

2023-24

MKHONDO LOCAL MUNICIPALITY - (MP303) - 2023/24 ADJUSTMENT BUDGET REPORT ADJUSTMENT BUDGET REPORT

Municipal Budget Reporting Regulations (MBRR)



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PART 1 ADJUSTMENT BUDGET

1.1 LEGISLATION

The Council must approve the Adjustments Budget in terms of the provisions made in Section 28 (1) (2) of the Municipal Financial Management Act; wherein the Adjustments Budget;

- a) Is used to revise an approved annual budget;
- b) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current financial year;
- c) 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;
- d) May, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- e) May authorize the utilization of projected savings in one vote towards spending under another vote;
- f) May authorize the spending of funds that were unspent at the end of the past financial year where under-spending could not reasonably have been foreseen at the time to include projected rollovers when the annual budget for the current year was approved by the Council;
- g) May correct any errors in the annual budget; and
- h) May provide for any other expenditure within a prescribed framework

1.2 CONSOLIDATED OVERVIEW

In view of the aforementioned, the following table is a consolidated overview of the proposed 2023/24 Adjustment Budget

Table 1 Consolidated Overview of the 2023/24 Adjustment Budget

| Consolidated MTREF Budget | | | | |
|---|------------------------|---------------------------------|------------------------|------------------------|
| | Budget year 2023/24 | Adjustment Budget 2023/24 | Budget year 2024/25 | Budget year 2025/26 |
| Revenue before capital Transfers | 762,711,513 | 826,026,088 | 810,885,647 | 848,502,259 |
| Total Expenditure | (774,729,365) | (888,833,911) | (807,847,832) | (845,797,074) |
| Surplus /(Deficit) before capital Transfers | (12,017,852) | (62,807,823) | 3,037,815 | 2,705,185 |
| Capital Transfers | 93,780,750 | 116,851,580 | 103,066,750 | 107,772,650 |
| Surplus/(Deficit) after capital transfers | 81,762,898 | 54,043,757 | 106,104,565 | 110,477,835 |

The total revenue budget for the 2023-24 financial year is R826 million and the approach used for the budget assumptions were to be as conservative as possible to allow any positive spin-offs in order to fund any eventuality of over-expenditure in the expenditure budget.

Capital transfers is increased from R94 million to R117 million. Municipal Disaster Recovery Grant is increased by R22.6 million. There was also an unspent portion of the Disaster Recovery Grant of R7 million from the 2022/23 budget year which is utilized in the current budget period. MIG is reduced by 6 million.

Revenue – Adjustment budget

| Description | 2023/24 | | | Budget Year 2024/25 | Budget Year 2025/26 |
|--|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| | Original Budget | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| Revenue By Source | | | | | |
| Exchange Revenue | | | | | |
| Service charges - Electricity | 208,758,626.99 | 36,161,258.50 | 244,919,885.49 | 218,987,798.48 | 229,280,227.36 |
| Service charges - Water | 28,773,815.60 | 2,716,858.00 | 26,056,957.60 | 30,183,733.44 | 31,602,367.36 |
| Service charges - Waste Water Management | 12,802,341.00 | 2,394,460.00 | 15,196,801.00 | 13,429,655.92 | 14,060,850.20 |
| Service charges - Waste Management | 15,096,396.00 | - | 15,096,396.00 | 15,836,119.00 | 16,580,417.00 |
| Sale of Goods and Rendering of Services | 2,128,863.60 | 434,686.00 | 2,563,549.60 | 2,233,180.40 | 2,338,138.72 |
| Interest earned from Receivables | 37,883,897.76 | 11,805,653.00 | 49,689,550.76 | 39,740,209.44 | 41,607,998.36 |
| Interest earned from Current and Non Current Assets | 1,044,416.00 | 2,100,000.00 | 3,144,416.00 | 1,095,592.96 | 1,146,085.96 |
| Rental from Fixed Assets | 1,421,965.68 | 23,012.00 | 1,444,977.68 | 1,491,642.28 | 1,561,748.60 |
| Licence and permits | 58,217.00 | - | 58,217.00 | 61,070.12 | 63,940.20 |
| Operational Revenue | 1,103,491.56 | 624,439.00 | 1,727,930.56 | 1,157,563.32 | 1,211,969.56 |
| Non-Exchange Revenue | | | | | |
| Property rates | 93,860,378.28 | 11,215,285.00 | 82,645,093.28 | 98,459,533.12 | 103,087,132.20 |
| Fines, penalties and forfeits | 5,792,444.52 | 3,600.00 | 5,796,044.52 | 6,076,274.28 | 6,361,859.04 |
| Licences or permits | 85,958.40 | 82,868.00 | 168,826.40 | 90,170.40 | 94,408.44 |
| Transfer and subsidies - Operational | 342,483,299.92 | 7,609,000.00 | 350,092,299.92 | 370,066,249.96 | 386,965,349.88 |
| Interest | 11,417,400.96 | 16,007,742.00 | 27,425,142.96 | 11,976,853.56 | 12,539,765.76 |
| Total Revenue (excluding capital transfers and contributions) | 762,711,513.27 | 63,314,575.50 | 826,026,088.77 | 810,885,646.68 | 848,502,258.64 |

The total revenue budget from operations is proposed to be adjusted by R63 million from R762 million to R826 million.

The increase is attributed to upward movements in interest receivable and service charges.

The Municipality received about R7 million from Provincial Treasury for Data cleansing.

Expenditure Assessment

| Description | 2023/24 | | | Budget Year 2024/25 | Budget Year 2025/26 |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Original Budget | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| <u>Expenditure By Type</u> | | | | | |
| Employee related costs | 257,738,056.65 | - 0.00 | 257,738,056.65 | 265,544,397.20 | 278,024,994.40 |
| Remuneration of councillors | 17,125,077.36 | 997,374.95 | 18,122,452.31 | 17,964,202.80 | 18,808,523.28 |
| Bulk purchases - electricity | 200,731,528.56 | - 32,000,000.00 | 168,731,528.56 | 210,567,374.00 | 220,464,041.00 |
| Inventory consumed | 21,758,882.16 | - 2,108,979.65 | 19,649,902.51 | 22,874,068.12 | 23,996,150.80 |
| Debt impairment | 95,999,999.98 | 37,679,130.00 | 133,679,129.98 | 100,704,000.30 | 105,437,087.79 |
| Depreciation and amortisation | 63,039,608.48 | 38,492,839.55 | 101,532,448.03 | 66,128,550.12 | 69,236,588.44 |
| Interest | 12,502,787.52 | 10,217,487.00 | 22,720,274.52 | 13,115,424.72 | 13,731,849.60 |
| Contracted services | 44,590,920.12 | 51,069,223.90 | 95,660,144.02 | 46,726,879.12 | 48,876,043.48 |
| Irrecoverable debts written off | 556,437.84 | 701,392.00 | 1,257,829.84 | 583,703.28 | 611,137.32 |
| Operational costs | 60,686,066.12 | 9,056,078.75 | 69,742,144.87 | 63,639,231.87 | 66,610,657.46 |
| Total Expenditure | 774,729,364.79 | 114,104,546.50 | 888,833,911.29 | 807,847,831.53 | 845,797,073.57 |

The total operating expenditure budget is R888,8 million. This is funded through revenue collection from services, property rates, government grants and other revenue streams. Included in total expenditure is non-cash item of R235 million which is debt impairment and depreciation.

The municipality proposes to increase the expenditure budget by R114 million from R774,7 million to R888 million. The major movement upwards is on contracted services which is proposed to move upwards by 51 million to fund the over expenditure in Forensic investigations which were not budgeted for. Other components of the contracted services to be covered are security costs, silviculture costs which are contractual and had to be paid as per the contracted rates. Interest on outstanding amounts payable is moving upwards by R10 million. Operational costs are proposed to move upwards by R9 million.

There is however a downward movement in bulk purchases electricity of R32 million.

1.3 OPERATING REVENUE FRAMEWORK

Table B2 Summary of operating by standard classification item

| Standard Description R thousand | 2023/24 | | | | Budget Year 2024/25 | Budget Year 2025/26 |
|---|--------------------|-------------------|-------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| <u>Revenue - Functional</u> | | | | | | |
| <i>Governance and administration</i> | 438,177 | 14,413 | 14,413 | 452,590 | 472,837 | 494,571 |
| Executive and council | 325,397 | – | – | 325,397 | 354,682 | 370,871 |
| Finance and administration | 112,781 | 14,413 | 14,413 | 127,194 | 118,155 | 123,700 |
| <i>Community and public safety</i> | 5,829 | 17 | 17 | 5,846 | 6,115 | 6,402 |
| Community and social services | 232 | – | – | 232 | 243 | 255 |
| Sport and recreation | 6 | 13 | 13 | 19 | 6 | 7 |
| Public safety | 5,591 | 4 | 4 | 5,595 | 5,865 | 6,141 |
| <i>Economic and environmental services</i> | 97,055 | 24,065 | 24,065 | 121,120 | 99,148 | 103,686 |
| Planning and development | 94,793 | 1,543 | 1,543 | 96,336 | 99,148 | 103,686 |
| Road transport | 2,262 | 22,522 | 22,522 | 24,784 | 0 | 0 |
| <i>Trading services</i> | 315,336 | 47,841 | 47,841 | 363,177 | 335,754 | 351,512 |
| Energy sources | 232,123 | 40,460 | 40,460 | 272,583 | 248,463 | 260,118 |
| Water management | 43,164 | (937) | (937) | 42,227 | 45,279 | 47,407 |
| Waste water management | 17,230 | 3,094 | 3,094 | 20,325 | 18,074 | 18,924 |
| Waste management | 22,819 | 5,223 | 5,223 | 28,042 | 23,938 | 25,063 |
| <i>Other</i> | 94 | 51 | 51 | 145 | 99 | 103 |
| Total Revenue - Functional | 856,492 | 86,385 | 86,385 | 942,878 | 913,952 | 956,275 |

According to the revenue by standard classification revenue from Trading services is adjusted upwards by 15% from R315 million to R363 million. The most notable increase is on Energy sources which is moving upwards by R40 million from R232 million to R272 million.

Revenue from Economic and Environmental services moved upwards by 24% from R97 million to R121 million. Governance and administration moved by R3% R438 million to R452 million. The movement of the R14 million is in Finance and Administration.

The following are some of the internal initiatives as proposals for the much anticipated revenue enhancements strategy that can be “Quick-wins” for cashflow turnaround in the municipality on a short term.

- ☐ Sale of timber in the forestry division of compartments largely pine and wattle.
- ☐ Review and calculation of bulk water and electricity losses
- ☐ Implementation of flat-rate on all areas where billing is not taking place.
- ☐ Ensure prompt cut-offs on account defaulters
- ☐ immediate implementation of the MPRA to its fullest extent.
- ☐ Billing ESKOM servitudes and improvement
- ☐ immediate upgrade and review of supplementary valuation roll
- ☐ Review Eskom bulk purchase metering methods
- ☐ Review collectability of fines due to the municipality
- ☐ Review of rental contracts and collectability
- ☐ Regular meter audit on both water and electricity
- ☐ Data cleansing ongoing to verify late estates.
- ☐ Review of costs for fleet repairs and efficiency.
- ☐ Review of own land and possible sale or utilization, lease, etc
- ☐ Appointment of dedicated electricians and follow up on illegal reconnections
- ☐ Investigate conventional and pre-paid meter tampering.
- ☐ Evaluate pre-paid meter warnings reports.
- ☐ Evaluate incentive scheme for account payers.
- ☐ Promote electronic payments vs high bank charges on cash payments/ deposits
- ☐ Evaluate interest on arrears and use as leverage for “discount”
- ☐ billing of reconnection fees.
- ☐ Regular indigent registration and evaluate beneficiaries annually.

1.4 OPERATING EXPENDITURE FRAMEWORK

Table B2 Summary of operating expenditure by standard classification item

| Standard Description R thousands | 2023/24 | | | | Budget Year 2024/25 | Budget Year 2025/26 |
|---|--------------------|-------------------|-------------------|--------------------|------------------------|------------------------|
| | Original Budget | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| <u>Expenditure - Functional</u> | | | | | | |
| <i>Governance and administration</i> | 187,195 | 49,606 | 49,606 | 236,801 | 196,248 | 205,452 |
| Executive and council | 42,526 | 12,258 | 12,258 | 54,784 | 44,598 | 46,694 |
| Finance and administration | 142,433 | 37,748 | 37,748 | 180,181 | 149,306 | 156,304 |
| Internal audit | 2,236 | (399) | (399) | 1,837 | 2,343 | 2,454 |
| <i>Community and public safety</i> | 54,706 | 17,976 | 17,976 | 72,683 | 57,352 | 60,047 |
| Community and social services | 13,694 | 15,300 | 15,300 | 28,994 | 14,363 | 15,038 |
| Sport and recreation | 8,377 | 580 | 580 | 8,957 | 8,780 | 9,193 |
| Public safety | 32,635 | 2,096 | 2,096 | 34,732 | 34,209 | 35,817 |
| <i>Economic and environmental services</i> | 84,856 | 9,749 | 9,749 | 94,604 | 84,419 | 88,387 |
| Planning and development | 41,328 | (730) | (730) | 40,598 | 43,340 | 45,377 |
| Road transport | 43,528 | 10,478 | 10,478 | 54,006 | 41,079 | 43,009 |
| <i>Trading services</i> | 434,686 | 34,775 | 34,775 | 469,461 | 455,899 | 477,326 |
| Energy sources | 274,780 | 6,374 | 6,374 | 281,154 | 288,223 | 301,769 |
| Water management | 98,660 | 7,920 | 7,920 | 106,580 | 103,446 | 108,308 |
| Waste water management | 23,181 | (623) | (623) | 22,558 | 24,315 | 25,458 |
| Waste management | 38,064 | 21,105 | 21,105 | 59,169 | 39,914 | 41,790 |
| <i>Other</i> | 13,286 | 1,998 | 1,998 | 15,284 | 13,931 | 14,586 |
| Total Expenditure - Functional | 774,729 | 114,105 | 114,105 | 888,834 | 807,848 | 845,797 |

Total expenditure is projected at R889 million. This is an upward movement of 14.7% from the original budget of R774 million.

Governance and administration increased by 25.5% from R187 million to R234 million. The major increase on governance was on Finance and administration which moved upwards by 26.4% from R142 million to R180 million.

Trading services increased by 8% from R434 million to R471 million. The major increase was on Waste Management which increased by R20 million from R38 million to R58 million.

1.5 CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote:

Table B5 - Budgeted Capital Expenditure by vote, standard classification

| Description R Thousands | 2023/24 | | | Budget Year 2024/25 | Budget Year 2025/26 |
|--|--------------------|-------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| <u>Capital expenditure - Vote</u> | | | | | |
| <u>Single-year expenditure to be adjusted</u> | | | | | |
| Vote 3 - Corporate Services | 453 | 261 | 714 | 413 | 377 |
| Vote 5 - Community Services | 4,348 | – | 4,348 | (0) | 0 |
| Vote 6 - Technical Services | 77,201 | 22,175 | 99,375 | 89,623 | 93,715 |
| Vote 7 - Afforestation and Tourism | – | 87 | 87 | – | – |
| Capital single-year expenditure sub-total | 82,002 | 22,522 | 104,524 | 90,037 | 94,092 |
| Total Capital Expenditure - Vote | 82,002 | 22,522 | 104,524 | 90,037 | 94,092 |
| <u>Capital Expenditure - Functional</u> | | | | | |
| <i>Governance and administration</i> | 453 | 261 | 714 | 413 | 377 |
| Finance and administration | 453 | 261 | 714 | 413 | 377 |
| <i>Economic and environmental services</i> | 30,809 | 21,653 | 52,461 | 37,902 | 28,316 |
| Road transport | 30,809 | 21,653 | 52,461 | 37,902 | 28,316 |
| <i>Trading services</i> | 50,740 | 522 | 51,262 | 51,721 | 65,399 |
| Energy sources | 4,173 | – | 4,173 | 8,696 | 9,085 |
| Water management | – | 522 | 522 | – | – |
| Waste water management | 42,219 | – | 42,219 | 43,025 | 56,314 |
| Waste management | 4,348 | – | 4,348 | (0) | 0 |
| <i>Other</i> | – | 87 | 87 | – | – |
| Total Capital Expenditure - Functional | 82,002 | 22,522 | 104,524 | 90,037 | 94,092 |
| <u>Funded by:</u> | | | | | |
| National Government | 81,548 | 20,062 | 101,610 | 89,623 | 93,715 |
| Transfers recognised - capital | 81,548 | 20,062 | 101,610 | 89,623 | 93,715 |
| Internally generated funds | 453 | 2,461 | 2,914 | 413 | 377 |
| Total Capital Funding | 82,002 | 22,522 | 104,524 | 90,037 | 94,092 |

For 2023/24 capital adjustment budget has increased by R22.5 million from R82 million to R104 million. This is due to increased funding from MDRG.

1.6 ADJUSTED BUDGET SUMMARY

| Description R Thousands | 2023/24 | | | | Budget Year 2024/25 | Budget Year 2025/26 |
|--|--------------------|-------------------|-------------------|--------------------|------------------------|---------------------------|
| | Original Budget | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| <u>Financial Performance</u> | | | | | | |
| Property rates | 93,860 | (11,215) | (11,215) | 82,645 | 98,460 | 103,087 |
| Service charges | 265,431 | 35,839 | 35,839 | 301,270 | 278,437 | 291,524 |
| Investment revenue | 1,044 | 2,100 | 2,100 | 3,144 | 1,096 | 1,146 |
| Transfers recognised - operational | 342,483 | 7,609 | 7,609 | 350,092 | 370,066 | 386,965 |
| Other own revenue | 59,892 | 28,982 | 28,982 | 88,874 | 62,827 | 65,780 |
| Total Revenue (excluding capital transfers and contributions) | 762,712 | 63,315 | 63,315 | 826,026 | 810,885 | 848,502 |
| Employee costs | 257,738 | (0) | (0) | 257,738 | 265,544 | 278,025 |
| Remuneration of councillors | 17,125 | 997 | 997 | 18,122 | 17,964 | 18,809 |
| Depreciation & asset impairment | 159,040 | 76,172 | 76,172 | 235,212 | 166,833 | 174,674 |
| Finance charges | 12,503 | 10,217 | 10,217 | 22,720 | 13,115 | 13,732 |
| Inventory consumed and bulk purchases | 222,490 | (34,109) | (34,109) | 188,381 | 233,441 | 244,460 |
| Transfers and subsidies | 342,483 | 7,609 | 7,609 | 350,092 | 370,066 | 386,965 |
| Other expenditure | (236,650) | 53,218 | 53,218 | (183,432) | (259,116) | (270,868) |
| Total Expenditure | 774,729 | 114,105 | 114,105 | 888,833 | 807,848 | 845,797 |
| Surplus/(Deficit) | (12,018) | (50,790) | (50,790) | - 62,807 | 3,038 | 2,705 |
| Transfers and subsidies - capital (monetary allocations) | 93,781 | 23,071 | 23,071 | 116,851 | 103,067 | 107,773 |
| Surplus/(Deficit) after capital transfers & contributions | 81,763 | (27,719) | (27,719) | 54,043 | 106,105 | 110,478 |
| Surplus/ (Deficit) for the year | 81,763 | (27,719) | (27,719) | 54,044 | 106,105 | 110,478 |
| <u>Capital expenditure & funds sources</u> | | | | | | |
| Capital expenditure | 82,002 | 22,522 | 22,522 | 104,524 | 90,037 | 94,092 |
| Transfers recognised - capital | 81,548 | 20,062 | 20,062 | 101,610 | 89,623 | 93,715 |
| Internally generated funds | 453 | 2,461 | 2,461 | 2,914 | 413 | 377 |
| Total sources of capital funds | 82,002 | 22,522 | 22,522 | 104,524 | 90,037 | 94,092 |
| <u>Financial position</u> | | | | | | |
| Total current assets | 358,344 | 48,143 | 48,143 | 406,486 | 313,316 | 265,459 |
| Total non current assets | 1,906,190 | 4,091 | 4,091 | 1,910,282 | 1,930,098 | 1,954,954 |
| Total current liabilities | 747,988 | 59,891 | 59,891 | 807,880 | 619,102 | 483,882 |
| Total non current liabilities | 40,908 | – | – | 40,908 | 42,570 | 44,311 |
| Community wealth/Equity | 1,465 | (27,719) | (27,719) | 1,437 | 1,571 | 1,682 |
| <u>Cash flows</u> | | | | | | |

| | | | | | | |
|---|-----------|----------|----------|-----------|-----------|-----------|
| Net cash from (used) operating | 37,628 | (17,485) | (17,485) | 20,144 | 32,996 | 34,755 |
| Net cash from (used) investing | (90,442) | (24,435) | (24,435) | (114,877) | (99,061) | (103,520) |
| Net cash from (used) financing | 266 | 65 | 65 | 331 | 279 | 292 |
| Cash/cash equivalents at the year end | (25,917) | (41,854) | (41,854) | (67,771) | (35,078) | (36,987) |
| <u>Cash backing/surplus reconciliation</u> | | | | | | |
| Cash and investments available | 31,221 | (2,703) | (2,703) | 28,519 | 31,999 | 30,753 |
| Application of cash and investments | 515,286 | 93,235 | 93,235 | 608,521 | 407,003 | 293,040 |
| Balance - surplus (shortfall) | (484,065) | (95,938) | (95,938) | (580,002) | (375,004) | (262,286) |
| <u>Asset Management</u> | | | | | | |
| Asset register summary (WDV) | 1,695,384 | (35,623) | (35,623) | 1,659,761 | 1,745,379 | 1,770,234 |
| Depreciation | 63,040 | 38,293 | 38,293 | 101,332 | 66,129 | 69,237 |
| Renewal and Upgrading of Existing Assets | 5,285 | 24,205 | 24,205 | 29,490 | – | 16,314 |
| Repairs and Maintenance | 34,602 | 5,143 | 5,143 | 39,745 | 36,249 | 37,906 |

The overall adjusted revenue budget inclusive of transfers and grants amounts to R936 million and the overall adjusted expenditure is R888 million with adjusted capital expenditure of R104 million. The overall net deficit is R63 million as compared to the original budget deficit of R12 million.

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF THE ADJUSTMENT BUDGET PROCESS

The Municipal Finance Management Act of 2006 in Section 28 section 2(a) to (g) directs several provisos' that must be met in order to facilitate the adjustment budget. In each and every proviso mentioned below a note is made of the applicable recommendation.

| Section 28 MFMA | APPLICABLE |
|---|---|
| (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year; | <i>Applicable.</i> |
| (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; | <i>Not applicable</i> |
| (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality; | <i>None foreseen at this stage</i> |
| (d) may authorise the utilisation of projected savings in one vote towards spending under another vote; | <i>Applied under many Circumstances.</i> |
| (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; | <i>Applicable with M D R G treasury rollovers</i> |
| (f) may correct any errors in the annual budget; and | <i>Applied in many instances</i> |
| (g) may provide for any other expenditure within a prescribed framework. | <i>A few occasions have been applied.</i> |

Budget Steering Committee established

The Budget Steering Committee has been established and it consists of the Municipal Manager, Heads of departments and other senior officials of the municipality as well as the Mayoral Committee members and is chaired by the Executive Mayor.

The primary aim of the Budget Steering Committee is to ensure:

- ☐ that the process followed to compile the budget complies with legislation and good budget practices;
- ☐ that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality
- ☐ that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- ☐ that the various spending priorities of the different municipal departments are properly evaluated and prioritized in the allocation of resources.

2.2 IDP AND SERVICES DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) PRIORITIES

Section 25 (1) of the Local Government: Municipal Systems Act 32 of 2000 stipulates that 'each municipal council must, within a prescribed period after its elected term, adopt a single, inclusive and strategic plan for the development of the municipality.

2.3 OVERVIEW OF ALIGNMENT OF ADJUSTMENT BUDGET WITH IDP REVIEW

The purpose of this document is to describe the planning and implementation processes that will be followed by Mkhondo Local Municipality to deliver on its mandate through being a developmental local municipality. Critical in this document are the five development priorities of the municipality, which are the national Key Performance Areas for local government, namely:

- ☐ Basic Service Delivery
- ☐ Municipal Institutional Development and Transformation
- ☐ Local Economic Development
- ☐ Financial Viability and Management
- Good Governance and Public Participation
- ☐ Spatial Rationale

2.4 MEDIUM- TERM OUTLOOK: ADJUSTMENTS BUDGET FINANCIAL PERFORMANCE

| Description | 2023/24 | | | Budget Year 2024/25 | Budget Year 2025/26 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| | Original Budget | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| Revenue By Source | | | | | |
| Exchange Revenue | | | | | |
| Service charges - Electricity | 208,758,626.99 | 36,161,258.50 | 244,919,885.49 | 218,987,798.48 | 229,280,227.36 |
| Service charges - Water | 28,773,815.60 | - 2,716,858.00 | 26,056,957.60 | 30,183,733.44 | 31,602,367.36 |
| Service charges - Waste Water Management | 12,802,341.00 | 2,394,460.00 | 15,196,801.00 | 13,429,655.92 | 14,060,850.20 |
| Service charges - Waste Management | 15,096,396.00 | - | 15,096,396.00 | 15,836,119.00 | 16,580,417.00 |
| Sale of Goods and Rendering of Services | 2,128,863.60 | 434,686.00 | 2,563,549.60 | 2,233,180.40 | 2,338,138.72 |
| Interest earned from Receivables | 37,883,897.76 | 11,805,653.00 | 49,689,550.76 | 39,740,209.44 | 41,607,998.36 |
| Interest earned from Current and Non Current Assets | 1,044,416.00 | 2,100,000.00 | 3,144,416.00 | 1,095,592.96 | 1,146,085.96 |
| Rental from Fixed Assets | 1,421,965.68 | 23,012.00 | 1,444,977.68 | 1,491,642.28 | 1,561,748.60 |
| Licence and permits | 58,217.00 | - | 58,217.00 | 61,070.12 | 63,940.20 |
| Operational Revenue | 1,103,491.56 | 624,439.00 | 1,727,930.56 | 1,157,563.32 | 1,211,969.56 |
| Non-Exchange Revenue | | | | | |
| Property rates | 93,860,378.28 | - 11,215,285.00 | 82,645,093.28 | 98,459,533.12 | 103,087,132.20 |
| Fines, penalties and forfeits | 5,792,444.52 | 3,600.00 | 5,796,044.52 | 6,076,274.28 | 6,361,859.04 |
| Licences or permits | 85,958.40 | 82,868.00 | 168,826.40 | 90,170.40 | 94,408.44 |
| Transfer and subsidies - Operational | 342,483,299.92 | 7,609,000.00 | 350,092,299.92 | 370,066,249.96 | 386,965,349.88 |
| Interest | 11,417,400.96 | 16,007,742.00 | 27,425,142.96 | 11,976,853.56 | 12,539,765.76 |
| Total Revenue (excluding capital transfers and contributions) | 762,711,513.27 | 63,314,575.50 | 826,026,088.77 | 810,885,646.68 | 848,502,258.64 |
| Expenditure By Type | | | | | |
| Employee related costs | 257,738,056.65 | - 0.00 | 257,738,056.65 | 265,544,397.20 | 278,024,994.40 |
| Remuneration of councillors | 17,125,077.36 | 997,374.95 | 18,122,452.31 | 17,964,202.80 | 18,808,523.28 |
| Bulk purchases - electricity | 200,731,528.56 | - 32,000,000.00 | 168,731,528.56 | 210,567,374.00 | 220,464,041.00 |
| Inventory consumed | 21,758,882.16 | - 2,108,979.65 | 19,649,902.51 | 22,874,068.12 | 23,996,150.80 |
| Debt impairment | 95,999,999.98 | 37,679,130.00 | 133,679,129.98 | 100,704,000.30 | 105,437,087.79 |
| Depreciation and amortisation | 63,039,608.48 | 38,492,839.55 | 101,532,448.03 | 66,128,550.12 | 69,236,588.44 |
| Interest | 12,502,787.52 | 10,217,487.00 | 22,720,274.52 | 13,115,424.72 | 13,731,849.60 |
| Contracted services | 44,590,920.12 | 51,069,223.90 | 95,660,144.02 | 46,726,879.12 | 48,876,043.48 |
| Irrecoverable debts written off | 556,437.84 | 701,392.00 | 1,257,829.84 | 583,703.28 | 611,137.32 |
| Operational costs | 60,686,066.12 | 9,056,078.75 | 69,742,144.87 | 63,639,231.87 | 66,610,657.46 |
| Total Expenditure | 774,729,364.79 | 114,104,546.50 | 888,833,911.29 | 807,847,831.53 | 845,797,073.57 |
| Surplus/(Deficit) | - 12,017,851.52 | - 50,789,971.00 | - 62,807,822.52 | 3,037,815.15 | 2,705,185.07 |
| Transfers and subsidies - capital (monetary allocations) | 93,780,749.88 | 23,070,830.00 | 116,851,579.88 | 103,066,749.96 | 107,772,649.92 |
| Surplus/(Deficit) before taxation | 81,762,898.36 | - 27,719,141.00 | 54,043,757.36 | 106,104,565.11 | 110,477,834.99 |
| Surplus/(Deficit) after taxation | 81,762,898.36 | - 27,719,141.00 | 54,043,757.36 | 106,104,565.11 | 110,477,834.99 |
| Surplus/(Deficit) attributable to municipality | 81,762,898.36 | - 27,719,141.00 | 54,043,757.36 | 106,104,565.11 | 110,477,834.99 |
| Surplus/ (Deficit) for the year | 81,762,898.36 | - 27,719,141.00 | 54,043,757.36 | 106,104,565.11 | 110,477,834.99 |

2.5 MEDIUM- TERM OUTLOOK: ADJUSTMENTS BUDGET FINANCIAL POSITION

| Description R thousands | 2023/24 | | | | Budget Year 2024/25 | Budget Year 2025/26 |
|---|----------------------|-----------------------------|-----------------------------|-------------------------------|---------------------------|---------------------------|
| | Original Budget A | Other Adjusts. 8 F | Total Adjusts. 9 G | Adjusted Budget 10 H | Adjusted Budget | Adjusted Budget |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 30,708 | (16,507) | (16,507) | 14,201 | 31,486 | 30,240 |
| Trade and other receivables from exchange transactions | 107,902 | (27,311) | (27,311) | 80,591 | 81,857 | 56,162 |
| Receivables from non-exchange transactions | 148,840 | (125,139) | (125,139) | 23,701 | 145,774 | 142,239 |
| Current portion of non-current receivables | — | — | — | — | — | — |
| Inventory | 22,941 | 35,636 | 35,636 | 58,577 | 19,949 | 16,769 |
| VAT | 47,860 | 17,519 | 17,519 | 65,379 | 34,156 | 19,957 |
| Other current assets | 93 | 887 | 887 | 980 | 93 | 93 |
| Total current assets | 358,344 | (114,915) | (114,915) | 243,429 | 313,316 | 265,459 |
| Non current assets | | | | | | |
| Investments | 514 | 66 | 66 | 579 | 514 | 514 |
| Investment property | 12,822 | 201 | 201 | 13,023 | 12,148 | 11,443 |
| Property, plant and equipment | 1,823,084 | (48,397) | (48,397) | 1,774,687 | 1,847,665 | 1,873,226 |
| Biological assets | 66,855 | 27,382 | 27,382 | 94,237 | 66,855 | 66,855 |
| Living and non-living resources | — | — | — | — | — | — |
| Heritage assets | 2,916 | — | — | 2,916 | 2,916 | 2,916 |
| Intangible assets | — | — | — | — | — | — |
| Trade and other receivables from exchange transactions | — | — | — | — | — | — |
| Non-current receivables from non- exchange transactions | — | — | — | — | — | — |
| Other non-current assets | — | — | — | — | — | — |
| Total non current assets | 1,906,190 | (20,748) | (20,748) | 1,885,442 | 1,930,098 | 1,954,954 |
| TOTAL ASSETS | 2,264,534 | (135,663) | (135,663) | 2,128,871 | 2,243,414 | 2,220,413 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | — | — | — | — | — | — |
| Financial liabilities | — | — | — | — | — | — |
| Consumer deposits | 4,461 | (181) | (181) | 4,280 | 4,610 | 4,772 |
| Trade and other payables from exchange transactions | 704,784 | 160,189 | 160,189 | 864,973 | 598,968 | 469,887 |
| Trade and other payables from non- exchange transactions | 0 | 0 | 0 | 0 | 0 | 0 |
| Provisions | 1,218 | (317) | (317) | 901 | 670 | 0 |
| VAT | 37,525 | (12,956) | (12,956) | 24,569 | 14,853 | 9,223 |
| Other current liabilities | — | (901) | (901) | (901) | — | — |
| Total current liabilities | 747,988 | 145,834 | 145,834 | 893,822 | 619,102 | 483,882 |
| Non current liabilities | | | | | | |
| Borrowing | — | — | — | — | — | — |
| Provisions | 40,908 | 2,834 | 2,834 | 43,742 | 42,570 | 44,311 |
| Long term portion of trade payables | — | — | — | — | — | — |
| Other non-current liabilities | 9,975 | (1,441) | (1,441) | 8,534 | 9,975 | 9,975 |
| Total non current liabilities | 50,883 | 1,393 | 1,393 | 52,276 | 52,545 | 54,286 |
| TOTAL LIABILITIES | 798,871 | 147,226 | 147,226 | 946,097 | 671,647 | 538,168 |
| NET ASSETS | 1,465,663 | (282,889) | (282,889) | 1,182,774 | 1,571,767 | 1,682,245 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | 1,465,663 | (282,889) | (282,889) | 1,182,774 | 1,571,767 | 1,682,245 |
| Funds and Reserves | — | — | — | — | — | — |
| Other | — | — | — | — | — | — |
| TOTAL COMMUNITY WEALTH/EQUITY | 1,465,663 | (282,889) | (282,889) | 1,182,774 | 1,571,767 | 1,682,245 |

2.6 MEDIUM- TERM OUTLOOK: ADJUSTMENTS BUDGET CASH FLOWS

| Description | 2023/24 | | | Budget Year 2024/25 | Budget Year 2025/26 |
|--|--------------------|-------------------|--------------------|------------------------|------------------------|
| | Original Budget | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Receipts | | | | | |
| Property rates | 79,571 | 6,873 | 86,444 | 83,470 | 87,393 |
| Service charges | 289,170 | - 46,934 | 242,236 | 301,507 | 315,555 |
| Other revenue | 83,404 | 67,745 | 151,148 | 88,259 | 92,563 |
| Transfers and Subsidies - Operational | 342,483 | 7,027 | 349,510 | 370,066 | 386,965 |
| Transfers and Subsidies - Capital | 93,781 | 16,335 | 110,116 | 103,067 | 107,773 |
| Interest | 1,044 | 2,100 | 3,144 | 1,096 | 1,146 |
| Payments | | | | | |
| Suppliers and employees | - 784,567 | -29,015 | - 811,582 | - 834,660 | -875,551 |
| Finance charges | 12,503 | - 217 | 12,720 | 13,115 | 13,732 |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 94,382 | 23,914 | 118,296 | 125,920 | 129,576 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Receipts | | | | | |
| Payments | | | | | |
| Capital assets | - 90,442 | - 24,782 | - 115,224 | - 99,061 | -103,520 |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | - 90,442 | - 24,782 | - 115,224 | - 99,061 | -103,520 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Receipts | | | | | |
| Increase (decrease) in consumer deposits | 136 | | 136 | 149 | 162 |
| Payments | | | | | |
| Repayment of borrowing | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | 136 | | 136 | 149 | 162 |
| NET INCREASE/ (DECREASE) IN CASH HELD | 4,077 | -868 | 3,208 | 27,009 | 26,218 |
| Cash/cash equivalents at the year begin: | 26,631 | --15,638 | 10,993 | 30,708 | 31,486 |
| Cash/cash equivalents at the year end: | 30,708 | -16,507 | 14,201 | 57,717 | 57,704 |

2.7 MEDIUM- TERM OUTLOOK: CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION

| Description | 2023/24 | | | Budget Year 2024/25 | Budget Year 2025/26 |
|---|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| | Original Budget | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| Cash and investments available | - | - | - | - | - |
| Cash/cash equivalents at the year end | 25,916,506.53 | 41,854,275.29 | 67,770,781.82 | 35,078,216.24 | 36,987,356.57 |
| Other current investments> 90 days | 56,624,373.64 | 39,151,737.89 | 95,776,111.53 | 66,563,907.04 | 67,227,228.39 |
| Noncurrent assets – Investments | 513,617.00 | - | 513,617.00 | 513,617.00 | 513,617.00 |
| Cash and investments available: | 31,221,484.11 | 2,702,537.40 | 28,518,946.71 | 31,999,307.80 | 30,753,488.82 |
| Applications of cash and investments | - | - | - | - | - |
| Unspent conditional transfers | 0.04 | 7,317,763.00 | 7,317,763.04 | 0.20 | 0.20 |
| Statutory requirements | 10,334,623.84 | 1,568,102.00 | 8,766,521.84 | 19,303,226.89 | 10,734,051.12 |
| Other working capital requirements | 524,402,959.92 | 99,676,481.70 | 624,079,441.62 | 425,636,715.13 | 303,773,797.67 |
| Other provisions | 1,217,700.00 | 691,700.00 | 526,000.00 | 669,735.00 | 0.28 |
| Total Application of cash and investments: | 515,286,036.04 | 93,235,120.70 | 608,521,156.74 | 407,003,223.04 | 293,039,746.63 |
| Surplus(shortfall) | 484,064,551.93 | 95,937,658.10 | 580,002,210.03 | 375,003,915.24 | 262,286,257.81 |

2.8 FUNDING MEASUREMENT

| Description | MFMA section | Medium Term Revenue and Expenditure Framework | | | | |
|---|--------------|---|----------------|-----------------|---------------------|---------------------|
| | | Original Budget | Prior Adjusted | Adjusted Budget | Budget Year 2024/25 | Budget Year 2025/26 |
| R thousands | | | | | | |
| Funding measures | - | | | | | |
| Cash/cash equivalents at the year end - R'000 | 18(1)b | (25,917) | - | (67,771) | (35,078) | (36,987) |
| Cash + investments at the yr end less applications - R'000 | 18(1)b | (484,065) | - | (580,002) | (375,004) | (262,286) |
| Cash year end/monthly employee/supplier payments | 18(1)b | - | - | - | - | - |
| Surplus/(Deficit) excluding depreciation offsets: R'000 | 18(1) | 81,763 | - | - | - | - |
| Service charge rev % change - macro CPIX target exclusive | 18(1)a,(2) | 0.0% | 0.0% | 0.0% | -10.5% | -1.3% |
| Cash receipts % of Ratepayer & Other revenue | 18(1)a,(2) | 97.7% | 0.0% | 88.1% | 97.4% | 97.5% |
| Debt impairment expense as a % of total billable revenue | 18(1)a,(2) | 49.1% | 0.0% | 37.6% | 49.1% | 49.1% |
| Capital payments % of capital expenditure | 18(1)c;19 | 110.3% | 0.0% | 0.0% | 0.0% | 0.0% |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Grants % of Govt. legislated/gazetted allocations | 18(1)a | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Current consumer debtors % change - incr(decr) | 18(1)a | | | | -31.4% | -16.5% |
| Long term receivables % change - incr(decr) | 18(1)a | | | | -28.0% | -21.6% |
| R&M % of Property Plant & Equipment | 20(1)(vi) | 2.0% | 0.0% | 2.4% | 2.1% | 2.1% |
| Asset renewal % of capital budget | 20(1)(vi) | 0.0% | 0.0% | 25.4% | 0.0% | 0.0% |

2.9 TRANSFERS AND GRANT RECEIPTS

| Description | 2023/24 | | | Budget Year 2024/25 | Budget Year 2025/26 |
|---|-----------------|----------------|-----------------|---------------------|---------------------|
| | Original Budget | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| RECEIPTS: | | | | | |
| <u>Operating Transfers and Grants</u> | | | | | |
| National Government: | 342,483 | (126) | 342,357 | 370,066 | 386,965 |
| Expanded Public Works Programme Integrated Grant | 2,262 | (126) | 2,136 | - | - |
| Local Government Financial Management Grant | 3,100 | - | 3,100 | 3,100 | 3,238 |
| Municipal Infrastructure Grant | 4,683 | - | 4,683 | 4,898 | 5,122 |
| Equitable Share | 332,438 | - | 332,438 | 362,068 | 378,605 |
| Provincial Government: | - | 7,153 | 7,153 | - | - |
| Specify (Add grant description) | - | 7,153 | 7,153 | - | - |
| District Municipality: | - | - | - | - | - |
| Other grant providers: | - | - | - | - | - |
| Total Operating Transfers and Grants | 342,483 | 7,027 | 349,510 | 370,066 | 386,965 |
| <u>Capital Transfers and Grants</u> | | | | | |
| National Government: | | | | | |
| Municipal Infrastructure Grant | 93,781 | 16,335 | 110,116 | 103,067 | 107,773 |
| | 88,982 | (6,265) | 82,717 | 93,067 | 97,325 |
| Integrated National Electrification Programme Grant | 4,799 | - | 4,799 | 10,000 | 10,448 |
| Municipal Disaster Recovery Grant | - | 22,600 | 22,600 | - | - |
| Provincial Government: | - | - | - | - | - |
| District Municipality: | - | - | - | - | - |
| Other grant providers: | - | - | - | - | - |
| Total Capital Transfers and Grants | 93,781 | 16,335 | 110,116 | 103,067 | 107,773 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 436,264 | 23,362 | 459,626 | 473,133 | 494,738 |

2.10 MONTHLY REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

| Description - Standard classification | 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 2024/25 | Budget Year 2025/26 |
| | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | | | | | |
| <u>Revenue - Functional</u> | | | | | | | | | 0 | 0 | 0 | 0 | | | |
| <i>Governance and administration</i> | 144,792 | 8,609 | 8,747 | 9,279 | 8,531 | 117,493 | 8,556 | (17) | 39,555 | 39,555 | 39,555 | 27,936 | 452,590 | 472,837 | 494,571 |
| Executive and council | 135,745 | – | – | – | – | 108,597 | – | – | 27,116 | 27,116 | 27,116 | 27,116 | 325,397 | 354,682 | 370,871 |
| Finance and administration | 9,048 | 8,609 | 8,747 | 9,279 | 8,531 | 8,896 | 8,556 | (17) | 12,438 | 12,438 | 12,438 | 12,438 | 127,194 | 118,155 | 123,700 |
| <i>Community and public safety</i> | 133 | 141 | 155 | 108 | 158 | 198 | 362 | (427) | 490 | 490 | 490 | 3,548 | 5,846 | 6,115 | 6,402 |
| Community and social services | 16 | 24 | 17 | 18 | 20 | 14 | 25 | (9) | 19 | 19 | 19 | 19 | 232 | 243 | 255 |
| Sport and recreation | 1 | 8 | – | 3 | 1 | – | 3 | 1 | 4 | 4 | 4 | 4 | 19 | 6 | 7 |
| Public safety | 36 | 28 | 62 | 65 | 57 | 103 | 254 | (0) | 467 | 467 | 467 | 467 | 5,595 | 5,865 | 6,141 |
| Housing | 81 | 81 | 76 | 22 | 80 | 81 | 81 | (419) | – | – | – | – | – | – | – |
| <i>Economic and environmental services</i> | 63 | 83 | 83 | 37,384 | 77 | 55 | 341 | (22) | 12,895 | 12,895 | 12,895 | 44,372 | 121,120 | 99,148 | 103,686 |
| Planning and development | 52 | 79 | 82 | 37,373 | 55 | 39 | 319 | 41 | 8,208 | 8,208 | 8,208 | 8,208 | 96,336 | 99,148 | 103,686 |
| Road transport | 12 | 4 | 1 | 11 | 21 | 16 | 22 | (63) | 4,687 | 4,687 | 4,687 | 4,687 | 24,784 | 0 | 0 |
| <i>Trading services</i> | 22,771 | 22,577 | 21,020 | 25,110 | 25,901 | 23,709 | 20,431 | (762) | 35,955 | 35,955 | 35,955 | 94,554 | 363,177 | 335,754 | 351,512 |
| Energy sources | 14,588 | 16,004 | 14,590 | 18,683 | 19,292 | 16,335 | 13,626 | 1,396 | 27,436 | 27,436 | 27,436 | 27,436 | 272,583 | 248,463 | 260,118 |
| Water management | 4,590 | 3,043 | 3,035 | 2,938 | 3,070 | 3,843 | 3,242 | (2,158) | 3,414 | 3,414 | 3,414 | 3,414 | 42,227 | 45,279 | 47,407 |
| Waste water management | 1,407 | 1,507 | 1,535 | 1,483 | 1,531 | 1,528 | 1,559 | – | 2,090 | 2,090 | 2,090 | 2,090 | 20,325 | 18,074 | 18,924 |
| Waste management | 2,187 | 2,023 | 1,860 | 2,006 | 2,008 | 2,003 | 2,004 | 0 | 3,016 | 3,016 | 3,016 | 3,016 | 28,042 | 23,938 | 25,063 |
| <i>Other</i> | – | – | – | – | – | – | – | 63 | 18 | 18 | 18 | 18 | 145 | 99 | 103 |
| Total Revenue - Functional | 167,760 | 31,409 | 30,004 | 71,882 | 34,666 | 141,455 | 29,690 | (1,165) | 88,912 | 88,912 | 88,912 | 170,429 | 942,878 | 913,952 | 956,275 |
| <u>Expenditure - Functional</u> | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | |
|--|----------------|---------------|------------------|---------------|---------------|----------------|-----------------|----------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Governance and administration | 8,383 | 4,220 | 49,761 | 24,665 | 5,164 | 41,147 | 14,284 | (2,316) | 26,205 | 26,205 | 26,205 | 12,876 | 236,801 | 196,248 | 205,452 |
| Executive and council | 1,386 | 1,210 | 12,428 | 7,831 | 1,755 | 12,643 | 2,614 | (4,602) | 6,295 | 6,295 | 6,295 | 6,295 | 54,784 | 44,598 | 46,694 |
| Finance and administration | 6,997 | 3,010 | 37,333 | 16,834 | 3,409 | 28,504 | 11,670 | 2,287 | 19,804 | 19,804 | 19,804 | 19,821 | 180,181 | 149,306 | 156,304 |
| #REF! | – | – | – | – | – | – | – | – | 106 | 106 | 106 | 106 | 1,837 | 2,343 | 2,454 |
| Community and public safety | 3,118 | 47 | 17,095 | 3,974 | 4,522 | 12,139 | 8,008 | (949) | 8,924 | 8,924 | 8,924 | (2,041) | 72,683 | 57,352 | 60,047 |
| Community and social services | 3,043 | – | 7,629 | 660 | 1,615 | 4,348 | 4,021 | 298 | 4,882 | 4,882 | 4,882 | 4,882 | 28,994 | 14,363 | 15,038 |
| Sport and recreation | 9 | 11 | 2,010 | 729 | 13 | 1,720 | 807 | (427) | 811 | 811 | 811 | 816 | 8,957 | 8,780 | 9,193 |
| Public safety | 66 | 36 | 7,456 | 2,585 | 2,894 | 6,071 | 3,180 | (820) | 3,230 | 3,230 | 3,230 | 3,252 | 34,732 | 34,209 | 35,817 |
| Economic and environmental services | 179 | 245 | 18,703 | 7,431 | 1,156 | 11,168 | 7,414 | (640) | 8,969 | 8,969 | 8,969 | 22,040 | 94,604 | 84,419 | 88,387 |
| Planning and development | 29 | 59 | 8,821 | 2,972 | 59 | 2,443 | 3,272 | (211) | 3,303 | 3,303 | 3,303 | 3,303 | 40,598 | 43,340 | 45,377 |
| Road transport | 150 | 186 | 9,882 | 4,459 | 1,097 | 8,725 | 4,142 | (429) | 5,666 | 5,666 | 5,666 | 5,674 | 54,006 | 41,079 | 43,009 |
| Trading services | 22,614 | 2,477 | 94,077 | 34,876 | 9,132 | 47,856 | 33,311 | (1,937) | 43,487 | 43,487 | 43,487 | 96,593 | 469,461 | 455,899 | 477,326 |
| Energy sources | 21,672 | 191 | 57,163 | 19,622 | 6,882 | 19,766 | 19,259 | 368 | 24,480 | 24,480 | 24,480 | 24,479 | 281,154 | 288,223 | 301,769 |
| Water management | 267 | 137 | 23,013 | 10,348 | 878 | 20,268 | 9,265 | (1,898) | 9,491 | 9,491 | 9,491 | 9,540 | 106,580 | 103,446 | 108,308 |
| Waste water management | 502 | 1,907 | 4,389 | 1,667 | 1,088 | 3,784 | 1,517 | 7,324 | 1,836 | 1,836 | 1,836 | 1,839 | 22,558 | 24,315 | 25,458 |
| Waste management | 172 | 242 | 9,512 | 3,238 | 284 | 4,037 | 3,270 | (7,732) | 7,680 | 7,680 | 7,680 | 4,738 | 59,169 | 39,914 | 41,790 |
| Other | 579 | 269 | 2,592 | 1,521 | 353 | 2,903 | 1,394 | (196) | 1,548 | 1,548 | 1,548 | 1,548 | 15,284 | 13,931 | 14,586 |
| Total Expenditure - Functional | 34,873 | 7,259 | 182,228 | 72,467 | 20,327 | 115,213 | 64,411 | (6,038) | 89,134 | 89,134 | 89,134 | 131,017 | 888,834 | 807,848 | 845,797 |
| Surplus/ (Deficit) 1. | 132,888 | 24,151 | (152,224) | (585) | 14,340 | 26,243 | (34,721) | 4,872 | (221) | (221) | (221) | 39,411 | 54,044 | 106,105 | 110,478 |

2.11 MONTHLY REVENUE AND EXPENDITURE

| Description | 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 2024/25 | Budget Year 2025/26 |
| R thousands | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| Revenue By Source | | | | | | | | | 0 | 0 | 0 | 0 | | | |
| Exchange Revenue | | | | | | | | | | | | | | | |
| Service charges - Electricity | 11,548 | 14,356 | 12,981 | 14,270 | 17,705 | 13,559 | 11,998 | 4,034 | 24,629 | 24,629 | 24,629 | 24,629 | 244,920 | 218,988 | 229,280 |
| Service charges - Water | 2,236 | 2,086 | 2,081 | 2,001 | 2,144 | 1,814 | 2,327 | (2) | 1,854 | 1,854 | 1,854 | 1,854 | 26,057 | 30,184 | 31,602 |
| Service charges - Waste Water Management | 976 | 1,078 | 1,107 | 1,062 | 1,115 | 1,113 | 1,148 | – | 1,546 | 1,546 | 1,546 | 1,546 | 15,197 | 13,430 | 14,061 |
| Service charges - Waste Management | 1,404 | 1,253 | 1,089 | 1,245 | 1,255 | 1,250 | 1,252 | 0 | 1,258 | 1,258 | 1,258 | 1,258 | 15,096 | 15,836 | 16,580 |
| Sale of Goods and Rendering of Services | 117 | 163 | 137 | 219 | 135 | 113 | 491 | 70 | 264 | 264 | 264 | 264 | 2,564 | 2,233 | 2,338 |
| Interest earned from Receivables | 3,866 | 3,837 | 3,832 | 3,787 | 3,761 | 3,758 | 3,755 | – | 5,628 | 5,628 | 5,628 | 5,628 | 49,690 | 39,740 | 41,608 |
| Interest earned from Current and Non Current Assets | 551 | 424 | 322 | 334 | 139 | 266 | 122 | 6 | 562 | 562 | 562 | 562 | 3,144 | 1,096 | 1,146 |
| Rental from Fixed Assets | 90 | 100 | 84 | 37 | 89 | 88 | 95 | 7 | 124 | 124 | 124 | 124 | 1,445 | 1,492 | 1,562 |
| Licence and permits | – | – | – | – | – | – | – | – | 5 | 5 | 5 | 5 | 58 | 61 | 64 |
| Operational Revenue | – | 1 | 0 | 4 | 0 | 0 | 0 | 1 | 217 | 217 | 217 | 217 | 1,728 | 1,158 | 1,212 |
| Non-Exchange Revenue | | | | | | | | | | | | | | | |
| Property rates | 7,030 | 6,829 | 7,016 | 5,687 | 7,013 | 7,016 | 7,012 | – | 5,581 | 5,581 | 5,581 | 5,581 | 82,645 | 98,460 | 103,087 |
| Surcharges and Taxes | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | 80 | 72 | 67 | 75 | 31 | 153 | 187 | 3 | 483 | 483 | 483 | 483 | 5,796 | 6,076 | 6,362 |
| Licences or permits | 11 | 3 | 1 | 11 | 21 | 16 | 21 | – | 24 | 24 | 24 | 24 | 169 | 90 | 94 |
| Transfer and subsidies - Operational | 138,667 | – | – | 3,571 | – | 111,027 | – | (5,283) | 30,056 | 30,056 | 30,056 | 30,056 | 350,092 | 370,066 | 386,965 |
| Interest | 1,186 | 1,208 | 1,284 | 670 | 1,259 | 1,282 | 1,282 | (1) | 4,253 | 4,253 | 4,253 | 4,253 | 27,425 | 11,977 | 12,540 |
| Total Revenue | 20,671 | 23,134 | 21,498 | 22,740 | 26,207 | 21,849 | 20,697 | 4,045 | 35,822 | 35,822 | 35,822 | 35,822 | 826,026 | 810,886 | 848,502 |
| Expenditure By Type | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | |
|--|-----------------|---------------|------------------|-----------------|---------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|--------------|--------------|--------------|
| Employee related costs | 0 | – | 63,719 | 21,394 | 4 | 50,150 | 25,154 | (6,685) | 21,410 | 21,410 | 21,410 | 21,550 | 257,738 | 265,544 | 278,025 |
| Remuneration of councillors | – | – | 5,259 | 2,334 | – | 5,324 | (1,058) | 1,239 | 1,627 | 1,627 | 1,627 | 1,627 | 18,122 | 17,964 | 18,809 |
| Bulk purchases - electricity | 21,221 | – | 38,247 | 13,370 | – | 12,873 | 12,238 | – | 10,328 | 10,328 | 10,328 | 10,328 | 168,732 | 210,567 | 220,464 |
| Inventory consumed | 56 | 160 | 849 | 4,148 | 2,351 | 1,907 | 377 | 841 | 1,347 | 1,347 | 1,347 | 1,347 | 19,650 | 22,874 | 23,996 |
| Debt impairment | – | – | 24,000 | 8,000 | – | – | 8,000 | – | 15,774 | 15,774 | 15,774 | 12,794 | 133,679 | 100,704 | 105,437 |
| Depreciation and amortisation | – | – | 19,348 | 6,505 | 392 | 13,141 | 6,577 | 0 | 12,637 | 12,637 | 12,637 | 12,637 | 101,532 | 66,129 | 69,237 |
| Interest | 5,071 | 83 | 8,863 | 5,426 | 40 | 1,679 | 1,123 | – | 3,585 | 3,585 | 3,585 | 3,585 | 22,720 | 13,115 | 13,732 |
| Contracted services | 4,234 | 2,189 | 14,353 | 3,555 | 12,807 | 17,132 | 6,123 | (1,156) | 14,947 | 14,947 | 14,947 | 14,947 | 95,660 | 46,727 | 48,876 |
| Transfers and subsidies | 534 | 644 | 668 | 761 | 849 | 889 | 938 | (5,283) | – | – | – | – | #REF! | #REF! | #REF! |
| Irrecoverable debts written off | 757 | – | – | – | – | – | – | – | 197 | 197 | 197 | 197 | 1,258 | 584 | 611 |
| Operational costs | 2,999 | 4,182 | 6,923 | 6,975 | 3,884 | 12,117 | 4,940 | 5,006 | 7,283 | 7,283 | 7,283 | 7,283 | 69,742 | 63,639 | 66,611 |
| Total Expenditure | 34,873 | 7,259 | 182,228 | 72,467 | 20,327 | 115,213 | 64,411 | (6,038) | 89,134 | 89,134 | 89,134 | 86,293 | #REF! | #REF! | #REF! |
| Surplus/(Deficit) | (14,202) | 15,875 | (160,730) | (49,727) | 5,881 | (93,364) | (43,714) | 10,083 | (53,311) | (53,311) | (53,311) | (50,471) | #REF! | #REF! | #REF! |
| Transfers and subsidies - capital (monetary allocations) | – | – | – | 38,908 | – | – | – | – | 12,429 | 12,429 | 12,429 | 12,429 | 116,852 | 103,067 | 107,773 |
| Surplus/(Deficit) after capital transfers & contributions | (14,202) | 15,875 | (160,730) | (10,819) | 5,881 | (93,364) | (43,714) | 10,083 | (40,882) | (40,882) | (40,882) | (38,042) | #REF! | #REF! | #REF! |

2.12 MONTHLY CASH FLOW

| Monthly cash flows | 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 2024/25 | Budget Year 2025/26 |
| | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | | | | | | | | | | |
| <u>Cash Receipts By Source</u> | | | | | | | | | 0 | 0 | 0 | 0 | | | |
| Property rates | 3,480 | 4,362 | 4,561 | 6,785 | 5,501 | 5,611 | 4,985 | 4,225 | 8,007 | 8,007 | 8,007 | 8,007 | 86,444 | 83,470 | 87,393 |
| Service charges- electricity revenue | 3,290 | 5,834 | 4,875 | 6,928 | 9,897 | 6,879 | 3,651 | 6,387 | 16,534 | 16,534 | 16,534 | 16,534 | 216,625 | 239,061 | 250,174 |
| Service charges – water revenue | 944 | 1,022 | 1,575 | 1,348 | 1,184 | 1,293 | 1,106 | 1,128 | 1,816 | 1,816 | 1,816 | 1,816 | 26,281 | 30,938 | 32,392 |
| Service charges - sanitation | 6 | 8 | 11 | 14 | – | – | 3 | 3 | -1,663 | -1,663 | -1,663 | -1,663 | -776 | 13,556 | 14,193 |
| Service charges - refuse | 425 | 484 | 576 | 662 | 632 | 572 | 562 | 476 | -1,976 | -1,976 | -1,976 | -1,976 | 105 | 17,953 | 18,797 |
| Rental of facilities and equipment | 76 | 93 | 135 | 102 | 89 | 90 | 97 | 87 | 125 | 125 | 125 | 125 | 685 | 117 | 122 |
| Interest earned - external investments | 26 | 30 | 36 | 45 | 32 | 18 | 15 | 85 | 562 | 562 | 562 | 562 | 3,144 | 1,096 | 1,146 |
| Fines, penalties and forfeits | – | – | – | – | – | – | – | – | -604 | -604 | -604 | -604 | 1,255 | 8,056 | 8,761 |
| Licences and permits | 13 | 4 | 1 | 13 | 24 | 18 | 25 | 12 | 29 | 29 | 29 | 29 | 227 | 151 | 158 |
| Transfers and Subsidies-Operational | 8,431 | 14,001 | 8,599 | 8,881 | 9,774 | 10,335 | 8,101 | 3,303 | 29,939 | 29,939 | 29,939 | 29,939 | 349,510 | 370,066 | 386,965 |
| Transfers and Subsidies - Operational | 329 | 32 | 1,329 | 2,758 | 241 | (54) | 44 | 1,438 | 20,739 | 20,739 | 20,739 | 23,739 | 148,982 | 79,935 | 83,522 |
| Cash Receipts by Source | 17,019 | 25,871 | 21,700 | 27,536 | 27,373 | 24,762 | 18,589 | 21,618 | 73,508 | 73,508 | 73,508 | 73,508 | 832,482 | 844,398 | |
| <u>Other Cash Flows by Source</u> | | | | | | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 46,759 | – | 23,253 | – | 1,799 | 13,565 | – | 1,300 | 11,082 | 11,082 | 11,082 | 11,082 | 110,116 | 103,067 | 107,773 |
| Increase (decrease) in consumer deposits | – | – | 3 | – | – | – | – | – | 11 | 11 | 11 | 11 | 136 | 149 | 162 |
| Total Cash Receipts by Source | 63,778 | 25,871 | 44,955 | 27,536 | 29,172 | 38,327 | 18,589 | 22,918 | 84,601 | 84,601 | 84,601 | 84,601 | 942,735 | 947,614 | 991,557 |
| <u>Cash Payments by Type</u> | | | | | | | | | | | | | | | |
| Employee related costs | 3,090 | 25,411 | 14,559 | 13,931 | 417 | 36,219 | 47,376 | -21,512 | 19,844 | 19,844 | 19,844 | 19,844 | 291,266 | 276,605 | 291,345 |
| Remuneration of councillors | – | – | 13 | – | 1 | – | – | – | 1,437 | 1,437 | 1,437 | 1,437 | 16,566 | 16,872 | 17,665 |
| Finance charges | – | – | – | – | – | – | – | – | 1,585 | 1,585 | 1,585 | 1,585 | 12,720 | 13,115 | 13,732 |

| | | | | | | | | | | | | | | | |
|--|----------------|-----------------|----------------|---------------|---------------|-----------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| Bulk purchases - Electricity | 27,900 | – | 5,453 | – | 21,299 | 22,375 | – | 9,062 | 18,328 | 18,328 | 18,328 | 18,328 | 264,732 | 351,271 | 365,901 |
| Acquisitions - water & other inventory | 11,215 | 497 | 3,128 | 312 | 2,335 | 22,889 | 2,738 | 1,303 | 2,284 | 2,284 | 2,284 | 2,284 | 19,685 | 13,155 | 16,238 |
| Contracted services | 17,956 | 9,898 | 5,770 | 4,677 | 2,335 | 27,276 | 3,374 | 5,323 | 10,322 | 10,322 | 10,322 | 10,322 | 62,872 | 37,994 | 39,706 |
| Other Expenditure | 16,745 | 7,722 | 7,496 | 3,464 | 4,183 | 22,039 | 6,021 | 2,968 | 3,045 | 3,045 | 3,045 | 3,045 | 34,752 | 84,422 | 104,582 |
| Cash Payments by Type | 76,906 | 43,528 | 36,419 | 22,383 | 30,570 | 130,798 | 59,509 | -2,855 | 56,845 | 56,845 | 56,845 | 56,845 | 702,593 | 798,435 | 849,169 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | |
| Capital assets | 7,946 | 370 | 33,727 | 527 | 7,131 | 16,913 | 785 | 4,639 | 12,493 | 12,493 | 12,493 | 12,493 | 115,224 | 99,061 | 103,520 |
| Other Cash Flows/Payments | – | – | – | – | – | – | – | – | 17,161 | 17,161 | 17,161 | 17,161 | 121,709 | 54,340 | 40,114 |
| Total Cash Payments by Type | 84,852 | 43,898 | 70,146 | 22,910 | 37,701 | 147,711 | 60,294 | 1,784 | 86,500 | 86,500 | 86,500 | 86,500 | 939,526 | 946,836 | 992,802 |
| NET INCREASE/(DECREASE) IN CASH HELD | -21,074 | - 18,027 | -25,191 | 4,625 | -8,530 | -109,384 | -41,705 | 21,134 | -1,898 | -1,898 | -1,898 | 634 | 3,208 | 778 | -1,246 |
| Cash/cash equivalents at the month/year beginning: | 11,043 | -10,031 | -28,058 | -53,249 | -48,624 | -57,153 | -166,538 | -208,242 | -187,108 | -189,007 | -190,905 | - | 192,803 | 10,993 | 30,708 |
| Cash/cash equivalents at the month/year end: | -10,031 | -28,058 | -53,249 | -48,624 | -57,153 | -116,538 | -208,242 | -187,108 | -189,007 | -190,905 | -192,803 | - | 192,169 | 14,201 | 30,240 |

2.13 MONTHLY CAPITAL EXPENDITURE

| Description | 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 2024/25 | Budget Year 2025/26 |
| R thousands | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| Capital Expenditure - Functional | | | | | | | | | 0 | 0 | 0 | 0 | | | |
| <i>Governance and administration</i> | – | – | – | – | – | – | 195 | – | 90 | 90 | 90 | 249 | 714 | 413 | 377 |
| Finance and administration | – | – | – | – | – | – | 195 | – | 90 | 90 | 90 | 90 | 714 | 413 | 377 |
| <i>Community and public safety</i> | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| <i>Economic and environmental services</i> | – | – | 5,441 | – | 641 | 1,785 | – | – | 6,898 | 6,898 | 6,898 | 23,901 | 52,461 | 37,902 | 28,316 |
| Road transport | – | – | 5,441 | – | 641 | 1,785 | – | – | 6,898 | 6,898 | 6,898 | 6,898 | 52,461 | 37,902 | 28,316 |
| <i>Trading services</i> | – | – | 22,521 | 4,880 | 3,456 | 9,905 | 1,469 | – | 4,333 | 4,333 | 4,333 | (3,967) | 51,262 | 51,721 | 65,399 |
| Energy sources | – | – | – | 1,363 | 2,569 | – | 556 | – | 348 | 348 | 348 | 348 | 4,173 | 8,696 | 9,085 |
| Water management | – | – | – | – | – | – | – | – | 104 | 104 | 104 | 104 | 522 | – | – |
| Waste water management | – | – | 22,521 | 3,517 | 887 | 6,659 | 913 | – | 3,518 | 3,518 | 3,518 | 3,518 | 42,219 | 43,025 | 56,314 |
| Waste management | – | – | – | – | – | 3,246 | – | – | 362 | 362 | 362 | 362 | 4,348 | (0) | 0 |
| <i>Other</i> | – | – | – | – | – | – | – | – | 17 | 17 | 17 | 17 | 87 | – | – |
| Total Capital Expenditure - Functional | – | – | 27,961 | 4,880 | 4,097 | 11,690 | 1,665 | – | 11,338 | 11,338 | 11,338 | 20,200 | 104,524 | 90,037 | 94,092 |

2.14 COUNCILLOR AND STAFF BENEFIT

| Summary of remuneration | Ref | 2023/24 | | | |
|---|-----|-----------------------|----------------------|-----------------------|---------------|
| | | Original Budget | Total Adjusts. 11 | Adjusted Budget 12 | % change |
| <u>Councillors (Political Office Bearers plus Other)</u> | | | | | |
| Basic Salaries and Wages | | 15,762,466.24 | - 2,623,559.00 | 13,138,907.24 | - 0.17 |
| Pension and UIF Contributions | | 759,342.00 | 388,077.10 | 1,147,419.10 | 0.51 |
| Medical Aid Contributions | | 84,599.88 | 24,905.00 | 109,504.88 | 0.29 |
| Motor Vehicle Allowance | | - | 36,652.00 | 36,652.00 | #DIV/0! |
| Cellphone Allowance | | 295,529.12 | 3,100,373.00 | 3,395,902.12 | 10.49 |
| Housing Allowances | | 25,467.96 | 5,967.20 | 31,435.16 | 0.23 |
| Other benefits and allowances | | 197,672.16 | 64,959.65 | 262,631.81 | 0.33 |
| Sub Total - Councillors | | 17,125,077.36 | 997,374.95 | 18,122,452.31 | 0.06 |
| <u>Senior Managers of the Municipality</u> | | | | | |
| Basic Salaries and Wages | | 4,774,506.84 | 200,000.00 | 4,974,506.84 | 0.04 |
| Pension and UIF Contributions | | 874,879.68 | - 298,154.00 | 576,725.68 | - 0.34 |
| Medical Aid Contributions | | 333,215.64 | - 83,960.00 | 249,255.64 | - 0.25 |
| Overtime | | - | - | - | - |
| Performance Bonus | | 415,913.28 | 428,765.00 | 844,678.28 | 1.03 |
| Motor Vehicle Allowance | | 844,553.28 | - | 844,553.28 | - |
| Cellphone Allowance | | 110,479.92 | - 42,092.00 | 68,387.92 | - 0.38 |
| Housing Allowances | | 252,555.24 | - 227,436.00 | 25,119.24 | - 0.90 |
| Other benefits and allowances | | 125,466.96 | - | 125,466.96 | - |
| Payments in lieu of leave | | 398,726.04 | - 398,726.00 | 0.04 | - 1.00 |
| Long service awards | | 159,478.56 | - | 159,478.56 | - |
| Acting and post related allowance | | - 0.48 | 36,172.00 | 36,171.52 | - 75,358.33 |
| Sub Total - Senior Managers of Municipality | | 8,289,774.96 | - 421,603.00 | 7,904,343.96 | - 0.05 |
| <u>Other Municipal Staff</u> | | | | | |
| Basic Salaries and Wages | | 150,027,638.28 | - 5,981,170.65 | 144,046,467.63 | - 0.04 |
| Pension and UIF Contributions | | 28,788,473.16 | - | 28,788,473.16 | - |
| Medical Aid Contributions | | 19,889,211.12 | - 4,990,844.10 | 14,898,367.02 | - 0.25 |
| Overtime | | 9,837,152.76 | 11,470,658.35 | 21,307,811.11 | 1.17 |
| Performance Bonus | | 8,565,538.44 | 2,397,382.60 | 10,962,921.04 | - |
| Motor Vehicle Allowance | | 6,471,533.04 | 1,495,407.25 | 7,966,940.29 | 0.23 |
| Cellphone Allowance | | 250,866.36 | - | 250,866.36 | - |
| Housing Allowances | | 996,243.84 | - | 996,243.84 | - |
| Other benefits and allowances | | 18,814,693.44 | - 4,235,157.25 | 14,579,536.19 | - 0.23 |
| Payments in lieu of leave | | 2,317,735.92 | - | 2,317,735.92 | - |
| Long service awards | | 1,426,645.80 | - | 1,426,645.80 | - |
| Acting and post related allowance | | 2,062,549.53 | 229,154.80 | 2,291,704.33 | - |
| Sub Total - Other Municipal Staff | | 249,448,281.69 | 385,431.00 | 249,833,712.69 | 0.00 |
| Total Parent Municipality | | 274,863,134.01 | 961,202.95 | 275,860,508.96 | 0.00 |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 274,863,134.01 | 961,202.95 | 275,860,508.96 | 0.00 |
| TOTAL MANAGERS AND STAFF | | 257,738,056.65 | - 36,172.00 | 257,738,056.65 | - |

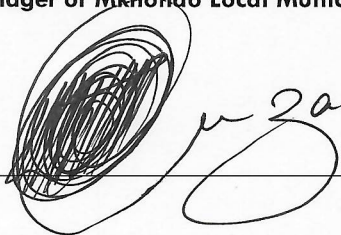
2.15 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I MTIHANDENI JOSEPH MKHONZA, (ACTING) Municipal Manager of Mkhondo Local Municipality, hereby certify that the 2023/24 adjustment budget report and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Adjustment Budget Report and Supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name MTIHANDENI JOSEPH MKHONZA

Municipal Manager of Mkhondo Local Municipality (MP303)

Signature



Date 28.02.2024.