

**MAGARENG**



**MUNICIPALITY**

## **ADJUSTMENT BUDGET**

**2023/24 FINANCIAL YEAR**

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## ADJUSTMENT BUDGET

### EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

Section 28 of Municipal Finance Management Act requires Municipality to revise its approved annual budget through an adjustment budget. The format and contents of the adjustment budget and supporting documentation must in terms of MFMA, be in the format as specified in Schedule B of the Municipal Budget and Reporting Regulations. The adjustment budget as submitted herewith contains the applicable adjustment budget tables.

It should be noted that municipal tax and tariffs are not increased during the financial year and any amendments to the annual budget must remain funded in accordance with section 18 of the MFMA.

Description	Budget Year 2023/24			
	Original Budget	Adjustment	Adjusted Budget	Percentage
Total Revenue (excluding capital transfers and contributions)	162,061,667.00	9,049,010.00	153,012,657.00	94%
Total Expenditure	177,673,719.00	13,451,107.00	191,124,826.00	108%
Transfers and subsidies - capital	54,967,000.00	6,057,000.00	61,024,000.00	111%
Surplus/ (Deficit) for the year	39,354,948.00	(16,443,117.00)	22,911,831.00	58%

The impact of the adjustments on the adjustment budget is as follows:

- Total operating revenue budget decreased as a result of the underperformance of service charges (electricity & water) in relation to what the municipality billed for the services. The adjustments made are in line with the actuals as at end December 2023.

- The operational expenditure budget increased due to the an increase in the remuneration of councilors which was as a result of an approval of councilors upper limits which was backdated from 2022/2023 to date.
- There was also an increase in contracted services due to a variation in the security contract as well the actual expenditure incurred for the first half of the financial year.
- The increase in Other Expenditure is as a result of an increase in the cost of audit fees, accountant and auditors as well as asset consultants.
- Irrecoverable debt written off amounting to R5.2 million also had an impact on the increase in Operating Expenditure as this had to be provided for.

**Table B1 Sum: Adjustment Budget Summary:**

Description	Budget Year 2023/24				Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>						
<b>Financial Performance</b>						
Property rates	13 926	(0)	(0)	13 926	14 608	15 363
Service charges	60 384	(23 152)	(23 152)	37 233	63 528	65 174
Investment revenue	–	–	–	–	–	–
Transfers recognised - operational	68 488	1 255	1 255	69 743	69 487	69 431
Other own revenue	19 264	12 848	12 848	32 112	876	917
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>162 062</b>	<b>(9 049)</b>	<b>(9 049)</b>	<b>153 013</b>	<b>148 499</b>	<b>150 885</b>
Employee costs	53 709	–	–	53 709	53 643	55 510
Remuneration of councillors	4 807	805	805	5 612	5 109	5 429
Depreciation & asset impairment	61 345	(1)	(1)	61 344	64 228	66 915
Finance charges	–	–	–	–	–	–
Inventory consumed and bulk purchases	37 920	–	–	37 920	38 364	40 127
Transfers and subsidies	–	–	–	–	–	–
Other expenditure	19 893	12 647	12 647	32 540	15 060	15 588
<b>Total Expenditure</b>	<b>177 674</b>	<b>13 451</b>	<b>13 451</b>	<b>191 125</b>	<b>176 403</b>	<b>183 569</b>
<b>Surplus/(Deficit)</b>	<b>(15 612)</b>	<b>(22 500)</b>	<b>(22 500)</b>	<b>(38 112)</b>	<b>(27 904)</b>	<b>(32 685)</b>
Transfers and subsidies - capital (monetary allocations)	51 967	4 312	4 312	56 279	14 913	14 690
Transfers and subsidies - capital (in-kind - all)	3 000	1 745	1 745	4 745	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>39 355</b>	<b>(16 443)</b>	<b>(16 443)</b>	<b>22 912</b>	<b>(12 991)</b>	<b>(17 995)</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>39 355</b>	<b>(16 443)</b>	<b>(16 443)</b>	<b>22 912</b>	<b>(12 991)</b>	<b>(17 995)</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	<b>55 257</b>	<b>5 767</b>	<b>5 767</b>	<b>61 024</b>	<b>15 217</b>	<b>15 009</b>
Transfers recognised - capital	54 967	6 057	6 057	61 024	14 913	14 690
Borrowing	–	–	–	–	–	–
Internally generated funds	290	(290)	(290)	–	304	319
<b>Total sources of capital funds</b>	<b>55 257</b>	<b>5 767</b>	<b>5 767</b>	<b>61 024</b>	<b>15 217</b>	<b>15 009</b>
<b>Financial position</b>						
Total current assets	20 216	–	–	20 216	18 978	309 943
Total non current assets	306 151	5 767	5 767	311 918	277 903	290 566
Total current liabilities	356 086	–	–	356 086	370 426	388 207
Total non current liabilities	11 911	–	–	11 911	12 463	13 134
Community wealth/Equity	<b>(41 630)</b>	<b>(16 443)</b>	<b>(16 443)</b>	<b>(58 073)</b>	<b>(97 767)</b>	<b>186 927</b>
<b>Cash flows</b>						
Net cash from (used) operating	33 047	–	–	33 047	122 712	122 839
Net cash from (used) investing	(52 257)	–	–	(52 257)	(15 217)	(15 009)
Net cash from (used) financing	–	–	–	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>(18 968)</b>	<b>–</b>	<b>–</b>	<b>(18 968)</b>	<b>107 748</b>	<b>108 096</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	(122 868)	–	–	(122 868)	(132 120)	152 731
Application of cash and investments	302 587	(7 616)	(7 616)	294 972	312 384	326 922
<b>Balance - surplus (shortfall)</b>	<b>(425 455)</b>	<b>7 616</b>	<b>7 616</b>	<b>(417 840)</b>	<b>(444 504)</b>	<b>(174 191)</b>
<b>Asset Management</b>						
Asset register summary (WDV)	303 949	5 767	5 767	309 716	275 597	288 147
Depreciation	25 954	(1)	(1)	25 953	27 174	28 505
Renewal and Upgrading of Existing Assets	55 257	5 767	5 767	61 024	13 117	13 509
Repairs and Maintenance	4 500	2 605	2 605	7 105	2 780	2 911
<b>Free services</b>						
Cost of Free Basic Services provided	11 284	–	–	11 284	9 582	10 033
Revenue cost of free services provided	1 102	(0)	(0)	1 102	1 156	1 210
<b>Households below minimum service level</b>						
Water:	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–
Energy:	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–

The above B1 Sum table summarizes the impact of adjustment budget on special adjustment budget and the approved annual.

### **Operating revenue**

**Property rates** – there was no adjustment due to actual performance. Furthermore, the municipality undertook the process of preparing a detailed reconciliation between valuation roll and the core financial system which the exceptions of will be kept track of and resolved on a monthly basis.

**Service charges** – the adjustment is due to actual performance from the previous mid-term.

**Interest on outstanding debtors** – the adjustment on interest on outstanding debtors is due to the performance from the previous mid-term.

**Other own revenue** - the adjustment is informed by actual performance and non-payment of accounts by customers. Additionally the adjustment on sale on tender documents and cleaning and removal for businesses. The municipality is still experiencing challenges regarding the fines due to the traffic station which needs repairs for driving licenses and learner driving certificate.

### **Operating expenditure**

The year to date actual operational expenditure as at end of December amounts to R82.2 million and the budget is R177.7 million. This reflects underspending variance of R6.6 million that translates to -8% variance. The variance is attributed to underspending on employee related cost as a result of vacancies not filled, bulk purchases electricity and inventory consumed.

**Other materials** – there is adjustment due to the actual performance R 2,4 million and R 1,8 million from Frances Baard District Municipality. There was an additional allocation for O & M from the district municipality of R 1, 2 million

**Bulk purchases** - there is underspending on bulk purchases; as per creditors as at end of December 2023 the municipality owed R 113,4 million and budgeted R 25 million.

**Table B2: Adjustment Budget – Standard Classification**

Standard Description	Budget Year 2023/24				Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>						
<b>Revenue - Functional</b>						
<b>Governance and administration</b>	84 422	3 618	3 618	88 039	83 014	83 663
Executive and council	84 422	3 618	3 618	88 039	83 014	83 663
Finance and administration	-	-	-	-	-	-
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>	1 393	77	77	1 470	1 458	1 525
Community and social services	1 393	77	77	1 470	1 458	1 525
Sport and recreation	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Health	-	-	-	-	-	-
<b>Economic and environmental services</b>	450	-	-	450	-	-
Planning and development	450	-	-	450	-	-
Road transport	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-
<b>Trading services</b>	130 764	(6 686)	(6 686)	124 077	78 940	80 386
Energy sources	130 764	(6 686)	(6 686)	124 077	78 940	80 386
Water management	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-
Waste management	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>217 029</b>	<b>(2 992)</b>	<b>(2 992)</b>	<b>214 037</b>	<b>163 412</b>	<b>165 575</b>
<b>Expenditure - Functional</b>						
<b>Governance and administration</b>	60 080	14 683	14 683	74 762	57 152	59 441
Executive and council	57 910	14 635	14 635	72 545	54 904	57 250
Finance and administration	2 169	48	48	2 217	2 248	2 191
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>	12 754	2 955	2 955	15 709	12 790	12 916
Community and social services	12 754	2 955	2 955	15 709	12 790	12 916
Sport and recreation	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Health	-	-	-	-	-	-
<b>Economic and environmental services</b>	24 739	(16 993)	(16 993)	7 746	22 831	23 997
Planning and development	24 739	(16 993)	(16 993)	7 746	22 831	23 997
Road transport	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-
<b>Trading services</b>	82 271	15 650	15 650	97 920	85 139	88 638
Energy sources	82 271	15 650	15 650	97 920	85 139	88 638
Water management	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-
Waste management	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>179 843</b>	<b>16 294</b>	<b>16 294</b>	<b>196 137</b>	<b>177 912</b>	<b>184 992</b>
<b>Surplus/ (Deficit) for the year</b>	<b>37 186</b>	<b>(19 286)</b>	<b>(19 286)</b>	<b>17 899</b>	<b>(14 500)</b>	<b>(19 417)</b>



**Table B3: Adjustment Budget – Municipal Vote**

Vote Description	Budget Year 2023/24				Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>						
<b>Revenue by Vote</b>						
Vote 01 - Executive & Council	62,541	–	–	62,541	65,287	65,176
Vote 02 - Office Of The Municipal Manager	–	–	–	–	–	–
Vote 03 - Corporate Services	–	–	–	–	–	–
Vote 04 - Financial Services	21,881	3,618	3,618	25,498	17,727	18,487
Vote 05 - Municipal Infrastructure	131,214	(6,686)	(6,686)	124,527	78,940	80,386
Vote 06 - Community Services	–	–	–	–	–	–
Vote 07 - Public Safety & Transport	1,393	77	77	1,470	1,458	1,525
<b>Total Revenue by Vote</b>	<b>217,029</b>	<b>(2,992)</b>	<b>(2,992)</b>	<b>214,037</b>	<b>163,412</b>	<b>165,575</b>
<b>Expenditure by Vote</b>						
Vote 01 - Executive & Council	10,836	379	379	11,216	9,542	10,069
Vote 02 - Office Of The Municipal Manager	2,169	48	48	2,217	2,248	2,191
Vote 03 - Corporate Services	15,806	2,794	2,794	18,600	17,045	17,838
Vote 04 - Financial Services	29,098	11,061	11,061	40,159	26,068	27,151
Vote 05 - Municipal Infrastructure	104,180	(1,417)	(1,417)	102,763	104,960	109,493
Vote 07 - Public Safety & Transport	11,535	(506)	(506)	11,029	11,512	11,579
Vote 09 - Planning & Development	4,048	3,888	3,888	7,936	4,288	4,478
<b>Total Expenditure by Vote</b>	<b>177,674</b>	<b>16,246</b>	<b>16,246</b>	<b>193,920</b>	<b>175,664</b>	<b>182,800</b>
<b>Surplus/ (Deficit) for the year</b>	<b>39,355</b>	<b>(19,238)</b>	<b>(19,238)</b>	<b>20,117</b>	<b>(12,252)</b>	<b>(17,226)</b>

The above two tables (Table B2 and B3) summarize present comparison of original budget and adjusted budget for both revenue and operating expenditure. As explained under Table B1.

**Table B4: Adjustment Budget–Revenue & Expenditure**

Description	Budget Year 2023/24				Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>Revenue By Source</b>						
<b>Exchange Revenue</b>						
Service charges - Electricity	33,713	(17,521)	(17,521)	16,192	35,550	35,881
Service charges - Water	9,156	(5,663)	(5,663)	3,492	9,604	10,056
Service charges - Waste Water Management	10,832	–	–	10,832	11,363	11,897
Service charges - Waste Management	6,683	32	32	6,716	7,011	7,340
Sale of Goods and Rendering of Services	624	113	113	737	654	685
Agency services	–	–	–	–	–	–
Interest	–	–	–	–	–	–
Interest earned from Receivables	13,632	9,618	9,618	23,250	–	–
Interest earned from Current and Non Current Assets	–	–	–	–	–	–
Dividends	–	–	–	–	–	–
Rent on Land	3	(1)	(1)	2	3	4
Rental from Fixed Assets	3	–	–	3	3	3
Licence and permits	–	–	–	–	–	–
Operational Revenue	71	77	77	147	74	77
<b>Non-Exchange Revenue</b>						
Property rates	13,926	(0)	(0)	13,926	14,608	15,363
Surcharges and Taxes	–	–	–	–	–	–
Fines, penalties and forfeits	135	(11)	(11)	124	141	148
Licences or permits	–	–	–	–	–	–
Transfer and subsidies - Operational	68,488	1,255	1,255	69,743	69,487	69,431
Interest	4,798	3,052	3,052	7,849	–	–
Fuel Levy	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–
Gains on disposal of Assets	–	–	–	–	–	–
Other Gains	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>162,062</b>	<b>(9,049)</b>	<b>(9,049)</b>	<b>153,013</b>	<b>148,499</b>	<b>150,885</b>
<b>Expenditure By Type</b>						
Employee related costs	53,709	–	–	53,709	53,643	55,510
Remuneration of councillors	4,807	805	805	5,612	5,109	5,429
Bulk purchases - electricity	25,000	–	–	25,000	26,225	27,458
Inventory consumed	12,920	–	–	12,920	12,139	12,670
Debt impairment	35,391	–	–	35,391	37,054	38,410
Depreciation and amortisation	25,954	(1)	(1)	25,953	27,174	28,505
Interest	–	–	–	–	–	–
Contracted services	9,594	385	385	9,979	8,724	8,978
Transfers and subsidies	–	–	–	–	–	–
Irrecoverable debts written off	–	5,172	5,172	5,172	–	–
Operational costs	10,299	7,090	7,090	17,389	6,335	6,610
Losses on disposal of Assets	–	–	–	–	–	–
Other Losses	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>177,674</b>	<b>13,451</b>	<b>13,451</b>	<b>191,125</b>	<b>176,403</b>	<b>183,569</b>
<b>Surplus/(Deficit)</b>	<b>(15,612)</b>	<b>(22,500)</b>	<b>(22,500)</b>	<b>(38,112)</b>	<b>(27,904)</b>	<b>(32,685)</b>
Transfers and subsidies - capital (monetary allocations)	51,967	4,312	4,312	56,279	14,913	14,690
Transfers and subsidies - capital (in-kind - all)	3,000	1,745	1,745	4,745	–	–
<b>Surplus/(Deficit) before taxation</b>	<b>39,355</b>	<b>(16,443)</b>	<b>(16,443)</b>	<b>22,912</b>	<b>(12,991)</b>	<b>(17,995)</b>
Income Tax	–	–	–	–	–	–
<b>Surplus/(Deficit) after taxation</b>	<b>39,355</b>	<b>(16,443)</b>	<b>(16,443)</b>	<b>22,912</b>	<b>(12,991)</b>	<b>(17,995)</b>
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–
<b>Surplus/(Deficit) attributable to municipality</b>	<b>39,355</b>	<b>(16,443)</b>	<b>(16,443)</b>	<b>22,912</b>	<b>(12,991)</b>	<b>(17,995)</b>
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>39,355</b>	<b>(16,443)</b>	<b>(16,443)</b>	<b>22,912</b>	<b>(12,991)</b>	<b>(17,995)</b>

### **Operating revenue**

**Fines** – the adjustment is informed by actual performance.

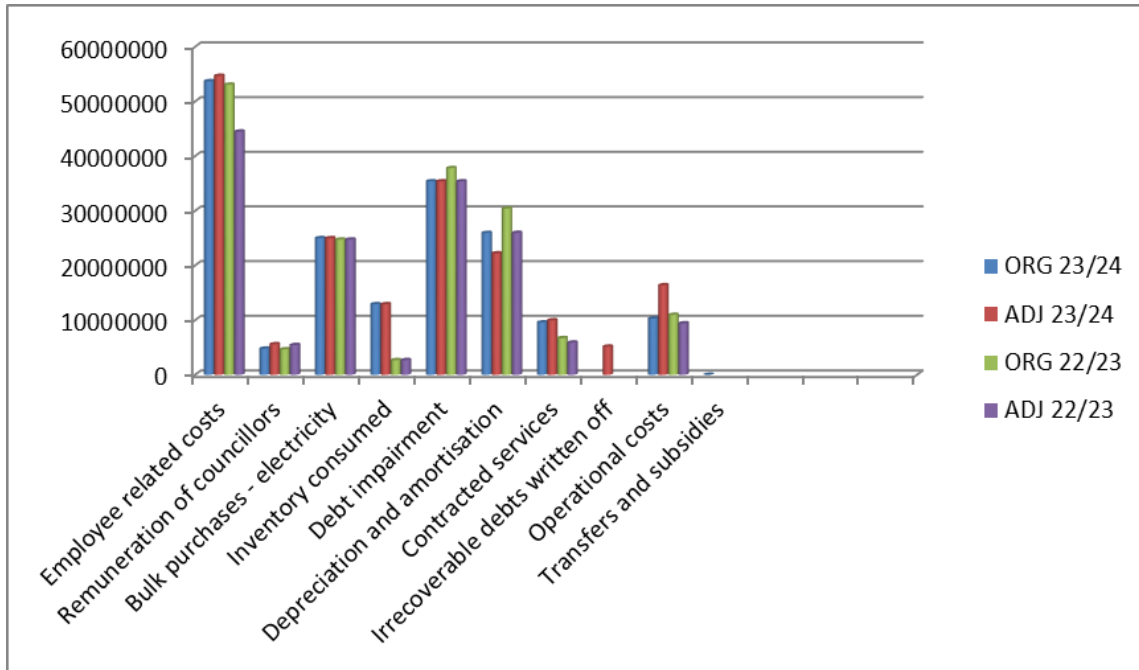
**Service charges water** – the adjustment is due to actual performance as at December 2023.

**Interest outstanding debtors** - the adjustment is informed by actual performance and the result of increase in property rates.

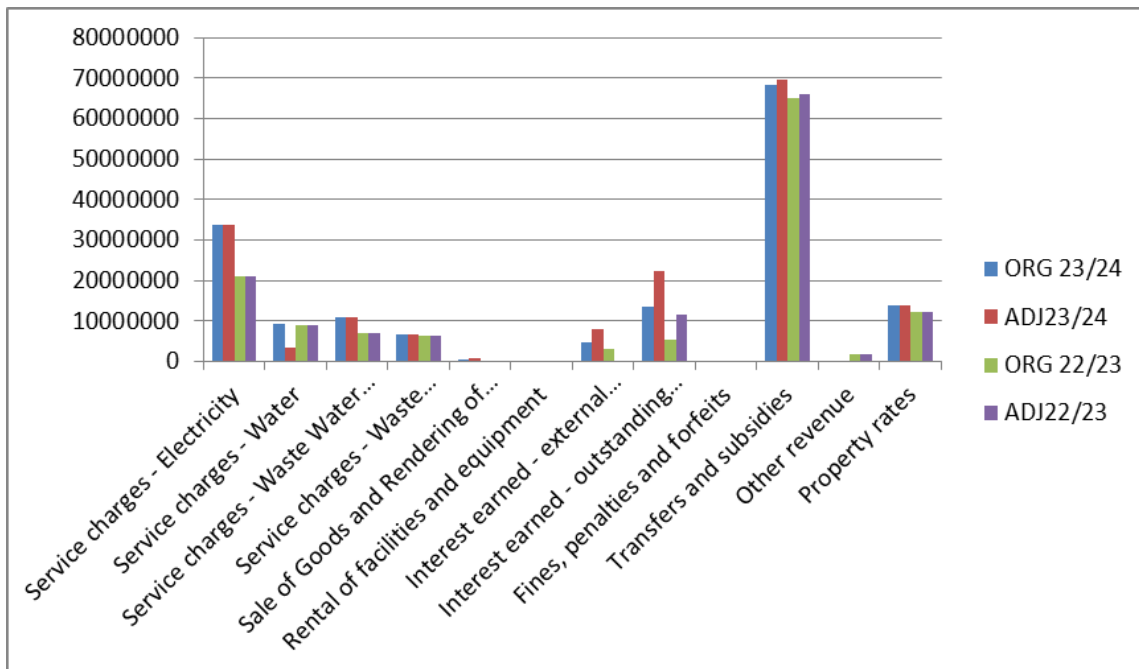
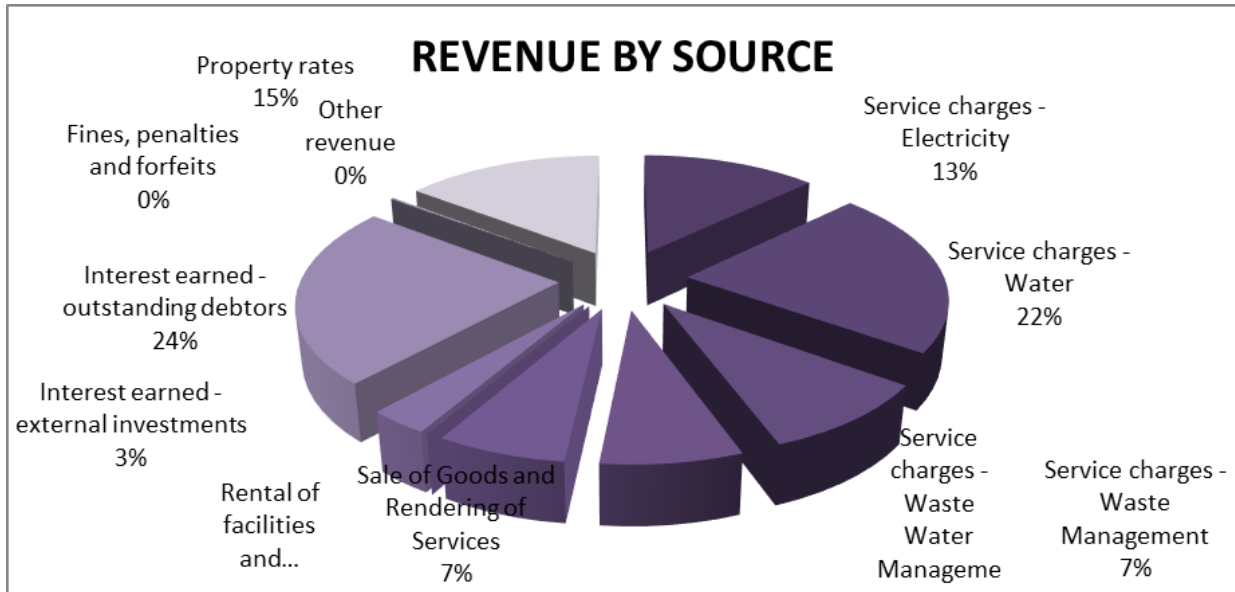
**Transfers and subsidies** – the adjustment is informed by an additional allocation from Frances Baard District Municipality.

The following expenditure item adjustments are due to actual performance:

- Remuneration of councilors,
- Other expenditure,
- Contracted service
- Transfer and subsidies



The above graphs present comparison of original and adjusted budget for revenue (by source) and expenditure (by type) and there are major changes from the main annual budget.



## **Revenue**

Fines; services charges; property rates and transfer are the major components or revenue types under operating budget.

Below are resultant changes per line item:

- Transfer operational – 2%
- Transfer capital – Increased by 10%
- Service charges electricity – Decreased -108%
- Fines; penalties and forfeits – Decreased -9%
- Interest earned outstanding debtors – Increased by 41%
- Other revenue – Increased by 52%

## **Expenditure**

Employee related cost, contracted services; depreciation; debt impairment and bulk purchases are the major components or expenditure types under operating budget.

The operational expenditure proportions changed from those of the special adjustment budget, the change is a result of actual performance, and reason already alluded in table B1.

Below are resultant changes per line item:

- Remuneration of councilors – Increased with 14%
- Contracted services – Decreased to 4%
- Other expenditure – Decreased to 41%

**Table B5: Adjustment Capital Budget – vote and funding**

Description	Budget Year 2023/24			Budget Year	Budget Year
	Original Budget	Other Ac	Total Ad	+1 2024/25	+2 2025/26
		usts.	usts.	Adjusted Budget	Adjusted Budget
		10	11	12	
<b>R thousands</b>	A	F	G	H	
<b>Single-year expenditure to be adjusted</b>					
Vote 01 - Executive & Council	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager	-	-	-	-	-
Vote 03 - Corporate Services	290	(290)	(290)	-	304
Vote 04 - Financial Services	-	-	-	-	-
Vote 05 - Municipal Infrastructure	54,967	6,057	6,057	61,024	14,913
Vote 06 - Community Services	-	-	-	-	-
Vote 07 - Public Safety & Transport	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture	-	-	-	-	-
Vote 09 - Planning & Development	-	-	-	-	-
Vote 10 - Hunan Settlements	-	-	-	-	-
Vote 11 - Idp, Pms Department	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs	-	-	-	-	-
Vote 13 - Electricity Department	-	-	-	-	-
Vote 14 - Maluti Water	-	-	-	-	-
Vote 15 - Other	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>55,257</b>	<b>5,767</b>	<b>5,767</b>	<b>61,024</b>	<b>15,217</b>
<b>Total Capital Expenditure - Vote</b>	<b>55,257</b>	<b>5,767</b>	<b>5,767</b>	<b>61,024</b>	<b>15,217</b>



**Table B5B: Adjustment Capital Budget – by Vote**

Vote Description	Budget Year 2023/24				Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
<b>Capital expenditure - Municipal Vote</b>						
Vote 01 - Executive & Council	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager	290	(290)	(290)	-	304	319
Vote 03 - Corporate Services	-	-	-	-	-	-
Vote 04 - Financial Services	54,967	6,057	6,057	61,024	14,913	14,690
0	-	-	-	-	-	-
05.1 - Technical Admin	-	-	-	-	-	-
05.2 - Roads And Stormwater	-	-	-	-	-	-
05.3 - Solid Waste Management	19,515	-	-	19,515	-	-
05.4 - Sanitation	35,452	6,057	6,057	41,509	12,813	13,190
05.5 - Water	-	-	-	-	2,100	1,500
Vote 05 - Municipal Infrastructure	-	-	-	-	-	-
Vote 06 - Community Services	-	-	-	-	-	-
Vote 07 - Public Safety & Transport	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture	-	-	-	-	-	-
Vote 09 - Planning & Development	-	-	-	-	-	-
Vote 10 - Hunan Settlements	-	-	-	-	-	-
Vote 11 - Idp, Pms Department	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditi	-	-	-	-	-	-
Vote 13 - Electricity Department	-	-	-	-	-	-
Vote 14 - Maluti Water	-	-	-	-	-	-
Capital single-year expenditure sub-total	55,257	5,767	5,767	61,024	15,217	15,009
Total Capital Expenditure	55,257	5,767	5,767	61,024	15,217	15,009

### Capital Expenditure

The upward adjustment is due to appropriation of the Municipal Disaster Relief Grant amounting to R 5.1million and R 1,7 million Frances Baard District Municipality capital allocation.

There was a downward adjustment in the Municipal Infrastructure Grant of R833 thousand as per the Adjusted Dora.

The above graph reflects the funding proportion for capital expenditure budget after adjustment budget. The sources of funding for capital budget are as follows:

**Table B6: Adjustment Budget - Financial Position**

Description	Ref	Budget Year 2023/24								Budget Year +1 2024/25	Budget Year +2 2025/26	
		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
<b>R thousands</b>												
<b>ASSETS</b>												
<b>Current assets</b>												
Cash and cash equivalents		(138,558)	-	-	-	-	-	-	-	(138,558)	(148,560)	135,498
Trade and other receivables from exchange transactions	1	90,110	-	-	-	-	-	-	-	90,110	95,613	98,974
Receivables from non-exchange transactions	1	15,690	-	-	-	-	-	-	-	15,690	16,440	17,233
Current portion of non-current receivables	2											
Inventory		(136)	-	-	-	-	-	-	-	(136)	(119)	(90)
VAT		54,920	-	-	-	-	-	-	-	54,920	57,502	60,319
Other current assets		(1,810)	-	-	-	-	-	-	-	(1,810)	(1,898)	(1,991)
<b>Total current assets</b>		<b>20,216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,216</b>	<b>18,978</b>	<b>309,943</b>
<b>Non current assets</b>												
Investments												
Investment property		23,831	-	-	-	-	-	-	-	23,831	24,951	26,174
Property, plant and equipment	3	281,929	-	-	-	-	-	5,767	5,767	287,696	252,542	263,963
Biological assets												
Living and non-living resources												
Heritage assets		371	-	-	-	-	-	-	-	371	388	407
Intangible assets		20	-	-	-	-	-	-	-	20	21	22
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions												
Other non-current assets												
<b>Total non current assets</b>		<b>306,151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,767</b>	<b>5,767</b>	<b>311,918</b>	<b>277,903</b>	<b>290,566</b>
<b>TOTAL ASSETS</b>		<b>326,367</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,767</b>	<b>5,767</b>	<b>332,134</b>	<b>296,880</b>	<b>600,509</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft												
Financial liabilities		165	-	-	-	-	-	-	-	165	172	181
Consumer deposits		611	-	-	-	-	-	-	-	611	639	671
Trade and other payables from exchange transactions		320,290	-	-	-	-	-	-	-	320,290	333,367	348,804
Trade and other payables from non-exchange transactions		(264)	-	-	-	-	-	-	-	(264)	(712)	(219)
Provisions		9,051	-	-	-	-	-	-	-	9,051	9,477	9,941
VAT		24,009	-	-	-	-	-	-	-	24,009	25,154	26,386
Other current liabilities		2,224	-	-	-	-	-	-	-	2,224	2,329	2,443
<b>Total current liabilities</b>		<b>356,086</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>329,852</b>	<b>370,426</b>	<b>388,207</b>
<b>Non current liabilities</b>												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	11,911	-	-	-	-	-	-	-	11,911	12,463	13,134
Long term portion of trade payables												
Other non-current liabilities												
<b>Total non current liabilities</b>		<b>11,911</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,911</b>	<b>12,463</b>	<b>13,134</b>
<b>TOTAL LIABILITIES</b>		<b>367,997</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>341,763</b>	<b>382,889</b>	<b>401,341</b>
<b>NET ASSETS</b>	2	<b>(41,630)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,767</b>	<b>5,767</b>	<b>(9,629)</b>	<b>(86,008)</b>	<b>199,169</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		(41,630)	-	-	-	-	-	(16,443)	(16,443)	(58,073)	(97,767)	186,927
Funds and Reserves		-	-	-	-	-	-	-	-	-	-	-
Other												
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>(41,630)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,443)</b>	<b>(16,443)</b>	<b>(58,073)</b>	<b>(97,767)</b>	<b>186,927</b>

Table B6 is consistent with international standards of good financial management practice and improves understandability for councilors and management of the impact of the budget on the statement of financial position (previously known as balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version, which presents Assets less Liabilities as "Accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

Table B6 is supported by an extensive table of notes (supporting table SB2) that provide detailed analysis of the major components of a number of items, including:

- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non-current;
- Changes in net assets; and
- Reserves.

The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would have an impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position. The collection rate is calculated based on actual and anticipated rate on prior six months billing and payments received.

**Table B7: Adjustment Budget – Cash Flows**

Description	Ref	Budget Year 2023/24									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 2024/25	+2 2025/26
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>R thousands</b>												
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates		4,874	-	-	-	-	-	-	2,981	7,855	5,090	5,329
Service charges		20,261	-	-	-	-	-	-	(887)	19,374	20,955	21,940
Other revenue		786	-	-	-	-	-	-	6,361	7,147	819	859
Transfers and Subsidies - Operational	1	68,488	-	-	-	-	-	-	1,255	69,743	69,487	69,431
Transfers and Subsidies - Capital	1	54,967	-	-	-	-	-	-	6,057	61,024	14,913	14,690
Interest		-	-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Suppliers and employees		(116,329)	-	-	-	-	-	-	(8,281)	(124,610)	11,447	10,591
Finance charges		-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>33,047</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,485</b>	<b>40,533</b>	<b>122,712</b>	<b>122,839</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Capital assets		(52,257)	-	-	-	-	-	-	(8,767)	(61,024)	(15,217)	(15,009)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(52,257)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,767)</b>	<b>(61,024)</b>	<b>(15,217)</b>	<b>(15,009)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(19,210)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,282)</b>	<b>(20,491)</b>	<b>107,495</b>	<b>107,831</b>
Cash/cash equivalents at the year begin:	2	242	-	-	-	-	-	-	-	242	253	265
Cash/cash equivalents at the year end:	2	(18,968)	-	-	-	-	-	-	(1,282)	(20,250)	107,748	108,096

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget. The cash and cash equivalents decreases because of healthy increase in operational activities due to implementations of various interventions, i.e. extensive debt collection drive, cost containment measures

etc. The 2023/24 MTREF has been informed by the planning principle of ensuring adequate cash generation over the medium-term. Cash and cash equivalents at year end totals to R 20,3 million and at the beginning of the 2023/24 financial year the municipality had a positive opening balance of R 242 thousand the cash and cash equivalents is not a true reflection due to incorrect mapping on the financial system. The cash and cash equivalents is R1,8 million as end of December.

**Cash flow from operating activities**

Receipts and payments adjustments are in line with adjustments made under table B4. Payments to suppliers and employees exclude non-cash items.

**Cash flow from investing activities**

Proceeds from disposal of property plant and equipment adjustment is as a result of capital grants (the allocation of the MDRG Grant) which increased the capital assets.

**Cash flow from financing activities**

No adjustment made.

**Table B8: Adjustment Budget – Cash Backed Reserves**

Description	Budget Year 2023/24				Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>						
<b><u>Cash and investments available</u></b>						
Cash/cash equivalents at the year end	(18,968)	–	–	(18,968)	107,748	108,096
Other current investments > 90 days	(103,900)	–	–	(103,900)	(239,868)	44,635
Non current assets - Investments	–	–	–	–	–	–
<b>Cash and investments available:</b>	<b>(122,868)</b>	<b>–</b>	<b>–</b>	<b>(122,868)</b>	<b>(132,120)</b>	<b>152,731</b>
<b><u>Applications of cash and investments</u></b>						
Unspent conditional transfers	(264)	–	–	(264)	(712)	(219)
Unspent borrowing			–	–		
Statutory requirements			–	–		
Other working capital requirements	–	–	–	–	–	–
Other provisions			–	–		
Long term investments committed	–	–	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>	<b>(264)</b>	<b>–</b>	<b>–</b>	<b>(264)</b>	<b>(712)</b>	<b>(219)</b>
<b>Surplus(shortfall)</b>	<b>(122,604)</b>	<b>–</b>	<b>–</b>	<b>(122,604)</b>	<b>(131,408)</b>	<b>152,950</b>

**Table B10: Adjustment Budget – Service Delivery**

Description	Budget Year 2023/24			Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
<b>Household service targets</b>					
<i>Water:</i>					
Total number of households	–	–	–	–	–
<i>Sanitation/sewerage:</i>					
Total number of households	–	–	–	–	–
<i>Energy:</i>					
Total number of households	–	–	–	–	–
<i>Refuse:</i>					
Total number of households	–	–	–	–	–
<b>Households receiving Free Basic Service</b>					
<b>Cost of Free Basic Services provided (R'000)</b>					
Water (6 kilolitres per indigent household per month)	2,442	–	–	2,442	2,561
Sanitation (free sanitation service to indigent households)	3,235	–	–	3,235	3,394
Electricity/other energy (50kwh per indigent household per month)	3,666	–	–	3,666	1,591
Refuse (removed once a week for indigent households)	1,941	–	–	1,941	2,036
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>	–	–	–	–	–
<b>Total cost of FBS provided</b>	<b>11,284</b>	<b>–</b>	<b>–</b>	<b>11,284</b>	<b>9,582</b>
<b>Highest level of free service provided</b>					
<b>Revenue cost of free services provided (R'000)</b>					
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1,102	(0)	(0)	1,102	1,156
<b>Total revenue cost of subsidised services provided</b>	<b>1,102</b>	<b>(0)</b>	<b>(0)</b>	<b>1,102</b>	<b>1,210</b>

**PART 2 – SUPPORTING DOCUMENTATION**

**Table SB 1: Adjustment Budget – Supporting detail to Budgeted Financial Performance**



Description	Budget Year 2023/24				Budget Year	Budget Year
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2024/25 Adjusted Budget	+2 2025/26 Adjusted Budget
R thousands	A	11 F	12 G	13 H		
<b>REVENUE ITEMS</b>						
<b>Non-exchange revenue by source</b>						
<b>Property rates</b>						
Total Property Rates	15,027	(0)	(0)	15,027	15,764	16,573
<i>and rebates and impermissible values in excess of section 17 of MPRA</i>	1,102	(0)	(0)	1,102	1,156	1,210
Net Property Rates	13,926	(0)	(0)	13,926	14,608	15,363
<b>Exchange revenue service charges</b>						
<b>Service charges - Electricity</b>						
Total Service charges - Electricity	37,379	(17,521)	(17,521)	19,859	37,142	37,547
<i>indigent household per month</i>						
<i>Less Cost of Free Basis Services (50 kwh per indigent household per month)</i>						
Net Service charges - Electricity	37,379	(17,521)	(17,521)	19,859	37,142	37,547
<b>Service charges - Water</b>						
Total Service charges - water	11,597	(5,663)	(5,663)	5,934	12,165	12,737
<i>per indigent household per month</i>						
<i>indigent household per month</i>						
Net Service charges - Water	11,597	(5,663)	(5,663)	5,934	12,165	12,737
<b>Service charges - Waste Water Management</b>						
Total Service charges - Waste Water Management	14,067			14,067	14,757	15,450
<i>sanitation service to indigent households</i>						
<i>service to indigent households</i>						
Net Service charges - Waste Water Management	14,067			14,067	14,757	15,450
<b>Service charges - Waste Management</b>						
Total refuse removal revenue	8,624	32	32	8,657	9,047	9,472
Total landfill revenue						
<i>a week to indigent households</i>						
<i>a week to indigent households</i>						
Service charges - Waste Management	8,624	32	32	8,657	9,047	9,472
<b>EXPENDITURE ITEMS</b>						
<b>Employee related costs</b>						
Basic Salaries and Wages	37,499	(639)	(639)	36,860	37,566	38,968
Pension and UIF Contributions	6,742	1,019	1,019	7,762	6,900	7,221
Medical Aid Contributions	2,691	315	315	3,006	2,810	3,007
Overtime	1,000	(356)	(356)	644	990	990
Performance Bonus	3,059	(130)	(130)	2,929	3,052	3,103
Motor Vehicle Allowance	1,553	(106)	(106)	1,446	1,213	1,260
Cellphone Allowance	66	2	2	68	69	72
Housing Allowances	231	90	90	321	269	107
Other benefits and allowances	491	(98)	(98)	393	432	429
Payments in lieu of leave						
Long service awards	110	(97)	(97)	14	112	113
Post-retirement benefit obligations						
Entertainment						
Scarcity	166	(0)	(0)	166	126	130
Acting and post related allowance	100			100	105	110
In kind benefits						
<i>sub-total</i>	53,709			53,709	53,643	55,510
<i>Less: Employees costs capitalised to PPE</i>						
<b>Total Employee related costs</b>	53,709			53,709	53,643	55,510
Depreciation of Property, Plant & Equipment	25,954	(1)	(1)	25,953	27,174	28,505
Lease amortisation						
Capital asset impairment						
<b>Total Depreciation and amortisation</b>	25,954	(1)	(1)	25,953	27,174	28,505
<b>Bulk purchases</b>						
Electricity Bulk Purchases	25,000			25,000	26,225	27,458
Water Bulk Purchases						
<b>Total bulk purchases</b>	25,000			25,000	26,225	27,458
<b>Transfers and grants</b>						
Cash transfers and grants						
Non-cash transfers and grants						
<b>Total transfers and grants</b>						
<b>Contracted services</b>						
<i>Outsourced Services</i>	4,239	568	568	4,807	2,908	3,000
<i>Consultants and Professional Services</i>	1,650	(900)	(900)	750	1,877	1,904
<i>Contractors</i>	3,705	717	717	4,422	3,939	4,074
<b>Total contracted services</b>	9,594	385	385	9,979	8,724	8,978
<b>Operational Costs</b>						
Collection costs						
Contributions to 'other' provisions						
Audit fees	1,000	3,000	3,000	4,000		
<i>Other Operational Costs</i>	9,299	4,090	4,090	13,389	6,335	6,610
<b>Total Other Operational Costs</b>	10,299	7,090	7,090	17,389	6,335	6,610
<b>Repairs and Maintenance by Expenditure Item</b>						
<b>Employee related costs</b>						
Inventory Consumed (Project Maintenance)						
Contracted Services	200	(100)	(100)	100	210	220
Other Expenditure	4,300	2,705	2,705	7,005	2,570	2,691
<b>Total Repairs and Maintenance Expenditure</b>	4,500	2,605	2,605	7,105	2,780	2,911
<b>Inventory Consumed</b>						
Inventory Consumed - Water						
Inventory Consumed - Other	(10,420)			(10,420)	(9,516)	(9,924)
<b>Total Inventory Consumed &amp; Other Material</b>	(10,420)			(10,420)	(9,516)	(9,924)

**Table SB 2: Adjustment Budget – Supporting detail to Financial Position**

Description	Budget Year 2023/24				Budget Year	Budget Year
	Original	Other Adjusts.	Total Adjusts.	Adjusted	+1 2024/25	+2 2025/26
	Budget	9	10	Budget	Adjusted	Adjusted
	A	F	G	H		
<b>R thousands</b>						
<b>ASSETS</b>						
<b>Trade and other receivables from exchange transactions</b>						
Electricity	40,338	-	-	-	43,514	44,303
Water	170,077	-	-	-	178,064	186,796
Waste	64,025	-	-	-	67,029	70,318
Waste Water	70,996	-	-	-	74,325	77,975
Other trade receivables from exchange transactions	2,567	-	-	-	2,694	2,826
<b>Gross: Trade and other receivables from exchange transactions</b>	<b>348,002</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>365,626</b>	<b>382,218</b>
<b>Less: Impairment for debt</b>	<b>(257,892)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(270,013)</b>	<b>(283,244)</b>
Impairment for Electricity	(8,848)	-	-	-	(9,264)	(9,718)
Impairment for Water	(98,829)	-	-	-	(103,474)	(108,545)
Impairment for Waste	(66,534)	-	-	-	(69,661)	(73,074)
Impairment for Waste Water	(81,630)	-	-	-	(85,467)	(89,655)
Impairment for other trade receivables from exchange transactions	(2,051)	-	-	-	(2,147)	(2,252)
<b>Total net Trade and other receivables from Exchange Transactions</b>	<b>90,110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,613</b>	<b>98,974</b>
<b>Receivables from non-exchange transactions</b>						
Property rates	81,786	-	-	-	85,643	89,827
Less: Impairment of Property rates	(66,097)	-	-	-	(69,203)	(72,594)
<b>Net Property rates</b>	<b>15,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,440</b>	<b>17,233</b>
Other receivables from non-exchange transactions	-	-	-	-	-	-
Impairment for other receivables from non-exchange transactions	-	-	-	-	-	-
<b>Net other receivables from non-exchange transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net Receivables from non-exchange transactions</b>	<b>15,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,440</b>	<b>17,233</b>
<b>Inventory</b>						
<b>Water</b>						
Opening Balance	48	-	-	48	50	53
System Input Volume	2,800	-	-	2,800	2,932	3,075
Water Treatment Works	-	-	-	-	-	-
Bulk Purchases	2,800	-	-	2,800	2,932	3,075
Natural Sources	-	-	-	-	-	-
Authorised Consumption	(2,500)	-	-	(2,500)	(2,623)	(2,746)
Billed Authorised Consumption	(2,500)	-	-	(2,500)	(2,623)	(2,746)
Billed Metered Consumption	(2,500)	-	-	(2,500)	(2,623)	(2,746)
Free Basic Water	-	-	-	-	-	-
Subsidised Water	-	-	-	-	-	-
Revenue Water	(2,500)	-	-	(2,500)	(2,623)	(2,746)
Billed Unmetered Consumption	-	-	-	-	-	-
UnBilled Authorised Consumption	-	-	-	-	-	-
Water Losses	(600)	-	-	(600)	(600)	(600)
Apparent losses	(300)	-	-	(300)	(300)	(300)
Unauthorised Consumption	(300)	-	-	(300)	(300)	(300)
Customer Meter Inaccuracies	-	-	-	-	-	-
Real losses	(300)	-	-	(300)	(300)	(300)
Unavoidable Annual Real Losses	(300)	-	-	(300)	(300)	(300)
Non-revenue Water	(600)	-	-	(600)	(600)	(600)
Closing Balance Water	(252)	-	-	(252)	(241)	(218)
Opening Balance	116	-	-	116	121	127
Acquisitions	10,420	-	-	10,420	9,516	9,924
Issues	(10,420)	-	-	(10,420)	(9,516)	(9,924)
Adjustments	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-
Closing balance - Consumables Standard Rated	116	-	-	116	121	127
Closing Balance - Inventory & Consumables	(136)	-	-	(136)	(119)	(90)
<b>Property, plant &amp; equipment</b>						
PPE at cost/valuation (excl. finance leases)	309,410	5,767	5,767	315,177	281,315	294,145
Leases recognised as PPE	-	-	-	-	-	-
Less: Accumulated depreciation	27,481	-	-	27,481	28,772	30,182
<b>Total Property, plant &amp; equipment</b>	<b>281,929</b>	<b>5,767</b>	<b>5,767</b>	<b>287,696</b>	<b>252,542</b>	<b>263,963</b>
<b>LIABILITIES</b>						
<b>Current liabilities - Financial liabilities</b>						
Short term loans (other than bank overdraft)	-	-	-	-	-	-
Current portion of long-term liabilities	165	-	-	165	172	181
<b>Total Current liabilities - Financial liabilities</b>	<b>165</b>	<b>-</b>	<b>-</b>	<b>165</b>	<b>172</b>	<b>181</b>
<b>Trade and other payables</b>						
Trade and other payables from exchange transactions	320,290	-	-	320,290	333,367	348,804
Other trade payables from exchange transactions	-	-	-	-	-	-
Trade payables from Non-exchange transactions: Unspent conditional Grants	(264)	-	-	(264)	(712)	(219)
Trade payables from Non-exchange transactions: Other	-	-	-	-	-	-
VAT	24,009	-	-	24,009	25,154	26,386
<b>Total Trade and other payables</b>	<b>344,035</b>	<b>-</b>	<b>-</b>	<b>344,035</b>	<b>357,808</b>	<b>374,972</b>
<b>Non-current liabilities - Financial liabilities</b>						
Borrowing	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
<b>Total Non-current liabilities - Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions - non current</b>						
Retirement benefits	2,691	-	-	2,691	2,810	3,007
Refuse landfill site rehabilitation	9,220	-	-	9,220	9,654	10,127
Other	-	-	-	-	-	-
<b>Total Provisions - non current</b>	<b>11,911</b>	<b>-</b>	<b>-</b>	<b>11,911</b>	<b>12,463</b>	<b>13,134</b>
<b>CHANGES IN NET ASSETS</b>						
<b>Accumulated surplus/(Deficit)</b>						
Accumulated surplus/(Deficit) - opening balance	(80,985)	-	-	(80,985)	(84,776)	204,921
GRAP adjustments	-	-	-	-	-	-
Restated balance	(80,985)	-	-	(80,985)	(84,776)	204,921
Surplus/(Deficit)	-	-	-	-	-	-
<b>Accumulated Surplus/(Deficit)</b>	<b>(80,985)</b>	<b>-</b>	<b>-</b>	<b>(80,985)</b>	<b>(84,776)</b>	<b>204,921</b>
<b>Reserves</b>						
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>(80,985)</b>	<b>-</b>	<b>-</b>	<b>(80,985)</b>	<b>(84,776)</b>	<b>204,921</b>

**Table SB 4: Adjustment Budget – Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Budget Year 2023/24			Budget Year +1 2024/25	Budget Year +2 2025/26
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b><u>Borrowing Management</u></b>									
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure				19.9%	0.0%	18.5%	21.0%	20.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue				0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants				0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>									
Gearing	Long Term Borrowing/ Funds & Reserves				0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>									
Current Ratio	Current assets/current liabilities				5.7%	0.0%	6.1%	5.1%	79.8%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities				5.6%	0.0%	0.0%	0.0%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities				-0.3	0.0	-0.4	-0.4	0.4
<b><u>Revenue Management</u></b>									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing								
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)									
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue				113.8%	0.0%	120.5%	130.9%	134.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				1.2%	0.0%	0.0%	1.2%	1.2%
<b><u>Creditors Management</u></b>									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))								
Creditors to Cash and Investments					-1813.8%	0.0%	-1699.0%	332.1%	346.9%
<b><u>Other Indicators</u></b>									
	Total Volume Losses (kW)	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Electricity Distribution Losses (2)	Total Volume Losses (kW) non technical	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
	Total Cost of Losses (Rand '000)	-	-	-	-		-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	-	-	-		-	-	-
	<b>Bulk Purchase</b>	-	-	-	-		-	-	-
	<b>Water treatment works</b>	-	-	-	-		-	-	-
	<b>Natural sources</b>	-	-	-	-		-	-	-
Water Volumes :System input	Total Volume Losses (k)								
	Total Cost of Losses (Rand '000)								
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated								
Employee costs	Employee costs/(Total Revenue - capital revenue)				33.1%	0.0%	35.1%	36.1%	36.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)								
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)				2.8%	0.0%	4.6%	1.9%	1.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)				29.8%	0.0%	31.6%	33.1%	33.9%
<b><u>IDP regulation financial viability indicators</u></b>									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)				437.4%	0.0%	412.9%	386.6%	392.8%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services				55.6%	0.0%	58.9%	64.4%	65.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure				0.0	0.0	0.0	0.0	0.0

**Table SB 6: Adjustment Budget – Funding Measurements**

Description	Ref	MFMA section	2020/21	2021/22	2022/23	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	1	18(1)b				(18,968)	-	(20,250)	107,748	108,096
Cash + investments at the yr end less applications - R'000	2	18(1)b				(425,455)	-	(417,840)	(444,504)	(174,91)
Cash year end/monthly employee/supplier payments	3	18(1)b				-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)				39,355	-	-	-	-
Service charge rev % change - macro CPIX target exclusive	5	18(1)a,(2)				0.0%	0.0%	0.0%	-1.3%	-2.9%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0.0%	0.0%	0.0%	16.5%	0.0%	23.7%	18.1%	18.6%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)				28.2%	0.0%	33.1%	33.2%	33.7%
Capital payments % of capital expenditure	8	18(1)c;19				94.6%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	9	18(1)c				0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	11	18(1)a							5.9%	4.1%
Long term receivables % change - incr(decr)	12	18(1)a							4.1%	4.6%
R&M % of Property Plant & Equipment	13	20(1)(vi)				1.5%	0.0%	2.3%	1.0%	1.0%
Asset renewal % of capital budget	14	20(1)(vi)				35.3%	0.0%	32.0%	0.0%	0.0%

**Table SB 7: Adjustment Budget – Transfers and Grants Receipts**

Description	Ref	Budget Year 2023/24							Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F		
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		65,541	-	-	-	-	-	65,541	68,287	68,176
Local Government Equitable Share		61,591	-	-	-	-	-	61,591	65,287	65,176
Expanded Public Works Programme Integrated Grant	3	950	-	-	-	-	-	950	-	-
Local Government Financial Management Grant		3,000	-	-	-	-	-	3,000	3,000	3,000
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	5	1,800	-	-	-	1,255	1,255	3,055	-	-
<i>Specify (Add grant description)</i>		1,800	-	-	-	1,255	1,255	3,055	-	-
<b>Other grant providers:</b>		1,147	-	-	-	-	-	1,147	1,200	1,255
<i>Education Training and Development Practices SETA</i>		-	-	-	-	-	-	-	-	-
<i>National Library South Africa</i>		1,147	-	-	-	-	-	1,147	1,200	1,255
<i>Post Retirement Benefit</i>		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	6	68,488	-	-	-	1,255	1,255	69,743	69,487	69,431
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		51,967	-	-	-	4,312	4,312	56,279	14,913	14,690
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	2,100	1,500
Municipal Disaster Relief Grant		-	-	-	-	5,145	5,145	5,145	-	-
Municipal Infrastructure Grant		12,452	-	-	-	(833)	(833)	11,619	12,813	13,190
Regional Bulk Infrastructure Grant		20,000	-	-	-	-	-	20,000	-	-
Water Services Infrastructure Grant		19,515	-	-	-	-	-	19,515	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		3,000	-	-	-	1,745	1,745	4,745	-	-
<i>Specify (Add grant description)</i>		3,000	-	-	-	1,745	1,745	4,745	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	6	54,967	-	-	-	6,057	6,057	61,024	14,913	14,690
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		123,455	-	-	-	7,312	7,312	130,767	84,400	84,121

**Table SB 8: Adjustment Budget – Transfers and Grants Expenditure**

Description	Ref	Budget Year 2023/24						Budget Year +1	Budget Year +2	
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
R thousands		A	2 A1	3 B	4 C	5 D	6 E	7 F		
<b>EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		31,527	-	-	-	7,681	7,681	39,208	31,883	33,086
Equitable Share		27,577	-	-	-	7,681	7,681	35,258	28,883	30,086
Expanded Public Works Programme Integrated Grant		950	-	-	-	-	-	950	-	-
Local Government Financial Management Grant		3,000	-	-	-	-	-	3,000	3,000	3,000
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		1,800	-	-	-	1,255	1,255	3,055	472	494
Specify (Add grant description)		1,800	-	-	-	1,255	1,255	3,055	472	494
<b>Other grant providers:</b>		1,147	-	-	-	-	-	1,147	1,194	979
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1,147	-	-	-	-	-	1,147	1,194	979
<b>Total operating expenditure of Transfers and Grants:</b>		34,474	-	-	-	8,936	8,936	43,410	33,549	34,559
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		31,967	-	-	-	4,312	4,312	36,279	14,913	14,690
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	2,100	1,500
Municipal Disaster Relief Grant		-	-	-	-	5,145	5,145	5,145	-	-
Municipal Infrastructure Grant		12,452	-	-	-	(833)	(833)	11,619	12,813	13,190
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		19,515	-	-	-	-	-	19,515	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		3,000	-	-	-	1,745	1,745	4,745	-	-
Specify (Add grant description)		3,000	-	-	-	1,745	1,745	4,745	-	-
<b>Other grant providers:</b>		20,000	-	-	-	-	-	20,000	-	-
Pocket Money Households (Cash)		20,000	-	-	-	-	-	20,000	-	-
<b>Total capital expenditure of Transfers and Grants</b>		54,967	-	-	-	6,057	6,057	61,024	14,913	14,690
<b>Total capital expenditure of Transfers and Grants</b>		89,441	-	-	-	14,993	14,993	104,434	48,462	49,249

The upward adjustment is due to appropriation of Department of COGHSTA Disaster Grant amounting to R 5 ,1 million and R 1, 7million from FBDM capital grant. There is an downward adjustment on Municipal Infrastructure Grant of R 833 thousand from National Treasury.

**Table SB 11: Adjustment Budget – Councilors and Staff Members**

Summary of remuneration	Budget Year 2023/24				
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	% change
R thousands	A	10 F	11 G	12 H	
<b>Councillors (Political Office Bearers plus Other)</b>					
Basic Salaries and Wages	3,222	647	647	3,868	20.1%
Pension and UIF Contributions	452	103	103	555	22.7%
Medical Aid Contributions	123	5	5	128	4.2%
Motor Vehicle Allowance			–	–	
Cellphone Allowance	481	28	28	509	
Housing Allowances	–	–	–	–	
Other benefits and allowances	529	23	23	551	
<b>Sub Total - Councillors</b>	<b>4,807</b>	<b>805</b>	<b>805</b>	<b>5,612</b>	<b>16.8%</b>
% increase				0	
<b>Senior Managers of the Municipality</b>					
Basic Salaries and Wages	2,829	156	156	2,985	5.5%
Pension and UIF Contributions	314	(87)	(87)	227	-27.7%
Medical Aid Contributions	122	–	–	122	0.0%
Overtime			–	–	
Performance Bonus	231	(78)	(78)	153	
Motor Vehicle Allowance	1,500	(108)	(108)	1,392	-7.2%
Cellphone Allowance	–	–	–	–	
Housing Allowances	154	77	77	232	
Other benefits and allowances	1	0	0	1	
Scarcity	166	(0)	(0)	166	
<b>Sub Total - Senior Managers of Municipality</b>	<b>5,317</b>	<b>(39)</b>	<b>(39)</b>	<b>5,278</b>	<b>-0.7%</b>
0				(0)	
<b>Other Municipal Staff</b>					
Basic Salaries and Wages	34,670	(795)	(795)	33,875	-2.3%
Pension and UIF Contributions	6,428	1,106	1,106	7,535	17.2%
Medical Aid Contributions	2,569	315	315	2,883	12.3%
Overtime	1,000	(356)	(356)	644	-35.6%
Performance Bonus	2,829	(53)	(53)	2,776	
Motor Vehicle Allowance	53	1	1	54	2.8%
Cellphone Allowance	66	2	2	68	3.0%
Housing Allowances	77	13	13	90	
Other benefits and allowances	491	(98)	(98)	392	
Payments in lieu of leave			–	–	
Long service awards	110	(97)	(97)	14	-87.6%
<b>Sub Total - Other Municipal Staff</b>	<b>48,392</b>	<b>39</b>	<b>39</b>	<b>48,431</b>	<b>0.1%</b>
0					
<b>Total Parent Municipality</b>	<b>58,516</b>	<b>805</b>	<b>805</b>	<b>59,321</b>	<b>1.4%</b>
<b>Total Municipal Entities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>58,516</b>	<b>805</b>	<b>805</b>	<b>59,321</b>	<b>1.4%</b>
0					
<b>TOTAL MANAGERS AND STAFF</b>	<b>53,709</b>	<b>–</b>	<b>–</b>	<b>53,709</b>	<b>0.0%</b>



**Table SB 12: Adjustment Budget – Monthly Revenue and Expenditure (Municipal Vote)**

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>																
<b>Revenue by Vote</b>																
Vote 01 - Executive & Council		25,663	-	238	-	-	18,639	-	-	5,212	5,212	5,212	2,366	62,541	65,287	65,176
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		1,587	1,553	1,928	1,935	1,564	1,518	1,645	-	2,547	2,547	2,547	6,129	25,498	17,727	18,487
Vote 05 - Municipal Infrastructure		5,107	4,365	5,605	13,228	1,438	4,908	4,679	-	9,597	9,597	9,597	56,406	124,527	78,940	80,386
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		67	44	627	13	(513)	7	21	-	131	131	131	807	1,470	1,458	1,525
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - ldp, Pms Department		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditi		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>32,425</b>	<b>5,962</b>	<b>8,398</b>	<b>15,176</b>	<b>2,489</b>	<b>25,072</b>	<b>6,345</b>	<b>-</b>	<b>17,487</b>	<b>17,487</b>	<b>17,487</b>	<b>65,708</b>	<b>214,037</b>	<b>163,412</b>	<b>165,575</b>
<b>Expenditure by Vote</b>																
Vote 01 - Executive & Council		924	978	900	858	1,059	979	873	-	1,001	1,001	1,001	1,642	11,216	9,542	10,069
Vote 02 - Office Of The Municipal Manager		63	53	53	56	109	54	56	-	189	189	189	1,206	2,217	2,248	2,191
Vote 03 - Corporate Services		836	1,246	1,246	1,382	2,211	1,570	884	-	1,910	1,910	1,910	3,496	18,600	17,045	17,838
Vote 04 - Financial Services		6,632	1,642	2,196	1,991	4,082	2,839	2,822	-	4,616	4,616	4,616	4,108	40,159	26,068	27,151
Vote 05 - Municipal Infrastructure		5,761	5,917	7,589	5,452	7,370	9,566	7,087	-	8,356	8,356	8,356	28,954	102,763	104,960	109,493
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		739	752	1,290	739	842	633	634	-	869	869	869	2,793	11,029	11,512	11,579
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		241	224	227	224	427	224	242	-	1,115	1,115	1,115	2,784	7,936	4,288	4,478
Vote 10 - Hunan Settlements		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - ldp, Pms Department		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditi		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>15,197</b>	<b>10,810</b>	<b>13,500</b>	<b>10,702</b>	<b>16,099</b>	<b>15,865</b>	<b>12,598</b>	<b>-</b>	<b>18,055</b>	<b>18,055</b>	<b>18,055</b>	<b>44,983</b>	<b>193,920</b>	<b>175,664</b>	<b>182,800</b>
<b>Surplus/ (Deficit)</b>		<b>17,228</b>	<b>(4,848)</b>	<b>(5,102)</b>	<b>4,474</b>	<b>(13,610)</b>	<b>9,207</b>	<b>(6,253)</b>	<b>-</b>	<b>(568)</b>	<b>(568)</b>	<b>(568)</b>	<b>20,725</b>	<b>20,117</b>	<b>(12,252)</b>	<b>(17,226)</b>

**Table SB 13: Adjustment Budget – Monthly Revenue and Expenditure (Functional Classification)**

Description - Standard classification	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>																
<b>Revenue - Functional</b>																
<b>Governance and administration</b>		27,250	1,553	2,166	1,935	1,564	20,157	1,645	–	7,759	7,759	7,759	8,495	88,039	83,014	83,663
Executive and council		25,663	–	238	–	–	18,639	–	–	5,212	5,212	5,212	2,366	62,541	65,287	65,176
Finance and administration		1,587	1,553	1,928	1,935	1,564	1,518	1,645	–	2,547	2,547	2,547	6,129	25,498	17,727	18,487
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		67	44	627	13	(513)	7	21	–	131	131	131	807	1,470	1,458	1,525
Community and social services		11	9	582	9	(563)	7	9	–	105	105	105	884	1,264	1,322	1,383
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		56	36	45	4	50	–	13	–	26	26	26	(76)	206	136	142
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		–	–	–	–	–	134	–	–	38	38	38	204	450	–	–
Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Road transport		–	–	–	–	–	134	–	–	38	38	38	204	450	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		5,107	4,365	5,605	13,228	1,438	4,774	4,679	–	9,560	9,560	9,560	56,202	124,077	78,940	80,386
Energy sources		1,429	1,322	1,142	2,356	(458)	1,687	1,850	–	(346)	(346)	(346)	10,891	19,180	37,719	37,453
Water management		1,528	913	2,336	6,159	(204)	914	727	–	5,156	5,156	5,156	27,190	55,032	22,417	23,246
Waste water management		1,249	1,241	1,246	3,826	1,215	1,285	1,227	–	3,592	3,592	3,592	16,545	38,610	11,793	12,348
Waste management		901	890	880	886	885	888	876	–	1,158	1,158	1,158	1,575	11,256	7,011	7,340
<b>Other</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Functional</b>		<b>32,425</b>	<b>5,962</b>	<b>8,398</b>	<b>15,176</b>	<b>2,489</b>	<b>25,072</b>	<b>6,345</b>	<b>–</b>	<b>17,487</b>	<b>17,487</b>	<b>17,487</b>	<b>65,708</b>	<b>214,037</b>	<b>163,412</b>	<b>165,575</b>
<b>Expenditure - Functional</b>																
<b>Governance and administration</b>		8,456	4,020	4,425	4,302	7,460	5,471	4,695	–	7,786	7,786	7,786	10,356	72,545	54,904	57,250
Executive and council		988	1,138	995	935	1,168	1,068	1,001	–	1,273	1,273	1,273	2,734	13,845	11,791	12,260
Finance and administration		7,468	2,881	3,430	3,367	6,293	4,403	3,694	–	6,513	6,513	6,513	7,622	58,700	43,113	44,989
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		836	859	1,420	844	1,006	738	765	–	1,663	1,663	1,663	4,252	15,709	12,790	12,916
Community and social services		197	198	206	197	349	177	177	–	209	209	209	416	2,546	2,707	2,598
Sport and recreation		281	285	819	280	90	226	228	–	328	328	328	1,446	4,641	4,903	5,092
Public safety		261	286	304	277	403	246	268	–	331	331	331	803	3,842	3,903	3,889
Housing		97	89	90	89	164	89	92	–	794	794	794	1,586	4,680	1,278	1,337
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		1,785	1,828	2,232	1,776	1,834	1,817	1,801	–	(1,298)	(1,298)	(1,298)	(1,433)	7,746	22,831	23,997
Planning and development		305	349	479	297	551	305	321	–	531	531	531	2,060	6,260	3,850	4,070
Road transport		1,479	1,479	1,753	1,479	1,283	1,513	1,480	–	(1,829)	(1,829)	(1,829)	(3,493)	1,486	18,981	19,926
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		4,120	4,103	5,423	3,780	5,798	7,839	5,337	–	9,904	9,904	9,904	31,808	97,920	85,139	88,638
Energy sources		765	692	1,664	713	1,338	4,553	875	–	3,843	3,843	3,843	18,092	40,222	36,916	38,620
Water management		1,725	1,573	1,995	1,439	2,146	1,419	2,773	–	3,103	3,103	3,103	7,923	30,300	26,144	26,934
Waste water management		1,288	1,498	1,374	1,288	1,986	1,396	1,349	–	2,692	2,692	2,692	5,188	23,443	17,367	18,142
Waste management		342	341	389	341	329	471	339	–	266	266	266	605	3,955	4,712	4,942
<b>Other</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Functional</b>		<b>15,197</b>	<b>10,810</b>	<b>13,500</b>	<b>10,702</b>	<b>16,099</b>	<b>15,865</b>	<b>12,598</b>	<b>–</b>	<b>18,055</b>	<b>18,055</b>	<b>18,055</b>	<b>44,983</b>	<b>193,920</b>	<b>175,664</b>	<b>182,800</b>
<b>Surplus/ (Deficit) 1.</b>		<b>17,228</b>	<b>(4,848)</b>	<b>(5,102)</b>	<b>4,474</b>	<b>(13,610)</b>	<b>9,207</b>	<b>(6,253)</b>	<b>–</b>	<b>(568)</b>	<b>(568)</b>	<b>(568)</b>	<b>20,725</b>	<b>20,117</b>	<b>(12,252)</b>	<b>(17,226)</b>

**Table SB 14: Adjustment Budget – Monthly Revenue and Expenditure**

Description	Ref	Budget Year 2023/24											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>																
<b>Revenue By Source</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		1,272	1,163	1,006	2,219	(588)	1,553	1,721	-	(695)	(695)	(695)	9,930	16,192	35,550	35,881
Service charges - Water		200	316	177	559	(69)	310	136	-	(370)	(370)	(370)	2,973	3,492	9,604	10,056
Service charges - Waste Water Management		723	707	692	691	673	679	663	-	903	903	903	3,297	10,832	11,363	11,897
Service charges - Waste Management		543	529	514	516	510	508	495	-	563	563	563	1,411	6,716	7,011	7,340
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1,623	1,556	1,635	1,605	1,612	1,586	1,620	-	3,060	3,060	3,060	2,833	23,250	-	-
Interest earned from Current and Non Current Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	0	-	-	-	(0)	(0)	(0)	1	2	3	4
Rental from Fixed Assets		1	-	-	-	-	1	-	-	0	0	0	1	3	3	3
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		19	26	10	-	19	-	8	-	21	21	21	3	147	74	77
<b>Non-Exchange Revenue</b>																
Property rates		1,091	1,072	1,064	1,077	1,082	1,076	1,070	-	1,160	1,160	1,160	2,912	13,926	14,608	15,363
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		38	10	35	4	32	-	5	-	9	9	9	(27)	124	141	148
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		26,395	-	1,153	389	(1,306)	18,819	-	-	5,958	5,958	5,958	6,418	69,743	69,487	69,431
Interest		499	503	506	508	514	522	521	-	1,010	1,010	1,010	1,246	7,849	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>		<b>32,425</b>	<b>5,962</b>	<b>6,836</b>	<b>7,596</b>	<b>2,489</b>	<b>25,072</b>	<b>6,345</b>	<b>-</b>	<b>11,695</b>	<b>11,695</b>	<b>11,695</b>	<b>30,996</b>	<b>153,013</b>	<b>148,499</b>	<b>150,885</b>
<b>Expenditure By Type</b>																
Employee related costs		3,518	3,416	3,616	3,408	6,067	3,423	3,285	-	4,476	4,476	4,476	13,548	53,709	53,643	55,510
Remuneration of councillors		390	390	390	390	390	390	390	-	562	562	562	1,197	5,612	5,109	5,429
Bulk purchases - electricity		-	-	870	-	-	3,085	152	-	2,090	2,090	2,090	14,624	25,000	26,225	27,458
Inventory consumed		483	689	1,892	380	1,081	643	1,659	-	1,581	1,581	1,581	1,352	12,920	12,139	12,670
Debt impairment		2,949	2,949	2,949	2,949	2,949	2,949	2,949	-	2,949	2,949	2,949	5,898	35,391	37,054	38,410
Depreciation and amortisation		2,163	2,163	2,163	2,163	2,163	2,163	2,163	-	2,163	2,163	2,163	4,325	25,953	27,174	28,505
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		66	368	939	501	864	1,201	156	-	974	974	974	2,961	9,979	8,724	8,978
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		5,172	-	-	-	-	-	-	-	1,034	1,034	1,034	(3,103)	5,172	-	-
Operational costs		456	835	681	911	2,585	2,012	1,843	-	2,227	2,227	2,227	1,386	17,389	6,335	6,610
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>15,197</b>	<b>10,810</b>	<b>13,500</b>	<b>10,702</b>	<b>16,099</b>	<b>15,865</b>	<b>12,598</b>	<b>-</b>	<b>18,055</b>	<b>18,055</b>	<b>18,055</b>	<b>42,188</b>	<b>191,125</b>	<b>176,403</b>	<b>183,569</b>
<b>Surplus/(Deficit)</b>		<b>17,228</b>	<b>(4,848)</b>	<b>(6,664)</b>	<b>(3,106)</b>	<b>(13,610)</b>	<b>9,207</b>	<b>(6,253)</b>	<b>-</b>	<b>(6,360)</b>	<b>(6,360)</b>	<b>(6,360)</b>	<b>(11,191)</b>	<b>(38,112)</b>	<b>(27,904)</b>	<b>(32,685)</b>
Transfers and subsidies - capital (monetary allocations)		-	-	1,562	7,580	-	-	-	-	5,193	5,193	5,193	31,559	56,279	14,913	14,690
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	599	599	599	2,948	4,745	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>17,228</b>	<b>(4,848)</b>	<b>(5,102)</b>	<b>4,474</b>	<b>(13,610)</b>	<b>9,207</b>	<b>(6,253)</b>	<b>-</b>	<b>(568)</b>	<b>(568)</b>	<b>(568)</b>	<b>23,316</b>	<b>22,912</b>	<b>(12,991)</b>	<b>(17,995)</b>

**Table SB 15: Adjustment Budget – Monthly Cash flow**

Monthly cash flows	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>																
<b>Cash Receipts By Source</b>	1															
Property rates		636	563	572	985	482	402	405	–	655	655	655	1,846	7,855	5,090	5,329
Service charges - electricity revenue		1,100	1,273	1,156	884	2,022	1,437	1,819	–	1,103	1,103	1,103	231	13,231	11,163	11,687
Service charges - water revenue		139	223	188	137	584	106	532	–	235	235	235	210	2,826	3,361	3,519
Service charges - sanitation revenue		72	75	130	60	86	51	37	–	81	81	81	215	967	3,977	4,164
Service charges - refuse		113	118	138	82	92	73	107	–	196	196	196	1,039	2,351	2,454	2,569
Rental of facilities and equipment		–	0	0	0	0	0	–	–	2	2	2	20	27	23	24
Interest earned - external investments		–	–	–	–	–	–	–	–	1	1	1	8	11	–	–
Interest earned - outstanding debtors		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	–	–	–	5	5	5	49	65	68	71
Licences and permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies - Operational		25,663	3,238	–	–	1,733	18,639	–	–	5,812	5,812	5,812	3,034	69,743	69,487	69,431
Other revenue		12,504	5,242	9,324	4,943	1,340	(83)	3,129	–	1,539	1,539	1,539	(22,545)	18,472	728	763
<b>Cash Receipts by Source</b>		<b>40,227</b>	<b>10,731</b>	<b>11,509</b>	<b>7,090</b>	<b>6,339</b>	<b>20,625</b>	<b>6,030</b>	<b>–</b>	<b>9,629</b>	<b>9,629</b>	<b>9,629</b>	<b>(15,891)</b>	<b>115,547</b>	<b>96,351</b>	<b>97,559</b>
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	1,562	14,758	5,855	–	4,587	3,167	–	5,085	5,085	5,085	15,839	61,024	14,913	14,690
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		4	(1)	5	2	2	0	0	–	–	–	–	(12)	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–	–	0	0	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Cash Receipts by Source</b>		<b>40,231</b>	<b>12,292</b>	<b>26,271</b>	<b>12,947</b>	<b>6,341</b>	<b>25,213</b>	<b>9,198</b>	<b>–</b>	<b>14,714</b>	<b>14,714</b>	<b>14,714</b>	<b>(65)</b>	<b>176,571</b>	<b>111,264</b>	<b>112,249</b>
<b>Cash Payments by Type</b>																
Employee related costs		4,128	249	(62)	(250)	(437)	1,714	(317)	–	(4,476)	(4,476)	(4,476)	(45,305)	(53,709)	(56,091)	(58,178)
Remuneration of councillors		(391)	(391)	(391)	(391)	(390)	(390)	(390)	–	(468)	(468)	(468)	(1,475)	(5,612)	5,109	5,429
Finance charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - Electricity	2	4,174	–	1,065	–	645	4,378	175	–	(2,083)	(2,083)	(2,083)	20,813	25,000	26,225	27,458
Acquisitions - water & other inventory	3	–	–	–	–	–	–	–	–	(1,310)	(1,310)	(1,310)	17,149	13,220	12,448	12,999
Contracted services		–	–	–	–	–	–	–	–	(5,522)	(5,522)	(5,522)	(49,694)	(66,258)	(4,843)	(4,304)
Transfers and grants - other municipalities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		8,348	3,838	8,275	2,979	11,453	9,947	4,627	–	(1,263)	(1,263)	(1,263)	(60,835)	(15,155)	5,706	6,005
<b>Cash Payments by Type</b>		<b>16,259</b>	<b>3,696</b>	<b>8,887</b>	<b>2,338</b>	<b>11,271</b>	<b>15,649</b>	<b>4,095</b>	<b>–</b>	<b>(15,121)</b>	<b>(15,121)</b>	<b>(15,121)</b>	<b>(119,347)</b>	<b>(102,514)</b>	<b>(11,447)</b>	<b>(10,591)</b>
<b>Other Cash Flows/Payments by Type</b>																
Capital assets		2,591	2,411	5,377	2,864	4,401	5,694	2,854	–	4,690	4,690	4,690	16,016	56,279	15,217	15,009
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Cash Payments by Type</b>		<b>18,850</b>	<b>6,107</b>	<b>14,264</b>	<b>5,203</b>	<b>15,672</b>	<b>21,342</b>	<b>6,949</b>	<b>–</b>	<b>(10,431)</b>	<b>(10,431)</b>	<b>(10,431)</b>	<b>(103,330)</b>	<b>(46,235)</b>	<b>3,769</b>	<b>4,418</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>21,381</b>	<b>6,185</b>	<b>12,007</b>	<b>7,744</b>	<b>(9,331)</b>	<b>3,870</b>	<b>2,248</b>	<b>–</b>	<b>25,145</b>	<b>25,145</b>	<b>25,145</b>	<b>103,266</b>	<b>222,806</b>	<b>107,495</b>	<b>107,831</b>
Cash/cash equivalents at the month/year beginning:		734	22,114	28,299	40,306	48,050	38,720	42,590	44,838	44,838	69,983	95,129	120,274	734	223,539	331,034
Cash/cash equivalents at the month/year end:		22,114	28,299	40,306	48,050	38,720	42,590	44,838	44,838	69,983	95,129	120,274	223,539	223,539	331,034	438,865

**MAGARENG**



**MUNICIPALITY**

## **Quality certificate**

### **Acting Municipal manager's quality certificate**

I Tumelo Thage, Acting Municipal Manager of Magareng Local Municipality, hereby certify that the adjustment budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

**Print Name** Mr Tumelo Thage

**Acting Municipal Manager of Magareng Local Municipality**

**Signature** \_\_\_\_\_

**Date** \_\_\_\_\_