

MBHASHE LOCAL MUNICIPALITY EC 121

ADJUSTMENT BUDGET 2022-2023

26 October 2022



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ADJUSTMENT BUDGET FOR THE 2022/2023 FINANCIAL YEAR

1. EXECUTIVE SUMMARY

1.1 Introduction and legislative background

Mbhashe municipality (EC 121) as mandated by the following:

- ✓ Municipal Finance Management Act (Act No. 56 of 2003);
- ✓ Municipal Budget and Reporting Regulations (Gazette no 393 and GG 32141);
- ✓ Municipal Regulations on Municipal Standard Chart of Accounts(mSCOA) published under (GNR.312 in GG37577 published 14 April 2014 to be effective in 1 July 2017;
- ✓ Municipal Regulations on Financial Misconduct Procedures and Criminal Regulations;
- ✓ Municipal Cost Containment Regulations;
- ✓ Circulars as published by National Treasury
- ✓ Division of Revenue Act

MFMA, section 28 stipulates that:-

- (1) A municipality may revise an approved annual budget through an adjustments budget.
- (2) An adjustments budget:-
 - (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
 - (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget but only to revise or accelerate spending programmes already budgeted for;
 - (c) may within a prescribed framework authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
 - (d) may authorize the utilization of projected savings in one vote towards spending under another vote;
 - (e) may authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
 - (f) may correct any errors in the annual budget; and
 - (g) may provide for any other expenditure within a prescribed framework.

Section 23 of the municipal budget and reporting regulations (MBRR) deals with the timeframes for tabling of adjustments budgets:

- (1) An adjustments budget referred to in section 28 (2) (b) (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council but not later than 28 February of the current year.

1.2 Adjustment Budget Assumptions

- Mbhashe municipality was severely affected by the torrential rains which started around the 15th December 2021.
- These rains had caused adverse damages to the infrastructure in particular road network.
- Municipality has been constructing amongst other assets Gravel roads in an effort to try to provide access to its citizens.
- In response to the damaged roads the municipality responded by reprioritising and fast-tracking reconstruction of the badly damaged roads
- Mbhashe municipality further reprioritised in its current year budget allocation by injecting a substantial amount of money to respond to the disaster.
- Further engagements were underway with CoGTA to reprioritize MIG allocation for the 2021/22 FY.
- Mbhashe is the beneficiary of the Municipal Response Disaster Grant (MDRG) R14m to deal with the roads maintenance needs arising from the above background;

Hence this special adjustment budget

1.3 Strategic Focus Areas and Municipal Priority Issues

The following strategic focus areas remain for the 2022/2023 financial year:-

- To ensure sound governance practices within Mbhashe Local Municipality
- To provide sound governance for local communities through public participation
- To provide sustainable services to all inhabitants of the municipality
- Economic Growth that leads to sustainable job creation
- To provide relevant municipal systems for the development of the organization
- To develop revenue and systems strategies that will make the municipality viable

1.4 Key Performance Indicators

The following objectives and key performance indicators still remain unchanged for the remainder of the 2021/22 financial year:-

1.4.1 Financial Viability

- To ensure compliance with budget and reporting regulations & other reforms.
- To ensure compliance with prescribed accounting standards and reporting requirements.
- To generate AFS that fairly present the financial position, financial performance and cash flows.
- To ensure that all the properties within the municipal areas are valued for rating purposes
- Value for money expenditure
- Efficient, effective and economical supply chain management
- To manage, control and maintain all assets of the municipality.
- To ensure effective utilization of available fleet

1.4.2 Infrastructure and Service Delivery

- To construct and maintain roads to service centres and economic development nodes
- To improve livelihoods in urban centres through infrastructure development
- To improve storm water system so as to achieve life span of road network
- To provide electricity to all outstanding households and new settlements
- To provide basic water supply to all communities
- To provide access to sanitation to all communities

1.4.3 Institutional Transformation and Development

- To ensure effective compliance and sound management practices within the institution
- To ensure alignment of the Organogram with the assigned powers and functions
- To provide a tool for evaluating individual performance
- To ensure that all employees have the required competency levels
- To provide opportunities to new entrants to the labour market

1.4.4 Good Governance

- To ensure effective public participation in our processes of decision making
- To improve municipal planning policy development and management policy implementation
- To develop a long term vision for Mbhashe Municipal Area
- To ensure meaningful participation by all spheres of government for seamless delivery of services
- To monitor internal controls and provide advice to management and council
- To identify access and mitigate municipal risk
- To provide a tool for measuring achievement of predetermined objectives

1.4.5 Local Economic Development

- To promote entrepreneurship and increase to markets
- To create the economic environment for the benefit of the local economy

2.1 Adjustment Budget Related Resolutions

Below are the resolutions that must be approved by council with the adjustment budget of the 2022/23 Financial year.

- a. That the adjustment budget for 2022/2023 and the indicative 2 outer financial years 2023/2024 and 2024/2025 **be approved** as set out in the following budget tables:-

1.1 Table B1 Budget Summary

1.2 Table B2 Budgeted Financial Performance by Standard Classification

1.3 Table B3 Budgeted Financial Performance by Vote

1.4 Table B4 Budgeted Financial Performance – Revenue by Source and Expenditure by type

1.5 Table B5 Budgeted Capital

1.6 Table B6 Budgeted Financial Position

1.7 Table B7 Budgeted Cash Flows

1.8 Table B8 Budgeted Backed Reserves and Accumulated Surplus Reconciliation

- b. That the Adjusted Budget **be approved.**

2.2 Below is the summary of the Budget Adjustment table

DEPARTMENT	ORIGINAL BUDGET 2022-2023	PROPOSED ADJUSTMENT 2022-2023	ADJUSTED BUDGET 2022-2023
Personnel Budget	152,741,965.00	-	152,741,965.00
Budget and Treasury	31,698,596.00	-	31,698,596.00
Infrastructure	120,464,525.00	14,415,000.00	134,879,525.00
Community Services	14,971,557.00	-	14,971,557.00
Developmental Planning	21,685,000.00	-	21,685,000.00
Operations	27,073,250.00	-	27,073,250.00
Corporate Services	21,424,000.00	-	21,424,000.00
Total Expenditure	390,058,893.00	14,415,000.00	404,473,893.00
Grants and Subsidies	393,599,000.00	14,415,000.00	408,014,000.00
Own Revenue	32,150,000.00	-	32,150,000.00
	425,749,000.00	14,415,000.00	440,164,000.00
Transfer from Reserves	21,309,893.00	-	21,309,893.00
Total Revenue(Including transfer from reserves)	447,058,893.00	14,415,000.00	461,473,893.00
Surplus/(Deficit)	57,000,000.00	-	57,000,000.00
Depreciation - Immovable Assets (Non cash	55,000,000.00	-	55,000,000.00
Debt Impairment	2,000,000.00	-	2,000,000.00
	57,000,000.00	-	57,000,000.00
Final Budget Surplus	-	-	-

2.3 BUDGET SCHEDULES

Table B 1 Adjustment Budget Summary

EC121 Mbashe - Table B1 Adjustments Budget Summary - 26 October 2022											
Description	Budget Year 2022/23									Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	7,500	-	-	-	-	-	-	-	7,500	7,950	8,507
Service charges	500	-	-	-	-	-	-	-	500	530	567
Investment revenue	5,000	-	-	-	-	-	-	-	5,000	5,300	5,671
Transfers recognised - operational	308,564	-	-	-	-	-	14,415	14,415	322,979	338,060	350,073
Other own revenue	19,150	-	-	-	-	-	-	-	19,150	20,299	21,720
Total Revenue (excluding capital transfers and contributions)	340,714	-	-	-	-	-	14,415	14,415	355,129	372,139	386,538
Employee costs	125,769	-	-	-	-	-	-	-	125,769	133,272	141,257
Remuneration of councillors	26,353	-	-	-	-	-	-	-	26,353	28,198	30,172
Depreciation & asset impairment	55,000	-	-	-	-	-	-	-	55,000	55,220	55,455
Finance charges	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	134,845	-	-	-	-	-	14,415	14,415	149,260	137,899	144,009
Total Expenditure	341,967	-	-	-	-	-	14,415	14,415	356,382	354,588	370,893
Surplus/(Deficit)	(1,253)	-	-	-	-	-	-	-	(1,253)	17,551	15,645
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	85,035	-	-	-	-	-	-	-	85,035	67,921	70,993
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	83,782	-	-	-	-	-	-	-	83,782	85,472	86,638
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	83,782	-	-	-	-	-	-	-	83,782	85,472	86,638
Capital expenditure & funds sources											
Capital expenditure	105,092	-	-	-	-	-	0	0	105,092	96,445	100,785
Transfers recognised - capital	85,035	-	-	-	-	-	0	0	85,035	85,645	89,499
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	20,057	-	-	-	-	-	-	-	20,057	10,800	11,286
Total sources of capital funds	105,092	-	-	-	-	-	0	0	105,092	96,445	100,785
Financial position											
Total current assets	796,179	-	-	-	-	-	-	-	796,179	236,570	249,453
Total non current assets	797,871	-	-	-	-	-	0	0	797,871	96,445	100,785
Total current liabilities	(328,031)	-	-	-	-	-	98,176	98,176	(229,855)	(389,873)	(403,917)
Total non current liabilities	-	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	1,922,080	-	-	-	-	-	98,176	98,176	2,020,256	722,888	754,155
Cash flows											
Net cash from (used) operating	134,034	-	-	-	-	-	14,415	14,415	148,449	139,351	140,690
Net cash from (used) investing	(105,092)	-	-	-	-	-	-	-	(105,092)	(96,445)	(100,785)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	28,942	-	-	-	-	-	14,415	14,415	43,357	42,906	39,906
Cash backing/surplus reconciliation											
Cash and investments available	531,318	-	-	-	-	-	-	-	531,318	236,570	249,453
Application of cash and investments	(568,261)	-	-	-	-	-	98,176	98,176	(470,085)	(378,899)	(389,769)
Balance - surplus (shortfall)	1,099,579	-	-	-	-	-	(98,176)	(98,176)	1,001,403	615,470	639,223
Asset Management											
Asset register summary (WDV)	505,401	-	-	-	-	-	-	-	505,401	3,492	3,649
Depreciation	55,000	-	-	-	-	-	-	-	55,000	55,220	55,455
Renewal and Upgrading of Existing Assets	12,758	-	-	-	-	-	-	-	12,758	13,319	13,918
Repairs and Maintenance	8,133	-	-	-	-	-	-	-	8,133	8,490	8,872
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Table B2 Adjustment Budget Financial Performance by standard classification

EC121 Mbashe - Table B2 Adjustments Budget Financial Performance (functional classification) - October 2022												
Standard Description	Ref	Budget Year 2022/23									Budget Year +1 2023/24	Budget Year +2 2024/25
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
<i>Governance and administration</i>		324,543	-	-	-	-	-	-	-	324,543	341,059	359,173
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		324,543	-	-	-	-	-	-	-	324,543	341,059	359,173
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		5,048	-	-	-	-	-	-	-	5,048	1,113	1,191
Community and social services		4,398	-	-	-	-	-	-	-	4,398	424	454
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		650	-	-	-	-	-	-	-	650	689	737
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		91,158	-	-	-	-	-	14,415	14,415	105,573	74,358	77,791
Planning and development		2,100	-	-	-	-	-	-	-	2,100	2,226	2,382
Road transport		89,058	-	-	-	-	-	14,415	14,415	103,473	72,132	75,410
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		5,000	-	-	-	-	-	-	-	5,000	23,530	19,375
Energy sources		4,500	-	-	-	-	-	-	-	4,500	23,000	18,808
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		500	-	-	-	-	-	-	-	500	530	567
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	425,749	-	-	-	-	-	14,415	14,415	440,164	440,060	457,531
Expenditure - Functional												
<i>Governance and administration</i>		203,024	-	-	-	-	-	-	-	203,024	214,592	223,358
Executive and council		63,345	-	-	-	-	-	-	-	63,345	66,945	70,947
Finance and administration		132,472	-	-	-	-	-	-	-	132,472	140,034	144,369
Internal audit		7,208	-	-	-	-	-	-	-	7,208	7,612	8,042
<i>Community and public safety</i>		51,555	-	-	-	-	-	-	-	51,555	54,716	57,753
Community and social services		48,107	-	-	-	-	-	-	-	48,107	51,094	53,948
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		1,550	-	-	-	-	-	-	-	1,550	1,618	1,691
Housing		1,383	-	-	-	-	-	-	-	1,383	1,466	1,553
Health		515	-	-	-	-	-	-	-	515	538	562
<i>Economic and environmental services</i>		64,917	-	-	-	-	-	14,415	14,415	79,332	63,150	66,419
Planning and development		22,989	-	-	-	-	-	-	-	22,989	24,104	25,292
Road transport		41,228	-	-	-	-	-	14,415	14,415	55,643	38,670	40,734
Environmental protection		700	-	-	-	-	-	-	-	700	376	393
<i>Trading services</i>		22,470	-	-	-	-	-	-	-	22,470	22,131	23,363
Energy sources		7,224	-	-	-	-	-	-	-	7,224	5,993	6,281
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		15,247	-	-	-	-	-	-	-	15,247	16,137	17,082
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	341,967	-	-	-	-	-	14,415	14,415	356,382	354,588	370,893
Surplus/ (Deficit) for the year		83,782	-	-	-	-	-	-	-	83,782	85,472	86,638

Table B3 Adjustment Budget Financial performance (rev & exp by vote)

EC121 Mbashe - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - October 2022											
Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2022/23								Budget Year +1 2023/24	Budget Year +2 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H	
Revenue by Vote	1										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		324,543	-	-	-	-	-	-	-	324,543	341,059
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		4,398	-	-	-	-	-	-	-	4,398	424
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		650	-	-	-	-	-	-	-	650	689
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		2,100	-	-	-	-	-	-	-	2,100	2,226
Vote 10 - Road Transport		89,058	-	-	-	-	-	14,415	14,415	103,473	72,132
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		4,500	-	-	-	-	-	-	-	4,500	23,000
Vote 13 - Water Management		500	-	-	-	-	-	-	-	500	530
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	425,749	-	-	-	-	-	14,415	14,415	440,164	440,060
Expenditure by Vote	1										
Vote 1 - Executive & Council		63,345	-	-	-	-	-	-	-	63,345	66,945
Vote 2 - Finance and Admin		132,472	-	-	-	-	-	-	-	132,472	140,034
Vote 3 - Internal Audit		7,208	-	-	-	-	-	-	-	7,208	7,612
Vote 4 - Community and Social Services		48,107	-	-	-	-	-	-	-	48,107	51,094
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		1,550	-	-	-	-	-	-	-	1,550	1,618
Vote 7 - Housing		1,383	-	-	-	-	-	-	-	1,383	1,466
Vote 8 - Health		515	-	-	-	-	-	-	-	515	538
Vote 9 - Planning & Development		22,989	-	-	-	-	-	-	-	22,989	24,104
Vote 10 - Road Transport		41,228	-	-	-	-	-	14,415	14,415	55,643	38,670
Vote 11 - Environmental Protection		700	-	-	-	-	-	-	-	700	376
Vote 12 - Energy Sources		7,224	-	-	-	-	-	-	-	7,224	5,993
Vote 13 - Water Management		15,247	-	-	-	-	-	-	-	15,247	16,137
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	341,967	-	-	-	-	-	14,415	14,415	356,382	354,588
Surplus/ (Deficit) for the year	2	83,782	-	-	-	-	-	-	-	83,782	85,472
References											

Table B4 Adjustment Budget Financial performance (Rev & Expenditure)

EC121 Mbashe - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2022

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget 3 A	Prior Adjusted 4 A1	Accum. Funds 5 B	Multi-year capital 6 C	Unfore. Unavoid. 7 D	Nat. or Prov. Govt 8 E	Other Adjusts. 9 F	Total Adjusts. 10 G	Adjusted Budget 11 H	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	7,500	-	-	-	-	-	-	-	7,500	7,830	8,182
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	500	-	-	-	-	-	-	-	500	522	545
Rental of facilities and equipment		1,850	-	-	-	-	-	-	-	1,850	1,931	2,018
Interest earned - external investments		1,500	-	-	-	-	-	9,000	9,000	10,500	1,566	1,636
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		650	-	-	-	-	-	620	620	1,270	679	709
Licences and permits		200	-	-	-	-	-	200	200	400	209	218
Agency services		400	-	-	-	-	-	500	500	900	418	436
Transfers and subsidies		278,277	-	-	-	-	-	2,541	2,541	280,818	284,236	274,443
Other revenue	2	16,170	-	-	-	-	-	90	90	16,260	16,881	17,641
Gains		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		307,047	-	-	-	-	-	12,951	12,951	319,998	314,272	305,830
Expenditure By Type												
Employee related costs		119,167	-	-	-	-	-	-	-	119,167	120,733	126,166
Remuneration of councillors		24,861	-	-	-	-	-	-	-	24,861	25,955	27,123
Debt impairment		1,200	-	-	-	-	-	-	-	1,200	1,200	1,200
Depreciation & asset impairment		55,000	-	-	-	-	-	1,657	1,657	56,657	55,000	55,000
Finance charges		-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		-	-	-	-	-	-	-	-	-	-	-
Contracted services		63,032	-	-	-	-	-	12,422	12,422	75,454	75,658	61,497
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-
Other expenditure		54,330	-	-	-	-	-	(779)	(779)	53,551	58,634	61,896
Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		317,589	-	-	-	-	-	13,301	13,301	330,890	337,181	332,883
Surplus/(Deficit)		(10,542)	-	-	-	-	-	(350)	(350)	(10,892)	(22,909)	(27,052)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		72,367	-	-	-	-	-	1,820	1,820	74,187	111,458	119,496
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		61,825	-	-	-	-	-	1,470	1,470	63,295	88,549	92,444
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		61,825	-	-	-	-	-	1,470	1,470	63,295	88,549	92,444
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		61,825	-	-	-	-	-	1,470	1,470	63,295	88,549	92,444
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		61,825	-	-	-	-	-	1,470	1,470	63,295	88,549	92,444

Table B5 Adjustment Capital Expenditure Budget by Vote and Funding

EC121 Mbashe - Table B5 Adjustments Capital Expenditure Budget by vote and funding - October 2022

Description	Ref	Budget Year 2022/23									Budget Year +1 2023/24	Budget Year +2 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2											
Vote 1 - Executive & Council		15	-	-	-	-	-	(15)	(15)	-	16	16
Vote 2 - Finance and Admin		15,000	-	-	-	-	-	(15,000)	(15,000)	-	6,003	6,273
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		800	-	-	-	-	-	(800)	(800)	-	626	655
Vote 5 - Sport & Recreation		22,423	-	-	-	-	-	(22,423)	(22,423)	-	23,409	24,463
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		480	-	-	-	-	-	(480)	(480)	-	501	524
Vote 10 - Road Transport		65,874	-	-	-	-	-	(65,874)	(65,874)	(0)	65,367	68,309
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		500	-	-	-	-	-	(500)	(500)	-	522	545
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		105,092	-	-	-	-	-	(105,092)	(105,092)	(0)	96,445	100,785
Total Capital Expenditure - Vote		105,092	-	-	-	-	-	(105,092)	(105,092)	(0)	96,445	100,785
Capital Expenditure - Functional												
Governance and administration		15,015	-	-	-	-	-	(15,015)	(15,015)	-	6,019	6,290
Executive and council		15	-	-	-	-	-	(15)	(15)	-	16	16
Finance and administration		15,000	-	-	-	-	-	(15,000)	(15,000)	-	6,003	6,273
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		23,223	-	-	-	-	-	(23,223)	(23,223)	-	24,036	25,117
Community and social services		800	-	-	-	-	-	(800)	(800)	-	626	655
Sport and recreation		22,423	-	-	-	-	-	(22,423)	(22,423)	-	23,409	24,463
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		66,354	-	-	-	-	-	(66,354)	(66,354)	(0)	65,868	68,833
Planning and development		480	-	-	-	-	-	(480)	(480)	-	501	524
Road transport		65,874	-	-	-	-	-	(65,874)	(65,874)	(0)	65,367	68,309
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		500	-	-	-	-	-	(500)	(500)	-	522	545
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		500	-	-	-	-	-	(500)	(500)	-	522	545
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	105,092	-	-	-	-	-	(105,092)	(105,092)	(0)	96,445	100,785
Funded by:												
National Government		65,035	-	-	-	-	-	(65,035)	(65,035)	-	64,765	67,679
Provincial Government		20,000	-	-	-	-	-	(20,000)	(20,000)	(0)	20,880	21,820
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-	-	-
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	85,035	-	-	-	-	-	(85,035)	(85,035)	(0)	85,645	89,499
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		20,057	-	-	-	-	-	(20,057)	(20,057)	-	10,800	11,286
Total Capital Funding		105,092	-	-	-	-	-	(105,092)	(105,092)	(0)	96,445	100,785

Table B6 Adjustment Budget Financial Position

EC121 Mbashe - Table B6 Adjustments Budget Financial Position - 28 February 2022

Description		Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
			Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands			A	A1	B	C	D	E	F	G	H		
ASSETS													
Current assets													
Cash			296,553	–					4,668	4,668	–	337,298	333,033
Call investment deposits	1		–	–					–	–	–	–	–
Consumer debtors	1		–	–	–	–	–	–	–	–	–	–	–
Other debtors			–	–					–	–	–	–	–
Current portion of long-term receivables			–	–					–	–	–	–	–
Inventory			–	–		–	–	–	–	–	–	–	–
Total current assets			296,553	–	–	–	–	–	4,668	4,668	–	337,298	333,033
Non current assets													
Long-term receivables			–	–					–	–	–	–	–
Investments			–	–					–	–	–	–	–
Investment property			33,512	–					–	–	–	34,986	36,561
Investment in Associate			–	–					–	–	–	–	–
Property, plant and equipment	1		653,844	–	–	–	–	–	8,570	8,570	662,414	684,613	715,331
Biological			–	–					–	–	–	–	–
Intangible			140	–					–	–	–	146	153
Other non-current assets			–	–					–	–	–	–	–
Total non current assets			687,496	–	–	–	–	–	8,570	8,570	–	719,746	752,044
TOTAL ASSETS			984,048	–	–	–	–	–	13,238	13,238	–	1,057,044	1,085,077
LIABILITIES													
Current liabilities													
Bank overdraft			–	–					–	–	–	–	–
Borrowing			–	–	–	–	–	–	–	–	–	–	–
Consumer deposits			–	–					–	–	–	–	–
Trade and other payables			(1,720)	–	–	–	–	–	(11,643)	(11,643)	(13,363)	(1,720)	(1,770)
Provisions			–	–					–	–	–	–	–
Total current liabilities			(1,720)	–	–	–	–	–	(11,643)	(11,643)	(13,363)	(1,720)	(1,770)
Non current liabilities													
Borrowing	1		–	–		–	–	–	–	–	–	–	–
Provisions	1		–	–		–	–	–	–	–	–	–	–
Total non current liabilities			–	–		–	–	–	–	–	–	–	–
TOTAL LIABILITIES			(1,720)	–	–	–	–	–	(11,643)	(11,643)	(13,363)	(1,720)	(1,770)
NET ASSETS			2	985,768	–	–	–	–	24,881	24,881	–	1,058,764	1,086,847
COMMUNITY WEALTH/EQUITY													
Accumulated Surplus/(Deficit)			965,122	–	–	–	–	–	(14,841)	(14,841)	950,281	1,058,764	1,086,847
Reserves			20,647	–	–	–	–	–	7,100	7,100	27,747	–	–
TOTAL COMMUNITY WEALTH/EQUITY			985,768	–	–	–	–	–	(7,741)	(7,741)	978,028	1,058,764	1,086,847

Table B7 Adjustment Budget Cash Flow

EC121 Mbashe - Table B7 Adjustments Budget Cash Flows - 28 February 2022

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		7,500	–					–	–	7,500	7,830	8,182
Service charges		500	–					–	–	500	522	545
Other revenue		19,270	–					1,410	1,410	20,680	20,118	21,023
Transfers and Subsidies - Operational	1	278,277	–					2,541	2,541	280,818	284,236	274,443
Transfers and Subsidies - Capital	1	72,367	–					1,820	1,820	74,187	111,458	119,496
Interest		1,500	–					9,000	9,000	10,500	1,566	1,636
Dividends		–	–					–	–	–	–	–
Payments												
Suppliers and employees		(265,049)	–					(11,643)	(11,643)	(276,693)	(285,251)	(281,145)
Finance charges		–	–					–	–	–	–	–
Transfers and Grants	1	–	–					–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		114,365	–	–	–	–	–	3,128	3,128	117,492	140,479	144,182
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		–	–					–	–	–	–	–
Decrease (increase) in non-current receivables		–	–					–	–	–	–	–
Decrease (increase) in non-current investments		–	–					–	–	–	–	–
Payments												
Capital assets		(82,641)	–					(8,400)	(8,400)	(91,042)	(88,278)	(92,160)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(82,641)	–	–	–	–	–	(8,400)	(8,400)	(91,042)	(88,278)	(92,160)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		–	–					–	–	–	–	–
Borrowing long term/refinancing		–	–					–	–	–	–	–
Increase (decrease) in consumer deposits		–	–					–	–	–	–	–
Payments												
Repayment of borrowing		–	–					–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		31,723	–	–	–	–	–	(5,273)	(5,273)	26,451	52,201	52,021
Cash/cash equivalents at the year begin:	2	–	–					–	–	–	–	–
Cash/cash equivalents at the year end:	2	31,723	–	–	–	–	–	(5,273)	(5,273)	26,451	52,201	52,021

Table B8 Cash Backed Reserves/accumulated surplus reconciliation

EC121 Mbhashe - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28 February 2022

Budget Year 2021/22												Budget Year +1 2022/23	Budget Year +2 2023/24
Description	Ref	Original Budget	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget	
R thousands		A	A1	B	C	D	E	F	G	H			
Cash and investments available													
Cash/cash equivalents at the year end	1	31,723	–	–	–	–	–	(5,273)	(5,273)	26,451	52,201	52,021	
Other current investments > 90 days		264,829	–	–	–	–	–	9,940	9,940	274,770	285,097	281,011	
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–	
Cash and investments available:		296,553	–	–	–	–	–	4,668	4,668	301,220	337,298	333,033	
Applications of cash and investments													
Unspent conditional transfers		(1,720)	–	–	–	–	–	–	–	(1,720)	(1,720)	(1,770)	
Unspent borrowing										–			
Statutory requirements										–			
Other working capital requirements	2	–	–	–	–	–	–	(11,643)	(11,643)	(11,643)	–	–	
Other provisions										–			
Long term investments committed		–	–	–	–	–	–	–	–	–	–	–	
Reserves to be backed by cash/investments		20,647	–	–	–	–	–	7,100	7,100	27,747	–	–	
Total Application of cash and investments:		18,927	–	–	–	–	–	(18,743)	(18,743)	183	(1,720)	(1,770)	
Surplus(shortfall)		277,626	–	–	–	–	–	23,411	23,411	301,037	339,018	334,803	