



FETAKGOMO TUBATSE  
LOCAL MUNICIPALITY

**Draft Annual Budget**  
**Of**  
**Fetakgomo Tubatse Municipality**  
**2024/2025 to 2026/2027**  
**Medium Term Revenue Expenditure Forecasts**

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- At the municipal libraries
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**ACRONYMS AND TABLES**

MFMA	Municipal Finance Management Act 56 of 2003
MSA	Municipal Systems Act 32 of 2000
MPRA	Municipal Property Rates Act 6 of 2004
MIG	Municipal Infrastructure Grant
LGSETA	Local Government Sector Education Training Authority
CoGHSTA	Department of Cooperative Governance Human Settlement and Traditional Affairs
COGTA	Department of Cooperative Governance and Traditional Affairs
MTREF	Medium Term Revenue Expenditure Framework
LED	Local Economic Development
MMBRR	Municipal Monitoring and Budgeting Reporting Regulation
EPWP	Expanded Public Works Programme
VAT	Valued Added Tax
CPI	Consumer Price Index
MSCOA	Municipal Standard Chart of Accounts
FTLM	Fetakgomo Tubatse Local Municipality



## **Mayor's Foreword**

Mayor's foreword at the tabling of the draft 2024/25 Draft Annual budget

Madame Speaker  
Whip of Council  
Members of the Executive Committee  
Chairperson of MPAC  
Councillors  
Accounting Officer and Senior Managers  
Support staff.  
Ladies and gentlemen

We are here to present the draft 2024/2025 Annual budget to the Council for consideration. This is in line with legislation that compels us to present the draft to Council 90 days before the start of the new financial year. The draft annual budget is also presented together with the draft IDP that will inform us on the projects and programmes in the 2024/2025 financial year.

Madame Speaker, the Municipality has adopted the status quo report on Vision 2043 which seek to transform this area into a fully fledge city. Our budget must reflect our plans towards that vision. It must serve as the building block towards the future city.

In the 2023/2024 financial year, our annual budget was around R900 000.00, and we must break the barriers the coming financial year. We must commend our Budget and Treasury department for implementing the revenue enhancement strategy which has seen significant collection from rate payers and government entities. We are confident that the next financial year will see a huge increase in the collection of rates and taxes.

Madame Speaker, allow me to present the draft 2024/2025 Annual budget for the consideration of the Council and seek approval to subject the draft to the public for inputs and comments as follows

### **Council Resolution**

That Exco supports and recommend to Council the draft budget for 2024/25 financial year for adoption as follows:

- 1.2.1 Total revenue be budgeted at R1 158 785 412 for 2023/24, decreasing to R 1 157 931 803 and R 1 169 286 830 for the MTREF period,
- 1.2.2 Total operational expenditure be budgeted at R 992 595 494, decreasing to R 981 443 328 and increasing to R 1 011 968 835 for the MTREF period,
- 1.2.3 Total capital expenditure be budgeted at R 267 432 300, decreasing to R 223 963 823 and increasing to R 232 684 823 for the MTREF period,

- 1.2.4 That EXCO support and recommend to Council the approval and implementation of the draft budget related policies from 1 July 2024 as follows:
- 1.2.4.1 Principles and policy on credit control and debt collection,
  - 1.2.4.2 Principles and policy on Indigent consumers,
  - 1.2.4.3 Assets management policy,
  - 1.2.4.4 Tariff policy,
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  - 1.2.4.18 Claims and Loss control Policy
- 1.2.5 That EXCO recommend to Council to approve the draft reviewed tariffs to be implemented from 1 July 2024.
- 1.2.6 That the draft budget for the financial year 2024/25 MTREF be submitted to National and Provincial Treasury and relevant stakeholders in the prescribed format.
- 1.2.7 That the draft annual budget for 2024/25 MTREF be placed on the Fetakgomo Tubatse Municipality website as prescribed by MFMA section 75(1).

### **1.3 EXECUTIVE SUMMARY**

Municipal Finance Management Act section 16(1) states that “the Council of a Municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. (2) In order for a Municipality to comply with subsection (1), the Mayor of the Municipality must table the draft annual budget at a Council meeting at least 90 days before the start of the budget year”.

Municipal Finance Management Act section 24(1) states that “the Council of a Municipality must at least 30 days before the start of the budget year consider approval of the annual budget.

A multi-year budget is a financial plan of action for a financial year and two outer years. It is also used as a tool for allocating financial resources for implementing service delivery objectives of the Municipality as set out in the Integrated Development Plan (IDP). A municipal budget also provides for greater transparency, accountability, flexibility, and predictability within the financial resources of the Municipality.

Budget provides the municipality with a mechanism to allocate financial resources for the achievement of IDP goals and priorities consistently with community preferences and needs, taking into account the available financial resources within the Municipality.

Public consultations on the draft budget will be held between April and May 2024.

The following Circulars issued by National Treasury were considered when compiling the 2024/25 MTREF budget. The Circulars are attached to this submission for reference.

- Circular number 126 – Municipal Budget for the 2023/24 MTREF – March 2024,
- Circular number 123 – Municipal Budget for the 2024/25 MTREF – March 2023,
- Circular number 107 – Municipal Budget for the 2022/23 MTREF – March 2022,
- Circular number 99 – Municipal Budget for the 2020/21 MTREF – March 2020,
- Circular number 98 – Municipal Budget for the 2020/221 MTREF - December 2019,
- Circular number 82 – Cost containment measures – 30 March 2016.

Fetakgomo Tubatse Local Municipality (FTLM) Budget for 2024/25 to 2026/27 focuses on allocating more resources to improve service delivery and infrastructure development.

FTLM is expected to prepare a three-year budget that is among others, sustainable in terms of being funded from realistically anticipated revenue to be collected. Consequently, Council must assess current and projected revenue situation and financial health for purposes of determining whether they have sufficient revenue and adequate financial stability to fund and deliver on the proposed budgets.

The following headline CPI inflation forecasts were taken into consideration during budget preparation process and Medium-Term Revenue and Expenditure Framework as gazette by National Treasury.



<b>Table 1: Macroeconomic performance and projections, 2022 - 2027</b>	2022/23	2023/24	2024/25	2025/26	2026/27
Fiscal year					
Actual		<b>Estimate</b>		<b>Forecast</b>	
CPI Inflation	4.9%	6.9%	4.9%	4.6%	4.5%

*Source: 2024 Budget Review. 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.*

The municipality has little room to make choices as the budget continues to be under pressure due to slow or little revenue growth while the cost of doing business increases exponentially.

The budget is intended to strengthen municipal operations such institutional development and transformation, good governance, improving the financial viability, basic service delivery and spatial planning.

The operating budget is pushed up by input costs such as electricity, cleaning and maintenance costs as a result of added building constructed over the last few years.

Furthermore community needs continues to grow demanding for contribution to projects as outlined in the IDP.

Fetakgomo Tubatse Municipality local municipality has in preparation and compilation of this budget compiled with the Municipal Budgeting and Reporting Regulation (MBRR) notice no 31804 of 2009, the provisions of the MFMA, the provisions of the MSA and various budget circulars which guide the process, content and the format of municipal budgets.

The following assumptions were used in compiling the budget;

- Consumer price inflation forecast is at 4.9% per cent decreasing to 4.6% and 4.5% over the MTREF
- Debtors collection is estimated at 75%
- Creditors payment is planned at 30 days upon receipts of invoice
- MIG Grants is assumed to fully cash backed
- Cash coverage is estimated at 2 months

- Employee cost has increased by 8.5%
- Tariffs for property rates has not been increased by 4%
- Budget assumed to be funded
- The municipality offers free basic solar budgeted at R83 per household
- Councillor's remuneration is expected to increase in line with CPIX Forecast over MTREF period.
- Free basic electricity is been provided for at 50 units per registered indigent beneficiaries.
- Municipality offer free basic refuse removal as part of the indigent support programme
- Property rebate support programme is estimated at additional R35 000 per household.
- Indigent households have been granted 100% incentive on payment of rates and taxes
- Ward committee stipends has been budgeted at R1 500 per ward committee member.
- The expenditure has been aligned to revenue collection and that the municipality has sufficient cash to finance the expenditure as in section 18 of MFMA;
- The budget has been to priorities enlisted in the IDP.
- Review of all programmes and cost centres to minimize wastage, maximize efficient and accelerate service delivery;
- Reprioritization of expenditure programmes to curb the growing personnel expenditure.
- Ensure that services are cost reflective, affordable and sustainable.
- Ensure that realistic revenue targets are set to ensure that the budget is funded.
- Implementing cost containment measure to address non priority spending and improve cash flow management.

**Table 1: Consolidated Overview**

AREA	BUDGET YEAR 2023/24 'R	2024/2025 MTREF		
		DRAFT BUDGET YEAR 2024/25 'R	ESTIMATE BUDGET YEAR 2025/26 'R	ESTIMATE BUDGET YEAR 2026/27 'R

<b>TOTAL REVENUE</b>	<b>1 108 424 000</b>	<b>1 158 785 412</b>	<b>1 157 931 803</b>	<b>1 169 286 830</b>
<b>TOTAL EXPENDITURE</b>	<b>(956 206 000)</b>	<b>(992 595 494)</b>	<b>(981 443 328)</b>	<b>(1 011 968 835)</b>
Own Funding Projects	122 075 000	129 471 500	100 816 673	81 503 662
Municipal Infrastructure Grant	126 061 000	113 838 800	99 025 150	107 746 150
Neighborhood Development Grant	-	-	-	1 000 000
Energy Efficiency and Demand Side Management Grant	-	-	3 000 000	4 000 000
Integrated National Electrification Programme	85 264 000	24 122 000	25 000 000	27 150 000
Distressed Mining Town (Rollover)	8 405 000			
Loan Funding – Infrastructure Projects	100 000 000	-	-	-
<b>Capital Reserves</b>	<b>150 000 000</b>	<b>120 000 000</b>	<b>80 000 000</b>	<b>50 000 000</b>
<b>Loan Infrastructure Funding</b>	<b>100 000 000</b>			
<b>TOTAL CAPEX</b>	<b>(441 805 000)</b>	<b>(267 432 300)</b>	<b>(223 963 823)</b>	<b>(232 684 823)</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(3 958 000)</b>	<b>8,757,617</b>	<b>4,633,172</b>	<b>2,524,652</b>

- Total revenue anticipated is budgeted at R 1 158 785 415 for 2024/25, decreasing to R 1 157 931 803 and increasing to R 1 169 286 830 for the MTREF period, and these implies a percentage change of 4 percent as compared to the previous financial year.

- Total operational expenditure is budgeted at R 992 595 494, decreasing to R 981 443 328, and increasing to R 1 011 968 835 for the MTREF period, and these implies a percentage decrease of 4 percent as compared to the previous financial year.
- Total capital expenditure is budgeted at R 267 432 000, increasing to R 223 963 823, and decreasing to R232 684 823 for the MTREF period, and these implies a percentage decrease of 39 percent as compared to the previous financial year.
- These resulted in a surplus budget for 2024/25 of R 8 757 617 decreasing to R 4 633 172 and decreasing to R 2 224 652 for the two outer years respectively.
- Cost containment measures were taken into consideration when compiling the 2024/25 draft budget and Realistic revenue projections has been anticipated based on previous collection rates.

**Table 2: Consolidated Revenue Overview**

LIM476 Tubatse Fetakgomo - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	22,881	21,118	22,761	19,200	27,595	27,595	27,595	28,947	30,279	31,641
Sale of Goods and Rendering of Services		756	775	1,260	101,420	51,589	51,589	51,589	103,502	106,008	110,779
Agency services		4,544	6,075	7,229	7,450	7,450	7,450	7,450	7,815	8,175	8,542
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6,211	3,727	4,799	6,179	6,179	6,179	6,179	6,482	6,780	7,085
Interest earned from Current and Non Current Assets		7,099	9,395	13,932	9,095	11,215	11,215	11,215	11,764	12,306	12,859
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		248	439	420	307	307	307	307	322	337	352
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		16,198	1	10,963	2,020	2,020	2,020	2,020	2,128	2,226	2,326
<b>Non-Exchange Revenue</b>											
Property rates	2	109,904	104,916	122,770	153,960	190,835	190,835	190,835	200,186	209,394	218,817
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		629	1,061	1,595	3,420	3,445	3,445	3,445	3,613	3,780	3,950
Licences or permits		4,856	5,976	5,787	6,752	6,796	6,796	6,796	7,129	7,456	7,792
Transfer and subsidies - Operational		560,832	482,586	545,664	593,619	593,619	593,619	593,619	626,886	620,684	600,708
Interest		14,516	10,745	14,482	12,000	21,401	21,401	21,401	22,449	23,482	24,539
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		10,179	34	11	-	-	-	-	-	-	-
Other Gains		21,878	-	204	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contri</b>		<b>780,731</b>	<b>646,845</b>	<b>751,879</b>	<b>915,422</b>	<b>922,450</b>	<b>922,450</b>	<b>922,450</b>	<b>1,021,225</b>	<b>1,030,907</b>	<b>1,029,391</b>

## Property rates

Property rates collection is estimated at **75 per cent** and a provision of **25 per cent** has been made for bad debt. This is based on the trend in the current year.

The projected billing has also taken into account the collection trends and revenue forgone over the past years.

- Property rates billing was increased from R190 million to R200 million due to the implementation of the new valuation roll. The Market value on the previous valuation roll where understated and a new valuation roll had to be developed and take into account the new market values. All property rates categories were affected and caused an increase in the existing valuations thus increasing the billed revenue.

### **Service Charges: Waste Management**

- Billed revenue increased from R 27 million to R 28 million as result the 4% increment on refuse revenue. The billed revenue was projected based on the current performance of R 2,2 million per month on services charges and current year collection on nodal areas identified for refuse collection. Collection of refuse is done twice a week in arrears like Burgersfort Town, Orighstad, Steelpoort and Praaktiseer, the municipality is currently formalizing informal settlement to enhance this revenue stream and also provision has been made to the undeveloped land parcels to be sold (Open stand service charges).
- **Sale of goods and rendering of services**

The revenue stream includes amongst others the projected revenue for sale of land parcels at various extensions around the Municipality. An amount of R 100 million was anticipated to cater for disposal of land on various development arrears i.e Burgersfort Extension 54,93 ,71, Hoeraroep Township and Mashifane Park with approximately +- 2000 Erven for mixed purpose across all the townships earmarked for development.

### **Traffic function**

- Revenue for license and permits has been budgeted from R 6 million to R 7 million as a result the current mid-year performance on this revenue stream. The Municipality managed to collect R 5 million on licence and permits to date and anticipating collecting more in the 2025 financial year.
- Agency Services was projected at R 7 million based on the current year collection on this revenue stream. The revenue stream performed well from the current year, and it was used as a baseline to anticipate the 2025 collection.

### **Interest on earned on Current and Non-Current Assets**

The amount of interest in these categories includes interest earned from current account, call investments and fixed term investments. The projections for the budget year were based on the current year performance.

### **Interest on outstanding debtors**

The interest on outdating debts has increases significantly as compared to the audited outcome and adjusted budget since it is combined with penalties imposed on property rates.

**Rental From Fixed Assets**

Included in rental from fixed assets is the budgeted amount on utilization of council approved facilities used for rental purposes. An amount of R 322 thousand was anticipated in the 2024/2025 financial year based on the current utilization status and the number of facilities being rented out.

**Operational Revenue**

Operational revenue was budgeted at R 2 million which includes clearance certificates, Land use usage and Building plans approvals.

**Transfers and Subsidies Operational**

Revenues from the government grants; equitable share, Municipal Finance Management Grant (FMG) , Municipal Infrastructure Grant and EPWP incentive Grant are reliable and constitute **61 per cent** of the budgeted revenue. This means only less than **39 per cent** of the revenue may fluctuate giving the municipality certainty on its expenditures and better planning.

**Table 3: Grant Receipts**

LIM476 Tubatse Fetakgomo - Supporting Table SA18 Transfers and grant receipts										
Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		3,552	4,088	8,664	8,913	8,913	4,013	9,707	7,712	8,271
Expanded Public Works Programme Integrated Grant		1,052	1,688	1,285	1,463	1,463	1,742	–	–	–
Local Government Financial Management Grant		2,500	2,400	2,550	2,550	2,550	2,550	2,500	2,500	2,600
Municipal Infrastructure Grant		–	–	4,829	4,900	4,900	–	5,465	5,212	5,671
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
<b>Total Operating Transfers and Grants</b>	5	<b>3,552</b>	<b>4,088</b>	<b>8,664</b>	<b>8,913</b>	<b>8,913</b>	<b>4,013</b>	<b>9,707</b>	<b>7,712</b>	<b>8,271</b>
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		81,107	75,265	199,759	148,414	211,325	97,487	137,961	127,025	139,896
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	3,000	4,000
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	1,000
Municipal Infrastructure Grant		81,107	55,265	121,759	96,061	126,061	81,487	113,839	99,025	107,746
Integrated National Electrification Programme Grant		–	20,000	78,000	52,353	85,264	16,000	24,122	25,000	27,150
Provincial Government:		–	16,190	–	–	8,405	–	–	–	–
Specify (Add grant description)		–	16,190	–	–	8,405	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
<b>Total Capital Transfers and Grants</b>	5	<b>81,107</b>	<b>91,455</b>	<b>199,759</b>	<b>148,414</b>	<b>219,730</b>	<b>97,487</b>	<b>137,961</b>	<b>127,025</b>	<b>139,896</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	<b>84,659</b>	<b>95,543</b>	<b>208,423</b>	<b>157,327</b>	<b>228,643</b>	<b>101,500</b>	<b>147,668</b>	<b>134,737</b>	<b>148,167</b>

- Revenue from grants and subsidies excluding equitable share amounts to R 147 million for 2024/25, the major categories being the following:
  - Municipal Infrastructure Grant (MIG) funding of R113 million,
  - Integrated National Electrification Programme Grant funding of R 24 million.

### 1.7 OPERATING EXPENDITURE FRAMEWORK

Fetakgomo Tubatse Municipality to improve the quality of services provided to its citizens it needs to generate the required income. In these tough economic times strong revenue management is fundamental to the financial stability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence the difficult choices have to be made in relation to balancing expenditures against realistically anticipated revenues. The receivers of our services have an obligation to pay for the services they receive so that the municipality continues to offer such services.



The municipality's expenditure framework for 2024/25 budget and MTREF is informed by the following;

- National treasury's key guidelines and macroeconomic policy;
- Growth in the municipality's continued economic development
- Efficient revenue management, which aims to ensure that billed revenue is collected
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by 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)
- The municipality's indigent policy and rendering of free basic services; and
- Tariff policies of the municipality

**Table 4: Summary of operating expenditure by standard classification item**

LIM476 Tubatse Fetakgomo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25
<b>Expenditure</b>												
Employee related costs	2	193,672	199,011	214,788	248,622	248,622	248,622	248,622	271,246	285,849	301,816	
Remuneration of councillors		33,603	35,670	38,574	39,792	42,436	42,436	42,436	44,940	47,457	50,067	
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-	
Inventory consumed	8	4,147	2,172	5,938	5,269	4,819	4,819	4,819	5,300	5,544	5,794	
Debt impairment	3	-	-	-	40,000	40,000	40,000	40,000	40,000	41,840	43,723	
Depreciation and amortisation		137,533	87,592	75,076	96,524	81,634	81,634	81,634	83,541	87,384	91,316	
Interest		4,944	5,304	4,145	4,000	4,000	4,000	4,000	1,500	1,569	1,640	
Contracted services		171,666	243,183	305,190	281,695	384,255	384,255	384,255	397,001	357,548	357,130	
Transfers and subsidies		848	1,311	944	-	-	-	-	-	-	-	
Irrecoverable debts written off		77,120	23,596	64,048	-	1,700	1,700	1,700	2,073	2,169	2,266	
Operational costs		73,082	114,267	116,100	122,194	148,740	148,740	148,740	146,994	152,084	158,217	
Losses on disposal of Assets		15,725	552	6,276	-	-	-	-	-	-	-	
Other Losses		-	-	127	-	-	-	-	-	-	-	
<b>Total Expenditure</b>		<b>712,340</b>	<b>712,658</b>	<b>831,206</b>	<b>838,096</b>	<b>956,206</b>	<b>956,206</b>	<b>956,206</b>	<b>992,595</b>	<b>981,443</b>	<b>1,011,969</b>	

- Total operational budget is **992 million**, increasing to **981 million** and increasing to **R 1 011 million** over the MTREF period, the highest contributors to the operational expenditure for 2024/25 are:

**Employee related costs of R 315 million (32%),**

The employee costs was increased from R248 million budget of 2023/24 to R 271 million to cater for critical positions that were filled in the current year and also other posts which were not budgeted for on restructuring of the organisational structure .Remuneration for councillors was also projected based on the upper limits determined in the current year.

**Depreciation and Impairment of R 83 million**

Depreciation was budgeted at R83 million which shows an increase compared to the previous years. Although acquisition of new assets was done during the year, the projections were based on the 2023/2024 assets reflecting on the asset register as some of the assets were disposed off during the year thus decreasing the depreciation.

**Debt Impairment**

Debt impairment was provided for at R 40 million based on the collection rate of 75 % for the 2024/2025 financial year.

**Interest**

Interest amount includes repayment of the existing loan which will be paid on a monthly basis as per conditions of the loan agreement.

**Contracted Services**

Contracted Services increased from R 384 to R 397 million due to the repairs and maintenance of existing infrastructure to safeguard the condition of municipal assets and ensure that they are well maintained. Although the repairs and maintenance was not sufficient budgeted as per Treasury norm, most of our existing infrastructure assets include bridges which are not regularly maintained and their lifespan is longer than other assets.

**Operational Cost**

The operating costs decreased from R 148 million to R 146 million as compared to the previous year projections. Cost containment measures were also considered around projection of this expenditure item.

The operational expenditure budgets for each department are summarised below:

***Key expenditure programmes for implementation include;***

- Continued implementation of Expanded Public Works Programme from needy families.

- Strengthening of the ward committee system of local government through re-training and skilling, provision of tools of trade and payment of stipends.
- Programmes that improve the conditions of youth, people with disabilities, the elderly, children and women.
- Provision of bursaries to needy and deserving learners.
- Support of sport and arts programmes
- Support of local entrepreneurs and cooperative through capital injection.
- Improving measures to prevent fraud, risk management and improve governance.
- Improvement of the revenue collection through better and improved billing systems
- Provision of funds to strengthen the traffic management and the licensing divisions
- Improvement of the refuse removal service through provision of adequate assets and infrastructure for effective collection.
- Allocation for free basic electricity to needy households in line with the municipality's indigent management policies.
- Support of local farming initiatives, tourism,youth, people with disability and local economic development.

## 1.8 REMUNERATION OF COUNCILLORS AND EXECUTIVE MANAGEMENT

Councillor remuneration is in line with the upper limits as determined by the minister of Cooperative Governance and Traditional Affairs budgeted at **R44 million and increased** by 5,9% for the 2024/2025 financial year.

LIM476 Tubatse Fetakgomo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		19,271	20,189	20,311	25,210	21,272	21,272	22,527	23,789	25,097
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	5,448	5,448	5,769	6,092	6,427
Cellphone Allowance		4,142	4,435	3,362	4,410	3,721	3,721	3,941	4,162	4,390
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		10,190	11,046	14,901	10,171	11,995	11,995	12,703	13,414	14,152
<b>Sub Total - Councillors</b>		<b>33,603</b>	<b>35,670</b>	<b>38,574</b>	<b>39,792</b>	<b>42,436</b>	<b>42,436</b>	<b>44,940</b>	<b>47,457</b>	<b>50,067</b>
% increase	4		6.2%	8.1%	3.2%	6.6%	-	5.9%	5.6%	5.5%

## 1.9 CAPITAL EXPENDITURE

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

**Table 6: Consolidated Overview of Capital Expenditure Funding**

LIM476 Tubatse Fetakgomo - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		32,168	24,252	39,900	17,460	86,246	86,246	86,246	15,805	13,239	11,470
Executive and council		-	2,651	224	4,435	10,280	10,280	10,280	5,826	3,265	3,316
Finance and administration		32,168	21,602	39,676	13,025	75,966	75,966	75,966	9,979	9,974	8,154
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1,597	1,161	10,060	7,174	12,694	12,694	12,694	2,522	1,538	1,426
Community and social services		1,597	941	9,869	5,261	10,781	10,781	10,781	522	174	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	220	191	1,913	1,913	1,913	1,913	2,000	1,364	1,426
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		59,126	129,059	174,430	261,403	337,760	337,760	337,760	204,658	178,998	177,017
Planning and development		-	-	-	7,826	12,348	12,348	12,348	-	-	-
Road transport		59,126	129,059	174,430	253,577	325,412	325,412	325,412	204,658	178,998	177,017
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		4,798	746	-	13,826	5,106	5,106	5,106	9,565	4,348	2,609
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		4,742	-	-	-	-	-	-	-	-	-
Waste management		57	746	-	13,826	5,106	5,106	5,106	9,565	4,348	2,609
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	97,690	155,218	224,390	299,863	441,805	441,805	441,805	232,550	198,123	192,522
<b>Funded by:</b>											
National Government		55,194	69,249	134,209	129,056	179,413	179,413	179,413	119,966	110,457	121,649
Provincial Government		18,376	5,005	1,658	-	7,309	7,309	7,309	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	73,570	74,254	135,867	129,056	186,722	186,722	186,722	119,966	110,457	121,649
<b>Borrowing</b>	6	-	-	-	86,957	86,957	86,957	86,957	-	-	-
<b>Internally generated funds</b>		24,120	80,219	86,270	83,851	151,204	151,204	151,204	112,584	87,667	70,873
<b>Total Capital Funding</b>	7	97,690	154,473	222,136	299,863	424,883	424,883	424,883	232,550	198,123	192,522

### Performance indicators for capital budget

The Capital budget has three areas:

- Own funding for Capital Expenditure budgeted at R112 million excluding VAT,
- Capital Expenditure funded from National Government budgeted at R119 million excluding VAT.

**Table 6: Table A6 Budgeted Financial Position****LIM476 Tubatse Fetakgomo - Table A6 Budgeted Financial Position**

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
R thousand												
Other non-current assets		–	–	–	–	–	–	–	–	–	–	–
<b>Total non current assets</b>		<b>2,354,816</b>	<b>2,435,917</b>	<b>2,494,480</b>	<b>2,345,554</b>	<b>2,854,651</b>	<b>2,854,651</b>	<b>2,854,651</b>	<b>2,643,489</b>	<b>2,754,228</b>	<b>2,855,434</b>	
<b>TOTAL ASSETS</b>		<b>2,763,424</b>	<b>2,755,647</b>	<b>2,814,575</b>	<b>2,721,541</b>	<b>3,205,495</b>	<b>3,205,495</b>	<b>3,205,495</b>	<b>2,982,823</b>	<b>3,207,556</b>	<b>3,364,874</b>	
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft		–	–	–	–	–	–	–	–	–	–	
Financial liabilities		1,006	36,089	1,006	35,083	(8,994)	(8,994)	(8,994)	1,006	1,006	1,006	
Consumer deposits		22,493	34,844	15,666	32,647	15,666	15,666	15,666	15,666	15,666	15,666	
Trade and other payables from exchange transactions	4	72,011	62,327	46,984	112,458	157,392	157,392	157,392	46,984	46,984	46,984	
Trade and other payables from non-exchange transactions	5	77,214	14,820	69,658	7,212	71,316	71,316	71,316	71,316	71,316	71,316	
Provision		6,638	6,638	4,363	4,363	4,363	4,363	4,363	4,363	4,363	4,363	
VAT		9,369	10,050	8,957	4,089	11,837	11,837	11,837	8,957	8,957	8,957	
Other current liabilities		14,670	18,650	16,182	3,981	16,182	16,182	(16,182)	16,182	16,182	16,182	
<b>Total current liabilities</b>		<b>203,400</b>	<b>183,419</b>	<b>162,816</b>	<b>199,833</b>	<b>267,762</b>	<b>267,762</b>	<b>235,398</b>	<b>164,474</b>	<b>164,474</b>	<b>164,474</b>	
<b>Non current liabilities</b>												
Financial liabilities	6	(1,006)	(66,519)	(1,006)	101,900	98,994	98,994	98,994	(1,006)	(1,006)	(1,006)	
Provision	7	–	242	9,126	242	9,126	9,126	9,126	9,126	9,126	9,126	
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–	
Other non-current liabilities		5,836	5,836	5,836	–	5,836	5,836	5,836	5,836	5,836	5,836	
<b>Total non current liabilities</b>		<b>4,830</b>	<b>(60,442)</b>	<b>13,956</b>	<b>102,142</b>	<b>113,956</b>	<b>113,956</b>	<b>113,956</b>	<b>13,956</b>	<b>13,956</b>	<b>13,956</b>	
<b>TOTAL LIABILITIES</b>		<b>208,230</b>	<b>122,978</b>	<b>176,771</b>	<b>301,975</b>	<b>381,717</b>	<b>381,717</b>	<b>349,354</b>	<b>178,429</b>	<b>178,429</b>	<b>178,429</b>	
<b>NET ASSETS</b>		<b>2,555,194</b>	<b>2,632,670</b>	<b>2,637,804</b>	<b>2,419,566</b>	<b>2,823,778</b>	<b>2,823,778</b>	<b>2,856,141</b>	<b>2,804,394</b>	<b>3,029,127</b>	<b>3,186,445</b>	
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated surplus/(deficit)	8	2,554,263	2,632,737	2,637,288	2,419,566	2,823,778	2,823,778	2,823,778	2,804,394	3,029,127	3,186,445	
Reserves and funds	9	–	–	–	–	–	–	–	–	–	–	
Other		–	–	–	–	–	–	–	–	–	–	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>2,554,263</b>	<b>2,632,737</b>	<b>2,637,288</b>	<b>2,419,566</b>	<b>2,823,778</b>	<b>2,823,778</b>	<b>2,823,778</b>	<b>2,804,394</b>	<b>3,029,127</b>	<b>3,186,445</b>	

The total net assets projected for the 2024/2025 financial year amounts to R2,1 billion.

**Table 7: Table A7 Budgeted Cash Flows**

LIM476 Tubatse Fetakgomo - Table A7 Budgeted Cash Flows											
Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	73,674	71,403	88,950	118,450	118,450	118,450	154,060	205,384	168,399
Service charges		-	15,149	12,137	15,544	22,260	22,260	22,260	35,429	37,059	38,726
Other revenue		-	19,508	58,863	224,585	174,822	174,822	174,822	154,737	154,133	159,175
Transfers and Subsidies - Operational	1	-	502,361	528,419	593,619	593,619	593,619	593,619	626,886	620,684	600,708
Transfers and Subsidies - Capital	1	-	105,468	199,759	148,414	219,730	219,730	219,730	137,961	127,025	139,896
Interest		-	8,372	13,418	9,095	8,708	8,708	8,708	9,134	9,555	9,984
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(6,920)	(556,579)	(459,995)	(698,299)	(847,243)	(847,243)	(847,243)	(865,481)	(848,482)	(873,024)
Interest		-	-	-	(4,000)	5,401	5,401	5,401	(1,500)	(1,569)	(1,640)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(6,920)</b>	<b>167,954</b>	<b>424,003</b>	<b>377,907</b>	<b>295,746</b>	<b>295,746</b>	<b>295,746</b>	<b>251,227</b>	<b>303,788</b>	<b>242,226</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		-	(156,876)	(230,257)	(299,863)	(446,153)	(446,153)	(446,153)	(232,550)	(198,123)	(192,522)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>(156,876)</b>	<b>(230,257)</b>	<b>(299,863)</b>	<b>(446,153)</b>	<b>(446,153)</b>	<b>(446,153)</b>	<b>(232,550)</b>	<b>(198,123)</b>	<b>(192,522)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	100,000	100,000	100,000	100,000	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	35,083	-	(10,000)	(10,000)	(10,000)	(10,000)	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>35,083</b>	<b>-</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(6,920)</b>	<b>46,162</b>	<b>193,746</b>	<b>168,044</b>	<b>(60,407)</b>	<b>(60,407)</b>	<b>(60,407)</b>	<b>18,677</b>	<b>105,665</b>	<b>49,704</b>
Cash/cash equivalents at the year begin:	2	-	526,259	186,220	15,216	218,063	218,063	218,063	218,063	236,741	342,406
Cash/cash equivalents at the year end:	2	<b>(6,920)</b>	<b>572,421</b>	<b>379,967</b>	<b>183,260</b>	<b>157,656</b>	<b>157,656</b>	<b>157,656</b>	<b>236,741</b>	<b>342,406</b>	<b>392,110</b>

The cash and cash equivalents at the projected at the end of the period shows a favourable bank balance of R 236 million.

**Table 8: Table A8 Cash Backed reserves/accumulated surplus reconciliation.**

LIM476 Tubatse Fetakgomo - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(6,920)	572,421	379,967	183,260	157,656	157,656	157,656	236,741	342,406	392,110
Other current investments > 90 days		533,182	(159,043)	(161,903)	(0)	56,930	56,930	56,930	25,079	99,556	126,970
Non current investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>526,262</b>	<b>413,377</b>	<b>218,063</b>	<b>183,260</b>	<b>214,586</b>	<b>214,586</b>	<b>214,586</b>	<b>261,820</b>	<b>441,962</b>	<b>519,079</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		77,214	14,820	73,471	7,212	71,316	71,316	71,316	71,316	71,316	71,316
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(32,211)	(45,107)	(30,930)	(12,251)	6,570	6,570	6,570	(597)	25,245	50,357
Other working capital requirements	3	72,011	62,327	46,984	112,458	157,392	157,392	157,392	46,984	46,984	46,984
Other provisions		21,307	25,288	20,545	8,344	20,545	20,545	20,545	20,545	20,545	20,545
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>138,321</b>	<b>57,329</b>	<b>110,970</b>	<b>115,763</b>	<b>255,823</b>	<b>255,823</b>	<b>255,823</b>	<b>138,247</b>	<b>164,090</b>	<b>189,201</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>387,941</b>	<b>356,048</b>	<b>107,993</b>	<b>67,497</b>	<b>(41,237)</b>	<b>(41,237)</b>	<b>(41,237)</b>	<b>123,573</b>	<b>277,873</b>	<b>329,878</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>387,941</b>	<b>356,048</b>	<b>107,993</b>	<b>67,497</b>	<b>(41,237)</b>	<b>(41,237)</b>	<b>(41,237)</b>	<b>123,573</b>	<b>277,873</b>	<b>329,878</b>

### **1.10. Annual Budget Tables-Parent Municipality**

The following pages presents the main budget tables as required in terms of section 8 of the municipal budget and reporting regulations. These tables set out the municipality's 2024/25 budget and MTREF as approved by Council. Each table is accompanied by explanatory note on the next page.

## **Annual Budget Tables**



LIM476 Tubatse Fetakgomo - Table A1 Budget Summary										
A	B	C	D	E	F	G	H	I	J	K
Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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	Budget Year +1	Budget Year +2
<b>Financial Performance</b>										
Property rates	109,904	104,316	122,770	153,960	190,835	190,835	190,835	200,186	209,394	218,817
Service charges	22,881	21,118	22,761	19,200	27,595	27,595	27,595	28,947	30,279	31,641
Investment revenue	7,099	9,395	13,932	9,095	11,215	11,215	11,215	11,764	12,306	12,859
Transfer and subsidies - Operational	560,832	482,586	545,664	593,619	593,619	593,619	593,619	626,886	620,684	600,708
Other own revenue	80,015	28,831	46,752	139,548	99,186	99,186	99,186	153,441	158,244	165,365
<b>Total Revenue (excluding capital transfers and contributions)</b>	780,731	646,845	751,879	915,422	922,450	922,450	922,450	1,021,225	1,030,907	1,029,391
Employee costs	193,672	199,011	214,788	248,622	248,622	248,622	248,622	271,246	285,849	301,816
Remuneration of councillors	33,603	35,670	38,574	39,792	42,436	42,436	42,436	44,940	47,457	50,067
Depreciation and amortisation	137,533	87,592	75,076	96,524	81,634	81,634	81,634	83,541	87,384	91,316
Interest	4,944	5,304	4,145	4,000	4,000	4,000	4,000	1,500	1,569	1,640
Inventory consumed and bulk purchases	4,147	2,172	5,938	5,269	4,819	4,819	4,819	5,300	5,544	5,794
Transfers and subsidies	848	1,311	944	-	-	-	-	-	-	-
Other expenditure	337,593	381,597	491,740	443,888	574,695	574,695	574,695	586,069	553,641	561,336
<b>Total Expenditure</b>	712,340	712,658	831,206	838,096	956,206	956,206	956,206	992,595	981,443	1,011,969
<b>Surplus/(Deficit)</b>	68,391	(65,813)	(79,327)	77,326	(33,757)	(33,757)	(33,757)	28,629	49,463	17,422
Transfers and subsidies - capital (monetary)	81,055	137,659	143,425	148,414	219,730	219,730	219,730	137,961	127,025	139,896
Transfers and subsidies - capital (in-kind)	19,621	83	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	169,067	71,928	64,099	225,740	185,974	185,974	185,974	166,590	176,489	157,318
Share of Surplus/Deficit attributable to	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	169,067	71,928	64,099	225,740	185,974	185,974	185,974	166,590	176,489	157,318
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	97,690	155,218	224,390	299,863	441,805	441,805	441,805	232,550	198,123	192,522
Transfers recognised - capital	73,570	74,254	135,867	129,056	186,722	186,722	186,722	119,966	110,457	121,649
Borrowing	-	-	-	86,957	86,957	86,957	86,957	-	-	-
Internally generated funds	24,120	80,219	86,270	83,851	151,204	151,204	151,204	112,584	87,667	70,873
<b>Total sources of capital funds</b>	97,690	154,473	222,136	299,863	424,883	424,883	424,883	232,550	198,123	192,522
<b>Financial position</b>										
Investments	-	-	-	-	-	-	-	-	-	-
LIABILITIES	-	-	-	-	-	-	-	-	-	-
Financial liabilities	(1,006)	(66,519)	(1,006)	101,900	98,994	98,994	98,994	(1,006)	(1,006)	(1,006)
NET ASSETS	2,555,194	2,632,670	2,637,804	2,419,566	2,823,778	2,823,778	2,856,141	2,804,394	3,029,127	3,186,445
Community wealth/Equity	-	-	-	-	-	-	-	-	-	-
<b>Cash flows</b>										
Net cash from (used) operating	(6,320)	167,954	424,003	377,907	295,746	295,746	295,746	251,227	303,788	242,226
Net cash from (used) investing	-	(156,876)	(230,257)	(299,863)	(446,153)	(446,153)	(446,153)	(232,550)	(198,123)	(192,522)
Net cash from (used) financing	-	35,083	-	90,000	90,000	90,000	90,000	-	-	-
<b>Cash/cash equivalents at the year end</b>	(6,320)	572,421	379,967	183,260	157,656	157,656	157,656	236,741	342,406	392,110
<b>Cash backing/surplus reconciliation</b>										
Non current Investments	77,214	14,820	73,471	7,212	71,316	71,316	71,316	71,316	71,316	71,316
Statutory requirements	387,941	356,048	107,993	67,497	(41,237)	(41,237)	(41,237)	123,573	277,873	329,878
<b>Balance - surplus (shortfall)</b>	(310,727)	(341,228)	(34,522)	(60,285)	112,553	112,553	112,553	(52,257)	(206,566)	(258,562)
<b>Asset management</b>										
Asset register summary (w/DV)	2,314,841	2,474,801	2,389,522	2,270,946	2,552,669	2,552,669		2,362,568	2,295,360	2,215,039
Depreciation	102,177	86,309	75,580	96,524	81,634	81,634		83,541	87,384	91,316
Renewal and Upgrading of Existing Assets	818,897	(8,595)	31,212	78,647	132,065	132,065		43,497	47,535	47,291
Repairs and Maintenance	30,461	50,520	51,405	42,799	58,484	58,484		71,251	74,529	77,911

### Explanatory notes to MBRR table A1-Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessments of the financial performance, financial

*position and cash flow budgets, along with the capital budget. The budget summary provides the key information in this regard;*

- a. The operating surplus/deficit (after total expenditure) is positive over the MTREF*
  - b. Capital expenditure is balanced by capital by capital funding sources, of which*
    - i. Transfers recognised is reflected on the financial performance budget*
    - ii. Borrowing is incorporated in the net cash from financing on the cash flow budget*
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash backed surplus from previous years. The amount is incorporated in the net cash from investing on the cash flow budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital budget.*
- 4. Municipality continue to cater for free basic services to the indigent residents. In addition, the municipality continues to make progress in addressing service delivery backlogs.*

LIM476 Tubatse Fetakgomo - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	<b>1</b>									
Road transport		-	10,656	149,138	153,314	224,630	224,630	143,426	132,237	145,567
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>29,254</b>	<b>29,194</b>	<b>27,981</b>	<b>25,686</b>	<b>34,081</b>	<b>34,081</b>	<b>35,751</b>	<b>37,396</b>	<b>39,079</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		29,254	29,194	27,981	25,686	34,081	34,081	35,751	37,396	39,079
<i>Other</i>	<i>4</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>881,408</b>	<b>784,586</b>	<b>895,304</b>	<b>1,063,836</b>	<b>1,142,180</b>	<b>1,142,180</b>	<b>1,159,185</b>	<b>1,157,932</b>	<b>1,169,287</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>592,637</b>	<b>550,102</b>	<b>551,220</b>	<b>475,707</b>	<b>579,595</b>	<b>579,595</b>	<b>573,380</b>	<b>584,404</b>	<b>610,113</b>
Executive and council		101,281	140,363	155,589	188,857	236,934	236,934	164,845	162,589	170,074
Finance and administration		491,355	409,739	395,631	286,851	342,661	342,661	408,535	421,816	440,039
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>11,757</b>	<b>52,183</b>	<b>82,371</b>	<b>81,702</b>	<b>104,717</b>	<b>104,717</b>	<b>124,423</b>	<b>124,193</b>	<b>130,788</b>
Community and social services		11,757	10,320	41,331	28,688	55,137	55,137	68,073	67,691	71,278
Sport and recreation		-	-	-	1,194	1,194	1,194	1,253	1,311	1,370
Public safety		-	41,862	41,040	51,819	48,385	48,385	55,097	55,192	58,140
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>86,682</b>	<b>74,756</b>	<b>161,879</b>	<b>221,625</b>	<b>214,123</b>	<b>214,123</b>	<b>245,395</b>	<b>221,364</b>	<b>217,244</b>
Planning and development		8,968	16,260	26,994	59,425	52,241	52,241	75,250	54,749	42,659
Road transport		77,714	58,496	134,885	162,200	161,882	161,882	170,145	166,615	174,586
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>21,677</b>	<b>35,685</b>	<b>35,737</b>	<b>59,062</b>	<b>57,772</b>	<b>57,772</b>	<b>49,397</b>	<b>51,482</b>	<b>53,824</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	747	747	747	-	-	-
Waste management		21,677	35,685	35,737	58,314	57,024	57,024	49,397	51,482	53,824
<i>Other</i>	<i>4</i>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>712,753</b>	<b>712,726</b>	<b>831,206</b>	<b>838,096</b>	<b>956,206</b>	<b>956,206</b>	<b>992,595</b>	<b>981,443</b>	<b>1,011,969</b>
<b>Surplus/(Deficit) for the year</b>		<b>168,655</b>	<b>71,860</b>	<b>64,099</b>	<b>225,740</b>	<b>185,974</b>	<b>185,974</b>	<b>166,590</b>	<b>176,489</b>	<b>157,318</b>

LIM476 Tubatse Fetakgomo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>	1									
Vote 1 - Admin and Corporate Support		881,027	760,183	730,425	892,362	898,546	898,546	995,819	1,004,837	1,001,924
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Finance Services Administration		-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		-	10,656	149,138	153,314	224,630	224,630	143,426	132,237	145,567
Vote 5 - Community Services		84	13,188	14,672	17,060	17,814	17,814	18,687	19,546	20,426
Vote 6 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 7 - Development and Planning		297	559	1,069	1,100	1,190	1,190	-	-	-
Vote 8 - Local Economic Development and Tourism		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>881,408</b>	<b>784,586</b>	<b>895,304</b>	<b>1,063,836</b>	<b>1,142,180</b>	<b>1,142,180</b>	<b>1,157,932</b>	<b>1,156,620</b>	<b>1,167,916</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Admin and Corporate Support		618,325	590,504	581,295	523,393	622,949	622,949	567,024	576,064	602,334
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Finance Services Administration		-	-	-	-	4,300	4,300	46,324	43,389	44,296
Vote 4 - Technical Services		77,714	58,496	134,885	162,200	161,882	161,882	170,145	166,615	174,586
Vote 5 - Community Services		7,746	50,595	45,000	61,024	56,520	56,520	63,069	62,313	65,621
Vote 6 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 7 - Development and Planning		8,968	13,143	14,395	30,040	25,854	25,854	-	-	-
Vote 8 - Local Economic Development and Tourism		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>712,753</b>	<b>712,738</b>	<b>775,575</b>	<b>776,658</b>	<b>871,504</b>	<b>871,504</b>	<b>846,563</b>	<b>848,381</b>	<b>886,837</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>168,655</b>	<b>71,848</b>	<b>119,730</b>	<b>287,178</b>	<b>270,676</b>	<b>270,676</b>	<b>311,369</b>	<b>308,239</b>	<b>281,079</b>

LIM476 Tubatse Fetakgomo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	22,881	21,118	22,761	19,200	27,595	27,595	27,595	28,947	30,279	31,641
Sale of Goods and Rendering of Services		756	775	1,260	101,420	51,589	51,589	51,589	103,502	106,008	110,779
Agency services		4,544	6,075	7,229	7,450	7,450	7,450	7,450	7,815	8,175	8,542
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6,211	3,727	4,799	6,179	6,179	6,179	6,179	6,482	6,780	7,085
Interest earned from Current and Non Current Assets		7,099	9,395	13,932	9,095	11,215	11,215	11,215	11,764	12,306	12,859
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		248	439	420	307	307	307	307	322	337	352
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		16,198	1	10,963	2,020	2,020	2,020	2,020	2,128	2,226	2,326
<b>Non-Exchange Revenue</b>											
Property rates	2	109,904	104,916	122,770	153,960	190,835	190,835	190,835	200,186	209,394	218,817
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		629	1,061	1,595	3,420	3,445	3,445	3,445	3,613	3,780	3,950
Licences or permits		4,856	5,976	5,787	6,752	6,796	6,796	6,796	7,129	7,456	7,792
Transfer and subsidies - Operational		560,832	482,586	545,664	593,619	593,619	593,619	593,619	626,886	620,684	600,708
Interest		14,516	10,745	14,482	12,000	21,401	21,401	21,401	22,449	23,482	24,539
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		10,179	34	11	-	-	-	-	-	-	-
Other Gains		21,878	-	204	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contri</b>		<b>780,731</b>	<b>646,845</b>	<b>751,879</b>	<b>915,422</b>	<b>922,450</b>	<b>922,450</b>	<b>922,450</b>	<b>1,021,225</b>	<b>1,030,907</b>	<b>1,029,391</b>
<b>Total Revenue (excluding capital transfers and contri</b>		<b>780,731</b>	<b>646,845</b>	<b>751,879</b>	<b>915,422</b>	<b>922,450</b>	<b>922,450</b>	<b>922,450</b>	<b>1,021,225</b>	<b>1,030,907</b>	<b>1,029,391</b>
<b>Expenditure</b>											
Employee related costs	2	193,672	199,011	214,788	248,622	248,622	248,622	248,622	271,246	285,849	301,816
Remuneration of councillors		33,603	35,670	38,574	39,792	42,436	42,436	42,436	44,940	47,457	50,067
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	4,147	2,172	5,938	5,269	4,819	4,819	4,819	5,300	5,544	5,794
Debt impairment	3	-	-	-	40,000	40,000	40,000	40,000	40,000	41,840	43,723
Depreciation and amortisation		137,533	87,592	75,076	96,524	81,634	81,634	81,634	83,541	87,364	91,316
Interest		4,944	5,304	4,145	4,000	4,000	4,000	4,000	1,500	1,569	1,640
Contracted services		171,666	243,183	305,190	281,695	384,255	384,255	384,255	397,001	357,548	357,130
Transfers and subsidies		848	1,311	944	-	-	-	-	-	-	-
Irrecoverable debts written off		77,120	23,596	64,048	-	1,700	1,700	1,700	2,073	2,169	2,266
Operational costs		73,082	114,267	116,100	122,194	148,740	148,740	148,740	146,994	152,084	158,217
Losses on disposal of Assets		15,725	552	6,276	-	-	-	-	-	-	-
Other Losses		-	-	127	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>712,340</b>	<b>712,658</b>	<b>831,206</b>	<b>838,096</b>	<b>956,206</b>	<b>956,206</b>	<b>956,206</b>	<b>992,595</b>	<b>981,443</b>	<b>1,011,969</b>
<b>Surplus/(Deficit)</b>		<b>68,391</b>	<b>(65,813)</b>	<b>(79,327)</b>	<b>77,326</b>	<b>(33,757)</b>	<b>(33,757)</b>	<b>(33,757)</b>	<b>28,629</b>	<b>49,463</b>	<b>17,422</b>
Transfers and subsidies - capital (monetary allocations)	6	81,055	137,659	143,425	148,414	219,730	219,730	219,730	137,961	127,025	139,896
Transfers and subsidies - capital (in-kind)	6	19,621	83	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>169,067</b>	<b>71,928</b>	<b>64,099</b>	<b>225,740</b>	<b>185,974</b>	<b>185,974</b>	<b>185,974</b>	<b>166,590</b>	<b>176,489</b>	<b>157,318</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>169,067</b>	<b>71,928</b>	<b>64,099</b>	<b>225,740</b>	<b>185,974</b>	<b>185,974</b>	<b>185,974</b>	<b>166,590</b>	<b>176,489</b>	<b>157,318</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>169,067</b>	<b>71,928</b>	<b>64,099</b>	<b>225,740</b>	<b>185,974</b>	<b>185,974</b>	<b>185,974</b>	<b>166,590</b>	<b>176,489</b>	<b>157,318</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>169,067</b>	<b>71,928</b>	<b>64,099</b>	<b>225,740</b>	<b>185,974</b>	<b>185,974</b>	<b>185,974</b>	<b>166,590</b>	<b>176,489</b>	<b>157,318</b>

LIM476 Tubatse Fetakgomo - Table A6 Budgeted Financial Position

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		526,262	413,377	218,063	183,260	214,586	214,586	214,586	261,820	441,962	519,079
Trade and other receivables from exchange transactions	1	41,493	53,256	19,728	130,690	28,204	28,204	28,204	16,756	13,228	9,542
Receivables from non-exchange transactions	1	(202,825)	(206,683)	37,548	42,941	97,467	97,467	97,467	46,335	9,555	17,348
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	1,044	3,147	3,176	2,103	3,626	3,626	3,626	3,176	3,176	3,176
VAT		41,580	55,157	39,887	16,340	5,267	5,267	5,267	9,554	(16,288)	(41,399)
Other current assets		1,053	1,477	1,693	654	1,693	1,693	1,693	1,693	1,693	1,693
<b>Total current assets</b>		<b>408,608</b>	<b>319,731</b>	<b>320,096</b>	<b>375,987</b>	<b>350,844</b>	<b>350,844</b>	<b>350,844</b>	<b>339,334</b>	<b>453,327</b>	<b>509,440</b>
<b>Non current assets</b>											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		58,250	60,150	60,800	60,150	60,800	60,800	60,800	60,800	60,800	60,800
Property, plant and equipment	3	2,074,928	2,154,762	2,432,175	2,063,104	2,791,738	2,791,738	2,791,738	2,580,575	2,691,315	2,792,520
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		220,673	220,673	1,068	220,662	1,068	1,068	1,068	1,068	1,068	1,068
Intangible assets		965	332	437	1,639	1,045	1,045	1,045	1,045	1,045	1,045
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>2,354,816</b>	<b>2,435,917</b>	<b>2,494,480</b>	<b>2,345,554</b>	<b>2,854,651</b>	<b>2,854,651</b>	<b>2,854,651</b>	<b>2,643,489</b>	<b>2,754,228</b>	<b>2,855,434</b>
<b>TOTAL ASSETS</b>		<b>2,763,424</b>	<b>2,755,647</b>	<b>2,814,575</b>	<b>2,721,541</b>	<b>3,205,495</b>	<b>3,205,495</b>	<b>3,205,495</b>	<b>2,982,823</b>	<b>3,207,556</b>	<b>3,364,874</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		1,006	36,089	1,006	35,083	(8,994)	(8,994)	(8,994)	1,006	1,006	1,006
Consumer deposits		22,493	34,844	15,666	32,647	15,666	15,666	15,666	15,666	15,666	15,666
Trade and other payables from exchange transactions	4	72,011	62,327	46,984	112,458	157,392	157,392	157,392	46,984	46,984	46,984
Trade and other payables from non-exchange transactions	5	77,214	14,820	69,658	7,212	71,316	71,316	71,316	71,316	71,316	71,316
Provision		6,638	6,638	4,363	4,363	4,363	4,363	4,363	4,363	4,363	4,363
VAT		9,369	10,050	8,957	4,089	11,837	11,837	11,837	8,957	8,957	8,957
Other current liabilities		14,670	18,650	16,182	3,981	16,182	16,182	(16,182)	16,182	16,182	16,182
<b>Total current liabilities</b>		<b>203,400</b>	<b>183,419</b>	<b>162,816</b>	<b>199,833</b>	<b>267,762</b>	<b>267,762</b>	<b>235,398</b>	<b>164,474</b>	<b>164,474</b>	<b>164,474</b>
<b>Non current liabilities</b>											
Financial liabilities	6	(1,006)	(66,519)	(1,006)	101,900	98,994	98,994	98,994	(1,006)	(1,006)	(1,006)
Provision	7	-	242	9,126	242	9,126	9,126	9,126	9,126	9,126	9,126
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		5,836	5,836	5,836	-	5,836	5,836	5,836	5,836	5,836	5,836
<b>Total non current liabilities</b>		<b>4,830</b>	<b>(60,442)</b>	<b>13,956</b>	<b>102,142</b>	<b>113,956</b>	<b>113,956</b>	<b>113,956</b>	<b>13,956</b>	<b>13,956</b>	<b>13,956</b>
<b>TOTAL LIABILITIES</b>		<b>208,230</b>	<b>122,977</b>	<b>176,771</b>	<b>301,975</b>	<b>381,717</b>	<b>381,717</b>	<b>349,354</b>	<b>178,429</b>	<b>178,429</b>	<b>178,429</b>
<b>NET ASSETS</b>		<b>2,555,194</b>	<b>2,632,670</b>	<b>2,637,804</b>	<b>2,419,566</b>	<b>2,823,778</b>	<b>2,823,778</b>	<b>2,856,141</b>	<b>2,804,394</b>	<b>3,029,127</b>	<b>3,186,445</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	2,554,253	2,632,737	2,637,288	2,419,566	2,823,778	2,823,778	2,823,778	2,804,394	3,029,127	3,186,445
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>2,554,253</b>	<b>2,632,737</b>	<b>2,637,288</b>	<b>2,419,566</b>	<b>2,823,778</b>	<b>2,823,778</b>	<b>2,823,778</b>	<b>2,804,394</b>	<b>3,029,127</b>	<b>3,186,445</b>

LIM476 Tubatse Fetakgomo - Table A7 Budgeted Cash Flows											
Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		–	73,674	71,403	88,950	118,450	118,450	118,450	154,060	205,384	168,399
Service charges		–	15,149	12,137	15,544	22,260	22,260	22,260	35,429	37,059	38,726
Other revenue		–	19,508	58,863	224,585	174,822	174,822	174,822	154,737	154,133	159,175
Transfers and Subsidies - Operational	1	–	502,361	528,419	593,619	593,619	593,619	593,619	626,886	620,684	600,708
Transfers and Subsidies - Capital	1	–	105,468	199,759	148,414	219,730	219,730	219,730	137,961	127,025	139,896
Interest		–	8,372	13,418	9,095	8,708	8,708	8,708	9,134	9,555	9,984
Dividends		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Suppliers and employees		(6,920)	(556,579)	(459,995)	(698,299)	(847,243)	(847,243)	(847,243)	(865,481)	(848,482)	(873,024)
Interest		–	–	–	(4,000)	5,401	5,401	5,401	(1,500)	(1,569)	(1,640)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(6,920)</b>	<b>167,954</b>	<b>424,003</b>	<b>377,907</b>	<b>295,746</b>	<b>295,746</b>	<b>295,746</b>	<b>251,227</b>	<b>303,788</b>	<b>242,226</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Capital assets		–	(156,876)	(230,257)	(299,863)	(446,153)	(446,153)	(446,153)	(232,550)	(198,123)	(192,522)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>–</b>	<b>(156,876)</b>	<b>(230,257)</b>	<b>(299,863)</b>	<b>(446,153)</b>	<b>(446,153)</b>	<b>(446,153)</b>	<b>(232,550)</b>	<b>(198,123)</b>	<b>(192,522)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		–	–	–	100,000	100,000	100,000	100,000	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
<b>Payments</b>											
Repayment of borrowing		–	35,083	–	(10,000)	(10,000)	(10,000)	(10,000)	–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>35,083</b>	<b>–</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(6,920)</b>	<b>46,162</b>	<b>193,746</b>	<b>168,044</b>	<b>(60,407)</b>	<b>(60,407)</b>	<b>(60,407)</b>	<b>18,677</b>	<b>105,665</b>	<b>49,704</b>
Cash/cash equivalents at the year begin:	2	–	526,259	186,220	15,216	218,063	218,063	218,063	218,063	236,741	342,406
Cash/cash equivalents at the year end:	2	<b>(6,920)</b>	<b>572,421</b>	<b>379,967</b>	<b>183,260</b>	<b>157,656</b>	<b>157,656</b>	<b>157,656</b>	<b>236,741</b>	<b>342,406</b>	<b>392,110</b>

LIM476 Tubatse Fetakgomo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(6,920)	572,421	379,967	183,260	157,656	157,656	157,656	236,741	342,406	392,110
Other current investments > 90 days		533,182	(159,043)	(161,903)	(0)	56,930	56,930	56,930	25,079	99,556	126,970
Non-current Investments	1	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>526,262</b>	<b>413,377</b>	<b>218,063</b>	<b>183,260</b>	<b>214,586</b>	<b>214,586</b>	<b>214,586</b>	<b>261,820</b>	<b>441,962</b>	<b>519,079</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		77,214	14,820	73,471	7,212	71,316	71,316	71,316	71,316	71,316	71,316
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	(32,211)	(45,107)	(30,930)	(12,251)	6,570	6,570	6,570	(597)	25,245	50,357
Other working capital requirements	3	72,011	62,327	46,984	112,458	157,392	157,392	157,392	46,984	46,984	46,984
Other provisions		21,307	25,288	20,545	8,344	20,545	20,545	20,545	20,545	20,545	20,545
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>138,321</b>	<b>57,329</b>	<b>110,070</b>	<b>115,763</b>	<b>255,823</b>	<b>255,823</b>	<b>255,823</b>	<b>138,247</b>	<b>164,090</b>	<b>189,201</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>387,941</b>	<b>356,048</b>	<b>107,993</b>	<b>67,497</b>	<b>(41,237)</b>	<b>(41,237)</b>	<b>(41,237)</b>	<b>123,573</b>	<b>277,873</b>	<b>329,878</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>387,941</b>	<b>356,048</b>	<b>107,993</b>	<b>67,497</b>	<b>(41,237)</b>	<b>(41,237)</b>	<b>(41,237)</b>	<b>123,573</b>	<b>277,873</b>	<b>329,878</b>





## ***Part 2: Supporting documents***

## ***2.1 Overview of the annual budget process***

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the 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 of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities as set out in section 53 of the Act.

Section 21(1)(b) of the Municipal Finance Management Act (MFMA) (no. 56 of 2003) generally echoes Section 28(1) of the Municipal Systems Act (MSA) (no. 32 of 2000) by prescribing that the Mayor of the Municipality must at least 10 months before the commencement of the financial year, table in the Council a time schedule outlining key deadlines for the preparations, tabling and approval of the annual budget and also the review of the Integrated Development Plan.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the 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;
- There is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of 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.

LIM476 Tubatse Fetakgomo - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
<b>REVENUE ITEMS:</b>											
<b>Non-exchange revenue by source</b>											
<b>Exchange Revenue</b>											
Total Property Rates	6	123,955	108,332	126,785	157,560	195,685	195,685	195,685	205,274	214,717	224,379
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		14,050	3,416	4,014	3,600	4,850	4,850	4,850	5,088	5,322	5,562
<b>Net Property Rates</b>		<b>109,904</b>	<b>104,916</b>	<b>122,770</b>	<b>153,960</b>	<b>190,835</b>	<b>190,835</b>	<b>190,835</b>	<b>200,186</b>	<b>209,394</b>	<b>218,817</b>

<b>Service charges - Waste Management</b>											
Total refuse removal revenue	6	22,881	21,120	22,761	19,200	27,595	27,595	27,595	28,947	30,279	31,641
Total landfill revenue											
Less Revenue Foregone (in excess of one removal a week to indigent households)			2								
Less Cost of Free Basis Services (removed once a week to indigent households)											
<b>Net Service charges - Waste Management</b>		<b>22,881</b>	<b>21,118</b>	<b>22,761</b>	<b>19,200</b>	<b>27,595</b>	<b>27,595</b>	<b>27,595</b>	<b>28,947</b>	<b>30,279</b>	<b>31,641</b>
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	114,752	116,797	125,573	142,606	137,872	137,872	137,872	151,210	159,091	168,086
Pension and UIF Contributions		22,414	22,320	23,350	29,668	28,026	28,026	28,026	31,006	32,742	34,543
Medical Aid Contributions		9,169	9,593	9,841	12,701	12,567	12,567	12,567	13,397	14,147	14,925
Overtime		4,342	7,132	8,358	7,751	9,678	9,678	9,678	10,249	10,823	11,418
Performance Bonus		8,774	8,954	8,376	13,210	13,470	13,470	13,470	14,857	15,689	16,561
Motor Vehicle Allowance		18,684	20,824	32,765	29,525	32,204	32,204	32,204	34,624	36,563	38,574
Cellphone Allowance		2,236	2,366	2,445	3,379	3,608	3,608	3,608	3,833	4,048	4,271
Housing Allowances		2,091	2,144	1,958	3,145	3,917	3,917	3,917	4,238	4,475	4,721
Other benefits and allowances		1,213	1,155	1,236	1,686	1,686	1,686	1,686	1,908	2,016	2,127
Payments in lieu of leave				265	682	682	682	682	722	763	805
Long service awards		1,145	1,415	1,760	2,228	2,458	2,458	2,458	2,603	2,749	2,900
Post-retirement benefit obligations	4	8,488	6,165	(2,066)	1,453	1,453	1,453	1,453	1,538	1,624	1,714
Entertainment		7	7	127	19	23	23	23	24	25	27
Scarcity											
Acting and post related allowance		523	167	799	517	926	926	926	981	1,036	1,093
In kind benefits		39	6		52	52	52	52	55	58	61
<b>sub-total</b>	<b>5</b>	<b>193,878</b>	<b>199,045</b>	<b>214,788</b>	<b>248,622</b>	<b>248,622</b>	<b>248,622</b>	<b>248,622</b>	<b>271,246</b>	<b>285,849</b>	<b>301,816</b>
Less: Employees costs capitalised to PPE		206	34								
<b>Total Employee related costs</b>	<b>1</b>	<b>193,672</b>	<b>199,011</b>	<b>214,788</b>	<b>248,622</b>	<b>248,622</b>	<b>248,622</b>	<b>248,622</b>	<b>271,246</b>	<b>285,849</b>	<b>301,816</b>
<b>Depreciation and amortisation</b>											
Depreciation of Property, Plant & Equipment		102,139	86,250	75,493	96,524	81,634	81,634	81,634	83,541	87,384	91,316
Lease amortisation		38	59	87							
Capital asset impairment		35,356	1,283	(504)							
<b>Total Depreciation and amortisation</b>	<b>1</b>	<b>137,533</b>	<b>87,592</b>	<b>75,076</b>	<b>96,524</b>	<b>81,634</b>	<b>81,634</b>	<b>81,634</b>	<b>83,541</b>	<b>87,384</b>	<b>91,316</b>



**LIM476 Tubatse Fetakgomo - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'**

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Trade and other receivables from exchange transactions</b>											
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste		1,843	92,010	59,691	104,930	72,386	72,386	72,386	58,118	56,472	54,752
Waste Water		-	-	-	-	-	-	-	-	-	-
Other trade receivables from exchange transactions		69,039	48,961	99,015	33,802	99,197	99,197	99,197	102,616	105,965	109,464
<b>Gross: Trade and other receivables from exchange transactions</b>		<b>70,882</b>	<b>140,970</b>	<b>158,706</b>	<b>138,732</b>	<b>171,583</b>	<b>171,583</b>	<b>171,583</b>	<b>160,734</b>	<b>162,437</b>	<b>164,216</b>
<b>Less: Impairment for debt</b>		<b>(29,389)</b>	<b>(67,714)</b>	<b>(138,978)</b>	<b>(8,042)</b>	<b>(143,378)</b>	<b>(143,378)</b>	<b>(143,378)</b>	<b>(143,978)</b>	<b>(149,208)</b>	<b>(154,674)</b>
Impairment for Electricity		-	-	-	-	-	-	-	-	-	-
Impairment for Water		-	-	-	-	-	-	-	-	-	-
Impairment for Waste		-	(49,561)	(43,111)	(53,962)	(47,511)	(47,511)	(47,511)	(48,111)	(53,341)	(58,806)
Impairment for Waste Water		10,838	(77,165)	(56,594)	7,835	(56,594)	(56,594)	(56,594)	(56,594)	(56,594)	(56,594)
Impairment for other trade receivables from exchange transactions		(40,227)	39,012	(39,274)	38,084	(39,274)	(39,274)	(39,274)	(39,274)	(39,274)	(39,274)
<b>Total net Trade and other receivables from Exchange Transactions</b>		<b>41,493</b>	<b>53,256</b>	<b>19,728</b>	<b>130,690</b>	<b>28,204</b>	<b>28,204</b>	<b>28,204</b>	<b>16,756</b>	<b>13,228</b>	<b>9,542</b>
<b>Receivables from non-exchange transactions</b>											
Property rates		234,329	232,481	236,860	305,714	116,692	116,692	116,692	68,537	72,135	122,121
Less: Impairment of Property rates		(210,906)	(212,390)	(199,812)	(35,600)	(19,700)	(19,700)	(19,700)	(19,100)	(55,710)	(93,968)
<b>Net Property rates</b>		<b>23,423</b>	<b>20,090</b>	<b>37,048</b>	<b>270,114</b>	<b>96,992</b>	<b>96,992</b>	<b>96,992</b>	<b>49,437</b>	<b>16,424</b>	<b>28,153</b>
Other receivables from non-exchange transactions		909	383	500	(16)	475	475	475	(3,102)	(6,869)	(10,805)
Impairment for other receivables from non-exchange transactions		(227,157)	(227,157)	-	(227,157)	-	-	-	-	-	-
<b>Net other receivables from non-exchange transactions</b>		<b>(226,248)</b>	<b>(226,774)</b>	<b>500</b>	<b>(227,173)</b>	<b>475</b>	<b>475</b>	<b>475</b>	<b>(3,102)</b>	<b>(6,869)</b>	<b>(10,805)</b>
<b>Total net Receivables from non-exchange transactions</b>		<b>(202,825)</b>	<b>(206,683)</b>	<b>37,548</b>	<b>42,941</b>	<b>97,467</b>	<b>97,467</b>	<b>97,467</b>	<b>46,335</b>	<b>9,555</b>	<b>17,348</b>

**.IM476 Tubatse Fetakgomo - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)**

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>												
Admin and co-operte Support				106,827	127,121	1,845	4,025	4,025	4,025	2,133	2,231	2,332
FINANCE				744,942	604,164	698,138	860,497	860,850	860,850	956,180	965,107	960,499
Community and public safety				88	13,204	14,693	17,072	17,825	17,825	18,699	19,559	20,439
Planning and Development				297	2,247	2,354	2,563	2,653	2,653	2,996	1,312	1,371
Road					10,656	149,138	153,314	224,630	224,630	143,426	132,327	145,567
Solid Waste				29,254	27,194	27,981	25,686	34,081	34,081	35,751	37,396	39,079
allocations to other priorities			2									
<b>Total Revenue (excluding capital transfers and contributions)</b>			1	<b>881,408</b>	<b>784,586</b>	<b>894,149</b>	<b>1,063,157</b>	<b>1,144,064</b>	<b>1,144,064</b>	<b>1,159,185</b>	<b>1,157,932</b>	<b>1,169,287</b>

### **2.3 Overview of budget assumptions**

An advice from National Treasury circular 58 and 59 was taken into account in preparing the budget. The municipalities revenues will continue to be under pressure owing to a general decline in the world and domestic economy which has put economic pressures on the household and therefore advises municipalities to use a conservative approach when making revenue estimates. The COVID 19 pandemic in this regard also informs the deteriorating economy.

Municipalities must pay special attention to controlling unnecessary spending on nice-to-have items and non-essential activities. The following examples of non-priority expenditure have been observed, and need to be eliminated:

- excessive sponsorship of music festivals, beauty pageants and sporting events, including the purchase of tickets to events for councillors and/or officials;
- public relations projects and activities that are not centred on actual service delivery or are not a municipal function (e.g. celebrations; gala dinners; commemorations, advertising and voter education);
- LED projects that serve the narrow interests of only a small number of beneficiaries or fall within the mandates of other government departments such as the Department of Agriculture;
- excessive catering for meetings and other events, including the use of public funds to buy alcoholic beverages;
- arranging workshops and events at expensive private venues, especially ones outside the municipality (as opposed to using the municipality's own venues);
- excessive printing costs (instead of maximising the use of the municipality's website, including providing facilities for the public to access the website);
- excessive luxurious office accommodation and office furnishings;
- foreign travel by mayors, councillors and officials, particularly 'study tours';
- excessive councillor and staff perks such as luxurious mayoral cars and houses, notebooks, IPADS and cell-phone allowances; travel and subsistence allowances.

- excessive staff in the office of the mayor – particularly the appointment of political ‘advisors’ and ‘spokespersons’;
- ✓ all donations to individuals that are not made in terms of the municipality’s indigent policy or a bursary scheme; for instance donations to cover funeral costs (other than pauper burials which is a district municipality function);
- ✓ costs associated with long-standing staff suspensions and the legal costs associated with not following due process when suspending or dismissing staff, as well as payment of severance packages or ‘golden handshakes’; and
- ✓ the use of consultants to perform routine management tasks, and the payment of excessive fees to consultants.

### **Principles guiding the budget process**

- ✓ Ensuring that expenditure is aligned to revenue and that the municipality has sufficient cash to finance the expenditure.
- ✓ Ensure that the municipality avoids borrowings due to the dependence on grant revenue
- ✓ Ensure that the municipality maintains sufficient reserves for rainy days and capital expansion.
- ✓ Ensure that the budget respond to priorities enlisted in the IDP.
- ✓ Review of all programmes and cost centres to minimise wastage.
- ✓ Reprioritisation of expenditure programmes to curb the growing personnel and operating expenditure.
- ✓ Ensure that services are cost reflective, affordable and sustainable.
- ✓ Ensure that realistic revenue targets are set based on trends.
- ✓ Follow the national guide on salary and CPI projections.

## **2.4 Overview of budget related-policies**

*The budget related policies will be circulated for consultation in April. The following are such policies;*

### **A. SUPPLY CHAIN MANAGEMENT POLICY**

*The supply chain management policy has been reviewed in the second quarter but presented as part of budget related policies*

### **B. ASSET MANAGEMENT POLICY**

*The asset management policy has been reviewed in the second quarter but presented as part of budget related policies*

### **C. WRITE OFF POLICY**

*This policy is subject to review and is attached as annexure B*

### **D. THE CREDIT CONTROL AND DEBT COLLECTION POLICY.**

*This policy is subject to review and is attached as annexure*

### **E. BUDGET MANAGEMENT POLICY**

***This policy is subject to review and is attached as annexure B***

### **F. VIREMENT POLICY**

*This policy is subject to review and is attached as annexure B*

### **G. CASH MANAGEMENT AND INVESTMENT POLICY**

*This policy is subject to review and is attached as annexure B*

### **H. TARIFF POLICY**

*This policy is subject to review and is attached as annexure B*

### **I. INDIGENT MANAGEMENT POLICY**

*This policy is subject to review and is attached as annexure B*

### **J. PROPERTY RATES POLICY**

*This policy is subject to review and is attached as annexure B.*

### **K. COST CONTAINMENT POLICY**

*This policy is subject to review and is attached as annexure B.*

### **L. STANDARD FOR INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT**

*This policy is subject to review and is attached as annexure B.*

### **M. INSURANCE POLICY**



***All the above policies are available on the municipality's website.***

LIM476 Tubatse Fetakgomo - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>		<b>3,552</b>	<b>4,088</b>	<b>8,664</b>	<b>8,913</b>	<b>8,913</b>	<b>6,574</b>	<b>9,707</b>	<b>7,712</b>	<b>8,271</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>0</b>	<b>0</b>	<b>279,083</b>	<b>187,077</b>	<b>279,083</b>	<b>276,522</b>	<b>279,083</b>	<b>279,083</b>	<b>279,083</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government</b>										
Balance unspent at beginning of the year		(96,783)	(61,023)	(283,592)	(164,357)	(341,994)	(341,994)	(341,994)	(341,994)	(341,994)
Current year receipts		81,107	75,265	199,759	148,414	211,325	97,487	137,961	127,025	139,896
<b>Conditions met - transferred to revenue</b>		<b>81,055</b>	<b>131,780</b>	<b>141,356</b>	<b>148,414</b>	<b>211,325</b>	<b>125,796</b>	<b>137,961</b>	<b>127,025</b>	<b>139,896</b>
Conditions still to be met - transferred to liabilities		(96,732)	(117,538)	(225,189)	(164,357)	(341,994)	(370,303)	(341,994)	(341,994)	(341,994)
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	0	(10,560)	(29,933)	(8,405)	(8,405)	(8,405)	(8,405)	(8,405)
Current year receipts		-	16,190	-	-	8,405	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>19,621</b>	<b>5,879</b>	<b>-</b>	<b>-</b>	<b>8,405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		(19,621)	10,311	(10,560)	(29,933)	(8,405)	(8,405)	(8,405)	(8,405)	(8,405)
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		<b>100,677</b>	<b>137,659</b>	<b>141,356</b>	<b>148,414</b>	<b>219,730</b>	<b>125,796</b>	<b>137,961</b>	<b>127,025</b>	<b>139,896</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>(116,353)</b>	<b>(107,226)</b>	<b>(235,749)</b>	<b>(194,289)</b>	<b>(350,399)</b>	<b>(378,708)</b>	<b>(350,399)</b>	<b>(350,399)</b>	<b>(350,399)</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>104,229</b>	<b>141,747</b>	<b>150,020</b>	<b>157,327</b>	<b>228,643</b>	<b>132,370</b>	<b>147,668</b>	<b>134,737</b>	<b>148,167</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>(116,353)</b>	<b>(107,226)</b>	<b>43,334</b>	<b>(7,212)</b>	<b>(71,316)</b>	<b>(102,186)</b>	<b>(71,316)</b>	<b>(71,316)</b>	<b>(71,316)</b>

LIM476 Tubatse Fetakgomo - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
	1	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		19,271	20,189	20,311	25,210	21,272	21,272	22,527	23,789	25,097
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	5,448	5,448	5,769	6,092	6,427
Cellphone Allowance		4,142	4,435	3,362	4,410	3,721	3,721	3,941	4,162	4,390
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		10,190	11,046	14,901	10,171	11,995	11,995	12,703	13,414	14,152
<b>Sub Total - Councillors</b>		<b>33,603</b>	<b>35,670</b>	<b>38,574</b>	<b>39,792</b>	<b>42,436</b>	<b>42,436</b>	<b>44,940</b>	<b>47,457</b>	<b>50,067</b>
<b>% increase</b>	4		6.2%	8.1%	3.2%	6.6%	-	5.9%	5.6%	5.5%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		4,600	4,545	5,921	8,001	4,612	4,612	5,725	6,045	6,378
Pension and UIF Contributions		11	11	17	117	117	117	124	131	138
Medical Aid Contributions		(15)	-	(2)	27	27	27	29	30	32
Overtime		-	87	-	-	-	-	-	-	-
Performance Bonus		169	268	172	495	495	495	525	554	585
Motor Vehicle Allowance	3	1,122	1,117	1,528	2,168	1,845	1,845	1,954	2,064	2,177
Cellphone Allowance	3	294	249	182	354	354	354	375	396	418
Housing Allowances	3	319	817	254	426	426	426	515	543	573
Other benefits and allowances	3	149	143	61	315	315	315	408	431	454
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		561	90	-	315	315	315	334	352	372
Post-retirement benefit obligations	6	6,608	(1,268)	(10,033)	-	-	-	-	-	-
Entertainment		7	7	127	19	23	23	24	25	27
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		39	6	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>13,865</b>	<b>6,073</b>	<b>(1,772)</b>	<b>12,237</b>	<b>8,529</b>	<b>8,529</b>	<b>10,011</b>	<b>10,572</b>	<b>11,153</b>
<b>% increase</b>	4		(56.2%)	(129.2%)	(790.5%)	(30.3%)	-	17.4%	5.6%	5.5%



## LIM476 Tubatse Fetakgomo - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	###	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>																
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412	28,947	30,279	31,641
Sale of Goods and Rendering of Services		8,625	8,625	8,625	8,625	8,625	8,625	8,625	8,625	8,625	8,625	8,625	8,625	103,502	106,008	110,779
Agency services		651	651	651	651	651	651	651	651	651	651	651	651	7,815	8,175	8,542
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		540	540	540	540	540	540	540	540	540	540	540	540	6,482	6,780	7,085
Interest earned from Current and Non Current Assets		980	980	980	980	980	980	980	980	980	980	980	980	11,764	12,306	12,859
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		27	27	27	27	27	27	27	27	27	27	27	27	322	337	352
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		177	177	177	177	177	177	177	177	177	177	177	177	2,128	2,226	2,326
<b>Non-Exchange Revenue</b>																
Property rates		16,682	16,682	16,682	16,682	16,682	16,682	16,682	16,682	16,682	16,682	16,682	16,682	200,186	209,394	218,817
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		301	301	301	301	301	301	301	301	301	301	301	301	3,613	3,780	3,950
Licences or permits		594	594	594	594	594	594	594	594	594	594	594	594	7,129	7,456	7,792
Transfer and subsidies - Operational		52,241	52,241	52,241	52,241	52,241	52,241	52,241	52,241	52,241	52,241	52,241	52,241	626,886	620,684	600,708
Interest		1,871	1,871	1,871	1,871	1,871	1,871	1,871	1,871	1,871	1,871	1,871	1,871	22,449	23,482	24,539
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and cont</b>		<b>85,102</b>	<b>85,102</b>	<b>85,102</b>	<b>85,102</b>	<b>85,102</b>	<b>85,102</b>	<b>85,102</b>	<b>85,102</b>	<b>85,102</b>	<b>85,102</b>	<b>85,102</b>	<b>85,102</b>	<b>1,021,225</b>	<b>1,030,907</b>	<b>1,029,391</b>
<b>Expenditure</b>																
Employee related costs		22,604	22,604	22,604	22,604	22,604	22,604	22,604	22,604	22,604	22,604	22,604	22,604	271,246	285,849	301,816
Remuneration of councillors		3,745	3,745	3,745	3,745	3,745	3,745	3,745	3,745	3,745	3,745	3,745	3,745	44,940	47,457	50,067
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		442	442	442	442	442	442	442	442	442	442	442	442	5,300	5,544	5,794
Debt impairment		3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000	41,840	43,723
Depreciation and amortisation		6,962	6,962	6,962	6,962	6,962	6,962	6,962	6,962	6,962	6,962	6,962	6,962	83,541	87,384	91,316
Interest		125	125	125	125	125	125	125	125	125	125	125	125	1,500	1,569	1,640
Contracted services		33,083	33,083	33,083	33,083	33,083	33,083	33,083	33,083	33,083	33,083	33,083	33,083	397,001	357,548	357,130
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		173	173	173	173	173	173	173	173	173	173	173	173	2,073	2,169	2,266

## **2.7 Legislation compliance status**

*Compliance with the MFMA implementation requirements have been adhered to through the following activities;*

### **1. In year reporting**

*Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes published performance on the municipality's website.*

### **2. Internship programme**

*The municipality is participating in the Municipal Internship Programme and has deployed five interns undergoing training in various divisions of the Budget and Treasury Office.*

#### **Budget and Treasury Office**

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

### **3. Audit Committee**

*An audit committee has been established and is fully functional.*

### **4. Service Delivery and Implementation Plan**

*The detailed SDBIP document has been draft and will be signed by the Mayor within 10 working days post the adoption of the annual budget. The SDBIP is fully aligned to the IDP and budget.*

### **5. Annual Report**

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