

**SPECIAL ADJUSTMENTS BUDGET OF**  
**2021/22**  
**MTHONJANENI LOCAL**  
**MUNICIPALITY**



**2021/22 TO 2022/23**  
**MEDIUM TERM REVENUE AND**  
**EXPENDITURE FORECASTS**

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# Table of Contents

## ***PART 1 – SPECIAL ADJUSTMENTS BUDGET***

- Mayor's report
- Resolutions
- Executive summary
- Adjustments budget tables

## ***PART 2 – SUPPORTING DOCUMENTATION***

- Adjustments to budget assumptions
- Adjustments to budget funding
- Adjustments to expenditure on allocations and grant programmes
- Adjustments to allocations and grants made by the municipality
- Adjustments to councillor allowances and employee benefits
- Adjustments to service delivery and budget implementation plan
- Adjustments to capital expenditure
- Other supporting documents
- Municipal manager's quality certification

## 1. DEFINITIONS

(1) In this Budget Report, unless the context indicates otherwise –

**“accounting officer”**

(a) in relation to a municipality, means the municipal official referred to in section 60 of the Municipal Finance Management Act, 2003; and include a person acting as the accounting officer;

**“allocation”**, in relation to a municipality, means -

(a) a municipality's share of the local government's equitable share referred to in section 214(1)(a) of the Constitution;

(b) an allocation of money to a municipality in terms of section 214(1)(c) of the Constitution;

(c) an allocation of money to a municipality in terms of a provincial budget; or

(d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

**“annual Division of Revenue Act”** means the Act of Parliament which must be enacted annually in terms of section 214 (1) of the Constitution;

**“approved budget”** means an annual budget -

(a) Approved by a municipal council; or

(b) Approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;

**“basic municipal service”** means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

**“budget-related policy”** means a policy of a municipality affecting or affected by the annual budget of the municipality, including -

(a) The tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

(b) The credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

**“budget year”** means the financial year for which an annual budget is to be approved in terms of section 16(1) of the Municipal Finance Management Act, 2003.;

**“chief financial officer”** means a person designated in terms of section 80(2)(a) of the Municipal Finance Management Act, 2003.

**“councillor”** means a member of a municipal council;

**“CPI”** means Consumer price Index.

**“current year”** means the financial year which has already commenced, but not yet ended;

**“debt”** means -

(a) a monetary liability or obligation created by a financing agreement, note, debenture, bond or overdraft, or by the issuance of municipal debt instruments; or

(b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

**“delegation”**, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

**“district municipality”** means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;

**“COGTA”** means Cooperative Governance and Traditional Affairs

**“EXCO”** means Executive Committee of the Council of the Municipality

**“GFS”** means General Financial Statistic.

**“financial year”** means a year ending on 30 June;

**“IDP”** means Integrated Development Plan

**“In year reports, in relation to-**

- (a) a municipality means
- (i) a monthly budget statement of the municipality contemplated in section 71(1) of the MFMA
  - (ii) a Quarterly report on the implementation of the budget and financial state of affairs of the municipality contemplated in section 52(d) of the act;
  - (iii) a mid-year budget and performance assessment of the municipality contemplated in section 72 of the act.
- “investment”**, in relation to funds of a municipality, means -
- (a) The placing on deposit of funds of a municipality with a financial institution; or
  - (b) The acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;
- “lender”**, in relation to a municipality, means a person who provides debt finance to a municipality;
- “local community”** has the meaning assigned to it in section 1 of the Municipal Systems Act;
- “local municipality”** means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;
- “long-term debt”** means debt repayable over a period exceeding one year;
- “MANCO”** means management committee of the municipality
- “MFMA”** Municipal Finance Management Act, No. 56 of 2003
- “MFMA Regulations or (MBRR)”** means regulations relating to Municipal Budget and Reporting
- “MTEF”** means Medium Term Expenditure Framework
- “mayor”**, in relation to -
- (a) a municipality with an executive mayor, means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act; or
  - (b) a municipality with an executive committee, means the councillor elected as the mayor of the municipality in terms of section 48 of that Act;
- “month”** means one of the 12 months of a calendar year;
- “municipality”** -
- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);
- “municipal service”** has the meaning assigned to it in section 1 of the Municipal Systems Act;
- “Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
- “municipal tariff”** means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;
- “municipal tax”** means property rates or other taxes, levies or duties that a municipality may impose;
- “National Treasury”** means the National Treasury established by section 5 of the Public Finance Management Act;
- “past financial year”** means the financial year preceding the current year;
- “NER”**, means the National Electricity Regulator;
- “Provincial Treasury”** means a treasury established in terms of section 17 of the Public Finance Management Act;
- “quarter”** means any of the following periods in a financial year:
- (a) 1 July to 30 September;
  - (b) 1 October to 31 December;
  - (c) 1 January to 31 March; or
  - (d) 1 April to 30 June;
- “Quality certificate”**, in relation to

- (a) a municipality, means a certificate issued and signed by the municipal manager of the municipality confirming the accuracy and reliability of the contents of a document prepared or issued by the municipality

**“SDBIP”** means Service Delivery Budget Implementation Plan

**“standards of generally recognised accounting practice”** means an accounting practice complying with standards applicable to municipalities or municipal entities and issued in terms of Chapter 11 of the Public Finance Management Act;

**“vote”** means -

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

# **1 Part 1 – Adjustments Budget**

## **1.1 Mayor's Report**

Honourable Speaker, Amakhosi oselwa, Deputy Mayor, Members of the Executive Committee, Councillors, Municipal Manager, Officials and valuable members of our community, I hereby present to Council the Special Medium Term Revenue and Expenditure Framework adjustments budget 2021/22 and the two outer subsequent years. This process became necessary as per Government Gazette No. 46095 of 25 March 2022:-

### **The Stopping and Re- allocation of funds between municipalities**

The stopping and reallocation of conditional grants is done in terms of sections 18 and 19 of the 2021 DoRA against municipalities that reported significant underperformance, non-compliance against conditional grants frameworks and the provisions of the Act against the 2021/22 allocations

The purpose of sections 18 and 19 of DoRA is to avoid transferring more funds to municipalities that are sitting with unspent transferred funds, avoid fiscal dumping, addresses possibilities of funds misused and support fast moving projects in- year. The stopping however does not imply that projects should stop, rather municipalities should reprioritise in order to accelerate on their committed shovel ready projects. Only projects that are not ready for implementation in the current year are affected by the stopping process as transferring more funds could lead to the misusing of the conditional grants.

The stopping and reallocation process provides that municipalities that are showing improved performance could be considered for additional funding and the ones that are under performing could have their funds stopped in the current year. These municipalities will be supported in future when their performance improves.

Nine capital grants are being affected by the stopping and re-allocation process namely; the Water Services Infrastructure Grant (WSIG 5B and 6B), Regional Bulk Infrastructure Grant (RBIG 5B and 6B), Public Transport Networks Grant (PTNG), Urban Settlements Development Grant (USDG), Informal Settlements Upgrading Partnership Grant (ISUPG), Neighborhood Development Partnership Grant 5B (NDPG), Integrated National Electrification Programme 5B (INEP), Municipal Infrastructure Grant (MIG) and the Integrated Urban Development Grant (IUDG).

The Expanded Public Works Programme Integrated Grant for Municipalities is the only capacity grant affected by sections 18 and 19 of DoRA.

The Department of Cooperative Governance (DCoG) through National Disaster Management Centre (NDMC) published the National disaster declaration on 20 July 2021 (Gazette No. 44876). In order to respond to the disaster in terms of the Disaster Management Act, 2002 (Act No. 57 of 2002) the department requested National Treasury to approve the release of the Municipal Disaster Relief Grant to 10 identified municipalities in the Eastern Cape and Western Cape. A further R173 million is now allocated to the affected municipalities from the original unallocated MDRG allocation of R358 million.

Mthonjaneni Municipality has prioritized the need to fast-track the implementation of the following infrastructure projects that will address the accessibility and public transport challenges for commuters.

- Makhubalo Gravel Road Phase 2 – Ward 9
- Urban Roads Upgrade and Rehabilitation Phase 5 –Thubalethu Ward 2

Mthonjaneni Municipality then requested a total additional funding of R22 279 598.88 to complete the current MIG projects as well as to accelerate the provision of the key infrastructure Projects earmarked for the next financial year 2022/2023 as listed above

The municipality received an additional MIG allocation amount of R10 000 000 as per government gazette no. 46095 of 25 March 2022 and this amount was transferred to the municipality on 28 March 2022. The total adjusted MIG allocation for 2021/22, now amounts to R 28 832 000 from an initial allocation of R18 832 000.

The municipality highly appreciates the total amount of R10 000 000 that has been re-allocated to us as a top up funding this funding will assist a lot

We are still faced with difficult economic conditions. Many businesses have closed down, and many jobs have been lost as a result of COVID 19 and the looting that took place in July 2021. There is beamer of hope as the National Government rolled out the vaccination in the fight against covid19 and also the country is now no longer under the sate of disaster. We salute the health care workers and our essential workers who remained at the forefront in the war against covid19.

We continue to urge Councillors, municipal staff and our community to be on high alert, resist covid19 fatigue, not be complacent and still take health precautionary measures in order to curb the spread of this virus and also to observe and obey all Covid-19 protocols and regulations.

The adjustments budget gave us an opportunity to review anticipated revenue and expenditure for the rest of the year and take corrective measures to ensure that the budget is realistic and

funded in accordance with the requirements of sections 18 and 28 of the Municipal Finance Management act.

The National Treasury adjustments budget has provided Mthonjaneni Municipality additional amount of R10 million in terms of Division of Revenue Act (DORA), Government Gazette No. 46095 of 25 March 2022.

**The following are key budget areas that were adjusted:**

- a) Grant Income-Capital= The Municipal Infrastructure Grant will be adjusted upwards by **R10 million rand** from R18.832 million rand to R28.832 million rand as per Government Gazette No. 46095 of 25 March 2022.
- b) Bulk Purchases= will be adjusted downwards by **R1.56 million rand**, this are savings expected from bulk purchases and free basic electricity when looking at the year to date actual and the remaining months to end of the financial year.
- c) Inventory Consumed= will be adjusted upwards by a net amount of **R98.5 thousand rand**. This was mainly to cater for materials and supplies and consumables that has already exceeded the budget as at March 2022 to avoid unauthorised expenditure.
- d) Other Expenditure= will be adjusted upwards by a net amount of **R228 thousand rand**. This was mainly to cater for other expenditure that has already exceeded the budget as at March 2022 to avoid unauthorised expenditure. The main upwards adjustments were mainly on accommodation, water, and electricity usage on the municipal offices so that municipal operations cannot be interrupted.
- e) Contracted Services= will be adjusted upwards by the net amount of **R3.05 million**. This was mainly to cater for other expenditure that has already exceeded the budget as at March 2022 to avoid unauthorised expenditure. The main upwards adjustments were mainly on security for municipal buildings, legal fees, mSCOA & financial system upgrades, other hire charges, maintenance of electrical equipment and municipal vehicles, refuse removal and cleaning services of municipal town.
- f) Capital Expenditure = will be adjusted upwards by a net amount of **R 9.2 million rand**. To cater for that, the municipality mainly adjusted upwards capital projects as follows Makhubalo Gravel Road Phase 2- Ward 9 (**R2.34 million rand**) and Urban Roads Upgrade and Rehabilitation Phase 5- Thubalethu Ward 2 (**R7.66 million rand**) because of the additional MIG allocation received as per Government Gazette No. 46095 of 25 March 2022.



**Summary of the special adjustments budget 2021/22 and two outer years is as follows**

<b>Description</b>	<b>ADJUSTED BUDGET 2021/22</b>	<b>SPECIAL ADJUSTED BUDGET 2021/22</b>	<b>DRAFT BUDGET 2022/23</b>	<b>BUDGET 2023/24</b>
Operational Revenue	R174.6 million	R175.6 million	R188.9 million	R195.7 million
Capital Revenue	R39.7 million	R49.7 million	R38.3 million	R34.8 million
<b>Total Revenue</b>	<b>R214.3 million</b>	<b>R225.3 million</b>	<b>R227.2 million</b>	<b>R230.5 million</b>
Operational Expenditure	R167.3 million	R169.1 million	R178.7 million	R 186.5 million
Capital Expenditure	R46.9 million	R56.1 million	R48.1 million	R 43.3 million
<b>Total Expenditure</b>	<b>R214.2 million</b>	<b>R225.2 million</b>	<b>R226.8 million</b>	<b>R229.8 thousand</b>
<b>Net (Surplus)/Deficit</b>	<b>(R79.6 thousand)</b>	<b>(R79.6 thousand)</b>	<b>R470 thousand</b>	<b>R623.7 thousand</b>

In light of the aforementioned reasons, I recommend that Council approves the special adjustments budget for 2021/22 financial year as well as the revision of the service delivery targets and performance indicators in the service delivery and budget and implementation plan (SDBIP) taking into consideration the 2021/22 special adjustments budget.

I thank you! Ngiyathokoza

**HIS WORSHIP THE MAYOR**

## **1.2 Council Resolutions**

**1.2.1** That the Special MTREF Adjustments budget of the Municipality for the financial year 2021/22 and two outer years be referred to the Budget Steering Committee and Finance Portfolio for adoption.

**1.2.2** That the Special MTREF Adjustments budget 2021/22 be approved by council.

**1.2.3** That the Special MTREF Adjustments budget of the Municipality for the financial year 2021/22 in the prescribed format be submitted to National and Provincial Treasury after approval by Council.

### 1.3 Executive Summary

The special adjustments budget gave us an opportunity to review anticipated revenue and expenditure for the rest of the year and take corrective measures to ensure that the budget is realistic and funded in accordance with the requirements of sections 18 and 28 of the Municipal Finance Management act

National Treasury initiated the process of stopping and re- allocation following the engagements with the transferring officers and the municipalities and this is done in terms of section 19 and 20 of DoRA. The stopping affects the municipalities that reported significant under - performance and non -compliance against conditional grants frameworks and the provisions of the Act.

These funds are being re- allocated to municipalities that have fast tracked the implementation of their projects and have accelerated expenditure against their original allocations and have the capacity to fully spend by 30 June 2021.

Nine capital grants are being affected by the stopping and re-allocation process namely; the Water Services Infrastructure Grant (WSIG 5B and 6B), Regional Bulk Infrastructure Grant (RBIG 5B and 6B), Public Transport Networks Grant (PTNG), Urban Settlements Development Grant (USDG), Informal Settlements Upgrading Partnership Grant (ISUPG), Neighborhood Development Partnership Grant 5B (NDPG), Integrated National Electrification Programme 5B (INEP), Municipal Infrastructure Grant (MIG) and the Integrated Urban Development Grant (IUDG)

The application of sound financial management principles for the compilation of Municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. The 2021/22 adjustments budget must be adopted by Council by no later than 28 February 2021.

**MFMA Circular No. 115 & 112** Issued by National Treasury, the National Treasury projects real economic growth of 5.1 per cent in 2021, following an expected contraction of 6.4 per cent in 2020. Real GDP growth is expected to moderate to 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024.

The main risks to the economic outlook are slowdown in economic growth. The evolution of Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery.

**MFMA Circular No. 98** further states in addition to low growth, South Africa's biggest economic risk is Eskom. On-going problems with the utility's operations continue to disrupt the supply of electricity to households and businesses. Government has allocated significant resources to assist Eskom. With the immediate financial restraints lifted, the focus must be on operational problems and restructuring Eskom into three separate entities. Doing so will mark the beginning of a transition to a competitive, transparent and financially viable electricity sector.

South Africa's public finances deteriorated over the past decade; a trend that accelerated in recent years as low growth led to large revenue shortfalls. For 10 years, the country has run large budget deficits. This has put us deeply in debt, to the point where interest payments have begun crowding out social and economic spending programmes. This cannot be sustained.

Government proposed a range of expenditure reductions to restore the public finances to a sustainable position, some of which are likely to be painful. We owe it to future generations to ensure that we are good stewards of our country's resources and that they do not have to pay for faults in our decision-making

National Treasury's MFMA Circulars no. 94 and no. 98 were used to guide the compilation of the 2021/22 MTREF.

The main challenges experienced during the compilation of the 2021/22 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Wage increases for municipal staff that continues to exceed consumer inflation.
- Ongoing problems with the utility's operations which continue to disrupt the supply of electricity to households and businesses.

The following budget principles/assumptions and guidelines directly informed the compilation of the 2021/22 Special Adjustments MTREF:

- The 2021/22 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustment Budget were adopted as upper limits for the new baselines for the 2021/22 Final annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Property rate increases which is based on the new General Valuation Roll to be implemented in 2021/22.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.
- Government Gazette No. 46095 of 25 March 2022

## **1.4 Operating Revenue Framework**

For Mthonjaneni Local Municipality to continue improving the quality of service provided to its citizens it needs to generate the required revenue. In these tough times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceeds available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditure against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy
- Effective revenue management
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 Of 2004) (MPRA)

The following table is a summary of the 2021/22 Special MTREF (classified by main revenue source):

# Municipal adjustments budgets & supporting tables

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**Table 1 Summary of revenue classified by main revenue source**

KZN285 Mthonjaneni - Table B1 Adjustments Budget Summary -

Description	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Financial Performance</b>											
Property rates	32 606	32 606	-	-	-	-	-	-	32 606	33 976	35 471
Service charges	36 063	36 063	-	-	-	-	-	-	36 063	37 578	39 231
Investment revenue	1 200	1 200	-	-	-	-	-	-	1 200	1 272	1 361
Transfers recognised - operational	92 528	92 528	-	-	-	-	-	-	92 528	95 095	92 455
Other own revenue	10 053	12 253	-	-	-	-	1 000	1 000	13 253	7 698	8 237
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>172 450</b>	<b>174 650</b>	-	-	-	-	<b>1 000</b>	<b>1 000</b>	<b>175 650</b>	<b>175 619</b>	<b>176 756</b>
Employee costs	57 824	58 252	-	-	-	-	-	-	58 252	60 662	63 331
Remuneration of councillors	9 633	9 723	-	-	-	-	-	-	9 723	10 132	10 577
Depreciation & asset impairment	18 287	15 327	-	-	-	-	-	-	15 327	19 097	19 099
Finance charges	-	50	-	-	-	-	-	-	50	52	54
Inventory consumed and bulk purchases	30 015	27 523	-	-	-	-	(1 461)	(1 461)	26 061	25 523	26 360
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	48 943	56 382	-	-	-	-	3 282	3 282	59 664	58 750	61 335
<b>Total Expenditure</b>	<b>164 702</b>	<b>167 256</b>	-	-	-	-	<b>1 821</b>	<b>1 821</b>	<b>169 077</b>	<b>174 215</b>	<b>180 756</b>
<b>Surplus/(Deficit)</b>	<b>7 748</b>	<b>7 394</b>	-	-	-	-	<b>(821)</b>	<b>(821)</b>	<b>6 573</b>	<b>1 404</b>	<b>(4 001)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	39 637	39 637	-	-	-	-	10 000	10 000	49 637	34 039	35 761
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)	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>47 385</b>	<b>47 031</b>	-	-	-	-	<b>9 179</b>	<b>9 179</b>	<b>56 210</b>	<b>35 443</b>	<b>31 760</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>47 385</b>	<b>47 031</b>	-	-	-	-	<b>9 179</b>	<b>9 179</b>	<b>56 210</b>	<b>35 443</b>	<b>31 760</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>47 077</b>	<b>46 951</b>	-	-	-	-	<b>9 179</b>	<b>9 179</b>	<b>56 130</b>	<b>43 019</b>	<b>37 231</b>
Transfers recognised - capital	39 637	40 937	-	-	-	-	8 700	8 700	49 637	34 039	35 761
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	7 440	6 014	-	-	-	-	479	479	6 493	8 980	1 470
<b>Total sources of capital funds</b>	<b>47 077</b>	<b>46 951</b>	-	-	-	-	<b>9 179</b>	<b>9 179</b>	<b>56 130</b>	<b>43 019</b>	<b>37 231</b>
<b>Financial position</b>											
Total current assets	150 120	45 435	-	-	-	-	(73 955)	(73 955)	(28 520)	147 494	155 271
Total non current assets	422 306	420 857	-	-	-	-	8 262	8 262	429 119	419 620	414 001
Total current liabilities	21 159	52 319	-	-	-	-	(1 821)	(1 821)	50 498	52 854	52 342
Total non current liabilities	6 075	6 075	-	-	-	-	-	-	6 075	6 439	6 890
Community wealth/Equity	<b>47 385</b>	<b>444 817</b>	-	-	-	-	<b>9 179</b>	<b>9 179</b>	<b>453 996</b>	<b>431 438</b>	<b>433 657</b>
<b>Cash flows</b>											
Net cash from (used) operating	56 767	47 455	-	-	-	-	8 754	8 754	56 209	66 702	58 975
Net cash from (used) investing	(44 777)	(44 651)	-	-	-	-	(9 179)	(9 179)	(53 830)	(40 581)	(34 622)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>16 804</b>	<b>7 466</b>	-	-	-	-	<b>(426)</b>	<b>(426)</b>	<b>7 041</b>	<b>31 063</b>	<b>29 641</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	15 723	-	-	-	-	-	11 356	11 356	27 079	29 779	45 826
Application of cash and investments	(90 368)	11 041	-	-	-	-	(8 700)	(8 700)	2 341	(47 218)	(43 653)
<b>Balance - surplus (shortfall)</b>	<b>106 091</b>	<b>(11 041)</b>	-	-	-	-	<b>20 056</b>	<b>20 056</b>	<b>24 738</b>	<b>76 997</b>	<b>89 478</b>
<b>Asset Management</b>											
Asset register summary (WDV)	425 592	426 068	-	-	-	-	8 262	8 262	434 329	422 906	417 287
Depreciation	18 287	15 327	-	-	-	-	-	-	15 327	19 097	19 099
Renewal and Upgrading of Existing Assets	700	550	-	-	-	-	8 710	8 710	9 260	1 430	240
Repairs and Maintenance	2 905	3 797	-	-	-	-	1 500	1 500	5 297	3 957	4 131
<b>Free services</b>											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	6 661	6 661	-	-	-	-	-	-	6 661	6 941	7 246
<b>Households below minimum service level</b>											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from operating statement, as inclusions of these revenue sources would distort the calculation of the operating surplus/deficit.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. Interest comprises of; interest on primary bank account as well as interest earned from call investment accounts.

a)Grant Income-Capital= The Municipal Infrastructure Grant will be adjusted upwards by **R10 million rand** from R18.832 million rand to R28.832 million rand as per Government Gazette No. 46095 of 25 March 2022.

The total revenue (including capital transfers and contributions) increased from R 214.3 million rand to R 224.3 million rand mainly due to an upwards adjustment to MIG allocation as per Government Gazette No. 46095 of 25 March 2022

**Table 2 Operating Transfers and Grants Receipts**

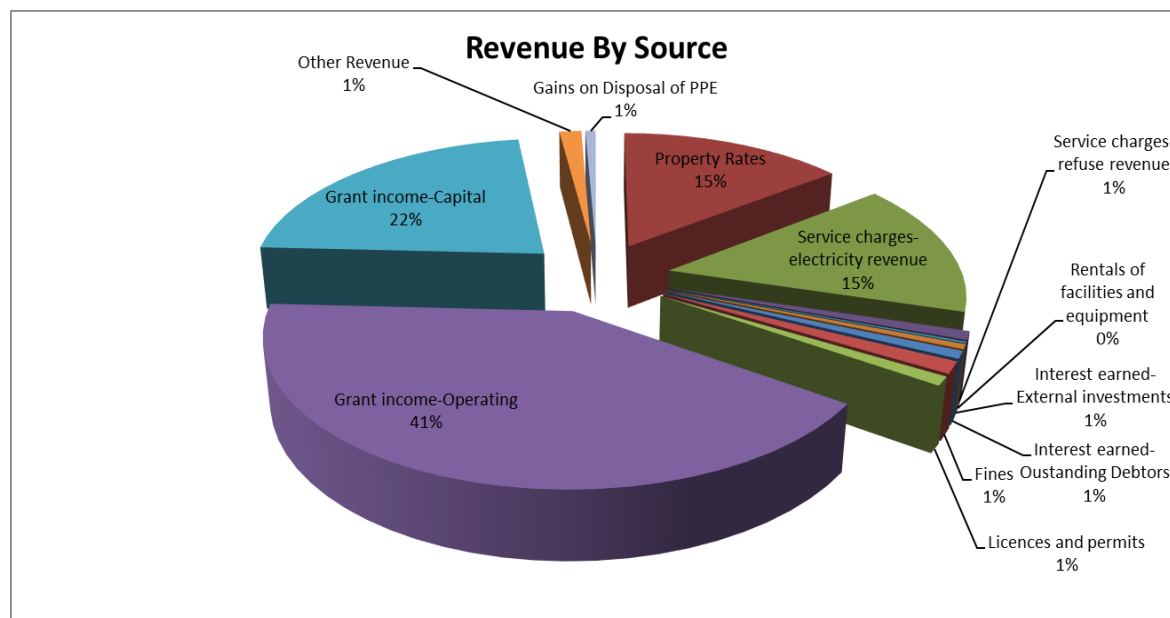
KZN285 Mthonjaneni - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -

Description	Ref	Budget Year 2021/22							Budget Year	Budget Year
									+1 2022/23	+2 2023/24
		Original Budget  A	Prior Adjusted 7 A1	Multi-year capital 8 B	Nat. or Prov. Govt 9 C	Other Adjusts. 10 D	Total Adjusts. 11 E	Adjusted Budget 12 F	Adjusted Budget	Adjusted Budget
R thousands										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		91 351	–	–	–	–	–	91 351	99 081	103 850
Local Government Equitable Share		86 810					–	86 810	93 695	98 363
Finance Management	–	2 650	–	–	–		–	2 650	2 850	2 850
EPWP Incentive		1 891					–	1 891	2 536	2 637
							–	–		
							–	–		
Other transfers and grants [insert description]							–	–		
Provincial Government:		1 177	–	–	–	–	–	1 177	1 235	1 235
Provincialisation of Libraries	–	935						935	981	981
Community Library Services Grant	4	242					–	242	254	254
							–	–		
Other transfers and grants [insert description]	5						–	–		
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
							–	–		
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
							–	–		
Total Operating Transfers and Grants	6	92 528	–	–	–	–	–	92 528	100 316	105 085
<u>Capital Transfers and Grants</u>										
National Government:		39 637	–	–	–	10 000	10 000	49 637	38 319	34 761
Municipal Infrastructure Grant (MIG)	–	18 832	–	–	–	10 000	10 000	28 832	30 039	20 761
Integrated National Electrification Programme Grant	–	20 805	–	–	–			20 805	8 280	14 000
							–	–		
							–	–		
Other capital transfers [insert description]							–	–		
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]							–	–		
							–	–		
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
							–	–		
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
							–	–		
Total Capital Transfers and Grants	6	39 637	–	–	–	10 000	10 000	49 637	38 319	34 761
TOTAL RECEIPTS OF TRANSFERS & GRANTS		132 165	–	–	–	10 000	10 000	142 165	138 635	139 846

There were some upwards adjustments on transfers and grant receipt. Capital Transfers by **R10 million rand** (Municipal Infrastructure Grant)



The diagram below shows the revenue by source through pie chart in terms of how much percentages does each revenue source contributes to total operating revenue of Mthonjaneni Local Municipality.



**Figure 1 Main operational revenue categories for 2021/22 Special Adjustments Budget.**

## 1.5 Operating Expenditure Framework

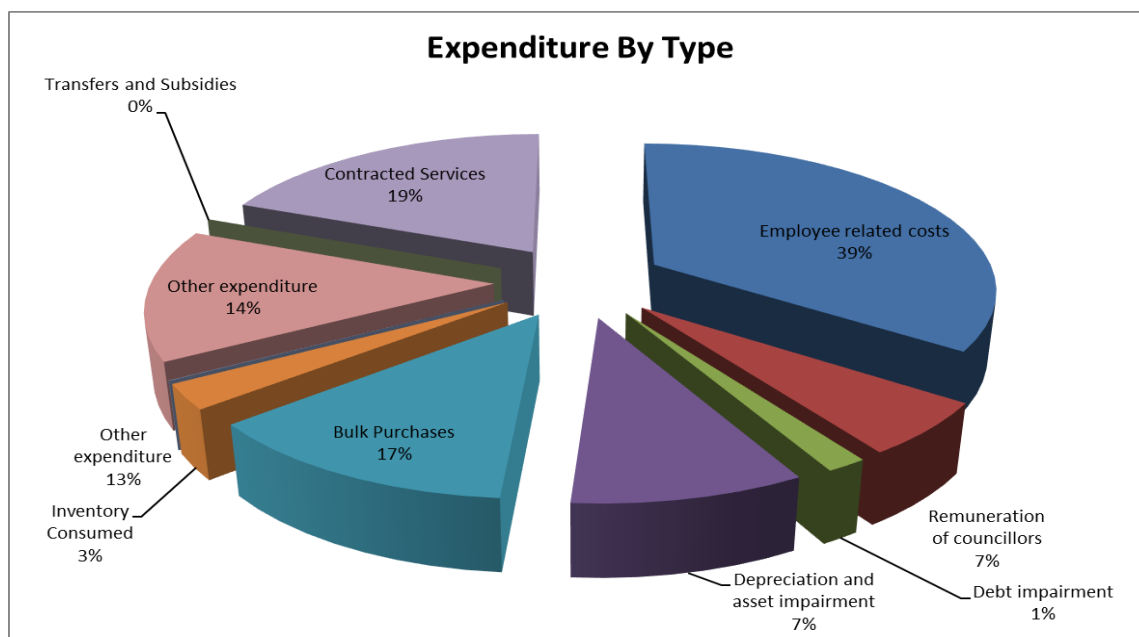
The Municipality's expenditure framework for the 2021/22 budget and MTREF is informed by the following:

- Balanced budget constrains (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.
- COVID-19 Pandemic

The following table is high level summary of the 2021/22 special adjustment budget and MTREF (classified per main type of operating expenditure)

**Table 3 Summary of operating expenditure by standard classification item**

Expenditure By Type												
Employee related costs	57 824	58 252	-	-	-	-	-	-	58 252	60 662	63 331	
Remuneration of councillors	9 633	9 723					-	-	9 723	10 132	10 577	
Debt impairment	6 726	2 726					-	-	2 726	2 840	2 965	
Depreciation & asset impairment	18 287	15 327	-	-	-	-	-	-	15 327	19 097	19 099	
Finance charges	-	50					-	-	50	52	54	
Bulk purchases - electricity	26 469	23 045	-	-	-	-	(1 560)	(1 560)	21 485	22 145	22 713	
Inventory consumed	3 546	4 477	-	-	-	-	99	99	4 576	3 378	3 647	
Contracted services	23 088	30 125	-	-	-	-	3 054	3 054	33 179	31 390	32 771	
Transfers and subsidies	-	-					-	-	-	-	-	
Other expenditure	19 129	23 531	-	-	-	-	228	228	23 759	24 519	25 598	
Losses	-	-					-	-	-	-	-	
Total Expenditure	164 702	167 256	-	-	-	-	1 821	1 821	169 077	174 215	180 756	



**Figure 2 Main operational expenditure categories for the 2021/22 Special Adjustments Budget**

Bulk Purchases= will be adjusted downwards by **R1.56 million rand**, this are savings expected from bulk purchases and free basic electricity when looking at the year to date actual and the remaining months to end of the financial year.

Inventory Consumed= will be adjusted upwards by a net amount of **R98.5 thousand rand**. This was mainly to cater for materials and supplies and consumables that has already exceeded the budget as at March 2022 to avoid unauthorised expenditure.

Other Expenditure= will be adjusted upwards by a net amount of **R228 thousand rand**. This was mainly to cater for other expenditure that has already exceeded the budget as at March 2022 to avoid unauthorised expenditure. The main upwards adjustments were mainly on accommodation, water, and electricity usage on the municipal offices so that municipal operations cannot be interrupted.

Contracted Services= will be adjusted upwards by the net amount of **R3.05 million**. This was mainly to cater for other expenditure that has already exceeded the budget as at March 2022 to avoid unauthorised expenditure. The main upwards adjustments were mainly on security for municipal buildings, legal fees, mSCOA & financial system upgrades, other hire charges, maintenance of electrical equipment and municipal vehicles, refuse removal and cleaning services of municipal town.

### **Operational repairs and maintenance**

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered as a direct expenditure driver but an outcome of certain other expenditure, such as remuneration, purchases of materials and contracted services. Mthonjaneni Local Municipality is aware of the Municipal Budget and Reporting Regulations which states that priority must be given to operational repairs and maintenance but because of its capacity and a small number of assets that the municipality owns the budgeted amount is reflected on the table above so small.

#### **1.5.1 Free Basic Services**

The free basic service assists households that are poor or face other circumstances that limit their ability to pay for services. To receive this service, the households are required to register in terms of the Municipality's Indigent Policy. The qualification criterion in terms of the municipality's Indigent policy is that, the household joint gross income should not exceed two times the government old age pension grant.

### **1.6 Annual Budget Tables – Parent Municipality**

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2021/22 special adjustment budget and MTREF as recommended to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

# Table 5 MBRR Table B1 – Budget Summary

KZN285 Mthonjaneni - Table B1 Adjustments Budget Summary -

Description	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Financial Performance</b>											
Property rates	32 606	32 606	–	–	–	–	–	–	32 606	33 976	35 471
Service charges	36 063	36 063	–	–	–	–	–	–	36 063	37 578	39 231
Investment revenue	1 200	1 200	–	–	–	–	–	–	1 200	1 272	1 361
Transfers recognised - operational	92 528	92 528	–	–	–	–	–	–	92 528	95 095	92 455
Other own revenue	10 053	12 253	–	–	–	–	1 000	1 000	13 253	7 698	8 237
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>172 450</b>	<b>174 650</b>	–	–	–	–	<b>1 000</b>	<b>1 000</b>	<b>175 650</b>	<b>175 619</b>	<b>176 756</b>
Employee costs	57 824	58 252	–	–	–	–	–	–	58 252	60 662	63 331
Remuneration of councillors	9 633	9 723	–	–	–	–	–	–	9 723	10 132	10 577
Depreciation & asset impairment	18 287	15 327	–	–	–	–	–	–	15 327	19 097	19 099
Finance charges	–	50	–	–	–	–	–	–	50	52	54
Inventory consumed and bulk purchases	30 015	27 523	–	–	–	–	(1 461)	(1 461)	26 061	25 523	26 360
Transfers and grants	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	48 943	56 382	–	–	–	–	3 282	3 282	59 664	58 750	61 335
<b>Total Expenditure</b>	<b>164 702</b>	<b>167 256</b>	–	–	–	–	<b>1 821</b>	<b>1 821</b>	<b>169 077</b>	<b>174 215</b>	<b>180 756</b>
<b>Surplus/(Deficit)</b>	<b>7 748</b>	<b>7 394</b>	–	–	–	–	<b>(821)</b>	<b>(821)</b>	<b>6 573</b>	<b>1 404</b>	<b>(4 001)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	39 637	39 637	–	–	–	–	10 000	10 000	49 637	34 039	35 761
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)	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>47 385</b>	<b>47 031</b>	–	–	–	–	<b>9 179</b>	<b>9 179</b>	<b>56 210</b>	<b>35 443</b>	<b>31 760</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>47 385</b>	<b>47 031</b>	–	–	–	–	<b>9 179</b>	<b>9 179</b>	<b>56 210</b>	<b>35 443</b>	<b>31 760</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>47 077</b>	<b>46 951</b>	–	–	–	–	<b>9 179</b>	<b>9 179</b>	<b>56 130</b>	<b>43 019</b>	<b>37 231</b>
Transfers recognised - capital	39 637	40 937	–	–	–	–	8 700	8 700	49 637	34 039	35 761
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	7 440	6 014	–	–	–	–	479	479	6 493	8 980	1 470
<b>Total sources of capital funds</b>	<b>47 077</b>	<b>46 951</b>	–	–	–	–	<b>9 179</b>	<b>9 179</b>	<b>56 130</b>	<b>43 019</b>	<b>37 231</b>
<b>Financial position</b>											
Total current assets	150 120	45 435	–	–	–	–	(73 955)	(73 955)	(28 520)	147 494	155 271
Total non current assets	422 306	420 857	–	–	–	–	8 262	8 262	429 119	419 620	414 001
Total current liabilities	21 159	52 319	–	–	–	–	(1 821)	(1 821)	50 498	52 854	52 342
Total non current liabilities	6 075	6 075	–	–	–	–	–	–	6 075	6 439	6 890
Community wealth/Equity	<b>47 385</b>	<b>444 817</b>	–	–	–	–	<b>9 179</b>	<b>9 179</b>	<b>453 996</b>	<b>431 438</b>	<b>433 657</b>
<b>Cash flows</b>											
Net cash from (used) operating	56 767	47 455	–	–	–	–	8 754	8 754	56 209	66 702	58 975
Net cash from (used) investing	(44 777)	(44 651)	–	–	–	–	(9 179)	(9 179)	(53 830)	(40 581)	(34 622)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>16 804</b>	<b>7 466</b>	–	–	–	–	<b>(426)</b>	<b>(426)</b>	<b>7 041</b>	<b>31 063</b>	<b>29 641</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	15 723	–	–	–	–	–	11 356	11 356	27 079	29 779	45 826
Application of cash and investments	(90 368)	11 041	–	–	–	–	(8 700)	(8 700)	2 341	(47 218)	(43 653)
<b>Balance - surplus (shortfall)</b>	<b>106 091</b>	<b>(11 041)</b>	–	–	–	–	<b>20 056</b>	<b>20 056</b>	<b>24 738</b>	<b>76 997</b>	<b>89 478</b>
<b>Asset Management</b>											
Asset register summary (WDV)	425 592	426 068	–	–	–	–	8 262	8 262	434 329	422 906	417 287
Depreciation	18 287	15 327	–	–	–	–	–	–	15 327	19 097	19 099
Renewal and Upgrading of Existing Assets	700	550	–	–	–	–	8 710	8 710	9 260	1 430	240
Repairs and Maintenance	2 905	3 797	–	–	–	–	1 500	1 500	5 297	3 957	4 131
<b>Free services</b>											
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	6 661	6 661	–	–	–	–	–	–	6 661	6 941	7 246
<b>Households below minimum service level</b>											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–	–

## **Explanatory notes to MBRR Table B1 – Budget Summary**

1. Table B1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspective (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic services delivery backlogs.
3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. the operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources.

**Table 6 MBRR Table B2 – Budgeted Financial Performance (revenue and expenditure by standard classification)**

KZN285 Mthonjaneni - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		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		
<b>Revenue - Functional</b>												
<i>Governance and administration</i>		126 998	127 198	-	-	-	-	-	-	127 198	132 329	131 463
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		126 998	127 198	-	-	-	-	-	-	127 198	132 329	131 463
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		4 330	6 330	-	-	-	-	1 000	1 000	7 330	385	412
Community and social services		1 197	1 197	-	-	-	-	-	-	1 197	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		3 133	5 133	-	-	-	-	1 000	1 000	6 133	385	412
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		23 841	23 841	-	-	-	-	10 000	10 000	33 841	25 314	26 354
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		23 841	23 841	-	-	-	-	10 000	10 000	33 841	25 314	26 354
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		56 918	56 918	-	-	-	-	-	-	56 918	51 631	54 288
Energy sources		54 721	54 721	-	-	-	-	-	-	54 721	49 340	51 895
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		2 197	2 197	-	-	-	-	-	-	2 197	2 291	2 393
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	212 087	214 287	-	-	-	-	11 000	11 000	225 287	209 658	212 517
<b>Expenditure - Functional</b>												
<i>Governance and administration</i>		62 037	74 794	-	-	-	-	1 592	1 592	76 387	81 065	83 798
Executive and council		17 530	18 878	-	-	-	-	1 389	1 389	20 267	19 672	20 539
Finance and administration		42 469	53 625	-	-	-	-	503	503	54 128	59 006	60 767
Internal audit		2 038	2 291	-	-	-	-	(300)	(300)	1 991	2 387	2 492
<i>Community and public safety</i>		26 704	27 330	-	-	-	-	(380)	(380)	26 949	27 385	28 592
Community and social services		11 423	13 303	-	-	-	-	(80)	(80)	13 223	13 810	14 418
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		15 281	14 026	-	-	-	-	(300)	(300)	13 726	13 575	14 174
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		37 268	34 631	-	-	-	-	1 369	1 369	35 999	35 849	37 537
Planning and development		6 158	8 622	-	-	-	-	(380)	(380)	8 242	9 008	9 441
Road transport		31 110	26 008	-	-	-	-	1 749	1 749	27 757	26 840	28 096
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		38 694	30 502	-	-	-	-	(760)	(760)	29 742	29 917	30 830
Energy sources		35 302	26 721	-	-	-	-	(1 060)	(1 060)	25 661	25 975	26 712
Water management		6	6	-	-	-	-	-	-	6	6	7
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		3 386	3 775	-	-	-	-	300	300	4 075	3 936	4 111
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	164 702	167 256	-	-	-	-	1 821	1 821	169 077	174 215	180 756
<b>Surplus/ (Deficit) for the year</b>		47 385	47 031	-	-	-	-	9 179	9 179	56 210	35 443	31 760

## Explanatory notes to Table B2 – Budget Financial Performance (revenue and expenditure by standard classification)

1. Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table B4.

**Table 7: MBRR Table B3 – Budgeted Financial performance (revenue and expenditure by municipal vote)**

KZN285 Mthonjaneni - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description  <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		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	A1	B	C	D	E	F	G	H		
<b>R thousands</b>												
<b>Revenue by Vote</b>	1											
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - [NAME OF VOTE 2]		126 998	114 332	-	-	-	-	-	-	114 332	118 922	117 466
Vote 3 - [NAME OF VOTE 3]		4 330	19 197	-	-	-	-	1 000	1 000	20 197	13 792	14 409
Vote 4 - [NAME OF VOTE 4]		80 759	80 759	-	-	-	-	10 000	10 000	90 759	76 945	80 642
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Mayor and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Municipal Manager, Town Secretary and Chief Ex		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Governance Function		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Licensing and Control of Animals		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>212 087</b>	<b>214 287</b>	-	-	-	-	<b>11 000</b>	<b>11 000</b>	<b>225 287</b>	<b>209 658</b>	<b>212 517</b>
<b>Expenditure by Vote</b>	1											
Vote 1 - [NAME OF VOTE 1]		19 574	21 795	-	-	-	-	1 089	1 089	22 885	22 712	23 712
Vote 2 - [NAME OF VOTE 2]		28 303	40 166	-	-	-	-	645	645	40 811	44 979	46 120
Vote 3 - [NAME OF VOTE 3]		43 064	42 483	-	-	-	-	(522)	(522)	41 961	43 200	45 141
Vote 4 - [NAME OF VOTE 4]		73 761	62 812	-	-	-	-	609	609	63 420	63 325	65 783
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Mayor and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Municipal Manager, Town Secretary and Chief Ex		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Governance Function		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Licensing and Control of Animals		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>164 702</b>	<b>167 256</b>	-	-	-	-	<b>1 821</b>	<b>1 821</b>	<b>169 077</b>	<b>174 215</b>	<b>180 756</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>47 385</b>	<b>47 031</b>	-	-	-	-	<b>9 179</b>	<b>9 179</b>	<b>56 210</b>	<b>35 443</b>	<b>31 760</b>

## Explanatory notes to MBRR Table B3 – Budgeted Financial Performance (revenue and expenditure per municipal vote)

1. Table B3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

**Table 8: MBRR Table B4 – Budgeted Financial Performance (revenue and expenditure)**

KZN285 Mthonjaneni - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		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	4	5	6	7	8	9	10		
<b>Revenue By Source</b>												
Property rates	2	32 606	32 606	-	-	-	-	-	-	32 606	33 976	35 471
Service charges - electricity revenue	2	33 916	33 916	-	-	-	-	-	-	33 916	35 340	36 895
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	2 147	2 147	-	-	-	-	-	-	2 147	2 238	2 336
Rental of facilities and equipment		450	450					-	-	450	477	510
Interest earned - external investments		1 200	1 200					-	-	1 200	1 272	1 361
Interest earned - outstanding debtors		1 900	1 900					-	-	1 900	2 014	2 155
Dividends received		-	-					-	-	-	-	-
Fines, penalties and forfeits		1 003	3 003					1 000	1 000	4 003	-	-
Licences and permits		2 208	2 208					-	-	2 208	464	497
Agency services		-	-					-	-	-	-	-
Transfers and subsidies		92 528	92 528					-	-	92 528	95 095	92 455
Other revenue	2	2 991	3 191	-	-	-	-	-	-	3 191	3 153	3 374
Gains		1 500	1 500					-	-	1 500	1 590	1 701
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>172 450</b>	<b>174 650</b>	-	-	-	-	<b>1 000</b>	<b>1 000</b>	<b>175 650</b>	<b>175 619</b>	<b>176 756</b>
<b>Expenditure By Type</b>												
Employee related costs		57 824	58 252	-	-	-	-	-	-	58 252	60 662	63 331
Remuneration of councillors		9 633	9 723					-	-	9 723	10 132	10 577
Debt impairment		6 726	2 726					-	-	2 726	2 840	2 965
Depreciation & asset impairment		18 287	15 327	-	-	-	-	-	-	15 327	19 097	19 099
Finance charges		-	50					-	-	50	52	54
Bulk purchases - electricity		26 469	23 045	-	-	-	-	(1 560)	(1 560)	21 485	22 145	22 713
Inventory consumed		3 546	4 477	-	-	-	-	99	99	4 576	3 378	3 647
Contracted services		23 088	30 125	-	-	-	-	3 054	3 054	33 179	31 390	32 771
Transfers and subsidies		-	-					-	-	-	-	-
Other expenditure		19 129	23 531	-	-	-	-	228	228	23 759	24 519	25 598
Losses		-	-					-	-	-	-	-
<b>Total Expenditure</b>		<b>164 702</b>	<b>167 256</b>	-	-	-	-	<b>1 821</b>	<b>1 821</b>	<b>169 077</b>	<b>174 215</b>	<b>180 756</b>
<b>Surplus/(Deficit)</b>		<b>7 748</b>	<b>7 394</b>	-	-	-	-	<b>(821)</b>	<b>(821)</b>	<b>6 573</b>	<b>1 404</b>	<b>(4 001)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		39 637	39 637					10 000	10 000	49 637	34 039	35 761
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)		-	-					-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>		<b>47 385</b>	<b>47 031</b>	-	-	-	-	<b>9 179</b>	<b>9 179</b>	<b>56 210</b>	<b>35 443</b>	<b>31 760</b>
Taxation		-	-					-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>47 385</b>	<b>47 031</b>	-	-	-	-	<b>9 179</b>	<b>9 179</b>	<b>56 210</b>	<b>35 443</b>	<b>31 760</b>
Attributable to minorities		-	-					-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>47 385</b>	<b>47 031</b>	-	-	-	-	<b>9 179</b>	<b>9 179</b>	<b>56 210</b>	<b>35 443</b>	<b>31 760</b>
Share of surplus/ (deficit) of associate		-	-					-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>47 385</b>	<b>47 031</b>	-	-	-	-	<b>9 179</b>	<b>9 179</b>	<b>56 210</b>	<b>35 443</b>	<b>31 760</b>

## Explanatory notes to Table B4 – Budgeted Financial Performance (revenue and expenditure)

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from operating statement, as inclusions of these revenue sources would distort the calculation of the operating surplus/deficit.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. Interest comprises of; interest on primary bank account as well as interest earned from call investment accounts.



Explanatory notes for material movements have been provided as stated above under section, 1.5 – Operating expenditure framework.

**Table 9: MBRR Table B5 – Budgeted Capital Expenditure by vote, standard classification and funding sources**

<b>Total Capital Expenditure - Vote</b>		47 077	46 951	-	-	-	-	9 179	9 179	56 130	43 019	37 231
<b>Capital Expenditure - Functional</b>												
<i><b>Governance and administration</b></i>		3 350	2 514	-	-	-	-	(200)	(200)	2 314	930	710
Executive and council		2 300	1 814					-	-	1 814	90	160
Finance and administration		1 050	700					(200)	(200)	500	840	550
Internal audit		-	-					-	-	-	-	-
<i><b>Community and public safety</b></i>		250	240	-	-	-	-	-	-	240	240	160
Community and social services		130	190					-	-	190	70	90
Sport and recreation		-	-					-	-	-	-	-
Public safety		120	50					-	-	50	170	70
Housing		-	-					-	-	-	-	-
Health		-	-					-	-	-	-	-
<i><b>Economic and environmental services</b></i>		21 372	22 272	-	-	-	-	9 529	9 529	31 801	25 399	20 861
Planning and development		-	-					-	-	-	-	-
Road transport		21 372	22 272					9 529	9 529	31 801	25 399	20 861
Environmental protection		-	-					-	-	-	-	-
<i><b>Trading services</b></i>		22 105	21 925	-	-	-	-	(150)	(150)	21 775	16 450	15 500
Energy sources		22 005	21 765					(150)	(150)	21 615	15 950	15 500
Water management		-	-					-	-	-	-	-
Waste water management		-	-					-	-	-	-	-
Waste management		100	160					-	-	160	500	-
<i><b>Other</b></i>		-	-					-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	47 077	46 951	-	-	-	-	9 179	9 179	56 130	43 019	37 231
<b>Funded by:</b>												
National Government		39 637	40 937					8 700	8 700	49 637	34 039	35 761
Provincial Government		-	-					-	-	-	-	-
District Municipality		-	-					-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-					-	-	-	-	-
Transfers recognised - capital	4	39 637	40 937	-	-	-	-	8 700	8 700	49 637	34 039	35 761
Borrowing		-	-					-	-	-	-	-
Internally generated funds		7 440	6 014					479	479	6 493	8 980	1 470
<b>Total Capital Funding</b>		47 077	46 951	-	-	-	-	9 179	9 179	56 130	43 019	37 231

### Explanatory notes to Table B5 – Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table B5 is a breakdown of the capital programs in relation to capital expenditure by municipal vote (multi – year and single – year appropriations); capital expenditure by standard classification; and funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The capital programs of Mthonjaneni Municipality is funded from national & provincial grants and subsidies and from accumulated cash backed reserves that are not committed for any other purposes.

Capital Expenditure = will be adjusted upwards by a net amount of **R 9.2 million rand**. To cater for that, the municipality mainly adjusted upwards capital projects as follows Makhubalo Gravel Road Phase 2- Ward 9 (**R2.34 million rand**) and Urban Roads Upgrade and Rehabilitation Phase 5- Thubalethu Ward 2 (**R7.66 million rand**) because of the additional MIG allocation received as per Government Gazette No. 46095 of 25 March 2022.

**Table 10: MBRR Table B6 – Budgeted Financial Position**

KZN285 Mthonjaneni - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>R thousands</b>												
<b>ASSETS</b>												
<b>Current assets</b>												
Cash		15 607	–					(8 566)	(8 566)	7 041	29 779	45 826
Call investment deposits	1	116	–					–	–	116	–	–
Consumer debtors	1	39 378	44 696	–	–	–	–	–	–	44 696	27 565	19 295
Other debtors		94 280	–					(85 311)	(85 311)	8 970	89 412	89 412
Current portion of long-term receivables		–	–					–	–	–	–	–
Inventory		739	739	–	–	–	–	–	–	739	739	739
<b>Total current assets</b>		<b>150 120</b>	<b>45 435</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(93 877)</b>	<b>(93 877)</b>	<b>61 561</b>	<b>147 494</b>	<b>155 271</b>
<b>Non current assets</b>												
Long-term receivables		–	–					–	–	–	–	–
Investments		–	–					–	–	–	–	–
Investment property		88	–					–	–	88	60	88
Investment in Associate		–	–					–	–	–	–	–
Property, plant and equipment	1	420 783	420 857	–	–	–	–	8 262	8 262	429 119	417 111	411 223
Biological		1 211	–					–	–	1 211	2 011	2 152
Intangible		223	–					–	–	223	438	538
Other non-current assets		1	–					–	–	1	1	1
<b>Total non current assets</b>		<b>422 306</b>	<b>420 857</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8 262</b>	<b>8 262</b>	<b>430 642</b>	<b>419 620</b>	<b>414 001</b>
<b>TOTAL ASSETS</b>		<b>572 426</b>	<b>466 292</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(85 615)</b>	<b>(85 615)</b>	<b>492 203</b>	<b>567 114</b>	<b>569 273</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft		–	–					–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–	–	–
Consumer deposits		1 077	994					–	–	994	1 142	1 222
Trade and other payables		20 082	51 325	–	–	–	–	(1 821)	(1 821)	49 504	51 712	51 121
Provisions		–	–					–	–	–	–	–
<b>Total current liabilities</b>		<b>21 159</b>	<b>52 319</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1 821)</b>	<b>(1 821)</b>	<b>50 498</b>	<b>52 854</b>	<b>52 342</b>
<b>Non current liabilities</b>												
Borrowing	1	–	–	–	–	–	–	–	–	–	–	–
Provisions	1	6 075	6 075	–	–	–	–	–	–	6 075	6 439	6 890
<b>Total non current liabilities</b>		<b>6 075</b>	<b>6 075</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6 075</b>	<b>6 439</b>	<b>6 890</b>
<b>TOTAL LIABILITIES</b>		<b>27 234</b>	<b>58 394</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1 821)</b>	<b>(1 821)</b>	<b>56 573</b>	<b>59 293</b>	<b>59 232</b>
<b>NET ASSETS</b>	2	<b>545 192</b>	<b>407 898</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(83 795)</b>	<b>(83 795)</b>	<b>435 630</b>	<b>507 821</b>	<b>510 040</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		47 385	444 817	–	–	–	–	9 179	9 179	453 996	431 438	433 657
Reserves		–	–	–	–	–	–	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>47 385</b>	<b>444 817</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9 179</b>	<b>9 179</b>	<b>453 996</b>	<b>431 438</b>	<b>433 657</b>

## Explanatory notes to Table B6 – Budgeted Financial Position

1. 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)
2. 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 ready converted to cash, or liabilities immediately required to be met from cash, appear first.
3. 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.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budget Financial Position.

**Table 11: MBRR Table B7 – Budgeted Cash Flow Statement**

KZN285 Mthonjaneni - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
<b>R thousands</b>												
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates		25 909	25 909					–	–	25 909	27 464	29 386
Service charges		23 417	23 417					–	–	23 417	24 822	26 560
Other revenue		11 418	12 818					574	574	13 393	12 744	14 146
Transfers and Subsidies - Operational	1	92 528	92 528					–	–	92 528	94 360	91 633
Transfers and Subsidies - Capital	1	39 637	39 637					10 000	10 000	49 637	34 039	35 761
Interest		–	2 349					–	–	2 349	2 490	2 664
Dividends		–	–					–	–	–	–	–
<b>Payments</b>												
Suppliers and employees		(136 143)	(149 203)					(1 821)	(1 821)	(151 024)	(129 216)	(141 175)
Finance charges		–	–					–	–	–	–	–
Transfers and Grants	1	–	–					–	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>56 767</b>	<b>47 455</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8 754</b>	<b>8 754</b>	<b>56 209</b>	<b>66 702</b>	<b>58 975</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		2 300	2 300					–	–	2 300	2 438	2 609
Decrease (increase) in non-current receivables		–	–					–	–	–	–	–
Decrease (increase) in non-current investments		–	–					–	–	–	–	–
<b>Payments</b>												
Capital assets		(47 077)	(46 951)					(9 179)	(9 179)	(56 130)	(43 019)	(37 231)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(44 777)</b>	<b>(44 651)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(9 179)</b>	<b>(9 179)</b>	<b>(53 830)</b>	<b>(40 581)</b>	<b>(34 622)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans		–	–					–	–	–	–	–
Borrowing long term/refinancing		–	–					–	–	–	–	–
Increase (decrease) in consumer deposits		–	–					–	–	–	–	–
<b>Payments</b>												
Repayment of borrowing		–	–					–	–	–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>11 990</b>	<b>2 804</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(426)</b>	<b>(426)</b>	<b>2 379</b>	<b>26 121</b>	<b>24 353</b>
Cash/cash equivalents at the year begin:	2	4 814	4 662					–	–	4 662	4 942	5 288
Cash/cash equivalents at the year end:	2	16 804	7 466					(426)	(426)	7 041	31 063	29 641

### Explanatory notes to Table B7 – Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in – flow that is likely to result from the implementation of the budget.

### Cash Collection Rate

Municipal average collection rate for Property Rates for past 6 months is calculated at 88.3% however if we take into account end of financial year and beginning of financial year paying customers (government) and the effect of COVID-19 pandemic we then averaged our rate to 79.46% in worst case scenario for the remainder of the financial year which is a 8.84% decrease from the collection rate for the first 6 months. As for service charges (electricity and refuse services) the actual average collection rate is 74.16% we then made it 60.45% (reduced by 13.71%, where service charges on electricity are 65.54% and refuse are set at 55.36%) this is due to the fact that the services are paid religiously as they get disconnected if not paid but due to COVID-19 that exercise might be relaxed and hence a decrease in our collection rate. The

municipality expect all revenue cash collection projections to hold for the remainder of the year as was projected during February 2022 adjustments budget.

### **Other Revenue Composition**

Other revenue is composed of Rental of Facilities & Equipment; Licenses & permits and Fines, penalties & forfeits and Other income. Rental of facilities consist of fixed rent that we charge our tenants with a collection rate of 74% and mostly are municipal employees that pays rent and we deduct from payroll and for hall hire and other facilities it depends on demand but due to COVID-19 hall hire services are still limited due lockdown regulations on gatherings which may reduce the revenue from such service, again we have used past six months history bookings to come out with the average collection rate of 66.60% on rental of facilities. License and permits we have put them on 88% as this is the most reliable revenue except when there are those individuals if they didn't come for test and with the relaxation of lockdown the testing stations are currently operating. The municipality is also expecting to collect about R500 thousand rand in traffic fines which is 31% of the adjusted budgeted revenue. The municipality appointed TMT to assist with traffic management before lockdown but unfortunately due to COVID-19 regulations and other unforeseen circumstances they couldn't proceed with the services and there were less road offenders during the first six months than expected anticipate the collection rate to be less for the year. The municipality expect all revenue cash collection projections to hold for the remainder of the year as was projected during February 2022 adjustments budget.

### **Other Revenue Composition**

Other revenue is composed of Rental of Facilities & Equipment; Licenses & permits and Fines, penalties & forfeits and Other income. Rental of facilities consist of fixed rent that we charge our tenants with a collection rate of 74% and mostly are municipal employees that pays rent and we deduct from payroll and for hall hire and other facilities it depends on demand but due to COVID-19 hall hire services are still limited due lockdown regulations on gatherings which may reduce the revenue from such service, again we have used past six months history bookings to come out with the average collection rate of 66.60% on rental of facilities. License and permits we have put them on 88% as this is the most reliable revenue except when there are those individuals if they didn't come for test and with the relaxation of lockdown the testing stations are currently operating. The municipality is also expecting to collect about R1.2 million rand in traffic fines from a R2 million rand adjustment which is 60 % of the adjusted budgeted revenue. The municipality is in the process to appoint the service provider to assist with Traffic management system services after the municipality appointed TMT to assist with traffic management before lockdown but unfortunately due to COVID-19 regulations and other unforeseen circumstances they couldn't proceed with the services and there were less road offenders during the first six months than expected anticipate the collection rate to be less for the year. Also there was an adjustment of R200 thousand Rand from insurance refunds taking into account the revenue already collected as at 31 December 2021. The municipality expect all revenue cash collection projections to hold for the remainder of the year as was projected during February 2022 adjustments budget.

### **Transfers and Subsidies**

There was R 10million rand movements in the capital transfers and grant where there was an upwards adjustment on Municipal Infrastructure Grant as per Division of Revenue Amendment Bill, Government Gazette No.46095, 25 March 2022.

**Table 12: MBRR Table B8 – Cash Backed Reserves/Accumulated Surplus Reconciliation**

KZN285 Mthonjaneni - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
<b>R thousands</b>												
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	16 804	7 466	–	–	–	–	(426)	(426)	7 041	31 063	29 641
Other current investments > 90 days		(1 081)	(7 466)	–	–	–	–	11 781	11 781	4 315	(1 284)	16 185
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>15 723</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11 356</b>	<b>11 356</b>	<b>11 356</b>	<b>29 779</b>	<b>45 826</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		(1 853)	(1 853)	–	–	–	–	–	–	(1 853)	(1 962)	(1 962)
Unspent borrowing										–		
Statutory requirements										–		
Other working capital requirements	2	(88 515)	12 894					(8 700)	(8 700)	4 194	(45 256)	(41 691)
Other provisions										–		
Long term investments committed		–	–					–	–	–	–	–
Reserves to be backed by cash/investments		–	–					–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>(90 368)</b>	<b>11 041</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(8 700)</b>	<b>(8 700)</b>	<b>2 341</b>	<b>(47 218)</b>	<b>(43 653)</b>
<b>Surplus(shortfall)</b>		<b>106 091</b>	<b>(11 041)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>20 056</b>	<b>20 056</b>	<b>9 015</b>	<b>76 997</b>	<b>89 478</b>

## Explanatory notes to Table B8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

- 1.The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- 2.In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

**Table 13: MBRR Table B9 – Asset Management**

<b>Total Capital Expenditure to be adjusted</b>	4	47 077	46 951	-	-	-	-	9 179	9 179	56 330	43 019	37 231
Roads Infrastructure		12 049	13 249	-	-	-	-	8 500	8 500	21 749	19 819	20 771
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		21 805	21 705	-	-	-	-	(150)	(150)	21 555	15 750	15 300
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		300	260	-	-	-	-	(100)	(100)	160	1 300	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		34 154	35 214	-	-	-	-	8 250	8 250	43 464	36 869	36 071
Community Facilities		6 201	6 201	-	-	-	-	(300)	(300)	5 901	3 220	-
Sport and Recreation Facilities		1 382	1 382	-	-	-	-	-	-	1 382	-	-
Community Assets		7 583	7 583	-	-	-	-	(300)	(300)	7 283	3 220	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		500	600	-	-	-	-	1 729	1 729	2 329	1 000	10
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		500	600	-	-	-	-	1 729	1 729	2 329	1 000	10
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		200	-	-	-	-	-	-	-	200	200	300
Intangible Assets		200	-	-	-	-	-	-	-	200	200	300
Computer Equipment		650	600	-	-	-	-	(200)	(200)	400	350	160
Furniture and Office Equipment		540	450	-	-	-	-	-	-	450	650	500
Machinery and Equipment		800	550	-	-	-	-	(100)	(100)	450	730	190
Transport Assets		2 650	1 954	-	-	-	-	(200)	(200)	1 754	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	4	<b>47 077</b>	<b>46 951</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 179</b>	<b>9 179</b>	<b>56 330</b>	<b>43 019</b>	<b>37 231</b>

## Part 2 – Supporting Documentation

**Table 15: Adjustments to Expenditure on allocations and grant programmes**

KZN285 Mthonjaneni - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -

Description	Ref	Budget Year 2021/22							Budget Year	Budget Year
		Original	Prior	Multi-year	Nat. or Prov.	Other	Total	Adjusted	+1 2022/23	+2 2023/24
		Budget	Adjusted	capital	Govt	Adjusts.	Adjusts.	Budget	Adjusted	Adjusted
R thousands		A	A1	B	C	D	E	F		
<b>EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		91 351	-	-	-	-	-	91 351	99 081	103 850
Local Government Equitable Share		86 810					-	86 810	93 695	98 363
Finance Management	-	2 650	-	-	-			2 650	2 850	2 850
EPWP Incentive	-	1 891	-	-	-			1 891	2 536	2 637
							-	-		
							-	-		
							-	-		
Other transfers and grants [insert description]							-	-		
<b>Provincial Government:</b>		1 177	-	-	-	-	-	1 177	1 235	1 235
Provincialisation of Libraries	-	935	-	-	-			935	981	981
Community Library Services Grant		242					-	242	254	254
							-	-		
							-	-		
Other transfers and grants [insert description]							-	-		
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
							-	-		
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
							-	-		
<b>Total operating expenditure of Transfers and Grants:</b>		92 528	-	-	-	-	-	92 528	100 316	105 085
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		39 637	-	-	-	10 000	10 000	49 637	38 319	34 761
Municipal Infrastructure Grant (MIG)	-	18 832	-	-	-	10 000	10 000	28 832	30 039	20 761
Integrated National Electrification Programme Grant	-	20 805	-	-	-			20 805	8 280	14 000
							-	-		
							-	-		
Other capital transfers [insert description]							-	-		
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]							-	-		
							-	-		
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
							-	-		
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
							-	-		
<b>Total capital expenditure of Transfers and Grants</b>		39 637	-	-	-	10 000	10 000	49 637	38 319	34 761
<b>Total capital expenditure of Transfers and Grants</b>		132 165	-	-	-	10 000	10 000	142 165	138 635	139 846

**Table 16: Adjustments to councilor allowances and employee benefits**

KZN285 Mthonjaneni - Supporting Table SB11 Adjustments Budget - councilor and staff benefits -

Summary of remuneration	Ref	Budget Year 2021/22									% change
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	
R thousands		A	A1	B	C	D	E	F	G	H	
<b>Councillors (Political Office Bearers plus Other)</b>											
Basic Salaries and Wages		5 646	5 737					-	-	5 737	1.6%
Pension and UIF Contributions		795	795					-	-	795	0.0%
Medical Aid Contributions		105	105					-	-	105	0.0%
Motor Vehicle Allowance		-	-					-	-	-	
Cellphone Allowance		1 020	1 020					-	-	1 020	
Housing Allowances		-	-					-	-	-	
Other benefits and allowances		2 067	2 067					-	-	2 067	
<b>Sub Total - Councillors</b>		<b>9 633</b>	<b>9 723</b>			-		-	-	<b>9 723</b>	<b>0.9%</b>
<b>% increase</b>			<b>0</b>								
<b>Senior Managers of the Municipality</b>											
Basic Salaries and Wages		3 352	3 361					-	-	3 361	0.3%
Pension and UIF Contributions		14	391					-	-	391	#####
Medical Aid Contributions		-	-					-	-	-	
Overtime		-	-					-	-	-	
Performance Bonus		112	824					-	-	824	
Motor Vehicle Allowance		630	630					-	-	630	0.0%
Cellphone Allowance		36	26					-	-	26	-27.8%
Housing Allowances		-	72					-	-	72	
Other benefits and allowances		91	240					-	-	240	
Payments in lieu of leave		-	42					-	-	42	
Long service awards		-	7					-	-	7	#DIV/0!
Post-retirement benefit obligations	5	-	-					-	-	-	
<b>Sub Total - Senior Managers of Municipality</b>		<b>4 234</b>	<b>5 594</b>	-		-		-	-	<b>5 594</b>	<b>32.1%</b>
<b>% increase</b>			<b>0</b>								
<b>Other Municipal Staff</b>											
Basic Salaries and Wages		35 660	34 115					-	-	34 115	-4.3%
Pension and UIF Contributions		4 701	4 187					-	-	4 187	-10.9%
Medical Aid Contributions		2 607	2 492					-	-	2 492	-4.4%
Overtime		1 642	1 638					-	-	1 638	-0.2%
Performance Bonus		2 693	2 489					-	-	2 489	
Motor Vehicle Allowance		3 748	3 874					-	-	3 874	3.4%
Cellphone Allowance		290	323					-	-	323	11.4%
Housing Allowances		1 082	995					-	-	995	
Other benefits and allowances		1 166	1 420					-	-	1 420	
Payments in lieu of leave		-	819					-	-	819	#DIV/0!
Long service awards		-	287					-	-	287	#DIV/0!
Post-retirement benefit obligations	5	-	-					-	-	-	
<b>Sub Total - Other Municipal Staff</b>		<b>53 590</b>	<b>52 640</b>	-	-	-	-	-	-	<b>52 640</b>	<b>-1.8%</b>
<b>% increase</b>											
<b>Total Parent Municipality</b>		<b>67 457</b>	<b>67 958</b>	-	-	-	-	-	-	<b>67 958</b>	<b>0.7%</b>



## Other Supporting Tables

SUMMARY	Adjusted Budget 2021/22	Special Adjustments Budget 2021/22	Draft Budget year 2022/23	Budget year 2023/24	Budget year 2024/25
<b>Revenue by Source</b>					
Property Rates	(32 606 253.18)	(32 606 253.18)	(34 171 353.33)	(35 538 207.46)	(36 959 735.76)
Service charges-electricity revenue	(33 915 553.71)	(33 915 553.71)	(35 543 500.28)	(36 965 240.29)	(38 443 849.91)
Service charges-refuse revenue	(2 147 465.02)	(2 147 465.02)	(2 250 484.99)	(2 340 504.39)	(2 434 124.57)
Rentals of facilities and equipment	(450 000.00)	(450 000.00)	(471 600.00)	(490 464.00)	(510 082.56)
Interest earned-External investments	(1 200 000.00)	(1 200 000.00)	(1 257 600.00)	(1 307 904.00)	(1 360 220.16)
Interest earned-Outstanding Debtors	(1 900 000.00)	(1 900 000.00)	(1 991 200.00)	(2 070 848.00)	(2 153 681.92)
Fines	(3 003 314.00)	(4 003 314.00)	(5 803 473.07)	(6 035 611.99)	(6 277 036.47)
Licences and permits	(2 208 070.01)	(2 208 070.01)	(2 314 057.37)	(2 406 619.67)	(2 502 884.45)
Grant income-Operating	(92 528 000.00)	(92 528 000.00)	(100 316 000.00)	(105 085 440.00)	(110 320 937.60)
Grant income-Capital	(39 637 000.00)	(49 637 000.00)	(38 319 000.00)	(34 761 000.00)	(37 201 000.00)
Other Revenue	(3 191 320.68)	(3 191 320.68)	(3 326 104.07)	(3 459 148.24)	(3 597 514.16)
Gains on Disposal of PPE	(1 500 000.00)	(1 500 000.00)	(1 500 000.00)	0.00	0.00
	<b>(214 286 976.60)</b>	<b>(225 286 976.60)</b>	<b>(227 264 373.12)</b>	<b>(230 460 988.05)</b>	<b>(241 761 067.57)</b>
<b>Expenditure by Type</b>			<b>Budget year 2022/23</b>	<b>Budget year 2023/24</b>	<b>Budget year 2024/25</b>
Employee related costs	58 251 736.24	58 251 736.24	65 926 089.68	68 807 451.11	71 898 717.08
Remuneration of councillors	9 723 234.53	9 723 234.53	9 748 591.53	10 177 529.55	10 635 518.38
Debt impairment	2 725 848.49	2 725 848.49	4 000 000.00	3 000 000.00	5 000 000.00
Depreciation and asset impairment	15 327 068.71	15 327 068.71	15 299 963.52	20 911 962.06	25 748 440.54
Bulk Purchases	23 045 380.00	21 485 380.00	24 626 156.60	26 316 291.56	28 123 388.13
Inventory Consumed	4 477 419.04	4 575 924.54	5 106 235.20	4 836 285.61	4 806 937.99
Finance Charges	50 000.00	50 000.00	-	-	-
Other expenditure	23 761 014.68	23 989 014.68	27 036 368.96	25 767 148.15	26 062 296.27
Transfers and subsidies		-	200 000.00	-	-
Contracted Services	29 894 638.42	32 948 665.42	26 751 540.00	26 699 585.60	26 041 012.54
Loss on Disposal of PPE					
	<b>167 256 340.11</b>	<b>169 076 872.61</b>	<b>178 694 945.48</b>	<b>186 516 253.64</b>	<b>198 316 310.94</b>
<b>(Surplus)/ Deficit</b>	<b>(47 030 636.49)</b>	<b>(56 210 103.99)</b>	<b>(48 569 427.64)</b>	<b>(43 944 734.40)</b>	<b>(43 444 756.63)</b>
<b>Capital Expenditure</b>	<b>46 951 021.86</b>	<b>56 130 489.36</b>	<b>48 099 000.00</b>	<b>43 321 000.00</b>	<b>39 961 000.00</b>
			-	-	
<b>Net (Surplus)/ Deficit</b>	<b>(79 614.63)</b>	<b>(79 614.63)</b>	<b>(470 427.64)</b>	<b>(623 734.40)</b>	<b>(3 483 756.63)</b>

CAPITAL EXPENDITURE							
VOTE DESCRIPTION	FUNDING SOURCE	Account/Vote Number	Adjusted Budget 2021-22	Special Adjustments BUDGET 2021-22	Draft BUDGET 2022-23	BUDGET 2023-24	BUDGET 2024-25
<b>Municipal Manager</b>							
Computer Equipment	INTERNAL FUNDS	C0003-3/IA06173/F0002/X045/R00	20 000.00	20 000.00	-		
Furniture and Office Equipment:Acquisitions	INTERNAL FUNDS	C0004-1/IA06233/F0002/X045/R00	10 000.00	10 000.00	50 000.00	50 000.00	50 000.00
			30 000.00	30 000.00	50 000.00	50 000.00	50 000.00
<b>Mayor and Council</b>							
Computer Equipment	INTERNAL FUNDS	C0003-3/IA06193/F0002/X044/R00	10 000.00	10 000.00			
Furniture and Office Equipment:Acquisitions	INTERNAL FUNDS	C0004-1/IA06233/F0002/X044/R00	10 000.00	10 000.00	50 000.00	50 000.00	50 000.00
Transport Assets ( Combi/bus)	INTERNAL FUNDS	C0007-1/IA01327/F0002/X044/R00	1 754 022.00	1 754 022.00	650 000.00		
			1 774 022.00	1 774 022.00	700 000.00	50 000.00	50 000.00
<b>Executive and council</b>			1 804 022.00	1 804 022.00	750 000.00	100 000.00	100 000.00
<b>Administrative and Corporate Support</b>							
Computer Equipment:Acquisitions / Filing Management	INTERNAL FUNDS	C0003-3/IA06173/F0002/X046/R00	500 000.00	300 000.00	500 000.00	200 000.00	
Furniture and Office Equipment :Acquisitions	INTERNAL FUNDS	C0004-3/IA06233/F0002/X046/R00	-		50 000.00	40 000.00	30 000.00
			500 000.00	300 000.00	550 000.00	240 000.00	30 000.00
<b>Budget and Treasury Office</b>							
Machinery and Equipment: Acquisitions	INTERNAL FUNDS	C0006-1/IA06282/F0002/X049/R00	50 000.00	50 000.00			
Computer Equipment:Acquisitions	INTERNAL FUNDS	C0004-5/IA06253/F0002/X049/R00	100 000.00	100 000.00	200 000.00	300 000.00	400 000.00
Furniture and Office Equipment	INTERNAL FUNDS	C0076-2/IA06253/F0002/X047/R00	50 000.00	50 000.00	50 000.00	50 000.00	50 000.00
Intangible Assets	INTERNAL FUNDS	C0086-3/IA04957/F0002/X046/R00	-				
			200 000.00	200 000.00	250 000.00	350 000.00	450 000.00
<b>Finance and administration</b>			700 000.00	500 000.00	800 000.00	590 000.00	480 000.00
<b>Community Services</b>							
Computer Equipment	INTERNAL FUNDS	C0003-3/IA06173/F0002/X006/R00	20 000.00	20 000.00			
Furniture and Office Equipment	INTERNAL FUNDS	C0004-1/IA06233/F0002/X006/R00	10 000.00	10 000.00	30 000.00	50 000.00	20 000.00
Car Wash structure	INTERNAL FUNDS	C0237-1/IA00032/F0048/X006/R0093/001/COMM		-	-	-	-
			30 000.00	30 000.00	30 000.00	50 000.00	20 000.00
<b>Libraries</b>							
Furniture and Office Equipment: Acquisition	INTERNAL FUNDS	C0004-4/IA06253/F0002/X007/R00	50 000.00	50 000.00	70 000.00	40 000.00	30 000.00
Computer Equipment:Acquisitions	INTERNAL FUNDS	C0003-3/IA06173/F0002/X007/R00	50 000.00	50 000.00			
			100 000.00	100 000.00	70 000.00	40 000.00	30 000.00
<b>Community and social services</b>			130 000.00	130 000.00	100 000.00	90 000.00	50 000.00
<b>Community Services</b>							
Computer Equipment	INTERNAL FUNDS	C0003-3/IA06173/F0002/X006/R0092/001/COMM	20 000.00		20 000.00		
Furniture and Office Equipment	INTERNAL FUNDS	C0004-1/IA06233/F0002/X006/R0092/001/COMM	10 000.00		10 000.00	30 000.00	50 000.00
Car Wash structure	INTERNAL FUNDS	C0237-1/IA00032/F0048/X006/R0093/001/COMM			-	-	-
			30 000.00	-	30 000.00	30 000.00	50 000.00
<b>Libraries</b>							
Furniture and Office Equipment: Acquisition	INTERNAL FUNDS	C0004-4/IA06253/F0002/X007/R0092/001/CORP	50 000.00		50 000.00	70 000.00	40 000.00
Computer Equipment:Acquisitions	INTERNAL FUNDS	C0003-3/IA06173/F0002/X007/R0092/001/CORP	50 000.00		50 000.00		30 000.00
			100 000.00	-	100 000.00	70 000.00	40 000.00
<b>Community and social services</b>			130 000.00	-	130 000.00	100 000.00	90 000.00
<b>Electricity Services</b>							
<b>Infrastructure Assets</b>	ECONOMIC AND ENVIRONMENTAL SERVICES						
Electrical Infrastructure: HV and LV Networks:Cost:Acq	INTERNAL FUNDS	C0154-1/IA07100/F0002/X032/R00	400 000.00	250 000.00	400 000.00	1 900 000.00	
Electrical Infrastructure:Acquisitions (Street Lights)- Upg	INTERNAL FUNDS	C0015-1/IA07020/F0002/X032/R00	100 000.00	100 000.00	600 000.00	500 000.00	300 000.00
Electrical Infrastructure:Future Use:Power Plants:Cost:A	INEP	C0022-1/IA07180/F0786/X032/R00	10 000 000.00	10 000 000.00			
Ngekwane Area-Ward 1	INEP	C0023-4/IA01952/F0786/X032/R36	875 000.00	875 000.00			
Thubalethu Extension- Ward 2	INEP	C0023-4/IA01952/F0786/X032/R3616/001/TECH		-			
Ofankomo/Njomelwane Electrification Project- Ward 3	INEP	C0023-4/IA01952/F0786/X032/R36	1 250 000.00	1 250 000.00			
Kataza Area- Ward 4	INEP	C0023-4/IA01952/F0786/X032/R36	1 525 000.00	1 525 000.00			
Umhlathuze Area- Ward 5	INEP	C0023-4/IA01952/F0786/X032/R36	2 500 000.00	2 500 000.00			
Dubeni Area-Ward 6	INEP	C0023-4/IA01952/F0786/X032/R36	625 000.00	625 000.00			
Inkisa Area-Ward 8	INEP	C0023-4/IA01952/F0786/X032/R36	2 125 000.00	2 125 000.00			
Ntombokazi Area- Ward 12	INEP	C0023-4/IA01952/F0786/X032/R36	105 000.00	105 000.00			
Sangoyane Area- Ward 13	INEP	C0023-4/IA01952/F0786/X032/R36	1 800 000.00	1 800 000.00			
Njomelwane-Ward 3	INEP	New		-			
Emakhilaneni Electrification Project - Ward 9	INEP	C0019-4/IA01952/F0786/X032/R0530/001/ELEC			3 500 000.00		
Esidakeni INF( type 2&3) _ Ward 11	INEP	C0019-5/IA01952/F0786/X032/R0530/001/ELEC			1 905 000.00		
Noziphiva Electrification - Ward 10	INEP	C0019-6/IA01952/F0786/X032/R0530/001/ELEC			2 875 000.00		
INEP Projects	INEP	D0001/IA07100/F0786/X032/R0093/001/ELEC				14 000 000.00	15 674 000.00
Machinery and Equipment:Acquisitions (Metering)	INTERNAL FUNDS	C0006-1/IA06313/F0002/X032/R00	-	-			
Transformer housings	INTERNAL FUNDS	C0021-1/IA07140/F0002/X032/R00	200 000.00	200 000.00	100 000.00		
Airconditioning capital ( offices and Library)	INTERNAL FUNDS	C0004-1/IA06233/F0002/X032/R00	60 000.00	60 000.00		200 000.00	
Lightning earthing of municipal buildings	INTERNAL FUNDS	C0019-1/IA07100/F0002/X032/R00	200 000.00	200 000.00	200 000.00	500 000.00	
K4 RMU's	INTERNAL FUNDS	C0016-1/IA01952/F0002/X032/R0530/001/ELEC		-	200 000.00	300 000.00	
Standby Generator for Council Chambers & Stores	INTERNAL FUNDS	C0006-1/IA06313/F0002/X032/R0092/001/TECH		-	400 000.00	400 000.00	
			21 765 000.00	21 615 000.00	10 180 000.00	17 800 000.00	15 974 000.00

<b>Roads</b>							
<b>Infrastructure Assets</b>							
Urban Roads Upgrade & Rehabilitation: Phase 5 - Town	INTERNAL FUNDS	C0177-3/IA01952/F0791/X116/R3617/001/TECH	-	5 079 811.13	-	-	-
Nungwini Gravel Road	INTERNAL FUNDS	C0177-1/IA01952/F0791/X116/R3611/001/TECH	-	-	-	-	-
Mfule Gravel Road	INTERNAL FUNDS	C0177-1/IA01952/F0791/X116/R3618/001/TECH	-	-	-	-	-
Manzawayo Gravel Road	INTERNAL FUNDS	C0177-1/IA01952/F0791/X116/R3619/001/TECH	-	-	-	-	-
Hawai Gravel Road	INTERNAL FUNDS	C0177-1/IA01952/F0791/X116/R3613/001/TECH	-	-	-	-	-
Mkhakhwini, Sangoyane Gravel Road	INTERNAL FUNDS	C0177-1/IA01952/F0791/X116/R6320/001/TECH	-	-	-	-	-
Noziphiwa Gravel Road	INTERNAL FUNDS	C0177-1/IA01952/F0791/X116/R3612/001/TECH	-	-	-	-	-
Mbiza Gravel Road-Ward 11	MIG	C0040-2/IA01952/F0791/X116/R3613/001/TECH	-	-	-	-	-
Mabhungu Gravel Road- Ward 8	MIG	C0040-2/IA01952/F0791/X116/R3622/001/TECH	-	-	-	-	-
Ndondulu Gravel Road-Ward 8	MIG	C0040-2/IA00132/F0791/X116/R36	4 663 669.66	4 663 669.66	-	-	-
Makhubalo Gravel Road-Ward 9	MIG	C0040-2/IA00132/F0791/X116/R36	3 122 028.14	5 461 730.36	2 339 702.22	-	-
Ntlingwane Gravel Road-Ward 12	MIG	C0040-2/IA00132/F0791/X116/R36	3 963 505.20	3 963 505.20	-	-	-
MIG Projects	MIG	C0040-2/IA00132/F0791/X116/R00	-	-	-	20 761 000.00	21 527 000.00
Thubalethu Roads Upgrade	INTERNAL FUNDS	C0177-3/IA01952/F0001/X120/R36	1 300 000.00	8 960 297.78	-	-	-
			13 049 203.00	23 049 203.00	7 419 513.35	20 761 000.00	21 527 000.00
<b>Community Assets</b>							
Gobihlahla Creche	INTERNAL FUNDS	C0227-1/IA01952/F0791/X116/R3613/001/TECH	-	-	-	-	-
Mpevu Community Hall	INTERNAL FUNDS	C0230-1/IA01952/F0791/X116/R3623/001/TECH	-	-	-	-	-
Niombokazi Community Hall	INTERNAL FUNDS	C0230-1/IA01952/F0791/X116/R3614/001/TECH	-	-	-	-	-
Mehlamasha Community Hall	INTERNAL FUNDS	C0230-1/IA01952/F0791/X116/R0093/001/TECH	-	-	-	-	-
Bediana Community Hall-Ward 8	MIG	C0230-2/IA01952/F0791/X116/R0530/001/ELEC	-	5 880 443.01	-	-	-
Lwazilethu Creche-Ward 9	MIG	C0227-2/IA01952/F0791/X116/R0530/001/ROAD	-	3 576 647.14	-	-	-
Mfule Creche-Ward 4	MIG	C0227-3/IA01952/F0791/X116/R0530/001/ROAD	-	3 162 396.50	-	-	-
Kwezulu Sportfield Ward 7	MIG	C0245-2/IA01952/F0791/X116/R0530/001/ROAD	-	10 000 000.00	-	-	-
Sangoyane Sportsfield-Ward 13	MIG	C0230-2/IA01952/F0791/X116/R05	1 382 178.86	1 382 178.86	-	-	-
Kataza Creche	MIG	C0227-1/IA01952/F0791/X116/R3618/001/TECH	-	-	-	-	-
Mahehe Creche-Ward 1	MIG	C0227-1/IA00132/F0791/X116/R36	2 544 537.30	2 544 537.30	-	-	-
Njomelwane Community Hall- Ward 3	MIG	C0230-1/IA00132/F0791/X116/R36	3 156 080.70	3 156 080.70	-	-	-
New Cemetery	INTERNAL FUNDS	C0224-2/IA00032/F0002/X116/R36	500 000.00	200 000.00	500 000.00	2 000 000.00	-
			7 582 796.86	7 282 796.86	23 119 486.65	2 000 000.00	-
<b>Other Assets</b>							
Computer Equipment	INTERNAL FUNDS	C0003-3/IA06173/F0002/X116/R00	20 000.00	20 000.00	-	-	-
Furniture and Office Equipment:Acquisitions ( Add Chairs)	INTERNAL FUNDS	C0004-4/IA06233/F0002/X116/R00	20 000.00	20 000.00	-	-	-
Transport Assets ( pool vehicles)	INTERNAL FUNDS	C0007-2/IA01327/F0002/X116/R00	200 000.00	-	800 000.00	-	-
Upgrading of Landfill Site Access Road	INTERNAL FUNDS	C0120-1/IA00132/F0002/X116/R00	100 000.00	-	300 000.00	200 000.00	200 000.00
Buildings - Municipal Carports, Municipal Gates, Staff Lc	INTERNAL FUNDS	C0261-2/IA00092/F0002/X116/R00	600 000.00	1 029 467.50	500 000.00	-	-
Machinery and Equipment (Brush Cutters, Bukkie Sakk	INTERNAL FUNDS	C0006-2/IA06282/F0002/X116/R00	500 000.00	400 000.00	1 150 000.00	-	-
Drain Mainhole Concrete Covers	INTERNAL FUNDS	C0038-1/IA00132/F0002/X116/R00	100 000.00	-	-	-	-
Rehabilitation of land fill site	INTERNAL FUNDS	C0049-1/IA00172/F0002/X116/R00	100 000.00	-	300 000.00	200 000.00	-
NEW TLB	INTERNAL FUNDS	C0006-3/IA06282/F0002/X116/R0530/001/ROAD	-	1 000 000.00	-	-	-
			1 640 000.00	1 469 467.50	4 050 000.00	400 000.00	200 000.00
			22 271 999.86	31 801 467.36	34 589 000.00	23 161 000.00	21 727 000.00
<b>Fire Fighting</b>							
Furniture and Office Equipment: Acquisitions	INTERNAL FUNDS	C0004-1/IA06233/F0002/X109/R00	20 000.00	20 000.00	100 000.00	20 000.00	30 000.00
Machinery and Equipment:Acquisitions	INTERNAL FUNDS	C0006-1/IA06313/F0002/X109/R00	50 000.00	50 000.00	50 000.00	10 000.00	50 000.00
Transport Assets - 2x Vans	INTERNAL FUNDS	C0007-1/IA01327/F0002/X109/R0093/001/COMM	-	-	-	-	-
Disaster Management Centre( Designs & Fencing)	INTERNAL FUNDS	C0261-3/IA01952/F0002/X019/R0530/001/COMM	-	500 000.00	-	-	-
			70 000.00	70 000.00	650 000.00	30 000.00	80 000.00
<b>Licensing and Protection Services</b>							
Computer Equipment:Acquisitions	INTERNAL FUNDS	C0003-3/IA06173/F0002/X153/R00	30 000.00	30 000.00	-	-	-
Furniture and Office Equipment: Acquisitions	INTERNAL FUNDS	C0004-1/IA06233/F0002/X153/R00	20 000.00	20 000.00	30 000.00	50 000.00	50 000.00
			50 000.00	50 000.00	30 000.00	50 000.00	50 000.00
<b>Public safety</b>							
			120 000.00	120 000.00	680 000.00	80 000.00	130 000.00
<b>Solid Waste Removal</b>							
Solid Waste Infrastructure:Acquisitions ( Refuse Bins/S	INTERNAL FUNDS	C0050-1/IA00172/F0002/X132/R00	160 000.00	160 000.00	200 000.00	300 000.00	300 000.00
Agricultural Tractor and Accessories	INTERNAL FUNDS	C0006-4/IA06282/F0002/X132/R0530/001/WAST	-	800 000.00	-	1 200 000.00	1 200 000.00
			160 000.00	160 000.00	1 000 000.00	1 500 000.00	1 500 000.00
			46 951 021.86	56 130 489.36	48 099 000.00	43 321 000.00	39 961 000.00

# Quality Certificate

I, Zipho Saviour Mthethwa, the municipal manager of **Mthonjaneni Local Municipality**, hereby certify that the Special Adjustments Budget and supporting documentation for the 2021/22 financial year have been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print name: Zipho Saviour Mthethwa

Municipal manager of Mthonjaneni Local Municipality KZN285

Signature: Mr Z.S Mthethwa

Date : 19 May 2022