385	24 213	24 233	24 233	25 639	26 942	28 2
Machinery and Equipment		16 942	7 212	11 385	24 213	24 233	24 233	25 639	26 942	28 2
Furniture and Office Equipment		413	243	427	1 199	2 216	2 216	2 702	2 834	2 96
Furniture and Office Equipment		413	243	427	1 199	2 216	2 216	2 702	2 834	29
Computer Equipment Computer Equipment		(2 589) (2 589)	1 835 1 835	3 389 3 389	4 065 4 065	4 065 4 065	4 065 4 065	4 300 4 300	4 511 4 511	4 72 4 72
Load Settlement Software Applications Unspecified										
Computer Software and Applications		13 937	17 063	1 337	3 931	4 171	4 171	4 413	4 629	4 84
Solid Waste Licenses										
Effluent Licenses						-				
Water Rights										
Licences and Rights		13 937	17 063	1 337	3 931	4 171	4 171	4 413	4 629	4 8
Intangible Assets Servitudes		13 937	17 063	1 337	3 931	4 171	4 171	4 413	4 629	4 84

Table 48BRR SA34d Deprciation – by asset class

Description	Ref	2019/20	2020/21	2021/22	Cur	rent Year 2022	/23		fedium Term R enditure Frame	
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26
Depreciation by Asset Class/Sub-class										
Infrastructure		332 147	264 259	281 187	287 692	322 692	322 692	322 692	322 692	322 69
Roads Infrastructure		92 642	25 314	92 856	96 260	96 260	96 260	96 260	96 260	96 26
Roads		92 642	25 314	92 856	96 260	96 260	96 260	96 260	96 260	96 26
Road Structures										
Road Furniture									-	
Capital Spares						_				
Storm water Infrastructure			196		-	ж	ā.			÷
Drainage Collection										
Storm water Conveyance										
Altenuation										
Electrical Infrastructure		55 541	55 562	56 338	49 997	59 997	59 997	59 997	59 997	59 99
Power Plants		-	-	567	-	(#)		-	200	-
HV Substations		-7.5	-	Ξ.	-	-				
HV Switching Station										
HV Transmission Conductors			9						-	
MV Substations										
MV Switching Stations										
MV Networks	E L	55 541	55 562	55 771	49 997	59 997	59 997	59 997	59 997	59 99
LV Networks			-	-	-	-	-			
Capital Spares						1				
Water Supply Infrastructure		119 269	108 329	130 774	93 480	93 480	93 480	93 480	93 480	93 48
Dams and Weirs		-	100	84	140	1	÷		(m)	-
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works		2	(58 176)	14	- 24	-	2	51	-	
Bulk Mains		-	-	-	G 4	-	24	(a)	-	12
Distribution		119 269	166 505	130 690	93 480	93 480	93 480	93 480	93 480	93 48
Distribution Points										
PRV Stations		-								
Capital Spares			1							
Sanitation Infrastructure		64 695	75 041	1 219	47 956	72 956	72 956	72 956	72 956	72 95
Pump Station						1		-	_	
Reticulation		41 662	49 423	232	47 956	72 956	72 956	72 956	72 956	72 95
Waste Waler Treatment Works		23 033	25 618	987	-	=7		-		
Outfall Sewers										
Toilet Facilities						_				
Capital Spares										
Solid Waste Infrastructure		E I	12	0	-	-	1	-		14
Landfill Sites		i en la	12	0	÷ .	-			ie)	
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										

NW403 City Of Matlosana - Supporting Table SA34d Depreciation by asset class

Community Assets	1 518	4 148	213	0	-	÷	-		-
Community Facilities	-	4 148	213	~	-	•		3	ē
Halls	1	4 148	213	10	3	•	1	3	3
Centres									
Crèches						_			
Clinics/Care Centres		-							
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres				1					
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves	1 1)			1		
	1								
Public Ablution Facilities				9					
Markets									
Stalls		-		1					
Abattoirs		2							
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares				1					
Sport and Recreation Facilities	1 518		*		e (94 C	:=:		
Indoor Facilities				_			_		
Outdoor Facilities	1 518	160	×	-	-	-	-	(A)	2
Capital Spares									
	5 1	4		1	1		.1	10	
ther assets	73 521	22 112	78 177	77 763	79 263	79 263	79 263	79 263	79 263
Operational Buildings	73 521	22 112	78 177	77 763	79 263	79 263	79 263	79 263	79 263
Municipal Offices	73 521	22 112	78 177	77 763	79 263	79 263	79 263	79 263	79 263
Pay/Enquiry Points	75 521	22 112	10 111	11 105	15 205	19 203	15 205	79 203	19 200
Building Plan Offices				1					
Workshops									
Yards								-	
Stores					}				
Laboratories									
Training Centres									
Manufacturing Plant								1	
Depots				1					
Capital Spares									
omputer Equipment	1 876	21 532	716	963	1 763	1 763	1 763	1 763	1 763
Computer Equipment	1 876	21 532	716	963	1 763	1 763	1 763	1 763	1 763
Initure and Office Equipment	1 761	36 226	22 139	1 117	2 617	2 617	2 617	2 617	2 617
Furniture and Office Equipment	1 761	36 226	22 139	1 117	2 617	2 617	2 617	2 617	2 617
achinery and Equipment	-	657	954			-	-		=
Machinery and Equipment		657	954	<u> </u>	-	2		-	-
ansport Assets	1 123	68 619	94	72 466	33 666	33 666	33 666	33 666	33 666
Transport Assets	1 123	68 619	94	72 466	33 666	33 666	33 666	33 666	33 666
		1	1				1	1	
ving resources	11 -1	÷ [a ÌÌ	in ⊧		. I	2 K	s (
Mature		•	22 24	1.0		242	2.5		233
Policing and Protection									
Zoological plants and animals									
immature		*			*				<• c
Policing and Protection									
Zoological plants and animals									

E.

Table 48BRR SA34e Capital expenditure on the upgrading of existing assets by - asset class

Description	Ref	2019/20	2020/21	2021/22	Cu	rrent Year 2022	2/23	1	Medium Term I enditure Fram	
el Difference		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Yea
R thousand	1	Outcome	Outcome	Outcome	Budget	Budget	Forecast	2023/24	+1 2024/25	+2 2025/26
Capital expenditure on upgrading of existing assets	by Ass	set Class/Sub								
Infrastructure			(0)	-	-	-	-	-	-	
Roads Infrastructure		÷	-	-	-	-	-	-	-	
Roads										
Road Structures										
Road Fumiture										
										1
Capital Spares			2							
Community Assets		2 888	6 126	13 678	11 064	11 064	11 064	-	-	8 064
Community Facilities		2 888	6 126	13 678	11 064	11 064	11 064	-	-	8 064
Halls Centres										
Crèches										
Clinics/Care Centres										Ϋ́Υ
Fire/Ambulance Stations										
Testing Stations			5	5	3 000	3 000	3 000			
Museums Galleries										
Theatres										
Libraries										
Cerneteries/Cremaloria					1					
Police										
Parks										
Public Open Space										
Nature Reserves Public Ablution Facilities										
Markets		2 888	6 126	13 678	8 064	8 064	8 064			8 064
Stalls			0 120	10 01 0	0.001	0.001	0 001			0.001
Abattoirs						_	-		c	
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares	1	4		_						
Other assets		-	-		3 000	3 000	3 000	<u></u>	-	-
Operational Buildings					3 000	3 000	3 000		-	
Municipal Offices		1.54			3 000	3 000	3 000	2	5	
Pay/Enquiry Points							- 8			
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant		i.								
Depols										
Depois Capital Spares			1			1				

Upgrading of Existing Assets as % of total capex Upgrading of Existing Assets as % of deprecn"	3.0% 0.7%	3.2% 1.5%	9.0% 3.6%	6.5% 3.2%	6.1% 3.2%	6.1% 3.2%	0.0%	0.0%	4.7% 1.8%
Total Capital Expenditure on upgrading of existing a 1	2 888	6 126	13 678	14 064	14 064	14 064		2	8 064
Immature Policing and Protection Zoological plants and animats		2		÷	2	8	1	÷	
Mature Policing and Protection Zoological plants and animals	*	÷		a	÷	*		*	
Living resources	•								

Table 49 MBRR SA35 - Future financial implications of the capital budget

Vote Description	Ref		fedium Term F enditure Frame			Fore	casts	
R thousand		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present valu
Capital expenditure	1							
Vote 01 - Public Safety		-	-	-	6 7.	-		-
Vote 02 - Health Services		-		-		-		-
Vote 03 - Community Services		-	-	-		-		-
Vote 04 - Housing		_		-	-	-		-
Vote 05 - Sport Arts And Culture		-	~	10 431		-	0.00	-
Vole 06 - Council General		30 000	-	-		-		-
Vote 07 - Civil Engineering		124 937	109 596	61 004	-	_		-
Vote 08 - Water Section		48 630	50 000	32 680		-	-	-
Vote 09 - City Electrial Engineering		1 732		33 544		_		
Vole 10 - Corporate Governane			-		-	-	-	
Vote 11 - Budget And Treasury Office			-	-	-	_	-	_
Vole 12 - Cleansing				12 626	-	-		1
Vote 13 - Sewerage	1 1	16 170	25 000	11 569		_		-
Vote 14 - Market	11	-	20 000	8 064	-			
Vole 15 - Olher		20		0.004				
List entity summary if applicable					1	_		
Total Capital Expenditure		221 469	184 596	169 918	-	-	-	-
		221 405	104 330	105 510	100	1.5		
Future operational costs by vote	2							
Vote 01 - Public Safety		_			_	-		· · · · ·
Vote 02 - Health Services								
Vote 03 - Community Services								
Vote 04 - Housing								
Vote 05 - Sport Arts And Culture		_						
Vote 06 - Council General								
Vote 07 - Civil Engineering								
Vote 08 - Water Section	1 1							
Vole 09 - City Electrial Engineering								
Vote 10 - Corporate Governane				_				
Vole 11 - Budget And Treasury Office								
Vote 12 - Cleansing								
Vote 13 - Sew erage	1							
Vote 14 - Market								
Vote 15 - Other						_		
List entity summary if applicable								
otal future operational costs						2	-	-
·								
uture revenue by source	3	070.000	701.075	707.000				
Exchange Revenue	1	673 663	704 859	735 803				
Service charges - Electricity								
Service charges - Water		1 142 045	1 202 573	1 266 309				
Service charges - Waste Water Management		787 552	834 018	883 225				
Service charges - Wasle Management		162 319	171 453	181 103				
Agency services		S# .		19 I				
List other revenues sources if applicable		1 427 616	1 507 588	1 590 523				
List entity summary if applicable								
otal future revenue	1 T	4 193 196	4 420 492	4 656 963		-		-
let Financial Implications		(3 971 727)	(4 235 896)	(4 487 046)	-	-		-

NW403 City Of Matlosana - Supporting Table SA35 Future financial implications of the capital budget

Left of capital payming spruged by A Bistricky a Bistricky Bistricky Bistric	emitorios Nave 21 Man Tad Antol Vi Tentro II Tentro Talifa Mal Judiotar Patiente Para Antol Na Tar Jood Helspol Ances Hel Lights P1 216 Con al 11 Para Dalifa et Egy P12 Alea Hyl Man Lights En (13 5 276 1	construction of a construction	CR - synchra and musicular accentic influid CRA, spinitur and exposure accente influid CRA, spinitur and separate accente about	Growth Crowth Growth Growth	Om Stretegie Objective	Asset Class Electronal Infragranchury Electrical Infragranchury Electrical Infragranchury Electrical Infragranchury	Astid Sub-Clins Hv Substitions Jan Victoria y	WardLosetton R WHOLE OF MUNICIPALITY	GPS Longitude	GPS Lettelude	Audited Outcome 21/21/22	Curtert fler 2022/2) Full fler Fig. eca el 22.000	Budgel Year		Butye
Particulary Capital States of	incident and the form (2014), the Alexia Markin and the Alexia Marking and the Alexia and the Alexia Marking and Alexia Constant Alexia Marking and Alexia Alexia Alexia Marking Alexia Metana Alexia Marking Alexia Marking Alexia Marking Alexi	construction of a construction	GB spatie art regense maner often 19 spatie of oppose maner often 19 spatie of oppose maner of ten 19 spatie of oppose maner of ten 20 spatie of oppose maner of ten 20 spatie of ten pose maner of ten 20 spatie of ten pose maner of ten 20 spatie of ten pose maner of ten	Greath Greath Greath Greath Greath Greath	Own Stretegie Objectives	Electoral lotospinachan Electoral lotospinachan	Hv Substafens	R WHOLE OF NUMCEPAUTY	GPS Longitude	GPS Leibhude	Audited Outcome 2821722	2022/2) Full Tim Fairect at			
Particulary Capital States of	incident and the form (2014), the Alexia Markin and the Alexia Marking and the Alexia and the Alexia Marking and Alexia Constant Alexia Marking and Alexia Alexia Alexia Marking Alexia Metana Alexia Marking Alexia Marking Alexia Marking Alexi	construction of a construction	GB spatie art regense maner often 19 spatie of oppose maner often 19 spatie of oppose maner of ten 19 spatie of oppose maner of ten 20 spatie of oppose maner of ten 20 spatie of ten pose maner of ten 20 spatie of ten pose maner of ten 20 spatie of ten pose maner of ten	Greath Greath Greath Greath Greath Greath	Own Strategie Objectives	Electoral lotospinachan Electoral lotospinachan	Hv Substafens	R WHOLE OF NUMCEPAUTY	GPS Longitude	GPS Litblude	21/21/22	Full Tea Faireca al			
Last et capital paymin grouped by A Bistricky Bistricky Bistricky Bistricky Bistricky Bistricky Districky Districky Bistricky	mitteleo (m. 21 Mar 24 And Va Entre Fluenn Set 5 Ma Laderteiltik ma Annae Mar 26 Jack Hespol Anas (m. 1496 Al 26 Can al Mart Shuften Flam Al Alan Hoji Mart Lyke (Para 3) Ulgarda Saldag Estimos R4 Fane Estadistinent	ALCOLOUR JUL A	CB spelline of increase nations shall be spelline of increase nations shall	Growth Orowith Growth Growth		E extricel infrastructure					(144	22 000			
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Bisholy Bisholy Bisholy Bisholy Bisholy Bisholy Bisholy Foares Hussey Bisholy Hussey Bisholy B	Entrope Finance Fields Med Jackstracking was the Leph AF Field Jook Hespel Area the Leph AF Field Con a Hild Schullen Field Field Allah Hey Mart Leph (Field Field Allah Hey Mart Leph (Field Field Jopen Field Schweis Ref Conn Establisherst	ALCOLOUR JUL A	CB spelline of increase nations shall be spelline of increase nations shall	Growth Orowith Growth Growth	_	E extricel infrastructure					1444		•)		
Bishody Bishishy Beshishy Beshishy Bishishy Bishishy Francis Huang Signaly Huang Signaly Signaly Signaly Signaly Huang Signaly	Ladartardi da na Amarad Na Sar Loob Hotgod Aras Han Layte Al Liji Con Si Handa Challan et Fan Al Ca Al Sar Agh Mart Layte Cer & Sar Sar Al Sar Agh Mart Layte (Prasa) Upprode Boldong Formes Ref Coan Estadistica et R & Coan Estadistica et	a lavatos nutri jar. Antonio za nati jar.	VIII système part ingenue accorate chere CAI système antimipsoire accorate chere système and monocole accorate chere CAIN, système and expositive accorate chere	Crewith Grewith Grewith			We Webesti s								
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Becincly A Becincly A Finance t Housing A Heuring S	Alloh High Magi Liphis Ex (14.5.57h) Alabama High Masi Liphis (Playse 2) Upgrade Building Exminis Zuppling Filing Sativetis R.4 Folain Establishment	pronocolisti, p. AB pronocolisti, p. AB pronocolisti, p. AB pronocolisti, p. AB	BAR, spiller est exposite exposite film BAR, spiller est suppose experit ethni			Electrical tobastructure	La Hetworks	R-WPCLE OF MUNICIPAUTY		1 1	1.1.1.1.1	2 380	÷.		
Bistincty A Financis I Housing A Housing S	Alebama High Mas(Lyink (Physe 2) Upgrade Building - Firance Dypling Filing Calorests R4 Ficial Pictul Bishin ent	Bear a provinsion of the second secon	2015 contra advector antino 2013	Inchains and Inc.		Weter Supply Infrastructure	Aurop Stations	R-WHOLE OF MUNICIPALITY		2 4	8571				
Filance L Housing I Housing S	Upgrade Building - Evrancis Zuppling Filmig Cabinetis R.4. Folkin Eslabilishippent	Statilization (197				Electrical Infrastructure	ty Networks	R-SHOLE OF NUNICIPALITY		4 4	- G	1 600	1	-	
Housing a Housing S	Loping Filing Calorets R.4 Force Establisher ert			Inclusion and Access	_	Electre glinfrastenciure	La Networks	R-WHOLE OF MUNICIPALITY		1		24	÷3		
Husing	R 4 Fox # Establishment	Marrison and	which extends and designed on the fact		1	Operatorial Barklings	Shrikipist Offices	R-WHOLE OF MUNICIPALITY		4 1	1 1) ((0	1 2		
		and the second sec	68 Extension extension of the second seco	Growth		Fumiliare And Office Equipment	Fundure And Office Equipment	R-WHOLE OF MUNICIPAUTY		1 1	1 14	1 900	-		
	Carolativerant	the distance in the		Growth		C somanity FactBies	Public Open Space	R-WHOLE OF WURKCPALITY		4 4	- 14	5 500	±2	2	
			Ell Exfictive estimation to interface	Grawith		Computer Equipment	Coopuler Equipment	R-WHOLE OF NUNCPAUTY		1 1	1.1	25			
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			1580) identi ne historetował pa	Inclusion and Access		Commonly Facilities	Hartets	R-WHOLE OF MULTICIPALITY		비 옷	10.01	8 054	÷.,	-	- 3
	Esphert	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	ew	Greath		Vachmery And Equipment	Machinery And Equipment	R-WHOLE OF MUNIC PAUT?			1.0	1 360	P .	-	
and the second se	Funtua		EW — I: effective and development depended gue			Furniture And Office Equipment	Europare And Office Equipment	R-WHOLE OF JAUNIC PAULY		1	1	1 000	73		
	Epidewit		EW	Groukh		Hachmery And Equipment	Hechivery And Equipment	RIWHOLE OF MUNICIPALITY		1 4		1.500	20.000	- 1	
	A Wan Suttry	and the second s	SV	Growth		Hechinery And Equipment	Machinery And Equipment	R WHOLE OF MUNICIPALITY		8 A	- 12	1 300		- 1	
	24sin	STREET, SHE I		Growth		Gransport Assets	Traceport Assels	R WHOLE OF YONIC PAULY		8 8	0 2	20 589	5	3	
Wate of Wate (See Teletry)			EM – E effective and development-oriented put	Growth		Latences And Pights	Computer Software And Appleations	R WHOLE OF MUNICIPALITY		4 8		520	- ×-	- 1	
	labete Attractor Jos Tefa		SW in prestance economic in the	Grait		Roads Whatshootam	Reads	W490 31		1	9 344	1.0		- 33	
	Labert of the flat	100000000000000000000000000000000000000	EN - The gave and unbounce scondard regard		1	Roads Whatlouchurp	Reads	MARO 32		4 3	H 522	23 722	14 52		28
	NesTe-Roar Socialie A		EN - spelitive and responsive according alread			Risado Intrastructure	Roecz	R-WHOLE OF WUN'D PALE? (5 8	- 14	14			
	And Tax Sold Democration 1			Grawth		Roads infrastructure	Rasts	R WHOLE OF WUNK PAULTY		4 4	· ·	N (S)		- 1	24
	haing fair Alberta Alberta Alberta		SN - spetitive and recomming according infrast		1	Roads thirastructure	Roade	R WHOLE OF MUNIC PHILT		5 5	13 785	1 /27	169 345	109 535 -	1
	ang tarihasi Lamenria		EVI — 17800m and acquires a concase, where	Growth		Roads infrastructure	Poads	RIVINCE OF VENCENTEE		夷 送	12.511	5 203		- 1	5
	(syndry Helder diver		ERAR, inperiore end responsive economic office			Sandation Wrssbeeture	Wate Weer Tentenne Witha	RIVEROLE OF MUNICIPALITY		3 3	5.433		C		
	iyyə Micrael Electric para 1	1		Greath		Santalion Infrastrophere	Pary Dittor	A WHOLE OF MUNIC PAULTY		1 1	3 659	5 569	3	1	5
	Developing Development and		CW - spectrum and responsive according infisue	Grawth		Candabian Infrastructure	References	RAMAGLE OF MUNICIPALITY		8	3341			- 13	
	aubertan Youth Cevelopment Centre			Grewth		Sanèalian infrastructure	Rebosiehen	RANHOLE OF VIDING PAULTY		8 8	1	1.000	19.03	25 009	1
	ovberbov Allabama Precinci Bulk Inne	and the state of t	201 Technis and responsive section is infrated.	Grawth		Sankabon Infrastructura	Reliculation	R WHOLE OF MUNICIPALITY		9 8	1 157		5	- 11	
	International Appendix			Graeth		Sankaben Infrastructure	Recipient	VARD 16		5 0	1 1	5 000	- 3	- 51	1
Selid Waste Disposal (Land M Sites) (C			esthe simprese energyen bry militage – Wi	Graelà		Sold Waste Infrastructure	Waste Renator Stationa	8 WHOLE OF MUNICIPAUT (9		5 900			1
	odd Whiste Ciel Bean Office & Fields		W spetitive and responsive economic infrast	Grath		Sold Waste Inkastructure	Waste Transfer Dations	STREAM OF MUSIC PAULY		8 8	-	1 626	×.	- 1	1
		Manager () vs		Giswith		Sport And Reconstition Facilities	Ouldeor Families	WARD OF		5 5	25.399	10 431	100	1	8
	adatas Padaria Pacad Bala Das			Growth		Water Supply Infrastructure	Bulk Kans	RIVHOLE OF WUNIC PAULTY		3 5	10 313	978	100		
		AND COMPANY, PC No.		Growth		Water Supply Industricture	Solt Viers	RIVEROUS OF MUNICIPALITY		2		1 500		- 1	1
	alut Elie & Met Esia Witkows			Grawth		Water Dapply Infrastructure	Bulk Viena	RANHOLE OF MUNICIPALITY		3	10 356	(2.52)	1	1	12
		MARYANI N. N.		Granth		Water Eugsly Inhastructure	Databation	R WHOLE OF MUNICIPALITY		3	1 958	15 515	410	50 900	8
	on 6-13 Pres Reducty Manual Son			Gradh		Water Supply Infrastructure	Distribution	R-WPCLE OF VISING PAULTY		5 5	1 205	1	Chick	-	
	ar 613 Rev 1a Viane Jahref	augurantinen at	W spellon and responsive accounts infrau	Greeth		Water Supply Infrastructure	Catabution	R WHOLE OF VUNCPALITY		1 1	548	-		1 Terter	-
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àlis:											1 1			- 1	
List all capital projects grouped by Eric	9							i.		1				1.1	
aty A															
Water project A		_													
nly 8					-										
Beatricity project B															
ty Color apartitive													14	-	_

Table 50 MBRR SA36 - Detailed capital budget per municipal vote

2.10 Legislation Compliance Status

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

2.10.1 In Year Reporting

Reporting to National Treasury in electronic format was complied with on a monthly basis. Section 71 reporting to the Executive Mayor, NT & PT has been complied with, as well as the section 72 & 52 reporting.

2.10.2 Internship Programme

The City of Matlosana is participating in the Municipal Financial Management Internship programme and has currently employed four interns that still undergoes training in various divisions of Finance and Internal Audit.

13 of the previous interns engaged since the inception of the programme have been permanently employed by the City of Matlosana.

2.10.3 Budget and Treasury Office

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

2.10.4 Audit Committee

An Audit Committee have been established and is fully functional.

2.10.5 Municipal Public Accounts Committee

The Municipal Public Accounts Committee have been established and is fully functional.

2.10.6 Service Delivery and Implementation Plan

The detailed SDBIP document is at a draft stage and will be finalised and approved.

2.10.7 Annual Report

The Annual Report has been compiled in terms of the MFMA and National Treasury requirements.

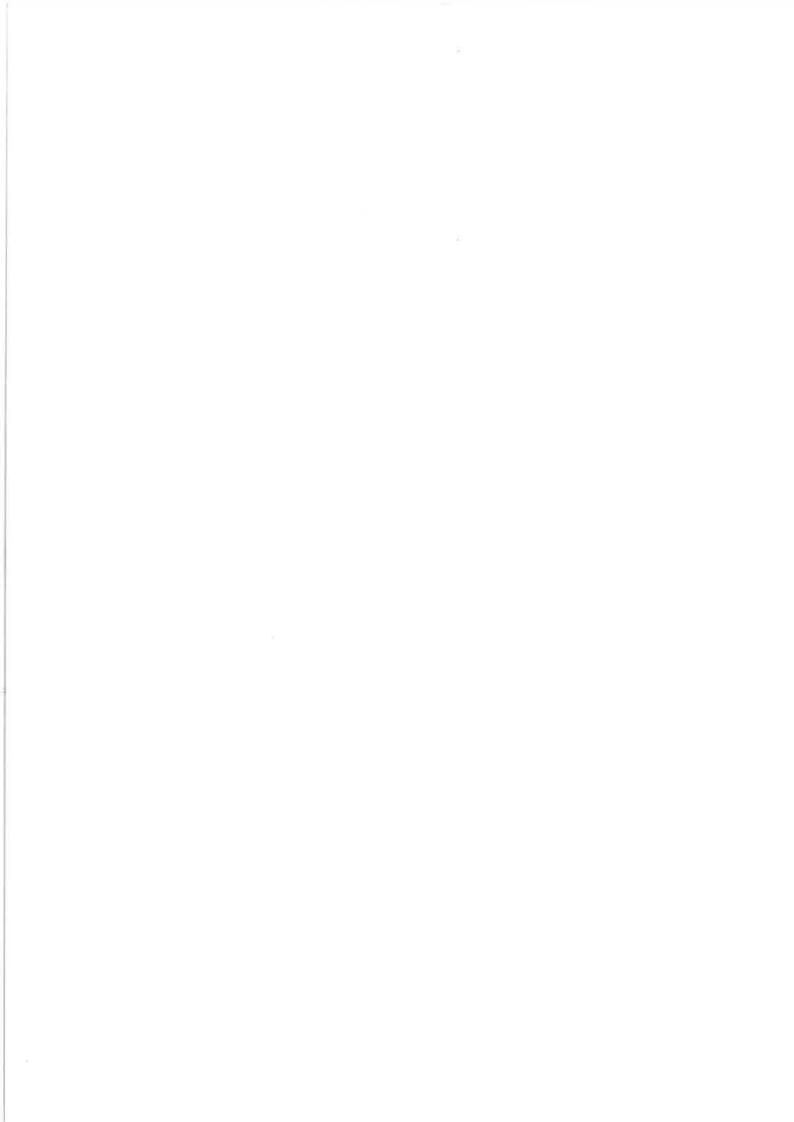


Table 51 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

Description	Ref	2019/20	2020/21	2021/22		Current Ye	ar 2022/23	0.50		Aedium Term F anditure Frame	work
Description	, Nu	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 Yea +2 2025/26
R thousand	_						1	<u>.</u>			
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	403 609	429 281	429 826	487 259	471 647	471 647	326 355	498 236	524 034	551 41
Pension and UIF Contributions		84,003	87 088	87 046	95 990	95 990	95 990	67 246	101 172	106 635	112 39
Medical Aid Contributions		37 586	39 139	38 351	44 095	44 095	44 095	29 341	46 476	48 <u>98</u> 6	51 63
Overtime		53 207	55 991	61 810	25 944	30 224	30 224	49 989	30 224	31 856	33 57
Performance Bonus		31 478	33 169	33 145	38 047	38 047	38 047	26 939	40 102	42 267	44 55
Molor Vehicle Allow ance		560	596	659	1 364	1 364	1 364	192	1 438	1 515	1 59
Cellphone Allow ance	10	1 027	1 008	1 016	1 621	1 621	1 621	1 021	1 709	1 801	1.85
Housing Allow ances		6 697	6 858	6 549	7 861	7 861	7 861	4 754	8 285	8 732	9 20
Other benefits and allow ances		18 117	16 577	15 497	27 674	37 876	37 876	13 393	40 565	42 755	45 06
Payments in lieu of leave	11	22 659	12 747	4 001	14 184	14 184	14 184	4 933	14 964	15 772	16 60
	1.1							4 3 3 3	14 304	13772	10.00
Long service awards		(566)	(2 189)	(501)	-		2	-	-	-	
Post-retirement benefit obligations	4	(15 428)	31 664	8 790	(<u></u>)	8 2 0		5			
Enterlainment	- BC -										
Scarcity	111										
Acting and post related allow ance											
In kind benefits											
sub-	total 5	642 949	711 929	686 188	744 037	742 907	742 907	524 163	783 171	824 354	867 93
Less: Employees costs capitalised to PPE	11										
Total Employee related costs	1	642 949	711 929	686 188	744 037	742 907	742 907	524 163	783 171	824 354	867 93
Descentiation and an estimation											
Depreciation and amortisation		227.272									
Depreciation of Property, Plant & Equipment	- 1 - 1	388 913	391 923	363 151	440 000	440 000	440 000	272 329	440 000	440 000	440 00
Lease amortisation		2000	-	-			+	-	÷	~	-
Capital asset impairment		23 033	25 630	20 330		1.50	5		-		
Total Depreciation and amortisation	1	411 946	417 553	383 480	440 000	440 000	440 000	272 329	440 000	440 000	440 00
Bulk purchases - electricity											
		004 070	740 007	074.075	4 000 004 1	1 000 004	4 000 004	077 (70	1 400 007	1 100 000	4 454 40
Electricity bulk purchases	1.0	691 073	746 597	874 375	1 088 924	1 088 924	1 088 924	277 176	1 109 287	1 130 030	1 151 16
Total bulk purchases	1	691 073	746 597	874 375	1 088 924	1 088 924	1 088 924	277 176	1 109 287	1 130 030	1 151 16
Transfers and grants											
				~		-	1.51	1.0			
Cash transfers and grants	- 1 1	۲	5	3	1	-	5	÷.	5		
Non-cash transfers and grants		-	-	2		*	-		-	-	
Total transfers and grants	1		× .	×	*		-		-	-	
Contracted Services											
Outsourced Services		05 700	04 602	106 771	141 658	164 170	164 170	86 573	174 101	182 131	191 00
Consultants and Professional Services	11	85 762	84 683	136 771						r	
	11	26 649	58 725	43 565	42 943	50 343	50 343	32 346	54 205	56 812	59 59
Contractors		122 558	107 556	155 531	250 865	249 344	249 344	83 105	221 537	231 816	242 47
Total contracted services	11	234 969	250 964	335 867	435 466	463 857	463 857	202 025	449 843	470 759	493 07
Opérational Costs	1.1										
Collection costs	11										
Contributions to other provisions		1 062	2 738	11 776	-						
Audit fees		7 388	8 377	6 380	4 795	4 795	4 795	4 052	5 073	5 322	5 57
Other Opener on Toely									320 389	5 322 334 875	5 57. 349 21
		135 251	200 122	198 830	220 259	273 131	273 131	164 663			a second second second
oral Operational Costa	1	143 700	211 237	216 986	225 054	277 926	277 926	168 715	325 462	340 197	354 790
Repairs and Maintenance by Expenditure Item	8				1						
Employee related costs		-									
Inventory Consumed (Project Maintenance)		59 291	46 919	94 181	136 473	169 453	169 453	104 008	179 643	190 547	199 66
Contracted Services		81 933	78 650	19 843	84 896	87 939	87 939	30 204	95 756	99 921	104 14
Other Expenditure				1 595	2 620	820	820		868	910	95
otal Repairs and Maintenance Expenditure	9	141 223	125 569	115 619	223 989	258 213	258 213	134 211	276 266	291 378	304 76
THE REPAIRS and INSTITUTION CAPENDIALS	9.1	171 223	120 300	110 013	223 303	200 210	2JU 21J	134 211	210 200	2010/0	504 70
Inventory Consumed		T									
					214 000	211 002	214.000		100.050	200.050	206 /7
Inventory Consumed - Water		-	043	-	314 003	314 003	314 003	: ••)	322 252	322 252	325 47
Inventory Consumed - Other		32 436	42 048	38 391	170 122	170 122	170 122	33 976	118 486	118 486	119 67

Description R	Vote 01 - Ref Public Safet	Vote 02 - V Health Services	Vote 03 - Community Services	Vote 04 - Housing	Vote 05 - Sport Arts And Culture	Vote 06 - Council General	Vote 07 - Civil Engineering	Vote 08 - Water Section	Vote 09 - City Electrial Engineering	Vote 10 - Corporate Governane	Vote 11 - Budget And Treasury	Vote 12 · Cleansing	Vote 13 · Sewerage	Vote 14 - Market	Vote 15 - Other	Total
R thousand	1										Office					
Revenue														_		
Exchange Revenue																
Service charges - Electricity									(1 142 045)						_	(1 142 04)
Service charges - Water	1							(787 552								(787 55)
Service charges - Waste Water Management								(IOI and	D-				(162 319)			(162 319
Service charges - Waste Management												(284 856)	{102.010}			
Sale of Goods and Rendering of Services	11 102	31	10 1411		1903						10 100			100		(284 856
	(1 886	1	(3 312)	[414]	(363)	-				-	(2 599)	(404)		(43)		(9 021
Agency services	1 3															
Interest	2										MON	() ()				۲
Interest earned from Receivables				(0)				(242 190)	(57 915)		(125 598)	(129 520)	(3 429)			(559 052
Interest earned from Current and Non Current Asse	5										(9 725)			(36)		(9 761
Dividends																
Rent on Land																
Rental from Fixed Assets	(1 326		(357)	(4 188)	(209)	8				(220)	 a) 			(3 001)	(1)	(9 300
Licence and permits	(8 909)															(8 909
Operational Revenue	(17 649)		-	(35 216)		(421)				(2 020)	(1 447)			(19 867)		(77 620
Non-Exchange Revenue	1			100.017		(~~)				[0 020]	0.000			(10 001)		11.000
Property rates											1001 0303					1504.070
	4			-							(561 975)					(561 076
Surcharges and Taxes	11 1000			(241)	101		10000		1.000		. varid					(241
Fines, penalties and forfeits	(1 559)				(2)		(456)	-	(368)		(319)				×.	(3 104
Licences or permits	(50)															(50)
Transfer and subsidies - Operational					(1 418)		(9 299)		(4 000)		(602 204)					(616 921)
Interest											(54 756)					(54 756
Fuel Levy																
Operational Revenue																
Gains on disposal of Assets	1			23		-	=	122		120		125	4	525		
Other Gains																
Discontinued Operations														1		
Total Revenue (excluding capital transfers and co	ni (31 778)		(2 600)	(44 050)	(4.000)	(424)	IN 75 A	(4 000 740)	/4 004 00Th	(2 2/0)	/A 020 4001	(44.1.700)	105 740	(710 00)		(1 000 000)
Expenditure	in (arria)		(3 669)	(41 058)	(1 992)	(421)	(9 754)	(1 029 742)	(1 204 327)	(2 240)	(1 358 123)	(414 780)	(165 748)	(22 947)	(1)	(4 286 582)
Employee related costs	139 930	5 044	57 905	20,022	(1.94	F0 707	70.007	45 504	FF 075	40.057	05 220	70.010	10.000	(0.000	10,110	700 (74
Remuneration of councillors	1 124 320	0 044	-34 903	20 932	50 61	58 797	73 237	41 594	55 075	49 857	65 336	72 813	48 658	13 682	10 149	783 171
Bulk purchases - electricity						41 586			1 100 007							41 586
Inventory consumed								322 252	1 109 287		118 486					1 109 287 440 738
Debt impairment			2	120				J44 LJL			110 400					440 / 30
Depreciation and amortisation	5 553	661	35 285	1 303	26 420	12 866	99 029	94 607	81 379	~	3 966	1 608	73 508	3 815		440 000
Interest	127	23	65	14	20 120	949	641	197	124	168	8 232	29	126	12	6	10 711
Contracted services	70 268	1 250	16 728	1 992	14 860	42 741	19 660	74 098	46 098	16 096	38 019	86 037	17 484	3 993	499	449 843
Transfers and subsidies									10 000	10 000		00 001		0000	150	-
irrecoverable debts written off								219 429	315 619		142 057	62 558	48 682			788 344
Operational costs	32 950	3 877	3 318	21 659	5 335	85 846	3 345	5 020	111 032	12 261	28 373	3 161	4 830	1 994	2 460	325 462
Losses on disposal of Assets	-			-				-	-	-	-		-	-		
Other Losses											-					
otal Expenditure	248 828	10 855	113 301	45 900	95 777	242 784	195 931	757 198	1 718 614	78 383	424 470	226 204	193 288	23 495	13 115	4 389 142
urplus!(Deficit)	(280 606)	(10 855)	(116 970)	(86 958)	(98 769)	(243 205)	(205 685)	(1 785 940)	(2 922 942)	(80 623)	(1 782 593)	(640 984)	(359 036)	(46 442)	(13 116)	(8 675 724)
Transfers and subsidies - capital (monetary								× 9	100	Ĩ					1	
allocations)							(21 980)	(22 718)	-			(54 046)	(87 519)	-		(186 263)
Transfers and subsidies - capital (in-kind)																14 A
urplusi(Deficit) after capital transfers &	(280 606)	(10 855)	(116 970)	(86 958)	(98 769)	(243 205)	(227 666)	(1 809 659)	(2 922 542)	(80 623)	(1 782 593)	(695 030)	(446 555)	(46 442)	(13 116)	(8 861 987)
ontributions																

NW403 City Of Matlosana - Supporting Table SA2 Matrix Financial Performance Budget (revenue sourcelexpenditure type and dept.)

Table 53 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Barrel 11		2019/20	2020/21	2021/22		Current Ye	ar 2022/23			ledium Term R enditure Frame	
Description	Rei	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 Ye +2 2025/26
R thousand										1	1
ASSETS											
Trade and other receivables from exchange transactions											
Electricity		539 291	567 800	630 282	1 509 064	1 516 864	1 516 864	720 153	1 826 777	2 070 158	2 126 06
'Water		2 382 804	2 345 010	2 762 005	2 872 132	2 880 132	2 880 132	3 250 365	2 924 580	3 353 128	3 388 31
Waste		662 533	606 852	716 940	832 411	830 411	830 411	842 404	755 110	950 376	953 90
Waste Water		346 023	313 401	397 246	472 060	478 060	478 060	455 612	502 039	532 078	535 5
Other trade receivables from exchange transactions		253 092	1 418 998	314 794	222 891	217 891	217 891	348 328	40 208	41 533	169 7
Gross: Trade and other receivables from exchange transaction		4 183 744	5 252 060	4 821 266	5 908 558	5 923 358	5 923 358	5 616 863	6 048 714	6 947 274	7 173 5
Less: Impairment for debt		(3 812 373)	(4 581 305)	(5 726 049)	(5 406 704)	(5 406 704)	(5 406 704)	(5 923 135)	(6 031 987)		(6 723 8
impairment for Electricity		(2 154 443)	(420 258)	(481 505)	(1 394 331)	(1 394 331)	(1 394 331)	(560 410)	(1 679 331)	(1 964 331)	(1 983 9
Impairment for Waler		(1 104 308)	(1 666 346)	(2 025 332)	(2 680 243)	(2 680 243)	(2 680 243)	(2 080 189)	(2 910 526)	(3 140 808)	(3 172 2
Impairment for Naste		78 128 ,	(428 299)	(522 537)	(708 426)	(708 426)	(708 426)	(538 177)	(773 426)		(846 8
impairment for Waste Waler	i I	(43 574)	(222 192)	(296 505)	(434 7 19)	(434 719)	(434 719)	(308 675)	(479 719)		(529 9
mparment for other trade receivables from exchange transaction		(588 176)	(1 844 209)	(2 400 170)	(188 985)	(188 985)	(188 985)	(2 435 684)	(188 985)		(190 8
Total net Trade and other receivables from Exchange Transac		371 371	670 755	(904 783)	501 854	516 654	516 654	(306 272)	16 727	290 004	449 7
Receivables from non-exchange transactions											
Property rates		76 286	(10 104)	1 583 762	142 057	189 809	189 809	2 013 652	25 589	149 591	139 0
Less Impairment of Property rales		(54 938)	(137 570)	(62 849)	÷	•	÷	(571 026)	÷.,	÷	
Vet Property rates		21 348	(147 674)	1 520 913	142 057	189 809	189 809	1 442 626	25 589	149 591	139 0
Other receiv ables from non-exchange transactions		31 847	68 536 j	70 961	123 734	123 734	123 734	70 961	163 259	204 740	208 7
impairment for other receivialities from inon-exchange transactions		(31 847)	(68 536)	(70 961)	(123 734)	(123 734)	(123 734)	(70 961)	(165 215)	(206 696)	(208 7)
let other receivables from non-exchange transactions		•	•	100	- P		1	\$2.	(1 957)	(1 957)	
otal net Receivables from non-exchange transactions	- 1	21 348	(147 674)	1 520 913	142 057	189 809	189 809	1 442 626	23 632	147 635	139 04
nventory	-1										
Nater	- 1			- 1							
Opening Balance		2 763	2 841	3 383	3 087	3 087	3 087	3 087	3 087	3 087	3 0
System Input Volume		78	542	(296)	314 003	314 003	314 003	-	322 252	322 252	325 4
Water Treatment Works		- 1	-		-	-	÷	-	-	-	-
Bulk Purchases		78	542	(296)	314 003	314 003	314 003	-	322 252	322 252	325 4
Natural Sources		(a)	-	122	-	141		-	22,	-	
Authorised Consumption	6		-	1943	(314 003)	(314 003)	(314 003)	-	(322 252)	(322 252)	(325 4)
Billed Authorised Consumption			1.00	240	(314 003)	(314 003)	(314 003)		(322 252)	(322 252)	(325 4)
Billed Metered Consumption		-	-		(314 003)	(314 003)	(314 003)	2	(322 252)	(322 252)	(325 4)
Free Basic Water		-	-	100		((0.1.00)	-	(/	-	(***
Subsidised Water			-	-					-		
Revenue Waler		- 1	-	-	(314 003)	(314 003)	(314 003)		(322 252)	(322 252)	(325 47
	1	1				1			(/	0	
Non-revenue Water		-	-	-			-1		200		-
Closing Balance Water		2 841	3 383	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 08
onsumables											
tandard Rated											
Opening Balance		47 325	42 737	29 910	35 452	35 452	35 452	35 452	36 960	38 474	39 98
Acquisitions		127 982	43 829	46 359	171 630	171 630	171 630	54 974	120 000	120 000	121 20
Issues	7	(32 436)	(42 048)	(38 391)	(170 122)	(170 122)	(170 122)	(33 976)	(118 486)	(118 486)	(119.67
Adjustments	8	(20)	(13 463)	(67)	-		5	(0)	25	-	2
Write-offs	9	(100 114)	(1 144)	(2 359)	-		-	1.000			
Closing balance - Consumables Standard Rated		42 737	29 910	35 452	36 960	36 960	36 960	56 449	38 474	39 988	41 51

NW403 City Of Matlosana - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Land	1 II	1		1	Ĩ	()	1	1			
Opening Balance	10	192	186	186	186	186	186	186	186	186	186
Acquisitions	1.1			-			-				-
Sales		(6)	-	~		-					-
		[0]		-	-			8			
Adjustments									1		
Correction of Prior period errors				-							
Closing Balance - Land		186	186	186	186	186	186	186	186	186	186
Closing Balance - Inventory & Consumables		45 765	33 479	38 725	40 233	40 233	40 233	59 722	41 747 :	43 261	44 790
Property, plant and equipment (PPE)						~					
PPE at cost/v aluation (ex cl. finance leases)		12 376 207	12 573 520	12 853 344	13 804 015	13 817 629	13 817 629	12 910 276	13 286 827	13 414 463	13 532 083
Leases recognised as PPE	3		0.001.000								
Less: Accumulated depreciation		7 575 310	6 874 275	7 021 120	9 005 968	9 005 968	9 005 968	7 293 670	9 445 541	9 885 083	9 983 934
Total Property, plant and equipment (PPE)	2	4 800 897	5 699 245	5 832 224	4 798 047	4 811 660	4 811 550	5 616 607	3 841 285	3 529 379	3 548 149
LIABILITIES											
Current liabilities - Financial liabilities Short term loans (other than bank overdraft)											
		1.001	(1.500)	15.0401	0.000	0.000	0.000	15 0 101	0.000	0.000	0.000
Current portion of long-lerm liabilities Total Current liabilities - Financial liabilities		1 614	(1 539)	(5 042)	2 000	2 000	2 000	(5 042)	2 000	2 000	2 020
		1 614	(1 539)	(5 042)	2 000	2 000	2 000	(5 0 4 2)	2 000	2 000	2 020
Trade and other payables from exchange transactions Trade and other pay ables from exchange transactions	5	1 298 095	3 490 001	2 646 802	1 135 478	1 662 380	1 662 380	2 812 581	(308 101)	110 140	(192 290
Other trade pay ables from exchange transactions	1.	1 230 033	3 490 00 I	2 040 002	1 133 470	1 002 300	1 002 300	2 012 301	1000 1011	110 140	(192,230
Trade payables from Non-ex change transactions. Unspent 2000	lund	43 668	42 709	23 273	41 953	41 953	41 953	97 660	26 306	45 563	44 069
Trade payables from Non-exchange transactions Other	100.6	40 000	42 709	23 213	4 900	41.332	41 900	97 000	20 300	40 000	44 009
VAT		360 368	552 242	741 130				940 573			
Total Trade and other payables from exchange transactions	2	1 702 131	4 084 953	3 411 205	1 177 431	1 704 332	1 704 332	3 850 813	(281 795)	155 703	(148 221
Non ourrent liabilities - Financial Ilabilities	1	1702 131	4 004 333	3 411 203	11/1 401	1104 302	1104 332	3 030 013	(201120)	100 100	(140 221
Borrowing	4	83 274	48 848	42 018	81 274	81 274	81 274	35 040	81 274	81 274	82 087
Cinec francia Liabilities		00211	010 010	72 010	01214	012/4	01214	00 040	01214	01214	02 007
Total Non-current Habilities - Financial Habilities	1	83 274	48 848	42 018	81 274	81 274	81 274	35 040	81 274	81 274	82 087
Provisions	11									<i>.</i>	
Relirement benefils	11										
Refuse landfill site rehabilitation		1.00		-		5	2 2				- 0
Other						-	-	-	-	-	-
Total Provisions				(e)	-	-	-	-			
CHANGES IN NET ASSETS	+									_	
Accumulated surplus/(deficit)		- 1	1						1		
Accumulated surplus/(deficit) - opening balance		4 266 728	3 710 641	3 709 220	4 233 752	4 233 752	4 233 752	3 223 786	4 162 868	4 162 868	4 204 497
GRAP adjustments	11	4 200 720	3710 041	5 109 220	4 233 732	4 233 732	4 233 732	5 225 700	4 102 000	4 102 000	4 204 497
Restated balance		4 266 728	3 710 641	3 709 220	4 233 752	4 233 752	4 233 752	3 223 786	4 162 868	4 162 868	4 204 497
Surplus/(Deficit)		(160 460)	133 590	(158 592)	(65 759)	4 233 732 (171 353)	(171 353)	788 067	88 910	230 955	4 204 497 374 402
Transfers to/from Reserves		(100 400)	100 000	(100 032)	· · · · · · · · · · · · · · · · · · ·	(17:000)	(111 330)	100 001	00.510	510 311	J74 402
Depreciation offsels					2			10		2	2
Other adjustments		(14 996)	258 810	135 830	2	14		(311)			- 2
Accumulated Surplus/(Deficit)		4 091 272	4 103 042	3 686 458	4 167 993	4 062 399	4 062 399	4 011 542	4 251 778	4 393 823	4 578 899
Reserves	11	4 031 212	4 100 044	0 000 400	4 107 333	4 002 333	4 902 000	4 011 342	4 231 119	4 333 023	4 010 000
Housing Development Fund						1					
Capital replacement											
Self-insurance											
Other reserves											
Rev aluation											
i tot aigadVII											
Total Reserves	2	-	-	-		-		-	-	-	-

Table 54 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator		Basis of calculation	2001 Census	2007 Survey	2011 Census	2019/20	2020/21	2021/22	Current Year 2022/23		edium Term R Iditure Frame	
	Ref.			,		Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Dem ographics Population						000	200		200	000		
Females aged 5 - 14			*	100	- -	380	380 63	24	380	380	380	360
Males aged 5 - 14			-		-	63	03 32		63	63 32	63	6.
Females aged 15 - 34						32		1	32	32	32	3
Males aged 15 - 34					, i	41 81	41 81		41 81	4 I 81	41 81	4
Unemployment						01	153	1	153	153	153	6 150
Monthly household income (no. of households)	T,											
No income			-	3	-	80 579	80 579		84 289	80 579	80 579	80 575
R1 - R1 600			1.1	2		-		10	-	5	17.	
R1 601 - R3 200			1.00	3		12 893	12 893		13 422	13 966	13 966	13 968
R3 201 - R6 400			1		×1	13 966	13 966		14 539	19 860	19 860	19 860
R6 401 - R12 800			0e:			19 860	19 860	(-	20 675	22 632	22 632	22 932
R12 801 - R25 600				- 54	-	22 632	22 632	24	23 561	23 584	23 584	23 58
R25 601 - R51 200	11		5/25		-	19 749	19 749	-	20 559	19 749	19 749	19 74
R52 201 - R102 400				- U		12 693	12 693	-	13 214	12 693	12 693	- 12 693
R102 401 - R204 800						8 620	8 620		8 974	8 620	8 620	8 620
R204 801 - R409 600			000		-	8 620	4 203		4 375	4 380	4 380	4 380
R409 601 - R819 200						1 023	1 023	- 4	10 665	1 066	1 066	1 066
> R819 200				- 54	2	657	657		684	657	657	657
Poverty prafiles (no. of households) < R2 060 per household per month Insert description	13 2											
Household/demographics (000)												_
Number of people in municipal area					27	217	0		0	0	0	0
Number of poor people in municipal area						120	Û	2	0	0	0	0
Number of households in municipal area						136	0	- Q.	8	0	0	0
Number of poor households in municipal area Definition of poor household (R per month)			* # 5,7		**	130	Ū	×				
lousing statistics	3											
Formal						120 488	120 488		120 850	120 971	120 971	120 971
Informal						120 400	120 400		120 000	120 371	120 51 1	
Total number of households						120 615	120 615		120 977	121 098	121 098	127 121 098
Dwellings provided by municipality	4					120 013	120 UIJ		120 311	121 030	121 030	121 030
Dwellings provided by province/s	1											
Dwellings provided by private sector	5											
Total new housing dwellings			-		1.242		• /					
iconomic Inflation/inflation outlook (CPIX) Interest rate - borrowing Interest rate - investment Remuneration increases	5					6.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (electricity) Consumption growth (water)												
olfection rates Properly tax/service charges Renbl of facilities & equipment Interest - external investments Interest - debtors	1											
Revenue from agency services	II. II.											

NW403 City Of Matlosana - Supporting Table SA9 Social, economic and demographic statistics and assumptions

			2019/20	2020/21	2021/22	Cur	rrent Year 2023	2/23		Medium Term R	
Total municipal services			Outcome	Oulcome	Outcome	Original	Adjusted	Full Year		enditure Frame Budget Year	
	Re	If Household service targets (000)				Budget	Budgel	Forecast	2023/24	+1 2024/25	+2 2025
		Water: Pped water inside dweiling	146 398	156 939		158 587	158 587	158 587	172 670	174 518	176
		Piped water inside yard (but not in dwelling)	30 897	33 122	7.0	33 470	33 470	33 470	112 010		
	8		2 111	2 263	-	2 287	2 287	2 267	13 495		
	10	Other water supply (at least min service level) Minimum Service Level and Above sub-total	2 111 181 517	2 263		2 263 195 607	2 263 195 607	2 263	1031	1 042	
	9	Using public tap (< min service level)	101 317	124 281	1	193.94/	130.007	130 041	107 150	103 133	13
	10	Other water supply (< min service level)	30	(÷	ie:			- R		- ×	
		No water supply Below Minimum Service Level sub-total		*		(e)	-				
		Total number of households	181 517	194 587		196 807	196 607	195 607	187 195	189 199	19
		Sanitation/sewerage:							100	1200	
		Flush toilet (connected to sew erage)	127 253	136 416		165 936	165 936	165 936	171 322		
		Flush toilet (with septic tank) Chemical toilet	218 622	234 667		251 715	251 715	251 715	288 745		
		Prt toilet (v enblated)	2 807	3 009		4 002	4 002	4 002	4 066		
		Other totel provisions (> min service level)	I 161	1 244		23 631	23 631	23 631	23 660		
		Minimum Service Level and Above sob-fotal Bucket bilet	132 051	141 570 1 083		194 535 033	194 535 1 033	194 535 1 033	200 081 1 070	200 081 1 070	20
		Other toilel provisions (< min service level)	1010	1 003	1.00	1033	-	1033	10/0	1070	
		No toitel provisions	3 617	3 877		3 877	3 877	3 877	3 900		
		Below Minimum Service Level sub-total	4 627	4 960		4910	4 9 10	4 910	ā 970		
		Total number of households Energy:	136 688	146 530	540	199 445	199-445	199 445	205 051	205 051	2
		Electricity (at least min service lavel)	144 247	154 633	(F)	121 795	121 795	121 795	123 207	123 707	1:
		Electricity - prepaid (min service level)	23 654	25 357	: +	51 655	51 655	51 655	53 067	55 767	
		Minimum Service Level and Above sub-total	167 901	179 990	10	173 450	173 450	173 450	176 274		1
		Electricity (< min service level) Electricity - prepaid (< min service level)	144 247 23 654	154 633 25 357	- 3	4 389 15 595	4 389 15 595	4 389 15 595	4 491 15 703	4 601 15 850	
		Other energy sources	20 034	20.007		10 555	10 000	10 000	10705	10 000	
		Below Minimum Service Level sub-total	167 901	179 990		19 984	19 964	19 984	70 194		
		Total number of households Refuse:	305 802	359 980		190 434	193 434	193 434	196 458	159 925	2
		Removed at least once a week			+	164 644	164 644	164 644	170 047	170 181	1
		Minimum Service Level and Above sub-total	-	-		164 844	164 644	T64 644	170 047	170 181	
		Removed less frequently than once a week					-			*	
		Using communal refuse dump Using own refuse dump	- C.	5 716 2 430	1	6 378 2 430	6 378 2 430	6 378 2 430	8 518 3 564	8 518 6 985	
		Other rubbish disposal		2 430	- 2	2 430	2 430	2 430	3 304	0 905	
		No rubbish disposal		-							
		Below Minimum Service Level sub-total		8 146	+	8 808	8,908	808 8	12 062	15 503	1
		Total number of households		# 146		173 452	173 452	173 452	182 129		18
			2019/20	2020/21	2021/22	Cur	rөлt Year 2022	/23		Andium Term R enditure Frame	
Municipal In-house services	Ref		Oulcome	Outcome	Outcome	Original	Adjusted	Full Year		Budget Year	
	1401	Household service targets (000)				Budget	Budget	Forecast	2023/24	+1 2024/25	+2 202
		Water:							10000		
		Piped water inside dwelling Piped water inside yard (but not in dwelling)	146 398 30 897	156 939 33 122		158 587 33 470	158 587 33 470	158 587 33 470	172 670	174 518	17
	8	Using public top (at least min service level)	2 111	2 263		2 287	2 287	2 287	13 495		1
	10	Other water supply (at least min service level)	2 111	2 263	(4)	2 263	2 263	2 263	1 031	1 042	
		Minimum Service Level and Above sub-total	181 517	194 587	1	185 607	195 507	155 607	187 195	189 199	15
	9	Using public tap (< min service level)				-					
			5	-	1						
	10	Other water supply (< min service level) No water supply	휜	-							
	10	No water supply Below Minimum Service Level auto-total	1		-			-			
	IU	No water supply Below Minimum Service Level sub-total Total number of households	181 517	194 587		196 607	196 607	196 607	187 196	189 199	19
	I	No water supply Babar Manimum Service Level sub-total Total number of households Sanitation/severage:	100000	194 587			1				
	, IU	No water supply Below Minimum Service Level sub-total Total number of households	181 517 127 253 218			- 196 607 (65 936 251	196 607 165 936 251	196 607 165 936 251	187 196 171 322 288		
		Now a ber supply Bable Marmium Service Level sub-total Total number of hou seholds Sanifation/severage: Fluch lokale (connected to sew erage) Fluch lokale (with septo bank) Chemical bio	127 253 218 622	194 597 136 416 234 667		165 936 251 7 15	165 936 251 7 15	165 936 251 715	171 322 288 745	171 322 288 745	11
		Now alter supply Babber Manimum Sorvice Level sub-total Total number of households <u>Sanilationis</u> severage: Flush tollet (connected to sewerage) Flush tollet (with septice tank) Chemical tailet Pit tailet (vemtileted)	127 253 218 622 2 807	194 567 136 416 234 667 3 009	10 M M	165 936 251 7 15 4 002	165 936 251 7 15 4 002	165 936 251 7 15 4 002	171 322 288 745 4 066	171 322 288 745 4 066	11
		Now abler supply Babler Minimum Sorvice Leavel sub-fotal Total number of households Sanitalandssuverage: Flush hole (with septo bank) Chemical hole Pat biel (verhfoted) Offer biel provisions (> min service level)	127 253 218 622 2 807 1 161	194 567 136 416 234 667 3 009 1 244		(65 936 251 7 15 4 002 23 631	165 936 251 7 15 4 002 23 631	165 936 251 7 15 4 002 23 631	171 322 288 745 4 066 23 660	171 322 288 745 4 066 23 660	11
	I IV	Now alter supply Babber Manimum Sorvice Level sub-total Total number of households <u>Sanilationis</u> severage: Flush tollet (connected to sewerage) Flush tollet (with septice tank) Chemical tailet Pit tailet (vemtileted)	127 253 218 622 2 807	194 567 136 416 234 667 3 009	10 M	165 936 251 7 15 4 002	165 936 251 7 15 4 002	165 936 251 7 15 4 002	171 322 288 745 4 066	171 322 288 745 4 066 23 660 200 081	11
	. 10	No water supply Babw Mammum Sorvice Least sub-total Total number of households Sanitalon/severage: Fluch tolet (connected to sew erage) Fluch tolet (with solptic sint) Chemical tolet Pat tolet (vem/blod) Other tolet provisions (> min service level) Minimum Service Level and Above sub-total Bucket tolet Other tolet provisions (> min service level)	127 253 218 622 2 807 1 161 1 61 1 010	194 567 136 416 234 667 3 009 1 244 141 576 1 083		165 936 251 715 4 002 23 631 194 535 1 033	165 936 251 7 15 4 002 23 631 194 535 1 033	165 936 251 7 15 4 002 23 631 194 535 1 033	171 322 288 745 4 066 23 660 200 081 1 070	171 322 288 745 4 066 23 660 200 081 1 070	11
	. 10	No water supply Babw Kammum Sorvice Level sub-total Total number of household's Sanifation/severage: Fluch loale (connected to sev erage) Fluch loale (whis explor tank) Chemical tailet PA tailet (ventibled) Other brief provisions (> min service level) Minimum Sorvice Level and Above sub-total Bucket huid Other biel provisions (> min service level) No total provisions	127 253 218 622 2 807 1 61 1 2 651 1 0 to 3 617	194 587 136 416 234 667 3 009 1 244 141 575 1 083 3 877		165 936 251 715 4 002 23 631 194 535 1 033 3 877	165 936 251 7 15 4 002 23 631 194 535 1 033 3 #77	165 936 251 7 15 4 002 23 631 154 535 1 033 3 877	171 322 288 745 4 066 23 660 200 081 1 070 3 900	171 322 288 745 4 066 23 660 200 081 1 070 3 900	17 20
	. 10	No weber supply Beber Mammum Sorvice Level sub-fold Total number of households Sanitalion/severage: Flush lotte (connected to severage) Flush lotte (rom stepto tank) Chemical tale Pet biat (versibled) Other brief provisions (> min service level) Minimum Service Level and Above sub-fold Bucket biat Other biat provisions (< min service level) No lottel provisions	127 253 218 622 2.807 1 161 12 361 1 010 3 617 4 627	194 587 136 416 234 667 3 009 1 244 141 576 1 083 3 877 4 960	100 N 100 N 100	165 936 251 715 4 002 23 631 194 535 1 033 3 877 4 910	165 936 251 7 15 4 002 23 631 194 335 1 033 3 #77 4 910	165 936 251 7 15 4 002 23 631 154 535 1 033 3 877 4 910	171 322 288 745 4 066 23 660 200 081 1 070 3 900 4 970	171 322 288 745 4 066 23 660 200 081 1 070 3 900 4 970	11
	. 10	No water supply Babw Kammum Sorvice Level sub-total Total number of household's Sanifation/severage: Fluch loale (connected to sev erage) Fluch loale (whis explor tank) Chemical tailet PA tailet (ventibled) Other brief provisions (> min service level) Minimum Sorvice Level and Above sub-total Bucket huid Other biel provisions (> min service level) No total provisions	127 253 218 622 2 807 1 61 1 2 651 1 0 to 3 617	194 587 136 416 234 667 3 009 1 244 141 575 1 083 3 877		165 936 251 715 4 002 23 631 194 535 1 033 3 877	165 936 251 7 15 4 002 23 631 194 535 1 033 3 #77	165 936 251 7 15 4 002 23 631 154 535 1 033 3 877	171 322 288 745 4 066 23 660 200 081 1 070 3 900	171 322 288 745 4 066 23 660 200 081 1 070 3 900 4 970	17 20 20
	. 10	No veber supply Bober Mammum Sorvice Level sub-fold Total number of households Sanitalian/severage: Flush lotte (connected to severage) Flush lotte (vm stepto tink) Chemical tell Pet biat (versited) Other brief provisions (> min service level) Minimum Service Level and Above sub-fold Bucket tell Other biat provisions (< min service level) No total provisions Below Minimum Service Level sub-fold Total number of households Energy: Electricity (at least min service level)	127 253 218 622 2 807 1 161 161 1 810 3 617 4 627 136 688 144 247	194 567 136 416 234 667 3 009 1 244 14 576 1 083 3 877 4 950 145 530 154 633		165 936 251 715 4 002 23 631 194 535 1 033 3 877 4 910 199 445 121 795	165 936 251 7 15 4 002 23 631 194 535 1 033 3 #17 4 910 199 445 121 795	165 936 251 7 15 4 002 23 631 194 535 1 033 3 877 4 9 10 199 445 121 795	171 322 288 745 4 066 23 660 200 081 1 070 3 900 4 970 205 051 123 207	171 322 288 745 4 066 23 660 200 081 1 070 3 900 4 970 205 051 [23 707	17 20 20 20 12
	. 10	No w alter supply Babw Mammum Sorvice Leard sub-fold Total number of households Sanitation/Severage: Fluch loitel (vametoled to sew erage) Fluch loitel (vin Septic tant) Chemical tailet Pit tailet (vemfold) Other hiele provisions (> min service level) Minimum Service Level and Abeve sub-fold Bucket biele Other biele provisions Below Minimum Service Level sub-fold Total number of households Energy: Electricity (retreast in service level) Electricity (retreast in service level)	127 253 218 622 2 807 1 161 102 261 1 010 3 617 4 627 135 688 144 247 2 3 654	194 587 136 436 234 667 3 009 1224 41 536 1083 3 867 145 530 154 633 25 357		165 936 251 715 4 002 23 631 194 555 1 033 3 877 4 910 199 445 199 445 121 795 51 655	165 936 251 7 15 4 002 23 631 194 335 1 033 3 #17 4 910 199 445 51 655	165 936 251 7 15 4 002 23 631 194 535 1 033 3 877 4 910 199 445 121 795 51 655	171 322 288 745 4 066 23 660 200 081 1 070 3 500 4 570 205 051 123 207 53 067	171 322 288 745 4 066 23 660 200 081 1 070 3 900 4 970 205 051 123 707 55 767	17 20 20 20 12 5
	. 10	No w abs supply Bobw Mammum Sorvice Level sub-lotal Total number of household's Sanifation/severage: Fluch holie (connected to save srage) Fluch holie (whisepic tank) Chemical tailet Pra taile (ventited) Other biel provisions (> min service level) Minimum Sorvice Level and Above sub-lotal Blocket tailet Other biel provisions Below Minimum Service Level sub-lotal Total number of household's Energy: Electricity (at least min service level) Honoing (at least min service level) Electricity - prepaid (min service level) Minimum Sorvice Level and Above sub-lotal Minimum Sorvice Level and Above sub-lotal Minimum Sorvice Level and Above sub-lotal	127 253 216 622 2 807 1 161 132 451 1 010 3 617 4 527 135 636 144 247 23 654 147 257	134 567 136 416 234 667 3 009 1 244 141 536 1 063 3 877 4 960 146 530 156 633 25 557 175 930		65 936 251 7 15 23 631 194 535 1 033 3 877 4 310 195 445 121 795 5 1 655 173 450	165 936 251 7 15 4 002 23 631 194 335 1 033 3 477 4 910 199 445 5 1 655 5 1 655	165 936 251 715 4 002 23 631 194 555 1 033 3 877 4 910 199 445 121 795 51 855 51 855	171 322 288 745 4 066 23 660 200 081 1 070 3 900 4 970 205 051 123 207 53 067 775 274	171 322 288 745 4 066 23 660 200 081 1 070 5 051 123 707 55 767 173 474	17 20 20 12 12 5 18
		No w alter supply Babw Mammum Sorvice Leard sub-fold Total number of households Sanitation/Severage: Fluch loitel (vametoled to sew erage) Fluch loitel (vin Septic tant) Chemical tailet Pit tailet (vemfold) Other hiele provisions (> min service level) Minimum Service Level and Abeve sub-fold Bucket biele Other biele provisions Below Minimum Service Level sub-fold Total number of households Energy: Electricity (retreast in service level) Electricity (retreast in service level)	127 253 216 622 2 807 1 161 132 361 1 010 3 617 135 688 144 247 7 23 654 167 501 144 247	194 587 136 436 234 667 3 009 1224 41 536 1083 3 867 145 530 154 633 25 357		165 936 251 715 4 002 23 631 194 555 1 033 3 877 4 910 199 445 199 445 121 795 51 655	165 936 251 7 15 4 002 23 631 194 335 1 033 3 #17 4 910 199 445 51 655	165 936 251 7 15 4 002 23 631 194 535 1 033 3 877 4 910 199 445 121 795 51 655	171 322 288 745 4 066 23 660 200 081 1 070 3 500 4 570 205 051 123 207 53 067	171 322 288 745 4 066 23 660 200 081 1 070 3 900 4 970 205 051 123 707 55 767	17 20 20 12 5 18
		No weber supply Bober Minimum Sorvice Level sub-fold Total number of household's Sanitalionissuerage: Flush loiet (writh septic tank) Chemical kiel Par bial (wentbed) Other bial provisions (- min service level) Minimum Sorvice Level and Above sub-fold Block bial Other bial provisions (- min service level) No loiet provisions Block Minimum Service Level sub-fold Total number of household's Energy: Electricity (- prepaid (- min service level) Minimum Service Level sub-fold Electricity (- repaid (- min service level) Electricity (- min service level)	127 253 216 622 2 807 1 161 127 451 1 67 3 617 4 527 135 588 144 247 23 654 144 247 23 654	194 587 136 416 234 667 3 099 1 244 41 536 1 083 3 877 4 960 146 530 154 633 25 357 154 633 25 357		165 936 251 715 4 002 23 631 194 535 1 033 3 877 4 510 199 445 121 795 51 655 173 450 4 389 15 595	165 936 251 715 4 002 23 631 194 32 1 033 3 877 4 910 199 445 5 1 655 713 456 4 389 15 595	165 936 251 715 4 002 23 631 194 535 1 033 3 677 4 510 199 445 5 1 655 5 1 655 4 389 15 595	171 322 288 745 4 066 23 660 205 051 1 070 3 900 3 900 205 051 123 207 53 067 776 274 4 491 15 703	171 322 288 745 4 066 23 660 20 000 1 070 3 900 4 970 205 651 123 707 175 474 4 601 15 850	20 20 12 5 18
		No veber supply Bohr Mammum Sorvice Level sub-fold Total number of households Sanitalandssuerage: Fluch loale (connecled to severage) Fluch loale (connecled to severage) Fluch loale (consoled to severage) Pa bile (venSted) Other bile provisions (> min service level) Minimum Service Level and Above sub-fold Bohr bile provisions (> min service level) No loale provisions Below Minimum Service Level sub-fold Total number of households Energy: Electricity (- prepaid (min service level) Minimum Service Level and Above sub-fold Electricity (- nin service level) Electricity (- nin service level) Other energy sources Below Minimum Service Level sub-foldal	127 253 216 622 2 807 1 161 122 551 1 010 3 617 135 688 144 247 23 654 144 247 23 654 144 247 23 654	194 587 136 416 234 667 3 009 1 244 41 576 1 083 3 877 4 565 146 530 154 633 25 357 175 590 154 633 25 357		165 936 251 715 4 002 23 631 194 535 1 033 3 877 4 5 10 195 445 121 795 5 16 655 173 545 4 369 15 595 19 364	165 936 251 7 15 4 002 23 631 194 335 1 033 3 #77 4 910 199 445 121 795 5 1 655 5 17 3 555 4 388 15 595	165 936 251 715 4 002 23 631 154 535 1 033 3 877 4 916 199 445 51 855 51 855 51 855 4 389 15 595	171 322 288 745 4 666 23 660 200 081 1 070 3 900 6 970 705 051 123 207 53 067 715 274 4 911 15 703 20 194	171 322 288 745 4 006 23 660 20 004 1 070 3 900 4 970 205 55 123 707 55 767 173 474 4 601 15 850 20 451	17 20 20 12 5 5 16 1 20 12 20 12 12 12 12 12 12 20 12 12 12 12 12 12 12 12 12 12 12 12 12
		No w abs supply Babw Mammum Sorvice Least sub-fold Total number of households Sanitation/Ssuerage: Fluch loitel (connected to sew erage) Fluch loitel (with solptic sint) Chemical tell Pit biel (vem/blod) Other hiel provisions (> min service level) Minimum Service Level and Abeve sub-fold Bucket biel Bucket biel Bucket biel Other hiel provisions Below Minimum Service Level sub-fold Total number of households Electricity (- min service level) Minimum Service Level and Abeve sub-fold Total number of households Electricity (- min service level) Electricity (- min service level) Other anergy sources Below Minimum Sarvice Level sub-fold Total number of households	127 253 216 622 2 807 1 161 127 451 1 67 3 617 4 527 135 588 144 247 23 654 144 247 23 654	194 587 136 416 234 667 3 099 1 244 41 536 1 083 3 877 4 960 146 530 154 633 25 357 154 633 25 357		165 936 251 715 4 002 23 631 194 535 1 033 3 877 4 510 199 445 121 795 51 655 173 450 4 389 15 595	165 936 251 715 4 002 23 631 194 32 1 033 3 877 4 910 199 445 5 1 655 713 456 4 389 15 595	165 936 251 715 4 002 23 631 194 535 1 033 3 677 4 510 199 445 5 1 655 5 1 655 4 389 15 595	171 322 288 745 4 066 23 660 205 051 1 070 3 900 3 900 205 051 123 207 53 067 776 274 4 491 15 703	171 322 288 745 4 066 23 660 20 000 1 070 3 900 4 970 205 651 123 707 175 474 4 601 15 850	17 20 20 12 5 5 16 1 20 12 20 12 12 12 12 12 12 20 12 12 12 12 12 12 12 12 12 12 12 12 12
		No veber supply Bohr Mammum Sorvice Level sub-fold Total number of households Sanitalandssuerage: Fluch loale (connecled to severage) Fluch loale (connecled to severage) Fluch loale (consoled to severage) Pa bile (venSted) Other bile provisions (> min service level) Minimum Service Level and Above sub-fold Bohr bile provisions (> min service level) No loale provisions Below Minimum Service Level sub-fold Total number of households Energy: Electricity (- prepaid (min service level) Minimum Service Level and Above sub-fold Electricity (- nin service level) Electricity (- nin service level) Other energy sources Below Minimum Service Level sub-foldal	127 253 216 622 2 807 1 161 122 551 1 010 3 617 135 688 144 247 23 654 144 247 23 654 144 247 23 654	194 587 136 416 234 667 3 009 1 244 41 576 1 083 3 877 4 565 146 530 154 633 25 357 175 590 154 633 25 357		165 936 251 715 4 002 23 631 194 535 1 033 3 877 4 5 10 195 445 121 795 5 16 655 173 545 4 369 15 595 19 364	165 936 251 715 4 002 23 631 194 335 1 033 3 &77 4 910 199 445 1 655 5 1 655 173 458 4 389 15 595 19 544 199 434	165 936 251 715 4 002 23 631 154 535 1 033 3 877 4 916 199 445 51 855 51 855 51 855 4 389 15 595	171 322 288 745 4 666 23 660 200 081 1 070 3 900 6 970 705 051 123 207 53 067 715 274 4 911 15 703 20 194	171 322 288 745 4 066 23 660 2 0600 1 070 3 900 3 900 3 900 5 555 123 767 175 474 4 601 15 850 20 451 158 425	17 20 20 12 5 18 1 1 2 20 20 20 20 20 20 20 20 20 20 20 20 2
		No veiter supply Bober Minimum Sorvice Level sub-fold Total number of household's Sanitalianisseerage: Fluch lotel (with septo tank) Chemical kiel Par bial (ventibled) Other bial provisions (> min service level) Minimum Sorvice Level and Above sub-fold Bober Minimum Service Level sub-fold Total number of household's Electricity (at least min service level) Minimum Service Level Sub-fold Electricity (at least min service level) Minimum Service Level Sub-fold Electricity (at least min service level) Electricity (at least min service level) Electricity (nin service level) Electricity (-propid (> min service level) Electricity (-propid (> min service level) Electricity (-propid (> min service level) Bober Minimum Service Level sub-fold Total number of household's Relations	127 253 216 622 2 807 1 161 132 681 1 816 1 187 3 617 4 527 135 688 144 247 23 654 187 501 144 247 23 654	194 587 136 416 234 667 3 099 1 244 41 537 4 960 145 530 154 633 25 357 178 535 154 633 25 357 178 580 355 586		(65 936 251 715 4 002 23 831 194 535 1 033 3 877 4 \$10 199 445 1 257 5 1 855 1 21 795 5 1 855 1 4 389 1 5 595 1 9 544 1 9 3 444	165 936 251 7 15 4 002 23 631 194 335 1 033 3 #77 4 910 199 445 121 795 5 1 655 5 17 3 555 4 388 15 595	165 936 251 715 4 002 23 631 134 535 1 033 3 677 4 910 199 445 121 795 1 655 1 173 450 4 389 15 595 1 193 434	171 322 288 745 4 666 23 660 200 081 1 070 3 900 4 970 205 051 123 207 53 067 53 067 175 274 4 491 15 703 20 194 15# 45#	171 322 288 745 4 006 23 660 20 004 1 070 3 900 4 970 205 55 123 707 55 767 173 474 4 601 15 850 20 451	17 20 20 12 5 15 15 15 17 2 20 20 17
		No veber supply Bober Minimum Sorvice Level sub-fold Total number of households Sanitalianisseerage: Flush lolls (connecled to see werage) Flush lolls (connecled to see werage) Flush lolls (winsted) Other briel provisions (> min service level) Minimum Sarvice Level and Abore sub-fold Bober briel provisions (< min service level) No total provisions (< min service level) No total provisions (< min service level) No total provisions Below Minimum Service Level sub-fold Electricity - propaid (= min service level) Electricity - propaid (= min service level) Electricity - propaid (= min service level) Electricity - propaid (= min service level) Defer energy sources Below Minimum Service Level sub-fold Total number of households Refutas: Removed less fequently than da Abore sub-fold Removed less fequently than cone a week	127 253 216 622 2 807 1 161 112 de1 112 de1 1132 de1 1132 de1 1157 115 688 144 247 23 654 167 501 144 247 23 654 167 501 144 247 23 654	194 587 136 416 234 667 3 099 1 244 1 083 3 877 4 960 146 530 154 633 25 357 178 590 359 590 359 590 - -		(65 936 251 715 4 002 25 83 1 93 535 1 033 3 877 4 516 1 99 445 1 21 795 5 1 655 1 73 455 4 369 1 5 595 1 9 384 1 9 3 44 1 54 644 1 154 644	165 936 251 775 4 002 23 831 194 335 1 033 3 877 4 310 199 445 121 795 51 655 51 655 555 555 555 555 555 555 555 555 555	165 936 251 715 4 002 23 631 164 535 1 033 3 671 199 445 121 795 51 655 51 655 173 459 15 595 19 344 193 344 193 344 193 344	171 322 288 745 4 0660 200 081 1 070 3 900 6 970 205 051 123 207 53 067 775 274 4 491 15 703 281 194 15 703	171 322 288 745 4 066 23 660 200 081 1 070 3 900 4 970 205 651 123 707 55 767 173 474 4 601 15 880 20 451 199 525 170 181	17 20 20 12 5 15 15 15 15 17 17
		No veber supply Bolow Illiminum Sorvice Level sub-fold Total number of household's Sanitalian/severage: Fluch loale (connecled to severage) Fluch loale (ventibed) Chemical biel Pa biel (ventibed) Other biel provisions (> min service level) Minimum Service Level and Above sub-fold Bolow Minimum Service Level sub-fold Total number of household's Electricity (- min service level) Minimum Service Level and Above sub-fold Total number of household's Electricity (- min service level) Electricity (- min service level) Other energy sources Below Minimum Service Level sub-fold Total number of household's Refuse Refuse et al basis once is weak Minimum Service Level and Above sub-fold Removed us feasience is weak Minimum Service Level and Above sub-fold Removed us feasience is weak Minimum Service Level and Above sub-fold Removed us feasience is weak	127 253 216 622 2 807 1 161 112 263 1 010 3 617 135 668 144 247 23 654 144 247 23 654 144 247 23 654 144 247 134 247 135 668	194 597 136 416 234 667 3 009 1 244 41 576 1 083 3 877 4 505 146 530 154 633 25 357 175 990 154 633 25 357 175 990 155 990 155 990		165 936 251 715 4 002 25 831 194 535 1 033 3 877 4 510 159 445 121 795 51 055 173 855 4 380 15 595 19 884 153 914 154 644 154 644 154 644	165 936 251 775 4 002 23 631 194 335 1 033 3 #77 4 510 159 445 51 655 51 655 51 655 51 655 53 436 4 380 15 595 193 435 193 434 164 644 164 644	165 936 251 715 23 631 194 535 1 033 3 877 4 916 199 445 51 655 51 655 51 655 51 655 51 4 349 15 595 18 384 193 434 193 434 194 644 164 644 164 644	171 322 288 745 4 066 23 660 200 051 1 070 3 950 3 950 205 051 123 207 53 067 75 74 4 491 15 703 20 193 155 455 170 047 176 047 8 518	171 322 288 745 4 066 23 660 700 081 1 070 3 900 4 910 205 051 123 707 55 767 179 378 4 601 15 850 20 451 159 325 170 181 170 181 170 184 8 518	17 20 20 12 5 18 18 18 18 18 18 18 18 18 18 18 18 17 17 17
		No w abs supply Bobw Mammum Sorvice Level sub-fold Total number of households Sanitation/severage: Fluch holie (connected to sew erage) Fluch holie (twins solic tant) Chemical tailet Prit biel (vembed) Other hiel provisions (~min service level) Minimum Service Level and Abeve sub-fold Bucket biel Other hiel provisions Below Minimum Service Level sub-fold Total number of households Energy: Electricity (cmin service level) Minimum Service Level and Abeve sub-fold Electricity (cmin service level) Minimum Service Level and Abeve sub-fold Electricity (cmin service level) Deter nergy: Below Minimum Service Level and Abeve sub-fold Electricity (cmin service level) Other service Level and Abeve sub-fold Total number of households Refuse: Refused at least once is weak Minimum Service Level and Above sub-fold Removed less fonce and weak Using own robuse dump	127 253 216 622 2 807 1 161 112 de1 112 de1 1132 de1 1132 de1 1157 115 688 144 247 23 654 167 501 144 247 23 654 167 501 144 247 23 654	194 587 136 416 234 667 3 099 1 244 1 083 3 877 4 960 146 530 154 633 25 357 178 590 359 590 359 590 - -		(65 936 251 715 4 002 25 83 1 93 535 1 033 3 877 4 516 1 99 445 1 21 795 5 1 655 1 73 455 4 369 1 5 595 1 9 384 1 9 3 44 1 54 644 1 154 644	165 936 251 775 4 002 23 831 194 335 1 033 3 877 4 310 199 445 121 795 51 655 51 655 555 555 555 555 555 555 555 555 555	165 936 251 715 4 002 23 631 164 535 1 033 3 671 199 445 121 795 51 655 51 655 173 459 15 595 19 344 193 344 193 344 193 344	171 322 288 745 4 0660 200 081 1 070 3 900 6 970 205 051 123 207 53 067 775 274 4 491 15 703 281 194 15 703	171 322 288 745 4 066 23 660 200 081 1 070 3 900 4 970 205 651 123 707 55 767 173 474 4 601 15 880 20 451 199 525 170 181	17 20 20 12 5 15 15 15 17 2 20 20 17
		No veber supply Bolow Illiminum Sorvice Level sub-fold Total number of household's Sanitalian/severage: Fluch loale (connecled to severage) Fluch loale (ventibed) Chemical biel Pa biel (ventibed) Other biel provisions (> min service level) Minimum Service Level and Above sub-fold Bolow Minimum Service Level sub-fold Total number of household's Electricity (- min service level) Minimum Service Level and Above sub-fold Total number of household's Electricity (- min service level) Electricity (- min service level) Other energy sources Below Minimum Service Level sub-fold Total number of household's Refuse Refuse et al basis once is weak Minimum Service Level and Above sub-fold Removed us feasience is weak Minimum Service Level and Above sub-fold Removed us feasience is weak Minimum Service Level and Above sub-fold Removed us feasience is weak	127 253 216 622 2 807 1 161 112 263 1 010 3 617 135 668 144 247 23 654 144 247 23 654 144 247 23 654 144 247 134 247 135 668	194 597 136 416 234 667 3 009 1 244 41 576 1 083 3 877 4 505 146 530 154 633 25 357 175 990 154 633 25 357 175 990 155 990 155 990		165 936 251 715 4 002 25 831 194 535 1 033 3 877 4 510 159 445 121 795 51 055 173 855 4 380 15 595 19 884 153 914 154 644 154 644 154 644	165 936 251 775 4 002 23 631 194 335 1 033 3 #77 4 510 159 445 51 655 51 655 51 655 51 655 53 436 4 380 15 595 193 435 193 434 164 644 164 644	165 936 251 715 23 631 194 535 1 033 3 877 4 916 199 445 51 655 51 655 51 655 51 655 51 4 349 15 595 18 384 193 434 193 434 194 644 164 644 164 644	171 322 288 745 4 066 23 660 200 051 1 070 3 950 3 950 205 051 123 207 53 067 75 74 4 491 15 703 20 193 155 455 170 047 176 047 8 518	171 322 288 745 4 066 23 660 700 081 1 070 3 900 4 910 205 051 123 707 55 767 179 378 4 601 15 850 20 451 159 325 170 181 170 184 8 518	17 20 20 12 5 18 18 18 18 18 18 18 18 18 18 18 18 17 17 17
		No veber supply Bober Minimum Sorvice Level sub-fold Total number of households Sanitalian/severage: Flush lotte (connected to severage) Flush lotte (venteded to severage) Flush lotte (venteded) Other brief provisions (> min service level) Minimum Service Level and Above sub-fold Bucket luid Other brief provisions (< min service level) No total provisions (< min service level) No total provisions Below Minimum Service Level sub-fold Total number of households Energy: Electricity - propaid (+ min service level) Minimum Service Level and Above sub-fold Electricity - propaid (+ min service level) Der energy sources Below Minimum Service Level sub-fold Total number of households Refuse: Removel des fequently than cance a week Using communal rebase dump Using own rebase dump Using own rebase dump	127 253 216 622 2 807 1 161 112 263 1 010 3 617 135 668 144 247 23 654 144 247 23 654 144 247 23 654 144 247 134 247 135 668	194 597 136 416 234 667 3 009 1 244 41 576 1 083 3 877 4 505 146 530 154 633 25 357 175 990 154 633 25 357 175 990 155 990 155 990		165 936 251 715 4 002 25 831 194 535 1 033 3 877 4 510 159 445 121 795 51 055 173 855 4 380 15 595 19 884 153 914 154 644 154 644 154 644	165 936 251 775 4 002 23 631 194 335 1 033 3 #77 4 510 159 445 51 655 51 655 51 655 51 655 53 436 4 380 15 595 193 435 193 434 164 644 164 644	165 936 251 715 23 631 194 535 1 033 3 877 4 916 199 445 51 655 51 655 51 655 51 655 51 4 349 15 595 18 384 193 434 193 434 194 644 164 644 164 644	171 322 288 745 4 066 23 660 200 051 1 070 3 950 3 950 205 051 123 207 53 067 75 74 4 491 15 703 20 193 155 455 170 047 176 047 8 518	171 322 288 745 4 066 23 660 700 081 1 070 3 900 4 910 205 051 123 707 55 767 179 378 4 601 15 850 20 451 159 325 170 181 170 184 8 518	17 20 20 12 5 18 18 18 18 18 18 18 18 18 18 18 18 17 17 17

Detall of Free Basic Services (FBS) provided		2019/20	2020/21	2021/22	Cu	rrént Year 2022	2/23	11	ledium Term F Inditure Frame	
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budgel Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Electricity	Ref. Location of households for each type of FBS									
	Formal settlements - (50 kwh per indigent									
List type of FBS service	household per month Rands)	25 753 674	10 975 506	28 789 472	36 514 895	36 514 895	36 514 895	38 450 185	40 488 044	42 633 911
	Number of HH receiving this type of FBS	25 753 674	10 975 506	28 789 472	1.23			48 767 333	57 881 947	60 544 517
	Informal settlements (Rands)	25 748	57 748	-	1.00					
	Number of HH receiving this type of FBS									
	Informal settlements targeted for upgrading (Rands)		n							
	Number of HH receiving this type of FBS									
	Living in informal backyard rental agreement (Rands)									
	Number of HH receiving this type of FBS									
	Other (Rands)									
	Number of HH receiving this type of FBS							_		
	Total cost of FBS - Electricity for informal settlements	25 748	57 748			-	-			
Water	Ref. Location of households for each type of FBS Formal settlements - (6 kilolitre per indigent									
List type of FBS service	household per month Rands)	50 135 245	54 223 019	74 795 138	96 062 408	96 062 408	96 062 408	101 730 090	107 732 165	114 088 363
	Number of HH receiving this type of FBS	50 135 245	54 223 019	74 795 138	1		-	101 826 153	107 935 722	112 900 765
	Informal settlements (Rands)	50 135	85 7 19		1	- 14 L	-	÷.,	- 54	
	Number of HH receiving this type of FBS									
	Informal settlements targeted for upgrading (Rands)		u — ()							
	Number of HH receiving this type of F8S									
	Living in informal backyard rental agreement (Rands)									
	Number of HH receiving this type of FBS									
	Other (Rands)									
	Number of HH receiving this type of FBS	_								_
	Total cost of FBS · Water for informal settlements	50 135	85 719		210	-	2	100	2	723
Sanitation	Rel Location of households for each type of FBS		-							
	Formal settlements - (free sanitation service to									
List type of FBS service	indigent households)	18 987 071	20 907 551	23 605 098	24 552 644	24 552 644	24 552 644	26 001 250	27 535 324	29 159 908
	Number of HH receiving this type of FBS	18 987 071	20 907 551	23 605 098			-	25 632 960	26 786 444	28 0 18 6 20
	Informal settlements (Rands)	18 987	22 646	-	-	-	+	(#**	-	
	Number of HH receiving this type of FBS		2							
	Informal settlements targeted for upgrading (Rands)									
	Number of HH receiving this type of FBS									
	Living in informal backyard rental agreement (Rands)									
	Number of HH receiving this type of FBS									
	Olher (Rands)									
	Number of HH receiving this type of FBS									
ht D	Total cost of FBS - Sanitation for informal settlements	18 987	22 646		2		*		<u></u>	3
lefuse Removal	Ref Location of households for each type of FBS									
List keep of EDC popular	Formal settlements - (removed once a week to	01 104 040	07 500 005	17.611.110	17.107.000	17 107 000	17 101 000			
List type of FBS service	indigent households)	34 401 910	37 569 968	47 511 112	47 107 228	47 107 228	47 107 228	10 (70 010	51.000.011	CO 3177 404
	Number of HH receiving this type of FBS	34 401 910	37 569 968	47 511 112			-	49 179 946	51 393 044	53 757 124
	Informal settlements (Rands)	34 402	45 700	<u> </u>	31	2	2		-	33
	Number of HH receiving this type of FBS									
	Informal settlements targeted for upgrading (Rands)		-							
	Number of HH receiving this type of FBS									
	Living in informal backyard rental agreement (Rands) Number of HH receiving this type of ERS									
	Number of HH receiving this type of FBS									
	Other (Rands)									
11110 - 12 - 14 - 14 - 14 - 14 - 14 - 14 - 14	Number of HH receiving this type of FBS Total cost of FBS - Refuse Removal for informal settlements									
	Intel Cost of POO - Automa Aemoval for Informal settlements	34 402	45 700			*	5 m		*	10

Table 55 MBRR SA32 – List of external mechanisms

NW403 City Of Matlosana - Supporting Table SA32 List of external mechanisms

External mechanism		Period of agreement 1.	Service provided	Expiry date of service delivery	Monetary value of agreement 2.
Name of organisation	Mths	Number		agreement or contract	R thousand

Table 56 MBRR SA11 PROPERTY RATES SUMMARY

NW 403 City Of Matlosana	 Supporting Ta 	able SA11	Property rates summary
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Description	Ref	2019/20	2020/21	2021/22	Cu	rrent Year 2022	/23		ledium Term F enditure Frame	work
	ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Yea +2 2025/26
Valuation:	1									
Date of valuation:	1	2019/01/29	2019/01/09	2020/07/01	2000/01/01					
Financial year valuation used	1.5	0	0	0	0			0		
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes		Yes					
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes		Yes					
Municipal partnership s38 used? (Y/N)		No	No	No	No	No	No	No	No	No
No. of assistant valuers (FTE)	3	8	-	-	-		-	-	-	-
No. of data collectors (FTE)	3		S 🖶				-	-	*	-
No. of internal valuers (FTE)	3	1	1941. 1941.		200	-		-		
No. of external valuers (FTE)	3	50	1.55		-				-	-
No. of additional valuers (FTE)	4			-		-		-	8	
Valuation appeal board established? (Y/N)	1.1	Yes	Yes	No	Yes			Yes		
Implementation time of new valuation roll (mths)		12	12		12					
No. of properties	5	-	102 646	-	107 944	107 944	107 944	110 951	110 951	110 95
No. of sectional title values	5	-	3 315		3 654	3 654	3 654	3 612	3 612	3 61
No. of unreasonably difficult properties s7(2)		э.(3	-		+	÷ •		8	-
No. of supplementary valuations				- 2	5 000	5 000	5 000	3 928	3 928	3 92
No. of valuation roll amendments	8		100		100		-		-	-
No. of objections by rate payers										
No. of appeals by rate payers										
No. of successful objections	8									
No. of successful objections > 10%	8									
Supplementary valuation										
Public service infrastructure value (Rm)	5		0	2	0	0	0	0	0	
Municipality ow ned property value (Rm)		-	0	-	0	0	0	1	1	
Valuation reductions:					1					
Valuation reductions-public infrastructure (Rm)			0	-	7	7	7	1	1	
Valuation reductions-nature reserves/park (Rm)		-	-	-			*	:=0		
Valuation reductions-mineral rights (Rm)		-		-	- 1	122		54	i ali	
Valuation reductions-R15,000 threshold (Rm)	6	-		-		-	-			-
Valuation reductions-public worship (Rm)				-	13	13	13	14	15	16
Valuation reductions-other (Rm)										
Total valuation reductions:		-	6	_	20	20	20	16	17	17
Total value used for rating (Rm)	5	<u> </u>	-			14	2	a).	12	-
Total land value (Rm)	5	7.	- 1	-	-		-	- 1	125	-
Total value of improvements (Rm)	5	+	-	-	-	· · · ·	*	ас. С	1997 (B	2
Total market value (Rm)	5	<u>.</u>		1.7		17. C	.	(7.2)	100	2
Rating:										
Residential rate used to determine rate for other										
categories? (Y/N)		Yes	Yes	No	Yes			Yes		
Differential rates used? (Y/N)	5	Yes	Yes	No	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)			No		No	No	No	No	No	
Special rating area used? (Y/N)		No	No	No	No			No		
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0
Rates policy accompanying budget? (Y/N)		Yes	Yes	No	Yes			Yes		
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
	- 9				5					
Rate revenue:					170	170	4710		000	
Rate revenue budget (R '000)	6	-	-		479	479	479	500	629	659
Rate revenue expected to collect (R'000)	6					1				
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)	1				15	15	15	24 278	25 468	26 665
Rebates, exemptions - pensioners (R'000)		1 in 1		(a)	0	0	0	0	0	
Rebales, exemptions - bona lide farm. (R'000)			-	-	1	1	1	1	1	4
Rebales, exemptions - other (R'000)						·			-	
Phase-in reductions/discounts (R'000)										
	- 4			-	16	16	16	24 279	25 469	26 665
otal rebates, exemptns, reductns, discs (R'000)										

Table 57 MBRR SA12a PROPERTY BY CATEGORY (CURRENT YEAR)

NW403 City Of Matlosana - Supporting Table SA12a Property rates by category (current year)

Description	Rel	Business and commercial properties	Industria/ properties	Mining properties	Residential properties	Agricultural properlies	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Tille Garages (Drakenstein
Current Year 2022/23	+											only)
Valuation:	31											
No. of properties		5 730	521	490	86 156		48		192			140
No. of sectional tile property values		(*)	Ξ.	54	3 654	÷	(iii)	e e		14		1.14
No of unreasonably difficult properties s7(2)		•		*	3			() () () () () () () () () ()	14 A	.*	122	1 14
No of supplementary valuations												
Supplementary valuation (Rm)												
No. of valuation roll amendments									1			
No. of objections by rate-payers		-		÷.,	50	140	: Q.	20	1 445	2	4	1 - C
No of appeals by rale-payers		141		20	5	-						
No of appeals by rale-payers finalised				÷.	5	- Q					1	-
No, of successful objections	5	121		-	45		-	-			-	
No of successful objections > 10%	5	-					2					
Estimated no of properties not valued												
Years since last valuation (select)		<1	<1	<1	<		<1		<1			
Frequency of valuation (select)	× 1	<4	<4	<4	<4		<4		<4			
Method of valuation used (select)		Markel	Market	Market	Market		Market		Market			
Base of valuation (select)		Land & Impr.	Land & Impr.	Land & Impr	Land & Impr		Land & Impr		Land & Impr			
Phasing-in properties s21 (number)		cond d mpr.	cond o mpr	cond a mpr	cana a impr		cana a impi		Cand & Impr			
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes		Yes		Yes			
Flat rale used? (Y/N)		No	No	No	No		No		No			
Is balance rated by uniform rate/variable rate?	1.1	Vanable	Vanable	Variable	Variable		Variable		Vatlable			
Valuation reductions:		Valiabic	ADUDAID	Valiable	VOI BOIC		Valiable		Vanabia			
Valuation reductions-public infrastructure (Rm)	- 1											
Valuation reductions-nature reserves/park (Rm)	1.1											
Valuation reductions-mineral rights (Rm)	1.1											
Valuation reductions-R15,000 threshold (Rm)	44											
Valuation reductions-public worship (Rm)			1									
Valuation reductions-public worship (Rm)	2				1							
Total valuation reductions:	1											
	11											
Total value used for rating (Rm)	6											
Total land value (Rm)	6						1					
Total value of improvements (Rm)	6									3		
Tolal market value (Rm)	ş											
Rating:	11				1			1				
Av erage rale	3											
Rate revenue budget (R '000)	1											
Rate revenue expected to collect (R'000)												
Expected cash collection rate (%)	4					_						
Special rating areas (R'000)												
												_
Rebates, exemptions - indigent (R'000)								_			1	
Rebates, exemptions - pensioners (R'000)												
Rebates, exemptions - bona fide farm. (R'000)												
Rebates, exemptions - other (R'000)								1				
Phase-in reductions/discounts (R'000)										_		
Total rebates,exemptns,reductns,discs (R'000)	1											_

Table 58 MBRR SA12b PROPERTY BY CATEGORY (BUDGET YEAR)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
Budget Year 2023/24											e:	
aluation:												
No. of properties	E	5730	521	490	86 156	1.000	48		192	-	100	
No. of sectional title property values		- 14	-	343	3 654	123		-	-	-	1	
No. of unreasonably difficult properties s7(2)					3	374	-	-	-		25	2
No. of supplementary valuations												
Supplementary valuation (Rm)												
No. of valuation roll amendments			1									
No. of objections by rate-payers	l i	-	-		50	-			-			
No, of appeals by rale-payers	R i		14		5	343	9		- a.	-		
No. of appeals by rate payers finalised		-		-	5	100		-	-	-	1.001	
No of successful objections	5				45	196	94 (H	*	-	1	200	
No. of successful objections > 10%	5											
Estimated no. of properties not valued												
Years since last valuation (select)		<1	<1	<1	<1		<1		<1			
Frequency of valuation (select)		<4	<4	<4	<4		<4		<4			
Method of valuation used (select)	11	Markel	Market	Market	Markel		Market		Market			
Base of valuation (select)		Land & Impr	Land & Impr	Land & Impr	Land & Impr		Land & Impr.		Land & Impr.			
Phasing-in properties s21 (number)		8										
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes		Yes		Yes			
Flat rate used? (Y/N)		No	No	No	No		No		No			
Is balance rated by uniform rate/variable rate?	1	Variable	Variable	Variable	Variable		Variable		Variable			

NW403 City Of Matlosana - Supporting Table SA12b Property rates by category (budget year)

Table 59 MBRR SA13a SERVICE TATIFFS BY CATEGORY

NW403 City Of Matlosana - Supporting Table SA13a Service Tariffs by category

		Provide description of					2023/24 N	ledium Term R	evenue &
Description	Ref	tariff structure where	2019/20	2020/21	2021/22	Current Year	Expe	nditure Frame	work
2000, pilon	iter	appropriate	LUIDILU	LULUIEI	LULITEL	2022/23	Budget Year	Budget Year	Budget Yea
		appropriate					2023/24	+1 2024/25	+2 2025/26
Property rates (rate in the Rand)	1								
Residential properties			0.0124	0.0131	7,	0.0144	0.0151	0.0159	0_0163
Residential properties - v acant land		390	0.0313	0.0313	22	0.0344	0.0379	0.0390	0.0390
Formal/informal settlements		1	0.0131	0.0131	· · · · · · · · · · · · · · · · · · ·	0.0144	0.0159	0_0163	0.0163
Small holdings			0.0124	0.0131		0.0144	0.0159	0.0163	0.0163
Farm properties - used	11		0.0033	0.0033	a	0.0036	0.0039	0.0041	0.004
Farm properties - not used	1 1		30	0.0131		0.0144	0.0159	0.0163	0.0163
Industrial properties	1 1		0.0296	0.0313	3	0.0344	0,0379	0.0390	0.0390
Business and commercial properties			0.0296	0.0313		0.0344	0.0379	0.0390	0.0390
Communal land - residential	1.3								
Communal land - small holdings									
Communal land - farm property	1 1								
Communal land - business and commercial	6.1	i.							
Communal land - other									
State-ow ned properties			0.0296	0.0313		0.0344	0.0379	0.0390	0.0390
Municipal properties									
Public service infrastructure			0.0124	0.0131	a.	0.0144	0.0159	0.0163	0.0163
Privately owned towns serviced by the		1							
State trust land	- 1								
Restitution and redistribution properties	. 1								
Protected areas									
National monuments properties	- 1								

Exemptions, reductions and rebates (Rands)					l l				
Residential properties									
R15 000 threshold rebate					*	8		8	*
General residential rebate			50 000	50 000		50 000	50 000	50 000	50 000
Indigent rebale or exemption	L		50 000	50 000		50 000	50 000	50 000	50 000
Pensioners/social grants rebate or exemption			50 000	50 000	*	50 000	50 000	50 000	50 000
Temporary relief rebate or exemption Bona lide farmers rebate or exemption	÷						- N		
Other rebates or exemptions	2		3	5.5		*		80 A.	2
1000 B. 1809	12								
Water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)			136	150	<i></i>	159	175	180	180
Service point - vacant land (Rands/month)			136	150	- 75	159	175	180	180
Water usage - flat rate tariff (c/kl)		4.0.10	-	150		159	175	180	180
Water usage - life line tariff	1	1-6 KI	1	23	¥.	25	28	29	29
Water usage - Block 1 (c/kl)		7-20 KI	24	28	×.	30	34	36	36
Water usage - Block 2 (c/kl)		21-50 KJ	-	29	e -	31	35	37	37
Water usage - Block 3 (c/kl)		51-100 KI	26	30	9	32	36	39	39
Water usage - Block 4 (c/kl)		(fill in thresholds)							
Water usage - Block 5 (c/kl)		(fill in thresholds)			1				
Water usage - Block 6 (c/kl)		(fill in thresholds)							
Other	2								
Naste water tariffs									
Domestic	1			- 1					
Basic charge/fixed fee (Rands/month)	Ľ.		75	82	e	87	97	99	99
Service point - vacant land (Rands/month)			75	82		87	97	99	99
Waste water - flat rate tariff (c/kl)	6								
Volumetric charge - Block 1 (c/kl)	1	(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							
Volumetric charge - Block 4 (c/kl)		(fill in structure)							
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fix ed fee (Rands/month)				140		400	405	070	070
Service point - vacant land (Rands/month)			107	142 142		163	185	272	272
FBE		(how in this tempted 0)	127	142	32	163	185	272	272
		(how is this targeted?)			-				
Life-line tariff - meter		(describe structure)				_		- 1.	
Life-line lariff - prepaid		(describe structure)							
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid(c/kwh)									
Meter - IBT Block 1 (c/kwh)				1	- a t	1	1	2	2
Meter - IBT Block 2 (c/kwh)			118	1	24.2	2	2	3	3
Meter - IBT Block 3 (c/kwh)				2	5 9 01	2	2	4	4
Meter - IBT Block 4 (c/kwh)			(21)	2	10	2	3	4	4
Meter - IBT Block 5 (c/kwh)			191	2		3	3	4	4
Prepaid - IBT Block 1 (c/kwh)			91	1		1	1	2	2
Prepaid - IBT Block 2 (c/kwh)			118	1		2	2	3	3
Prepaid - I8T Block 3 (c/kwh)			158	2 .		2	2	4	4
Prepaid - IBT Block 4 (c/kwh)			-	2		2	3	4	4
Prepaid - IBT Block 5 (c/kwh)			191	2	÷	3	3	4	4
Other	2								
aste management tariffs									
Domestic									
Street cleaning charge				151		181	200	205	205
Basic charge/fixed fee			3	101	25	101	200	203	205
801 bin - once a week									
250t bin - once a week									

-

Table 60 MBRR SA13b SERVICE TATIFFS BY CATEGORY - EPLANATORY

Description	Ref Provide description of tar		2018/19	2019/20	Current Year	2021/22 Mediu	m Term Revenue Framework	e & Expenditur
Description	structure where appropria	te	2010/13	2013/20	2020/21	Budget Year 2021/22	Budget Year +1 2022/23	Budget Yea +2 2023/24
Exemptions, reductions and rebates (Rands)		50.000	50.000			50.000	50.000	53.00
North Kana an an Rachiel				1	50 000	50 000	50 000	50 00
[Insert lines as applicable]			50 000		50 000	50 000	50 000	50 00
			50 000		50 000	50 000	50 000	50 00
	j l							1
	5							
Nater tariffs		i						
Taanad kunaluu aa araa Krakula 1	0	115	129	136	143	159	165	17
Insert blocks as applicable]	1-6 kilolitre 7-20 kilolitre	440	400	400	440	450	405	47
	21-50 kilolitre	115				159	165	17
	51-100 kilolitre	115	129 18		14.3	159	165	1
	101-200 kilolitre		10			j i i i i i i i i i i i i i i i i i i i		
	201-300 kilolite			20	21	25	27	2
	301-	19	22			30	33	3
	(ill in thresholds)	20	23	No.		31	34	3
	(ill in thresholds)	20	25		28	32	35	3
	(fill in thresholds)							
Vaste water tariffs	î.,							
	0							
nsert blocks as applicable]	Houses	63	71	75	79	82	86	9
	Houses	63	71	75	79	82	86	9
	Houses	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Houses	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Houses	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Hostels	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(fill in structure)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	(fill in structure)							
lectricity tariffs								
	0	112	121	127	134	163	170	17
nsert blocks as applicable]	1-50 kWh	112	121	127	134	163	170	17
	51-350 kWh	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	351-600 kWh	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	601-1500 kWh >1501 kWh	N/A N/A	N/A N/A	N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
	21001 KYWI	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A	N/A	N/A
	(fill in thresholds)	80	87	91	INIA	1	1	INPA
	(fill in thresholds)	101	111	118	10	2	2	3
	(fill in thresholds)	158	148	158	2	2	2	
	(fill in thresholds)	150	140	182	2	2	3	
	(fill in thresholds)	163	179	191	2	3	3	
	(fill in thresholds)					Ŭ		8
	(fill in thresholds)							

NW403 City Of Matlosana - Supporting Table SA13b Service Tariffs by category - explanatory

Table 61 MBRR SA 37

Deared	Projett											Previous	Current Y	ear 2022/23		iaiun Tern R 16 bin Fisian	
Function	Paustana	Projet sumber	lipe	NISE Samica Outsome	NDF	Oan Strategie Objectives	Axid Dam	Annet Sub Diam	Wied Location	GPS Longitude	GPS Lettitude	thurget year to complete	Original Butget	Full faur Forscart	Budget 7xer 2023/24		1222010
forent municipality Unit all capital projects grouped by For	clien																
Electicity Sew erage	Covid 19 Relith GelWitch Eop PISa Uppid: Weshan & Best Gapp Pump 3			An efficient, 1 An efficient, 1			føler Supply Infrastructure antidørn Infrastructure	Punp Saturs Punp Station	R WHOLE OF MUNICIPALITY H-WHILLE OF MUNICIPALIT	ð U	f 0	2015 第1	41(1) (58	1949	4	1	55
List all capital projects grouped by Est	iγ					i.											
infily Name Argiect name																	
						<u>i</u>											

Table 62 MBRR SA 38 CONSOLIDATED PROJECTS

NW403 City Of Nationana - Supporting Table SA38 Consolidated detailed operational projects

					1						substances		fiam.exank	
Fundam	Projust Description	Project Aumber Type NTSF Service Oulcome	IUDF	Own Strategic Objectives	Asset Circu	Aust Sub-	Wed	GPS Longitude	GPS Lathfurfa	Audited Outcome	Current Year 202223 Full Year	Budget Toor 202338	Budgel Year +1 2024/25	Budget Ye +2 1825/2
Parent municipality:										2011/172	Forecest			i
Usi all operational projects g	prouped by Function													
Governance Function	0 Wuntippel Running Cast	POID, 010 Buridgel Running Cests performers and report puelt	Governance			RAD	IN OF HEAD			157	5.92	4.277	125	10
Gev errance Function	Furniture And Cilice Equipment	procession of Convertive Maintenance Finction and development overheit	Governance		Funture And Offen Spierry	120236pril	IN OF HEAD					1	1	
Governance Function	Buldings	000001000000000 Corrective Mainteratur Fischer and Jerekymoth referted	Governanse		Operational Burblings	Arcaroter	ON OF HEAD			1.4	1	1	1	
Governance Function	Cnd Stuctures	(000000000000) Correction Existentian Pitchine and development overlage	Governance		Operational Buildings	Avena Ofer	IN OF HEAD	1		2.5	1	t t	1.1	i.
Gov emante Function	Becincel Equipment	Konstanting Connective Relationers Piecho and Socialment overhad	Governance		Operationa/Burblings	Anartha	IN OF HEAD			1.1	1	1	1	
Governance Function	Transport Assets	0100200201010 O Correttios Maintanaria	Governance		Transport Assets	Saturd Autor	IN OF READ	- 3	4	12		4	5	1
Mayor And Council	O_Municipal Running Cost	PC002_0000 Burling of Running Coath betternets and reproved publy	Gaveorance				BIN OF HEAD	1	1	96 137	11073	14.08	1999	-59.9
Mayor Anti Council	O_Muncipal Rumming Cost	P0002_0000 Burliagal Running Code sufficients and instruct pully	Governance				DLE OF WUNK			25 000	2231	17 879	ផត	419
May or And Council	Capacity Building Councilians	COURCEASE AND Work Streams velie workforce to support an inclu	Governance				DLE OF MUNIC		÷.	1.4	815	158		
May of And Council	Community Initiatives	CONCERNITY (2000 Work Streams /ssponsive and custamable social	Inclusion and Access		1	RWH	DLE OF NUNIC		- #	1BI	330	330	三朝	12
May or And Council	Competition Awards	COCINERAL ORD Work Streams Fischer and development oriented	Inclusion and Access		1		DLE OF MUNIC	- 3	. e	1.1	- 13	1	54	
May or And Council	Gender Development	KORODO UPI JOIN Work Streems responsive and outlainable social	loclusion and Access		÷		DLE OF MUNIÇ	1		6	28	增		
May or And Council	O_Fws_Sport Development_MarsHons_Sport And Recrussion	COROSADARZ_2000 Work Streams Studies and devolument content	Inclusion and Access				DLE OF MUNIC		. #.	2.8	100	ň	300	1
Mayor And Council	Public Participation Miceling	VOX.020185.000 Work Streams In untwinning and imposed guarty	Inclusion and Access				OLE OF MUNIC	1	- R.	1		1.5		
Mayor And Council	Risk Management	OCCULATING AND Work Streams poundable effective and efficient k	Inclusion and Access				OLE OF MUNIC		1	5 36	建建	28.254		
May or And Council	Special Events And Functions	"Doc 1017/06, 2000" Work Streams flective and development connected	Inclusion and Access				LE OF MUNIC	1		2.4	jk j	36	1	
May or And Council	Special Events And Functions	Work Streams Her tive and development over led	Inclusion and Access		E		ILE OF MUNIC		2	- 53	म	29	1.12	
Maylor And Council	Special Evants And Functions	Calify Dial Work Streams Hecike and development-oriented	Inclusion and Access				DLE OF BUNK		- 81	1	E	103		
May or And Council	Special Events And Functions	MORENTERS, 2001 Work Streams Recive and development oriented	Inclusion and Access				DLE OF BUNIC	1	- 8	114	478	443		
Mayor And Council	Special Events And Functions	Washing and Work Streams Recise and development oriented	inclusion and Access				DLE OF MUNIC		1	्य	77	8		
May or And Council	Youth Devialopment	Work Streams responsive and austeinable social	Inclusion and Access		L		ILE OF MUNIC	1	9	10	7	п	79	1 9
May or And Course I	Fumbre And Ofice Equipment	\$10,200,000001_0 Contestion Maintenance flexifie and development-consted	Governance		Finture And Charlestone			1	- 5	1.4	1	5	S	1
May or And Council	Land Transport Accurs	station and development of Maintenance Machine and development counted	Governme		Operational Buildings	Emplither		10	1.5	2.		32	33	
May or Anti Courie) Haw as And Couried		procession department	GoLemance		Transport Assels		LE OF BUSIC	1	1	3	\$10	4.034		
May or And Council University Trave Ser	Transport Assets	173/2002/0110_0 Contestive Validation into	Governæka		Transport Assels	Temport Rout		1	1.5		20	223	233	
	iontary O_Marsopal Running Cost iontary O_Marsopal Running Cost	PO002_00000 Municipal Running Cestin settlements and monoved quality PO001_00000	Governance	1			ETH OF HEAD (1	12	87 485	119 201	121 245	127 489	
Municipal Marager, Town Sec		PO002_00020 Bunicipal Running Costin settlements and improved quality	Governance					1		53 709	50 428	6* 498	64 578	
		COUNCERNET COME Wark Document Hirs his and day altyment-sylented	frictision and Access				LE OF BUNIC	- 3	- <u>8</u>	1	- 100	350	367	3
	creary Special Energy's And Functions	COMMITTEE 2000 Work Example Heclare and development oriented	Inclusion and Access				LE CF BUILD		6.81		48	50	53	1
	cretary Furniture And Office Equipment cretary Computer Software And Applications	Procession Control of Control on Management Parties and Society and Controls 2000/00/00/2000/Control on Management Parties and Academics Control	Governance		Funding and Office Epidera			1	1.5	14	218	439	153	
Muncipal Manager, Town Sec		000000000000 Control Presenter Fictor Provident Control	Governance		Ecorces And Rights Contational Buildings	falters And A		1			0 449		1	
Muncipal Manager Town Sec		and a second sec	Governance Covernance			Accasi Ofen	IN OF HEAD (0.	81	449	T 175	1.47	1.53
Municipal Manager, Town Sec		(00000000000) Constitut Existences finites and investigated counted	Governance Governance		Operational Buildings Operational Buildings	Anese/Office		1	1		°	12	1	
Macod Manuel Town Sec		Dix200201012 Corretto Lantanares	Governance				LE OF BUNC		- 10	4		12	15	
Municipal Hamper Town Sec	T PROVE THE PROPERTY.	DTR252201010 / Corrective Balcherance			Transport Assets		10 3F 11140		1	4	19	20	21	1
Municipal Manager Town Sec		COR20000000 Constant Emberance	Governance Governance		Transport Assets Transport Assets	Imper Aren			1		121	128	10	2
Finance	O Yura, pal Roming Cost	POWP_0000 Burlingel Bassing Costs until more and more an aver	Governanca		rampol reserves		IN OF HEAD (1	i.	38 555	258 3 14	JTD 845	20 94	21.11
Finance	O Municest Rumming Cost	PON2_0000 Bunings Earling Castr activities on report garty	Governance				LE OF TUNC	- 1	1	35 457	10 028	1 242	11 (87	11 52
Finance	Audi Outcomes	YOR XXXXXXX Work Streeps mutility of the and officient a	Governance		-		LE OF BUILD	- 1	2	18 859	10 020	0.432	100	1.1
Finance	Financial Statements	CONVERSION COM Work Streams countable, effective and effected k	Governance	1			LE OF BUNC	1 17	1	522	1 000	1 200	1.00	ाह
Finance	Interns Companyation	CHENDER BOR. Work Streams marticle afterbar and afficient a	Governance				LE OF STREET	1	1	34	600	525	53	1
France	Travutg Mananum Competency	Consciously com Work Streams constants whether and efficient a	Governance				LE OF BUNC	1	14	134	120	79	3	
France	Fumèure And Ofica Equipment	\$10000000005 () Cantedline Baintenents Pictus and Sweigenart chierted	Governance		Function And State Epigene				1	- 31	1	250	32	
Financia	Machinery And Equipment	processitieren of Connection Bandaneme	Governance		Stehning And Epigenet				. 6	п	10	151	19	
France	Bulkings	HORISTOCHUCH Conseller Bacterates Picture and development one-tee	Governance		Operational Building;	Ariege Offer		12	4	150	78	1016	167	11
Fnance	Cod Stucknes	2000010190010010 Counseline Existences a Parties and Associated onumber	Governance		Operational Buddings	Ampa Ofer		1	0	23	52	59	- 58	
Finance	Becincal Equipment	BRINING Constant Bandwara Pictur and de adpressioned	Governance		Operational Buildings		IN OF HEAD O	2		1	2	1	1	
Finance	Buildings	DETUDING Consellue Saltanana Parties and developed constal	Governance		Operational Bushings		IN OF HEAD		4					
Finance	Civil Stuctures	(0129/00000000) Connective Bandwratus Pietina and doubtament coanted	Governance	1	Cogrational Bablicua		IN OF HEAD O		0	1.1	5	1		10
Foance	Bechcal Equpment	restrictions and Connector Bantanana factors and development organized	Governance		Operationel Buildings		IN OF HEAD (4	1		1		
Finance	Transport /ssets	biscotoutité d'Carredie Britteranie	Governance:		Transport Assels	Sergert April				1				
Information Technology	O_Murscipal Running Cost	PODIT_50000 Bunkingel Running Certify untiments and reposed parts	Governance				IN OF HEAD (4	1120	12.358	12 979	13.347	110
information Technology	Financial Systems	COLOSING (COL) Hark Streets In-thick effective and efficient to	Governance				LE OF BUILD	1	1.	73	1.100	1 (0)	1.50	15
hizmation Technology	Computer Equipment	PROTECTION (I Covering Existentian factors and the represent constant	Governance		Computer Equipment	rate Saipri				2515	2158	3 066	124	13
Information Technology	Computer Equiproced	01000000000000 (X Certadue Baintanance Pachie and development-crambed	Governance		Computer Equipment	rate lain		1		24	19	195	85	8
Information Technology	Computer Soliware And Applications	\$20000000000000 Corrective Existenses: Factors and Analyze activities	Governance			lofers Ard P			0	2	152	159	- 117	12
hlomaikn Fectorologi	Computer Solar are And Applications	EXECUTION STORE Convertine Bandwares Fach e and development counted	Governance			Coharr be a	000-000	1	1	837	119	2 231	234	248
Information Technology	Computer Gotwie e And Applications	EXXXVIVEXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	Governance	1.		Column Are A				290	458	527	903	5
Information Technology	Machinery And Equipment	P10000000000.0 Convetive Baintenance	Governance	1	Vachnery And Equipment				1	.11	106	112	5112	12
Legal Services	O_Nursupel Rumming Cost	PO02_0000 Busideal Bundley Centr ontinents and report party	Governance				LE OF MUNIC			11 600	13.655	29 951	72.94	22 11
Legal Services	Fumiture And Office Equipment	D10020200005.0 Corrective Balatemance Pacifice and Involutions' counted	Governance	1	Funture And Office Equipment	11111			1	- Y2	3	3		1
Legal Services	Fumilure And Office Egupment	\$100000001026 of Corrective Balanceanse Perfil e and the expensed counted	Governance		Finture Ant Office Spiper				\$	- 74	10	u	0	1
Legal Services	Buildings	2027/00/00/00/10/1 Connective Balantemarca Plants a and development overhed	Governance		Operational Bucklings			0		(*	i)	14	14	3
Housing	O_Municipal Roming Cost	P0002_0000 Busispel Running Costs rationets and reposed pusts	Governance				2 64 89800	1		3 206	0.0	18 153	0.982	特殊
Hausing	Transport Assets	\$1000000000000000000000000000000000000	Governance		Transport Assets	mont Aint)		6	14	22	B	26	2	1
Health Services	O_1Aurocipal Running Cost	PONZ (0000 Burlingst Running Casto servicents and instruct and)	Governance				IN OF HEAD	4	3	101	152	152	5	17
Health Services	Transport Assets	P300, 0102001 20001	Governance		Fransport Assets	Paraport Acard		4	1		3	9	12	3
Community: Pails (Including Nu	ursen O_/Auncipal Ruming Cost	PO302_0000 Buridgel Running Costs patienents and inproved grady	Governance				N OF HEAD C		1	1	300	317	303	ji
Community Parks (Including Nu	urset O_Municipal Rurning Cost	P0002 (0000) Burksput Ranking Centri untiminets and improved quality	Governance		10		E OF WORC		1	44 361	4774	45 D54	17 411	02
Community Parks (Including Nur		POCONERS JANOT Work Streems x8 our provonmental assols and	Inclusion and Access		1		E OF WUNC				335	300	15	5
Community Parks (Including Yu	uner Civil Structures	2002/02/2010/Commilie Multitenance Perfive and development oriented	Governance		Operational Buildings	Arisetted		1		2	7	7	2	
Computity Parks (Including Nu	usen Transport Assets	DOWNWERDING Convertixe Maintenence	Governance	6		boart Apart		2	1	[49]	(4)	- 1	1	9
Cortstandy Parks (Including Nar	uren Transport Assels	\$100000009.9 Correttue Bainteranne	Governance			Incont Activity		1	1		712	753	m	7
	nd C.O., Municipal Ruming Cost	POD2_0000 Buildpal Ransing Costs settlements and reproved quality	Governance				E OF BUSIC	ť	4	26 341	13 782	14-493	128	建築
Cemeteries: Funard Parkours An	nd C Buildings	100001002001011 Correctue Bainterania (expension and automobile and W	Inclusion and Access		Commendy Facilities	Weterd			0		а	9	1	1
Cemeter es : Funeral Parlours An	nd C Land	forent finger titti Corredhe Baltieranes moorrive auf antenatie ante	Inclusion and Access		Commonity Fac Kies			i i	1	(209)	4 508	4 875	\$ 718	515
Cerreletes: Fuseial Parlours An	nd C Funkure And Difke Equipment	Crossound 10(5.) Currentian Balatimance Picture and development oriented	Governance		Fundual Ret Ofice Epigram			1	4		5	6		
Central Partners An		2-2000201000-0-Contestive Mathematics	Governance		Nativey And Essenant			2		1	30	32	14	3
Reprotonal PastAles	O_Municipal Running Cost	PO002_X000 Municipal Running Cast settlements and improved quarty	Governance		Contraction of the		E OF BUSIC	1	1	2214	2 541	2 783	210	308
Peori itorial Pacéties	Cini Studies	Construction of all Construe Baltimeters forthe and involution in the	Inclusion and Access		Community Fac Ret				2		4			1
Fee Fighting And Patheoton	O_Municipal Ruming Cest	PO22,0350 Buildpal Running Costn retirements and improved quality	Governance				EGENING	2	2	50 670	58 748	23	18.214	3 9 90
R# Fighting And Pretaction	Baildings	Corrective Mainlenance fische and davaborrent-orienten	Governance		Secretary .	Ancar Difer		1	34.5	n	1700	210	120	134
an old and with the strate.							the Constant of the second		1.271					

Fire Fighting And Protection Fire Fighting And Protection	Elichial Eargerink	Schwarzschurt Conserve Maintenene Pietre ert zunigenet zwine Antideration Inder	Gevenance Gevenance	Opentosal Bullings Access model of Bulling		
Fire Fighting And Protection	Paragot Asian	and sense and a sense of the se	Givenarce Givenarce	Francipori Assets Instanti Ruse dal del Manaca Francipori Assets Instanti dal Assets di Assetta di Assetta	285	1.968
Fice Fighting And Postection	Faraget Appen	HERBERGER & Constant Ballinearce	Governance	Transport Assets human f Ausenal of Bunnet	190	111
iperts Grounds And Stadiums	0.Minipal Tirring Cost	POLIT_SOUN Bunidpil Running Castrantin and remains and y	Governance	RUNDLE OF MUNIC	a m	28 159
parts Geounds And Stadiums parts Crounds And Stadiums	0, fei für Derstammt Mantens für Ald Bina alle. Funden bei Ober Spigmat	"O103043002 3000 Work Streams Package and the second second	fockniss and Access	A POLICE POLICE	-	150
ports Graunds And Statiums	Ratings	TECTORING, 9 Canadia Balanana Peter and Autor	Governance	Fundam And UNIx Equipment and Other Edit DE BUDGO 6 6 One-design Analysis Manager (Market DE BUDGO 6 2	in l	401
ports Grounds And Stadium &	D.et an	INTERNETATION Consider Buildenery and hadry Party of Lars 41.	inclusion and Access	and held from provide developer i write and the Barrocci 1 1	257	1 021
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2.12 Municipal Manager's Quality Certificate

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CITY OF MATLOSANA

PO Box 99, Klerksdorp, 2570 Tel: +27 18 406 8300 Fax: +27 18 4642318 E-mail: finance@klerksdorp.org

QUALITY CERTIFICATE

I Lesego Seametso, Municipal Manager of City of Matlosana Municipality, hereby certify that the 2023/2024 Draft Budget (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 Draft Budget (MTREF) and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

Lesego Seametso

Municipal Manager of City of Matlosana - NW403

Signature Date 29-03-2023





NATIONAL TREASURY

MFMA Circular No. 122

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2023/24 MTREF

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Introduction

This budget circular provides guidance to municipalities with their compilation of the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (*m*SCOA), and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *m*SCOA is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The National Treasury forecasts real economic growth of 1.9 per cent in 2022, compared with 2.1 per cent projected in the 2022 Budget Review, in response to global and domestic shocks. Growth is projected to average 1.6 per cent from 2023 to 2025. Implementing structural reforms, especially in the energy sector, remains crucial to improve the economy's productive capacity and competitiveness.

The recovery in economic activity that began in 2021 was driven by a strong rebound in global economic activity, high commodity prices and easing COVID-19 restrictions. The scarring impact of the pandemic on employment and investment decisions will likely weigh on the recovery over the medium term. Investment remains well below pre-pandemic levels.

The economy grew by 1.4 per cent in the first half of 2022 compared with the first half of 2021. Real GDP grew more than expected in the first quarter of 2022, with output returning to prepandemic levels. However, a deteriorating global environment, flooding in KwaZulu-Natal and the Eastern Cape, industrial action in the electricity and mining sectors, and prolonged and intense power cuts resulted in a broad-based contraction across most sectors during the second quarter. The third quarter was marked by frequent and prolonged power cuts, which significantly disrupted economic activity.

The following macro-economic forecasts must be considered when preparing the 2023/24 MTREF municipal budgets.

Table 1: Macroeconomic	performance and	projections	2021 - 2026
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Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate		Forecast	
CPI Inflation	5.2%	6.8%	4.7%	4.6%	4.6%

Source: Medium Term Budget Policy Statement 2022.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation:

It is noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections.

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2. Key focus areas for the 2023/24 budget process

2.1 Local government conditional grants allocations

Over the 2023 MTEF period, conditional grant allocations to municipalities will grow below inflation. This is due to a higher 2022/23 baseline (R3.8 billion) added to local government conditional grants in the 2022 Division of Revenue Amendment Act. Over the next three years, total local government resources, including the equitable share and indirect conditional grants increase at an annual average rate of 6 per cent.

The local government equitable share increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.6 per cent over the 2023 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 MTEF period.

The annual Division of Revenue Bill will be published in February 2023 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2022 Division of Revenue Act to compile their 2023/24 MTREF. In terms of the outer year allocations (2025/26 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Act for 2022/23. The DoRA is available at:

http://www.treasury.gov.za/documents/national%20budget/2022/default.aspx

2.2 Re-enforcing the 2023 Division of Revenue Bill, (DoRB) to facilitate improved intergovernmental relations

Towards enforcing a system of good intergovernmental relations as envisaged in the Chapter 3 of the Constitution and subsequent related legislation, the National Treasury would like to remind municipalities of Section 31 of DoRA that articulates the facilitation of personal liability for unnecessary litigation. Going forward, a municipality may therefore only institute litigation against any organ of state, state-owned enterprise, public-and/ or municipal entity after exhausting all dispute resolution mechanisms required and/ or available to the municipality in terms of existing intergovernmental relations processes, policy and/ or any related contract with the municipality, including in terms of the Municipal Finance Management Act, 2003, the Intergovernmental Relations Framework Act, 2005, and/ or the Electricity Regulation Act, 2006 (dispute processes administered by NERSA).

The 2023 DoRB will facilitate the personal liability of and refund of any expenditure related to such litigation to the national revenue fund (NRF) by any person responsible for the institution of litigation by a municipality without having exhausted all the available dispute resolution mechanisms. This will be done through the equitable share off-setting processes. Municipalities, parallel to instituting any litigation against any organ of state, must report such litigation to the Auditor-General, the National Treasury and to the relevant provincial treasury. The report must provide the details of all the dispute resolution processes that were attempted, supported by information explaining the failure of these attempts.

Division of Revenue Amendment Bill, 2022 (DoRAB)

Disaster response funding

Conversion of disaster response grants – To allow for adequate response to the April 2022 floods, funding was shifted between the disaster relief grants in August 2022. R145 million

was shifted from the Provincial Disaster Response Grant to the Municipal Disaster Response Grant and R120 million was shifted from the Municipal Emergency Housing Grant to the Provincial Emergency Housing Grant.

Additional funding for disaster response grants – In response to disasters that have occurred, most of the disaster funding for 2022/23 had been depleted by the time of the tabling of the DoRAB. To enable for response should a disaster(s) occur in the remaining months of the current financial year, R248 million is added to the Municipal Disaster Response Grant to enable immediate response by municipalities.

Additional funding for disaster reconstruction and rehabilitation¹ – For the reconstruction and rehabilitation of municipal infrastructure damaged by flash floods in the Western Cape (Overberg District Municipality, Cape Winelands District Municipality and Garden Route District Municipality) in December 2021 and the April 2022 floods in the Eastern Cape (Winnie Madikizela-Mandela Local Municipality) and KwaZulu-Natal (eThekwini Metropolitan Municipality, uMhlathuze Local Municipality, uThukela District Municipality, uMgungundlovu District Municipality and iLembe District Municipality), R3.3 billion is added to the Municipal Disaster Recovery Grant.

Purchasing of land for relocation of flood victims – R92 million is added to the Informal Settlements Upgrading Partnership Grant: Municipalities for eThekwini Metropolitan Municipality for the purchase of land identified for the relocation of displaced flood victims.

Changes to local government allocations

Roll-over of funds in the Integrated National Electrification Programme (municipal) Grant – R1 million is rolled over in the Integrated National Electrification Programme (municipal) Grant to fund 50 electrification connections in Swellendam in Dikgatlong Local Municipality.

Roll-over of funds in the indirect Regional Bulk Infrastructure Grant – R15 million is rolled over in the indirect Regional Bulk Infrastructure Grant to fund operational payments for the Vaal River pollution remediation project in Emfuleni Local Municipality.

Reprioritisation in the Neighbourhood Development Partnership Grant – R100 million of the Neighbourhood Development Partnership Grant is shifted from Schedule 5, Part B (direct) to Schedule 6, Part B (indirect) to fund project preparation, planning and implementation for municipalities that are having administrative and financial challenges that are affecting project implementation. These funds will be used for projects they were allocated for in the direct component. Affected municipalities are Mogale City Local Municipality, KwaDukuza Local Municipality and Emfuleni Local Municipality.

Changes to gazetted frameworks and allocations

Municipal Disaster Response Grant – The grant framework for the Municipal Disaster Response Grant is amended to allow for spending to respond to the disasters that occurred in December 2021 and April 2022.

Informal Settlements Upgrading Partnership Grant: Municipalities – The grant framework for the Informal Settlements Upgrading Partnership Grant is amended to ring-fence funds for

¹ There was an oversight in the allocations to Western Cape and KwaZulu-Natal, wherein the allocations or parts thereof allocated to the district municipalities in the DoRAB ought to have been allocated to the respective local municipalities in these districts, "This is explained in detail in the section "Correction of errors in the Municipal Disaster Recovery Grant framework and allocations to municipalities" below.

the purchase of identified land for the relocation of flood victims who were previously residing in informal settlements that were washed away by April 2022 floods in eThekwini Metropolitan Municipality.

Municipal annexures – Changes to previously gazetted municipal allocations include a change of the name of a municipality. The name of Engcobo Local Municipality in the Eastern Cape is updated to Dr A.B. Xuma Local Municipality as per the Gazette published in terms of section 12 of the Local Government: Municipal Structures Act, on 30 May 2022.

Correction of errors in the Municipal Disaster Recovery Grant framework and allocations to municipalities

The National Disaster Management Centre (NDMC) has requested changes to the in-year allocations for the Municipal Disaster Recovery Grant in the DoRAB tabled in Parliament. Part of the funding allocated to uThukela and iLembe district municipalities in KwaZulu Natal (page 36 of the DoRAB), should have been allocated to Alfred Duma and KwaDukuza local municipalities, respectively. The allocations made to the Cape Winelands, Overberg, and Garden Route district municipalities in the Western Cape (page 39 of the DoRAB), should have been made to Breede Valley; Theewaterskloof and Swellendam; and Oudtshoorn and George local municipalities, respectively. These corrections also affect the ring-fencing in the grant framework (page 28 of the DoRAB).

Parliament has approved that the National Treasury correct the allocations and effect the required changes to the MDRG framework, as part of section 15(1) of the 2022 DoRA to ensure that MDRG allocations are correctly allocated to the municipalities assigned for the functions.

3. Pension fund defaults

There has been a growing trend where municipalities are deducting pension from the employees but are not paying it over to their pension fund. This in our view is inconsistent with the intent and spirit of the MFMA and constitute an act of financial misconduct in terms of section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings and potentially also a criminal offence in terms of section 173 of the MFMA read with other applicable legislation. Municipal Councils should refer these actions to the Disciplinary Boards for further investigation and should also consider laying criminal charges against the accounting officer and other responsible officials that has failed to perform the responsibility outlined in terms of section 65(2)(f) of the MFMA which states that "the accounting officer of a municipality must take all reasonable steps to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments". Municipal Councils should also consider further measures and actions in terms of the Pension Funds Administration Act, as may be applicable.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 Release of Version 6.7 of the Chart

On an annual basis, the *m*SCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.7 is released with this circular.

Version 6.7 of the chart will be effective from 2023/24 and must be used to compile the 2023/24 MTREF and will be available from 20 December on the link below:

http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChart OfAccountsFinal/Pages/default.aspx

Kindly note that, in accordance with section 8(2)(j) of the Municipal Property Rates Act (MPRA) as amended in 2014, municipalities may apply for categories other than the categories in 8(2)(a) to (i). Towards this end the Minister of Cooperative Governance and Traditional Affairs approved the following categories:

- Sports Clubs and Fields for Bitou Municipality and
- Residential sectional title garages for Drakenstein Municipality.

These categories were only approved for use by municipalities indicated above. System vendors must therefore block the use of these categories for all other municipalities. The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.7 where applicable. The PSD is also available on the above link.

For the National Treasury to consider a new chart change in version 6.8 of the chart, the issue must be logged with all relevant background and details on the *m*SCOA FAQ portal by 31 August 2023. The *m*SCOA FAQ portal can be accessed by all registered GoMuni users on the following link. <u>https://lg.treasury.gov.za/ibi_apps/signin</u>

4.2 Amendments to the regulated A1 schedules

The following tables of the A1 Schedule that was regulated in terms of the Municipal Budget and Reporting Regulations (MBRR), have been aligned to the *m*SCOA and Generally Recognised Accounting Standards (GRAP):

- A4: Statement of Financial Performance; and
- A6: Statement of Financial Position

In addition, tables A8 and A10 have been linked to the *m*SCOA data strings and will be included in the 2023/24 budget reports available on the GoMuni portal from 01 July 2023.

The amended and protected version of the A1 schedule will be available from 20 December on the link below:

http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChart OfAccountsFinal/Pages/default.aspx

System vendors and municipalities that are managing their own in-house systems must programme the amended schedules on their financial systems. Input fields for supporting tables that are not part of the non-financial data string must be created to ensure that a complete A schedule is generated from the core municipal financial system.

The *m*SCOA Regulations require that municipalities budget, transact and report on legislated *m*SCOA segments and directly on the core financial system and submit the required data strings directly from this system to the GoMuni Upload portal. To ensure that the data strings submitted are credible, municipalities must:

- Lock the budget adopted by Council on the core municipal financial system before submitting the budget (ORGB) data string to the GoMuni Upload portal;
- Close the core financial system at month-end as required in terms of the MFMA before submitting the monthly data string to the GoMuni Upload portal; and
- Generate the regulated MBRR Schedules (A, B and C) directly from the core municipal financial system.

The preparation of budgets on excel spreadsheets that is captured in the system at a later stage and manual correction of data strings by municipal officials or system providers are not allowed in terms of the *m*SCOA Regulations. Where a municipality makes use of a standalone 3rd party sub-system or a system provider has entered into an agreement or consortium for the provision of certain functionality with a 3rd party sub-system provider, such a 3rd party sub-system should host the relevant part of the *m*SCOA chart to seamlessly integrate with the core financial system without manual intervention.

4.3 Credibility of *m*SCOA data strings

The credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted will be used as the single source for all analysis and publications in the 2023/24 municipal financial year.

Municipalities have been given access to the GoMuni portal in April 2022 and should use the reports on GoMuni to verify the credibility of their submissions. It should be emphasized that errors in the data can only be corrected in the next open period. e.g., errors in the tabled budget (TABB) data string can only be corrected in the adopted budget data string (ORGB). Municipalities are not allowed to open closed periods to make corrections.

Municipalities are reminded that incorrect or incomplete data string submissions is considered as non-submission.

The credibility of the *m*SCOA data strings remains a concern in the following areas:

The inclusion of opening balances in data strings

Municipalities and system vendors must ensure that opening balances are included in the budget and in-year data strings. The opening balances at year end (month 12 – M12) of the previous financial year must be rolled over to the first month (M01) and updated with preaudited (PAUD) and audit (AUDA) adjustments in the current financial year in the *applicable open period*. In other words, if the audit is completed on 31 October, then the changes in the opening balances must be reflected in the in-year submission for November 2022 (M05 submission). If opening balances and changes thereto are not included in the budget and in-year data strings, the C schedules will not populate correctly. This means that the movement of the balance sheet items will not have a starting point and the Statement of Financial Position (balance sheet) will be incorrect.

Accounting for Water Inventory

As per the guidance in MFMA Budget Circular No.115 (dated 04 March 2022), municipalities must budget and account for bulk water purchases as **inventory** under current assets in the Statement of Financial Position as per GRAP 12 (paragraph. 07).

In terms of GRAP 12:

Inventories are assets:

- a. In the form of materials or supplies to be consumed in the production process;
- b. In the form of materials or supplies to be consumed or distributed in the rendering of services; and
- c. Held for sale or distribution in the ordinary course of operations, or
- d. In the process of production for sale or distribution.

Municipal Budget Circular for the 2023/24 MTREF 09 December 2022 Inventory acquired through non-exchange transactions should be recorded at its fair value as at the date it is acquired. The cost of inventory, except for non-purified water, will be determined or recognised in accordance with paragraph 25 and 26, which is the primary and secondary costs in getting the water either to the treatment works or to the users of the water.

It is important to note that water cannot be issued if it was not purchased or brought into the inventory through system input transactions. Therefore, the total input volume of water related to water purified and water from natural sources should include both primary and secondary cost components. The allocation of secondary cost to the input volume of water will necessitate the utilisation of the Costing Segment in the *m*SCOA. This is crucial in determining cost reflective tariffs for water.

The fair value of water from natural resources such as boreholes, springs and fountains may be determined by the primary and secondary cost components. Secondary costs include:

- Labour
- Extraction cost
- Distribution cost
- Chemicals/ Treatment
- Maintenance
- Infrastructure
- Depreciation charges

The municipality must account for water from natural resources as follows:

Debit: System Input Volume: Natural Resources **Credit**: Gains and Losses: Water at fair value

Water inventory must be budgeted to be acquired and recorded in the Current Assets: Inventory: Water as indicated below. The movement accounts in the *m*SCOA structure makes provision for the different methods of acquiring and the consumption/ issuing of Water inventory.

Current assets:

- Inventory: Water Opening balance: Non-Funding Transactions
- Inventory: Water: System Input volume: Bulk Purchases: Water Treatment/Natural Resources
- Water Authorised Consumption:
 - a) Billed Unmetered Consumption
 - b) Un-Billed Authorised Consumption
 - c) Billed Metered Consumption
- Inventory: Water Losses (Apparent and Real Losses)

Water that is issued to Consumers must be issued from the inventory and expensed in the **Expenditure:** Inventory: Consumed -Water.

Water losses will reduce the Water inventory in current assets and the corresponding amounts should be captured in **Gains and Losses:** Inventory: Water: Fair value

It is important to note that the change in accounting for water through the inventory purchased process and the change of using a methodology to report the balance of water as at year-end may impact on the Annual Financial Statements (AFS). Municipalities must ensure that they update their accounting policy, document this process, and provide comparative figures when assessing and reporting their water balance to ensure that the GRAP guidelines of changes in reporting and materiality is applied correctly.

The Local Government Municipal Property Rates (MPRA) Amendment Act, 2014

Municipalities are reminded that section 8 of the MPRA on the determination of categories of rateable properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 ("the Amendment Act").

Municipalities were required to implement the new property categorisation framework by not later than 01 July 2021. The *m*SCOA chart Version 6.7 will only make provision for the new framework. The old framework has been retired and municipalities must prepare their 2023/24 MTREF Budgets accordingly.

Fixed Asset Register

Municipal financials systems must comply with the minimum business processes and system requirements on fixed asset registers as articulated for the asset management module in MFMA Circular No 80. The asset management module should be embedded in the core financial system or seamlessly integrate from a third-party sub-system to the core financial system. This will enable the regular and seamless updating of the fixed asset register. The register must contain the following information as a minimum requirement:

- Description of the asset
- Date of acquisition or brought into use
- Purchase cost
- Location of the asset
- Function responsible for the asset
- Current value
- Depreciation and method utilised
- Remaining life of the asset
- Maintenance information
- Insurance Coverage

Municipalities will be required to upload their updated fixed asset register in a PDF format on the GoMuni Upload portal as part of their 2023/24 MTREF tabled and adopted budget submission and thereafter on a quarterly basis as part of their in-year reporting.

Recording of Schedule 6B Grants in mSCOA

Grants allocated in terms of Schedule 6B of DoRA should be recorded in terms of *m*SCOA as an allocation-in-kind. This means that the municipality will only record the transaction once they received a completed asset.

Importantly, a Schedule 6B grant may not be transferred to the end-user of the asset to construct the asset as this is in contravention with the conditional grant framework. If a transferring officer of a Schedule 6B grant consider the municipality capable of constructing its own asset, the grant should be re-gazetted and reclassified as a Schedule 5B grant. The grant will then be transferred directly to the municipality to construct the asset and the receipt and expenditure of the grant must be in accordance with GRAP 17. An adjustments budget in terms of Section 28(2)(b) of the MFMA and Regulation 23(3) of the MBRR must be adopted to include the grant funding and project in the MTREF budget.

In the case where a municipality is constructing an asset for a national department but will not be the end-user of the asset being constructed, the accounting must be done in terms of GRAP 11. There will be VAT implications as the municipality will be a contractor and act as an agent. It is important to ensure that the contract between the municipality and the department outlines the responsibilities of all parties. Municipalities must ensure that they are making provision for VAT in accordance with the VAT Act, 1991 (Act No. 89 of 1991) and the VAT 419 guide issued by SARS. The National Treasury issued *m*SCOA Circular No.12 (dated 01 October 2021) that provides guidance on the recording of VAT in the *m*SCOA.

Impact of Balance Sheet Budgeting and Movement Accounting on Cash Flow Tables

From the analysis of the *m*SCOA data strings it is evident that the cash flow tables (A7, B7 and C7) are still not populating correctly or completely. This can be contributed to the fact that a number of municipalities still do not use balance sheet budgeting and movement accounting. Guidance on the use of balance sheet budgeting and movement accounting to populate tables A7, B7 and C7 correctly was provided in MFMA Budget Circular No. 107 (dated 04 December 2020) and *m*SCOA Circular No. 11 (dated 04 December 2020).

4.4 Regulation of Minimum Business Processes and System Specifications

National Treasury will review and regulate minimum business processes and system specifications for *m*SCOA by the end of 2024/25. In preparation for the regulation of the minimum requirements, municipalities should ensure that they comply fully with the current minimum business processes and system specifications articulated in MFMA Circular No. 80 (dated 08 March 2016).

Where a municipality is not fully compliant with the *m*SCOA requirements, a *m*SCOA Road Map must be in place to drive and fast track the *m*SCOA implementation in the municipality. The *m*SCOA Steering Committee, chaired by the Accounting Officer or his/ her delegate, must use the *m*SCOA Road Map to track progress and take correction actions where required.

Road Maps must be reviewed and updated annually as part of the budget process is updated and submitted to Council for approval together with their 2023/24 MTREF budget. Municipalities will be required to upload their updated *m*SCOA Road Maps in a PDF format on the GoMuni Upload portal as part of their 2023/24 MTREF tabled and adopted budget submission and thereafter on a quarterly basis as part of their in-year reporting.

Municipalities should ensure that they budget sufficiently to become and remain mSCOA compliant.

Guidance on the content of the *m*SCOA Road Map was provided in MFMA Budget Circular No. 115 (dated 04 March 2022).

4.5 *m*SCOA Training Initiatives

Training to municipalities and municipal system vendors

The National Treasury, in conjunction with CIGFARO, will conduct monthly training sessions aimed at municipalities, municipal system vendors and other relevant role-players. The training will focus on technical aspects of budgeting, transacting and reporting in the *m*SCOA and is aimed at improving the quality of *m*SCOA data strings. The draft programme is attached as **Annexure A**.

mSCOA eLearning Course

The National School of Government is hosting the mSCOA eLearning Course that was developed by the National Treasury. The mSCOA eLearning Course provides government officials with the basic knowledge on the reform and how to record transactions using the mSCOA.

Government institutions can enrol their employees for this course by sending a request for training to the NSG at <u>contactcentre@thensg.gov.za</u>. If your institution has not attended any training with the NSG previously, then you will also be required to register on the NSG database. The *m*SCOA eLearning Course will be offered as no cost until 31 March 2023. Thereafter, delegates will have to pay to attend the course.

Any queries in this regard must be directed to the NSG at <u>contactcentre@thensg.gov.za</u> or tel number: 086 100 8326.

5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the roll and not on the billing system and records on the billing system and not on the roll. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that "debtors" can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner. To facilitate reconciliation of the separate databases (Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the roll system and on the rates billing system. This property identifier must be unique, without duplicates, and remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title property defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI, and apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2023, must also as best practice compare the current consolidated roll to the new valuation roll. This can identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with s23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with s8(1) of the MPRA in terms of the billing methodology that needs to be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process.

The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates or whether the municipality is overstating its revenue budget.

A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll/Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10th working day. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: <u>https://lg.treasury.gov.za/ibi apps/signin.</u> If the municipality experience any challenge uploading the information, a request for an alternative arrangement may be emailed to <u>linda.kruger@treasury.gov.za</u>.

No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that neither the

Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer <u>unless</u> the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste water.

5.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, encouraged municipalities to utilise the tool. With effect, the 2023/24 MTREF, all municipalities (except metropolitan cities and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format) illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (*m*SCOA): costing component. Considering, *m*SCOA implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing segment correctly. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuid elines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0 551AE409361D6CB3E122A08.

5.3 Tariffs – achieving a balance between cost-reflectiveness and affordability

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other consumers while ensuring the financial sustainability of the municipality.

When setting tariffs, it is therefore critical to understand the economic environment specific to the municipality and consideration should include at least –

- The socio-economic profile undertaken for the municipality available on the National Treasury GoMuni portal municipalities are encouraged to annually update their own socio-economic profile using the template model available on GoMuni;
- The most recent average monthly household income in the municipality as per Statistics South Africa (Stats SA) available on <u>Statistics South Africa | Improving Lives Through Data Ecosystems (statssa.gov.za);</u>
- The average property value in the municipality per its most recent approved general valuation roll and/ or supplementary general valuation roll;
- The number of indigent households in the municipality, including any variation in the number of indigent households included in the Equitable Share: free basic services component for the municipality vs the municipality's own indigency level discretion; and
- The economic drivers and activities specific to the municipal area²; etc.

The municipality's tariff-setting or other committee tasked with this role must understand and deliberately reflect on this context during the tariff-setting process. Considering the average monthly household income, the median affordable municipal bill would ideally not exceed proportionally the average monthly household income. This median affordable bill, in combination with the median average property value should inform the basis to determine any rebates to households with income below the median.

It is also important when setting particularly water and electricity tariffs that municipalities consider setting two-tier tariffs, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands. For example, in a drought, such tariffs will facilitate the ability to pay for infrastructure and maintenance, treating chemicals and salaries, etc. while parallel facilitating water restriction based on inclining tariffs as consumption increase. Furthermore, it is important to link the municipality's water tariffs to dam levels, also approved as part of the budget process. For example, if the dam levels drop to 60 per cent the first tier of restriction tariffs should become applicable in terms of the municipality's approved tariff policy.

It is also noted that NERSA approves seasonal tariffs for Eskom but not necessarily for the municipality. It is important that the municipality clearly factor this in its tariff application to NERSA, illustrating the cashflow crunch if the municipality is not similarly allowed a seasonal tariff to recover the higher Eskom bulk cost during winter months.

Lastly, municipalities are cautioned against setting tariffs that include operating inefficiencies. This could lead to tariffs falling into the unaffordable range.

The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band; therefore, municipalities are required to *justify all increases in excess of the* **projected inflation target for 2023/24** in their budget narratives and pay careful attention to

² The spatialised tax data is now available through National Treasury for all municipalities that provides an up to date information on economic activity within a municipal boundary.

tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

5.4 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also urged to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.

5.5 Critical Notice Affecting STS Meters

As highlighted in previous MFMA Circular No. 115 (dated 06 December 2022) municipalities are once again alerted that there is still a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens.

The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage and should be issued shortly by National Treasury.

If your municipality or municipality entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

 Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of inter alia auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and/ or
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

5.6 Completeness and credibility of revenue related information in the Budget

The MBRR regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2023/24 MTREF.

5.7 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2022/23, bulk electricity costs increased moderately at 9.61 per cent, compared to 17.8 per cent in the 2021/22 municipal financial year. Due to Eskom's funding needs, they are seeking higher tariff increases and have applied to NERSA for a 32 per cent hike from 1 April 2023/24. NERSA will make a final decision on the tariff application by 24 December.

In addition, a High Court hearing is still pending on the Multi-Year Price Determination (MYPD 5) application. The urgent High Court review requires NERSA to urgently process the Eskom revenue application for at least one year, as required by law. The timeframes for the review allow for a decision to be made in time for implementation by 1 April 2023.

5.8 Updated Municipal Borrowing Policy Framework

Cabinet approved the Update to the Policy Framework for Municipal Borrowing and Financial Emergencies on the 17th of August, 2022. The purpose of the Update is to re-examine the original Policy Framework, along with the legislation (i.e. Municipal Finance Management Act – MFMA) that was adopted to implement it, considering the experience with municipal borrowing that has accumulated since 2000.

The following key reforms have been introduced through the Update to the Policy Framework for Municipal Borrowing:

- The Policy Framework for Municipal Borrowing has been updated to introduce the necessary reforms that will expand the scope of responsible municipal borrowing and create an environment that attracts more players (e.g. insurers, pension funds, institutional investors and fund managers, and international Development Finance Institutions) in the municipal debt market space. The original core principles underlying municipal borrowing are maintained (i.e. creditworthy municipalities should borrow prudently to finance capital investment, and that there will be no bail-outs by the provincial or national government);
- The updated policy framework clarifies the role of Development Finance Institutions (DFIs), as it was not clearly articulated in the original policy. DFIs are required to pursue clear and agreed developmental goals, as outlined in the policy. The objective of this approach is to ensure that a DFI lending does not crowd out the private sector. Public-sector lenders, both domestic and foreign, should be guided by a social and developmental investment approach in which demonstrable social outcomes are considered alongside potential financial returns;
- The updated policy framework permits and clarifies innovative infrastructure financing mechanisms (such as pooled financing mechanisms, project finance, tax increment financing, revenue bonds, and pledging of conditional grants) that municipalities can use to leverage municipal borrowing. Municipalities are encouraged to explore these alternatives, and innovative infrastructure financing mechanisms permitted subject to the requirements contained in the Municipal Finance Management Act (MFMA) and
- The participation of both private and public sector market participants in the development of a liquid secondary market for municipal debt securities is also encouraged. The policy proposes options that can be explored to support the development and growth of an efficient and liquid market for municipal debt obligations.

The Updated Municipal Borrowing Policy Framework can be accessed at the MFMA website at the following link <u>http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx.</u>

5.9 Tariff Policies

Municipalities must comply with the provisions of Section 74 of the Municipal Systems Act (MSA) which requires that a municipal council must adopt and implement tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act and with any other applicable legislation. Municipalities should also ensure that the tariff policies adhere to all the principles outlined in section 74(2) of the MSA. A municipality's tariff policies must also take into consideration variable factors such as water shortages and electricity feedback excess into the municipal system from new generation capacity. Municipalities must adopt by-laws to give effect to the implementation and enforcement of their tariff policies.

5.10 Non-Revenue Electricity and Non-Revenue Water/ Revenue Losses:

Water Service Authority municipalities and electricity licensed municipalities are urged to align both their non-revenue water and non-revenue electricity indicators and their set targets in the 2023/24 SDBIPs with identifiable infrastructure or operational projects and/ or programmes. Municipalities should improve on the baseline information included in the SDBIPs by indicating the volume of water losses (i.e., kilolitres/ mega-litres) and the amount of electricity losses (KwH or MWs) for the previous year. This approach will help to determine the progress of municipalities in curbing losses, which impact on municipal revenues, in both non-revenue water and non-revenue electricity.

6. Burial of Councillors

Salaries, allowances and benefits for political office-bearers and members is managed through Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils notice issued by the Minister of Cooperative Governance and Traditional Affairs.

Section 167 of the MFMA provides that a municipality may remunerate its Councillors within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members. Any benefit which is not included in the above-mentioned notice will be deemed irregular expenditure and recovery thereof from the Councillor concerned is mandatory.

Municipalities may also refer to relevant Councillor Pension Scheme or personal funeral policies in existence for any funeral benefits relating to such Councillor

7. Funding choices and management issues

Municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2023/24 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

Municipal Budget Circular for the 2023/24 MTREF 09 December 2022

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 and 2024. The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

According to the 2021 State of Local Government Finance Report, there are about 165 municipalities that are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

8. Transfers to municipalities

8.1 Criteria for the release of the Equitable Share

Section 216(2) of the Constitution of South Africa requires that the National Treasury must enforce compliance with the measures established to ensure both transparency and expenditure control in each sphere of government and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures.

The criteria for the release of the Equitable Share Instalments for the 2023/24 municipal financial year are as follows:

- The 2023/24 adopted budget must be funded and adopted by Council as per the legal framework, as required in terms of section 18 of the MFMA and consistent with the Budget Council and Budget Forum resolutions;
 - a. The adopted budget must include budget allocations for bulk suppliers current account payments;
 - b. Should the adopted budget still be unfunded, then a credible funding plan will be required to show how the municipality intends moving progressively out of this position into a funded state, if this plan has been adopted in the past, then a progress report must be submitted on the framework previously shared to guide municipalities which is aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS);

- c. Those municipalities that adopted an unfunded budget must work with their respective Provincial Treasuries to rectify this position in the lead up to the main adjustments budget process in February 2023; and
- d. A council resolution showing commitment to address the unfunded position must be submitted by these municipalities to the National Treasury by 01 July 2023.
- Credible mSCOA data strings and source documents for the 2023/24 MTREF and 2022/23 audits must be generated directly from the core municipal financial system and successfully uploaded to the Local Government GoMuni Portal. Source documents must be submitted in PDF and no excel based spreadsheet/ templates will be accepted;
- The report submitted by bulk suppliers in terms of section 41 of the MFMA must indicate that the current account has been paid timeously in terms of section 65(2)(e) of the MFMA. In addition, where the municipality has a repayment plan with Eskom and/ or the water boards, proof that the current accounts have been paid and a copy of the agreed upon payment plan (or evidence of negotiations underway with creditors) must be submitted to the National and provincial treasuries;
- Municipalities must provide evidence that SARS, pension and other staff benefits deducted from municipal officials have been paid over the appropriate Funds and/ or institutions;
- The information requested in MFMA Circulars No. 93, 98 and 107 on the reconciliation of the valuation roll have been submitted to the National Treasury as per the required timeframes;
- The Competency Regulations reporting requirements have been complied with;
- Provide a copy of the Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure register, the latest copy of the Municipal Public Accounts Committee (MPAC) recommendations, Council Resolution on UIFW as well as a copy of the council approved UIFW Reduction Strategy/ Plan, proof of establishment of the Disciplinary Board (or evidence of progress towards their establishment) including evidentiary evidence demonstrating functionality of the Disciplinary Board and updated audit action plan (where the audit has been completed);
- Those municipalities that received an adverse or disclaimed opinions for the 2020/21 financial year will not receive their funding allocation unless there is a council resolution committing to address these opinions with an implementable plan. The resolution must be signed by each member of the Council and submitted to National Treasury by 1 October 2023;
- The Municipal Financial Recovery Service progress reporting framework for financial recovery plans must be complied with by municipalities under intervention in terms of S139 of the Constitution;
- Additionally, those municipalities that have outstanding audits for both the 2020/21 and 2021/22 financial years as well as municipalities with outstanding 2021/22 audit opinions that also received an adverse or disclaimer opinion in 2020/21, will also not receive their allocation; and
- Any other outstanding documents as per the legal framework have been submitted including the AFS submission (municipality only and consolidated AFS).

Failure to comply with the above criteria will result in National Treasury invoking section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

9. The Municipal Budget and Reporting Regulations

9.1 Schedule A – version to be used for the 2023/24 MTREF

National Treasury has released Version 6.7 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.7 of the *m*SCOA classification framework and must be used when compiling the 2023/24 MTREF budget.

All municipalities must prepare their 2023/24 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on the A1 schedule version 6.7 is not allowed** in terms of the *m*SCOA Regulations.

National Treasury has protected the A1 schedule version 6.7 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *m*SCOA chart version 6.7. The revised MBRR Schedules for the 2023/24 MTREF and its linkages to the financial and non-financial data string are available on the link below:

http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Report ing%20Regulations/Pages/default.aspx

9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Pitso Zwane	012-315 5171	Pitso.Zwane@Treasury.gov.za
	Oreal Tshidino		Ophulusa.Tshidino@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
City of Tshwane and	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
City of Johannesburg	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Ekurhuleni	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
eThekwini	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Lesego Leqasa		Lesego.Legasa@treasury.gov.za

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Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Sibusisiwe Mchani	012-315 5539	Sibusisiwe.Mchani@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Enock Ndlovu	012-315 5385	Enock.Ndlovu@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	Igdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

9.3 Assessing the 2023/24 MTREF budget

National and provincial treasuries will assess the 2023/24 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

Municipalities should note that the MFMA legislated timeframes for submission of the tabled and adopted budgets are outer timeframes. In this context, different to previous MTREF's, going forward, if the municipality's budget is unfunded, council in terms of MFMA section 74 is requested to table and/ or adopt a budget funding plan together with the budget at the same time.

The Treasuries' assessment period of municipal budgets will be from 01 April to 30 June 2023 for both the tabled and adopted budgets. However, (in a context of some municipalities persisting with unfunded budgeting practices), if the municipality tabled and/ or adopted an unfunded budget in the 2022/23 MTREF, the municipality must adjust its schedule of key budget deadlines to facilitate an earlier Treasuries' assessment thereof between 1 April to 15 May 2023 for both tabled and adopted budgets. In this period the national and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that needs to be made must be done before the start of the municipal financial year on 30 June 2023.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked immediately on the financial system at the start of the new municipal financial year on 1 July. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB before the adopted budget is locked on the financial system and the ORGB data string is generated.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that where municipalities have adopted an unfunded budget together with a funding plan that lacks credibility, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the Municipal Council, and the changes to the

budget must be effected in the mid-year adjustments budget to ensure compliance with Section 18 of the MFMA.

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

10. Submitting budget documentation and A1 schedules for 2023/24 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, *immediately* after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2023**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Monday**, **03 April 2023**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *m*SCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats *immediately* after approval by the municipal council. Therefore, if the annual budget is tabled to council on 31 May 2023, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is Thursday, 01 June 2023.

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in PDF format to the GoMuni Upload portal.

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10.1 Expected submissions for 2023/24 MTREF

The following information should be submitted for the 2023/24 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed *m*SCOA data string in the format published with Version 6.7 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities;
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July;
- The National or Provincial treasury input to the tabled budget must be included as an Annexure to the adopted budget together with the municipality's explanation of how such was addressed in the adopted budget. If not, the explanation should provide reasons; and
- The bulk water-and electricity invoices for the 3 months immediately preceding respectively the tabled and adopted budgets, must be included as an annexure to the tabled and adopted budgets as part of supporting the municipalities provision for and calculations of payments to bulk suppliers over the 2023/24 MTREF.

10.2 Portals for the submission of information

Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

https://lg.treasury.gov.za/ibi_apps/signin_(GoMuni Upload Portal) – All documents required in terms of legislation, including:

- *m*SCOA Data Strings by approved registered users;
- Budget-related and in-year documents and schedules (A, B and C) by approved registered users; and
- Reconciliation of the valuation roll to the financial system (as per MFMA Circular No. 93).

Budget related documents and schedules must be uploaded by approved registered users using the GoMuni Upload Portal at: <u>https://lg.treasury.gov.za/ibi apps/signin</u>. The GoMuni Upload Portal does not have the same size restrictions encountered with <u>lgdocuments@treasury.gov.za</u>, but requires all documents to:

- Be in PDF format only; and
- Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Municipalities may **only** send electronic versions of the above documents to <u>lgdocuments@treasury.gov.za</u> when experiencing problems with the GoMuni Upload Portal.

Igdataqueries@treasury.gov.za - Database related and submission queries and the grant rollover templates.

<u>Igdocuments@treasury.gov.za</u> – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the documents meeting the criteria to release Equitable Share and the contact list information.

FMCMM and Audit Action plans – using the web-enabled systems and as articulated in MFMA Circulars No. 113 and 114.

Please do not submit the same document to ALL the platforms listed above as it means that our Database Team must register the same documents three times which slows down the process. Any document/ queries that are submitted to the incorrect portal/ mailbox will be deleted and not processed.

10.3 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <u>http://mfma.treasury.gov.za/Pages/Default.aspx</u>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

10.4 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact



national treasury

National Treasury REPUBLIC OF SOUTH AFRICA

Department.

Post	Private Bag X115, Pretoria 0001
Phone	012 315 5009
Fax	012 395 6553
Website	http://www.treasury.gov.za/default.aspx

JH Hattingh Chief Director: Local Government Budget Analysis 09 December 2022

Municipal Budget Circular for the 2023/24 MTREF 09 December 2022

Annexure A

Virtual mSCOA Training Programme 2023

Month	TOPIC
	Getting a green submission
	Overview of <i>m</i> SCOA chart structure
Jan	Submission deadlines
Jan	Uploading to the GoMuni Upload portal
	Correction of validation errors
	 Using GoMuni to verify receipt and credibility of submission
	Preparing the Budget in mSCOA (1)
	Preparing the project file (PROR)
	Projects Typical Workstreams
Feb	Budgeting for disaster/special projects
	 Infrastructure Management and asset life cycle
	The funding matrix
	 Allocation of correct funding sources and alignment to the correct segments
	• Funding capital expenditure
	Preparing the Budget in <i>m</i> SCOA (2)
March	Opening balances & Balance sheet budgeting
	Budgeting for cash flow
	 Budgeting for conditional grants Common Errors in 2023/24 Tabled Budget Data Strings (to be corrected in adopted)
April	budget (ORGB submission)
Арта	Water Inventory
	Common Budgeting Errors
	Operating Expenditure – Deprecation
Мау	Bad debts written off
,	 Impairment loss for consumer debtors
	Travel and Subsistence
	Last change to get the ORGB right
June	Functional allocation
June	Use of Regional segment
	Alignment of A1 schedules
	Common Transacting and Reporting Errors
	Opening balances
July	 Populating the cash flow
	 Reporting on conditional grants
	Transacting without budget
Aug	Preparing the pre-audit AFS Data Strings (PAUD)
Sept	Common Transacting and Reporting Errors
Oct	Preparing the AFS Data Strings (AUDA)
Νον	Chart changes for version 6.8
Dec	Preparing for the Adjustment Budget



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NATIONAL TREASURY

MFMA Circular No. 123

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2023/24 MTREF

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Introduction

This budget circular is a follow-up to MFMA Circular No. 122 that was issued on 09 December 2022. It aims to provide further guidance to municipalities with the preparation of their 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) budgets and should be read together with the budget circulars that have been issued previously.

The grant allocations as per the 2023 Budget Review and the 2023 Division of Revenue Bill are also key focus areas in this circular. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

GDP is expected to grow by 0.9 per cent in real terms in 2023, compared with an estimate of 1.4 per cent at the time of the medium-term budget policy statement (MTBPS), recovering slowly to 1.8 per cent in 2025.

The economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state.

The following macro-economic forecasts must be considered when preparing the 2023/24 MTREF municipal budgets.

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate		Forecast	
CPI Inflation	4.9%	6.9%	5.3%	4.9%	4.7%

Table 1: Macroeconomic performance and projections, 2021 - 2026

Source: Budget Review 2023.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2023/24 budget process

2.1 Local government conditional and unconditional grants allocations

Over the 2023 MTEF period, local government allocations will increase by a total of R14.3 billion, made up of R8.1 billion in the local government equitable share and R6.2 billion in direct conditional grants. This takes the total direct allocation to R521.7 billion over the same period. These allocations alleviate some of the financial pressures, particularly in basic services, where the costs of providing services are rising.

The *local government equitable share* and related allocations increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.5 per cent over the 2023 MTEF period.

The *local government equitable share* formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 MTEF period. It also includes allocations for the operational and maintenance costs associated with the provision of free basic services.

The 2023 Budget has ensured that sufficient provision has been made to ensure that all municipalities are fully subsidised to support indigent households. Following this, R1.35 billion has been left unallocated in the LGES formula for 2023/24 to serve as a precautionary measure should municipal electricity tariffs exceed the 20.7 per cent provided for in the formula (see section 5.7 on why this is above the 18.7 per cent approved by the Energy Regulator). If the actual increase in municipal bulk tariffs exceeds the provision made in the formula, it will be the first call on those unallocated funds. We will consider funding broader cost relief measures for municipalities if funds remain available after that.

The R6.2 billion in direct conditional grants is funded from the Budget Facility for Infrastructure (BFI) and is broken down as follows:

- **R2.2 billion** added to the Urban Settlements Development Grant to fund the implementation of projects in the eThekwini Metropolitan Municipality and the City of Johannesburg;
- **R461 million** added to the Public Transport Network Grant to align funding with the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi public transport network project; and
- R3.4 billion added to the Regional Bulk Infrastructure Grant to fund 3 water projects in Sol Plaatje Local Municipality, Drakenstein Local Municipality and Nelson Mandela Bay Metropolitan Municipality.

Notable changes to the conditional grants system

Housing emergency grants

Changes to conditional grants in the 2023 Budget include the discontinuation of the conditional emergency housing grants for provinces and municipalities. The baselines of these two grants are shifted to the Department of Human Settlements. This will allow the department to respond quickly in the event of an emergency housing need.

Changes to the INEP conditional grant frameworks

As part of government's efforts to accelerate access to electricity thereby addressing the energy crisis, Eskom and municipal INEP grants will begin funding alternative energy technologies such as rooftop solar and energy-saving devices. Due process must be followed to access funding for these new technologies. As a result, both Eskom and municipalities will need to conform to the set requirements by submitting business plans by 31 October 2023. These business plans, will need to be approved by the Department of Mineral Resources and Energy (DMRE) before they can be implemented. Priority should be given to new connections, i.e., non-grid technology should be targeted at households that do not have access to electricity.

The annual Division of Revenue Bill was published on 22 February 2023. The Bill specifies the grant allocations and municipalities must reconcile their budgets to the numbers published therein in compiling their 2023/24 MTREF.

The Division of Revenue Bill, 2023, which includes the annexures outlining allocations to each municipality is available at:

http://www.treasury.gov.za/documents/national%20budget/2023/default.aspx

2.2 Re-enforcing improved intergovernmental relations in the 2023 Division of Revenue Bill, (DoRB)

In order to strengthen the system of good intergovernmental relations as envisaged in the Chapter 3 of the Constitution and subsequent related legislation, municipalities are reminded of Section 31(3) of DoRA that provides for the facilitation of personal liability for unnecessary litigation. As required by subsection (1)(a) of this clause, read together with section 41(3) of the Constitution, a municipality may only institute litigation against any organ of state, state-owned enterprise, public- and/ or municipal entity after exhausting all dispute resolution mechanisms required and/ or available to the municipality in terms of existing intergovernmental relations processes, policy and/ or any related contract with the municipality, including in terms of the Municipal Finance Management Act, 2003, the Intergovernmental Relations Framework Act, 2005, and/ or the Electricity Regulation Act, 2006 (dispute processes administered by National Energy Regular of South Africa (NERSA)).

Section 31 is amended to include a clause that requires that where an organ of state decides to institute judicial proceedings against another organ of state, it must, within 10 working days of its decision, notify the National Treasury, the relevant provincial treasury, the Department of Cooperative Governance and the Auditor-General, of the details of compliance with Chapter 4 of the Intergovernmental Relations Framework Act, 2005, including an explanation of the failure to resolve the dispute.

2.3 Conditional grants usage

Conditional grant funds may only be used for the purposes, and subject to the conditions specified in the framework for each conditional grant. These conditions are binding in terms of sections 11 and 12 of the annual Division of Revenue Act. Any instruction by a municipal, provincial, or national official or politician that is inconsistent with the framework of a conditional grant is invalid. Municipalities are reminded that in terms of section 32 of DoRA, spending of a grant that is inconsistent with DoRA is considered irregular or unauthorised expenditure.

3. Pension and medical aid fund defaults

There has been a growing trend where municipalities are deducting pension and/ or medical aid contributions from officials but are not paying it over to their pension- and/ or medical aid fund. This is inconsistent with the intent and spirit of the MFMA and constitutes an act of financial misconduct in terms of section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 and also a financial offence in terms of section 173 of the MFMA read together with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. Municipal Councils should refer these actions to the Disciplinary Boards for further investigation and should also lay criminal charges against the accounting officer or any other responsible or delegated official who has failed to perform the responsibility outlined in terms of section 65(2)(f) of the MFMA which states that "the accounting officer of a municipality must take all reasonable steps to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments". Municipal Councils should also consider further measures and actions in terms of the Pension Funds Act, as may be applicable.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 Version 6.7 of the *m*SCOA Chart Go Live

Version 6.7 of the *m*SCOA chart will go live on 13 March 2023, whereafter tabled budget data strings can be uploaded on the GoMuni portal.

For new *m*SCOA chart changes to be considered for version 6.8 of the chart, a Frequently Asked Questions (FAQ) must be logged by 31 August 2023 on the *m*SCOA FAQ database on GoMuni. FAQ queries can be logged at:

https://lg.treasury.gov.za/ibi apps/portal/mSCOA FAQ

It is important that the issue logged is described clearly and that sufficient supporting evidence is provided to ensure that all aspects of the issue are considered. After investigating the query logged, the following actions will be taken:

- If the query does not require a chart change, the FAQ will be closed, and feedback will be provided to the logger.
- If the query warrants a chart change, it will be submitted for consideration and approval by the relevant committees within the National Treasury.

Chart changes are communicated in October of each year to allow sufficient time for municipalities and vendors to effect such changes. Chart changes are officially published in the MFMA Budget Circular in December of each year.

4.2 Additional requirements to change municipal financial systems

The cost and risk associated with procuring and implementing a new Enterprise Resource Planning (ERP) financial system necessitate careful consideration and extensive planning to ensure a smooth operational transition. Such a transition takes at least 18 months to conclude and does not come without challenges and disruptions in operations.

The National Treasury will regulate the minimum business processes and system specifications for *m*SCOA by the end of 2024/25. A new transversal tender for the provision of ERP financial systems that complies with these regulations will be put in place once the regulations have been issued. Municipalities should therefore exercise extreme caution when changing their financial systems at this stage to eliminate fruitless and wasteful expenditure by procuring financial systems that might not comply with the said regulations.

Municipalities are reminded to follow the due diligence processes set out in MFMA Budget Circulars No. 93, 98 and *m*SCOA Circulars No 5 and 6 prior to procuring new financial systems to protect them from making incorrect decisions in this regard.

In addition, and **with immediate effect**, municipalities must inform the National and relevant Provincial Treasury of any intention to replace the financial system currently operating at the municipality <u>prior</u> to inviting proposals from system providers. This is a requirement in terms of section 74 of the MFMA. The submission should include:

- A comprehensive motivation with specific reasons for why it is deemed necessary to replace the existing financial system;
- A copy of the service level agreement with minutes of the meetings between the municipality and the current service provider (financial system vendor) during the previous twelve months;
- An assessment to determine which modules of the existing financial system are being utilised by the municipality. Reasons must be provided for modules not in operation. Details and reasons must be provided on the use of third-party systems to provide functionality required in terms of MFMA Circular No. 80;

- An assessment to detail the proficiency of municipal users to utilise the current financial system properly. Reasons must be provided if users are not proficient in the use of the system and the details must be provided on how the system is being operated and transactions are being captured on the system in such cases;
- The date on which the existing financial system was implemented, the procurement and implementation costs and the current operational costs thereof must be disclosed;
- The organisational structure, specifically for the IT department/ function, clearly indicating management capacity and responsibility for operating the financial system;
- A technical assessment should be submitted indicating how the existing ICT infrastructure, server and network comply with the requirements of the current financial system; and
- Copies of all IT strategies, policies and procedural documents including the IT disaster recovery plan must be made available.

The above submissions and all enquiries must be forwarded to <u>Igdocuments@treasury.gov.za</u>. A working committee comprising representatives from the National and Provincial Treasuries, the Office of the Auditor-General and other relevant stakeholders will assess the submissions and respond with its findings. These findings must be tabled in Council and a council resolution must be submitted to <u>Igdocuments@treasury.gov.za</u> within 14 working days after the Council meeting has taken place.

It must be emphasized that the combination of both credible data inputs and an effective financial system is fundamental to ensure the quality and timeliness of financial reporting. If the data input into the financial system is incorrect then any management information generated by the system will lack credibility and reliability for decision making. Furthermore, a municipality with poorly designed business processes will not resolve the problem by implementing a new financial system. Processes must firstly be redesigned with the necessary data validation rules if the municipality is to improve its data integrity. This foundation is integral to ensuring that software applications generate credible information and can be used effectively by municipalities.

5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending. It is important to note that the municipal equitable share as a policy instrument is meant to subsidies services to the poorest of the poor and not to pay municipal creditors. This bad practice by municipalities will have to be addressed as a matter of urgency. Municipal creditors should be advised that municipalities cannot use funds allocated for basic service provision to pay creditors.

Municipalities must ensure that they render basic services, maintain their assets and a clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to strengthen awareness and participation and to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in increased employment.

Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the general valuation roll that are not on the billing system and records on the billing system and vice versa. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that "debtors" can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner.

To facilitate reconciliation of the separate databases (General Valuation Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the general valuation roll system and on the rates billing system. This property identifier must be unique, without duplicates, and must remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title properties defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI and, apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2023, must also as best practice compare the current consolidated roll to the new valuation roll. This will identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with Section 23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with Section 8(1) of the MPRA in terms of the billing methodology that should to be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process.

The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates or whether the municipality is overstating its revenue budget.

A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll/ Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10th working day after the end of the quarter. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: <u>https://lg.treasury.gov.za/ibi apps/signin.</u> If the municipality experience any challenge uploading the information, a request for an alternative arrangement may be emailed to <u>linda.kruger@treasury.gov.za</u>.

Municipalities are reminded of the need to clearly communicate the GV appeals and objection process to residents to ensure that any disputes are timeously resolved.

Revenue Collection – No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that neither the Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer <u>unless</u> the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste-water.

Municipalities should develop a Wheeling Framework to allow for the transmission of energy across their networks. These wheeling frameworks provide an opportunity for municipalities to generate revenue from their distribution networks. Provincial Treasuries or National Treasury can be approached for support to develop these frameworks.

5.2 Funding Depreciation

The information shared in Circular 115 regarding the funding of the depreciation refers. It is important to note that depreciation represents the cost of using assets in service delivery and forms part of the total cost of providing the municipal service. Accordingly, it should be included in the setting of cost reflective tariffs to recover the full cost of rendering the service, failing which the depreciation will not be cash backed on Table A7 and will remain a journal entry with no value as mentioned in MFMA Circular No. 115.

5.3 Tariff-setting – the impact of loadshedding

Loadshedding not only affects the electricity service but also some municipalities' ability to pump water, thereby negatively impacting the stability of water supplies and the related functioning of the wastewater reticulation network. The loadshedding crisis has been declared a state of disaster and will require tough budgeting choices for municipalities to make sure that basic municipal services are sustained. The regulations published in the Government Gazette No. 48152 on 27 February 2023 in terms of the Disaster Management Act, 2002 (Act 57 of 2002) require municipalities to "ensure continuous operation of water infrastructure and other specified essential infrastructure, including by installing alternative energy sources or other measures to provide an uninterrupted power supply." Municipalities are also required to "mobilise available resources" and "provide funds for this purpose, subject to affordability." As an immediate interim solution back-up electricity to pump water should be prioritised while being mindful of its affordability within the municipality's available funding sources and other critical priorities. The municipality need to adequately plan and prioritise funding in its 2023/24 MTREF for this purpose, including:

- When planning to pump water/ maintain the wastewater service by way of any alternative solution(s), it is important that the municipality properly plan and budget for the associated capital and operational costs to operate and maintain the solution(s) over the 2023/24 MTREF and longer-term;
- Any additional cost the municipality already incurred in this regard during the period of elevated loadshedding since December 2022 should be projected to continue in 2023/24 i.e. diesel to operate a generator;
- Although a state of emergency has been declared to deal with the continual loadshedding challenges in the country, it is likely that loadshedding will continue during the 2023/24 municipal financial year. It is proposed that municipalities factor in the impact of loadshedding on their electricity revenue projections, taking into account current experience in terms of loadshedding practices by Eskom;
- The additional costs of prolonged loadshedding should be considered;
- Municipalities are always asked to try to balance full cost recovery on services with affordability for their residents. In practice, this means that where the full increase in the cost of a service is not passed on to consumers, municipalities must offset the increased costs through savings identified elsewhere in their operations. Therefore, reducing/ limiting overall expenditure is a key part of budgeting for the response to loadshedding. The municipality should stick to its core mandate and functions and carefully review overall expenditure to manage the net effect. Measures should include aggressively cutting costs, frills, and vanity projects, dealing with bloated administrations and structures possibly duplicated across Municipal Manager and Mayoral offices, and applying for exemptions from the annual salary increases if these are not affordable;
- While municipalities are urged to maximise efficiency in their operations, tariff setting efforts should consider the need to make additional provision for repairs and maintenance associated with infrastructure breakdowns during loadshedding;
- Reducing/ limiting overall expenditure the municipality should stick to its core mandate and functions – it is necessary to carefully look at the overall expenditure side to manage the net effect, including aggressively cutting costs, fancy, frills, vanity

projects, deal with bloated admin- and structures possibly duplicated across Municipal Manager and Mayoral offices, and apply for exemptions from the annual salary increases; and

 The cost should be considered and included when setting the tariffs of the service(s) to which it relates.

Municipalities should also budget for reduced bulk purchases and sales to municipal customers based on the same loadshedding assumptions cited above.

Municipalities should carefully monitor their Eskom accounts for any penalties that result from increased demand immediately after a period of loadshedding is ended. Eskom has indicated that they will reverse any penalties for exceeding notified maximum demand that results from the implementation of loadshedding. This should be factored into the tariff calculation to ensure that consumers are not overcharged.

Lastly, it is important to note that a municipality may only introduce a load-shedding levy or surcharge with the approval of the Minister of Finance and in terms of the legislated processes set-out in the MFMA and Municipal Fiscal Powers and Functions Act, 2007.

5.4 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, has encouraged municipalities to utilise the tool. With effect, from the 2023/24 MTREF, all municipalities (except metropolitan cities and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format) illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (*m*SCOA): costing component. Considering, *m*SCOA implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing segment correctly. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08.

5.5 Tariffs – achieving a balance between cost-reflectiveness and affordability

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other consumers while ensuring the financial sustainability of the municipality.

When setting tariffs, it is therefore critical to understand the economic environment specific to the municipality and consideration should include at least –

- The socio-economic profile undertaken for the municipality available on the National Treasury GoMuni portal municipalities are encouraged to annually update their own socio-economic profile using the template model available on GoMuni;
- The most recent average monthly household income in the municipality as per Statistics South Africa (Stats SA) available on <u>Statistics South Africa | Improving Lives Through Data Ecosystems (statssa.gov.za);</u>
- The average property value in the municipality per its most recent approved general valuation roll and/ or supplementary general valuation roll;
- The number of indigent households in the municipality, including any variation in the number of indigent households included in the Equitable Share: free basic services component for the municipality vs the municipality's own indigency level discretion; and
- The economic drivers and activities specific to the municipal area¹; etc.

The municipality's tariff-setting or other committee tasked with this role must understand and deliberately reflect on this context during the tariff-setting process. Considering the average monthly household income, the median affordable municipal bill would ideally not exceed proportionally approximately 10 to 15 per cent the average monthly household income. This median affordable bill, in combination with the median average property value should inform the basis to determine any rebates to households with income below the median. Furthermore, municipalities contemplating to increase free basic electricity allocations as an indigent relief measure, should do so only after careful consideration of the long-term financial impact that such a decision might have.

It is also important when setting particularly water and electricity tariffs that municipalities are encouraged to set two-tier tariffs, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands. For example, in a drought, such tariffs will facilitate the ability to pay for infrastructure and maintenance, treating chemicals and salaries, etc. while parallel facilitating water restriction based on inclining tariffs as consumption increase. Furthermore, it is important to link the municipality's water tariffs to dam levels, also approved as part of the budget process. For example, if the dam levels drop to 60 per cent the first tier of restriction tariffs should become applicable in terms of the municipality's approved tariff policy.

It is also noted that NERSA approves seasonal tariffs for Eskom but not necessarily for the municipality. It is important that the municipality clearly factors this in its tariff application to NERSA, illustrating the cash flow crunch if the municipality is not similarly allowed a seasonal tariff to recover the higher Eskom bulk cost during winter months.

Lastly, municipalities are cautioned against setting tariffs that include operating inefficiencies. This could lead to tariffs falling into the unaffordable range.

¹ The spatialised tax data is now available through National Treasury for all municipalities that provides an up to date information on economic activity within a municipal boundary.

The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band; therefore, municipalities are required to *justify all increases in excess of the* **projected inflation target for 2023/24** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detailed account of their revenue growth assumptions for the different service charges in the budget narrative.

Additional loadshedding considerations when calculating anticipated revenue collection rates include:

- Consumption patterns amongst pre-paid users who work more sparingly with electricity units. This can have a lagging effect on revenue estimations i.e. although units are paid for up front, it is not necessarily used in high-demand periods; and
- A decline in average consumption patterns for post-paid customers.

As part of its debtor management strategy municipalities should clearly communicate the impact of loadshedding on municipal tariff setting, including through education campaigns. Consumers will expect a decrease in their electricity bills as consumption drops due to loadshedding. Not understanding the impact of tariff structures (fixed and demand-driven components) can create distrust and reduce willingness to pay municipal accounts.

5.6 Municipal Debt Relief

An optimally designed debt solution for Eskom can leverage the structural reform of the electricity sector that is needed both on the Eskom side and the municipal side, however, the municipal debt owed to Eskom pose a material risk to any Eskom debt relief package. In parallel the challenge of defaulting municipalities cannot be separated from a consumer culture to not pay for services.

Municipal Debt Relief that is **conditional and application based**, has therefore been sanctioned. The relief is aimed to correct the underlying behaviour and operational practices in defaulting municipalities and Eskom while in parallel, progressively introducing a smart metering solution to change consumer behaviour by instilling a culture of payment for services consumed. The proposal consists of 4 elements:

- i. **Eskom will write-off all debt municipalities owe** as on 31 March 2023 (excluding the March 2023 current account). This will be done over three national financial years and require as a critical qualification that municipalities monthly honour their current (monthly consumption) Eskom and water accounts going forward and maintain a minimum average quarterly collection, etc;
- ii. Secondly, **new mechanisms are explored to resolve non-payment** this to include a dispute ombud mechanism and re-assigning the license of persistent defaulters;
- iii. Thirdly, Eskom will continue to **implement a regime of installation of pre-paid meters** in Eskom supplied areas to improve Eskom collection. Municipalities are additionally encouraged to adopt a similar operating regime; and
- iv. Lastly, the National Treasury will continue to implement municipal revenue enhancement initiatives, including a transversal tender for a smart pre-paid meter solution to change to a forward looking culture of payment of the consolidated municipal bill.

More details on the application process and related conditions for municipalities will soon be outlined and published through a separate MFMA Circular.

5.7 Bulk Account Payments and Concessions

Since 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the

escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also urged to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.

5.8 Critical Notice Affecting STS Meters

As highlighted in previous MFMA Circular No. 115 (dated 04 March 2022) municipalities are once again alerted that there is still a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens.

The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage and should be issued shortly by National Treasury.

If your municipality or municipality entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of inter alia auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and
- That, with immediate effect, you must inform and obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be

directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) at <u>Sadesh.Ramjathan@treasury.gov.za</u>.

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and/ or
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

5.9 Completeness and credibility of revenue related information in the Budget

The MBRR regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2023/24 MTREF.

5.10 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In January 2023, NERSA approved tariff increases of 18.7 per cent in 2023/24 and 12.7 per cent increase in 2024/25. For purposes of calculating the free basic energy subsidy in the local government equitable share formula, the National Treasury has added 2 per cent to these increases. This is in anticipation of higher increases than those published in January, for municipalities, due to the difference in the financial years of Eskom customers and municipalities meaning that Eskom only has nine months to collect the allowable revenue from municipalities. R1.1 billion is added to the free basic energy subcomponent of the free basic services component of the local government equitable share formula to fund these higher tariff increases. To this end, the free basic electricity subsidy in the local government equitable share is calculated based on a 20.7 per cent tariff increase in 2023/24 and a 14.7 per cent increase in 2024/25. In the absence of an approved tariff increase in the outer year of the MTEF period, the formula assumes an increase of 17.7 per cent in 2025/26. This is the average of the estimated increases for the first two years of the MTEF period.

5.11 Updated Municipal Borrowing Policy Framework

Cabinet approved the Update to the Policy Framework for Municipal Borrowing and Financial Emergencies on the 17th of August, 2022. The purpose of the update was to re-examine the original Policy Framework, along with the legislation (i.e. Municipal Finance Management Act – MFMA) that was adopted to implement it, considering the experience with municipal borrowing that has accumulated since 2000.

The following key reforms have been introduced through the Update to the Policy Framework for Municipal Borrowing:

- The Policy Framework for Municipal Borrowing has been updated to introduce the necessary reforms that will expand the scope of responsible municipal borrowing and create an environment that attracts more players (e.g. insurers, pension funds, institutional investors and fund managers, and international Development Finance Institutions) in the municipal debt market space. The original core principles underlying municipal borrowing are maintained (i.e. creditworthy municipalities should borrow prudently to finance capital investment, and that there will be no bail-outs by the provincial or national government);
- The updated policy framework clarifies the role of Development Finance Institutions (DFIs), as it was not clearly articulated in the original policy. DFIs are required to pursue clear and agreed developmental goals, as outlined in the policy. The objective of this approach is to ensure that a DFI lending does not crowd out the private sector. Publicsector lenders, both domestic and foreign, should be guided by a social and developmental investment approach in which demonstrable social outcomes are considered alongside potential financial returns;
- The updated policy framework permits and clarifies innovative infrastructure financing mechanisms (such as pooled financing mechanisms, project finance, tax increment financing, revenue bonds, and pledging of conditional grants) that municipalities can use to leverage municipal borrowing. Municipalities are encouraged to explore these alternatives, and innovative infrastructure financing mechanisms permitted subject to the requirements contained in the Municipal Finance Management Act (MFMA); and
- The participation of both private and public sector market participants in the development of a liquid secondary market for municipal debt securities is also encouraged. The policy proposes options that can be explored to support the development and growth of an efficient and liquid market for municipal debt obligations.

The Updated Municipal Borrowing Policy Framework can be accessed at the MFMA website at the following link <u>http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx.</u>

5.12 Tariff Policies

Municipalities must comply with the provisions of Section 74 of the Municipal Systems Act (MSA) which requires that a municipal council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act and with any other applicable legislation. Municipalities should also ensure that the tariff policies adhere to all the principles outlined in section 74(2) of the MSA. A municipality's tariff policies must also take into consideration variable factors such as water shortages and electricity feedback excess into the municipal system from new generation capacity. Municipalities are urged to develop wheeling and Small-Scale Embedded Generation (SSEG) frameworks to guide the

development of associated tariffs. Municipalities must adopt by-laws to give effect to the implementation and enforcement of their tariff policies.

5.13 Non-Revenue Electricity and Non-Revenue Water/ Revenue Losses

Water Service Authority municipalities and electricity licensed municipalities are urged to align both their non-revenue water and non-revenue electricity indicators and their set targets in the 2023/24 SDBIPs with identifiable infrastructure or operational projects and/ or programmes. Municipalities should track improvements on the baseline information included in the SDBIPs by indicating the volume of water losses (i.e., kilolitres/ mega-litres) and the amount of electricity losses (KwH or MWs) for the previous year. This approach will help to determine the progress of municipalities in curbing losses, which impact on municipal revenues, in both non-revenue water and non-revenue electricity.

6. Burial of Councillors

Salaries, allowances and benefits for political office-bearers and members is managed through Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils notice issued by the Minister of Cooperative Governance and Traditional Affairs.

Section 167 of the MFMA provides that a municipality may remunerate its Councillors within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members. Any benefit which is not included in the above-mentioned notice constitutes irregular expenditure and recovery thereof from the Councillor concerned is mandatory.

Municipalities may also refer to relevant Councillor Pension Scheme or personal funeral policies in existence for any funeral benefits relating to such Councillor.

7. Funding choices and management issues

Municipalities are under pressure to generate and collect revenue for service delivered. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2023/24 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Automate business services where possible to increase efficiencies and lower customer costs;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

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Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 (5.4 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023) and 2024 (4.8 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023). The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, to root out ghost employees.

According to the 2021 State of Local Government Finance Report, there are about 165 municipalities that are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from councilor(s) concerned.

8. Conditional Grant Transfers to Municipalities

8.1 Criteria for the release of the Equitable Share

The equitable share release criteria for 2023/24 were set out in MFMA Circular No. 122. To assist with managing this process, a guiding checklist has been developed (attached hereto as Annexure A) which municipalities can follow throughout the course of the year to ensure that the required documents are timeously uploaded to the GoMuni platform in line with the prescribed deadlines.

Going forward, municipalities will be required to submit the completed checklist as part of the quarterly performance reporting process for quarter 1 of the municipal financial year. According to section 52(d) of the MFMA, the mayor of a municipality must within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality. The report must then be submitted to National

and Provincial Treasury within 5 days of being tabled in council as per section 32 of the MBRR. The report for quarter 1 of 2023/24 must therefore be submitted to council by the end of October 2023 and submitted to National and Provincial Treasury by no later than 5 November 2023. By including the completed checklist in this report, municipalities confirm their adherence to the equitable share release criteria, including that all supplementary information (as defined in the checklist) was successfully uploaded to the GoMuni platform.

Please note that most of the information required for the release of the equitable share, is already uploaded/ submitted by municipalities as part of existing reporting requirements throughout the year. There are however a few items (clearly marked in the checklist) that does not have a dedicated storage location (for example, payments of employee benefits) on GoMuni. A dedicated Equitable Share Verification Folder will be created on GoMuni for this purpose.

8.2 Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2022 (Act No.5 of 2022) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2022 (Act No. 15 of 2022) (DoRAA), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2022/23 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 21(2) of the 2022 DoRA, municipalities must include the following information with their submission to National Treasury:

- 1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2022 DoRA;
- 2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated, spent and the balance per project;
- 3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
 - a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or
 - b) Proof of project tender and tender submissions published and closed before 31 March or with the appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the financial year of the project;
 - c) Incorporation of the Appropriation Statement;
 - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2024 (attach cash flow projection for the applicable grant).
- 4. A progress report (also in percentages) on the status of each project's implementation that includes an attached **legible implementation plan**);
- 5. The value of the committed project funding and the conditional allocation from the funding source;
- 6. Reasons why the grants were not fully spent during the year on the original allocation per the DoRA;
- 7. Rollover of rollovers will not be considered. Municipalities must therefore not include previous year's unspent conditional grants as rollover request;
- 8. An indication of the time period within which the funds are to be spent if the rollover is approved; and

9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments because of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2023, the application will be declined.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

- 1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2022 DoRA, **including the Municipal Manager and Chief Financial Officer signing-off on the information** sent to National Treasury;
- 2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2023;
- 3. Accurate disclosure of grant performance in the 2022/23 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
- 4. Despite the fact that local government is required to comply with to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relate to rollover processes and disclose conditional grant performance in the 2022/23 pre-audited Annual Financial Statements (i.e Cash coverage and unspent conditional grants in the Statement of Financial Position) in order to verify grant expenditure; and
- 5. Cash available reflected in the Statement of Financial Position and Cash Flow Statements and the bank (net position including short term investments) as at 30 June 2023 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover **is not entirely cash-backed**, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

- 1. The entire 2022/23 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2022/23 allocation;
- 2. Rollover request of the same grant for the third consecutive time. In a case where a municipality is applying for rollover as a result of additional funding, the application will be given a careful consideration;
- Funding for projects procured through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636) – Projects linked to additional funding and disasters are exempted; and
- 4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2023.

8.3 Unspent conditional grant funds for 2022/23

The process to ensure the return of unspent conditional grants for the 2022/23 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2023 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconciles;
- Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2023. The unspent grant values must be determined based on the guidance that was provided in *m*SCOA Circular No. 13 in as far as VAT, retention and interest is concerned; and
- Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2020 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2023.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 20 October 2023;
- Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2023. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 17 November 2023; and
- Step 6: Any unspent conditional grant funds that should have but has not been repaid to the National Revenue Fund by 17 November 2023, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 06 December 2023 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.

9. The Municipal Budget and Reporting Regulations

9.1 Alignment of Municipal Budget and Reporting Regulations (MBRR) Schedules

The revised Regulated MBRR Schedules (A1, B, C, D, E and F), as aligned to the *m*SCOA chart and GRAP are published on the National Treasury web page and can be accessed using the following link.

http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Report ing%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazette s%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2023%2d 24&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67

The alignment of the A1 Schedules required substantial changes to the reporting formats used for budgeting and reporting purposes which required the creation of new A1 Schedule codes to ensure that the data strings populate the new reporting formats. The relevant changes were also made in the reporting formats relating to versions 6.1 to 6.7 of the *m*SCOA chart to ensure that the historical data are populating when reports are drawn from GoMuni.

To ensure that ERP systems generate the A1 Schedule aligned to version 6.7 of the *m*SCOA chart, municipalities and system vendors should refer to the linkages provided on GoMuni. The following reports on GoMuni should be used for this purpose:

- List *m*SCOA account linkages to A1 Schedule based on 6.7 under menu option *m*SCOA Reporting; and
- List mSCOA A1 schedule codes WIP (i.e. new A1 Schedule codes) under menu option mSCOA Administration.

Both reports can be located under:

https://lg.treasury.gov.za/ibi apps/portal/Local Government Database

The new format for the non-financial data strings A1D and A1F is available on the link below:

http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Report ing%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazette s%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2023%2d 24&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67

The A1D is the data string which populates information which we do not extract from the TABB while the A1F populates the budget information which we do not extract from the ORGB. Municipalities should ensure that they use the new format when submitting the non-financial data strings.

10. Submitting budget documentation and A1 schedules for 2023/24 MTREF

The MFMA and its Regulations require the submission of *m*SCOA data strings for budgets, inyear reporting, and annual financial statements in a specific format and by a required timeframe. The credibility and accuracy of the *m*SCOA data strings must be verified by municipalities prior to submission to the GoMuni Upload portal. Since the financial system must be locked at the end of the month in order to generate a *m*SCOA data string, municipalities may not open closed periods to correct errors. Errors must be corrected in the next open period. Providers of municipal financial systems must ensure that the necessary internal controls are built into the system to prevent the opening of closed periods on the financial system and the bypassing of such controls. This also applies to the correction of information in closed periods for 3rd party systems that should be integrating with the main financial system in terms of the requirements of the *m*SCOA Regulations.

From 1 July 2023, Municipal Managers and Chief Financial Officers will be required to sign off on the financial and non-financial data strings submitted to the GoMuni Upload portal when they submit their data strings. The schedules prescribed in terms of the Municipal Budget and Reporting Regulations (MBRR) populated from the *m*SCOA data strings on National Treasury's Local Government and Reporting System (LGDRS) must also be signed off monthly. These sign-offs are for audit purposes and serves as a confirmation by the municipality that the data strings submitted are accurate. Details on the submission of the signed-off figures will be communicated in due course.

In terms of Section 171 of the MFMA, financial misconduct by municipal officials includes the provision of incorrect or misleading information in any document which must be submitted to the National Treasury.

From 1 July 2023, the GoMuni Upload portal for the monthly in-year data strings will be closed at 16h00 on the 10th working day of each month. All publications by the National and Provincial Treasuries are now solely sourced from the *m*SCOA data strings submitted by

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municipalities and several stakeholders including Statistics South Africa (STATSSA), Auditor General South Africa (AGSA), the Reserve Bank, and NERSA are in the process of streamlining some of their reporting to the information contained on the National Treasury Local Government Database and Reporting System (LGDRS). The resubmission of data strings after the legislated timeframes is not only illegal but also causing challenges in data sets used by various stakeholders for analysis and reporting purposes. No data string submissions will therefore be accepted by the National Treasury after the 10th working day of the respective month.

Contact



national treasury

Department. National Treasury REPUBLIC OF SOUTH AFRICA
 Post
 Private Bag X115, Pretoria 0001

 Phone
 012 315 5009

 Fax
 012 395 6553

 Website
 http://www.treasury.gov.za/default.aspx

JH Hattingh Chief Director: Local Government Budget Analysis 03 March 2023

ANNEXURE A: Equitable Share Verification Checklist:

General Requirements

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Criteria	Verification Requirement	Yes/No
2023/24 Adopted Budget	Council resolution, adopted <i>m</i> SCOA budget data strings (ORGB), PDF version of adopted MTREF budget uploaded to GoMuni Upload portal immediately after approval.	
 Is the municipality's completed tariff tool (National Treasury format) included as part of its budget submission (MFMA Budget Circular No. 98 (refer item 4.2). 	The completed National Treasury EXCEL tariff tool uploaded to GoMuni with the adopted budget by start of budget year i.e. 1 July 2023 .	
Are allocations made for bulk suppliers current account payments?	Allocations reflected in <i>m</i> SCOA budget data strings (ORGB) and budget schedules/ document.	
If unfunded budget position-		
 Is a Budget Funding Plan (BFP) adopted with the budget? 	Copy of the adopted Budget Funding Plan uploaded to GoMuni with the adopted budget by start of budget year i.e. 1 July 2023 . PDF version of BFP/progress report uploaded to GoMuni Upload	
	portal by start of budget year i.e. 1 July 2023 . Is the BFP credible and show how the municipality intends moving	
	progressively out of this position into a funded state? In the case of the latest progress report being submitted, is it aligned to the rescue phase of the new approach to Municipal	
 Council resolution reflecting commitment to 	Financial Recovery Service (MFRS)? PDF copy of resolution uploaded to GoMuni Upload portal by start	
address unfunded position.	of budget year i.e. 1 July 2023.	
 Submission of Data Strings 	Successful submission of all financial and non-financial mSCOA data strings to the GoMuni Upload portal	
	Timeous submission of all financial and non-financial <i>m</i> SCOA data strings to the GoMuni Upload portal Data strings submitted are credible as per the analysis done by	
	NT/PTs Data strings are generated directly from the main municipal	
	financial system The regulated MBRR Schedules are generated directly from the	
	core municipal financial system Successful submission of all financial and non-financial <i>m</i> SCOA	
Submisison of documents	data strings to the GoMuni Upload portal Municipal documents required in terms of legislation and MFMA Circulars have been submitted timeously and in the required format to the GoMuni Upload portal.	
Financial System Changes	Municipality has followed the processes in Circulars No. 93, 98, 123 and mSCOA Circulars No 5 and 6 to change their financial system.	
JIF & W		
UIF&W Register		
 MPAC recommendation on UIF&W 		
Council Resolution on UIF&W	Documents need to be uploaded to NTs eMonitoring Webpage	
UIF&W Reduction Strategy		
Disciplinary Board		
Does the municipality have a functional disciplinary board?	Proof of establishment (or efforts to establish DC Board) uploaded to NTs eMonitoring Webpage NTs eMonitoring Website.	
Competency Regulations Has the minimum municipal competency	In line with the Computerious Deputations and literated on stime	
 Has the minimum municipal competency regulations reporting requirements been adhered to? 	In line with the Competency Regulations, consolidated reporting information must be uploaded to GoMuni by 30 January 2023 and 30 July 2023 .	
udit Process		
Opinion Received	Did the municipality receive an adverse or disclaimed audit opinion or had outstanding audits for two consecutive financial years?	
 Adverse or disclaimed audit opinion 	Council resolution signed by each member of the Council was was uploaded to NT's eMonitoring Webpage within 1 month after conclusion of the audit process reflecting council's commitment to address the opinion.	
 Is a council approved audit action plan in place? 	Audit action plan, together with council resolution, to be uploaded to NT's eMonitoring Webpage within 60 days from audit report issuance.	
nterventions (where applicable)		
 In the event of a discretionary or mandatory intervention in terms of section 139 of the Constitution, is a Financial Recovery Plan (FRP) in place? 	The FRP and monthly progress reports submitted in terms of sections 145 and 146 of the MFMA must be uploaded to GoMuni Upload portal for each month since the inception of the FRP.	

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Quarterly Requirements

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Criteria	Verification Requirement	Quarter 3 (Jan – March)	Quarter 4 (April – June)	Quarter 1 (July – Sept)	Quarter 2 (Oct – Dec)
Bulk Supplier Payments					
 Were current account payments to bulk suppliers (Eskom and Water Boards) timeously made? 	PT/NT to verify status according to MFMA S41 Report. No action required from municipality if account in good standing.		-	<i>a</i> .	
 If current account in arrears, are payment agreements in place? 	Copy of payment agreement or evidence of discussions are uploaded to on GoMuni Upload portal.				
Staff benefit Deductions					
 Were a) SARS, b) pension and c) other staff benefits timeously paid over to the relevant funds/institutions? 					
Reconciliation of Valuation Roll					
 Has the valuation role been reconciled to the financial system? 	In line with MFMA Circulars No. 93, 98 and 107, proof of the verification for each quarter should be uploaded on GoMuni Upload portal.				



PROPOSED FINANCIAL PLAN 2023/24 CITY OF MATLOSANA

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1. MAYORS OVERVIEW

City of Matlosana has for the past seven (8) financial years' (2015/16 to 2022/23) experience financial difficulties resulted from unfunded budget for number of reasons. Municipality was put under section 139 administration by North West Provincial administration as a result management experience challenges in preparation of credible and funded budget. Municipality 's exposure on unrealistic anticipated revenue and unsustainable expenditure commitment were some of the reasons why the municipality did not have funded budgets.

To this end, Municipality current leadership have carefully considered all factors that unadorned the institution to sustainably operate and optimally provides uninterrupted services to its communities in exchange for constant payment of services. Though little has been achieved in galvanizing the communities to pay services, it is worth noting that slight improvement on revenue collection has been realized.

In terms of section 64 (1) of the Municipal Finance Management Act No 56 of 2003 amongst others requires the Accounting Officer must take all reasonable steps to ensure effective revenue collection systems. Therefore, Municipality reported low Revenue and Debt collection rate respectively particularly in 2021/2022. These unpleasant states of affairs necessitated Accounting Officer to establish Multi-Disciplinary Committee to develop, advice and implement revenue management strategy in an endeavor to improve financial situation of the Municipality for service delivery provision. This was also prompted by difficulties on payment of bulk services such as Eskom and Midvaal.

2. EXECUTIVE SUMMARY

City of Matlosana Municipal Management after careful consideration of a municipality financial situation over the last five financial years realized municipality have been tabling unfunded budget. It is for this reason that management provided an honest overview and observation on the status of the budget as to whether how municipal financial position can be changed and repositioned for a positive budget trajectory in an endeavor to financially improve liquidity position of the institution.

Therefore, management through its internal institutional checks and balances mechanisms took conscious decision to analyze the key contributing factors as well as the recovery and redress measures that will be implemented to get the budget gradually funded. To this end, management further elaborate on the roles that will be played by both political and administrative leadership in engaging all the relevant key stakeholders and ensuring that all the deliverables are executed.

The relevant key stakeholders include, but are not limited to;

- Residents (Households)
- Business community
- Farmers community
- Organs of state
- Creditors
- Labour component

It is for these reason that during 2022/2023 Budget engagement processes Municipality participated in an inclusive public and stakeholder's engagement in an endeavor to encourage our

consumers about the importance of paying for municipal services. In conclusion the City of Matlosana's Management has detailed the supervisory and monitoring process mechanisms that will be played by the middle management with regards to the implementation of the Financial Plan.

3. THE FINANCIAL PLAN

The Financial Plan is NOT a Financial Recovery Plan in terms of the MFMA. A Financial Plan is a detailed plan which is developed by the Municipality in response to the identified material budget deficits (**Unfunded budget**), and the focus and essence of the Financial Plan is for the Municipality to develop and monitor implementation of realistic measures which will ensure that, if successfully implemented, the Municipality will be able to generate and collect sufficient revenue as well as realize savings through implementation of cost containment measures.

3.1. PURPOSE OF THE FINANCIAL PLAN

The purpose of the Financial Plan is to guide the Municipality in preparing the necessary remedial and redress measures aimed at ensuring that revenue is generated and collected, and as such revenue is appropriated to key essential expenditure items, thereby enabling Municipalities to execute their constitutional mandate.

3.2. KEY FOCUS AREAS OF THE FINANCIAL PLAN

Section 17(2) of the Municipal Finance Management Act states that an annual budget of a Municipality must generally be divided into a capital and an operating budget in accordance with international best practice, as may be prescribed.

The focus of the Financial Plan will be on the operating and capital budgets of the Municipality as in compliance with Section 17(2) of the Municipal Finance Management Act. The Municipality will be expected to demonstrate how it will effectively and efficiently conduct its operations in order to realize surpluses, and to ultimately re-invest the surpluses towards eradication of long outstanding creditors as well as to start building financial reserves.

3.2.1 OPERATIONAL BUDGET

Revenue generation and debt collection by management as well as retention of cash are critical measures in ensuring improved municipal financial management and maturity, with sufficient surpluses, the municipality will be in a position to settle expenditure commitments for the budget year as well as being able to reduce previous year's creditors.

In order to achieve the above, the Municipality is therefore expected to develop and monitor implementation of credible and realistic revenue raising measures in order to fund the anticipated key operational expenditure items. The crux and focus on revenue raising measures should be on addressing those factors that impedes the Municipality from achieving its revenue raising targets, factors such as the state and conditions of revenue raising assets like water and electricity meters, electricity and water distribution channels, etc. The state of the latter infrastructure assets as well as other revenue raising assets must be considered prior to the Municipality deciding and/or an estimation of possible revenue it could raise.

Revenue generation in this context is the ability by the Municipality to collect readings for services provided by the Municipality, in order to eventually issue a bill to the affected consumers. The most critical process in the Financial Plan is the ability of the Municipality to convert the revenue

generation (billing) process to actual cash that the Municipality can utilize to fund the budget and provide services to the communities. It is for these reason that municipality has appointed the service provider (Mosekate Group) for Billing. These efforts will assist municipality to improve its promptness and eliminates unnecessarily inefficiencies in meter reading and billing.

Therefore, Municipality will deliver services to their respective communities and it is recognized that community members have different and sometimes, unrealistic demands that Municipality is expected to budget for. While being cognizant of the latter conundrum that Municipality find themselves in, City of Matlosana management expected to base their operational budget on what they can afford. The latter implies that operating expenditure budget of Municipality must be based on the realistically anticipated operating revenue even. Municipal Budget Reporting Regulation requires Municipality to adopt unfunded budgets, based on the fact and material condition in Matlosana the 2022/2023 budgeted operating expenditure was high and unaffordable as compared with our realistic anticipated budget operating revenue.

3.2.2. CAPITAL BUDGET

City of Matlosana Capital spending is essential for the Municipality's advancement in its legislative mandate, and it is therefore critical for the City to develop their capital asset base. In the past three financial years Matlosana has observed a consistent destruction of municipal infrastructure which have drastically increase insurance claims and increase burden on repairs and maintenance budget.

As already stated above, Municipality does not have sufficient capital asset base to deliver basic services to the communities, despite the fact that all Municipalities are tasked with functions of delivering services to communities are allocated government grants to execute such a legislative mandate. The most contributing factor to the latter is that most Municipality have struggled to complete their infrastructure projects due to unnecessarily delays by members of the communities.

4. Outstanding Creditors and Current Provisions

Section 65(2)(e) of the MFMA states that all money owing by the municipality must be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure. The ever - increasing creditors book balance is a clear indication that Municipalities fail to honour the latter section of the MFMA. Key to this unfortunate situation is slow and poor collection of municipal revenue which is currently at averaging 64 % per month.

Financial Plans of Municipality are therefore expected to demonstrate how the creditors' book balance will eventually be eradicated through implementation of the recovery measures as well as a demonstration on how Municipalities will ensure availability of sufficient cash reserves to fund Provisions which are due and payable at a certain point in the financial year. In this case the Municipality is currently reporting Trade and other payables to an mounting of R 3 Billion, of which R1,683 Billion and R1,230 Billion are owed to Eskom and Midvaal respectively.

EXPECTED	R 12 Million	R63,277,200
OUTCOME	Increased Revenue	Revenue
COSTS (& Source of funding)	No cost	No cost
RESPOSIBLE	СЕО	Director Choche
TIME FRAME (start & end)	01/07/2023- 30/06/2024	01/07/2022- 30/06/2024
ACTIVITY	• To provide amnesty to 4500 additional customers in the entire Kosh area.	Proclamation of additional 13 020 stands and to be billed Kanana Extention 5 Kanana Extention 16 Jouberton Extention 31 Jouberton Extention 34 Sunny Side Tigane Extention 8 (Income expected only from Basic
FOCUS AREA ACTIVITY	Billing	
PRIORITY ARE	Revenue Enhancement	

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5. Operational Budget Revenue enhancement

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	R29,534,220	R35,327,242.00	R55 million
	Increased Revenue	Increased Revenue	Revenue protection and
	No cost	R2,310,000.00	2022/23 - R25 M
	Director Choche	Director Choche	Director Technical Services
	01/07/2023- 30/06/2024	01/07/2023- 30/06/2024	01/07/2023
Service Charges)	Proclamation of additional 6,077 stands to be billed Alabama Extention 14 Kanana extention 15 (Income expected only from basic services charges)	Disposal of 205 serviced/ subserviced Municipal owned land for Residential, Commercial & Industrial Developments	Procurement and Installation of Anti-
		Land	Electricity
			Debt collection

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	R70 million	R 15 Million		R400 million	R500 000
improved collection		Reduction of Electricity losses by 50 %		Reduced debtors book and improved collection	Increased Revenue
	2023/24- R55.5 M	R500 000 DBSA Grant		No cost	No cost
		Director Technical Services		CFO	Director: LED
30/06/2024	01/07/2024 – 30/06/2025	01/07/2023- 30/06/2024		01/07/2023- 30/06/2024	01/07/2023 - 30/06/2024
Tampering boxes. 2022/23 FY 714	2023/24 FY 1500	 Audits on all bypassed meters Energy Efficiency Revenue improvement of Medium Voltage Network 	Expected inflow due to implementation of credit control on those in arrears.	Utilize internal debt collectors	Collect all outstanding rentals from storages, office spaces.
		Electricity losses (In Jouberton and Alabama		Debt collection and Recovery	Rentals
		Electricity			Market

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R1000 000						
Increased Revenue						
No cost						
Director: LED						
01/07/2023 - 30/06/2024						
Revenue Improvement			-1			
Outdoor advertising (Billboards)	R611 638 662	R -27 310 000	R584 328 662			
	TOTAL INFLOW	TOTAL COSTS	NET TOTAL			

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EXPECTED INFLOW	R3 million	R 30 million
OUTCOME	Reduced expenditure	Expenditure
COSTS (& Source of funding)	No Cost	R15million
RESPOSIBLE PERSON	CFO	CFO and Director Technical
TIME FRAME (start & end)	01/07/2023- 30/06/2024	01/07/2023 30/06/2024
ACTIVITY	Outsource wet fuel instead of using our own depos. This is transferring the risk of misuse and theft to external service provider.	Reduce spending on Repairs and maintenance on fleet management through procurement of new fleet, plant and equipment. BTO has provided funds to the amount of R15 million to commence with the Turn-around Strategy for the Fleet Repairs & Maintenance Programme entails the programme entails the re-organisation of the municipal garage, and implementation of systems of control. This will be a short to medium-term initiative.
FOCUS AREA	Wet fuel	Repairs and maintenance
DRITY	Cost Cutting measures	

6. Operating Expenditure

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	Travelling	Cutting undersearily	0107/2023	All Manadore		Doditiond	
	and	o	30/06/2024	All Ivialiayers		Acquiced	Kouu Inousand
	subsistence	accommodation (Office					
		IJ					
		Municipal Manager					
		nave jointly issued					
		moratorium to suspend					
		travelling					
		dation for					
		whole financial year).					
	Contracted	To review operational					
	Services	t to scale					
		their services and					
		support on the tollowing expenditure items:					
		-					
		arges - rec	01/07/2023-	Director	No cost	Reducing	R289 494 pm
		printing and	30/06/2024	Corporate		almost	on R2 605 446
		photocopy machine		Support		0	p.a
		from 101 to 58 number				spending on	
		volume devices and					
		replace 34 desktop					
		devices machines in					
		order to decrease					
		<u> </u>					
		copy production and					
CTAL CANALO	Dac 201 440						
TOTAL SAVING	K36 205 446						
I UI AL CUSI	K-15 000 000						
NETT TOTAL	R21 205 446	_					

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7. CONCLUSION

In the mist of the difficult business environment City of Matlosana had to Development of a credible and realistic Financial Plan is a critical step towards alleviating the financial challenges that Municipalities are facing, but it is the implementation of the Financial Plan that will yield the actual expected results and demonstrate if a Municipality is on the correct path towards financial recovery.

As indicated above, the crux and the critical success factor is the monitored implementation of the Financial Plan, cognizance must be borne to the fact that the Financial Plan is a Municipality wide document which will need intense contribution and support from all units within the Municipality for it to be successfully implemented and realize the anticipated outcomes. It is on the basis on the latter that all the components Council and Administration of the Municipality moust contribute towards implementation of the Financial Plan.

In order to achieve the above, the Administration must prepare a credible and realistic Financial Plan, the Financial Plan must be submitted to Provincial Treasury for review. Subsequent to review of the Financial Plan, the Administration must present the Financial Plan to the Council of the Municipality for adoption.

The Municipality must on a monthly basis, consider the status with regards to implementation of the Financial Plan. The Accounting Officer must on a monthly basis, present to a Mayor/Executive Mayor, a status with regards to implementation of the Financial Plan. The Executive Mayor must report the status with regards to implementation of the Financial Plan to Council.

The Accounting Officer must on a monthly basis, when reporting on the Section 71, report also on the status with regards to implementation of the Financial Plan.