



**WINNIE MADIKIZELA-MANDELA LOCAL  
MUNICIPALITY**

**ADJUSTED BUDGET 2023/24 MTREF**

**27 FEBRUARY 2024**

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## **PART 1 – ADJUSTMENTS BUDGET**

### **1. Mayor's report**

The Municipal Finance Management Act No 56 of 2003, section 28, provides for the municipality to revise its approved annual budget through an adjustments budget. In terms of this section, an adjustments budget provides for the following scenarios: -

- Revenue and expenditure estimates must be adjusted downwards if there is material under collection of revenue during the current year;
- Appropriate any additional revenues that have become available over and above those anticipated in the annual budget;
- Within a specified framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor
- Authorise utilisation of projected savings in one vote towards spending under another vote;
- Authorise the spending of funds that were unspent at the end of the past financial year, where the underspending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
- May correct any errors in the annual budget; and
- May provide for any other expenditure within the framework.

Even though the country and the world at large has moved past the COVID-19 era which challenged all of us to look for new ways of doing business but the economic effects of the pandemic, the challenges and resource reprioritisation have continued to compete with basic service delivery for the scarce resources. This has affected the availability of funding to fund service delivery as our allocations from the National fiscus have drastically decreased leaving a huge funding gap in the medium term. This has affected the municipal infrastructure programmes greatly as the funds available to spend for the year are less than what is required to complete the projects being implemented. The year also marks the second year after the anticipated completion of the two multi-year projects that the council of Winnie Madikizela-Mandela Local Municipality has taken a decision to implement to change the face of the town and also address a number of issues including office space. Only one of these projects was successfully completed with the second phase in the planning stages for a indoor sport center while the Civic Center has continue to be work in progress due to challenges faced during the past year when the relationship between the principal agent and

the contractor led to legal challenges and therefore delaying progress. In an attempt to see these major projects to completion the municipality has had to avail funds from its own reserves while alternative means of funding are being explored to mitigate the risk that might be posed by the lack of sufficient funding to these projects. These efforts are anticipated to see the remaining project completed before the end this financial year and bringing the much-needed relief to financial resources of the municipality. During the mid-year assessment, there were a number of funding gaps and revenue underperformance identified which necessitated that an adjustment budget be made. Some of the findings related to the following:

- Significant over performance on electricity distribution revenue and interest from investments
- Under performance in revenue generation against the original budget in refuse service charges, Licences and permits, fines and penalties as well as other revenues
- Shortage of the funding to complete the Civic Center due to the project not having been expected to be implemented beyond June 2022 even though it is still under implementation in 2024.
- Delays in EIA approvals for roads projects planned for implementation during the year which resulted in some projects starting later than they were expected.
- The need to allocate more funds towards the refurbishment of roads due to the high demand caused also by heavy rainfalls experienced in the last two years including the current year.
- The need to allocate funds for the integration of the Civic Center to the municipality's network and renewal of server room infrastructure that can no longer carry the demand due to their ageing.

The Executive Lekgotla was held during the month of January where these were presented and discussed at length and remedial measures were deliberated on.

It became increasingly clear that the municipality needed to implement serious measures to ensure that more is done with the little available resources to ensure that communities of Winnie Madikizela-Mandela do not feel the impact. It became clear that a clear understanding of non-priority spending is necessary as more resources were required to fulfil the promises and plans the municipality had for the year. The following were areas that needed special attention:

- Refurbishment of roads

- Completion of Bizana Civic Center
- Completion of all current electrification projects
- Construction of a licensed landfill site for the municipality
- Allocation of human resources for the municipality's traffic department.

Council has also been advised, through the mid-term assessment report of the performances of the municipality where remedial actions have been proposed for under achievements. It is therefore also recommended that the Winnie Madikizela-Mandela Local Municipality council approves the revision of service delivery targets and performance indicators in the 2023/24 SDBIP as tabled.

## **2. Resolutions**

It is recommended that the council approves the following:

- a) The 2023/24 Adjustments budget
- b) The adjustments in line with the requirements of s28(2) of the MFMA, as indicated in the mayor's report
- c) That the operating revenue be adjusted.
- d) That the operational expenditure budget be adjusted
- e) That the capital expenditure budget be adjusted
- f) That the shortfall on the Mbizana Civic Center, Maintenance of Goxe access road, completion of current electrification projects are funded through surplus cash from previous years
- g) Ensure that the projects affected by the shortfall are managed such that they are completed before the end of the financial year to avoid them causing us further shortfalls in the future years
- h) Revisions to the monthly and quarterly service delivery targets and performance indicators in the service delivery and budget implementation plan to correspond with the approval of the adjustments.
- i) That management be permitted to correct all errors in the original budget as required due to the implementation of mSCOA

## **3. Executive summary**

The Accounting Officer oversaw a process of the preparation and tabling of the midyear performance assessment report. This report took into considerations the performances, both financially and set targets, for all departments within the municipality. The report went

through to the Internal Audit that looked at the alignment and usefulness of the information, and central to this exercise, was the review of evidence to support claimed performances.

The reviewed report was tabled at an Executive Committee Lekgotla where it was interrogated for establishment of the claimed performances, and where there is none achievement of targets, remedial actions were agreed to.

The report was then taken to the full council for interrogation and approval, and agreement that indeed a budget adjustment is necessary, together with the revision of the set targets and performance indicators in the SDBIP. The tabling of this report is the culmination of these processes that should see ourselves with a revised 2023/24 Annual Budget and SDBIP.

The Municipal Manager with the assistance and advice of the municipal management recommended that an adjustment budget is necessary to address the short-comings within the existing budget in terms of Section 27(3) of MFMA.

The Budget and Treasury Office conducted planning and consultation meetings with individual departments where the needs of each section were discussed in relation to their approved SDBIP, with the budget principles and approach to be applied. Departments have used the review in relation to their mid-year performance assessment report which served as a motivation towards the adjustment budget.

The criteria utilized for compiling the adjustment budget were determined by the following factors:

- The adjustment budget must be compiled in compliance with the MFMA requirements as set out in Section 28 as specify in the body of the report. This relates to expenditure and income estimates which have been anticipated in the IDP but which have not materialized for motivated reasons. It can also relate to unforeseen circumstances which can also be explained and motivated.
- The adjustment budget must be substantiated through alignment with the departmental SDBIP and Council approved IDP
- The original approved budget process and guidelines must be used to compile the 2023/2024 adjustment budget and it is not a new budget
- Departments were required to prioritize within their approved operating and capital budget allocations in accordance with guidelines provided by Budget and Treasury office.

It will be seen in the budget tables that follow that the municipality, has been forced to avail funds for the completion of the projects as these are projects that are already being

implemented. The municipality has had to learn to live within the available resources as some revenue streams have not performed satisfactory even though some performed much better than anticipated.

## 4. Budget overview

EC443 Winnie Madikizela-Mandela - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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
R thousands	1	A	A1	B	C	D	E	F	G	H		
<b>Revenue By Source</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity	2	32,243	–	–	–	–	–	7,207	7,207	39,450	33,823	35,412
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	2	5,661	–	–	–	–	–	(1,000)	(1,000)	4,661	5,939	6,218
Sale of Goods and Rendering of Services		201						–	–	201	211	221
Agency services		1,266						148	148	1,414	1,328	1,391
Interest		–						–	–	–	–	–
Interest earned from Receivables		3,390						–	–	3,390	3,556	3,723
Interest earned from Current and Non Current Assets		15,890						10,000	10,000	25,890	16,669	17,452
Dividends		–						–	–	–	–	–
Rent on Land		–						–	–	–	–	–
Rental from Fixed Assets		5,282						120	120	5,402	5,670	6,087
Licence and permits		–						–	–	–	–	–
Operational Revenue		471						(234)	(234)	237	495	518
<b>Non-Exchange Revenue</b>												
Property rates	2	21,250	–	–	–	–	–	–	–	21,250	22,096	22,976
Surcharges and Taxes		–						–	–	–	–	–
Fines, penalties and forfeits		225						–	–	225	236	247
Licences or permits		2,537						–	–	2,537	2,662	2,787
Transfer and subsidies - Operational		349,897						5,152	5,152	355,050	371,637	364,128
Interest		1,780						–	–	1,780	1,867	1,955
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>440,094</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>21,393</b>	<b>21,393</b>	<b>461,487</b>	<b>466,188</b>	<b>463,114</b>
<b>Expenditure By Type</b>												
Employee related costs		130,212	–	–	–	–	(192)	21	(171)	130,041	136,500	142,503
Remuneration of councillors		28,480						–	–	28,480	29,876	31,280
Bulk purchases - electricity		47,731	–	–	–	–	–	–	–	47,731	53,792	60,624
Inventory consumed		7,485	–	–	–	–	–	198	198	7,683	8,105	8,632
Debt impairment		10,109						–	–	10,109	10,574	11,060
Depreciation and amortisation		54,371						10,000	10,000	64,371	57,035	59,716
Interest		100						–	–	100	100	100
Contracted services		85,745	–	–	–	–	–	43,058	43,058	128,803	89,685	98,017
Transfers and subsidies		3,431						(150)	(150)	3,281	–	–
Irrecoverable debts written off		–						–	–	–	–	–
Operational costs		80,034						1,264	1,264	81,298	83,563	87,347
Losses on disposal of Assets								–	–	–		
Other Losses								22,432	22,432	22,432		
<b>Total Expenditure</b>		<b>447,697</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(192)</b>	<b>76,823</b>	<b>76,631</b>	<b>524,328</b>	<b>469,232</b>	<b>499,280</b>
<b>Surplus/(Deficit)</b>		<b>(7,603)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>192</b>	<b>(55,430)</b>	<b>(55,238)</b>	<b>(62,841)</b>	<b>(3,044)</b>	<b>(36,167)</b>
Transfers and subsidies - capital (monetary allocations)		76,295						614	614	76,910	80,471	82,487
Transfers and subsidies - capital (in-kind - all)								–	–	–		
<b>Surplus/(Deficit) before taxation</b>		<b>68,692</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>192</b>	<b>(54,816)</b>	<b>(54,624)</b>	<b>14,068</b>	<b>77,427</b>	<b>46,321</b>
Income Tax								–	–	–		
<b>Surplus/(Deficit) after taxation</b>		<b>68,692</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>192</b>	<b>(54,816)</b>	<b>(54,624)</b>	<b>14,068</b>	<b>77,427</b>	<b>46,321</b>
Share of Surplus/Deficit attributable to Joint Venture												
Share of Surplus/Deficit attributable to Minorities												
<b>Surplus/(Deficit) attributable to municipality</b>		<b>68,692</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>192</b>	<b>(54,816)</b>	<b>(54,624)</b>	<b>14,068</b>	<b>77,427</b>	<b>46,321</b>
Share of Surplus/Deficit attributable to Associate												
Intercompany /Parent subsidiary transactions												
<b>Surplus/ (Deficit) for the year</b>	<b>1</b>	<b>68,692</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>192</b>	<b>(54,816)</b>	<b>(54,624)</b>	<b>14,068</b>	<b>77,427</b>	<b>46,321</b>



The total expenditure on the table above includes non-cash items with a total value of over R96.6 million which is made up of debt impairment, depreciation and asset impairment, loss on disposal of PPE, and capitalisation of prepayments made at the stadium for the combi courts.

**a. Revenue adjustments**

**i. Service Charges – Electricity**

The revenue from the stream have been increased by over R7 million following recorded performance from month to month which has been recorded and up to the end of the 7 months. This is anticipated to at least reach the R7 million mark as a minimum

**ii. Service Charges – Waste Management**

The persistent under generation reported in the monthly budget statements has resulted in the forecasted revenue being reduced by R1 million as it is becoming clear from each month that the targeted revenue is not achievable based on the current performance.

**iii. Rental of Facilities**

Anticipated revenues based on the current performance indicate that an additional revenue of about R120 thousand may be achieved by year end and as such, the revenue has been adjusted.

**iv. Interest on investments**

Reported performance at mid-year resulting from interest rates remaining higher than expected has resulted in an increase in anticipated revenue by R10 million.

**v. Agency Services**

Even though the revenue stream is not contributing much on the municipality's revenues, it is however worth noting satisfactory performance which has resulted in the revenue projections being revised by over R148 thousand.

**vi. Transfers and subsidies**

Grants from both national and provincial government have effectively increased as a result of the General Budget Support Grant used for Manufacturing Hubs that was not allocated at the start of the year but engagements between the municipality and the funder have resulted in an approval of R9 million to be allocated for the current year which has also been transferred to the municipality. Despite this positive feedback, there is however bad news relating to other important grants that have seen decreases from the national government resulting in over R5 million having been reduced from MIG, INEP and EPWP grants. These reductions are detailed on the table above showing a reconciliation of grants to be received

by the municipality. This places more pressure on the municipality's resources as commitments have already been made to communities and appointments made informed by the allocation.

## **b. Operating Expenditure**

### **i. Contracted Services**

The municipality being a licenced municipality to distribute electricity, it receives an allocation from the National Government to electrify villages without electricity. These projects are accounted for as capital expenditure in a year where it is anticipated that they will not be completed by year-end and then as operating expenditure when it is expected to be completed by year-end. This is done to cater for the accounting for transfers to Eskom as per the operating arrangement with Eskom in areas where the municipality is not distributing.

The municipality has been implementing four projects in the previous year which were not completed by year-end by are scheduled for completion before the end of this year and as such have been moved from the capital budget to the operating budget. This has resulted in the budget being adjusted by over R27.5 million for the projects to be completed.

There are other included adjustments include relating to Legal fees, maintenance of road other than the ones to be deal with on the capital budget, maintenance of taxi rank septic tank, manufacturing hubs feasibility studies, electricity meter upgrades and data cleansing, roads assessments, maintenance of vehicles and plant, dumping site maintenance as well as other items that will be dealt with on per department. All the adjustments combined resulted in the projected expenditure being adjusted by over R43 million.

### **ii. Impairment loss**

The R10 million adjustment has considered the amount of rains experienced by the country with have affected the municipal infrastructure. There are indications that a number of municipal assets were damages and will need an impairment assessment at year-end.

### **iii. Inventory consumed**

The adjustment is made to cater for increases in the demand for fuel and oil resulting from both fuel price increases and increased demand due to load shedding and maintenance of roads.

### **iv. Transfers and subsidies**

The adjustments made include funding for LED initiatives including SMME support approved for support by the municipality in an attempt to create competitive businesses within the municipal area.

#### **v. Disposal of Fixed and Intangible Assets**

The R22.4 million is allocated for electricity projects in the villages that will be completed during the year and transferred to Eskom.

## 5. Summary of operational expenditure by vote

EC443 Winnie Madikizela-Mandela - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 27/02/2024

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Revenue by Vote</b>	1											
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services		441	–	–	–	–	–	–	–	441	463	485
Vote 3 - Budget Treasury Office		362,652	–	–	–	–	–	10,055	10,055	372,706	386,435	376,725
Vote 4 - Community Services		13,502	–	–	–	–	–	(912)	(912)	12,590	10,759	11,263
Vote 5 - Development Planning		28,330	–	–	–	–	–	9,168	9,168	37,498	31,652	36,037
Vote 6 - Engineering Services		111,464	–	–	–	–	–	3,697	3,697	115,161	117,350	121,091
<b>Total Revenue by Vote</b>	2	<b>516,389</b>	–	–	–	–	–	<b>22,007</b>	<b>22,007</b>	<b>538,397</b>	<b>546,659</b>	<b>545,601</b>
<b>Expenditure by Vote</b>	1											
Vote 1 - Executive and Council		88,654	–	–	–	–	–	652	652	89,306	92,106	96,375
Vote 2 - Corporate Services		64,946	–	–	–	–	–	854	854	65,800	68,034	71,182
Vote 3 - Budget Treasury Office		45,747	–	–	–	–	–	–	–	45,747	47,813	50,086
Vote 4 - Community Services		83,784	–	–	–	–	–	4,682	4,682	88,466	84,273	88,178
Vote 5 - Development Planning		24,898	–	–	–	–	–	4,775	4,775	29,673	25,910	26,782
Vote 6 - Engineering Services		139,669	–	–	–	–	–	65,668	65,668	205,336	154,410	169,990
<b>Total Expenditure by Vote</b>	2	<b>447,697</b>	–	–	–	–	–	<b>76,631</b>	<b>76,631</b>	<b>524,328</b>	<b>472,544</b>	<b>502,592</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>68,692</b>	–	–	–	–	–	<b>(54,624)</b>	<b>(54,624)</b>	<b>14,068</b>	<b>74,114</b>	<b>43,009</b>

### a. REVENUE

**Budget and Treasury** – the R10 million adjustment relates to interest on investments that has been explained in the earlier paragraphs.

**Development Planning** – the R9.1 million adjustment relates to the General Budget Support Grant approved for construction and support of manufacturing hubs.

**Community Services** – the adjustment relates to agency services as well as licences and permits revenue adjustments.

**Solid Waste Management** – the adjustment relates to a reduction on refuse removal service charges which have continued to perform below the expected levels.

**Roads and Engineering** – the reduction is as a result if the reduction of grants such as MIG reported in the earlier paragraphs.

**Electricity Distribution** – The overall increase have taken into account the increase in electricity service charges that has been reported to be above the anticipated revenues as well as the reduction in the INEP grant reported earlier in the preceding paragraphs.

### b. EXPENDITURE

**Mayor and Council** – the reduction relates to reprioritisation of vehicle rental allocation due to savings recorded in the current year as opposed to anticipated rentals.

**Municipal Manager** – the increase relates to reprioritisation within the department to fund possible shortfalls where anticipated as well as legal fees increase together with the branding of the soon to be completed Civic Center.

**Corporate Services** – The adjustments also related to reprioritisations within the department as well as additional funding for maintenance of municipal vehicles as well fuel and oil for the vehicles.

**Development Planning** – The adjustments relate to expenditure to be incurred in the support and construction of manufacturing hubs as well as reprioritisation of anticipated savings to fund anticipated shortfalls.

**Community Services** – The adjustments relate to maintenance of municipal facilities as well as the allocation for anticipated impairments of community assets as a result of the heavy rains and vandalism experienced from time to time.

**Solid waste removal** – the adjustments relate to reprioritisations to fund shortfall through anticipated surpluses as well as the maintenance of the current dumping site to comply with the environmental laws

**Roads and Engineering** – The adjustments related to maintenance of roads that were allocated at the start of the financial year and the increase therefore as a result of the unavoidable expenditure reported in the mid-year assessment report, allocation to cater for anticipated impairments of roads due to heavy rains and community demonstrations, maintenance of plant as well as fuel. An allocation has also been made for research on the road infrastructure needs as well as alternative plans to be put into place by the municipality.

**Electricity Distribution** – The adjustments relate to electricity projects that have moved from the capital budget to the operating budget as they are expected to be completed by the end of the financial year and transferred to Eskom. There is also an allocation for the corresponding losses for the electricity projects that were reported as work in progress by the end of the previous financial year. An allocation has also been made for meter upgrades and data cleansing to create a reliable database.

## 6. Adjustments budget tables

### a. Table B1 Adjustments budget summary

EC443 Winnie Madikizela-Mandela - Table B1 Adjustments Budget Summary - 27/02/2024

Description	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Financial Performance</b>											
Property rates	21,250	–	–	–	–	–	–	–	21,250	22,096	22,976
Service charges	37,904	–	–	–	–	–	6,207	6,207	44,111	39,762	41,630
Investment revenue	15,890	–	–	–	–	–	10,000	10,000	25,890	16,669	17,452
Transfers recognised - operational	349,897	–	–	–	–	–	5,152	5,152	355,050	371,637	364,128
Other own revenue	15,153	–	–	–	–	–	34	34	15,186	16,024	16,928
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>440,094</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>21,393</b>	<b>21,393</b>	<b>461,487</b>	<b>466,188</b>	<b>463,114</b>
Employee costs	130,212	–	–	–	–	(192)	21	(171)	130,041	136,500	142,503
Remuneration of councillors	28,480	–	–	–	–	–	–	–	28,480	29,876	31,280
Depreciation & asset impairment	64,480	–	–	–	–	–	10,000	10,000	74,480	67,609	70,776
Finance charges	100	–	–	–	–	–	–	–	100	100	100
Inventory consumed and bulk purchases	55,216	–	–	–	–	–	198	198	55,414	61,898	69,256
Transfers and subsidies	3,431	–	–	–	–	–	(150)	(150)	3,281	–	–
Other expenditure	165,779	–	–	–	–	–	66,754	66,754	232,533	173,249	185,365
<b>Total Expenditure</b>	<b>447,697</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(192)</b>	<b>76,823</b>	<b>76,631</b>	<b>524,328</b>	<b>469,232</b>	<b>499,280</b>
<b>Surplus/(Deficit)</b>	<b>(7,603)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>192</b>	<b>(55,430)</b>	<b>(55,238)</b>	<b>(62,841)</b>	<b>(3,044)</b>	<b>(36,167)</b>
Transfers and subsidies - capital (monetary allocations)	76,295	–	–	–	–	–	614	614	76,910	80,471	82,487
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>68,692</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>192</b>	<b>(54,816)</b>	<b>(54,624)</b>	<b>14,068</b>	<b>77,427</b>	<b>46,321</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>68,692</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>192</b>	<b>(54,816)</b>	<b>(54,624)</b>	<b>14,068</b>	<b>77,427</b>	<b>46,321</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	123,282	–	–	–	–	–	16,378	16,378	139,660	87,961	87,121
Transfers recognised - capital	66,343	–	–	–	–	(13,379)	–	(13,379)	52,965	69,974	71,728
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	56,939	–	–	–	–	–	29,757	29,757	86,695	17,987	15,393
<b>Total sources of capital funds</b>	<b>123,282</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(13,379)</b>	<b>29,757</b>	<b>16,378</b>	<b>139,660</b>	<b>87,961</b>	<b>87,121</b>
<b>Financial position</b>											
Total current assets	413,370	–	–	–	–	–	50,529	50,529	463,899	462,771	437,571
Total non current assets	875,374	–	–	–	–	–	59,198	59,198	934,572	837,389	833,868
Total current liabilities	99,779	–	–	–	–	–	16,261	16,261	116,040	104,220	106,266
Total non current liabilities	22,484	–	–	–	–	–	(10,999)	(10,999)	11,485	22,484	22,484
Community wealth/Equity	<b>1,166,481</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>192</b>	<b>104,273</b>	<b>104,465</b>	<b>1,270,946</b>	<b>1,173,456</b>	<b>1,142,689</b>
<b>Cash flows</b>											
Net cash from (used) operating	170,828	–	–	–	–	4,064	(29,611)	(25,548)	145,280	178,576	120,178
Net cash from (used) investing	(141,376)	–	–	–	–	17,875	(26,381)	(8,506)	(149,882)	100,930	100,189
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>306,560</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>21,939</b>	<b>26,914</b>	<b>48,853</b>	<b>355,413</b>	<b>634,920</b>	<b>653,227</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	332,369	–	–	–	–	–	53,744	53,744	386,113	380,362	355,193
Application of cash and investments	40,970	–	–	–	–	–	32,302	32,302	73,271	46,718	47,635
<b>Balance - surplus (shortfall)</b>	<b>291,399</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>21,442</b>	<b>21,442</b>	<b>312,841</b>	<b>333,644</b>	<b>307,558</b>
<b>Asset Management</b>											
Asset register summary (WDV)	875,374	–	–	–	–	–	59,198	59,198	934,572	837,389	833,868
Depreciation	54,371	–	–	–	–	–	–	–	54,371	57,035	59,716
Renewal and Upgrading of Existing Assets	23,008	–	–	–	–	–	34,444	34,444	57,451	–	–
Repairs and Maintenance	32,267	–	–	–	–	–	8,025	8,025	40,292	38,059	43,888
<b>Free services</b>											
Cost of Free Basic Services provided	4,800	–	–	–	–	–	–	–	4,800	5,021	5,252
Revenue cost of free services provided	608	–	–	–	–	–	–	–	608	621	633
<b>Households below minimum service level</b>											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	2	–	–	–	–	–	–	–	2	2	2
Refuse:	48	–	–	–	–	–	–	–	48	48	48

b. Table B2 Adjustments budget Financial Performance (Functional Classification)

EC443 Winnie Madikizela-Mandela - Table B2 Adjustments Budget Financial Performance (functional classification) - 27/02/2024

Standard Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
<b>Revenue - Functional</b>												
<b>Governance and administration</b>		391,308	-	-	-	-	-	10,055	10,055	401,363	416,429	408,120
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		391,308	-	-	-	-	-	10,055	10,055	401,363	416,429	408,120
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		4,599	-	-	-	-	-	268	268	4,867	4,800	5,024
Community and social services		605	-	-	-	-	-	120	120	725	610	638
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		3,993	-	-	-	-	-	148	148	4,141	4,189	4,386
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		62,281	-	-	-	-	-	6,658	6,658	68,939	62,090	67,744
Planning and development		2,986	-	-	-	-	-	8,976	8,976	11,962	5,119	8,257
Road transport		59,295	-	-	-	-	-	(2,318)	(2,318)	56,977	56,971	59,487
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		58,201	-	-	-	-	-	5,027	5,027	63,228	63,340	64,713
Energy sources		49,298	-	-	-	-	-	6,207	6,207	55,505	57,380	58,473
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		8,903	-	-	-	-	-	(1,180)	(1,180)	7,723	5,960	6,240
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	516,389	-	-	-	-	-	22,007	22,007	538,396	546,659	545,601
<b>Expenditure - Functional</b>												
<b>Governance and administration</b>		217,120	-	-	-	-	-	1,832	1,832	218,952	226,387	236,923
Executive and council		68,123	-	-	-	-	-	(2,185)	(2,185)	65,938	70,606	73,879
Finance and administration		144,047	-	-	-	-	-	4,017	4,017	148,064	150,595	157,617
Internal audit		4,950	-	-	-	-	-	-	-	4,950	5,185	5,427
<b>Community and public safety</b>		34,348	-	-	-	-	-	2,475	2,475	36,823	35,946	37,608
Community and social services		13,748	-	-	-	-	-	1,745	1,745	15,493	14,369	15,042
Sport and recreation		2,866	-	-	-	-	-	(68)	(68)	2,798	3,001	3,139
Public safety		16,544	-	-	-	-	-	953	953	17,497	17,337	18,140
Housing		1,190	-	-	-	-	-	(155)	(155)	1,035	1,239	1,288
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		95,895	-	-	-	-	-	30,301	30,301	126,196	104,778	113,727
Planning and development		27,599	-	-	-	-	-	6,084	6,084	33,682	28,907	30,246
Road transport		65,786	-	-	-	-	-	24,151	24,151	89,937	73,241	80,729
Environmental protection		2,510	-	-	-	-	-	67	67	2,577	2,630	2,752
<b>Trading services</b>		96,035	-	-	-	-	-	42,306	42,306	138,341	100,929	109,945
Energy sources		67,303	-	-	-	-	-	41,512	41,512	108,815	74,280	82,057
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		28,732	-	-	-	-	-	794	794	29,526	26,650	27,888
<b>Other</b>		4,299	-	-	-	-	-	(283)	(283)	4,016	4,504	4,389
<b>Total Expenditure - Functional</b>	3	447,697	-	-	-	-	-	76,631	76,631	524,328	472,544	502,592
<b>Surplus/ (Deficit) for the year</b>		68,692	-	-	-	-	-	(54,624)	(54,624)	14,068	74,114	43,009

The table above depicts the municipality's adjusted financial performance per functional classification. This groups departments or votes according to their functional class.

c. Table B3 Adjustments budgets Financial Performance (revenue and expenditure by municipal vote)

EC443 Winnie Madikizela-Mandela - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 27/02/2024

Vote Description  <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Revenue by Vote</b>	1											
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services		441	–	–	–	–	–	–	–	441	463	485
Vote 3 - Budget Treasury Office		362,652	–	–	–	–	–	10,055	10,055	372,706	386,435	376,725
Vote 4 - Community Services		13,502	–	–	–	–	–	(912)	(912)	12,590	10,759	11,263
Vote 5 - Development Planning		28,330	–	–	–	–	–	9,168	9,168	37,498	31,652	36,037
Vote 6 - Engineering Services		111,464	–	–	–	–	–	3,697	3,697	115,161	117,350	121,091
<b>Total Revenue by Vote</b>	2	<b>516,389</b>	–	–	–	–	–	<b>22,007</b>	<b>22,007</b>	<b>538,397</b>	<b>546,659</b>	<b>545,601</b>
<b>Expenditure by Vote</b>	1											
Vote 1 - Executive and Council		88,654	–	–	–	–	–	652	652	89,306	92,106	96,375
Vote 2 - Corporate Services		64,946	–	–	–	–	–	854	854	65,800	68,034	71,182
Vote 3 - Budget Treasury Office		45,747	–	–	–	–	–	–	–	45,747	47,813	50,086
Vote 4 - Community Services		83,784	–	–	–	–	–	4,682	4,682	88,466	84,273	88,178
Vote 5 - Development Planning		24,898	–	–	–	–	–	4,775	4,775	29,673	25,910	26,782
Vote 6 - Engineering Services		139,669	–	–	–	–	–	65,668	65,668	205,336	154,410	169,990
<b>Total Expenditure by Vote</b>	2	<b>447,697</b>	–	–	–	–	–	<b>76,631</b>	<b>76,631</b>	<b>524,328</b>	<b>472,544</b>	<b>502,592</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>68,692</b>	–	–	–	–	–	<b>(54,624)</b>	<b>(54,624)</b>	<b>14,068</b>	<b>74,114</b>	<b>43,009</b>

Executive and Council includes Council general expenses, Mayor's office, Office of the Speaker, and the Office of the Municipal manager.

Budget and Treasury consists of Budgeting and reporting, Supply chain and Asset management, Revenue and expenditure, the office of the Chief Financial Officer.

Corporate services consists of Human resources, Labour relations, Information technology, and Fleet management.

Community Services consists of Community and social services, Environmental management, Refuse removal, Protection services and licensing.

Development planning consist of Planning and Land use management, and Local economic development.

Engineering services consists of Road works and engineering, and Electricity.



d. Table B4 Adjustments budget Financial Performance (revenue and expenditure)

EC443 Winnie Madikizela-Mandela - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Revenue By Source</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity	2	32,243	-	-	-	-	-	7,207	7,207	39,450	33,823	35,412
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	5,661	-	-	-	-	-	(1,000)	(1,000)	4,661	5,939	6,218
Sale of Goods and Rendering of Services		201						-	-	201	211	221
Agency services		1,266						148	148	1,414	1,328	1,391
Interest		-						-	-	-	-	-
Interest earned from Receivables		3,390						-	-	3,390	3,556	3,723
Interest earned from Current and Non Current Assets		15,890						10,000	10,000	25,890	16,669	17,452
Dividends		-						-	-	-	-	-
Rent on Land		-						-	-	-	-	-
Rental from Fixed Assets		5,282						120	120	5,402	5,670	6,087
Licence and permits		-						-	-	-	-	-
Operational Revenue		471						(234)	(234)	237	495	518
<b>Non-Exchange Revenue</b>												
Property rates	2	21,250	-	-	-	-	-	-	-	21,250	22,096	22,976
Surcharges and Taxes		-						-	-	-	-	-
Fines, penalties and forfeits		225						-	-	225	236	247
Licences or permits		2,537						-	-	2,537	2,662	2,787
Transfer and subsidies - Operational		349,897						5,152	5,152	355,050	371,637	364,128
Interest		1,780						-	-	1,780	1,867	1,955
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>440,094</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,393</b>	<b>21,393</b>	<b>461,487</b>	<b>466,188</b>	<b>463,114</b>
<b>Expenditure By Type</b>												
Employee related costs		130,212	-	-	-	-	(192)	21	(171)	130,041	136,500	142,503
Remuneration of councillors		28,480						-	-	28,480	29,876	31,280
Bulk purchases - electricity		47,731	-	-	-	-	-	-	-	47,731	53,792	60,624
Inventory consumed		7,485	-	-	-	-	-	198	198	7,683	8,105	8,632
Debt impairment		10,109						-	-	10,109	10,574	11,060
Depreciation and amortisation		54,371						10,000	10,000	64,371	57,035	59,716
Interest		100						-	-	100	100	100
Contracted services		85,745	-	-	-	-	-	43,058	43,058	128,803	89,685	98,017
Transfers and subsidies		3,431						(150)	(150)	3,281	-	-
Irrecoverable debts written off		-						-	-	-	-	-
Operational costs		80,034						1,264	1,264	81,298	83,563	87,347
Losses on disposal of Assets		-						-	-	-	-	-
Other Losses		-						22,432	22,432	22,432	-	-
<b>Total Expenditure</b>		<b>447,697</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(192)</b>	<b>76,823</b>	<b>76,631</b>	<b>524,328</b>	<b>469,232</b>	<b>499,280</b>
<b>Surplus/(Deficit)</b>		<b>(7,603)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192</b>	<b>(55,430)</b>	<b>(55,238)</b>	<b>(62,841)</b>	<b>(3,044)</b>	<b>(36,167)</b>
Transfers and subsidies - capital (monetary allocations)		76,295						614	614	76,910	80,471	82,487
Transfers and subsidies - capital (in-kind - all)		-						-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>		<b>68,692</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192</b>	<b>(54,816)</b>	<b>(54,624)</b>	<b>14,068</b>	<b>77,427</b>	<b>46,321</b>
Income Tax		-						-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>68,692</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192</b>	<b>(54,816)</b>	<b>(54,624)</b>	<b>14,068</b>	<b>77,427</b>	<b>46,321</b>
Share of Surplus/Deficit attributable to Joint Venture		-						-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-						-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>68,692</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192</b>	<b>(54,816)</b>	<b>(54,624)</b>	<b>14,068</b>	<b>77,427</b>	<b>46,321</b>
Share of Surplus/Deficit attributable to Associate		-						-	-	-	-	-
Intercompany/Parent subsidiary transactions		-						-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>1</b>	<b>68,692</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192</b>	<b>(54,816)</b>	<b>(54,624)</b>	<b>14,068</b>	<b>77,427</b>	<b>46,321</b>

The table above shows adjustments that have been to the 2023/24 budget and can be summarised as follows: -

**a. Revenue adjustments**

**i. Service Charges – Electricity**

The revenue from the stream have been increased by over R7 million following recorded performance from month to month which has been recorded and up to the end of the 7 months. This is anticipated to at least reach the R7 million mark as a minimum

**ii. Service Charges – Waste Management**

The persistent under generation reported in the monthly budget statements has resulted in the forecasted revenue being reduced by R1 million as it is becoming clear from each month that the targeted revenue is not achievable based on the current performance.

**iii. Rental of Facilities**

Anticipated revenues based on the current performance indicate that an additional revenue of about R120 thousand may be achieved by year end and as such, the revenue has been adjusted.

**iv. Interest on investments**

Reported performance at mid-year resulting from interest rates remaining higher than expected has resulted in an increase in anticipated revenue by R10 million.

**v. Agency Services**

Even though the revenue stream is not contributing much on the municipality's revenues, it is however worth noting satisfactory performance which has resulted in the revenue projections being revised by over R148 thousand.

**vi. Transfers and subsidies**

Grants from both national and provincial government have effectively increased as a result of the General Budget Support Grant used for Manufacturing Hubs that was not allocated at the start of the year but engagements between the municipality and the funder have resulted in an approval of R9 million to be allocated for the current year which has also been transferred to the municipality. Despite this positive feedback, there is however bad news relating to other important grants that have seen decreases from the national government resulting in over R5 million having been reduced from MIG, INEP and EPWP grants. These reductions are detailed on the table above showing a reconciliation of grants to be received by the municipality. This places more pressure on the municipality's resources as

commitments have already been made to communities and appointments made informed by the allocation.

### **c. Operating Expenditure**

#### **vi. Contracted Services**

The municipality being a licenced municipality to distribute electricity, it receives an allocation from the National Government to electrify villages without electricity. These projects are accounted for as capital expenditure in a year where it is anticipated that they will not be completed by year-end and then as operating expenditure when it is expected to be completed by year-end. This is done to cater for the accounting for transfers to Eskom as per the operating arrangement with Eskom in areas where the municipality is not distributing.

The municipality has been implementing four projects in the previous year which were not completed by year-end but are scheduled for completion before the end of this year and as such have been moved from the capital budget to the operating budget. This has resulted in the budget being adjusted by over R27.5 million for the projects to be completed.

There are other included adjustments include relating to Legal fees, maintenance of road other than the ones to be dealt with on the capital budget, maintenance of taxi rank septic tank, manufacturing hubs feasibility studies, electricity meter upgrades and data cleansing, roads assessments, maintenance of vehicles and plant, dumping site maintenance as well as other items that will be dealt with on per department. All the adjustments combined resulted in the projected expenditure being adjusted by over R43 million.

#### **vii. Impairment loss**

The R10 million adjustment has considered the amount of rains experienced by the country which have affected the municipal infrastructure. There are indications that a number of municipal assets were damaged and will need an impairment assessment at year-end.

#### **viii. Inventory consumed**

The adjustment is made to cater for increases in the demand for fuel and oil resulting from both fuel price increases and increased demand due to load shedding and maintenance of roads.

#### **ix. Transfers and subsidies**

The adjustments made include funding for LED initiatives including SMME support approved for support by the municipality in an attempt to create competitive businesses within the municipal area.

#### **x. Disposal of Fixed and Intangible Assets**

The R22.4 million is allocated for electricity projects in the villages that will be completed during the year and transferred to Eskom.

e. Table B5 Adjustments Capital Expenditure Budget by vote and funding

EC443 Winnie Madikizela-Mandela - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Capital expenditure - Vote</b>												
<b>Multi-year expenditure to be adjusted</b>	2											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget Treasury Office		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Development Planning		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		10,125	-	-	-	-	-	12,789	12,789	22,914	-	-
<b>Capital multi-year expenditure sub-total</b>	3	<b>10,125</b>	-	-	-	-	-	<b>12,789</b>	<b>12,789</b>	<b>22,914</b>	-	-
<b>Single-year expenditure to be adjusted</b>	2											
Vote 1 - Executive and Council		1,304	-	-	-	-	-	-	-	1,304	-	-
Vote 2 - Corporate Services		9,457	-	-	-	-	-	(1,966)	(1,966)	7,490	5,674	2,435
Vote 3 - Budget Treasury Office		-	-	-	-	-	-	300	300	300	-	-
Vote 4 - Community Services		21,308	-	-	-	-	-	(5,974)	(5,974)	15,334	11,791	12,437
Vote 5 - Development Planning		2,376	-	-	-	-	-	5,366	5,366	7,742	522	522
Vote 6 - Engineering Services		78,712	-	-	-	-	-	5,863	5,863	84,574	69,974	71,728
<b>Capital single-year expenditure sub-total</b>		<b>113,157</b>	-	-	-	-	-	<b>3,589</b>	<b>3,589</b>	<b>116,746</b>	<b>87,961</b>	<b>87,121</b>
<b>Total Capital Expenditure - Vote</b>		<b>123,282</b>	-	-	-	-	-	<b>16,378</b>	<b>16,378</b>	<b>139,660</b>	<b>87,961</b>	<b>87,121</b>
<b>Capital Expenditure - Functional</b>												
<b>Governance and administration</b>		<b>11,109</b>	-	-	-	-	-	<b>(1,840)</b>	<b>(1,840)</b>	<b>9,269</b>	<b>6,022</b>	<b>2,783</b>
Executive and council		1,304	-	-	-	-	-	-	-	1,304	-	-
Finance and administration		9,804	-	-	-	-	-	(1,840)	(1,840)	7,964	6,022	2,783
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>907</b>	-	-	-	-	-	<b>2,678</b>	<b>2,678</b>	<b>3,585</b>	<b>943</b>	<b>980</b>
Community and social services		770	-	-	-	-	-	635	635	1,405	807	844
Sport and recreation		137	-	-	-	-	-	-	-	137	137	137
Public safety		-	-	-	-	-	-	2,043	2,043	2,043	-	-
<b>Economic and environmental services</b>		<b>75,731</b>	-	-	-	-	<b>1,404</b>	<b>34,684</b>	<b>36,087</b>	<b>111,818</b>	<b>50,061</b>	<b>52,250</b>
Planning and development		13,300	-	-	-	-	3,961	15,487	19,448	32,748	522	522
Road transport		62,430	-	-	-	-	(2,557)	19,110	16,552	78,983	49,540	51,728
Environmental protection		-	-	-	-	-	-	87	87	87	-	-
<b>Trading services</b>		<b>35,536</b>	-	-	-	-	<b>(14,783)</b>	<b>(5,765)</b>	<b>(20,548)</b>	<b>14,988</b>	<b>30,935</b>	<b>31,109</b>
Energy sources		15,483	-	-	-	-	(14,783)	2,800	(11,983)	3,500	20,435	20,000
Waste management		20,054	-	-	-	-	-	(8,565)	(8,565)	11,488	10,500	11,109
<b>Other</b>		<b>-</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	<b>123,282</b>	-	-	-	-	<b>(13,379)</b>	<b>29,757</b>	<b>16,378</b>	<b>139,660</b>	<b>87,961</b>	<b>87,121</b>
<b>Funded by:</b>												
National Government		66,343	-	-	-	-	(13,379)	-	(13,379)	52,965	69,974	71,728
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>66,343</b>	-	-	-	-	<b>(13,379)</b>	-	<b>(13,379)</b>	<b>52,965</b>	<b>69,974</b>	<b>71,728</b>
<b>Borrowing</b>		<b>-</b>	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		<b>56,939</b>	-	-	-	-	-	<b>29,757</b>	<b>29,757</b>	<b>86,695</b>	<b>17,987</b>	<b>15,393</b>
<b>Total Capital Funding</b>		<b>123,282</b>	-	-	-	-	<b>(13,379)</b>	<b>29,757</b>	<b>16,378</b>	<b>139,660</b>	<b>87,961</b>	<b>87,121</b>

- The above Table depicts the impact of the adjustments mentioned in earlier sections on the municipality's capital budget and funding of such a budget.
- The municipality's capital budget increased from R123 million to R139 million exclusive of VAT as a result of the adjustments to be dealt with in the paragraphs that follow:

### Budget and Treasury

The budget adjustment has been made to cater for procurement of laptops to replace old laptops for the BTO managers and interns.

### Corporate Services

An adjustment has been made to cover ICT Installations at the Civic Center to ensure readiness and integration of the civic center into the municipal network when completed and occupancy taken. There were also anticipated savings on furniture that have been availed to assist in other capital needs of the municipality.

	<b>Original Budget</b>	<b>Adjustment</b>	<b>Adjusted Budget</b>
Computer Hardware IT 1010	1,999,993.57	54,000.00	2,053,993.57
Disaster Recovery	299,998.43	- 299,998.43	0.00
Mbizana Town Hall - Cabling and Wifi	1,999,993.57	685,000.00	2,684,993.57
Mbizana Civic Furniture	2,999,996.35	-1,550,000.00	1,449,996.35
Office Furniture	699,992.35	-	699,992.35
Purchase of Municipal Vehicle	2,499,996.00	- 1,000,000.00	1,499,996.00
<b>Total Budget</b>	<b>10,499,970.26</b>	<b>- 2,110,998.43</b>	<b>8,388,971.83</b>

### Development Planning

The budget allocations made relate to manufacturing hubs construction costs and well as the construction of the market place that is planned for the current financial year.

	<b>Original Budget</b>	<b>Adjustment</b>	<b>Adjusted Budget</b>
Construction of Market Place	1,999,993.57	2,638,504.00	4,638,497.57
Construction of Manufacturing hubs	-	1,310,786.00	1,310,786.00
Construction of Manufacturing hub Ward 08	-	1,310,786.00	1,310,786.00
Construction of Manufacturing Hub Ward 16	-	1,310,786.00	1,310,786.00
Beach Infrastructure: Development Facilities	732,891.60	- 400,000.00	332,891.60
<b>Total Budget</b>	<b>2,732,885.17</b>	<b>6,170,862.00</b>	<b>8,903,747.17</b>

### Community Services

Budget allocations made relate to acquisition of police vehicles as well as furniture for traffic department that has been identified as a need.

	<b>Original Budget</b>	<b>Adjustment</b>	<b>Adjusted Budget</b>
Paving of Ward 4 Community Hall	885,850.06	-	885,850.06
Security Equipment 2505	199,990.96	-	199,990.96
CCTV Cameras	199,990.96	- 199,990.96	-
Furniture Police	-	1,200,000.00	1,200,000.00
Traffic Vehicles	-	1,000,000.00	1,000,000.00
Furniture Population	-	650,000.00	650,000.00
Grass Cutting Machine Population	-	80,000.00	80,000.00
Office equipment- Community	-	100,000.00	100,000.00
Grass Cutting Machine	161,475.78		161,475.78
<b>Total Budget</b>	<b>1,447,307.75</b>	<b>2,830,009.04</b>	<b>4,277,316.79</b>

### Solid Waste Removal

The reduction relates to an amount of that has been identified to be impossible to have spent by the end of the year relating to Construction of Majazi Landfill site. Allocations are still made for the fencing phase of the project as these are already committed while another allocation has been made for EIA studies for the Extension 3 dumping site as well as its fencing should approval be secured for construction of a temporary landfill site.

	<b>Original Budget</b>	<b>Adjustment</b>	<b>Adjusted Budget</b>

	<b>Original Budget</b>	<b>Adjustment</b>	<b>Adjusted Budget</b>
Construction of Landfill	18,711,697.06	-6,000,000.00	2,711,697.06
Construction of Dumping site Ext 4		6,000,000.00	6,000,000.00
Skip bins	349,996.17	50,000.00	399,996.17
Sceptic Tank Change room	-	100,000.00	100,000.00
Truck Refuse	3,999,999.13		3,999,999.13
<b>Total Budget</b>	<b>23,061,692.36</b>	<b>- 9,850,000.00</b>	<b>13,211,692.36</b>

#### Roads and Engineering

The adjustment relates to the projects that were either not allocated budgets because they were expected to be completed by 30 June 2023 but delayed due to a number of reasons ranging from unavailability of materials required as well as other projects that were allocated budgets lower than the market prices during the procurement processes:

<b>Project Name</b>	<b>Original Budget</b>	<b>Adjustment</b>	<b>Adjusted Budget</b>
Construction of Mqonjwana to Greenville AR	6,423,998.78	-	6,423,998.78
Construction of Sigingqi to Marina AR with Bridge	549,999.13	- 549,999.13	0.00
Construction of Mputhumi Mafumbatha Stadium (OWN)	4,588,000.00	2,869,862.95	7,457,862.95
Construction of Tshuze to Philisweni AR	449,991.65	- 449,991.65	-
Construction of Sidanga Bridge	5,287,995.00	-4,028,606.35	1,259,388.65
Construction of Sidanga Bridge(Own)	-	3,364,672.80	3,364,672.80
Construction of Mbizana Town hall- Equi Share	9,731,091.50	8,539,278.32	18,270,369.82
Construction of ECDC Ward 13	2,185,309.50	-	2,185,309.50
Construction of DLTC Guard house	219,890.61	-	219,890.61
Upgrading of Mbongwana via Dotye to Greenville Hosp AR	7,854,878.55	3,748,557.64	11,603,436.19
Construction of Bhukuveni to Ntshikintshane Concrete Slab	2,684,543.40	- 439,993.33	2,244,550.07
Construction of Bhukuveni(Own)	-	348,823.00	348,823.00
Construction of Mbizana Town Hall	-	623,263.00	623,263.00
Rehabilitation of Bholorweni AR	-	3,488,065.00	3,488,065.00
Rehabilitation of Izinini to Forest AR	-	4,010,086.00	4,010,086.00



Project Name	Original Budget	Adjustment	Adjusted Budget
Rehabilitation Marina AR	-	2,300,000.00	2,300,000.00
Rehabilitation of Shesi AR	-	2,890,000.00	2,890,000.00
Rehabilitation of Marhelane to Mhlabuvelile	-	2,665,700.00	2,665,700.00
Rehabilitation of Mtamvuna AR	-	2,880,000.00	2,880,000.00
Rehabilitation of Mlindazwe AR	-	1,850,000.00	1,850,000.00
Construction of Thaleni Bridge	7,777,008.38	670,005.22	8,447,013.60
Rehabilitation of Monti Access Road	45,717.64	- 45,717.64	0.00
Construction of Mwilini to Zibanzini Access Road	8,686,852.05	- 1,472,887.28	7,213,964.77
Construction of Ntlanzwe to Sizabonke Access Road	9,485,996.35	- 1,519,440.93	7,966,555.42
Rehabilitation of Mgomazi AR	906,312.29	- 243,785.51	662,526.77
Rehabilitation of Mkolweni AR	165,800.00	24,870.00	190,670.00
Rehabilitation of Mcinjweni to Mgodini(Disaster)	-	1,222,562.70	1,222,562.70
Rehabilitation of Ntamonde(Disaster)	-	979,213.50	979,213.50
Rehabilitation of Bazana AR	182,332.78	- 182,332.78	- 0.00
Rehabilitation of Dumasi AR(Disaster)	205,415.12	- 205,415.12	- 0.00
Rehabilitation of Lumphondweni AR	200,520.55	- 200,520.55	-
Rehabilitaion of Zamiliwe AR	385,002.57	- 57,007.62	327,994.95
Rehabilitation of Ntlozelo Access Road	118,337.26	- 118,337.26	- 0.00
Rehabilitation of Umhlambi SSS Langaletu-Doty Access Road	2,391,461.71	296,999.09	2,688,460.80
Rehabilitation of Matshezini AR	70,174.08	- 70,174.08	-
Rehabilitation of Swane Access Road	69,250.00	- 69,250.00	-
Construction of Mngomazi AR	3,958,775.33	570,011.52	4,528,786.85
Construction of Mngomazi (Own)	-	1,245,950.67	1,245,950.67
Construction of Mhlwazini AR	4,364,953.81	-	4,364,953.81
Construction of Mhlwazini(Own)	-	658,781.87	658,781.87
Construction of Mgqutsalala AR	3,453,644.78	- 799,990.82	2,653,653.96
Construction of Mgqutsalala AR(Own)	-	2,350,221.20	2,350,221.20
Rehabilitation of Mgodini to Mcinjweni Access Road	1,063,098.00	- 1,063,098.00	-
Rehabilitation of Ntamonde Access Road	851,490.00	- 851,490.00	-
<b>Total budget</b>	<b>84,357,840.81</b>	<b>35,228,886.42</b>	<b>119,586,727.23</b>

Funds from projects that are anticipated not to be spent by year-end have been re-allocated to speed up other projects where performance is satisfactory. This will ensure spending

patterns are improved and service delivery. The adjustment for the Construction of Mphuthumi Mafumbatha Stadium includes a R2.8 million required to complete the stadium as well as a non-cash portion relating to prepayments for material that will be delivered and installed in the current year that was paid for back in 2017 amounting to R2.8 million that will not require any payments to be made but a reclassification transaction. R33 million of these adjustments are funded from the municipality's reserves from previous years.

## a. Table B6 Adjustments budget Financial Position

EC443 Winnie Madikizela-Mandela - Table B6 Adjustments Budget Financial Position - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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
R thousands		A	A1	B	C	D	E	F	G	H		
<b>ASSETS</b>												
<b>Current assets</b>												
Cash and cash equivalents		306,560						48,853	48,853	355,413	355,455	327,612
Trade and other receivables from exchange transactions	1	46,746	–	–	–	–	–	(12,371)	(12,371)	34,375	46,603	45,597
Receivables from non-ex change transactions	1	25,809	–	–	–	–	–	4,891	4,891	30,700	24,907	27,581
Current portion of non-current receivables	2	–	–	–	–	–	–	–	–	–	–	–
Inventory		450	–	–	–	–	–	1,235	1,235	1,685	2,002	2,341
VAT		18,042	–	–	–	–	–	4,838	4,838	22,880	18,041	18,678
Other current assets		15,763	–	–	–	–	–	3,084	3,084	18,847	15,763	15,763
<b>Total current assets</b>		<b>413,370</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>50,529</b>	<b>50,529</b>	<b>463,899</b>	<b>462,771</b>	<b>437,571</b>
<b>Non current assets</b>												
Investments		–	–	–	–	–	–	–	–	–	–	–
Investment property		39,090	–	–	–	–	–	3,119	3,119	42,210	39,090	39,090
Property, plant and equipment	3	834,980	–	–	–	–	–	55,490	55,490	890,470	796,994	793,474
Biological assets		–	–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–	–
Heritage assets		1,261	–	–	–	–	–	–	–	1,261	1,261	1,261
Intangible assets		43	–	–	–	–	–	588	588	631	43	43
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-ex change transactions		–	–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–	–
<b>Total non current assets</b>		<b>875,374</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>59,198</b>	<b>59,198</b>	<b>934,572</b>	<b>837,389</b>	<b>833,868</b>
<b>TOTAL ASSETS</b>		<b>1,288,744</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>109,727</b>	<b>109,727</b>	<b>1,398,471</b>	<b>1,300,160</b>	<b>1,271,439</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft		–	–	–	–	–	–	–	–	–	–	–
Financial liabilities		–	–	–	–	–	–	–	–	–	–	–
Consumer deposits		506	–	–	–	–	–	(9)	(9)	497	506	506
Trade and other payables from exchange transactions		74,019	–	–	–	–	–	16,659	16,659	90,678	78,220	80,023
Trade and other payables from non-ex change transactions		–	–	–	–	–	–	–	–	–	–	–
Provisions		20,308	–	–	–	–	–	(389)	(389)	19,919	20,308	20,308
VAT		4,947	–	–	–	–	–	–	–	4,947	5,186	5,430
Other current liabilities		–	–	–	–	–	–	–	–	–	–	–
<b>Total current liabilities</b>		<b>99,779</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>16,261</b>	<b>16,261</b>	<b>116,040</b>	<b>104,220</b>	<b>106,266</b>
<b>Non current liabilities</b>												
Borrowing	1	–	–	–	–	–	–	–	–	–	–	–
Provisions	1	22,484	–	–	–	–	–	(10,999)	(10,999)	11,485	22,484	22,484
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		–	–	–	–	–	–	–	–	–	–	–
<b>Total non current liabilities</b>		<b>22,484</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(10,999)</b>	<b>(10,999)</b>	<b>11,485</b>	<b>22,484</b>	<b>22,484</b>
<b>TOTAL LIABILITIES</b>		<b>122,263</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,262</b>	<b>5,262</b>	<b>127,525</b>	<b>126,704</b>	<b>128,750</b>
<b>NET ASSETS</b>	2	<b>1,166,481</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>104,465</b>	<b>104,465</b>	<b>1,270,946</b>	<b>1,173,456</b>	<b>1,142,689</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		1,166,481	–	–	–	–	192	104,273	104,465	1,270,946	1,173,456	1,142,689
Funds and Reserves		–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>1,166,481</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>192</b>	<b>104,273</b>	<b>104,465</b>	<b>1,270,946</b>	<b>1,173,456</b>	<b>1,142,689</b>

- The above table depicts the municipality's adjustment financial position after taking into account the proposed adjustments and it is important to mention that this is based on the audited results of the municipality since this was not part of the original budget.

b. Table B7 Adjustments budget Cash Flows

EC443 Winnie Madikizela-Mandela - Table B7 Adjustments Budget Cash Flows - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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
<b>R thousands</b>		A	A1	B	C	D	E	F	G	H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates		29,982						–	–	29,982	31,546	–
Service charges		32,606						8,000	8,000	40,606	34,785	37,833
Other revenue		51,616						84	84	51,700	49,265	52,004
Transfers and Subsidies - Operational	1	349,897					5,152		5,152	355,050	371,637	364,128
Transfers and Subsidies - Capital	1	71,555					(717)		(717)	70,838	80,471	82,487
Interest		15,890						10,000	10,000	25,890	16,669	17,452
Dividends		–						–	–	–	–	–
<b>Payments</b>												
Suppliers and employees		(380,618)					(372)	(47,695)	(48,067)	(428,684)	(405,897)	(433,827)
Finance charges		(100)						–	–	(100)	100	100
Transfers and Subsidies	1	–						–	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>170,828</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,064</b>	<b>(29,611)</b>	<b>(25,548)</b>	<b>145,280</b>	<b>178,576</b>	<b>120,178</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		–							–	–	–	–
Decrease (increase) in non-current receivables		–							–	–	–	–
Decrease (increase) in non-current investments		–							–	–	–	–
<b>Payments</b>												
Capital assets		(141,376)					17,875	(26,381)	(8,506)	(149,882)	100,930	100,189
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(141,376)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>17,875</b>	<b>(26,381)</b>	<b>(8,506)</b>	<b>(149,882)</b>	<b>100,930</b>	<b>100,189</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>29,451</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>21,939</b>	<b>(55,993)</b>	<b>(34,054)</b>	<b>(4,602)</b>	<b>279,506</b>	<b>220,367</b>
Cash/cash equivalents at the year begin:	2	277,109						82,907	82,907	360,015	355,413	432,860
Cash/cash equivalents at the year end:	2	306,560					21,939	26,914	48,853	355,413	634,920	653,227

- The above table shows projected cash flows as a result of the adjustments and also taking into account the audited results as the bases for the estimates.

c. Table B8 Cash backed reserves/accumulated surplus reconciliation

EC443 Winnie Madikizela-Mandela - Table B8 Cash backed reserves/accumulated surplus reconciliation - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	306,560	–	–	–	–	21,939	26,914	48,853	355,413	634,920	653,227
Other current investments > 90 days		25,809	–	–	–	–	(21,939)	26,830	4,891	30,700	(254,558)	(298,034)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>332,369</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>53,744</b>	<b>53,744</b>	<b>386,113</b>	<b>380,362</b>	<b>355,193</b>
<b>Surplus(shortfall)</b>		<b>332,369</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>53,744</b>	<b>53,744</b>	<b>386,113</b>	<b>380,362</b>	<b>355,193</b>

The table tests the municipality's sustainability through funding of the budget by taking the available resourcing and checking how these will be applied to determine whether there will be surplus or shortfall. Where there is an anticipated shortfall the table tests whether the municipality has enough funds in its reserves to ensure full implementation of the current budget. As things stand the municipality cash backing tests indicate a growth in the municipality's surpluses which can be seen on the municipality's audited results that have increased compared to the prior years when it comes to reserves.

## d. Table B9 Asset Management

EC443 Winnie Madikizela-Mandela - Table B9 Asset Management - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>CAPITAL EXPENDITURE</b>												
<b>Total New Assets to be adjusted</b>	1	100,275	-	-	-	-	-	(18,066)	(18,066)	82,209	87,961	87,121
Roads Infrastructure		51,478	-	-	-	-	-	(1,006)	(1,006)	50,472	49,540	51,728
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		14,783	-	-	-	-	-	(14,783)	(14,783)	-	20,435	20,000
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		16,271	-	-	-	-	-	(8,609)	(8,609)	7,662	9,500	9,500
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		82,532	-	-	-	-	-	(24,398)	(24,398)	58,134	79,474	81,228
Community Facilities		3,117	-	-	-	-	-	3,587	3,587	6,704	807	844
Sport and Recreation Facilities		637	-	-	-	-	-	(348)	(348)	289	522	522
Community Assets		3,754	-	-	-	-	-	3,239	3,239	6,994	1,328	1,365
Heritage Assets		1,304	-	-	-	-	-	-	-	1,304	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	3,419	3,419	3,419	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	3,419	3,419	3,419	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		2,000	-	-	-	-	-	86	86	2,086	2,000	2,000
Furniture and Office Equipment		3,870	-	-	-	-	-	217	217	4,087	3,522	2,391
Machinery and Equipment		137	-	-	-	-	-	70	70	206	137	137
Transport Assets		6,678	-	-	-	-	-	(700)	(700)	5,978	1,500	-
<b>Total Renewal of Existing Assets to be adjusted</b>	2	4,313	-	-	-	-	-	17,559	17,559	21,872	-	-
Roads Infrastructure		4,122	-	-	-	-	-	17,559	17,559	21,681	-	-
Infrastructure		4,122	-	-	-	-	-	17,559	17,559	21,681	-	-
Operational Buildings		191	-	-	-	-	-	-	-	191	-	-
Other Assets	6	191	-	-	-	-	-	-	-	191	-	-
<b>Total Upgrading of Existing Assets to be adjusted</b>	2a	18,695	-	-	-	-	-	16,885	16,885	35,579	-	-
Roads Infrastructure		6,830	-	-	-	-	-	-	-	6,830	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	3,500	3,500	3,500	-	-
Infrastructure		6,830	-	-	-	-	-	3,500	3,500	10,330	-	-
Community Facilities		8,744	-	-	-	-	-	10,020	10,020	18,764	-	-
Sport and Recreation Facilities		3,120	-	-	-	-	-	3,365	3,365	6,485	-	-
Community Assets		11,864	-	-	-	-	-	13,385	13,385	25,249	-	-
<b>Total Capital Expenditure to be adjusted</b>	4	123,282	-	-	-	-	-	16,378	16,378	139,660	87,961	87,121
Roads Infrastructure		62,430	-	-	-	-	-	16,552	16,552	78,983	49,540	51,728
Electrical Infrastructure		14,783	-	-	-	-	-	(11,283)	(11,283)	3,500	20,435	20,000
Solid Waste Infrastructure		16,271	-	-	-	-	-	(8,609)	(8,609)	7,662	9,500	9,500
Infrastructure		93,484	-	-	-	-	-	(3,339)	(3,339)	90,145	79,474	81,228
Community Facilities		11,861	-	-	-	-	-	13,607	13,607	25,468	807	844
Sport and Recreation Facilities		3,757	-	-	-	-	-	3,017	3,017	6,775	522	522
Community Assets		15,618	-	-	-	-	-	16,624	16,624	32,243	1,328	1,365
Heritage Assets		1,304	-	-	-	-	-	-	-	1,304	-	-
Operational Buildings		191	-	-	-	-	-	3,419	3,419	3,611	-	-
Other Assets		191	-	-	-	-	-	3,419	3,419	3,611	-	-
Computer Equipment		2,000	-	-	-	-	-	86	86	2,086	2,000	2,000
Furniture and Office Equipment		3,870	-	-	-	-	-	217	217	4,087	3,522	2,391
Machinery and Equipment		137	-	-	-	-	-	70	70	206	137	137
Transport Assets		6,678	-	-	-	-	-	(700)	(700)	5,978	1,500	-
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	4	123,282	-	-	-	-	-	16,378	16,378	139,660	87,961	87,121

EC443 Winnie Madikizela-Mandela - Table B9 Asset Management - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	875,374	–	–	–	–	–	59,198	59,198	934,572	837,389	833,868
<i>Roads Infrastructure</i>		435,906						89,413	89,413	525,319	421,404	421,970
<i>Storm water Infrastructure</i>		(588)						1,364	1,364	776	(617)	(646)
<i>Electrical Infrastructure</i>		66,024						(62,048)	(62,048)	3,976	71,642	71,173
<i>Solid Waste Infrastructure</i>		18,037						(10,374)	(10,374)	7,662	11,257	11,248
<i>Infrastructure</i>		519,379	–	–	–	–	–	18,354	18,354	537,733	503,686	503,746
<i>Community Assets</i>		262,202						24,850	24,850	287,052	249,206	248,795
<i>Heritage Assets</i>		2,565						–	–	2,565	1,261	1,261
<i>Investment properties</i>		39,090						3,119	3,119	42,210	39,090	39,090
<i>Other Assets</i>		22,586						3,493	3,493	26,079	22,359	22,323
<i>Intangible Assets</i>		43						588	588	631	43	43
<i>Computer Equipment</i>		2,311						1,290	1,290	3,601	2,173	2,035
<i>Furniture and Office Equipment</i>		7,555						6,440	6,440	13,995	5,402	4,206
<i>Machinery and Equipment</i>		5,065						(1,344)	(1,344)	3,720	4,842	4,618
<i>Transport Assets</i>		11,430						2,428	2,428	13,857	6,178	4,604
<i>Land</i>		3,149						(20)	(20)	3,129	3,148	3,148
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>875,374</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>59,198</b>	<b>59,198</b>	<b>934,572</b>	<b>837,389</b>	<b>833,868</b>
<b>EXPENDITURE OTHER ITEMS</b>												
<b><u>Depreciation &amp; asset impairment</u></b>		54,371	–	–	–	–	–	–	–	54,371	57,035	59,716
<b><u>Repairs and Maintenance by asset class</u></b>	3	<b>32,267</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8,025</b>	<b>8,025</b>	<b>40,292</b>	<b>38,059</b>	<b>43,888</b>
<i>Roads Infrastructure</i>		18,716	–	–	–	–	–	4,597	4,597	23,313	23,886	29,065
<i>Storm water Infrastructure</i>		–	–	–	–	–	–	–	–	–	–	–
<i>Electrical Infrastructure</i>		3,941	–	–	–	–	–	(491)	(491)	3,450	4,122	4,312
<i>Solid Waste Infrastructure</i>		–	–	–	–	–	–	1,000	1,000	1,000	–	–
<b>Infrastructure</b>		22,656	–	–	–	–	–	5,106	5,106	27,763	28,009	33,377
<i>Community Facilities</i>		864	–	–	–	–	–	490	490	1,354	902	941
<i>Sport and Recreation Facilities</i>		–	–	–	–	–	–	–	–	–	–	–
<b>Community Assets</b>		864	–	–	–	–	–	490	490	1,354	902	941
<i>Operational Buildings</i>		3,279	–	–	–	–	–	29	29	3,308	3,430	3,587
<b>Other Assets</b>		3,279	–	–	–	–	–	29	29	3,308	3,430	3,587
<b>Computer Equipment</b>		30	–	–	–	–	–	–	–	30	31	33
<b>Furniture and Office Equipment</b>		199	–	–	–	–	–	60	60	259	208	218
<b>Machinery and Equipment</b>		693	–	–	–	–	–	500	500	1,192	724	758
<b>Transport Assets</b>		4,546	–	–	–	–	–	1,840	1,840	6,385	4,755	4,974
<b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>		<b>86,637</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8,025</b>	<b>8,025</b>	<b>94,663</b>	<b>95,094</b>	<b>103,604</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		18.7%	0.0%							41.1%	0.0%	0.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>		42.3%	0.0%							105.7%	0.0%	0.0%
<i>R&amp;M as a % of PPE</i>		3.7%	0.0%							4.3%	4.5%	5.3%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>		6.3%	0.0%							10.5%	4.5%	5.3%

## e. Table B10 Basic Service Delivery Measurement

EC443 Winnie Madikizela-Mandela - Table B10 Basic service delivery measurement - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>Household service targets</b>	1											
<b>Energy:</b>												
Electricity (at least min. service level)		318058							-	318,058	318058	318058
Electricity - prepaid (> min.service level)		0							-	-	0	0
Minimum Service Level and Above sub-total		318,058	-	-	-	-	-	-	-	318,058	318,058	318,058
Electricity (< min.service level)		0							-	-	0	0
Electricity - prepaid (< min. service level)		0							-	-	0	0
Other energy sources		1890							-	1,890	1890	1890
Below Minimum Service Level sub-total		1,890	-	-	-	-	-	-	-	1,890	1,890	1,890
<b>Total number of households</b>	5	319,948	-	-	-	-	-	-	-	319,948	319,948	319,948
<b>Refuse:</b>												
Removed at least once a week (min.service)		800							-	800	800	800
Minimum Service Level and Above sub-total		800	-	-	-	-	-	-	-	800	800	800
Removed less frequently than once a week		157							-	157	157	157
Using communal refuse dump		250							-	250	250	250
Using own refuse dump		0							-	-	0	0
Other rubbish disposal		3							-	3	3	3
No rubbish disposal		47480							-	47,480	47480	47480
Below Minimum Service Level sub-total		47,890	-	-	-	-	-	-	-	47,890	47,890	47,890
<b>Total number of households</b>	5	48,690	-	-	-	-	-	-	-	48,690	48,690	48,690
<b>Cost of Free Basic Services provided (R'000)</b>	16											
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		4,800	-	-	-	-	-	-	-	4,800	5,021	5,252
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal</b>												
<b>Formal Settlements (R'000)</b>												
<b>Total cost of FBS provided</b>		4,800	-	-	-	-	-	-	-	4,800	5,021	5,252
<b>Revenue cost of free services provided (R'000)</b>	17											
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)									-	-		
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		608	-	-	-	-	-	-	-	608	621	633
<b>Total revenue cost of subsidised services provided</b>		608	-	-	-	-	-	-	-	608	621	633



## PART 2 – SUPPORTING DOCUMENTATION

### 7. Adjustments to budget assumptions

The budget assumptions used during the preparation of the approved budget have remained the same. However, collection rates for the following revenue streams have been revised as follows:

Revenue Stream	Forecasted Collection Rate	Revised Collection Rate	Increase/(Decrease)
Property Rates	85%	90%	5%
Refuse Removal	80%	86%	6%
Electricity Distribution	97%	90%	(7%)
Licenses and Permits	100%	90%	(-10%)
Fines	50%	30%	(-20%)

It must be noted though that anticipated revenues from these revenue streams have not been revised while others have been revised up as the municipality is still required to account for revenues due, only the collection expectations have been revised. This however, excludes fines where there does not seem to be a recovery mechanism.

The above revised collection levels are expected to result in under collection which will then require a serious balancing act in terms of spending in the remaining months of the financial year coupled with cost reduction strategies.

### 8. Adjustments to budget funding

The municipality has ensured compliance with the following requirements of a budget:

- The budget is funded from realistically anticipated revenues
- The budget is fully funded
- Additional funding utilised to fund only capital programmes

The municipality has been forced to avail additional funding from each surplus cash as reported in its audited annual financial statements to fund the shortfall in the funding of the capital budget.

## **9. Winnie Madikizela-Mandela Local Municipality Economic Landscape**

Winnie Madikizela-Mandela Local Municipality is a rural municipality with the following characteristics:

- sparsely populated areas in which people farm or depend on natural resources, including villages and small towns that are dispersed through these area
- area that includes large settlements in the former homelands, which depend on migratory labour and remittances as well as government social grants for their survival, and typically have traditional land tenure systems.

These mean that the municipality has a very limited revenue base from which to collect revenue. This places more pressure on the limited revenue base to generate more and intensify collection. Only the town area generates revenue for the municipality, meaning like its people the municipality is solely dependent on Government grants to deliver services.

## **10. Access to basic services**

The provision of basic services can be an important agent in the reduction of poverty and unemployment and strengthening of social capital. It can also be a factor in reviving agriculture, tourism and other rural non-farm enterprises. For instance:

Road infrastructure connects rural areas to the town and facilitates the mobility of goods and people within the area. Roads provide the connections necessary for local markets to develop and facilitate the provision of public services, such as ambulances and policing. Access roads allow the supply of perishable foods to high-value town markets. Opportunities for job creation through labour-based maintenance approaches can also support household income and retain resources in local areas. The lack of road infrastructure hinders development, hence the municipality has seen it necessary to avail funding to ensure that these projects are completed.

The importance of electricity infrastructure in rural areas cannot be over emphasised. Besides improving the lives of our people, it can facilitate small business development and public safety as criminals find it hard to operate in high lit areas.

Government has emphasised the critical role that rural municipalities must play in reducing backlogs in access to basic services. Careful choices need to be made to match service

levels to what households can afford. The use of appropriate technologies is important in ensuring available resources are used optimally to meet households' needs.

## **11. Completion of outstanding stadium hire tariffs**

The municipality completed the construction of Mphuthumi Mafumbatha stadium that consists of a soccer sport field, Tennis Court, Netball field and an athletics track. The municipality's budget was approved by the end of May 2023 which contained tariffs for the soccer field only. This was because other parts of the stadium had not been completed by then and only material had been delivered to complete these. By 30 June 2023, installation of the final layers of the athletics track, tennis court, netball and valley ball field were completed and handed over for use during the first months of the 2023/24 financial year. It was only realised later that the approved tariffs excluded tariffs for these. The municipality's Community Services Department underwent a benchmarking process for the development of the outstanding tariffs for approval by council to make it possible for users to be able to get access to the facility. This was coupled with the development and adoption of an operational plan by the council. Below are the tariffs added to the municipality's current year tariffs following the completion of the stadium and being handed over for full utilisation.

### **NEW TARRIFS FOR NETBALL/VALLEY BALL AND ATHLETIC RACE TRACK**

<b>Code</b>	<b>Description</b>	<b>Tariff/s for 2023 /24 FY</b>
WMMLM070	Netball Court – Fee- per Game /Match	R150 .00
WMMLM071	Netball Court – Training fee per hour per team	R70 .00
WMMLM072	Netball Court – Training fee per hour per school team	R60 .00
WMMLM080	Volley ball – fee per Game/Match	R120 .00
WMMLM081	Volley ball – Training fee per hour per team	R70 .00
WMMLM082	Volley ball – Training fee per hour per school team	R60 .00
WMMLM090	Tennis - fee per Game/Match	R150 .00
WMMLM091	Tennis - Training fee per hour per team	R70 .00
WMMLM092	Tennis - Training fee per hour per school team	R60 .00

<b>Code</b>	<b>Description</b>	<b>Tariff/s for 2023 /24 FY</b>
WMMLM093	Tennis – Individual annual membership fee	R450.00
WMMLM0500	Athletics racing track - Athletics – Provincial / major events-hire per day	R1255.00
WMMLM05001	Athletics racing track - District / Development Hire per day - (only athletic turf sport shoes allowed)	R677.00
	Schools hire per day- (only athletic turf sport shoes allowed)	R387.00
WMMLM05002	Athletics racing track – individual annual membership fee (only athletic turf sport shoes allowed)	R 500.00

## 12. Adjustments to transfers and grants receipts

EC443 Winnie Madikizela-Mandela - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 27/02/2024

Description	Ref	Budget Year 2023/24							Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 7	Multi-year capital 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F		
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		349,397	–	–	(355)	–	(180)	346,346	371,137	363,606
Local Government Equitable Share		341,204				–	–	341,204	364,039	353,237
Energy Efficiency and Demand Side Management Grant	3	–				–	–	–	–	–
Local Government Financial Management Grant		2,100				–	–	2,100	2,100	2,238
Municipal Disaster Relief Grant		–					–	–	–	–
Municipal Infrastructure Grant		2,871			(175)				2,998	3,131
Neighbourhood Development Partnership Grant		–							2,000	5,000
Integrated National Electrification Programme Grant		–					–	–	–	–
Expanded Public Works Programme Integrated Grant		3,222			(180)		(180)	3,042	–	–
Other transfers and grants [insert description]							–	–	–	–
<b>Provincial Government:</b>		500	–	–	–	–	–	500	500	522
Health subsidy		–					–	–	–	–
Capacity Building and Other		500				–	–	500	500	522
	4	–					–	–		
							–	–		
Other transfers and grants [insert description]	5						–	–	–	–
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
							–	–		
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
[insert description]							–	–		
							–	–		
<b>Total Operating Transfers and Grants</b>	6	349,897	–	–	(355)	–	(180)	346,846	371,637	364,128
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		71,555	–	–	4,519	–	4,519	76,074	80,471	82,487
Municipal Infrastructure Grant (MIG)		54,555			(3,649)		(3,649)	50,906	56,971	59,487
Neighbourhood Development Partnership		–			9,168		9,168	9,168	–	–
Municipal Disaster Recovery Grant		–					–	–	–	–
Integrated National Electrification Programme Grant		17,000			(1,000)		(1,000)	16,000	23,500	23,000
							–	–		
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 Transfers and Grants</b>	6	71,555	–	–	4,519	–	4,519	76,074	80,471	82,487
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		421,452	–	–	4,164	–	4,339	422,920	452,108	446,615

### 13. Adjustments to expenditure on allocations and grant programmes

EC443 Winnie Madikizela-Mandela - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 27/02/2024

Description	Ref	Budget Year 2023/24							Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F		
<b>EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:</b>	1									
<b><u>Operating expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		349,397	–	–	(372)	–	(372)	349,025	371,137	363,606
Local Government Equitable Share		341,204				–	–	341,204	364,039	353,237
Energy Efficiency and Demand Side Management Grant		–					–	–	–	–
Local Government Financial Management Grant		2,100				–	–	2,100	2,100	2,238
Municipal Disaster Relief Grant		–					–	–	–	–
Municipal Infrastructure Grant		2,871			(192)		(192)	2,679	2,998	3,131
Neighbourhood Development Partnership Grant		–							2,000	5,000
Integrated National Electrification Programme Grant		–					–	–	–	–
Expanded Public Works Programme Integrated Grant		3,222			(180)		(180)	3,042	–	–
Other transfers and grants [insert description]							–	–		
<b>Provincial Government:</b>		500	–	–	–	–	–	500	500	522
Health subsidy		–					–	–	–	–
Capacity Building and Other		500				–	–	500	500	522
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>		349,897	–	–	(372)	–	(372)	349,525	371,637	364,128
<b><u>Capital expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		71,555	–	–	10,591	–	10,591	82,145	80,471	82,487
Municipal Infrastructure Grant (MIG)		54,555			(3,649)		(3,649)	50,906	56,971	59,487
Neighbourhood Development Partnership		–			9,168	–	9,168	9,168	–	–
Municipal Disaster Recovery Grant		–			6,071	–	6,071	6,071	–	–
Integrated National Electrification Programme Grant		17,000			(1,000)		(1,000)	16,000	23,500	23,000
<b>Total capital expenditure of Transfers and Grants</b>		71,555	–	–	10,591	–	10,591	82,145	80,471	82,487
<b>Total capital expenditure of Transfers and Grants</b>		421,452	–	–	10,219	–	10,219	431,671	452,108	446,615

The table above indicates an upward adjustment of over R10.2 million on capital transfers and a downward adjustment on the operating transfers of R372 thousand which is as a result of the decrease on MIG and EPWP grant.

## 14. Adjustments to allocations or grants made by the municipality

EC443 Winnie Madikizela-Mandela - Supporting Table SB10 Adjustments Budget - transfers and grants made by the municipality - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 6	Accum. Funds 7	Multi-year capital 8	Unfore. Unavoid. 9	Nat. or Prov. Govt 10	Other Adjusts. 11	Total Adjusts. 12	Adjusted Budget 13	Adjusted Budget	Adjusted Budget
<b>R thousands</b>		<b>A</b>	<b>A1</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>		
<b>Cash transfers to other municipalities</b>												
[insert description]	1								-	-		
[insert description]									-	-		
[insert description]									-	-		
<b>TOTAL ALLOCATIONS TO MUNICIPALITIES:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Cash transfers to Entities/Other External Mechanisms</b>												
[insert description]	2								-	-		
[insert description]									-	-		
[insert description]									-	-		
<b>TOTAL ALLOCATIONS TO ENTITIES/EMS'</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Cash transfers to other Organs of State</b>												
[insert description]	3								-	-		
[insert description]									-	-		
[insert description]									-	-		
<b>TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Cash transfers to other Organisations</b>												
[insert description]	4								-	-		
[insert description]									-	-		
[insert description]									-	-		
<b>TOTAL CASH TRANSFERS TO OTHER ORGANISATIONS:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>												
[insert description]												
[insert description]												
[insert description]												
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH TRANSFERS</b>	5	-	-	-	-	-	-	-	-	-	-	-
<b>Non-cash transfers to other municipalities</b>												
[insert description]	1								-	-		
[insert description]									-	-		
[insert description]									-	-		
<b>TOTAL ALLOCATIONS TO MUNICIPALITIES:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Non-cash transfers to Entities/Other External Mechanisms</b>												
[insert description]	2								-	-		
[insert description]									-	-		
[insert description]									-	-		
<b>TOTAL ALLOCATIONS TO ENTITIES/EMS'</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Non-cash transfers to other Organs of State</b>												
[insert description]	3								-	-		
[insert description]									-	-		
[insert description]									-	-		
<b>TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Non-cash transfers to other Organisations</b>												
:SMME Support	4	3,431						(150)	(150)	3,281	3,589	3,754
[insert description]									-	-		
[insert description]									-	-		
<b>Total Non-Cash Grants To Organisations</b>		3,431	-	-	-	-	-	(150)	(150)	3,281	3,589	3,754
<b>Groups of Individuals</b>												
[insert description]												
[insert description]												
[insert description]												
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS TO OTHER ORGANISATIONS:</b>		3,431	-	-	-	-	-	(150)	(150)	3,281	3,589	3,754
<b>TOTAL NON-CASH TRANSFERS</b>	5	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS</b>		-	-	-	-	-	-	-	-	-	-	-

The municipality gives support to qualifying SMMEs within the area as a means of Local economic development.

## 15. Adjustments to councillor allowances and employee benefits

EC443 Winnie Madikizela-Mandela - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 27/02/2024

Summary of remuneration	Ref	Budget Year 2023/24									% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	
<b>Councillors (Political Office Bearers plus Other)</b>											
Basic Salaries and Wages		15,153						-	-	15,153	0.0%
Pension and UIF Contributions		1,263						-	-	1,263	0.0%
Medical Aid Contributions		1,263						-	-	1,263	0.0%
Motor Vehicle Allowance		6,314						-	-	6,314	0.0%
Cellphone Allowance		4,488						-	-	4,488	
Housing Allowances								-	-	-	
Other benefits and allowances								-	-	-	
<b>Sub Total - Councillors</b>		<b>28,481</b>	-			-		-	-	<b>28,481</b>	<b>0.0%</b>
<b>% increase</b>			(0)							-	
<b>Senior Managers of the Municipality</b>											
Basic Salaries and Wages		5,572						(148)	(148)	5,423	-2.7%
Pension and UIF Contributions		250						(40)	(40)	210	-16.0%
Medical Aid Contributions		361						(30)	(30)	331	-8.3%
Overtime		-						-	-	-	
Performance Bonus		-						-	-	-	
Motor Vehicle Allowance		1,630						80	80	1,710	4.9%
Cellphone Allowance		120						-	-	120	0.0%
Housing Allowances		465						(20)	(20)	445	
<b>Sub Total - Senior Managers of Municipality</b>		<b>8,398</b>	-	-		-		(158)	(158)	<b>8,240</b>	<b>-1.9%</b>
<b>% increase</b>			(0)							(0)	
<b>Other Municipal Staff</b>											
Basic Salaries and Wages		76,704						170	170	76,873	0.2%
Pension and UIF Contributions		12,619						147	147	12,766	1.2%
Medical Aid Contributions		6,213						140	140	6,353	2.3%
Overtime		2,925						(430)	(430)	2,495	-14.7%
Performance Bonus		6,093						248	248	6,341	
Motor Vehicle Allowance		8,157						170	170	8,327	2.1%
Cellphone Allowance		875						117	117	992	13.3%
Housing Allowances		4,403						(211)	(211)	4,192	
Other benefits and allowances		3,825						(363)	(363)	3,462	
<b>Sub Total - Other Municipal Staff</b>		<b>121,814</b>	-	-	-	-	-	(13)	(13)	<b>121,801</b>	<b>0.0%</b>
<b>% increase</b>											
<b>Total Parent Municipality</b>		<b>158,693</b>	-	-	-	-	-	(172)	(172)	<b>158,522</b>	<b>-0.1%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>158,693</b>	-	-	-	-	-	(172)	(172)	<b>158,522</b>	<b>-0.1%</b>
<b>% increase</b>											
<b>TOTAL MANAGERS AND STAFF</b>		<b>130,213</b>	-	-	-	-	-	(172)	(172)	<b>130,041</b>	<b>-0.1%</b>



## 16. Adjustments to service delivery and budget implementation plan

The adjusted service delivery and budget implementation will be tabled separately from the budget document but considering the adjustments in this document.

## 17. Adjustments to capital expenditure

EC443 Winnie Madikizela-Mandela - Supporting Table SB18a Adjustments Budget - capital expenditure on new assets by asset class - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>												
<b>Infrastructure</b>		82,532	-	-	-	-	-	(24,398)	(24,398)	58,134	79,474	81,228
Roads Infrastructure		51,478	-	-	-	-	-	(1,006)	(1,006)	50,472	49,540	51,728
Roads		42,181	-	-	-	-	-	(1,080)	(1,080)	41,101	24,770	25,864
Road Structures		9,297	-	-	-	-	-	73	73	9,370	24,770	25,864
Electrical Infrastructure		14,783	-	-	-	-	-	(14,783)	(14,783)	-	20,435	20,000
HV Substations		-	-	-	-	-	-	-	-	-	20,435	20,000
MV Networks		14,783	-	-	-	-	-	(14,783)	(14,783)	-	-	-
Solid Waste Infrastructure		16,271	-	-	-	-	-	(8,609)	(8,609)	7,662	9,500	9,500
Landfill Sites		16,271	-	-	-	-	-	(8,696)	(8,696)	7,575	9,500	9,500
Waste Drop-off Points		-	-	-	-	-	-	87	87	87	-	-
<b>Community Assets</b>		3,754	-	-	-	-	-	3,239	3,239	6,994	1,328	1,365
Community Facilities		3,117	-	-	-	-	-	3,587	3,587	6,704	807	844
Halls		770	-	-	-	-	-	-	-	770	807	844
Crèches		607	-	-	-	-	-	1,293	1,293	1,900	-	-
Markets		1,739	-	-	-	-	-	2,294	2,294	4,033	-	-
Sport and Recreation Facilities		637	-	-	-	-	-	(348)	(348)	289	522	522
Indoor Facilities		-	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities		637	-	-	-	-	-	(348)	(348)	289	522	522
<b>Heritage assets</b>		1,304	-	-	-	-	-	-	-	1,304	-	-
Historic Buildings		1,304	-	-	-	-	-	-	-	1,304	-	-
<b>Other assets</b>		-	-	-	-	-	-	3,419	3,419	3,419	-	-
Operational Buildings		-	-	-	-	-	-	3,419	3,419	3,419	-	-
Manufacturing Plant		-	-	-	-	-	-	3,419	3,419	3,419	-	-
<b>Computer Equipment</b>		2,000	-	-	-	-	-	86	86	2,086	2,000	2,000
Computer Equipment		2,000	-	-	-	-	-	86	86	2,086	2,000	2,000
<b>Furniture and Office Equipment</b>		3,870	-	-	-	-	-	217	217	4,087	3,522	2,391
Furniture and Office Equipment		3,870	-	-	-	-	-	217	217	4,087	3,522	2,391
<b>Machinery and Equipment</b>		137	-	-	-	-	-	70	70	206	137	137
Machinery and Equipment		137	-	-	-	-	-	70	70	206	137	137
<b>Transport Assets</b>		6,678	-	-	-	-	-	(700)	(700)	5,978	1,500	-
Transport Assets		6,678	-	-	-	-	-	(700)	(700)	5,978	1,500	-
<b>Total Capital Expenditure on new assets to be adjusted</b>	1	100,275	-	-	-	-	-	(18,066)	(18,066)	82,209	87,961	87,121

EC443 Winnie Madikizela-Mandela - Supporting Table SB18b Adjustments Budget - capital expenditure on renewal of existing assets by asset class - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>												
<b>Infrastructure</b>		4,122	-	-	-	-	-	17,559	17,559	21,681	-	-
Roads Infrastructure		4,122	-	-	-	-	-	17,559	17,559	21,681	-	-
Roads		4,122	-	-	-	-	-	17,559	17,559	21,681	-	-
<b>Other assets</b>		191	-	-	-	-	-	-	-	191	-	-
Operational Buildings		191	-	-	-	-	-	-	-	191	-	-
Municipal Offices		191	-	-	-	-	-	-	-	191	-	-
<b>Total Capital Expenditure on renewal of existing assets to be adjusted</b>	1	4,313	-	-	-	-	-	17,559	17,559	21,872	-	-

EC443 Winnie Madikizela-Mandela - Supporting Table SB18e Adjustments Budget - capital expenditure on upgrading of existing assets by asset class - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>												
<b>Infrastructure</b>		6,830	–	–	–	–	–	3,500	3,500	10,330	–	–
Roads Infrastructure		6,830	–	–	–	–	–	–	–	6,830	–	–
Roads		6,830	–	–	–	–	–	–	–	6,830	–	–
Electrical Infrastructure		–	–	–	–	–	–	3,500	3,500	3,500	–	–
LV Networks		–	–	–	–	–	–	3,500	3,500	3,500	–	–
<b>Community Assets</b>		11,864	–	–	–	–	–	13,385	13,385	25,249	–	–
Community Facilities		8,744	–	–	–	–	–	10,020	10,020	18,764	–	–
Halls		8,744	–	–	–	–	–	10,020	10,020	18,764	–	–
Sport and Recreation Facilities		3,120	–	–	–	–	–	3,365	3,365	6,485	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–	–	–
Outdoor Facilities		3,120	–	–	–	–	–	3,365	3,365	6,485	–	–
<b>Total Capital Expenditure on upgrading of existing assets to be adjusted</b>	1	18,695	–	–	–	–	–	16,885	16,885	35,579	–	–

### i. Community Assets

The adjustments relate mainly to the adjustments made for the completion of the Civic Center, Stadium, and accounting for prepayments made at the stadium as well as other similar items that may have required top-up funding.

### ii. Computer Equipment

The adjustments relate to the computers indicated to be up for replacement in the budget and treasury office.

### iii. Electrical Infrastructure

As indicated earlier, the adjustments relate to electrification projects that have moved from the capital budget to the operating budget as they are scheduled to be completed before the end of the financial year.

### iv. Furniture and Office Equipment

The adjustment relates to revisions made for the Civic center furniture which the majority of has already been catered for and included in the current construction costs as well as the furniture catered for the traffic department.

### v. Solid Waste Infrastructure

The adjustment relates to funding that was allocated for the completion of Majazi Landfill site which has become increasingly clear that due to challenges faced, the project is unlikely to commence this year.

### vi. Road infrastructure

The adjustments relate to additional funding availed by the municipality to fund the rehabilitation of access roads in various wards within the municipality.

### vii. Transport Assets

The adjustment relates to adjustments made to cater procurement of police vehicles as well as savings from Corporate Services of the procurement of vehicles that have been reprioritised

## 18. Adjustments to repairs and maintenance

EC443 Winnie Madikizela-Mandela - Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>												
<b>Infrastructure</b>		22,656	-	-	-	-	-	5,106	5,106	27,763	28,009	33,377
Roads Infrastructure		18,716	-	-	-	-	-	4,597	4,597	23,313	23,886	29,065
Roads		666	-	-	-	-	-	(200)	(200)	466	697	729
Road Structures		17,583	-	-	-	-	-	4,797	4,797	22,381	22,702	27,827
Road Furniture		466	-	-	-	-	-	-	-	466	487	510
Electrical Infrastructure		3,941	-	-	-	-	-	(491)	(491)	3,450	4,122	4,312
MV Networks		3,941	-	-	-	-	-	(3,641)	(3,641)	300	4,122	4,312
LV Networks		-	-	-	-	-	-	3,150	3,150	3,150	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	1,000	1,000	1,000	-	-
Waste Drop-off Points		-	-	-	-	-	-	1,000	1,000	1,000	-	-
<b>Community Assets</b>		864	-	-	-	-	-	490	490	1,354	902	941
Community Facilities		864	-	-	-	-	-	490	490	1,354	902	941
Halls		262	-	-	-	-	-	490	490	752	274	287
Libraries		350	-	-	-	-	-	-	-	350	366	383
Cemeteries/Crematoria		105	-	-	-	-	-	-	-	105	110	115
Parks		148	-	-	-	-	-	-	-	148	152	157
<b>Other assets</b>		3,279	-	-	-	-	-	29	29	3,308	3,430	3,587
Operational Buildings		3,279	-	-	-	-	-	29	29	3,308	3,430	3,587
Municipal Offices		3,123	-	-	-	-	-	29	29	3,152	3,266	3,417
Yards		156	-	-	-	-	-	-	-	156	163	171
<b>Computer Equipment</b>		30	-	-	-	-	-	-	-	30	31	33
Computer Equipment		30	-	-	-	-	-	-	-	30	31	33
<b>Furniture and Office Equipment</b>		199	-	-	-	-	-	60	60	259	208	218
Furniture and Office Equipment		199	-	-	-	-	-	60	60	259	208	218
<b>Machinery and Equipment</b>		693	-	-	-	-	-	500	500	1,192	724	758
Machinery and Equipment		693	-	-	-	-	-	500	500	1,192	724	758
<b>Transport Assets</b>		4,546	-	-	-	-	-	1,840	1,840	6,385	4,755	4,974
Transport Assets		4,546	-	-	-	-	-	1,840	1,840	6,385	4,755	4,974
<b>Total Repairs and Maintenance Expenditure to be adjusted</b>	1	32,267	-	-	-	-	-	8,025	8,025	40,292	38,059	43,888

## 19. Adjustments on depreciation by asset class

EC443 Winnie Madikizela-Mandela - Supporting Table SB18d Adjustments Budget - depreciation by asset class - 27/02/2024

Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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>Depreciation by Asset Class/Sub-class</b>												
<b>Infrastructure</b>		<b>34,353</b>	-	-	-	-	-	-	-	<b>34,353</b>	<b>36,037</b>	<b>37,731</b>
Roads Infrastructure		32,894	-	-	-	-	-	-	-	32,894	34,506	36,128
Roads		14,241	-	-	-	-	-	-	-	14,241	14,939	15,641
Road Structures		18,165	-	-	-	-	-	-	-	18,165	19,055	19,951
Road Furniture		488	-	-	-	-	-	-	-	488	512	536
Storm water Infrastructure		588	-	-	-	-	-	-	-	588	617	646
Drainage Collection		221	-	-	-	-	-	-	-	221	232	243
Storm water Conveyance		366	-	-	-	-	-	-	-	366	384	402
Electrical Infrastructure		691	-	-	-	-	-	-	-	691	725	759
MV Substations		55	-	-	-	-	-	-	-	55	58	61
MV Networks		467	-	-	-	-	-	-	-	467	490	513
LV Networks		168	-	-	-	-	-	-	-	168	176	185
Solid Waste Infrastructure		181	-	-	-	-	-	-	-	181	190	199
Landfill Sites		181	-	-	-	-	-	-	-	181	190	199
<b>Community Assets</b>		<b>9,089</b>	-	-	-	-	-	-	-	<b>9,089</b>	<b>9,534</b>	<b>9,983</b>
Community Facilities		6,344	-	-	-	-	-	-	-	6,344	6,655	6,968
Halls		4,764	-	-	-	-	-	-	-	4,764	4,997	5,232
Crèches		320	-	-	-	-	-	-	-	320	335	351
Cemeteries/Crematoria		14	-	-	-	-	-	-	-	14	15	16
PurIs		1,068	-	-	-	-	-	-	-	1,068	1,121	1,173
Public Ablution Facilities		114	-	-	-	-	-	-	-	114	119	125
Stalls		64	-	-	-	-	-	-	-	64	68	71
Sport and Recreation Facilities		2,745	-	-	-	-	-	-	-	2,745	2,880	3,015
Outdoor Facilities		2,745	-	-	-	-	-	-	-	2,745	2,880	3,015
<b>Other assets</b>		<b>730</b>	-	-	-	-	-	-	-	<b>730</b>	<b>765</b>	<b>801</b>
Operational Buildings		716	-	-	-	-	-	-	-	716	751	786
Municipal Offices		386	-	-	-	-	-	-	-	386	405	424
Pay/Enquiry Points		4	-	-	-	-	-	-	-	4	4	4
Yards		83	-	-	-	-	-	-	-	83	87	91
Stores		125	-	-	-	-	-	-	-	125	131	137
Training Centres		119	-	-	-	-	-	-	-	119	124	130
Housing		14	-	-	-	-	-	-	-	14	15	15
Social Housing		14	-	-	-	-	-	-	-	14	15	15
<b>Computer Equipment</b>		<b>2,809</b>	-	-	-	-	-	-	-	<b>2,809</b>	<b>2,946</b>	<b>3,085</b>
Computer Equipment		2,809	-	-	-	-	-	-	-	2,809	2,946	3,085
<b>Furniture and Office Equipment</b>		<b>1,341</b>	-	-	-	-	-	-	-	<b>1,341</b>	<b>1,407</b>	<b>1,473</b>
Furniture and Office Equipment		1,341	-	-	-	-	-	-	-	1,341	1,407	1,473
<b>Machinery and Equipment</b>		<b>4,550</b>	-	-	-	-	-	-	-	<b>4,550</b>	<b>4,773</b>	<b>4,998</b>
Machinery and Equipment		4,550	-	-	-	-	-	-	-	4,550	4,773	4,998
<b>Transport Assets</b>		<b>1,498</b>	-	-	-	-	-	-	-	<b>1,498</b>	<b>1,572</b>	<b>1,646</b>
Transport Assets		1,498	-	-	-	-	-	-	-	1,498	1,572	1,646
<b>Total Depreciation to be adjusted</b>	1	<b>54,371</b>	-	-	-	-	-	-	-	<b>54,371</b>	<b>57,035</b>	<b>59,716</b>

### **Quality Certificate**

I, \_\_\_\_\_, municipal manager of Winnie Madikizela-Mandela Local Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under that Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print name

\_\_\_\_\_

Municipal Manager of Winnie Madikizela-Mandela Local Municipality (EC443)

Signature

\_\_\_\_\_

Date

\_\_\_\_\_

### Quality Certificate

I, Luvuyo Mahlaka, municipal manager of Winnie Madikizela-Mandela Local Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under that Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print name

Luvuyo Mahlaka

Municipal Manager of Winnie Madikizela-Mandela Local Municipality (EC443)

Signature



Date

27/02/2024