

TSWELOPELE LOCAL MUNICIPALITY [FS 183]

CIVIC CENTRE, BOSMAN STREET

BULTFONTEIN, 9670

051 853 1111

www.tswelopele.gov.za



SPECIAL ADJUSTMENT BUDGET

2022/2023

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1. PART 1: BUDGET FORMAT

2. Adjustment Budget Report (Mayoral Speech)

The speech to be delivered during the meeting when tabling adjustment budget.

3. Budget resolution by Council.

The resolution pending the council meeting - to be included post the meeting.

4. Executive summary

Tswelopele Municipality's 2022/2023 Budget was tabled to council and was approved on the 31st of May 2022.

During the month of February 2023, the municipality tabled Adjustment Budget which was informed by the outcome of the mid-year assessment.

On the 29th of March 2023, The Minister of Finance released gazette no.48327 which is in accordance with sections 18 and 19 of the Division of Revenue Act, 2022 (Act 15 of 2022) which explains the stopping and re-allocation of conditional grants made to municipalities. An additional R 10.8 million of the Municipal Infrastructure Grant (MIG) was re-allocated to Tswelopele for the 2022-2023 financial year which is included in this special adjustment budget.

The Municipal Finance Management Act 56 of 2003 (MFMA) makes provision for municipalities in section 28 (1) to; revise an approved annual budget through an adjustment budget.

In terms of section 28(2)(b) of the MFMA and Section 23(3) of the Municipal Budget and Reporting Requirements (MBRR), municipalities must adjust their budgets in order to account for the revised funding allocation as presented by the Minister.

According to the guidelines issued by the National Treasury, the municipalities must table to council, special adjustment budget in order to accommodate the additional allocations presented by the Minister of Finance and reprioritise the 2022-2023 capital budget.

In line with the above, the municipality performed adjustments on its 2022/2023 budget as presented below:

This adjustment budget summary below gives overview of the adjustments that are made by the municipality on the 2022/2023 budget in order to accommodate the R 10.8 million additional allocation in the following sections.

Summary of Adjustment Budget

The capital budget increased by R10.8 million which was re-allocated to our municipality for the municipal infrastructure grant (MIG).

Below is a snapshot the revised Division of Revenue Bill as published in April 2023.

| | | | | | | |
|--|-------|-------------|----------------|----------|------------------|----------------|
| B | FS181 | Masilonyana | 28 257 | | (4 600) | 23 657 |
| B | FS182 | Tokologo | 28 332 | | (2 476) | 25 856 |
| B | FS183 | Tswelopele | 18 256 | | 10 800 | 29 056 |
| B | FS184 | Matjhabeng | 136 630 | | (36 976) | 99 654 |
| Total: Lejweleputswa Municipalities | | | 244 914 | - | (33 252) | 211 662 |

The additional allocation of R10.8 million is informed by the good performance of the municipality in implementation of capital projects funded by the MIG.

4.1 Operating revenue overview

Tswelopele Municipal Budget vastly depends on grants from National Government. The operating government grant allocation for 2022/2023 amounted to R 94 million which constitutes almost half of the total budgeted revenue.

It is also worth noting that, revenue from other sources such as property rates and services charges, is dependent on the municipal's ability to collect and are not monies guaranteed to be received as budgeted.

For this reason, it is evident that the municipality would not be able to fund any of its capital projects from its internally generated operating revenue.

For the purpose of this adjustment budget, no adjustments will be made on operations because this adjustment budget is meant to allocate only the additional funding from the Municipal Infrastructure Grant which affects capital grants.

4.2 Revenue by source

4.2.1 Property rates and trading services.

FS183 Tswelopele - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

| Description | Ref | 2022/23 | | | | | | | | | Budget Year 2023/24 | Budget Year 2024/25 |
|--|-----|--------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | 1 | A | 3 A1 | 4 B | 5 C | 6 D | 7 E | 8 F | 9 G | 10 H | | |
| Revenue By Source | | | | | | | | | | | | |
| Property rates | 2 | 27 867 | 31 367 | - | - | - | - | - | - | 31 367 | 29 633 | 27 179 |
| Service charges - electricity revenue | 2 | 53 681 | 53 681 | - | - | - | - | - | - | 53 681 | 57 950 | 50 706 |
| Service charges - water revenue | 2 | 5 333 | 5 333 | - | - | - | - | - | - | 5 333 | 5 760 | 5 040 |
| Service charges - sanitation revenue | 2 | 6 408 | 6 408 | - | - | - | - | - | - | 6 408 | 6 906 | 6 043 |
| Service charges - refuse revenue | 2 | 3 743 | 3 743 | - | - | - | - | - | - | 3 743 | 4 075 | 3 566 |
| Rental of facilities and equipment | | 347 | 387 | - | - | - | - | - | - | 387 | 490 | 430 |
| Interest earned - external investments | | 1 300 | 1 300 | - | - | - | - | - | - | 1 300 | 1 300 | 1 136 |
| Interest earned - outstanding debtors | | 281 | 281 | - | - | - | - | - | - | 281 | 300 | 262 |
| Dividends received | | 130 | 180 | - | - | - | - | - | - | 180 | 130 | 114 |
| Fines, penalties and forfeits | | 596 | 596 | - | - | - | - | - | - | 596 | 666 | 583 |
| Licences and permits | | 70 | 70 | - | - | - | - | - | - | 70 | 80 | 70 |
| Agency services | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | | 94 460 | 94 460 | - | - | - | - | - | - | 94 460 | 100 292 | 87 841 |
| Other revenue | 2 | 2 360 | 5 770 | - | - | - | - | - | - | 5 770 | 2 960 | 2 617 |
| Gains | | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 196 575 | 293 575 | - | - | - | - | - | - | 293 575 | 219 571 | 185 589 |

No adjustments are made on property rates and trading services as this special adjustment only affects the capital conditional grants. Therefore, the adjustments made during the adjustment budget tabled in February 2023 shall remain the same.

4.2.2 Grants and Subsidies

FS183 Tswelopele - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -

| Description | Ref | 2022/23 | | | | | | | Budget Year | Budget Year |
|---|-----|----------|----------------|------------|---------------|----------------|----------------|----------|-------------|-------------|
| | | Original | Prior Adjusted | Multi-year | Nat. or Prov. | Other Adjusts. | Total Adjusts. | Adjusted | Adjusted | Adjusted |
| | | Budget | 2 | capital | Govt | 5 | 6 | Budget | Budget | Budget |
| R thousands | | A | A1 | B | C | D | E | F | | |
| EXPENDITURE ON TRANSFERS AND GRANT PROGRAM: | 1 | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 3 241 | 3 241 | - | - | - | - | 3 241 | - | - |
| Expanded Public Works Programme Integrated Grant | | 1 141 | 1 141 | | | - | - | 1 141 | - | - |
| Local Government Financial Management Grant | | 2 100 | 2 100 | | | - | - | 2 100 | - | - |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| Total operating expenditure of Transfers and Grants: | | 3 241 | 3 241 | - | - | - | - | 3 241 | - | - |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 38 632 | 38 632 | - | - | - | - | 46 332 | 41 018 | 33 937 |
| Municipal Infrastructure Grant | | 23 256 | 23 256 | | | 10 800 | 10 800 | 34 056 | - | - |
| Water Services Infrastructure Grant | | 12 276 | 12 276 | | | - | - | 12 276 | 41 018 | 33 937 |
| Provincial Government: | | - | 4 000 | - | - | - | - | 4 000 | - | - |
| Specify (Add grant description) | | - | 3 000 | | | - | - | 3 000 | - | - |
| Specify (Add grant description) | | - | 1 000 | | | - | - | 1 000 | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | 100 | 160 | - | - | - | - | 160 | - | - |
| Education, Training and Development Practices SETA | | 100 | 160 | | | - | - | 160 | - | - |
| Total capital expenditure of Transfers and Grants | | 38 632 | 39 682 | - | - | 10 800 | 10 800 | 50 482 | 41 018 | 33 937 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 38 673 | 42 933 | - | - | 10 800 | 10 800 | 53 733 | 41 018 | 33 937 |

The budget for capital allocation increased by R 10.8 million.

This will be the only change in the budget for the purpose of this special adjustment budget.

The projects to be funded from the R 10.8 million will be implemented during the current financial year. In instances where there are funds remaining from this allocation, the municipality shall follow the necessary processes to apply for roll-over of the unspent funds.

4.3 Operating Expenditure Framework

FS183 Tswelopele - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

| Description | Ref | 2022/23 | | | | | | | | | Budget Year 2023/24 | Budget Year 2024/25 |
|---------------------------------|-----|--------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | 1 | A | 3 A1 | 4 B | 5 C | 6 D | 7 E | 8 F | 9 G | 10 H | | |
| Expenditure By Type | | | | | | | | | | | | |
| Employee related costs | | 78 740 | 78 875 | - | - | - | - | - | - | 78 875 | 81 617 | 71 418 |
| Remuneration of councillors | | 6 569 | 6 569 | - | - | - | - | - | - | 6 569 | 6 891 | 6 030 |
| Debt impairment | | 13 000 | 13 000 | - | - | - | - | - | - | 13 000 | 13 000 | 10 833 |
| Depreciation & asset impairment | | 20 000 | 20 000 | - | - | - | - | - | - | 20 000 | 20 000 | 16 667 |
| Finance charges | | 1 500 | 4 000 | - | - | - | - | - | - | 4 000 | 2 500 | 2 188 |
| Bulk purchases - electricity | | 55 009 | 44 066 | - | - | - | - | - | - | 44 066 | 52 307 | 45 769 |
| Inventory consumed | | 16 459 | 16 883 | - | - | - | - | - | - | 16 883 | 4 808 | 4 214 |
| Contracted services | | 26 070 | 41 041 | - | - | - | - | - | - | 41 041 | 42 579 | 36 379 |
| Transfers and subsidies | | 15 | 15 | - | - | - | - | - | - | 15 | 15 | 13 |
| Other expenditure | | 9 358 | 18 072 | - | - | - | - | - | - | 18 072 | 12 007 | 10 497 |
| Losses | | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 228 720 | 242 521 | - | - | - | - | - | - | 242 521 | 235 724 | 204 069 |

The expenditure will remain the same as budgeted in the approved adjustment budget tabled in February 2023.

4.3.1 Adjusted capital expenditure

FS183 Tswelopele - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

| Description | Ref | 2022/23 | | | | | | | | | Budget Year 2023/24 | Budget Year 2024/25 |
|---|-----|--------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | |
| | | A | 5 A1 | 6 B | 7 C | 8 D | 9 E | 10 F | 11 G | 12 H | | |
| R thousands | | | | | | | | | | | | |
| Capital Expenditure - Functional | | | | | | | | | | | | |
| Governance and administration | | 1 881 | 3 775 | - | - | - | - | 36 | 36 | 3 811 | 746 | 653 |
| Executive and council | | 1 271 | 1 107 | - | - | - | - | 36 | 36 | 1 143 | 106 | 93 |
| Finance and administration | | 610 | 2 668 | - | - | - | - | - | - | 2 668 | 640 | 560 |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 1 899 | 1 949 | - | - | - | - | - | - | 1 949 | 80 | 70 |
| Community and social services | | - | - | - | - | - | - | - | - | - | - | - |
| Sport and recreation | | 1 899 | 1 949 | - | - | - | - | - | - | 1 949 | 80 | 70 |
| Public safety | | - | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 4 298 | 5 828 | - | - | - | - | 10 800 | 10 800 | 15 828 | 2 600 | 2 275 |
| Planning and development | | 55 | 55 | - | - | - | - | - | - | 55 | 100 | 88 |
| Road transport | | 4 243 | 4 973 | - | - | - | - | 10 800 | 10 800 | 15 773 | 2 500 | 2 188 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 38 352 | 34 282 | - | - | - | - | (36) | (36) | 34 246 | 38 358 | 32 528 |
| Energy services | | 5 000 | 9 000 | - | - | - | - | - | - | 9 000 | 7 000 | 4 167 |
| Water management | | 14 683 | 14 683 | - | - | - | - | (36) | (36) | 14 647 | 12 069 | 11 708 |
| Waste water management | | 10 689 | 10 569 | - | - | - | - | - | - | 10 569 | 19 289 | 16 653 |
| Waste management | | - | 30 | - | - | - | - | - | - | 30 | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 3 | 38 438 | 45 834 | - | - | - | - | 10 800 | 10 800 | 55 834 | 41 784 | 35 526 |
| Funded by: | | | | | | | | | | | | |
| National Government | | 34 532 | 34 532 | - | - | - | - | 10 800 | 10 800 | 45 332 | 34 668 | 32 100 |
| Provincial Government | | - | 4 000 | - | - | - | - | - | - | 4 000 | 3 000 | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 34 532 | 38 532 | - | - | - | - | 10 800 | 10 800 | 49 332 | 37 668 | 32 180 |
| Borrowing | | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 3 898 | 6 502 | - | - | - | - | - | - | 6 502 | 3 636 | 3 357 |
| Total Capital Funding | | 38 438 | 45 834 | - | - | - | - | - | - | 55 834 | 41 784 | 35 456 |

From the above table, it can be seen that the capital budget has increases by R 10.8 million, fully funded by National Government.

These additional funds will be spent on the projects that were budgeted for 2023/2024. An application was submitted to Provincial Government to request approval of earlier implementation of the projects that were budgeted for 2024 financial year.

5. ADJUSTMENT BUDGET TABLES

FS183 Tswelopele - Table B1 Adjustments Budget Summary -

| Description | 2022/23 | | | | | | | | | Budget Year 2023/24 | Budget Year 2024/25 |
|--|--------------------|---------------------------|------------------------|---------------------------------|-------------------------------|---------------------------------|--------------------------|--------------------------|------------------------------|------------------------|------------------------|
| | Original Budget | Prior Adjusted 1 A1 | Accum. Funds 2 B | Multi-year capital 3 C | Unfore. Unavoid. 4 D | Nat. or Prov. Govt 5 E | Other Adjusts. 6 F | Total Adjusts. 7 G | Adjusted Budget 8 H | Adjusted Budget | Adjusted Budget |
| R thousands | A | 1 A1 | 2 B | 3 C | 4 D | 5 E | 6 F | 7 G | 8 H | | |
| Financial Performance | | | | | | | | | | | |
| Property rates | 27 867 | 31 367 | - | - | - | - | - | - | 31 367 | 29 633 | 27 179 |
| Service charges | 69 165 | 69 165 | - | - | - | - | - | - | 69 165 | 74 690 | 65 355 |
| Investment revenue | 1 300 | 1 300 | - | - | - | - | - | - | 1 300 | 1 300 | 1 138 |
| Transfers recognized - operational | 94 460 | 94 460 | - | - | - | - | - | - | 94 460 | 100 292 | 87 841 |
| Other own revenue | 3 783 | 7 283 | - | - | - | - | - | - | 7 283 | 4 656 | 4 076 |
| Total Revenue (excluding capital transfers and contributions) | 186 675 | 203 675 | - | - | - | - | - | - | 203 675 | 210 671 | 186 589 |
| Employee costs | 78 740 | 78 875 | - | - | - | - | - | - | 78 875 | 81 617 | 71 418 |
| Remuneration of councillors | 6 589 | 6 589 | - | - | - | - | - | - | 6 589 | 6 891 | 6 030 |
| Depreciation & asset impairment | 20 000 | 20 000 | - | - | - | - | - | - | 20 000 | 20 000 | 16 667 |
| Finance charges | 1 500 | 4 000 | - | - | - | - | - | - | 4 000 | 2 500 | 2 188 |
| Inventory consumed and bulk purchases | 71 468 | 60 949 | - | - | - | - | - | - | 60 949 | 57 114 | 49 983 |
| Transfers and grants | 15 | 15 | - | - | - | - | - | - | 15 | 15 | 13 |
| Other expenditure | 48 428 | 72 113 | - | - | - | - | - | - | 72 113 | 67 589 | 57 710 |
| Total Expenditure | 228 720 | 242 621 | - | - | - | - | - | - | 242 621 | 236 724 | 204 006 |
| Surplus/(Deficit) | (30 145) | (38 946) | - | - | - | - | - | - | (38 946) | (25 153) | (18 420) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 35 532 | 39 532 | - | - | - | - | 10 800 | 10 800 | 50 332 | 37 868 | 32 100 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all) | 100 | 190 | - | - | - | - | - | - | 190 | 100 | 88 |
| Surplus/(Deficit) after capital transfers & contributions | 6 487 | 748 | - | - | - | - | 10 800 | 10 800 | 10 800 | 12 815 | 13 787 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | 6 487 | 748 | - | - | - | - | - | - | 748 | 12 815 | 13 787 |
| Capital expenditure & funds sources | | | | | | | | | | | |
| Capital expenditure | 2 348 | 2 232 | - | - | - | - | - | - | 2 232 | 186 | 163 |
| Transfers recognized - capital | 34 532 | 38 532 | - | - | - | - | - | - | 38 532 | 37 868 | 32 100 |
| Borrowing | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 3 896 | 6 502 | - | - | - | - | - | - | 6 502 | 3 636 | 3 357 |
| Total sources of capital funds | 38 480 | 46 064 | - | - | - | - | - | - | 46 064 | 41 704 | 36 466 |
| Financial position | | | | | | | | | | | |
| Total current assets | 118 798 | 155 022 | - | - | - | - | 0 | 0 | 155 022 | 280 521 | 100 955 |
| Total non current assets | 680 332 | 686 936 | - | - | - | - | - | - | 686 936 | 703 686 | 35 526 |
| Total current liabilities | 98 793 | 146 392 | - | - | - | - | - | - | 146 392 | 293 996 | 158 604 |
| Total non current liabilities | 54 455 | 54 455 | - | - | - | - | - | - | 54 455 | 54 455 | - |
| Community wealth/Equity | 645 882 | 641 141 | - | - | - | - | - | - | 641 141 | 868 211 | 13 787 |
| Cash flows | | | | | | | | | | | |
| Net cash from (used) operating | 32 074 | 45 620 | - | - | - | - | - | - | 45 620 | 104 162 | 88 547 |
| Net cash from (used) investing | (37 930) | (37 930) | - | - | - | - | - | - | (37 930) | (33 209) | (37 094) |
| Net cash from (used) financing | - | - | - | - | - | - | - | - | - | - | - |
| Cash/ cash equivalents at the year end | 18 717 | 30 283 | - | - | - | - | - | - | 30 283 | 101 218 | 162 786 |
| Cash banking/surplus reconciliation | | | | | | | | | | | |
| Cash and investments available | 16 630 | 30 176 | - | - | - | - | - | - | 30 176 | 89 928 | 51 903 |
| Application of cash and investments | (2 582) | (7 473) | - | - | - | - | - | - | (7 473) | 290 632 | 155 913 |
| Balance - surplus (shortfall) | 19 212 | 22 703 | - | - | - | - | - | - | 22 703 | (200 808) | (104 010) |
| Asset Management | | | | | | | | | | | |
| Asset register summary (MOV) | 680 332 | 686 936 | - | - | - | - | - | - | 686 936 | 703 686 | 35 526 |
| Depreciation | 20 000 | 20 000 | - | - | - | - | - | - | 20 000 | 20 000 | 16 667 |
| Renewal and Upgrading of Existing Assets | 13 301 | 17 301 | - | - | - | - | - | - | 17 301 | 15 199 | 11 823 |
| Repairs and Maintenance | 16 105 | 16 322 | - | - | - | - | - | - | 16 322 | 17 474 | 15 305 |
| Free services | | | | | | | | | | | |
| Cost of Free Basic Services provided | - | - | - | - | - | - | - | - | - | - | - |
| Revenue cost of free services provided | - | - | - | - | - | - | - | - | - | - | - |
| Households below minimum service level | | | | | | | | | | | |
| Water: | - | - | - | - | - | - | - | - | - | - | - |
| Sanitation/sewerage: | - | - | - | - | - | - | - | - | - | - | - |
| Energy: | - | - | - | - | - | - | - | - | - | - | - |
| Refuse: | - | - | - | - | - | - | - | - | - | - | - |

FS183 Tswelopele - Table B2 Adjustments Budget Financial Performance (functional classification) -

| Standard Description | Ref | 2022/23 | | | | | | | | | Budget Year 2023/24 | Budget Year 2024/25 |
|--|------|--------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | 1, 4 | A | 5 A1 | 6 B | 7 C | 8 D | 9 E | 10 F | 11 G | 12 H | | |
| Revenue - Functional | | | | | | | | | | | | |
| <i>Governance and administration</i> | | 125 776 | 136 806 | - | - | - | - | - | - | 136 806 | 136 675 | 118 304 |
| Executive and council | | 93 253 | 93 323 | - | - | - | - | - | - | 93 323 | 99 052 | 86 845 |
| Finance and administration | | 32 523 | 43 483 | - | - | - | - | - | - | 43 483 | 37 623 | 31 459 |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | 994 | 1 004 | - | - | - | - | - | - | 1 004 | 1 250 | 1 094 |
| Community and social services | | 57 | 87 | - | - | - | - | - | - | 87 | 100 | 88 |
| Sport and recreation | | 937 | 917 | - | - | - | - | - | - | 917 | 1 150 | 1 006 |
| Public safety | | - | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 18 651 | 18 671 | - | - | - | - | - | - | 18 671 | 19 579 | 16 906 |
| Planning and development | | 110 | 110 | - | - | - | - | - | - | 110 | 330 | 289 |
| Road transport | | 18 541 | 18 561 | - | - | - | - | - | - | 18 561 | 19 249 | 16 618 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 86 786 | 86 786 | - | - | - | - | - | - | 86 786 | 91 035 | 81 472 |
| Energy sources | | 59 027 | 59 027 | - | - | - | - | - | - | 59 027 | 62 316 | 55 193 |
| Water management | | 17 609 | 17 609 | - | - | - | - | - | - | 17 609 | 17 739 | 16 670 |
| Waste water management | | 6 408 | 6 408 | - | - | - | - | - | - | 6 408 | 6 906 | 6 043 |
| Waste management | | 3 743 | 3 743 | - | - | - | - | - | - | 3 743 | 4 075 | 3 566 |
| <i>Other</i> | | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 2 | 232 207 | 243 267 | - | - | - | - | - | - | 243 267 | 248 539 | 217 776 |
| Expenditure - Functional | | | | | | | | | | | | |
| <i>Governance and administration</i> | | 89 208 | 105 346 | - | - | - | - | - | - | 105 346 | 99 711 | 84 957 |
| Executive and council | | 38 095 | 42 570 | - | - | - | - | - | - | 42 570 | 43 193 | 36 122 |
| Finance and administration | | 51 113 | 62 775 | - | - | - | - | - | - | 62 775 | 56 518 | 48 835 |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | 9 680 | 9 764 | - | - | - | - | - | - | 9 764 | 10 362 | 9 080 |
| Community and social services | | 4 370 | 4 424 | - | - | - | - | - | - | 4 424 | 4 632 | 4 060 |
| Sport and recreation | | 5 310 | 5 290 | - | - | - | - | - | - | 5 290 | 5 550 | 4 862 |
| Public safety | | - | 50 | - | - | - | - | - | - | 50 | 180 | 158 |
| Housing | | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 24 773 | 24 198 | - | - | - | - | - | - | 24 198 | 26 747 | 23 420 |
| Planning and development | | 7 055 | 6 600 | - | - | - | - | - | - | 6 600 | 7 928 | 6 946 |
| Road transport | | 17 718 | 17 597 | - | - | - | - | - | - | 17 597 | 18 819 | 16 473 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 103 059 | 103 243 | - | - | - | - | - | - | 103 243 | 102 904 | 90 053 |
| Energy sources | | 61 839 | 50 896 | - | - | - | - | - | - | 50 896 | 58 523 | 51 211 |
| Water management | | 19 892 | 30 377 | - | - | - | - | - | - | 30 377 | 21 978 | 19 235 |
| Waste water management | | 12 124 | 12 316 | - | - | - | - | - | - | 12 316 | 12 663 | 11 082 |
| Waste management | | 9 506 | 9 656 | - | - | - | - | - | - | 9 656 | 9 740 | 8 524 |
| <i>Other</i> | | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure - Functional | 3 | 226 720 | 242 551 | - | - | - | - | - | - | 242 551 | 239 724 | 207 509 |
| Surplus/ (Deficit) for the year | | 5 487 | 716 | - | - | - | - | - | - | 716 | 8 815 | 10 267 |

Reference

FS183 Tswelopele - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

| Vote Description (Insert departmental structure etc) | Ref | 2022/23 | | | | | | | | | Budget Year 2023/24 | Budget Year 2024/25 |
|---|----------------|--------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | A | B | C | D | E | F | G | H | | | |
| R thousands | | | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | | | |
| Vote 1 - Executive and Council | | 83 253 | 83 323 | - | - | - | - | - | - | 83 323 | 99 052 | 86 845 |
| Vote 2 - Budget and Treasury | | 4 375 | 11 825 | - | - | - | - | - | - | 11 825 | - | - |
| Vote 3 - Corporate services | | 28 148 | 31 697 | - | - | - | - | - | - | 31 697 | - | - |
| Vote 4 - Community and Social Services | | 1 042 | 1 042 | - | - | - | - | - | - | 1 042 | 1 200 | 1 050 |
| Vote 5 - Sports and recreation | | 22 | 32 | - | - | - | - | - | - | 32 | - | - |
| Vote 6 - Waste Management | | 3 743 | 3 743 | - | - | - | - | - | - | 3 743 | - | - |
| Vote 7 - Waste Water Management | | 6 408 | 6 408 | - | - | - | - | - | - | 6 408 | - | - |
| Vote 8 - Road Transport | | 18 541 | 18 561 | - | - | - | - | - | - | 18 561 | - | - |
| Vote 9 - Water Services | | 17 609 | 17 609 | - | - | - | - | - | - | 17 609 | - | - |
| Vote 10 - Electricity Services | | 59 027 | 59 027 | - | - | - | - | - | - | 59 027 | - | - |
| Vote 11 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - | | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 ¹ | 232 168 | 243 267 | - | - | - | - | - | - | 243 267 | 100 252 | 87 895 |
| Expenditure by Vote | | | | | | | | | | | | |
| Vote 1 - Executive and Council | | 45 150 | 49 200 | - | - | - | - | - | - | 49 200 | 43 193 | 36 122 |
| Vote 2 - Budget and Treasury | | 38 346 | 48 807 | - | - | - | - | - | - | 48 807 | - | - |
| Vote 3 - Corporate services | | 12 767 | 13 938 | - | - | - | - | - | - | 13 938 | - | - |
| Vote 4 - Community and Social Services | | 9 633 | 9 687 | - | - | - | - | - | - | 9 687 | 10 295 | 9 019 |
| Vote 5 - Sports and recreation | | 47 | 47 | - | - | - | - | - | - | 47 | - | - |
| Vote 6 - Waste Management | | 9 506 | 9 656 | - | - | - | - | - | - | 9 656 | - | - |
| Vote 7 - Waste Water Management | | 12 124 | 12 016 | - | - | - | - | - | - | 12 016 | - | - |
| Vote 8 - Road Transport | | 17 718 | 17 627 | - | - | - | - | - | - | 17 627 | - | - |
| Vote 9 - Water Services | | 30 235 | 30 377 | - | - | - | - | - | - | 30 377 | - | - |
| Vote 10 - Electricity Services | | 51 196 | 51 196 | - | - | - | - | - | - | 51 196 | - | - |
| Vote 11 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - | | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - | | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 226 722 | 242 551 | - | - | - | - | - | - | 242 551 | 53 487 | 45 142 |
| Surplus/ (Deficit) for the year | 2 | 5 446 | 716 | - | - | - | - | - | - | 716 | 46 765 | 42 753 |

FS183 Tswelopele - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

| Description | Ref | 2022/23 | | | | | | | | | Budget Year 2023/24 | Budget Year 2024/25 |
|---|-----|--------------------|-----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | 1 | A | 3 A1 | 4 B | 5 C | 6 D | 7 E | 8 F | 9 G | 10 H | | |
| Revenue By Source | | | | | | | | | | | | |
| Property rates | 2 | 27 867 | 31 367 | - | - | - | - | - | - | 31 367 | 29 633 | 27 179 |
| Service charges - electricity revenue | 2 | 53 681 | 53 681 | - | - | - | - | - | - | 53 681 | 57 950 | 50 706 |
| Service charges - water revenue | 2 | 5 333 | 5 333 | - | - | - | - | - | - | 5 333 | 5 760 | 5 040 |
| Service charges - sanitation revenue | 2 | 6 408 | 6 408 | - | - | - | - | - | - | 6 408 | 6 906 | 6 043 |
| Service charges - refuse revenue | 2 | 3 743 | 3 743 | - | - | - | - | - | - | 3 743 | 4 075 | 3 566 |
| Rental of facilities and equipment | | 347 | 367 | - | - | - | - | - | - | 367 | 490 | 430 |
| Interest earned - external investments | | 1 300 | 1 300 | - | - | - | - | - | - | 1 300 | 1 300 | 1 138 |
| Interest earned - outstanding debtors | | 281 | 281 | - | - | - | - | - | - | 281 | 300 | 263 |
| Dividends received | | 130 | 180 | - | - | - | - | - | - | 180 | 130 | 114 |
| Fines, penalties and forfeits | | 596 | 596 | - | - | - | - | - | - | 596 | 666 | 583 |
| Licences and permits | | 70 | 70 | - | - | - | - | - | - | 70 | 80 | 70 |
| Agency services | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | | 94 460 | 94 460 | - | - | - | - | - | - | 94 460 | 100 292 | 87 841 |
| Other revenue | 2 | 2 360 | 5 770 | - | - | - | - | - | - | 5 770 | 2 990 | 2 617 |
| Gains | | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 196 575 | 283 575 | - | - | - | - | - | - | 283 575 | 218 571 | 185 589 |
| Expenditure By Type | | | | | | | | | | | | |
| Employee related costs | | 78 740 | 78 875 | - | - | - | - | - | - | 78 875 | 81 617 | 71 418 |
| Remuneration of councillors | | 6 569 | 6 569 | - | - | - | - | - | - | 6 569 | 6 891 | 6 030 |
| Debt impairment | | 13 000 | 13 000 | - | - | - | - | - | - | 13 000 | 13 000 | 10 833 |
| Depreciation & asset impairment | | 20 000 | 20 000 | - | - | - | - | - | - | 20 000 | 20 000 | 16 667 |
| Finance charges | | 1 500 | 4 000 | - | - | - | - | - | - | 4 000 | 2 500 | 2 188 |
| Bulk purchases - electricity | | 55 009 | 44 066 | - | - | - | - | - | - | 44 066 | 52 307 | 45 769 |
| Inventory consumed | | 16 459 | 16 863 | - | - | - | - | - | - | 16 863 | 4 808 | 4 214 |
| Contracted services | | 26 070 | 41 041 | - | - | - | - | - | - | 41 041 | 42 579 | 36 379 |
| Transfers and subsidies | | 15 | 15 | - | - | - | - | - | - | 15 | 15 | 13 |
| Other expenditure | | 9 358 | 18 072 | - | - | - | - | - | - | 18 072 | 12 007 | 10 487 |
| Losses | | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 226 720 | 242 521 | - | - | - | - | - | - | 242 521 | 235 724 | 204 069 |
| Surplus/(Deficit) | | (30 145) | (38 946) | - | - | - | - | - | - | (38 946) | (25 153) | (18 420) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 35 532 | 38 532 | - | - | - | - | 10 800 | 10 800 | 50 332 | 37 868 | 32 100 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | 100 | 180 | - | - | - | - | - | - | 180 | 100 | 88 |
| Transfers and subsidies - capital (in-kind - all) | | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) before taxation | | 5 487 | 746 | - | - | - | - | 10 800 | 10 800 | 11 546 | 12 815 | 13 767 |
| Taxation | | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after taxation | | 5 487 | 746 | - | - | - | - | 10 800 | 10 800 | 11 546 | 12 815 | 13 767 |
| Attributable to minorities | | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | 5 487 | 746 | - | - | - | - | 10 800 | 10 800 | 11 546 | 12 815 | 13 767 |
| Share of surplus/ (deficit) of associate | | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | | 5 487 | 746 | - | - | - | - | 10 800 | 10 800 | 11 546 | 12 815 | 13 767 |

References

FS183 Tswelopele - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

| Description | Ref | 2022/23 | | | | | | | | | Budget Year 2023/24 | Budget Year 2024/25 |
|---|----------|-----------------|----------------|--------------|--------------------|------------------|--------------------|---------------|---------------|-----------------|---------------------|---------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjus. | Total Adjus. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | A | 5 A1 | 6 B | 7 C | 8 D | 9 E | 10 F | 11 G | 12 H | | |
| Capital Expenditure - Functional | | | | | | | | | | | | |
| Governance and administration | | 1 881 | 3 775 | - | - | - | - | 36 | 36 | 3 811 | 746 | 653 |
| Executive and council | | 1 271 | 1 107 | - | - | - | - | 36 | 36 | 1 143 | 106 | 93 |
| Finance and administration | | 610 | 2 668 | - | - | - | - | - | - | 2 668 | 640 | 560 |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 1 899 | 1 949 | - | - | - | - | - | - | 1 949 | 80 | 70 |
| Community and social services | | - | - | - | - | - | - | - | - | - | - | - |
| Sport and recreation | | 1 899 | 1 949 | - | - | - | - | - | - | 1 949 | 80 | 70 |
| Public safety | | - | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 4 298 | 5 028 | - | - | - | - | 10 800 | 10 800 | 15 828 | 2 600 | 2 275 |
| Planning and development | | 55 | 55 | - | - | - | - | - | - | 55 | 100 | 88 |
| Road transport | | 4 243 | 4 973 | - | - | - | - | 10 800 | 10 800 | 15 773 | 2 500 | 2 188 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 30 352 | 34 282 | - | - | - | - | (36) | (36) | 34 246 | 38 358 | 32 528 |
| Energy sources | | 5 000 | 9 000 | - | - | - | - | - | - | 9 000 | 7 000 | 4 167 |
| Water management | | 14 683 | 14 683 | - | - | - | - | (36) | (36) | 14 647 | 12 069 | 11 709 |
| Waste water management | | 10 669 | 10 569 | - | - | - | - | - | - | 10 569 | 19 289 | 16 653 |
| Waste management | | - | 30 | - | - | - | - | - | - | 30 | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 3 | 38 430 | 45 034 | - | - | - | - | 10 800 | 10 800 | 55 834 | 41 784 | 35 526 |
| Funded by: | | | | | | | | | | | | |
| National Government | | 34 532 | 34 532 | - | - | - | - | 10 800 | 10 800 | 45 332 | 34 868 | 32 100 |
| Provincial Government | | - | 4 000 | - | - | - | - | - | - | 4 000 | 3 000 | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | - | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 34 532 | 38 532 | - | - | - | - | 10 800 | 10 800 | 49 332 | 37 868 | 32 100 |
| Borrowing | | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 3 898 | 6 502 | - | - | - | - | - | - | 6 502 | 3 836 | 3 357 |
| Total Capital Funding | | 38 430 | 45 034 | - | - | - | - | - | - | 55 834 | 41 784 | 35 456 |

FS183 Tswelopele - Table B6 Adjustments Budget Financial Position -

| Description | Ref | 2022/23 | | | | | | | | | Budget Year 2023/24 | Budget Year 2024/25 |
|--|-----|--------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | A | 3 A1 | 4 B | 5 C | 6 D | 7 E | 8 F | 9 G | 10 H | | |
| ASSETS | | | | | | | | | | | | |
| Current assets | | | | | | | | | | | | |
| Cash | | 7 441 | 20 986 | - | - | - | - | - | - | 20 986 | 80 736 | 51 903 |
| Call investment deposits | 1 | 9 189 | 9 189 | - | - | - | - | - | - | 9 189 | 9 189 | - |
| Consumer debtors | 1 | 96 084 | 110 009 | - | - | - | - | - | - | 110 009 | 189 377 | 57 425 |
| Other debtors | | 5 331 | 14 509 | - | - | - | - | 0 | 0 | 14 509 | 5 697 | 321 |
| Current portion of long-term receivables | | - | - | - | - | - | - | - | - | - | - | - |
| Inventory | | 753 | 328 | - | - | - | - | - | - | 328 | (4 479) | (8 694) |
| Total current assets | | 118 798 | 155 022 | - | - | - | - | 0 | 0 | 155 022 | 280 521 | 100 955 |
| Non current assets | | | | | | | | | | | | |
| Long-term receivables | | - | - | - | - | - | - | - | - | - | - | - |
| Investments | | - | - | - | - | - | - | - | - | - | - | - |
| Investment property | | 110 039 | 110 039 | - | - | - | - | - | - | 110 039 | 110 039 | - |
| Investment in Associate | | - | - | - | - | - | - | - | - | - | - | - |
| Property, plant and equipment | 1 | 568 919 | 575 523 | - | - | - | - | - | - | 575 523 | 592 273 | 35 526 |
| Biological | | 1 373 | 1 373 | - | - | - | - | - | - | 1 373 | 1 373 | - |
| Intangible | | - | - | - | - | - | - | - | - | - | - | - |
| Other non-current assets | | - | - | - | - | - | - | - | - | - | - | - |
| Total non current assets | | 680 332 | 686 936 | - | - | - | - | - | - | 686 936 | 703 686 | 35 526 |
| TOTAL ASSETS | | 799 129 | 841 957 | - | - | - | - | 0 | 0 | 841 957 | 984 206 | 136 481 |
| LIABILITIES | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | |
| Bank overdraft | | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing | | 2 637 | 2 637 | - | - | - | - | - | - | 2 637 | 2 637 | - |
| Consumer deposits | | 1 512 | 1 512 | - | - | - | - | - | - | 1 512 | 1 512 | - |
| Trade and other payables | | 93 821 | 141 420 | - | - | - | - | - | - | 141 420 | 288 994 | 156 694 |
| Provisions | | 822 | 822 | - | - | - | - | - | - | 822 | 822 | - |
| Total current liabilities | | 98 793 | 146 392 | - | - | - | - | 0 | 0 | 146 392 | 293 966 | 156 694 |
| Non current liabilities | | | | | | | | | | | | |
| Borrowing | 1 | 5 853 | 5 853 | - | - | - | - | - | - | 5 853 | 5 853 | - |
| Provisions | 1 | 48 602 | 48 602 | - | - | - | - | - | - | 48 602 | 48 602 | - |
| Total non current liabilities | | 54 455 | 54 455 | - | - | - | - | - | - | 54 455 | 54 455 | - |
| TOTAL LIABILITIES | | 153 247 | 200 846 | - | - | - | - | 0 | 0 | 200 846 | 348 420 | 156 694 |
| NET ASSETS | 2 | 645 882 | 641 111 | - | - | - | - | 0 | 0 | 641 111 | 635 786 | (20 212) |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 645 882 | 641 141 | - | - | - | - | 0 | 0 | 641 141 | 653 211 | 13 767 |
| Reserves | | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | | 645 882 | 641 141 | - | - | - | - | 0 | 0 | 641 141 | 653 211 | 13 767 |

FS183 Tswelopele - Table B7 Adjustments Budget Cash Flows -

| Description | Ref | 2022/23 | | | | | | | | | Budget Year 2023/24 | Budget Year 2024/25 |
|--|-----|--------------------|----------------|--------------|-----------------------|----------------------|-----------------------|---------------|---------------|--------------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore- seen/void | Nat. or Prov. Govt | Other Adjusts | Total Adjusts | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | A | 3 A1 | 4 B | 5 C | 6 D | 7 E | 8 F | 9 G | 10 H | | |
| R thousands | | | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Property rates | | 26 396 | 26 396 | - | - | - | - | - | - | 26 396 | - | - |
| Service charges | | 69 165 | 69 165 | - | - | - | - | - | - | 69 165 | - | - |
| Other revenue | | 2 625 | 12 120 | - | - | - | - | - | - | 12 120 | 1 490 | 1 305 |
| Transfers and Subsidies - Operational | 1 | 94 560 | 94 560 | - | - | - | - | - | - | 94 560 | 97 242 | 98 091 |
| Transfers and Subsidies - Capital | 1 | 36 532 | 39 532 | - | - | - | - | 10 800 | 10 800 | 50 332 | - | - |
| Interest | | 1 430 | 1 480 | - | - | - | - | - | - | 1 480 | 1 430 | 1 251 |
| Dividends | | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | | |
| Suppliers and employees | | (198 133) | (198 133) | - | - | - | - | - | - | (198 133) | 4 000 | - |
| Finance charges | | (1 800) | (1 900) | - | - | - | - | - | - | (1 900) | - | - |
| Transfers and Grants | 1 | - | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM(USED) OPERATING ACTIVITIES | | 32 674 | 45 629 | - | - | - | - | 10 800 | 10 800 | 96 429 | 104 162 | 98 547 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Proceeds on disposal of PPE | | 500 | 500 | - | - | - | - | - | - | 500 | - | - |
| Decrease (increase) in non-current receivables | | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | | |
| Capital assets | | (36 430) | (36 430) | - | - | - | - | (10 800) | (10 800) | (49 230) | (30 209) | (37 094) |
| NET CASH FROM(USED) INVESTING ACTIVITIES | | (37 930) | (37 930) | - | - | - | - | (10 800) | (10 800) | (48 730) | (33 209) | (37 094) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/financing | | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM(USED) FINANCING ACTIVITIES | | - | - | - | - | - | - | - | - | - | - | - |
| NET INCREASE/(DECREASE) IN CASH HELD | | | | | | | | | | | | |
| Cash/cash equivalents at the year begin: | 2 | 22 573 | 22 573 | - | - | - | - | - | - | 22 573 | 30 263 | 101 216 |
| Cash/cash equivalents at the year end: | 2 | 16 717 | 30 263 | - | - | - | - | - | - | 30 263 | 101 216 | 152 769 |

FS183 Tswelopele - Table B8 Cash backed reserves/accumulated surplus reconciliation -

| Description | Ref | 2022/23 | | | | | | | | | Budget Year 2023/24 | Budget Year 2024/25 |
|---|-----|--------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | | A | 3 A1 | 4 B | 5 C | 6 D | 7 E | 8 F | 9 G | 10 H | | |
| Cash and investments available | | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 16 717 | 30 263 | - | - | - | - | - | - | 30 263 | 101 216 | 152 769 |
| Other current investments > 90 days | | (87) | (87) | - | - | - | - | - | - | (87) | (11 290) | (100 866) |
| Non current assets - Investments | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Cash and investments available: | | 16 630 | 30 176 | - | - | - | - | - | - | 30 176 | 89 926 | 51 903 |
| Applications of cash and investments | | | | | | | | | | | | |
| Unspent conditional transfers | | - | (60) | - | - | - | - | - | - | (60) | (41 018) | (33 937) |
| Unspent borrowing | | | | | | | | | - | - | | |
| Statutory requirements | | 5 331 | 4 134 | - | - | - | - | - | - | 4 134 | 5 331 | - |
| Other working capital requirements | 2 | (7 090) | 4 221 | | | | | | - | 4 221 | 327 342 | 188 850 |
| Other provisions | | (822) | (822) | - | - | - | - | - | - | (822) | (822) | - |
| Long term investments committed | | - | - | | | | | | - | - | - | - |
| Reserves to be backed by cash/investments | | - | - | - | - | - | - | - | - | - | - | - |
| Total Application of cash and investments: | | (2 582) | 7 473 | - | - | - | - | - | - | 7 473 | 290 832 | 155 913 |
| Surplus(shortfall) | | 19 212 | 22 703 | - | - | - | - | - | - | 22 703 | (200 906) | (104 010) |

FS183 Tswelopele - Table B9 Asset Management -

| Description | | Ref | 2022/23 | | | | | | | | | Budget Year | Budget Year |
|---|--|-----|-----------------|----------------|--------------|--------------------|------------------|--------------------|----------------|----------------|-----------------|-----------------|-------------|
| | | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | |
| R thousands | | | A | 7 A1 | 8 B | 9 C | 10 D | 11 E | 12 F | 13 G | 14 H | | |
| CAPITAL EXPENDITURE | | | | | | | | | | | | | |
| Total New Assets to be adjusted | | 1 | 25 129 | 27 733 | - | - | - | - | - | - | 27 733 | 28 586 | 28 704 |
| Roads Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Storm water Infrastructure | | | 2 843 | 2 843 | - | - | - | - | - | - | 2 843 | - | - |
| Electrical Infrastructure | | | 5 000 | 5 000 | - | - | - | - | - | - | 5 000 | 4 000 | 4 167 |
| Water Supply Infrastructure | | | 92 | 92 | - | - | - | - | (36) | (36) | 56 | 90 | 79 |
| Sanitation Infrastructure | | | 12 514 | 12 514 | - | - | - | - | - | - | 12 514 | 18 889 | 18 303 |
| Solid Waste Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Rail Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure | | | 20 449 | 20 449 | - | - | - | - | (36) | (36) | 20 413 | 22 979 | 20 548 |
| Community Facilities | | | 1 075 | 1 075 | - | - | - | - | - | - | 1 075 | - | - |
| Sport and Recreation Facilities | | | - | - | - | - | - | - | - | - | - | - | - |
| Community Assets | | | 1 075 | 1 075 | - | - | - | - | - | - | 1 075 | - | - |
| Heritage Assets | | | - | - | - | - | - | - | - | - | - | - | - |
| Revenue Generating | | | - | - | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | | | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties | | | - | - | - | - | - | - | - | - | - | - | - |
| Operational Buildings | | | - | - | - | - | - | - | - | - | - | - | - |
| Housing | | | - | - | - | - | - | - | - | - | - | - | - |
| Other Assets | | 6 | - | - | - | - | - | - | - | - | - | - | - |
| Biological or Cultivated Assets | | | - | - | - | - | - | - | - | - | - | - | - |
| Servitudes | | | - | - | - | - | - | - | - | - | - | - | - |
| Licences and Rights | | | - | - | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | | - | - | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | | - | - | - | - | - | - | - | - | - | - | - |
| Furniture and Office Equipment | | | 736 | 2 830 | - | - | - | - | 36 | 36 | 2 866 | 846 | 740 |
| Machinery and Equipment | | | 1 470 | 1 250 | - | - | - | - | - | - | 1 250 | 260 | 238 |
| Transport Assets | | | 1 400 | 2 130 | - | - | - | - | - | - | 2 130 | 2 500 | 2 188 |
| Land | | | - | - | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | | - | - | - | - | - | - | - | - | - | - | - |
| Total Renewal of Existing Assets to be adjusted | | 2 | - | 4 000 | - | - | - | - | - | - | 4 000 | 3 000 | - |
| Roads Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Storm water Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Electrical Infrastructure | | | - | 4 000 | - | - | - | - | - | - | 4 000 | 3 000 | - |
| Water Supply Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Sanitation Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Solid Waste Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Rail Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure | | | - | 4 000 | - | - | - | - | - | - | 4 000 | 3 000 | - |
| Community Facilities | | | - | - | - | - | - | - | - | - | - | - | - |
| Sport and Recreation Facilities | | | - | - | - | - | - | - | - | - | - | - | - |
| Community Assets | | | - | - | - | - | - | - | - | - | - | - | - |
| Heritage Assets | | | - | - | - | - | - | - | - | - | - | - | - |
| Revenue Generating | | | - | - | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | | | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties | | | - | - | - | - | - | - | - | - | - | - | - |
| Operational Buildings | | | - | - | - | - | - | - | - | - | - | - | - |
| Housing | | | - | - | - | - | - | - | - | - | - | - | - |
| Other Assets | | 6 | - | - | - | - | - | - | - | - | - | - | - |
| Biological or Cultivated Assets | | | - | - | - | - | - | - | - | - | - | - | - |
| Servitudes | | | - | - | - | - | - | - | - | - | - | - | - |
| Licences and Rights | | | - | - | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | | - | - | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | | - | - | - | - | - | - | - | - | - | - | - |
| Furniture and Office Equipment | | | - | - | - | - | - | - | - | - | - | - | - |
| Machinery and Equipment | | | - | - | - | - | - | - | - | - | - | - | - |
| Transport Assets | | | - | - | - | - | - | - | - | - | - | - | - |
| Land | | | - | - | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | | - | - | - | - | - | - | - | - | - | - | - |
| Total Upgrading of Existing Assets to be adjusted | | 2a | 13 301 | 13 301 | - | - | - | - | - | - | 13 301 | 12 199 | 11 823 |
| Roads Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Storm water Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Electrical Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Water Supply Infrastructure | | | 12 276 | 12 276 | - | - | - | - | - | - | 12 276 | 11 979 | 11 630 |
| Sanitation Infrastructure | | | 200 | 200 | - | - | - | - | - | - | 200 | 220 | 193 |
| Solid Waste Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |
| Rail Infrastructure | | | - | - | - | - | - | - | - | - | - | - | - |

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| | | | | | | | | | | | | |
|---|----------|----------------|----------------|----------|----------|----------|----------|----------|----------|----------------|----------------|---------------|
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 680 332 | 686 936 | - | - | - | - | - | - | 686 936 | 703 686 | 35 526 |
| EXPENDITURE OTHER ITEMS | | | | | | | | | | | | |
| <u>Depreciation & asset impairment</u> | | 20 000 | 20 000 | - | - | - | - | - | - | 20 000 | 20 000 | 16 667 |
| <u>Repairs and Maintenance by asset class</u> | 3 | 16 105 | 16 322 | - | - | - | - | - | - | 16 322 | 17 474 | 15 305 |
| Roads Infrastructure | | 5 230 | 5 230 | - | - | - | - | - | - | 5 230 | 5 830 | 5 102 |
| Storm water Infrastructure | | - | - | - | - | - | - | - | - | - | - | - |
| Electrical Infrastructure | | 3 975 | 3 975 | - | - | - | - | - | - | 3 975 | 4 180 | 3 658 |
| Water Supply Infrastructure | | 2 150 | 2 010 | - | - | - | - | - | - | 2 010 | 1 666 | 1 459 |
| Sanitation Infrastructure | | 1 350 | 1 260 | - | - | - | - | - | - | 1 260 | 1 450 | 1 269 |
| Solid Waste Infrastructure | | 500 | 750 | - | - | - | - | - | - | 750 | 743 | 650 |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 13 205 | 13 225 | - | - | - | - | - | - | 13 225 | 13 869 | 12 139 |
| Community Facilities | | 50 | 50 | - | - | - | - | - | - | 50 | 54 | 48 |
| Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - | - | - |
| Community Assets | | 50 | 50 | - | - | - | - | - | - | 50 | 54 | 48 |
| Heritage Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Revenue Generating | | - | - | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - | - | - |
| Operational Buildings | | 820 | 820 | - | - | - | - | - | - | 820 | 1 459 | 1 278 |
| Housing | | - | - | - | - | - | - | - | - | - | - | - |
| Other Assets | | 820 | 820 | - | - | - | - | - | - | 820 | 1 459 | 1 278 |
| Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Servitudes | | - | - | - | - | - | - | - | - | - | - | - |
| Licences and Rights | | - | - | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | 3 | 6 | - | - | - | - | - | - | 6 | 6 | 6 |
| Furniture and Office Equipment | | 677 | 589 | - | - | - | - | - | - | 589 | 682 | 604 |
| Machinery and Equipment | | 1 350 | 1 632 | - | - | - | - | - | - | 1 632 | 1 405 | 1 230 |
| Transport Assets | | - | - | - | - | - | - | - | - | - | - | - |
| Land | | - | - | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | 6 | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURE OTHER ITEMS to be adjusted | | 36 105 | 36 322 | - | - | - | - | - | - | 36 322 | 37 474 | 31 971 |
| <i>Renewal and upgrading of Existing Assets as % of total capex</i> | | 34.6% | 38.4% | | | | | | | 38.4% | 36.4% | 33.3% |
| <i>Renewal and upgrading of Existing Assets as % of deprecn</i> | | 66.5% | 86.5% | | | | | | | 86.5% | 76.0% | 70.9% |
| <i>R&M as a % of PPE</i> | | 2.4% | 2.4% | | | | | | | 2.4% | 2.5% | 43.1% |
| <i>Renewal and upgrading and R&M as a % of PPE</i> | | 4.3% | 4.9% | | | | | | | 4.9% | 4.6% | 76.4% |

FS183 Tswelopele - Table B10 Basic service delivery measurement - 28/02/2023

| Description | Ref | 2022/23 | | | | | | | | | Budget Year 2023/24 | Budget Year 2024/25 |
|---|-----|--------------------|----------------|--------------|-----------------------|---------------------|-----------------------|----------------|----------------|--------------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavoid. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| | | A | 7 A1 | 8 B | 9 C | 10 D | 11 E | 12 F | 13 G | 14 H | | |
| Household service targets | 1 | | | | | | | | | | | |
| Water: | | | | | | | | | | | | |
| Piped water inside dwelling | | 3825000 | | | | | | | - | 3 825 | | |
| Piped water inside yard (but not in dwelling) | | 7022000 | | | | | | | - | 7 022 | | |
| Using public tap (at least min.service level) | 2 | 632000 | | | | | | | - | 632 | | |
| Other water supply (at least min.service level) | | | | | | | | | - | - | | |
| Minimum Service Level and Above sub-total | | 11 479 | - | - | - | - | - | - | - | 11 479 | - | - |
| Using public tap (< min.service level) | 3 | | | | | | | | - | - | | |
| Other water supply (< min.service level) | 3,4 | 514000 | | | | | | | - | 514 | | |
| No water supply | | | | | | | | | - | - | | |
| Below Minimum Service Level sub-total | | 514 | - | - | - | - | - | - | - | 514 | - | - |
| Total number of households | 5 | 11 993 | - | - | - | - | - | - | - | 11 993 | - | - |
| Sanitation/sewerage: | | | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | 11992 | | | | | | | - | 11 992 | | |
| Flush toilet (with septic tank) | | | | | | | | | - | - | | |
| Chemical toilet | | | | | | | | | - | - | | |
| Pit toilet (ventilated) | | | | | | | | | - | - | | |
| Other toilet provisions (> min.service level) | | | | | | | | | - | - | | |
| Minimum Service Level and Above sub-total | | 11 992 | - | - | - | - | - | - | - | 11 992 | - | - |
| Bucket toilet | | | | | | | | | - | - | | |
| Other toilet provisions (< min.service level) | | | | | | | | | - | - | | |
| No toilet provisions | | | | | | | | | - | - | | |
| Below Minimum Service Level sub-total | | - | - | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | 11 992 | - | - | - | - | - | - | - | 11 992 | - | - |
| Energy: | | | | | | | | | | | | |
| Electricity (at least min. service level) | | 11993 | | | | | | | - | 11 993 | | |
| Electricity - prepaid (> min.service level) | | | | | | | | | - | - | | |
| Minimum Service Level and Above sub-total | | 11 993 | - | - | - | - | - | - | - | 11 993 | - | - |
| Electricity (< min.service level) | | | | | | | | | - | - | | |
| Electricity - prepaid (< min. service level) | | | | | | | | | - | - | | |
| Other energy sources | | | | | | | | | - | - | | |
| Below Minimum Service Level sub-total | | - | - | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | 11 993 | - | - | - | - | - | - | - | 11 993 | - | - |
| Refuse: | | | | | | | | | | | | |
| Removed at least once a week (min.service) | | 11993 | | | | | | | - | 11 993 | | |
| Minimum Service Level and Above sub-total | | 11 993 | - | - | - | - | - | - | - | 11 993 | - | - |
| Removed less frequently than once a week | | | | | | | | | - | - | | |
| Using communal refuse dump | | | | | | | | | - | - | | |
| Using own refuse dump | | | | | | | | | - | - | | |
| Other rubbish disposal | | | | | | | | | - | - | | |
| No rubbish disposal | | | | | | | | | - | - | | |
| Below Minimum Service Level sub-total | | - | - | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | 11 993 | - | - | - | - | - | - | - | 11 993 | - | - |

6. Explanatory Notes to Adjustment Budget Tables

Explanatory Notes to Table B1: Table B1 is a summary of the budget of Tswelopele Local Municipality that gives an overview of the budget. This is the most important as it gives users of the budget a “snapshot” of what is going to follow in the next nine (9) main table. It includes, the following key aspects –

- **Financial Performance:** This is a summary of income statement of the Municipality.
- **Capital Expenditure and funding sources:** This gives a brief overview of the capital expenditure and its funding sources.
- **Financial Position:** This is the balance sheet of Tswelopele Local Municipality.
- **Cash Flow:** This gives a brief overview of the Cash flow of the Municipality.
- **Asset Management:** This is the overview of the total assets of the Municipality.
- **Free Services:** This section gives the total amount of free basic services as provided by the municipality.

Explanatory Notes to Table B2: Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.

Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table B4 as Table B4 exclude capital transfers

Explanatory Note to Table B3: Table B3 is an overview of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. Profits made on these services are used to subsidise non-trading services.

Explanatory note on table B4: Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the budgeted revenue of Tswelopele Local Municipality. Transfers recognised – operating includes the local

government equitable share and other operating grants from national and provincial government. Major component of expenditure relates to employee costs.

Currently the municipality is providing and billing Property rates and service charges as follows:

- Property rates:

The municipality is charging property rates in line with the policy. As of the first of July 2022, the municipality implemented the new valuation roll as per the requirements of the Municipal Property Rates Act.

- Electricity:

The municipality is only licenced to provide electricity in Bultfontein and Hoopstad. Phahameng and Tikwana purchase their electricity direct from Eskom.

- Water:

Municipality bills Phahameng and Tikwana on flat rate, Bultfontein and Hoopstad are billed on consumption basis.

All municipal clients are entitled to first free 6 kl per month. However, the indigent households receive hundred percent relief benefit on water billing.

- Sewerage and refuse:

Sewerage and refuse are provided on flat rate around the whole municipality.

Explanatory note on Table B5: Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from

national and provincial departments. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

Explanatory Notes to Table B6: Table B6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (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. 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.

Explanatory note to Table B7: 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.

Tswelopele municipal’s budget is currently not funded due to the long outstanding debt with services such as Eskom and Sandvet.

This gave rise to development of funding plan that is submitted together with this budget.

Explanatory note to table B8: The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

7. PART 2: BUDGET FORMAT

8. Adjustment budget assumptions

Municipal Financial Management Act (MFMA) mentions six (6) steps (i.e. Planning, Strategizing, Preparing, Tabling, Consulting and Finalising/ Adopting) that the municipality must follow in order to prepare the annual budget that is credible. The planning and strategizing processes started with the preparation of budget timelines as required by MFMA and IDP review process plan. Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the annual budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The adjustment budget was prepared on the incremental budgeting process with the assumption that goods and services as previously budgeted will increase by a certain percentage which is more than the current CPI and zero-based budgeting mainly on Petrol and Diesel. National treasury Circulars as well Provincial Treasury circular 1 were used for other assumptions of the budget and the following are some of the assumptions made:

- Economic climate and poverty levels within the Municipality will remain the same /constant for major part of the financial year given the limited economic activities within the Municipality.
- Cash flow projections will strictly be maintained to ensure that the municipality will meet its financial obligations.
- Operating costs will be maintained at current levels or reduced as cost containment measures and where there is material decrease in revenue collection rate, expenditure will have to be reduced at the same proportion

9. FUNDING OF THE BUDGET ADJUSTMENT

MFMA section 18 states that the expenditure of the budget may only be funded from:

- Realistically anticipated revenue to be collected
- Cash-backed accumulated funds from Previous years' surpluses not committed for other purpose
- Borrowed funds, but only for capital budget referred to in section 17 (2)

Tswelopele Local Municipality's adjusted operating budget is funded from: grants; service charges and other revenue. The capital budget of the municipality is funded from the MIG grant and own internally generated funds.



TSWELOPELE
LOCAL MUNICIPALITY
A MUNICIPALITY IN PROGRESS

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MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, **T Matyesini**, the acting Municipal Manager of **TSWELOPELE LOCAL MUNICIPALITY (FS 183)**, 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.

Signature: _____

Date: _____