

MSUKALIGWA LOCAL MUNICIPALITY



ADJUSTMENT BUDGET 2022/23 TO 2024/25

MFMA Section 28 Report

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Council: February 2023
Report of the Municipal Manager

1. PURPOSE

The purpose of the item is to table before Council the proposed adjustment budget for the financial year 2022/23 in terms section 28 of the MFMA for consideration and approval.

2. BACKGROUND

Section 72(1) of the Municipal Finance Management Act (MFMA) requires from the Accounting Officer of the Municipality, to submit a mid-year budget assessment report to the Executive Mayor before the 25th of January each year on the state of the municipality's budget based on the section 71 reports submitted; the municipality's service delivery performance during the first half of the financial year taking the service delivery targets and performance indicators as set in the Service Delivery and Budget Implementation Plan (SDBIP) into account. **Based on the above act, this will necessitate if there is a need for an adjustment budget.**

The mid-year budget assessment report only dealt with the financial related matters (budgeted versus actual income and expenditure)..

Section 28 of the MFMA determines 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 utilisation of projected savings in one vote towards spending under another vote;*
- (e) May authorise 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 the council;*
- (f) May correct any errors in the annual budget; and*
- (g) May provide for any other expenditure within a prescribed framework.*
- (h)*

- (3) *An adjustments budget must be in a prescribed format [Schedules B1 to B10 attached as Appendix B to the Adjustments Budget Report].*
- (4) *Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing and frequency [before 28 February 2023].*
- (5) *When an adjustments budget is tabled, it must be accompanied with –*
 - (a) *An explanation how the adjustments budget affects the annual budget;*
 - (b) *A motivation of any material changes to the annual budget;*
 - (c) *An explanation of the impact of any increased spending on the annual budget and the annual budget for the next two financial years; and*
 - (d) *Any other supporting documentation that may be prescribed.*
- (6) *Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.”*

The annual operating and capital budget have been evaluated and adjusted based on the above-mentioned legislative requirements. This report is a summary of the main budget issues arising from the monitoring process. It compares the process of the budget to the projections contained in the SDBIP. No taxes or tariffs are to be adjusted.

Section 54 of the MFMA requires of the Executive Mayor to consider the Section 71 and 72 reports and to take appropriate action, if needed, to ensure that the approved budget is implemented in accordance with the SDBIP.

Section 23(1) of the Municipal Budget and Reporting Regulations determines that –

*“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.”*

Section 32 of the MFMA deals with **unauthorised, irregular or fruitless and wasteful** expenditure and determines that:

- “(1) Without limiting liability in terms of the common law or other legislation –*
 - (a) *A political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the Accounting Officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur expenditure;*
 - (b) *The Accounting Officer is liable for unauthorised expenditure deliberately or negligently incurred by the Accounting Officer, subject to subsection (3);*

- (c) Any political office-bearer or official of a municipality who deliberately or negligently committed, made or authorised an irregular expenditure is liable for that expenditure; or
 - (d) Any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure.
- (2) A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure –
- (a) In the case of unauthorised expenditure, is –
 - (i) Authorised in an adjustments budget; or
 - (ii) Certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and
 - (b) In the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.
- (3) If the Accounting Officer becomes aware that the council, the mayor or the executive committee of the municipality, as the case may be, has taken a decision which, if implemented, is likely to result in unauthorised, irregular or fruitless and wasteful expenditure, the Accounting Officer is not liable for any ensuing unauthorised, irregular or fruitless and wasteful expenditure provided that the Accounting Officer has informed the council, the mayor or the executive committee, in writing that the expenditure is likely to be unauthorised, irregular or fruitless and wasteful expenditure.
- (4) The Accounting Officer must promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of –
- (a) Any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;
 - (b) Whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and
 - (c) The steps that have been taken –
 - (i) To recover or rectify such expenditure; and
 - (ii) To prevent a recurrence of such expenditure.”

Section 78(1)(c) of the MFMA determines that:

“Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure that any unauthorised, irregular or fruitless and wasteful expenditure and any other losses are prevented.”

Section 81(1)(b) of the MFMA determines that:

“The Chief Financial Officer of a municipality must advise the Accounting Officer on the exercise of powers and duties assigned to the Accounting Officer in terms of this Act.”

Therefore, any expenditure incurred that is not credible, sustainable or relevant to basic service delivery (the mandate of a municipality) which do not relate to an approved budget within the limits of the amounts appropriated for the different votes in an approved budget (Section 15 of the MFMA), will be qualified as unauthorised, irregular or fruitless and wasteful expenditure by the Auditor-General. Over-expenditure of line items after the approval of the Adjustments Budget cannot be tolerated if Council wants an unqualified audit opinion for the 2022/2023 financial year. The approval of any over-expenditure can therefore not be condoned. Virements compliant with the approved Virement Policy and within the limits of the approved budget will have to take place.

The main adjustments budget monitoring issues will now be discussed through paragraphs 2 to 3 of this report. Appropriate recommendations as set out in paragraph 4 will follow as well as appropriate appendices to the report.

3. HIGH LEVEL OPERATING ADJUSTMENTS BUDGET

MP302 Msukaligwa - Table B1 Adjustments Budget Summary - 23/02/2023											
Description	Budget Year 2022/23									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	1	2	3	4	5	6	7	8	9	10
	A	A1	B	C	D	E	F	G	H	I	J
Financial Performance											
Property rates	207,037	207,037	--	--	--	--	18,676	18,676	225,713	205,707	214,963
Service charges	411,350	411,350	--	--	--	--	33,056	33,056	444,406	429,449	448,775
Investment revenue	932	932	--	--	--	--	2,201	2,201	3,133	927	968
Transfers recognised - operational	231,689	231,689	--	--	--	--	12,006	12,006	243,694	241,883	252,788
Other own revenue	59,637	59,637	--	--	--	--	5,852	5,852	65,490	62,261	65,063
	910,645	910,645					71,791	71,791	982,436	940,227	982,537
Total Revenue (excluding capital transfers and contributions)											
Employee costs	276,107	276,107	--	--	--	--	722	722	276,830	307,015	320,659
Remuneration of councillors	18,513	18,513	--	--	--	--	--	--	18,513	19,328	20,197
Depreciation & asset impairment	140,616	140,616	--	--	--	--	--	--	140,616	146,803	153,409
Finance charges	--	--	--	--	--	--	28,000	28,000	28,000	20,880	21,820
Inventory consumed and bulk purch.	400,647	400,647	--	--	--	--	(11,969)	(11,969)	388,678	473,222	494,517
Transfers and grants	--	--	--	--	--	--	--	--	--	--	--
Other expenditure	289,480	289,480	--	--	--	--	(2,471)	(2,471)	288,009	398,450	406,455
	1,125,364	1,125,364					(14,282)	14,282	1,111,082	1,365,697	1,417,057
Total Expenditure											
Surplus/(Deficit)	(214,719)	(214,719)	--	--	--	--	86,073	86,073	(128,646)	(425,470)	(434,521)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	292,052	292,052	--	--	--	--	4,000	4,000	296,052	304,903	318,623
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	77,333	77,333					90,073	90,073	167,406	(120,568)	(115,897)
Share of surplus/ (deficit) of associate	--	--	--	--	--	--	--	--	--	--	--
Surplus/ (Deficit) for the year	77,333	77,333					90,073	90,073	167,406	(120,568)	(115,897)
Capital expenditure & funds sources											
Capital expenditure	297,835	297,835	--	232,956	--	--	57,521	57,521	290,477	320,730	324,910
Transfers recognised - capital	292,052	292,052	--	231,182	--	--	50,292	50,292	348,128	320,730	324,910
Borrowing	--	--	--	--	--	--	--	--	--	--	--
Internally generated funds	5,783	5,783	--	1,774	--	--	--	--	5,783	6,436	6,145
Total sources of capital funds	297,835	297,835		232,956			50,292	50,292	348,128	320,730	324,910
Financial position											
Total current assets	807,352	807,352	--	--	--	--	(465,496)	(465,496)	341,856	596,095	566,024
Total non current assets	2,781,046	2,781,046	--	232,956	--	--	(63,220)	(63,220)	2,950,782	2,913,202	3,034,044
Total current liabilities	1,701,277	1,701,277	--	--	--	--	(99,107)	(99,107)	1,602,170	1,724,840	1,723,362
Total non current liabilities	82,974	82,974	--	--	--	--	67,156	67,156	150,130	86,912	90,823
Community wealth/Equity	1,831,244	1,831,244	--	--	--	--	(290,905)	(290,905)	1,540,339	1,645,089	1,730,964
Cash flows											
Net cash from (used) operating	326,912	326,912	--	--	--	--	(34,045)	(34,045)	292,867	2,440,452	2,550,273
Net cash from (used) investing	(297,835)	(297,835)	--	--	--	--	2,226	2,226	(295,609)	(320,730)	(324,910)
Net cash from (used) financing	--	--	--	--	--	--	--	--	--	--	--
Cash/cash equivalents at the year end	30,097	30,097					(23,177)	(23,177)	6,919	2,120,787	2,226,475

3.1 OPERATING REVENUE PER CATEGORY

MP302 Msukaligwa - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 23/02/2023												
Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		Original	Prior Adjusted	Accum. Funds	Multi-year	Unfore.	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted	Adjusted	Adjusted
		Budget	3	4	5	6	7	8	9	10	Budget	Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	207,037	207,037	-	-	-	-	18,676	18,676	225,713	205,707	214,963
Service charges - electricity revenue	2	246,323	246,323	-	-	-	-	13,865	13,865	260,188	257,161	268,733
Service charges - water revenue	2	67,192	67,192	-	-	-	-	8,337	8,337	75,529	70,148	73,305
Service charges - sanitation revenue	2	52,787	52,787	-	-	-	-	5,760	5,760	58,547	55,110	57,590
Service charges - refuse revenue	2	45,048	45,048	-	-	-	-	5,094	5,094	50,142	47,030	49,146
Rental of facilities and equipment		2,700	2,700	-	-	-	-	147	147	2,847	2,819	2,946
Interest earned - external investments		932	932	-	-	-	-	2,201	2,201	3,133	927	968
Interest earned - outstanding debtors		31,001	31,001	-	-	-	-	4,059	4,059	35,060	32,365	33,822
Dividends received												
Fines, penalties and forfeits		5,177	5,177	-	-	-	-	(3)	(3)	5,174	5,405	5,647
Licences and permits		3,636	3,636	-	-	-	-	-	-	3,636	3,796	3,967
Agency services		8,490	8,490	-	-	-	-	-	-	8,490	8,864	9,263
Transfers and subsidies		231,689	231,689	-	-	-	-	12,006	12,006	243,694	241,883	252,768
Other revenue	2	8,633	8,633	-	-	-	-	1,649	1,649	10,282	9,013	9,418
Gains		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		910,645	910,645	-	-	-	-	71,791	71,791	982,436	940,227	982,537

The main challenges experienced during the compilation of the of the adjustments 2022/2023 MTREF can be summarized as follows:

- The increase in unemployment
- Demand for increase bulk infrastructure (water and sanitation) due to new Developments
- Ageing water, roads, sanitation and electricity infrastructure;
- Repriorization of projects and expenditure given the cash flow realities of the municipality due to Loadshedding and Load Reduction;
- Increase in credit control function due to the current economic environment

THE MAIN GOALS OF THE MUNICIPALITY INCLUDE:

- Provision of sustainable and accessible basic services to all;
- Promotion of economic growth and job creation; and
- Promotion of good governance, organizational development and sustainability.

The high-level adjustments budget for operating revenue per category is set out in Table 1 below.

Total operating revenue increases when compared to the original budgeted of R910 644 925 to R982 436 124 adjustment budgeted which represent 6.6% increase due to increase in property rates, electricity revenue and understated of Equitable share and additional funding of R8 000 000b received from Provincial Treasury.

In terms of the Mid-year Budget and Performance Assessment Report that served before Council in January 2023, the revenue budgeted amount should be adjusted accordingly due to various factors. There is an overall upward and downward revenue performance in the revenue projected for the main services and Property Rates. However, the main reason for an upwards adjustment to the revenue relates to, property rates, operating grants that were understated in the original budget and additional funding received from Provincial Treasury as well as conditional grants on electricity efficiency demand management grant.

VARIANCES ARE:

Revenue management is key to the financial sustainability and the municipal revenue strategy is built around the following key components:

- Expand revenue base through implementation of supplementary valuation roll;
- Tightening credit control measures and increase debt collection targets;

The mid-year Actual revenue for the 2022/2023 financial year were used as the baseline to project revenue until end of the financial year to ensure budget projections is realistic and can be achieved.

- (i) Property Rates as a revenue stream shows an increase due to a robust process that was implemented during the prior year to ensure continuous updates through the supplementary valuations process and reconciliation between the Valuation Roll and the Solar Financial System. The total revenue proposed adjustment is R18, 676, 475.30.
- (ii) The increase in Service Charges is mainly due to an increase in the number of household connection and somehow development in and around Ermelo R33, 056, 084.42.
- (iii) Interest earned – outstanding debtors is adjusted upwards due to high number of consumers unable to pay their services. As well increased on interest earned on call deposit relating to RBIG grants R6, 259, 719.30.
- (iv) Transfer and Subsidies: Operational is adjusted upwards due to understatement of Equitable share and operational project funded by the MP: Provincial Treasury grant on support replacement of meters R12, 000, 000.00.
- (v) Transfer and Subsidies: Capital is adjusted upwards in total due to the inclusion of Energy Efficiency Demand Side Management Grants (R4, 000, 000.00).

3.2 OPERATING EXPENDITURE PER CATEGORY

The Municipality consider cost containment measures and eliminate non-priority spending on all procurements. Total operating expenditure has decrease from R1 124 763 971 to R1 110 482 047 which represents a saving of R14 281 924 due to actual cash flow challenges.

MP302 Msukaligwa - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 23/02/2023												
Description	Ref	Budget Year 2022/23									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
			3	4	5	6	7	8	9	10		
R thousands	1	A	A1	B	C	D	E	F	G	H		
Expenditure By Type												
Employee related costs		276,107	276,107	-	-	-	-	722	722	276,830	307,015	320,659
Remuneration of councillors		18,513	18,513	-	-	-	-	-	-	18,513	19,328	20,197
Debt impairment		156,536	156,536	-	-	-	-	(26,036)	(26,036)	130,500	231,025	241,421
Depreciation & asset impairment		140,616	140,616	-	-	-	-	-	-	140,616	146,803	153,409
Finance charges		-	-	-	-	-	-	28,000	28,000	28,000	20,880	21,820
Bulk purchases - electricity		319,126	319,126	-	-	-	-	-	-	319,126	333,167	348,160
Inventory consumed		81,522	81,522	-	-	-	-	(11,969)	(11,969)	69,553	140,055	146,357
Contracted services		75,718	75,718	-	-	-	-	(6,056)	(6,056)	69,662	81,002	84,037
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-
Other expenditure		57,226	57,226	-	-	-	-	1,057	1,057	58,284	86,424	80,997
Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		1,125,364	1,125,364	-	-	-	-	(14,282)	(14,282)	1,111,082	1,365,697	1,417,057

VARIANCES ARE:

- (i) Employee Related Costs is adjusted upwards due to uncontrollable increased overtime spending and against budget steering commit resolution to curb overtime at R12 million during compilation of the original budget approved in May 2022.
- (ii) Bulk purchases – Electricity is adjusted upwards due to the approved Eskom tariffs granted by NERSA of 18%.
- (iii) Contracted Services- adjusted upward to attend to the constant electricity outages by procurement of a standby generator (R1,500, 000.00), renovation of municipal halls (R1, 0705, 000.00) as well co-funding of human settlement programme (R1, 000, 000.00

- (iv) The increase in the budget for Other Expenditure is as a result of an increase in fuel, and other operating expenses.

3.3 HIGH LEVEL OPERATING BUDGET SUMMARY

The high-level adjustments budget for operating revenue and expenditure is set out in Table 3 below:

Description	Ref	Budget Year 2022/23									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
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Total Revenue (excluding capital transfers and contributions)		910,645	910,645	-	-	-	-	71,791	71,791	982,436	940,227	982,537
Expenditure By Type												
Total Expenditure		1,125,364	1,125,364	-	-	-	-	(14,282)	(14,282)	1,111,082	1,365,697	1,417,057
Surplus/(Deficit)		(214,719)	(214,719)	-	-	-	-	86,073	86,073	(128,646)	(425,470)	(434,521)

The operating adjustments budget **deficit** shows a decline of **R86 073 123.18** for the 2022/2023 financial year. The original approved budget provided for an operating deficit of **R214, 119, 046.**, the current approved budget provides for an operating deficit of **R128 045 922.82**. The operating adjustments budget now shows an operating deficit of **R128 045 922.82** for the 2022/2023 financial year.

it should be **NOTED** That this deficit is less that the depreciation and debt impairment (R297 151 639)

4. HIGH LEVEL CAPITAL BUDGET ASSESSMENT

4.1 CAPITAL BUDGET PER DEPARTMENT

Table 4 below depicts the capital adjustments budget per department as per the current approved project plan.

MP302 Msukaligwa - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 23/02/2023

Description	Ref	Budget Year 2022/23								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 2023/24	+2 2024/25
Capital Expenditure - Functional												
Governance and administration		1,890	1,890	-	-	-	-	-	-	1,890	2,508	2,040
Executive and council		-	-	-	-	-	-	-	-	-	555	-
Finance and administration		1,890	1,890	-	-	-	-	-	-	1,890	1,952	2,040
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		10,817	10,817	-	-	-	-	-	-	10,817	11,293	11,801
Community and social services		10,817	10,817	-	-	-	-	-	-	10,817	11,293	11,801
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		19,964	19,964	-	-	-	-	-	-	19,964	20,842	21,780
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		19,964	19,964	-	-	-	-	-	-	19,964	20,842	21,780
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		265,164	265,164	-	-	-	-	(1,783)	(1,783)	263,381	286,087	289,289
Energy sources		3,826	3,826	-	-	-	-	-	-	3,826	13,250	4,174
Water management		183,575	183,575	-	-	-	-	-	-	183,575	191,652	200,277
Waste water management		75,096	75,096	-	-	-	-	-	-	75,096	78,401	81,929
Waste management		2,667	2,667	-	-	-	-	(1,783)	(1,783)	884	2,784	2,909
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	297,835	297,835	-	-	-	-	(1,783)	(1,783)	296,052	320,730	324,910
Funded by:												
National Government		292,052	292,052	-	-	-	-	4,000	4,000	296,052	314,294	318,765
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
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	292,052	292,052	-	-	-	-	4,000	4,000	296,052	314,294	318,765
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		5,783	5,783	-	-	-	-	-	-	5,783	6,436	6,145
Total Capital Funding		297,835	297,835	-	-	-	-	4,000	4,000	301,835	320,730	324,910

The Project management unit has assessed the performance of each project and re-aligned spending to accelerate conditional grants on performing. The Municipality has also set aside funding to response to ageing fleet in order to response to service delivery efficiently.

4.2 HIGH LEVEL CAPITAL BUDGET SUMMARY

Notable variances in the capital budget are:

- (i) An amount of R 9 338 179 .48 was identified as savings from other projects and allocated to projects that were earmarked to be completed in the next financial which were considered to perform.

5. RECOMMENDATIONS

It is recommended that Council approves:

- 5.1 **NOTES** adjustment budget report and the content thereof
- 5.2 The total operating revenue be adjusted by R71 791 198.78 for the 2022/2023 financial year as set out in Table 1 of the 2020/21 Adjustments Budget Report.
- 5.3 The operating expenditure of R14 281 924.39 for the 2022/2023 financial year as set out in Table 2 of the 2022/2023 Adjustments Budget Report;
- 5.4 The capital budget expenditure of R 9 338 179 .48 be re-aligned to high performing projects for the 2022/2023 financial year as set out in Table 4 of the 2022/2023 Adjustments Budget Report;
- 5.5 That the operating expenditure of R12 000 000 be funded by the following revenue sources as set out in Table 5 of the 2022/2023 Adjustments Budget Report:
 - 5.5.1 Water and electricity Meter replacement by MPU: Treasury (R 8 000 000.00);
 - 5.5.2 Replacement of streetlights, NG: Dept of energy (R4 000 000.00)

5.6 Schedules B1,B4,B5,B6 and B7 attached as Appendix B to the 2022/2023 Adjustments Budget Report;

5.7 That the over-riding of expenditure that will constitute unauthorized expenditure not be allowed by the Municipal Manager or Chief Financial Officer. If there are insufficient funds available on a vote number, savings on other vote number/s have to be identified and the virement process have to be followed in terms of Council's Virement Policy; and

6. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Maqhawe Kunene, the Municipal Manager of Msukaligwa LM Municipality hereby certify that the 2022/2023 Adjustments Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the Regulations made under that Act, and that Adjustments Budgets and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name: M Kunene

Municipal Manager of Msukaligwa LM Municipality (MP302)

Signature:

Date:

7. APPENDICES

Appendix A: Operation adjustments budget per department, cost centre and capital item; and
Appendix B: Capital adjustments budget per department, cost centre and capital item; and
Appendix C: Completed B1,B4,B5,B6 and B7 Schedules of the Municipal Budget and Reporting Regulations.

8. TABLES

Table 1: High level summary of adjustments budget operating revenue and expenditure;
Table 2: High level adjustments budget operating revenue per source;
Table 3: High level adjustments budget operating expenditure per source;
Table 4: High level adjustments budget capital expenditure per department(s).

Appendix C:

Completed B Schedule of the Municipal Budget and Reporting Regulations

Votenumbr	Description	Budget	Original vs Proposed adjustments	Proposed Adjustment Budget	COMMENT
1000102030000000000	BUSINESS & COMMERCIAL PROPERTIES	- 85 385 395.00	19 401 980.70	(65 983 414.30)	
1000102060000000000	COMMUNAL LAND: BUSINESS & COMMERCIAL	2 405 523.00	(137 221.58)	2 268 301.42	
1000102240000000000	INDUSTRIAL PROPERTIES	- 7 723 777.00	(123 695.60)	(7 847 472.60)	
1000102510000000000	RESIDENTIAL PROPERTIES: DEVELOPED	- 61 222 214.00	(13 067 081.70)	(74 289 295.70)	
1000102546000000000	STATE-OWNED PROPERTIES	- 726 152.00	(24 750 457.12)	(25 476 609.12)	
1000102990000000000	SUB TOTAL : PROPERTY RATES	- 152 652 015.00	- 18 676 475.30	- 171 328 490.30	
1000104004000000000	FINES: LAW ENFORCEMENT	- 174 345.00	2 913.00	(171 432.00)	
1000106990000000000	SUB TOTAL : FINES PENALTIES AND FORFEITS	- 5 176 890.00	2 913.00	- 5 173 977.00	
1000117910000000000	TS_O_M_NRF_EQUITABLE SHARE	- 223 520 000.00	(4 000 000.00)	(227 520 000.00)	understatement during original budget
1000117942000000000	TS_O_M_DM_MPU_DC30_INFR_COVID-19	-	(8 000 000.00)	(8 000 000.00)	Provincial Treasury Grant
1000117990000000000	SUB TOTAL : OPERATIONAL : MONETARY	- 231 688 750.00	- 12 005 564.85	- 243 694 314.85	
1000125894000000000	TS_C_M_NG_MIG GRANT	- 117 052 250.00	60 000 000.00	(57 052 250.00)	Alignment of MIG/WSIG
1000132302000000000	TS_C_M_NG_WSIG GRANT	-	(60 000 000.00)	(60 000 000.00)	Alignment of MIG/WSIG
1000132306000000000	TS_C_M_NG_EEDSM GRANT	-	(4 000 000.00)	(4 000 000.00)	understatement during original budget
1000125994000000000	SUB TOTAL : NON - EXCHANGE REVENUE	- 117 052 250.00	- 4 000 000.00	- 121 052 250.00	
1000132103000000000	ELEC: CONNEC NEW FEES NON-GOVERN HOUSING	- 387 284.00	(804 316.44)	(1 191 600.44)	
1000132107000000000	ELEC: METER COMPLIANCE TESTING	- 1.00	(1 191.44)	(1 192.44)	
1000132108000000000	ELEC: METER READING FEES	- 36 326.00	(1 068.54)	(37 394.54)	
1000132116000000000	ELEC SALES: DOMESTI LOW HOME LIGHT 1 60A	- 5 275 899.00	(6 116 993.38)	(11 392 892.38)	
1000132117000000000	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-	(24 256.94)	(24 256.94)	
1000132138000000000	ELEC: AVAILABILITY CHARGES	- 67 202 583.00	(6 917 014.76)	(74 119 597.76)	
1000132203000000000	WASTE MANGEMENT: REFUSE REMOVAL	- 45 047 964.00	(5 094 476.88)	(50 142 440.88)	
1000132302000000000	WASTE WATER MANG: SANITATION CHARGES	- 30 816 361.00	(5 105 596.50)	(35 921 957.50)	
1000132306000000000	WASTE WATER MANG: AVAILABILITY CHARGES	- 21 886 819.00	(649 155.70)	(22 535 974.70)	
1000132307000000000	WASTE WATER MANG: CONNECTION/RECONNECTIO	- 1.00	1.00	-	
1000132308000000000	WASTE WATER M: PUMP/REMOVAL WASTE WATER	- 83 952.00	(5 429.10)	(89 381.10)	
1000132400000000000	WATER: CONNECTION/RECONNECTION	- 1.00	1.00	-	
1000132401000000000	WATER: METER READING FEES	- 1.00	1.00	-	
1000132402000000000	WATER: SALE - CONVENTIONAL	- 53 725 703.00	(5 047 883.22)	(58 773 586.22)	
1000132406000000000	WATER: INDUSTRIAL WATER	- 1.00	(5 505.02)	(5 506.02)	
1000132407000000000	WATER: AVAILABILITY CHARGES	- 13 466 305.00	(3 283 199.50)	(16 749 504.50)	
1000132990000000000	SUB TOTAL : SERVICE CHARGES	- 237 929 201.00	- 33 056 084.42	- 270 985 285.42	
1000134101000000000	INTER: RECEIV - ELECTRICITY	- 5 764 266.00	(218 965.86)	(5 983 231.86)	
1000134109000000000	INTER: RECEIV - SERVICE CHARGES	- 536 458.00	(121 485.38)	(657 943.38)	
1000134112000000000	INTER: RECEIV - WASTE MANAGEMENT	- 4 942 346.00	(586 072.78)	(5 528 418.78)	
1000134113000000000	INTER: RECEIV - WASTE WATER MANAGEMENT	- 5 375 866.00	(466 520.96)	(5 842 386.96)	
1000134114000000000	INTER: RECEIV - WATER	- 8 340 198.00	(342 382.70)	(8 682 580.70)	
1000134117000000000	INTER: SHORT TERM INVEST & CALL ACCOUNTS	- 931 901.00	(2 200 661.30)	(3 132 562.30)	
1000135120000000000	INT DIV & RENT LAND -INT: REC-PROP RATES	- 6 040 026.00	(2 323 630.32)	(8 363 656.32)	
1000135990000000000	SUB TOTAL : INT DIV RENT ON LAND NON-EXC	- 31 931 061.00	- 6 259 719.30	- 38 190 780.30	
1000138001000000000	ADMINISTRATIVE HANDLING FEES	- 239 705.00	(78 526.52)	(318 231.52)	
1000138031000000000	BREAKAGES RECOVERED	- 1 267.00	(817.00)	(2 084.00)	
1000138060000000000	COLLECTION CHARGES	- 1.00	1.00	-	
1000138061000000000	COMMISSION: INSURANCE	- 207 496.00	(507.84)	(208 003.84)	
1000138062000000000	COMMISSION: TRANSACTION HANDLING FEES	- 193 701.00	(163 275.52)	(356 976.52)	
1000138245000000000	INSPECTION FEES: STATUTORY SERVICES	- 64 888.00	(106 788.20)	(171 676.20)	
1000138510000000000	REGISTRATION FEES: INFLAMMABLE MATERIAL	- 279 968.00	(9 826.00)	(289 794.00)	
1000138518000000000	REQ INFO - ACCIDENT REPORTS	- 1 300.00	(764.00)	(2 064.00)	
1000138521000000000	REQ INFO - MUNICIPAL INFOR & STATISTICS	- 5 045.00	(4 384.20)	(9 429.20)	
1000138525000000000	SALE OF PROPERTY	- 1.00	1.00	-	
1000138526000000000	MERCHANDISING JOBBING & CONTRACTS	- 1.00	1.00	-	
1000138990000000000	SUB TOTAL : OPERATIONAL REVENUE	- 993 373.00	- 364 886.28	- 1 358 259.28	
1000140001000000000	N-M-R INV PROP - STRAIGHT-LINED OPERATIN	- 121 349.00	(25 913.20)	(147 262.20)	
1000140057000000000	N-M-R INV PROP - AD HOC RENTALS	- 2 365 922.00	219 688.04	(2 146 233.96)	
1000140088000000000	N-M-R PPE: S/LINE-COMMUNITY ASSETS	- 138 691.00	(80 350.36)	(219 041.36)	
1000140109000000000	N-M-R PPE: AD HOC-COMMUNITY ASSETS	- 74 280.00	(260 234.00)	(334 514.00)	
1000140990000000000	SUB TOTAL : RENTAL FROM FIXED ASSETS	- 2 700 242.00	- 146 809.52	- 2 847 051.52	
1000142003000000000	ACADDEMIC SERVICES: INFORMAL TRAINING	- 1.00	1.00	-	
1000142008000000000	ADVERTISEMENTS	- 387 095.00	(44 650.68)	(431 745.68)	
1000142062000000000	CLEANING & REMOVAL	- 1.00	1.00	-	
1000142150000000000	FIRE SERVICES	- 1 637 118.00	(633 351.68)	(2 270 469.68)	
1000142362000000000	MEMBERSHIP FEES	9 975.00	(9 975.00)	-	
1000142450000000000	PARKING FEES	-	(210.00)	(210.00)	
1000142451000000000	PHOTOCOPIES & FAXES	- 284 299.00	(41 630.62)	(325 929.62)	
1000142458000000000	PLAN & DEV: ENCROACHMENT FEES	- 1.00	1.00	-	
1000142540000000000	SALE OF: AGRIC PROD - CATTLE CRAZING	- 1.00	(427.70)	(428.70)	
1000142551000000000	SALE OF: PUBLICATION - TENDER DOCUMENTS	- 286 482.00	(554 330.44)	(840 812.44)	
1000142572000000000	SALE OF: MATERIALS & EQUIPMENT	- 1.00	1.00	-	
1000142990000000000	SUB TOTAL : SALES & RENDERING OF SERV	- 2 585 024.00	- 1 284 572.12	- 3 869 596.12	
1000149992000000000	SUB TOTAL : EXCHANGE REVENUE	- 466 742 321.00	- 41 112 071.64	- 507 854 392.64	
1000199998000000000	TOTAL : INCOME	- 910 644 925.00	- 71 791 198.79	- 982 436 123.79	

Votenummer	Description	Budget	Original vs Proposed adjustments	Proposed Adjustment Budget	COMMENT
10002030090000000000	SM MM: ALLOW - TRAVEL OR MOTOR VEHICLE	105 236.00	15 214.00	120 450.00	
10002030390000000000	SUB TOTAL: MM - SAL ALLOW & SERV BENEF	1 923 380.00	15 214.00	1 938 594.00	
10002030850000000000	SM D01: SAL & ALL - BASIC SALARY	648 359.00	651 253.34	1 299 612.34	
10002031190000000000	SUB TOTAL: DTS - SAL ALLOW & SERV BENEF	837 179.00	651 253.34	1 488 432.34	
10002032050000000000	SM D04: SAL & ALL - BASIC SALARY	840 020.00	53 687.30	893 707.30	
10002032390000000000	SUB TOTAL: DCS - SAL ALLOW & SERV BENEF	1 028 840.00	53 687.30	1 082 527.30	
10002039900000000000	SUB TOTAL: SM - SAL ALLOW & SERV BENEF	5 761 809.00	720 154.64	6 481 963.64	
10002050230000000000	SM MM: SOC CONTR: UIF	447.00	2 032.68	2 479.68	
10002050490000000000	SUB TOTAL: MM - SOCIAL CONTRIBUTIONS	321 229.00	2 032.68	323 261.68	
10002059900000000000	SUB TOTAL: SM - SOCIAL CONTRIBUTIONS	1 348 039.00	2 032.68	1 350 071.68	
10002099920000000000	SUB TOTAL : SENIOR MANAGEMENT	7 109 848.00	722 187.32	7 832 035.32	
10002159940000000000	SUB TOTAL : EMPLOYEE RELATED COST	276 237 422.00	722 187.32	276 959 609.32	
10002260300000000000	OS: BURIAL SERVICES	58 760.00	16 240.00	75 000.00	
10002260410000000000	OS: B&A QUALITY CONTROL	54 027.00	(17 795.00)	36 232.00	
10002260600000000000	OS: CATERING SERVICES	163 955.00	127 792.06	291 747.06	
10002261200000000000	OS: ELECTRICAL	9 000 000.00	2 792 316.66	11 792 316.66	provision of additional R1,5 million for standby generator
10002265400000000000	OS: SECURITY SERVICES	27 600 000.00	-	27 600 000.00	
10002269900000000000	SUB TOTAL : OUTSOURCE SERVICES	36 876 742.00	2 918 553.72	39 795 295.72	
10002270340000000000	C&PS: B&A BUSINESS & FIN MANAGEMENT	2 000 000.00	(1 553 749.56)	446 250.44	
10002270380000000000	C&PS: B&A MEDICAL EXAMINATIONS	315 888.00	(287 088.00)	28 800.00	
10002270400000000000	C&PS: B&A ORGANISATIONAL	1 709 446.00	(1 292 054.68)	417 391.32	
10002270450000000000	C&PS: B&A VALUER & ASSESSORS	2 405 000.00	(1 705 000.00)	700 000.00	
10002272580000000000	C&PS: I&P TOWN PLANNER	200 000.00	83 900.00	283 900.00	
10002273340000000000	C&PS: LEGAL COST ADVICE & LITIGATION	6 000 000.00	(2 038 983.84)	3 961 016.16	
10002273360000000000	C&PS: LEGAL COST COLLECTION	1 500 000.00	(1 500 000.00)	-	
10002279900000000000	SUB TOTAL : CONSULTANT AND PROF SERVICES	14 130 334.00	-	8 292 976.08	5 837 357.92
10002283610000000000	CONTR: MAINTENANCE OF EQUIPMENT	5 468 394.00	(1 721 155.26)	3 747 238.74	
10002283620000000000	CONTR: MAINTENANCE OF UNSPECIFIED ASSETS	494 997.00	1 705 000.00	2 199 997.00	R 2 million Provision of De-bruin municipal hall
10002283630000000000	CONTR: MANAGEMENT - INFORMAL SETTLEMENTS	-	1 000 000.00	1 000 000.00	R1 million Provision of co-funding to human settlement
10002289900000000000	SUB TOTAL : CONTRACTORS	6 005 751.00	983 844.74	6 989 595.74	
10002289920000000000	SUB TOTAL : CONTRACTED SERVICES	75 047 946.00	-	6 055 988.32	68 991 957.68
10002300120000000000	OC: ADV/PUB/MARK - CORP & MUN ACTIVITIES	250 173.00	(35 850.02)	214 322.98	
10002300400000000000	OC: BC/FAC/C FEES - BANK ACCOUNTS	2 445 637.00	(154 402.34)	2 291 234.66	
10002301120000000000	OC: COMM - POSTAGE/STAMPS/FRANKING MACH	1 675 500.00	(1 000 000.00)	675 500.00	
10002301170000000000	OC: COMM - PHONE FAX TELEGRAPH & TELEX	1 400 000.00	150 213.48	1 550 213.48	
10002301440000000000	OC: DEEDS	15 463.00	(1 593.80)	13 869.20	
10002301810000000000	OC: EXT COM SERV PROV - SYS DEVELOPMENT	300 000.00	(96 749.54)	203 250.46	
1000230333F00000000000	OC: LIC - VEHICLE LIC & REGISTR FLEET	773 600.00	182 215.94	955 815.94	
10002304510000000000	OC: PRINTING & PUBLICATIONS	1 587 625.00	66 482.10	1 654 107.10	
10002305100000000000	OC: REG FEESPROF & REGULATORY BODIES	117 992.00	15 556.70	133 548.70	
10002305470000000000	OC: SMALL DIFFERENCES TOLERANCES	-	0.05	0.05	
10002305770000000000	OC: T&S DOM - DAILY ALLOWANCE	66 141.00	21 805.00	87 946.00	
10002306610000000000	OC: WET FUEL	9 515 102.00	1 909 551.26	11 424 653.26	
10002309900000000000	SUB TOTAL : OPERATIONAL COST	57 301 367.00	1 057 228.83	58 358 595.83	
1000232060F00000000000	INV - CONSUMABLE STORES -STD RATED FLEET	3 941 693.00	(1 048 959.24)	2 892 733.76	
1000232360000000000000	INVENTORY - MATERIALS & SUPPLIES	25 809 048.00	(10 920 294.98)	14 888 753.02	
1000232990000000000000	SUB TOTAL - INVENTORY	81 386 850.00	-	11 969 254.22	69 417 595.78
1000236256000000000000	INT PAID: OVERDUE ACCOUNTS	-	28 000 000.00	28 000 000.00	
1000236990000000000000	SUB TOTAL - INTEREST DIVID & RENT - LAND	-	28 000 000.00	28 000 000.00	
1000398040000000000000	PRIMARY GAINS & LOSSES/Debt impairment	156 036 098.00	(26 036 098.00)	130 000 000.00	
1000240990000000000000	SUB TOTAL : BAD DEBTS WRITTEN OFF	156 536 098.00	-	130 500 000.00	
1000299998000000000000	TOTAL : EXPENDITURE	1 124 763 971.00	-	1 110 482 046.61	
1000230172000000000000	OC: EXT COM SERV PROV - INFORMATION SERV	4 023 500.00	-	4 023 500.00	original budgeted amount on infrastructure

PROJECTS TO BE IMPLEMENTED IN THE 2022/23 FINANCIAL YEAR)

PROJECT NAME		PROJECT TYPE	WARD	VOTE	TOTAL BUDGET FOR THE 2022/23 FINANCIAL YEAR (Rands)	Expenditure to Date	Savings	Deficit	Revised Budget
Installation Of Water House Connections at Breyten Ext 4 (Enkanini)	New	Water	13	31226446020CMD54ZZ13	R 1 303 929.30	R 0.00	R 50 946.67	-	R 1 252 982.63
Construction of A 8 MI Reservoir at Ermelo Ext 44 & associated pipeworks	Multi-year	Water	8	31226446020CMD20ZZ17	R 2 219 776.37	R 1 859 426.01	-	-	R 2 219 776.37
Installation Of Sewer Reticulation In Wesselton Extension 11 Phase 1 and Phase 2	New	Sanitation	9	31126449420CMD55ZZ09	R 7 575 149.22	R 295 741.68	R 1 446 131.92	-	R 6 129 017.30
The Upgrading Of Kwazanele Waste Water Treatment Works	New	Sanitation	14	31126449420CMD56ZZ14	R 970 627.95	R 0.00	R 970 627.95	-	R 0.00
VIP Toilets in Msukaligwa Farm areas	New	Sanitation	8,12,14 &15	31126449420CMD57ZZ17	R 8 100 399.74	R 3 663 486.00	R 222 063.74	-	R 7 878 336.00
Electro-Mechanical Upgrades to Extension 32, 33 and 34 Pumpstations in Ermelo	Multi-year	Sanitation	16	31126449420CMD08ZZ14	R 0.00	R 0.00	R 0.00	-R 666 206.11	R 666 206.11
Construction of two Intersections to join SANRAL's N17 at Warburton, Nganga Road and associated St - Phase 2	Multi-year	Roads and Stormwater	12	31026472420CMD60ZZ02	R 5 680 218.75	R 2 243 519.02	-	-R 949 470.92	R 6 629 689.67
Upgrading of the Wesselton Extension 3 Boxer intersection	Multi-year	Roads and Stormwater	1	31026472420CMD37ZZ01	R 2 580 972.76	R 1 382 104.57	-	-R 1 388 366.06	R 3 969 338.82
Rehabilitation of Emadamini Ext 6 Taxi collector	Multi-year	Roads and Stormwater	2	31026472420CMD38ZZ02	R 3 790 365.42	R 3 355 566.03	-	-	R 3 790 365.42
Upgrading of KwaZanele Masizakhe road	Multi-year	Roads and Stormwater	14	31026472420CMD39ZZ14	R 1 899 899.97	R 1 786 603.00	-	-	R 1 899 899.97
Construction of paved roads in Wesselton Mthambama Street	New	Roads and Stormwater	17	31026472420CMD58ZZ17	R 6 433 805.52	R 226 996.57	-	-	R 6 433 805.52
Construction of the roads at Wesselton OR Tambo Taxi Collector Phase 1	New	Roads and Stormwater	2,9	3102672420CMD59ZZWM	R 5 685 666.67	R 323 929.43	R 5 172 296.06	-	R 513 370.61
Construction of the storm water channel at Wesselton Ext 6 eMadamini	New	Roads and Stormwater	2	31026472420CMD60ZZ02	R 6 000 000.00	R 419 124.99	R 1 476 113.14	-	R 4 523 886.86
Construction of the roads at Wesselton Msheveni Street	New	Roads and Stormwater	17	31026472420CMD61ZZWM	R 896 000.00	R 329 877.66	-	-R 6 073 288.05	R 6 969 288.05
Installation of Highmast lights	Multi-year	Community Lighting		32016432420CMD47ZZWM	R 2 141 688.33	R 804 661.03	-	-R 260 848.34	R 2 402 536.67
Procurement of the Yellow Fleet for the waste management		Yellow Fleet	All wards	34106627420CFC04ZZWM	R 1 773 750.00	R 1 773 750.00	-	-	R 1 773 750.00
PMU Operations					R 3 002 750.00	R 1 171 822.05	-	-	R 3 002 750.00
TOTALS					R 60 055 000.00	R 19 636 608.04	R 9 338 179.48	-R 9 338 179.48	R 60 055 000.00

PROJECTS TO BE IMPLEMENTED IN THE 2022/23 FINANCIAL YEAR)

PROJECT NAME		PROJECT TYPE	WARD	VOTE	BUDGET 2022/23 FINANCIAL YEAR
Refurbishment of Chriesmeer Oxidation ponds	New	Sanitation	19	31126449420W2D62ZZWM	R 17 719 921.32
Refurbishment of Lothair Oxidation ponds	New	Sanitation	15	31126449420W2D63ZZ15	R 19 895 893.39
Upgrading of Ermelo Ext 32, 33 and 34 outfall sewer pipeline	Multi-year	Sanitation	16,8,7,3	31126450020W2D43ZZWM	R 22 384 185.29
					R 60 000 000.00

PROJECTS TO BE IMPLEMENTED IN THE 2022/23 FINANCIAL YEAR)

PROJECT NAME		PROJECT TYPE	WARD	VOTE	BUDGET 2022/23 FINANCIAL YEAR
Installation of Retrofit Technology	New	Electricity		32016432420EED64ZZWM	R 4 000 000.00
					R 4 000 000.00

PROJECTS TO BE IMPLEMENTED IN THE 2022/23 FINANCIAL YEAR)

PROJECT NAME		PROJECT TYPE	WARD	VOTE	BUDGET 2022/23 FINANCIAL YEAR
Design and Construction of 20MVA, 88/11KV Transformer in Ermelo KV Substation	Multi-year	Electricity	8	32016435020CFD53ZZWM	R 4 423 549.90
					R 4 423 549.90

MP302 Msukaligwa - Table B1 Adjustments Budget Summary - 23/02/2023

Description	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	1	2	3	4	5	6	7	8		
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	207,037	207,037	-	-	-	-	18,676	18,676	225,713	205,707	214,963
Service charges	411,350	411,350	-	-	-	-	33,056	33,056	444,406	429,449	448,775
Investment revenue	932	932	-	-	-	-	2,201	2,201	3,133	927	968
Transfers recognised - operational	231,689	231,689	-	-	-	-	12,006	12,006	243,694	241,883	252,768
Other own revenue	59,637	59,637	-	-	-	-	5,852	5,852	65,490	62,261	65,063
	910,645	910,645	-	-	-	-	71,791	71,791	982,436	940,227	982,537
Total Revenue (excluding capital transfers and contributions)											
Employee costs	276,107	276,107	-	-	-	-	722	722	276,830	307,015	320,659
Remuneration of councillors	18,513	18,513	-	-	-	-	-	-	18,513	19,328	20,197
Depreciation & asset impairment	140,616	140,616	-	-	-	-	-	-	140,616	146,803	153,409
Finance charges	-	-	-	-	-	-	28,000	28,000	28,000	20,880	21,820
Inventory consumed and bulk purchase	400,647	400,647	-	-	-	-	(11,969)	(11,969)	388,678	473,222	494,517
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	289,480	289,480	-	-	-	-	(2,471)	(2,471)	258,446	398,450	406,455
Total Expenditure	1,125,364	1,125,364	-	-	-	-	(14,282)	14,282	1,111,082	1,365,697	1,417,057
Surplus/(Deficit)	(214,719)	(214,719)	-	-	-	-	86,073	86,073	(128,646)	(425,470)	(434,521)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	292,052	292,052	-	-	-	-	4,000	4,000	296,052	304,903	318,623
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	77,333	77,333	-	-	-	-	90,073	90,073	167,406	(120,568)	(115,897)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	77,333	77,333	-	-	-	-	90,073	90,073	167,406	(120,568)	(115,897)
Capital expenditure & funds sources											
Capital expenditure	297,835	297,835	-	232,956	-	-	57,521	57,521	290,477	320,730	324,910
Transfers recognised - capital	292,052	292,052	-	231,182	-	-	50,292	50,292	348,128	320,730	324,910
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	5,783	5,783	-	1,774	-	-	-	-	5,783	6,436	6,145
Total sources of capital funds	297,835	297,835	-	232,956	-	-	50,292	50,292	348,128	320,730	324,910
Financial position											
Total current assets	807,352	807,352	-	-	-	-	(465,496)	(465,496)	341,856	596,095	566,024
Total non current assets	2,781,046	2,781,046	-	232,956	-	-	(63,220)	169,736	2,950,782	2,913,202	3,034,044
Total current liabilities	1,701,277	1,701,277	-	-	-	-	(99,107)	(99,107)	1,602,170	1,724,840	1,723,362
Total non current liabilities	82,974	82,974	-	-	-	-	67,156	67,156	150,130	86,912	90,823
Community wealth/Equity	1,831,244	1,831,244	-	-	-	-	(290,905)	(290,905)	1,540,339	1,645,089	1,730,964
Cash flows											
Net cash from (used) operating	326,912	326,912	-	-	-	-	(34,045)	(34,045)	292,867	2,440,452	2,550,273
Net cash from (used) investing	(297,835)	(297,835)	-	-	-	-	2,226	2,226	(295,609)	(320,730)	(324,910)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	30,097	30,097	-	-	-	-	(23,177)	(23,177)	6,919	2,120,787	2,226,475

MP302 Msukaligwa - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 23/02/2023

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
			3	4	5	6	7	8	9	10		
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	207,037	207,037	-	-	-	-	18,676	18,676	225,713	205,707	214,963
Service charges - electricity revenue	2	246,323	246,323	-	-	-	-	13,865	13,865	260,188	257,161	268,733
Service charges - water revenue	2	67,192	67,192	-	-	-	-	8,337	8,337	75,529	70,148	73,305
Service charges - sanitation revenue	2	52,787	52,787	-	-	-	-	5,760	5,760	58,547	55,110	57,590
Service charges - refuse revenue	2	45,048	45,048	-	-	-	-	5,094	5,094	50,142	47,030	49,146
Rental of facilities and equipment		2,700	2,700	-	-	-	-	147	147	2,847	2,819	2,946
Interest earned - external investments		932	932	-	-	-	-	2,201	2,201	3,133	927	968
Interest earned - outstanding debtors		31,001	31,001	-	-	-	-	4,059	4,059	35,060	32,365	33,822
Dividends received									-	-		
Fines, penalties and forfeits		5,177	5,177	-	-	-	-	(3)	(3)	5,174	5,405	5,647
Licences and permits		3,636	3,636	-	-	-	-	-	-	3,636	3,796	3,967
Agency services		8,490	8,490	-	-	-	-	-	-	8,490	8,864	9,263
Transfers and subsidies		231,689	231,689	-	-	-	-	12,006	12,006	243,694	241,883	252,768
Other revenue	2	8,633	8,633	-	-	-	-	1,649	1,649	10,282	9,013	9,418
Gains		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		910,645	910,645	-	-	-	-	71,791	71,791	982,436	940,227	982,537

MP302 Msukaligwa - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 23/02/2023

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
			3	4	5	6	7	8	9	10		
R thousands	1	A	A1	B	C	D	E	F	G	H		
Expenditure By Type												
Employee related costs		276,107	276,107	-	-	-	-	722	722	276,830	307,015	320,659
Remuneration of councillors		18,513	18,513	-	-	-	-	-	-	18,513	19,328	20,197
Debt impairment		156,536	156,536	-	-	-	-	(26,036)	(26,036)	130,500	231,025	241,421
Depreciation & asset impairment		140,616	140,616	-	-	-	-	-	-	140,616	146,803	153,409
Finance charges		-	-	-	-	-	-	28,000	28,000	28,000	20,880	21,820
Bulk purchases - electricity		319,126	319,126	-	-	-	-	-	-	319,126	333,167	348,160
Inventory consumed		81,522	81,522	-	-	-	-	(11,969)	(11,969)	69,553	140,055	146,357
Contracted services		75,718	75,718	-	-	-	-	(6,056)	(6,056)	69,662	81,002	84,037
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-
Other expenditure		57,226	57,226	-	-	-	-	1,057	1,057	58,284	86,424	80,997
Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		1,125,364	1,125,364	-	-	-	-	(14,282)	(14,282)	1,111,082	1,365,697	1,417,057

MP302 Msukaligwa - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 23/02/2023

Description	Ref	Budget Year 2022/23									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 2023/24	+2 2024/25
Capital Expenditure - Functional												
Governance and administration		1,890	1,890	-	-	-	-	-	-	1,890	2,508	2,040
Executive and council		-	-	-	-	-	-	-	-	-	555	-
Finance and administration		1,890	1,890	-	-	-	-	-	-	1,890	1,952	2,040
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		10,817	10,817	-	-	-	-	1,500	1,500	12,317	11,293	11,801
Community and social services		10,817	10,817	-	-	-	-	1,500	1,500	12,317	11,293	11,801
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		19,964	19,964	-	-	-	-	16,800	16,800	36,764	20,842	21,780
Planning and development		-	-	-	-	-	-	7,330	7,330	7,330	-	-
Road transport		19,964	19,964	-	-	-	-	9,471	9,471	29,434	20,842	21,780
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		265,164	265,164	-	-	-	-	31,992	31,992	297,156	286,087	289,289
Energy sources		3,826	3,826	-	-	-	-	-	-	3,826	13,250	4,174
Water management		183,575	183,575	-	-	-	-	1,304	1,304	184,879	191,652	200,277
Waste water management		75,096	75,096	-	-	-	-	32,471	32,471	107,568	78,401	81,929
Waste management		2,667	2,667	-	-	-	-	(1,783)	(1,783)	884	2,784	2,909
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	297,835	297,835	-	-	-	-	50,292	50,292	348,128	320,730	324,910
Funded by:												
National Government		292,052	292,052	-	-	-	-	4,000	4,000	296,052	314,294	318,765
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
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	292,052	292,052	-	-	-	-	4,000	4,000	296,052	314,294	318,765
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		5,783	5,783	-	-	-	-	-	-	5,783	6,436	6,145
Total Capital Funding		297,835	297,835	-	-	-	-	4,000	4,000	301,835	320,730	324,910

Description	Ref	Budget Year 2022/23									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
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
ASSETS												
Current assets												
Cash		252,685	252,685	-	-	-	-	(245,766)	(245,766)	6,919	(198,292)	(207,216)
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	395,611	395,611	-	-	-	-	(189,140)	(189,140)	206,471	477,823	499,325
Other debtors		159,072	159,072	-	-	-	-	(43,610)	(43,610)	115,462	306,124	263,005
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Inventory		(17)	(17)	-	-	-	-	13,021	13,021	13,004	10,440	10,910
Total current assets		807,352	807,352	-	-	-	-	(465,496)	(465,496)	341,856	596,095	566,024
Non current assets												
Long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		120,037	120,037	-	-	-	-	60,076	60,076	180,113	125,319	130,958
Investment in Associate		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	2,660,807	2,660,807	-	232,956	-	-	(123,331)	109,626	2,770,432	2,787,672	2,902,865
Biological		-	-	-	-	-	-	175	175	175	-	-
Intangible		-	-	-	-	-	-	62	62	62	-	-
Other non-current assets		202	202	-	-	-	-	(202)	(202)	-	211	220
Total non current assets		2,781,046	2,781,046	-	232,956	-	-	(63,220)	169,736	2,950,782	2,913,202	3,034,044
TOTAL ASSETS		3,588,398	3,588,398	-	232,956	-	-	(528,716)	(295,759)	3,292,639	3,509,297	3,600,068
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Consumer deposits		3,511	3,511	-	-	-	-	15,733	15,733	19,244	(46,079)	(48,297)
Trade and other payables		1,675,605	1,675,605	-	-	-	-	(100,801)	(100,801)	1,574,804	1,747,783	1,747,483
Provisions		22,161	22,161	-	-	-	-	(14,038)	(14,038)	8,123	23,136	24,177
Total current liabilities		1,701,277	1,701,277	-	-	-	-	(99,107)	(99,107)	1,602,170	1,724,840	1,723,362
Non current liabilities												
Borrowing	1	2,643	2,643	-	-	-	-	(2,643)	(2,643)	-	2,760	2,884
Provisions	1	80,331	80,331	-	-	-	-	69,799	69,799	150,130	84,152	87,939
Total non current liabilities		82,974	82,974	-	-	-	-	67,156	67,156	150,130	86,912	90,823
TOTAL LIABILITIES		1,784,251	1,784,251	-	-	-	-	(31,951)	(31,951)	1,752,300	1,811,752	1,814,185
NET ASSETS	2	1,804,147	1,804,147	-	232,956	-	-	(496,765)	(263,808)	1,540,339	1,697,545	1,785,883
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		1,831,244	1,831,244	-	-	-	-	(290,905)	(290,905)	1,540,339	1,645,089	1,730,964
Reserves		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		1,831,244	1,831,244	-	-	-	-	(290,905)	(290,905)	1,540,339	1,645,089	1,730,964

MP302 Msukaligwa - Table B7 Adjustments Budget Cash Flows - 23/02/2023

Description	Ref	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	8	9	10		
R thousands		A	A1	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates		133,248	133,248	36,037	36,037	169,285	128,671	134,461
Service charges		385,213	385,213	(51,908)	(51,908)	333,305	347,977	363,636
Other revenue		95,675	95,675	(30,186)	(30,186)	65,490	(71,833)	22,885
Transfers and Subsidies - Operational	1	228,686	228,686	15,008	15,008	243,694	332,480	249,492
Transfers and Subsidies - Capital	1	295,055	295,055	997	997	296,052	308,037	321,899
Interest		932	932	23,938	23,938	24,870	973	1,017
Dividends					-	-		
Payments								
Suppliers and employees		(811,898)	(811,898)	69	69	(811,829)	1,415,026	1,478,703
Finance charges		-	-	(28,000)	(28,000)	(28,000)	(20,880)	(21,820)
Transfers and Grants	1				-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		326,912	326,912	(34,045)	(34,045)	292,867	2,440,452	2,550,273
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE		-	-	443	443	443	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-
Payments								
Capital assets		(297,835)	(297,835)	1,783	1,783	(296,052)	(320,730)	(324,910)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(297,835)	(297,835)	2,226	2,226	(295,609)	(320,730)	(324,910)
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		29,077	29,077	(31,819)	(31,819)	(2,742)	2,119,722	2,225,362
Cash/cash equivalents at the year begin:	2	1,020	1,020	8,642	8,642	9,662	1,065	1,113
Cash/cash equivalents at the year end:	2	30,097	30,097	(23,177)	(23,177)	6,919	2,120,787	2,226,475

