

MBHASHE LOCAL MUNICIPALITY EC 121

ADJUSTMENT BUDGET 2022-2023

28 FEBRUARY 2023



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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

- After completing Sect.72 report assessing revenue and expenditure performance of the municipality in line with the SDBIP as an implementation monitoring tool for IDP objectives funded to be implemented in the year under review, it was agreed that adjustment budget is necessary to address gaps that were picked/pointed out by Sect.72 report.

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 Mphashe 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	1st PROPOSED ADJUSTMENT 2022-2023	2nd PROPOSED ADJUSTMENT 2022-	ADJUSTED BUDGET 2022-2023
Personnel Budget	152,741,965.00	-	-	152,741,965.00
Budget and Treasury	31,698,596.00	-	1,590,000.00	33,288,596.00
Infrastructure	120,464,525.00	14,415,000.00	49,432,860.28	184,312,385.28
Community Services	14,971,557.00	-	1,281,376.00	16,252,933.00
Developmental Planning	21,685,000.00	-	1,000,000.00	22,685,000.00
Operations	27,073,250.00	-	-	27,073,250.00
Corporate Services	21,424,000.00	-	379,652.23	21,803,652.23
Total Expenditure	390,058,893.00	14,415,000.00	53,683,888.51	458,157,781.51
Grants and Subsidies	393,599,000.00	14,415,000.00	14,593,888.23	422,607,888.23
Own Revenue	32,150,000.00	-	18,840,000.00	50,990,000.00
	425,749,000.00	14,415,000.00	33,433,888.23	473,597,888.23
Transfer from Reserves	21,309,893.00	-	20,250,000.28	41,559,893.28
Total Revenue(Including transfer fr	447,058,893.00	14,415,000.00	53,683,888.51	515,157,781.51
Surplus/(Deficit)	57,000,000.00	-		57,000,000.00
Depreciation - Immovable Assets (I	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 Mbhashe - Table B1 Adjustments Budget Summary - 28 February 2023											
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	-	-	-	-	-	12,000	12,000	17,000	5,300	5,671
Transfers recognised - operational	308,564	-	-	-	-	-	16,076	16,076	324,640	338,060	350,073
Other own revenue	19,150	-	-	-	-	-	6,840	6,840	25,990	20,299	21,720
Total Revenue (excluding capital transfers and contributions)	340,714	-	-	-	-	-	34,916	34,916	375,630	372,139	386,538
Employee costs	125,769	-	-	-	-	-	127	127	125,896	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	-	-	-	-	-	45,513	45,513	180,357	137,899	144,009
Total Expenditure	341,967	-	-	-	-	-	45,639	45,639	387,606	354,588	370,893
Surplus/(Deficit)	(1,253)	-	-	-	-	-	(10,723)	(10,723)	(11,976)	17,551	15,645
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	85,035	-	-	-	-	-	12,933	12,933	97,968	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	-	-	-	-	-	2,209	2,209	85,992	85,472	86,638
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	83,782	-	-	-	-	-	2,209	2,209	85,992	85,472	86,638
Capital expenditure & funds sources											
Capital expenditure	105,092	-	-	-	-	-	22,459	22,459	127,552	96,445	100,785
Transfers recognised - capital	85,035	-	-	-	-	-	22,933	22,933	107,968	85,645	89,499
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	20,057	-	-	-	-	-	(673)	(673)	19,384	10,800	11,286
Total sources of capital funds	105,092	-	-	-	-	-	22,259	22,259	127,352	96,445	100,785
Financial position											
Total current assets	796,179	-	-	-	-	-	(7,459)	(7,459)	788,720	236,570	249,453
Total non current assets	797,871	-	-	-	-	-	22,459	22,459	820,330	96,445	100,785
Total current liabilities	(328,031)	-	-	-	-	-	(28,702)	(28,702)	(356,732)	(389,873)	(403,917)
Total non current liabilities	-	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	1,922,080	-	-	-	-	-	43,702	43,702	1,965,782	722,888	754,155
Cash flows											
Net cash from (used) operating	134,034	-	-	-	-	-	8,054	8,054	142,088	139,351	140,690
Net cash from (used) investing	(105,092)	-	-	-	-	-	(22,459)	(22,459)	(127,552)	(96,445)	(100,785)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	28,942	-	-	-	-	-	(14,405)	(14,405)	14,536	42,906	39,906
Cash backing/surplus reconciliation											
Cash and investments available	531,318	-	-	-	-	-	(7,459)	(7,459)	523,859	236,570	249,453
Application of cash and investments	(568,261)	-	-	-	-	-	(8,075)	(8,075)	(576,336)	(378,899)	(389,769)
Balance - surplus (shortfall)	1,099,579	-	-	-	-	-	615	615	1,100,194	615,470	639,223
Asset Management											
Asset register summary (WDV)	505,401	-	-	-	-	-	1,527	1,527	506,928	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	-	-	-	-	-	25,366	25,366	33,499	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) - 28 February 2023												
Standard Description	Ref	Budget Year 2022/23										Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	+1 2023/24
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		+2 2024/25
Revenue - Functional												
<i>Governance and administration</i>		324,543	-	-	-	-	-	17,380	17,380	341,923	341,059	359,173
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		324,543	-	-	-	-	-	17,380	17,380	341,923	341,059	359,173
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		5,048	-	-	-	-	-	2,081	2,081	7,129	1,113	1,191
Community and social services		4,398	-	-	-	-	-	1,581	1,581	5,979	424	454
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		650	-	-	-	-	-	500	500	1,150	689	737
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		91,158	-	-	-	-	-	28,388	28,388	119,546	74,358	77,791
Planning and development		2,100	-	-	-	-	-	190	190	2,290	2,226	2,382
Road transport		89,058	-	-	-	-	-	28,198	28,198	117,256	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	-	-	-	-	-	47,849	47,849	473,598	440,060	457,531
Expenditure - Functional												
<i>Governance and administration</i>		203,024	-	-	-	-	-	1,923	1,923	204,947	214,592	223,358
Executive and council		63,345	-	-	-	-	-	(290)	(290)	63,055	66,945	70,947
Finance and administration		132,472	-	-	-	-	-	2,193	2,193	134,665	140,034	144,369
Internal audit		7,208	-	-	-	-	-	20	20	7,228	7,612	8,042
<i>Community and public safety</i>		51,555	-	-	-	-	-	1,333	1,333	52,888	54,716	57,753
Community and social services		48,107	-	-	-	-	-	883	883	48,990	51,094	53,948
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		1,550	-	-	-	-	-	500	500	2,050	1,618	1,691
Housing		1,383	-	-	-	-	-	(41)	(41)	1,343	1,466	1,553
Health		515	-	-	-	-	-	(10)	(10)	505	538	562
<i>Economic and environmental services</i>		64,917	-	-	-	-	-	42,884	42,884	107,801	63,150	66,419
Planning and development		22,989	-	-	-	-	-	(103)	(103)	22,886	24,104	25,292
Road transport		41,228	-	-	-	-	-	42,865	42,865	84,093	38,670	40,734
Environmental protection		700	-	-	-	-	-	121	121	821	376	393
<i>Trading services</i>		22,470	-	-	-	-	-	(500)	(500)	21,970	22,131	23,363
Energy sources		7,224	-	-	-	-	-	-	-	7,224	5,993	6,281
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		15,247	-	-	-	-	-	(500)	(500)	14,747	16,137	17,082
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	341,967	-	-	-	-	-	45,639	45,639	387,606	354,588	370,893
Surplus/ (Deficit) for the year		83,782	-	-	-	-	-	2,209	2,209	85,992	85,472	86,638

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

EC121 Mhashe - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28 February 2023												
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 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		
Revenue by Vote	1											
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		324,543	-	-	-	-	-	17,380	17,380	341,923	341,059	359,173
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		4,398	-	-	-	-	-	1,581	1,581	5,979	424	454
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		650	-	-	-	-	-	500	500	1,150	689	737
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		2,100	-	-	-	-	-	190	190	2,290	2,226	2,382
Vote 10 - Road Transport		89,058	-	-	-	-	-	28,198	28,198	117,256	72,132	75,410
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		4,500	-	-	-	-	-	-	-	4,500	23,000	18,808
Vote 13 - Water Management		500	-	-	-	-	-	-	-	500	530	567
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	425,749	-	-	-	-	-	47,849	47,849	473,598	440,060	457,531
Expenditure by Vote	1											
Vote 1 - Executive & Council		63,345	-	-	-	-	-	(290)	(290)	63,055	66,945	70,947
Vote 2 - Finance and Admin		132,472	-	-	-	-	-	2,193	2,193	134,665	140,034	144,369
Vote 3 - Internal Audit		7,208	-	-	-	-	-	20	20	7,228	7,612	8,042
Vote 4 - Community and Social Services		48,107	-	-	-	-	-	883	883	48,990	51,094	53,948
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		1,550	-	-	-	-	-	500	500	2,050	1,618	1,691
Vote 7 - Housing		1,383	-	-	-	-	-	(41)	(41)	1,343	1,466	1,553
Vote 8 - Health		515	-	-	-	-	-	(10)	(10)	505	538	562
Vote 9 - Planning & Development		22,989	-	-	-	-	-	(103)	(103)	22,886	24,104	25,292
Vote 10 - Road Transport		41,228	-	-	-	-	-	42,865	42,865	84,093	38,670	40,734
Vote 11 - Environmental Protection		700	-	-	-	-	-	121	121	821	376	393
Vote 12 - Energy Sources		7,224	-	-	-	-	-	-	-	7,224	5,993	6,281
Vote 13 - Water Management		15,247	-	-	-	-	-	(500)	(500)	14,747	16,137	17,082
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	341,967	-	-	-	-	-	45,639	45,639	387,606	354,588	370,893
Surplus/ (Deficit) for the year	2	83,782	-	-	-	-	-	2,209	2,209	85,992	85,472	86,638

Table B4 Adjustment Budget Financial performance (Rev & Expenditure)

EC121 Mbashe - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2023												
Description	Ref	Budget Year 2022/23									Budget Year +1 2023/24	Budget Year +2 2024/25
		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	1											
Revenue By Source												
Property rates	2	7,500	-	-	-	-	-	-	-	7,500	7,950	8,507
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	500	-	-	-	-	-	-	-	500	530	567
Rental of facilities and equipment		1,850						470	470	2,320	1,961	2,098
Interest earned - external investments		5,000						12,000	12,000	17,000	5,300	5,671
Interest earned - outstanding debtors		-						-	-	-	-	-
Dividends received		-						-	-	-	-	-
Fines, penalties and forfeits		650						500	500	1,150	689	737
Licences and permits		200						450	450	650	212	227
Agency services		400						400	400	800	424	454
Transfers and subsidies		308,564						16,076	16,076	324,640	338,060	350,073
Other revenue	2	16,050	-	-	-	-	-	5,020	5,020	21,070	17,013	18,204
Gains		-						-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		340,714	-	-	-	-	-	34,916	34,916	375,630	372,139	386,538
Expenditure By Type												
Employee related costs		125,769	-	-	-	-	-	127	127	125,896	133,272	141,257
Remuneration of councillors		26,353						-	-	26,353	28,198	30,172
Debt impairment		2,000						-	-	2,000	5,646	5,810
Depreciation & asset impairment		55,000	-	-	-	-	-	-	-	55,000	55,220	55,455
Finance charges		-						-	-	-	-	-
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		-	-	-	-	-	-	-	-	-	-	-
Contracted services		75,124	-	-	-	-	-	40,620	40,620	115,745	72,281	75,492
Transfers and subsidies		-						-	-	-	-	-
Other expenditure		57,720	-	-	-	-	-	4,892	4,892	62,613	59,972	62,708
Losses		-						-	-	-	-	-
Total Expenditure		341,967	-	-	-	-	-	45,639	45,639	387,606	354,588	370,893
Surplus/(Deficit)		(1,253)	-	-	-	-	-	(10,723)	(10,723)	(11,976)	17,551	15,645
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		85,035						12,933	12,933	97,968	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) before taxation		83,782	-	-	-	-	-	2,209	2,209	85,992	85,472	86,638
Taxation		-						-	-	-	-	-
Surplus/(Deficit) after taxation		83,782	-	-	-	-	-	2,209	2,209	85,992	85,472	86,638
Attributable to minorities		-						-	-	-	-	-
Surplus/(Deficit) attributable to municipality		83,782	-	-	-	-	-	2,209	2,209	85,992	85,472	86,638
Share of surplus/ (deficit) of associate		-						-	-	-	-	-
Surplus/ (Deficit) for the year		83,782	-	-	-	-	-	2,209	2,209	85,992	85,472	86,638

Table B5 Adjustment Capital Expenditure Budget by Vote and Funding

EC121 Mbashe - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28 February 2023												
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
R thousands		A	A1	B	C	D	E	F	G	H		
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	-	-	-	-	-	500	500	515	16	16
Vote 2 - Finance and Admin		15,000	-	-	-	-	-	(1,023)	(1,023)	13,977	6,003	6,273
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		800	-	-	-	-	-	50	50	850	626	655
Vote 5 - Sport & Recreation		22,423	-	-	-	-	-	-	-	22,423	23,409	24,463
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		480	-	-	-	-	-	-	-	480	501	524
Vote 10 - Road Transport		65,874	-	-	-	-	-	22,933	22,933	88,807	65,367	68,309
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		500	-	-	-	-	-	-	-	500	522	545
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		105,092	-	-	-	-	-	22,459	22,459	127,552	96,445	100,785
Total Capital Expenditure - Vote		105,092	-	-	-	-	-	22,459	22,459	127,552	96,445	100,785
Capital Expenditure - Functional												
Governance and administration		15,015	-	-	-	-	-	(523)	(523)	14,492	6,019	6,290
Executive and council		15	-	-	-	-	-	500	500	515	16	16
Finance and administration		15,000	-	-	-	-	-	(1,023)	(1,023)	13,977	6,003	6,273
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		23,223	-	-	-	-	-	50	50	23,273	24,036	25,117
Community and social services		800	-	-	-	-	-	50	50	850	626	655
Sport and recreation		22,423	-	-	-	-	-	-	-	22,423	23,409	24,463
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		66,354	-	-	-	-	-	22,933	22,933	89,287	65,868	68,833
Planning and development		480	-	-	-	-	-	-	-	480	501	524
Road transport		65,874	-	-	-	-	-	22,933	22,933	88,807	65,367	68,309
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		500	-	-	-	-	-	-	-	500	522	545
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		500	-	-	-	-	-	-	-	500	522	545
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	105,092	-	-	-	-	-	22,459	22,459	127,552	96,445	100,785
Funded by:												
National Government		65,035	-	-	-	-	-	22,933	22,933	87,968	64,765	67,679
Provincial Government		20,000	-	-	-	-	-	-	-	20,000	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	-	-	-	-	-	22,933	22,933	107,968	85,645	89,499
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		20,057	-	-	-	-	-	(673)	(673)	19,384	10,800	11,286
Total Capital Funding		105,092	-	-	-	-	-	22,259	22,259	127,352	96,445	100,785

Table B6 Adjustment Budget Financial Position

EC121 Mbashe - Table B6 Adjustments Budget Financial Position - 28 February 2023												
Description	Ref	Budget Year 2022/23									Budget Year +1 2023/24	Budget Year +2 2024/25
		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		449,246						16,755	16,755	466,001	308,066	324,182
Call investment deposits	1	82,072						(24,214)	(24,214)	57,857	(71,496)	(74,729)
Consumer debtors	1	68,627	-	-	-	-	-	-	-	68,627	-	-
Other debtors		196,234						-	-	196,234	-	-
Current portion of long-term receivables		-						-	-	-	-	-
Inventory		-	-	-	-	-	-	-	-	-	-	-
Total current assets		796,179	-	-	-	-	-	(7,459)	(7,459)	788,720	236,570	249,453
Non current assets												
Long-term receivables		-						-	-	-	-	-
Investments		-						-	-	-	-	-
Investment property		-						-	-	-	-	-
Investment in Associate		-						-	-	-	-	-
Property, plant and equipment	1	792,836	-	-	-	-	-	22,599	22,599	815,436	96,299	100,632
Biological		-						-	-	-	-	-
Intangible		5,034						(140)	(140)	4,894	146	153
Other non-current assets		-						-	-	-	-	-
Total non current assets		797,871	-	-	-	-	-	22,459	22,459	820,330	96,445	100,785
TOTAL ASSETS		1,594,050	-	-	-	-	-	15,000	15,000	1,609,050	333,015	350,238
LIABILITIES												
Current liabilities												
Bank overdraft		-						-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Consumer deposits		-						-	-	-	-	-
Trade and other payables		(339,931)	-	-	-	-	-	(28,702)	(28,702)	(368,632)	(389,873)	(403,917)
Provisions		11,900						-	-	11,900	-	-
Total current liabilities		(328,031)	-	-	-	-	-	(28,702)	(28,702)	(356,732)	(389,873)	(403,917)
Non current liabilities												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions		-	-	-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES		(328,031)	-	-	-	-	-	(28,702)	(28,702)	(356,732)	(389,873)	(403,917)
NET ASSETS	2	1,922,080	-	-	-	-	-	43,702	43,702	1,965,782	722,888	754,155
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		1,900,770	-	-	-	-	-	36,452	36,452	1,937,222	711,914	740,007
Reserves		21,310	-	-	-	-	-	7,250	7,250	28,560	10,973	14,147
TOTAL COMMUNITY WEALTH/EQUITY		1,922,080	-	-	-	-	-	43,702	43,702	1,965,782	722,888	754,155

Table B7 Adjustment Budget Cash Flow

EC121 Mbhashe - Table B7 Adjustments Budget Cash Flows - 28 February 2023												
Description	Ref	Budget Year 2022/23									Budget Year +1 2023/24	Budget Year +2 2024/25
		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	7,950	8,507
Service charges		500						-	-	500	530	567
Other revenue		19,150						3,840	3,840	22,990	20,299	21,720
Transfers and Subsidies - Operational	1	308,564						1,661	1,661	310,225	338,060	350,073
Transfers and Subsidies - Capital	1	85,035						12,933	12,933	97,968	67,921	70,993
Interest		5,000						15,000	15,000	20,000	5,300	5,671
Dividends		-						-	-	-	-	-
Payments												
Suppliers and employees		(291,715)						(25,380)	(25,380)	(317,095)	(300,709)	(316,840)
Finance charges		-						-	-	-	-	-
Transfers and Grants	1	-						-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		134,034	-	-	-	-	-	8,054	8,054	142,088	139,351	140,690
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		(105,092)						(22,459)	(22,459)	(127,552)	(96,445)	(100,785)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(105,092)	-	-	-	-	-	(22,459)	(22,459)	(127,552)	(96,445)	(100,785)
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		28,942	-	-	-	-	-	(14,405)	(14,405)	14,536	42,906	39,906
Cash/cash equivalents at the year begin:	2	-						-	-	-	-	-
Cash/cash equivalents at the year end:	2	28,942	-	-	-	-	-	(14,405)	(14,405)	14,536	42,906	39,906

Table B8 Cash Backed Reserves/accumulated surplus reconciliation

EC121 Mbashe - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28 February 2023												
Description	Ref	Budget Year 2022/23									Budget Year +1 2023/24	Budget Year +2 2024/25
		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 and investments available												
Cash/cash equivalents at the year end	1	28,942	-	-	-	-	-	(14,405)	(14,405)	14,536	42,906	39,906
Other current investments > 90 days		502,377	-	-	-	-	-	6,946	6,946	509,322	193,664	209,548
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		531,318	-	-	-	-	-	(7,459)	(7,459)	523,859	236,570	249,453
Applications of cash and investments												
Unspent conditional transfers		(67,372)	-	-	-	-	-	(13,322)	(13,322)	(80,694)	(96,266)	(94,499)
Unspent borrowing									-	-		
Statutory requirements									-	-		
Other working capital requirements	2	(522,199)	-					(2,003)	(2,003)	(524,202)	(293,607)	(309,418)
Other provisions									-	-		
Long term investments committed		-	-					-	-	-	-	-
Reserves to be backed by cash/investments		21,310	-					7,250	7,250	28,560	10,973	14,147
Total Application of cash and investments:		(568,261)	-	-	-	-	-	(8,075)	(8,075)	(576,336)	(378,899)	(389,769)
Surplus(shortfall)		1,099,579	-	-	-	-	-	615	615	1,100,194	615,470	639,223

