

MBHASHE LOCAL MUNICIPALITY EC 121

ADJUSTMENT BUDGET 2021-2022

28 FEBRUARY 2022



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ADJUSTMENT BUDGET FOR THE 2021/2022 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 approval of the Mid-year Assessment Report (S71) which recommended for the approved budget to be adjusted upwards due to amongst other things the following:-

- ✓ Significantly high over performance of Own revenue (Registering Authority and Traffic fines, Interest on Investments etc);
- ✓ Rollovers which were approved after the approval of the budget in line with the requirements of section 28 as quoted above
- ✓ Unprecedented rain falls during the month of December 2021 and January 2022 resulting to the Premier of the Eastern Cape declaring a **State of Disaster** which resulted to huge damages on Municipal infrastructure in particular Road and BridgeS among other areas adjusted.

The Executive Mayor, Municipal Manager and the Chief Financial Officer when looking at areas of adjustments focused mainly in trying to rebuild the infrastructure damaged by heavy torrential rains as mentioned above in an effort to try and rebuild municipal infrastructure.

Considerable care was also given to expenditure items which had move at a faster pace also taking from those that showed less movements as 31 December without neglecting the nature of those as some are mainly engaged with all the Departmental Heads to address the outcomes of the assessment report resulting in the proposed adjustments budget discussed below.

1.3 Strategic Focus Areas and Municipal Priority Issues

The following strategic focus areas remain for the 2021/2022 financial year:-

- To ensure sound governance practices within Mphashe 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 2021/22 Financial year.

- a. That the adjustment budget for 2021/2022 and the indicative 2 outer financial years 2022/2023 and 2023/2024 **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 2021/2022	PROPOSED ADJUSTMENT 2021/2022	ADJUSTED BUDGET 2021/2022
Personnel Budget	145,167,249.07	-	145,167,249.07
Budget and Treasury	22,690,000.00	4,557,291.54	27,247,291.54
Infrastructure	100,855,001.93	13,135,637.66	113,990,639.59
Community Services	16,332,000.00	1,702,921.00	18,034,921.00
Developmental Planning	20,450,000.00	2,450,000.00	22,900,000.00
Operations	25,468,000.00	25,000.00	25,493,000.00
Corporate Services	17,898,581.00	-	17,898,581.00
Total Expenditure	348,860,832.00	21,870,850.20	370,731,682.20
Grants and Subsidies	350,644,000.00	4,360,850.20	355,004,850.20
Own Revenue	28,770,000.00	10,410,000.00	39,180,000.00
	379,414,000.00	14,770,850.20	394,184,850.20
Transfer from Reserves	20,646,832.00	7,100,000.00	27,746,832.00
Total Revenue(Including transfer from reserves)	400,060,832.00	21,870,850.20	421,931,682.20
Surplus/(Deficit)	51,200,000.00	-	51,200,000.00
Depreciation - Immovable Assets (Non cash	50,000,000.00		50,000,000.00
Debt Impairment	1,200,000.00		1,200,000.00
	51,200,000.00	-	51,200,000.00
Final Budget Surplus	-	-	-

2.3 BUDGET SCHEDULES

Table B 1 Adjustment Budget Summary

EC121 Mbashe - Table B1 Adjustments Budget Summary - 28 February 2022

Description	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
	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	7,830	8,182
Service charges	500	-	-	-	-	-	-	-	500	522	545
Investment revenue	1,500	-	-	-	-	-	9,000	9,000	10,500	1,566	1,636
Transfers recognised - operational	278,277	-	-	-	-	-	2,541	2,541	280,818	284,236	274,443
Other own revenue	19,270	-	-	-	-	-	1,410	1,410	20,680	20,118	21,023
Total Revenue (excluding capital transfers and contributions)	307,047	-	-	-	-	-	12,951	12,951	319,998	314,272	305,830
Employee costs	119,167	-	-	-	-	-	-	-	119,167	120,733	126,166
Remuneration of councillors	24,861	-	-	-	-	-	-	-	24,861	25,955	27,123
Depreciation & asset impairment	55,000	-	-	-	-	-	1,657	1,657	56,657	55,000	55,000
Finance charges	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	118,561	-	-	-	-	-	11,643	11,643	130,205	135,492	124,593
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) after capital transfers & contributions	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
Capital expenditure & funds sources											
Capital expenditure	82,471	-	-	-	-	-	8,570	8,570	91,042	88,100	91,975
Transfers recognised - capital	68,999	-	-	-	-	-	(1,380)	(1,380)	67,619	74,035	77,276
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	13,443	-	-	-	-	-	9,930	9,930	23,373	14,034	14,666
Total sources of capital funds	82,441	-	-	-	-	-	8,550	8,550	90,992	88,069	91,942
Financial position											
Total current assets	296,553	-	-	-	-	-	4,668	4,668	301,220	337,298	333,033
Total non current assets	687,496	-	-	-	-	-	8,570	8,570	696,066	719,746	752,044
Total current liabilities	(1,720)	-	-	-	-	-	(11,643)	(11,643)	(13,363)	(1,720)	(1,770)
Total non current liabilities	-	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	985,768	-	-	-	-	-	(7,741)	(7,741)	978,028	1,058,764	1,086,847
Cash flows											
Net cash from (used) operating	114,365	-	-	-	-	-	3,128	3,128	117,492	140,479	144,182
Net cash from (used) investing	(82,641)	-	-	-	-	-	(8,400)	(8,400)	(91,042)	(88,278)	(92,160)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	31,723	-	-	-	-	-	(5,273)	(5,273)	26,451	52,201	52,021
Cash backing/surplus reconciliation											
Cash and investments available	296,553	-	-	-	-	-	4,668	4,668	301,220	337,298	333,033
Application of cash and investments	18,927	-	-	-	-	-	(18,743)	(18,743)	183	(1,720)	(1,770)
Balance - surplus (shortfall)	277,626	-	-	-	-	-	23,411	23,411	301,037	339,018	334,803
Asset Management											
Asset register summary (WDV)	1,267,586	-	-	-	-	-	8,570	8,570	1,276,156	1,325,360	1,384,911
Depreciation	55,000	-	-	-	-	-	1,657	1,657	56,657	55,000	55,000
Renewal and Upgrading of Existing Assets	24,931	-	-	-	-	-	3,169	3,169	28,100	27,028	28,199
Repairs and Maintenance	7,449	-	-	-	-	-	(2,477)	(2,477)	4,972	7,777	8,127
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	204	-	-	-	-	-	-	-	204	213	222
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Table B2 Adjustment Budget Financial Performance by standard classification

EC121 Mbhashe - Table B2 Adjustments Budget Financial Performance (functional classification) - 28 February 2022

Standard Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	+1 2022/23	+2 2023/24
Revenue - Functional												
Governance and administration		298,175	-	-	-	-	-	9,090	9,090	307,265	309,835	301,194
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		298,175	-	-	-	-	-	9,090	9,090	307,265	309,835	301,194
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		5,672	-	-	-	-	-	2,323	2,323	7,995	1,096	1,146
Community and social services		5,022	-	-	-	-	-	1,703	1,703	6,725	418	436
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		650	-	-	-	-	-	620	620	1,270	679	709
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		75,067	-	-	-	-	-	2,520	2,520	77,587	114,277	122,442
Planning and development		2,100	-	-	-	-	-	-	-	2,100	2,192	2,291
Road transport		72,967	-	-	-	-	-	2,520	2,520	75,487	112,084	120,151
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		500	-	-	-	-	-	838	838	1,338	522	545
Energy sources		-	-	-	-	-	-	838	838	838	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		500	-	-	-	-	-	-	-	500	522	545
Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	379,414	-	-	-	-	-	14,771	14,771	394,185	425,730	425,326
Expenditure - Functional												
Governance and administration		190,206	-	-	-	-	-	5,711	5,711	195,917	202,563	204,296
Executive and council		58,270	-	-	-	-	-	(1,120)	(1,120)	57,150	62,706	63,536
Finance and administration		125,829	-	-	-	-	-	6,691	6,691	132,520	133,481	134,096
Internal audit		6,108	-	-	-	-	-	140	140	6,248	6,376	6,663
Community and public safety		49,387	-	-	-	-	-	1,265	1,265	50,653	50,143	48,609
Community and social services		46,194	-	-	-	-	-	737	737	46,931	47,227	45,562
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		1,380	-	-	-	-	-	619	619	1,999	1,023	1,069
Housing		1,348	-	-	-	-	-	(90)	(90)	1,258	1,407	1,470
Health		465	-	-	-	-	-	-	-	465	485	507
Economic and environmental services		56,115	-	-	-	-	-	6,086	6,086	62,202	62,397	57,202
Planning and development		21,069	-	-	-	-	-	(25)	(25)	21,044	24,396	23,487
Road transport		34,946	-	-	-	-	-	6,162	6,162	41,108	37,896	33,606
Environmental protection		100	-	-	-	-	-	(50)	(50)	50	104	109
Trading services		21,881	-	-	-	-	-	237	237	22,118	22,079	22,776
Energy sources		5,860	-	-	-	-	-	155	155	6,015	8,118	8,822
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		16,021	-	-	-	-	-	82	82	16,103	13,961	13,954
Other		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	317,589	-	-	-	-	-	13,301	13,301	330,890	337,181	332,883
Surplus/ (Deficit) for the year		61,825	-	-	-	-	-	1,470	1,470	63,295	88,549	92,444

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 2022

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjus.	Adjus.	Budget	Budget	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		298,175	-	-	-	-	-	9,090	9,090	307,265	309,835	301,194
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		5,022	-	-	-	-	-	1,703	1,703	6,725	418	436
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		650	-	-	-	-	-	620	620	1,270	679	709
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		2,100	-	-	-	-	-	-	-	2,100	2,192	2,291
Vote 10 - Road Transport		72,967	-	-	-	-	-	2,520	2,520	75,487	112,084	120,151
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	838	838	838	-	-
Vote 13 - Water Management		500	-	-	-	-	-	-	-	500	522	545
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	379,414	-	-	-	-	-	14,771	14,771	394,185	425,730	425,326
Expenditure by Vote	1											
Vote 1 - Executive & Council		58,270	-	-	-	-	-	(1,120)	(1,120)	57,150	62,706	63,536
Vote 2 - Finance and Admin		125,829	-	-	-	-	-	6,691	6,691	132,520	133,481	134,096
Vote 3 - Internal Audit		6,108	-	-	-	-	-	140	140	6,248	6,376	6,663
Vote 4 - Community and Social Services		46,194	-	-	-	-	-	737	737	46,931	47,227	45,562
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		1,380	-	-	-	-	-	619	619	1,999	1,023	1,069
Vote 7 - Housing		1,348	-	-	-	-	-	(90)	(90)	1,258	1,407	1,470
Vote 8 - Health		465	-	-	-	-	-	-	-	465	485	507
Vote 9 - Planning & Development		21,069	-	-	-	-	-	(25)	(25)	21,044	24,396	23,487
Vote 10 - Road Transport		34,946	-	-	-	-	-	6,162	6,162	41,108	37,896	33,606
Vote 11 - Environmental Protection		100	-	-	-	-	-	(50)	(50)	50	104	109
Vote 12 - Energy Sources		5,860	-	-	-	-	-	155	155	6,015	8,118	8,822
Vote 13 - Water Management		16,021	-	-	-	-	-	82	82	16,103	13,961	13,954
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	317,589	-	-	-	-	-	13,301	13,301	330,890	337,181	332,883
Surplus/ (Deficit) for the year	2	61,825	-	-	-	-	-	1,470	1,470	63,295	88,549	92,444

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	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
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 - 28 February 2022

Description	Ref	Budget Year 2021/22									Budget Year	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	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H	+1 2022/23	+2 2023/24
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		10	-	-	-	-	-	-	-	10	10	11
Vote 2 - Finance and Admin		5,733	-	-	-	-	-	8,902	8,902	14,635	5,985	6,254
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		546	-	-	-	-	-	1,866	1,866	2,412	570	595
Vote 5 - Sport & Recreation		25,477	-	-	-	-	-	3,029	3,029	28,506	27,598	28,795
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		500	-	-	-	-	-	150	150	650	522	545
Vote 10 - Road Transport		50,206	-	-	-	-	-	(5,376)	(5,376)	44,829	53,415	55,774
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		82,471	-	-	-	-	-	8,570	8,570	91,042	88,100	91,975
Total Capital Expenditure - Vote		82,471	-	-	-	-	-	8,570	8,570	91,042	88,100	91,975
Capital Expenditure - Functional												
Governance and administration		5,743	-	-	-	-	-	8,902	8,902	14,645	5,995	6,265
Executive and council		10	-	-	-	-	-	-	-	10	10	11
Finance and administration		5,733	-	-	-	-	-	8,902	8,902	14,635	5,985	6,254
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		26,023	-	-	-	-	-	4,895	4,895	30,917	28,168	29,390
Community and social services		546	-	-	-	-	-	1,866	1,866	2,412	570	595
Sport and recreation		25,477	-	-	-	-	-	3,029	3,029	28,506	27,598	28,795
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		50,706	-	-	-	-	-	(5,226)	(5,226)	45,479	53,937	56,319
Planning and development		500	-	-	-	-	-	150	150	650	522	545
Road transport		50,206	-	-	-	-	-	(5,376)	(5,376)	44,829	53,415	55,774
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	82,471	-	-	-	-	-	8,570	8,570	91,042	88,100	91,975
Funded by:												
National Government		63,999	-	-	-	-	-	(1,380)	(1,380)	62,619	68,815	71,821
Provincial Government		5,000	-	-	-	-	-	-	-	5,000	5,220	5,455
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	68,999	-	-	-	-	-	(1,380)	(1,380)	67,619	74,035	77,276
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		13,443	-	-	-	-	-	9,930	9,930	23,373	14,034	14,666
Total Capital Funding		82,441	-	-	-	-	-	8,550	8,550	90,992	88,069	91,942

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	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
		A	A1	B	C	D	E	F	G	H	Adjusted Budget	Adjusted Budget
R thousands												
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	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	
R thousands		A	A1	B	C	D	E	F	G	H	+1 2022/23	+2 2023/24
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

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
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