



THABAZIMBI
LOCAL
MUNICIPALITY
ANNUAL BUDGET
2022/23

**MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

THABAZIMBI LOCAL MUNICIPALITY

VISION

*A MUNICIPALITY WITH A DIVERSIFIED ECONOMY IN THE PROVISION OF EXCELLENT
SUSTAINABLE SERVICES*

MISSION

*TO BE A LEADING MUNICIPALITY IN THE PROVISION OF EXCELLENT SUSTAINABLE SERVICES
IN COLLABORATION WITH STAKEHOLDERS*

VALUES STATEMENT

*HONESTY AND INTEGRITY, ACCOUNTABILITY, INNOVATION AND TRANSFORMATION, SAFE
ENVIRONMENT, COLLABORATION, TRANSPARENCY AND FAIRNESS, COMMUNITY
INVOLVEMENT*

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	6
2. OPERATING BUDGET FRAMEWORK	8
2.1. OPERATING REVENUE	8
2.2. OPERATING EXPENDITURE	11
2.3. CAPITAL EXPENDITURE	16
3. ANNUAL BUDGET TABLES	20
4. OVERVIEW OF THE ALIGNMENT OF ANNUAL BUDGET WITH THE IDP	37
5. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	38
6. BUDGET-RELATED POLICIES	38
7. OVERVIEW BUDGET ASSUMPTIONS	38
8. LEGISLATION COMPLIANCE STATUS	39
9. OVERVIEW OF THE BUDGET FUNDING	40
Table 1 A4 Summary of revenue classified by main revenue source	8
Table 2 A4 Summary of expenditure classified by main expenditure source	11
Table 3 A1 - Budget Summary	21
Table 4 A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).	23
Table 5 A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	24
Table 6 A4 - Budgeted Financial Performance (revenue and expenditure)	25
Table 7 A5 - Budgeted Capital Expenditure by vote, standard classification and funding source	27
Table 8 A6 - Budgeted Financial Position	28
Table 9 A7 - Budgeted Cash Flow Statement	30
Table 10 A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation	30
Table 11 A9 – Asset Management	35
Table 12 A10 - Basic Service Delivery Measurement	36
Figure 1 Macro-economic performance and projects, 2020-2025	7
Figure 2 Consolidated Overview of the 2022/23 MTREF	7
Figure 3 Operating grants and transfers per DORA	9
Figure 4 Free Basic Services: Basic Social Services Package	10
Figure 5 Budgeted Expenditure Contracted Services	13
Figure 6 Budgeted Expenditure Inventory Consumed	14
Figure 7 Budgeted Expenditure Other Expenditure	15
Figure 8 Multiyear capital projects per source of funding	18
Figure 9 Consolidated Overview of the 2022/23 MTREF	19
Figure 10 Collection Rates Estimates	39

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

Figure 11 Percentage change rates, tariffs and charges	39
Figure 12 Grant allocations over the MTREF	40

GLOSSARY OF TERMS AND ABBREVIATIONS

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting, or affected by, the budget. Examples include tariff policy, rates policy and credit control and debt policy.

Budget Steering committee (BSC) – Committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in Section 53 of the MFMA.

Capital Expenditure – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash that will be received and spent by the municipality, and the month end cash and short-term investment balances.

CGD – Capital Grants and Donations.

CPI – Headline Consumer Price Index.

CRR – Capital Replacement Reserve.

DMTN – Domestic Medium Term Note.

DORA – Division of Revenue Act. Annual legislation, which shows the allocations from National to Local Government.

DORB – Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from National to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted at assisting municipalities with the costs of free basic services.

GFS – Government Finance Statistics. An internationally recognized classification system that facilitates comparisons between municipalities.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI – Key Performance Indicators. Measures of service output and/or outcome.

MBRR – Municipal Budget Reporting Regulations.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to Municipal Financial Management.

MTREF – Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years.

SDBIP – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

SFA – Strategic Focus Areas. The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these Strategic Focus Areas.

Portfolio Committee – In line with Section 79 of the Structures Act, the Council Portfolio Committees process policies and bylaws relating to the functional areas within their terms of reference, and are responsible for implementation monitoring of these, as well as oversight of the functional areas. Portfolio Committees are also responsible for assessing and monitoring services delivery, ensuring that annual budgets are spent wisely, and that there is no wastage or corruption.

Rates – Local Government tax based on assessed valuation of a property.

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

1. EXECUTIVE SUMMARY

In terms of Section 24(1) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, the council of the municipality must for each year approve an annual budget for the municipality before the start of the financial year. The deadlines set out in the MFMA for tabling and approving budgets are minimum compliance requirements; municipalities may table and approve their budgets earlier. The budget must be tabled for consultation at least 90 days (31 March) before the start of the financial year (1 July). It must be considered for approval at least 30 days (1 June) before the start of that year, and it must be approved before the start of the financial year (1 July).

In Section 17 it is further said that the budget must be a schedule in this prescribed format:

- a) Setting out realistically anticipated revenue for the budget year from each revenue source;
- b) Appropriating expenditure for the budget year under the different votes of the municipality;
- c) Setting out indicative revenue per revenue source and projected Expenditure by vote for the two financial years following the budget year
- d) Setting out estimated revenue and expenditure by vote for the current year; and
- e) Actual revenue and expenditure by vote for the financial year preceding the current year

The following document is the Annual Budget for the 2022/23 financial year. The municipality has focused on developing revenue enhancement strategies and cost containment measures on expense items to assist in improving the cash flow of the municipality. Expense categories such as contracted services; other materials and other expenditure have been restricted. A Budget Funding Plan was adopted to aid the municipality in reaching a funded budget. Due to the large portion of debt still owing to Eskom and Magalies, it is likely that the municipality will remain with an unfunded budget for the MTREF period.

Thabazimbi Local Municipality received qualified audit opinion for three consecutive years i.e. 2018/19; 2019/20 and 2020/21. It should be noted that the municipality only had one major finding that resulted into the municipality maintaining the audit opinion. The contributor was trade payable. However, the municipality had developed an action plan to arrest the finding in order to achieve the unqualified audit opinion.

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

The municipality is currently completing its Financial Recovery Plan on a monthly basis with Provincial Treasury to ensure that the municipality operates in a sound financial manner. Thabazimbi Local Municipality has payment arrangements in place with Eskom and Magalies.

The budgets projection were based on circular 112 and 115 (i.e. municipal budget circular for 2022/23 MTREF) According the said circular, the inflation target has been denoted on the below table:

Macro-economic performance and projects, 2020-2025

<i>Fiscal</i>	<i>2021/21</i>	<i>2021/22</i>	<i>2022/23</i>	<i>2023/24</i>	<i>2024/25</i>
<i>year</i>					
	Actual	Estimates		Forecast	
<i>CPI</i>	2.9%	4.5%	4.8%	4.4%	4.5%
<i>Inflation</i>					

Figure 1 Macro-economic performance and projects, 2020-2025

Consolidated Overview of the 2022/23 MTREF

<i>Description</i>	<i>Original Budget</i> <i>2022/2023</i>	<i>Original Budget</i> <i>2023/2024</i>	<i>Original Budget</i> <i>2024/2025</i>
<i>Operating Revenue</i>	R 465 million	R 490 million	R 518 million
<i>Operating Expenditure</i>	R 434 million	R 435 million	R462 million
<i>Capital Expenditure</i>	R 116.9 million	R167.6 million	R 185.5 million

Figure 2 Consolidated Overview of the 2022/23 MTREF

Budgeted total operating revenue is R465 million and budgeted total operating expenditure is R434 million for the period of 2022/23. The total capital budget for the 2022/23 amounts to R116.9 million. The capital budget comprises of three grants, namely, Municipal Infrastructure Grant, Water Services Infrastructure Grant and Integrated National Electrification Programme.

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

2. OPERATING BUDGET FRAMEWORK

2.1. Operating Revenue

Summary of revenue classified by main revenue source

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Revenue By Source											
Property rates	2	69,338	78,361	80,805	98,531	94,531	94,531	68,580	95,476	99,677	104,162
Service charges - electricity revenue	2	67,937	70,804	78,829	90,442	90,442	90,442	38,081	98,695	103,038	107,675
Service charges - water revenue	2	54,149	56,563	42,676	52,976	58,976	58,976	75,276	61,320	64,018	66,899
Service charges - sanitation revenue	2	23,570	24,856	25,178	24,615	26,615	26,615	23,199	28,909	30,181	31,539
Service charges - refuse revenue	2	16,797	15,151	15,953	15,914	15,914	15,914	14,280	17,496	18,266	19,088
Rental of facilities and equipment		2,958	423	426	428	428	428	270	466	486	508
Interest earned - external investments		1,305	1,465	399	353	353	353	420	538	562	587
Interest earned - outstanding debtors		25,003	21,909	28,051	27,954	27,954	27,954	23,471	29,097	30,377	31,744
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,288	1,323	466	52	52	52	54	55	57	60
Licences and permits		884	3,123	4,762	1,832	1,832	1,832	23	4,127	4,308	4,502
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		89,399	97,663	120,315	113,557	113,557	113,557	135,127	126,417	136,446	148,880
Other revenue	2	2,122	500	1,475	980	1,980	1,980	1,893	2,492	2,601	2,718
Gains		65	(7,563)	(3,223)	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		354,815	364,579	396,112	427,635	432,635	432,635	380,673	465,087	490,018	518,362

Table 1 A4 Summary of revenue classified by main revenue source

Thabazimbi Local Municipality requires sustainable revenue streams in order to improve the lives of its citizens. The municipality does continuously review revenue management processes to ensure that the projected revenue and cash flows are realized. The municipality does maximize the revenue generating potential of all revenue sources through adequate and effective controls.

The municipality's budget strategy is built around the following key concepts:

- National Treasury's guidelines in this regard in terms of the relevant Circulars, particularly circular 112 and 115
- Division of Revenue Bill 2022
- Tariff Policies;
- Efficient revenue management, which aim to ensure better annual collection rates for property rates and other service charges;
- Determining the tariff escalation rate by calculating the revenue requirement of each service taking into consideration the affordability of these tariffs;

Operating grants and transfers totals to R126.4 million in the 2022/23 financial year, the allocations are as follows:

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

<i>Description</i>	<i>Original Budget 2022/2023</i>	<i>Original Budget 2023/2024</i>	<i>Original Budget 2024/2025</i>
<i>Equitable share</i>	R 122 million	R 133.3 million	R 145.7 million
<i>Financial Management Grant (FMG)</i>	R 3.1 million	R 3.1 million	R 3.1 million
<i>Expanded Public Works Programme Integrated Grant (EPWP)</i>	R 1.2 million		
TOTAL	R 126.4 million	R 136.4 million	R 148.8 million

Figure 3 Operating grants and transfers per DORA

Revenue generated from property rates and service charges forms a significant percentage of the revenue basket for the municipality.

2.1.1. Property Rates

The figure budgeted for property rates were calculated using the year to date 2021/22 actual figures and audited financial statements for 2020/21. A 5% inflation rate was used to reach a figure of R95 million. National treasury guidelines has allowed for an inflation increase up to 6% however, the municipality will inflate by 5% taking into the consideration the negative economic impact that the pandemic has had on all consumers.

The following categories form part of Property Rates: Agricultural; Business; Industrial; Mines; Residential; Vacant Land. Property Rates are informed by the Tariff Policy and Indigent Policy.

2.1.2. Electricity Revenue

The budgeted figure for electricity was calculated using the year to date 2021/22 actual figures and audited financial statements for 2020/21. Communication from NERSA with regards to the percentage inflation changes is 7.47%. The municipality has installed additional smart prepaid meters which allows the municipality to collect 100% of prepaid electricity utilised.

Indigent contributions and electricity losses have been factored into the budget.

The above factors result in a budgeted amount for electricity revenue of R98 million for the 2022/23 financial year. Since a large number of our electricity services are on prepaid meters, thus electricity revenue collection will be higher as compared to previous years.

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

Water Revenue

Water revenue for the 2022/23 financial year is budgeted at R 61.3 million. The budget for water revenue was calculated using the year to date 2021/22 actual figures and audited financial statements for 2020/21. In determining the R61.3 million budgeted amount, the following was taken into account:

- a) Water losses
- b) Collection rate for water
- c) Indigent contributions
- d) Net water revenue amount plus CPI

Magalies Water Board is the sole service provider of water to Thabazimbi Local Municipality. The municipality has catered for an increase of 5%. National treasury guidelines has allowed for an inflation increase up to 6% however, the municipality will inflate by 5% taking into the consideration the negative economic impact that the pandemic has had on all consumers.

During 2021/22 financial year, the municipality phased-in the water prepaid meters. This will assist in reducing non-payment of water, since the water prepaid meter is pay as you use principle. Municipality therefore anticipate an increase in cash collection of the water services billed to customers in 2022/23.

2.1.3. Sanitation and Refuse

The increase in sanitation and refuse respectively, was calculated based on the actual revenue to date generated in 2021/22 and audited financial statements for 2020/21. A tariff increase of 5% was applied for sanitation and refuse. The budgeted sanitation amount to R28 million and budgeted for refuse amounts to R17 million for the 2022/23 financial year.

2.1.4. Indigent Support

The municipality will be providing free basic services as indicated in the table below:

<i>Service</i>	<i>Free Basic Package per indigent household</i>
<i>Water</i>	6kl
<i>Electricity</i>	50kwh
<i>Sanitation</i>	100% free
<i>Refuse</i>	100% free
<i>Property Rates</i>	100% free

Figure 4 Free Basic Services: Basic Social Services Package

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

The free basic services will be implemented as per the municipality's indigent policy. The indigent register is updated annually and the policy is reviewed annually.

2.1.5. Interest Earned

Interest earned (i.e. income) comprises of two component namely, interest from external investment and outstanding debtors. The budgeted Interest earned on external investments is anticipated to amount to R538 thousand and interest on outstanding debtors is projected at R29 million for the 2022/23 financial year.

2.1.6. Other Revenue

The budgeted figure for other revenue amounting to R2.4 million were calculated using the year to date 2021/22 actual figures and audited financial statements for 2020/21 as well as the 5% inflation.

2.2. Operating Expenditure

Summary of expenditure classified by main expenditure source

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure By Type											
Employee related costs	2	118,089	124,464	135,737	145,464	146,974	146,974	111,853	159,718	163,613	170,976
Remuneration of councillors		9,548	8,897	9,354	11,050	9,550	9,550	5,789	10,008	10,448	15,150
Debt impairment	3	40,106	167,948	36,109	7,591	7,591	7,591	67	7,955	8,306	8,679
Depreciation & asset impairment	2	34,469	13,440	31,433	46,423	32,423	32,423	-	35,665	37,234	38,910
Finance charges		12,583	31,383	30,408	13,500	13,500	13,500	4,506	14,040	14,658	15,317
Bulk purchases - electricity	2	69,782	64,569	75,019	91,884	91,884	91,884	60,124	86,643	90,455	94,526
Inventory consumed	8	711	5,856	11,317	-	-	-	2,438	55,159	57,460	65,241
Contracted services		26,535	27,261	42,470	41,802	45,052	45,052	32,544	45,370	35,444	34,839
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	36,860	24,414	27,907	18,737	15,937	15,937	8,084	19,575	17,826	18,629
Losses		150	-	82	-	-	-	-	-	-	-
Total Expenditure		348,833	468,230	399,835	376,450	362,910	362,910	225,405	434,133	435,445	462,267

Table 2 A4 Summary of expenditure classified by main expenditure source

The municipality's framework for the 2022/23 budget and MTREF is informed by the following:

2.2.1. Employee Related Costs

The figure for employee related costs has increased by 4.9%. Confirmation from The Bargaining Council stated that employee related costs should increase by 4.9% for the 2022/23 financial year. Savings will be expected in 2022/23 on the overall

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

employee costs due to significant cost containment measures that are expected from the reduction of unnecessary overtime claims. All managers are expected to monitor and restrict overtime and uncontrolled travelling of employees to minimum levels.

2.2.2. Remuneration of Councillors

The amount budgeted for Councillors for the 2022/23 financial year has a growth rate of 4.8% which the municipality used to account for an expected increase in upper limits during the 2022/23 financial year.

2.2.3. Bulk Purchases

The amount of R86.9 million is made up of electricity bulk purchases. Bulk water has been accounted for as inventory thus is accounted for under "Other Material"; this is as per National Treasury circulars and guidelines. The bulk electricity budgeted figures have been increased according to the communique provided by NERSA which is 8.61%.

Thabazimbi Local Municipality has entered into a repayment agreement with Eskom and Magalie's Water in relation to historic debt, for which provision was made for in the 2022/23 budget.

2.2.4. Provision for depreciation and asset impairment

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Depreciation has been budgeted for by using the 2020/21 audited financial statements and a 10% annual increase thereafter was used to derive the budgeted figure. Budget appropriations in this regard total R35.6 million for the 2022/21 financial year.

2.2.5. Finance charges

Consist of interest charged on the historic debt for Eskom and Magalies. The municipality is in agreement with Eskom and Magalies that interest will not be payable, as long as the payment agreements are adhered to. Thus, the interest is only stated for financial purposes. Finance charges amounts to R14 million.

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

2.2.6. Contracted Services

The table below provides a summary of items budgeted for as contracted services:

Description	2023 Draft Budget
Payday	350 000.00
Munsoft	3 000 000.00
IT Services	8 000 000.00
Security Services	3 500 000.00
Legal Costs	5 000 000.00
Record Management System	500 000.00
Human Resource Training	750 000.00
Repairs and Maintenance	10 300 000.00
EAP Professional Services	100 000.00
Cash In-Transit	500 000.00
Medical Examinations	200 000.00
Traffic Maintenance	300 000.00
Licencing maintenance	300 000.00
Calibration of Licencing Equipment	20 000.00
Biometric	300 000.00
Digging of graves	1 500 000.00
Removal of Illegal dumps	1 000 000.00
Local Economic Development Support	500 000.00
Development of Human Settlements Sector Plan	850 000.00
Land Audit	1 000 000.00
Wildlife (Game Management)	500 000.00
Supplementary Valuation Roll	1 000 000.00
Review of Asset Register	3 100 000.00
Fuel	1 500 000.00
VAT Review	300 000.00
TOTAL	45 370 000.00

Figure 5 Budgeted Expenditure Contracted Services

2.2.7. Repairs and Maintenance

The amount budgeted for repairs and maintenance for financial year 2022/23 is R17.8 million. The municipality is required to project this figure as a percentage of PPE value; however, this is an unrealistic method of calculation given the financial situation of the municipality. In future budget periods the municipality intends to increase the budget allocation for repairs and maintenance based on the asset management plan. The budgeted figure for repairs and maintenance is split across two segments, as follows:

- Contracted services – R10.3 million
- Other material – R7.5 million

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

2.2.8. Inventory Consumed

Consists of the following line items:

INVENTORY CONSUMED LINE ITEMS	
DESCRIPTION	R
Cleaning Materials	200 000.00
Stationery	300 000.00
COVID 19 Relief	200 000.00
Communications Department Equipment	300 000.00
Bulk Purchases Water	46 658 870.00
Repairs and Maintenance: Materials and Supplies	7 500 000.00
TOTAL	55 158 870.00

Figure 6 Budgeted Expenditure Inventory Consumed

2.2.9. Other Expenditure

The table below provides a summary of items budgeted for as other expenditure:

OTHER EXPENDITURE LINE ITEMS	
DESCRIPTION	R
Office Rent	800 000.00
Lease Payments Printers	3 000 000.00
Operating Leases: Other Assets	250 000.00
HR Job Evaluation and Vetting	200 000.00
IDP Public Participation	250 000.00
Promotion Of Tourism	150 000.00
Advertising	300 000.00
Bank Charges	250 000.00
Communication: Cellular: Contract (Subscription and Calls)	14 576.64
OHS Function	100 000.00
Audit Fees	4 500 000.00
Insurance	2 000 000.00
Mayor Bursaries	100 000.00
PMU Administration	1 878 650.00
Printing and Publication	100 000.00
Audit Committee Expenses	250 000.00
Skills Levy	181 858.56
Domestic Accommodation	900 000.00
Travel and Subsistence	350 000.00
Protective Clothing	1 000 000.00
Human Resource COIDA	500 000.00
Implementation of SLPUMA	1 000 000.00

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

OTHER EXPENDITURE LINE ITEMS	
DESCRIPTION	R
Township Establishment	500 000.00
Establishment of Geographic Information System (GIS)	1 000 000.00
TOTAL	19 575 085.20

Figure 7 Budgeted Expenditure Other Expenditure

OHS Function: This amount consists of items such as fire extinguishers, first aid boxes and contents supplies to the value of R100 thousand.

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

2.3. Capital Expenditure

Capital Project Budget 2022/2023

Project Name	2022/23 Budget
MIG	
<i>Skierlik Paving of bus route</i>	R 18 000 000.00
<i>Northam Extension 5 Upgrading of internal streets Phase 2</i>	R 13 559 318.00
<i>Northam construction of a transfer station</i>	R 4 135 032.00
<i>PMU Management Fees</i>	R 1 878 650.00
TOTAL	R 37 573 000.00
WSIG 6B	
<i>Regorogile upgrading of water network (Ward 9,10)</i>	R 8 500 000.00
<i>Construction of VIP toilets in Rooiberg, Skierlik and Meriting Phase 1</i>	R 9 500 000.00
<i>Northam Upgrading of Water Reticulation (Ward 7, 8)</i>	R 8 800 000.00
<i>Upgrading of bulk water pipeline between Thabazimbi Pump station and Thabazimbi Y-piece</i>	R 27 520 000.00
TOTAL	R 54 320 000.00
INEP	
<i>Construction 3km 11kv overhead line Phase 2</i>	R 2 000 000.00
<i>Pre-Engineering of Smashblock 20MVA substation</i>	R 23 000 000.00
TOTAL	R 25 000 000.00

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

Capital Project Budget 2023/2024

MIG GRANT 2023/24

Rooiberg Paving of internal streets (Phase 2) R 16 000 000.00

Construction of Northam Landfill Site R 1 177 300.00

Rooiberg communal stand pipes R 10 000 000.00

PMU Management Fees R 1 956 700.00

TOTAL R 39 134 000.00

WSIG

Upgrading of bulk water pipeline between Thabazimbi Pump station and Thabazimbi Y-piece R 16 000 000.00

Upgrade of the Thabazimbi and Regorogile bulk water supply and associated infrastructure R 15 510 000.00

Upgrade of the Rooiberg bulk water supply and associated infrastructure. R 16 980 000.00

Upgrade of the Northam bulk water supply and associated infrastructure R 20 000 000.00

Regorogile upgrading of water network Phase 2(Ward 9,10,12) R 30 000 000.00

TOTAL R 98 490 000.00

INEP

Construction of Smashblock 20 MVA substation R 30 000 000.00

TOTAL R 30 000 000.00

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

2024/2025 Capital Budget		
MIG		
Construction of Northam Landfill Site	R	15 000 000.00
Upgrading of park at Regorogile	R	8 000 000.00
Regorogile construction of a transfer station	R	6 000 000.00
Thabazimbi Water Argumentation	R	3 754 300.00
Rooiberg Paving of Internal Streets	R	6 000 000.00
PMU Management Fees	R	2 039 700.00
TOTAL	R	40 794 000.00
WSIG		
Skierlik Water Supply	R	25 000 000.00
Construction of a Package Plant at Thabazimbi booster pump station and 1Ml storage tank	R	18 000 000.00
Leeupoort and Raphuti Water Augmentation Project	R	7 000 000.00
Regorogile upgrading of water supply network Phase 2	R	13 000 000.00
Northam upgrading of water reticulation Phase 2	R	15 000 000.00
Thabazimbi upgrading of water network Phase 1	R	24 954 000.00
TOTAL	R	102 954 000.00
INEP		
Construction 3km 11kv overhead line Phase 2	R	15 000 000.00
Upgrade and refurbishment of central substation	R	18 269 000.00
Electrification of households at Regorogile Ext 8 & 9 Phase 2	R	8 527 000.00
TOTAL	R	41 796 000.00

Figure 8 Multiyear capital projects per source of funding

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

Capital expenditure projects will be funded through:

- Municipal Infrastructure Grant (MIG)
- Water Service Infrastructure Grant (WSIG)
- Integrated National Electrification Programme (INEP)

Consolidated Overview of the 2022/23 MTREF

	Original Budget 2022/2023	Original Budget 2023/2024	Original Budget 2024/2025
Operating Revenue	R 465 million	R 490 million	R 518 million
Operating Expenditure	R 434 million	R 435 million	R462 million
Surplus/ (Shortfall)	R30.9 million	R 54.5 million	R 56 million

Figure 9 Consolidated Overview of the 2022/23 MTREF

The operating expenditure for 2022/23 is R434 million, which is less than the operating income of R465 million, resulting in a surplus of R30.9 million.

Strategic measures to increase the operating surplus over the MTREF period will be articulated in the updated financial recovery plan.

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

3. ANNUAL BUDGET TABLES

The following pages present the budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulation

Explanatory notes to MBRR Table A1 - Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Financial Performance										
Property rates	69,338	78,361	80,805	98,531	94,531	94,531	68,580	95,476	99,677	104,162
Service charges	162,454	167,374	162,635	183,946	191,946	191,946	150,836	206,421	215,503	225,201
Investment revenue	1,305	1,465	399	353	353	353	420	538	562	587
Transfers recognised - operational	89,399	97,663	120,315	113,557	113,557	113,557	135,127	126,417	136,446	148,880
Other own revenue	32,320	19,715	31,957	31,247	32,247	32,247	25,710	36,236	37,830	39,532
Total Revenue (excluding capital transfers and contributions)	354,815	364,579	396,112	427,635	432,635	432,635	380,673	465,087	490,018	518,362
Employee costs Remuneration of councillors Depreciation & asset impairment Finance charges	118,089	124,464	135,737	145,464	146,974	146,974	111,853	159,718	163,613	170,976
Inventory consumed and bulk purchases	9,548	8,897	9,354	11,050	9,550	9,550	5,789	10,008	10,448	15,150
Transfers and grants	34,469	13,440	31,433	46,423	32,423	32,423	–	35,665	37,234	38,910
Other expenditure	12,583	31,383	30,408	13,500	13,500	13,500	4,506	14,040	14,658	15,317
Total Expenditure	70,493	70,425	86,336	91,884	91,884	91,884	62,562	141,802	147,916	159,767
Surplus/(Deficit)	103,652	219,622	106,567	68,130	68,580	68,580	40,695	72,901	61,576	62,146
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	348,833	468,230	399,835	376,450	362,910	362,910	225,405	434,133	435,445	462,267
	5,982	(103,651)	(3,723)	51,185	69,725	69,725	155,268	30,954	54,573	56,096
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	32,783	94,961	91,276	125,212	125,212	125,212	6,004	116,893	167,624	185,544
	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	38,765	(8,690)		176,397	194,937	194,937	161,273	147,847	222,197	241,640
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	38,765	(8,690)	–	176,397	194,937	194,937	161,273	147,847	222,197	241,640

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Capital expenditure & funds sources										
Capital expenditure	10,064	25,045	95,354	125,212	125,212	125,212	18,865	115,014	165,667	183,504
Transfers recognised - capital	-	4,060	103,087	125,212	125,212	125,212	18,865	115,014	165,667	183,504
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	4,060	103,087	125,212	125,212	125,212	18,865	115,014	165,667	183,504
Financial position										
Total current assets Total	244,877	185,236	241,427	239,530	375,281	375,281	375,699	209,780	303,543	400,588
non current assets Total	741,044	793,776	834,616	922,614	1,771,229	1,836,075	853,481	954,027	1,082,460	1,227,055
current liabilities Total non	588,718	599,153	641,937	537,110	1,002,430	(966,169)	660,415	487,934	488,226	488,531
current liabilities	37,480	34,108	36,275	81,002	182,862	(182,862)	35,467	106,750	106,750	106,750
Community wealth/Equity	350,669	392,024	383,824	544,032	961,218	961,218	525,371	569,122	791,027	1,032,362
Cash flows										
Net cash from (used) operating	(98,473)	(58,254)	218,574	242,415	243,415	243,415	78,511	127,952	201,427	219,935
Net cash from (used) investing	-	-	(96,339)	(125,212)	(125,212)	(125,212)	(28,155)	(115,014)	(165,667)	(183,504)
Net cash from (used) financing	-	-	179	-	-	-	165	-	-	-
Cash/cash equivalents at the year end	(98,473)	(58,254)	112,960	186,614	189,625	189,625	52,533	15,046	50,805	87,236
Cash backing/surplus reconciliation										
Cash and investments available	31,781	(4,501)	2,011	(163,384)	(165,433)	(165,433)	67,182	15,046	50,805	87,236
Application of cash and investments	316,636	314,831	301,242	518,405	1,046,173	(919,859)	224,960	400,417	353,790	305,063
Balance - surplus (shortfall)	(284,855)	(319,332)	(299,231)	(681,790)	(1,211,606)	754,426	(157,779)	(385,371)	(302,984)	(217,827)
Asset management										
Asset register summary (WDV)	721,145	728,524	803,065	922,614	1,771,229	1,771,229	1,771,229	954,027	1,082,460	1,227,055
Depreciation	34,469	13,440	31,433	46,423	32,423	32,423	32,423	35,665	37,234	38,910
Renewal and Upgrading of Existing Assets	-	-	44,971	94,150	94,150	94,150	94,150	76,379	98,490	79,223
Repairs and Maintenance	10,338	16,989	19,103	18,900	24,900	24,900	24,900	11,500	12,528	11,873
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	(1,200)	(1,200)	(1,253)	(1,309)
Revenue cost of free services provided	-	-	-	(7,942)	(7,942)	(7,942)	914	914	955	998
Households below minimum service level										
Water:	1	8	9	10	10	10	10	10	11	-
Sanitation/sewerage:	7	7	7	7	7	7	7	7	7	-
Energy:	2	2	2	2	2	2	2	2	3	-
Refuse:	15	15	18	19	19	19	20	20	21	-

Table 3 A1 - Budget Summary

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

Table A1 is a budget summary and provides a concise overview of the municipality budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
Capital expenditure is balanced by capital funding sources, of which transfers recognized is reflected on the Financial Performance Budget;

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		233,523	329,820	245,704	333,872	330,872	330,872	331,912	397,974	432,655
Executive and council		88,064	96,270	167,651	202,553	203,553	203,553	204,481	264,936	293,630
Finance and administration Internal audit		145,459	233,551	78,053	131,319	127,319	127,319	127,431	133,038	139,025
		—	—	—	—	—	—	—	—	—
		380	594	741	2,120	2,120	2,120	4,483	4,680	4,891
<i>Community and public safety</i>		327	595	336	293	293	293	362	378	395
Community and social services Sport and recreation		—	—	—	—	—	—	—	—	—
		53	(1)	405	1,827	1,827	1,827	4,121	4,302	4,496
		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
		10,749	(6,319)	35,394	36,548	36,548	36,548	39,169	39,489	41,165
Housing		232	139	368	332	332	332	340	355	371
Health		11,127	1,105	38,248	36,216	36,216	36,216	38,829	39,134	40,794
<i>Economic and environmental services</i>		(610)	(7,563)	(3,223)	—	—	—	—	—	—
Planning and development Road		142,947	135,445	205,548	180,306	188,306	188,306	206,415	215,498	225,195
		49,009	39,466	106,134	90,442	90,442	90,442	98,695	103,038	107,675
transport		53,719	56,521	42,530	49,335	55,335	55,335	61,315	64,013	66,893
Environmental protection		23,439	24,307	40,931	24,615	26,615	26,615	28,309	29,555	30,885
		16,779	15,150	15,953	15,914	15,914	15,914	18,096	18,892	19,743
<i>Trading services</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	387,598	459,540	487,388	552,847	557,847	557,847	581,980	657,642	703,906
Expenditure - Functional										
<i>Governance and administration</i>		160,226	238,952	139,886	154,340	155,616	155,616	155,442	156,696	165,779
Executive and council		26,744	23,551	25,592	24,937	25,532	25,532	27,761	27,834	33,318
Finance and administration Internal audit		131,995	213,509	111,956	127,855	128,036	128,036	124,506	125,547	128,996
		1,486	1,892	2,339	1,548	2,048	2,048	3,176	3,315	3,465
		7,394	21,222	12,792	7,168	10,718	10,718	14,701	10,754	11,238
<i>Community and public safety</i>		3,308	1,621	7,009	5,495	3,998	3,998	5,215	3,774	3,944
Community and social services Sport and recreation		1,587	4,729	4,512	—	5,047	5,047	7,837	5,572	5,822
		2,498	14,872	1,272	1,672	1,672	1,672	1,649	1,409	1,472
		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
		30,993	30,875	76,577	71,678	52,388	52,388	58,863	54,824	57,291
Housing		5,250	21,821	30,498	14,415	8,009	8,009	13,965	7,950	8,308
Health		24,075	8,786	45,966	57,263	44,379	44,379	44,898	46,874	48,983
<i>Economic and environmental services</i>		1,668	269	113	—	—	—	—	—	—
Planning and development Road		176,131	209,042	204,503	191,105	195,629	195,629	205,086	213,462	228,263
		114,006	11,702	129,220	114,228	115,128	115,128	111,922	116,846	122,104
transport		35,378	184,073	55,318	58,104	60,428	60,428	71,977	74,496	83,044
Environmental protection		12,614	9,128	10,139	10,794	10,594	10,594	10,284	10,736	11,219
		14,132	4,139	9,825	7,979	9,479	9,479	10,904	11,383	11,896
<i>Trading services</i>	4	—	—	—	83	83	83	320	—	—
Total Expenditure - Functional	3	374,743	500,091	433,759	424,375	414,435	414,435	434,413	435,737	462,572
Surplus/(Deficit) for the year		12,856	(40,552)	53,629	128,472	143,412	143,412	147,568	221,905	241,335

Table 4 A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).

Explanatory notes:

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Revenue by Vote	1									
Vote 1 - Executive & Council		88,064	96,266	167,651	202,553	202,553	202,553	204,481	264,936	293,630
Vote 2 - Municipal Manager		-	4	0	-	1,000	1,000	-	-	-
Vote 3 - Budget and Treasury		141,245	230,532	76,626	130,649	126,649	126,649	125,235	130,745	136,629
Vote 4 - Corporate Services		2,907	397	997	613	613	613	2,136	2,230	2,331
Vote 5 - Planning and Development		(378)	(7,424)	(2,854)	332	332	332	340	355	371
Vote 6 - Community Services		18,466	18,366	17,124	18,092	18,092	18,092	22,640	23,636	24,699
Vote 7 - Technical Services		137,295	121,400	227,844	200,607	208,607	208,607	227,148	235,739	246,247
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	387,598	459,540	487,388	552,847	557,847	557,847	581,980	657,642	703,906
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		18,212	16,800	16,553	15,589	14,569	14,569	15,119	15,784	20,726
Vote 2 - Municipal Manager		10,015	8,151	10,510	15,378	12,494	12,494	14,381	13,865	14,489
Vote 3 - Budget and Treasury		86,398	161,557	51,246	64,716	62,166	62,166	57,431	59,645	61,111
Vote 4 - Corporate Services		32,862	40,254	47,911	46,280	51,260	51,260	52,083	50,251	51,531
Vote 5 - Planning and Development		4,966	19,975	28,298	11,692	6,037	6,037	12,327	6,240	6,520
Vote 6 - Community Services		36,217	39,666	38,597	30,331	37,381	37,381	43,991	40,999	42,844
Vote 7 - Technical Services		186,073	213,689	240,644	240,390	230,529	230,529	239,081	248,953	265,351
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	374,743	500,091	433,759	424,375	414,435	414,435	434,413	435,737	462,572
Surplus/(Deficit) for the year	2	12,856	(40,552)	53,629	128,472	143,412	143,412	147,568	221,905	241,335

Table 5 A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Explanatory notes:

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Revenue By Source											
Property rates	2	69,338	78,361	80,805	98,531	94,531	94,531	68,580	95,476	99,677	104,162
Service charges - electricity revenue	2	67,937	70,804	78,829	90,442	90,442	90,442	38,081	98,695	103,038	107,675
Service charges - water revenue	2	54,149	56,563	42,676	52,976	58,976	58,976	75,276	61,320	64,018	66,899
Service charges - sanitation revenue	2	23,570	24,856	25,178	24,615	26,615	26,615	23,199	28,909	30,181	31,539
Service charges - refuse revenue	2	16,797	15,151	15,953	15,914	15,914	15,914	14,280	17,496	18,266	19,088
Rental of facilities and equipment		2,958	423	426	428	428	428	270	466	486	508
Interest earned - external investments		1,305	1,465	399	353	353	353	420	538	562	587
Interest earned - outstanding debtors		25,003	21,909	28,051	27,954	27,954	27,954	23,471	29,097	30,377	31,744
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,288	1,323	466	52	52	52	54	55	57	60
Licences and permits		884	3,123	4,762	1,832	1,832	1,832	23	4,127	4,308	4,502
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		89,399	97,663	120,315	113,557	113,557	113,557	135,127	126,417	136,446	148,880
Other revenue	2	2,122	500	1,475	980	1,980	1,980	1,893	2,492	2,601	2,718
Gains		65	(7,563)	(3,223)	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		354,815	364,579	396,112	427,635	432,635	432,635	380,673	465,087	490,018	518,362
Expenditure By Type											
Employee related costs	2	118,089	124,464	135,737	145,464	146,974	146,974	111,853	159,718	163,613	170,976
Remuneration of councillors		9,548	8,897	9,354	11,050	9,550	9,550	5,789	10,008	10,448	15,150
Debt impairment	3	40,106	167,948	36,109	7,591	7,591	7,591	67	7,955	8,306	8,679
Depreciation & asset impairment	2	34,469	13,440	31,433	46,423	32,423	32,423	-	35,665	37,234	38,910
Finance charges		12,583	31,383	30,408	13,500	13,500	13,500	4,506	14,040	14,658	15,317
Bulk purchases - electricity	2	69,782	64,569	75,019	91,884	91,884	91,884	60,124	86,643	90,455	94,526
Inventory consumed	8	711	5,856	11,317	-	-	-	2,438	55,159	57,460	65,241
Contracted services		26,535	27,261	42,470	41,802	45,052	45,052	32,544	45,370	35,444	34,839
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	36,860	24,414	27,907	18,737	15,937	15,937	8,084	19,575	17,826	18,629
Losses		150	-	82	-	-	-	-	-	-	-
Total Expenditure		348,833	468,230	399,835	376,450	362,910	362,910	225,405	434,133	435,445	462,267
Surplus/(Deficit)		5,982	(103,651)	(3,723)	51,185	69,725	69,725	155,268	30,954	54,573	56,096
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		32,783	94,961	91,276	125,212	125,212	125,212	6,004	116,893	167,624	185,544
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		38,765	(8,690)	87,553	176,397	194,937	194,937	161,273	147,847	222,197	241,640
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		38,765	(8,690)	87,553	176,397	194,937	194,937	161,273	147,847	222,197	241,640
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		38,765	(8,690)	87,553	176,397	194,937	194,937	161,273	147,847	222,197	241,640
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		38,765	(8,690)	87,553	176,397	194,937	194,937	161,273	147,847	222,197	241,640

Table 6 A4 - Budgeted Financial Performance (revenue and expenditure)

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Technical Services		-	(9,307)	7,739	42,813	42,813	42,813	969	27,520	16,000	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	(9,307)	7,739	42,813	42,813	42,813	969	27,520	16,000	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		1,369	(5,405)	(557)	-	-	-	-	-	-	8,000
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services		-	5,068	(245)	32,007	31,654	31,654	13,540	18,000	11,177	15,000
Vote 7 - Technical Services		8,695	34,689	88,418	50,392	50,745	50,745	4,357	69,494	138,490	160,504
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		10,064	34,352	87,616	82,399	82,399	82,399	17,896	87,494	149,667	183,504
Total Capital Expenditure - Vote		10,064	25,045	95,354	125,212	125,212	125,212	18,865	115,014	165,667	183,504
Capital Expenditure - Functional											
Governance and administration		1,369	(5,405)	(557)	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		1,369	(5,405)	(557)	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	5,068	1,183	8,000	8,000	8,000	6,365	-	-	-
Community and social services		-	-	1,207	-	-	-	-	-	-	-
Sport and recreation		-	5,068	(24)	8,000	8,000	8,000	6,365	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	24,544	(6,026)	-	-	-	-	13,559	16,000	14,000
Planning and development		-	-	0	-	-	-	-	-	-	8,000
Road transport		-	24,544	(6,026)	-	-	-	-	13,559	16,000	6,000
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		8,695	839	102,182	93,205	93,558	93,558	5,325	83,455	149,667	169,504
Energy sources		8,695	8,695	4,084	22,000	22,000	22,000	2,418	29,135	30,000	47,796
Water management		-	1,473	74,554	70,000	70,000	70,000	1,813	54,320	108,490	106,708
Waste water management		-	(9,330)	23,545	1,205	1,558	1,558	1,095	-	-	-
Waste management		-	-	-	-	-	-	-	-	11,177	15,000
Other		-	-	(1,428)	24,007	23,654	23,654	7,174	18,000	-	-
Total Capital Expenditure - Functional	3	10,064	25,045	95,354	125,212	125,212	125,212	18,865	115,014	165,667	183,504
Funded by:											
National Government		-	13,390	79,542	125,212	125,212	125,212	18,865	115,014	165,667	183,504
Provincial Government		-	(9,330)	23,545	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	4,060	103,087	125,212	125,212	125,212	18,865	115,014	165,667	183,504

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-
Total Capital Funding	7	-	4,060	103,087	125,212	125,212	125,212	18,865	115,014	165,667	183,504

Table 7 A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

MBRR Table A6 - Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
ASSETS											
Current assets											
Cash		(2,923)	(5,457)	1,706	(163,384)	(167,444)	(167,444)	49,572	12,938	48,697	85,128
Call investment deposits	1	34,704	956	306	–	2,011	2,011	17,610	2,108	2,108	2,108
Consumer debtors	1	111,280	8,803	39,547	325,912	364,565	364,565	123,511	91,597	149,310	209,619
Other debtors		101,817	180,935	199,868	71,617	165,348	165,348	180,817	98,230	98,230	98,230
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	–	–	–	5,386	10,802	10,802	4,190	4,907	5,198	5,503
Total current assets		244,877	185,236	241,427	239,530	375,281	375,281	375,699	209,780	303,543	400,588
Non current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		0	0	0	–	–	–	0	–	–	–
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	740,890	793,776	834,616	921,112	1,769,246	1,834,091	853,481	953,522	1,081,955	1,226,549
Biological		–	–	–	1,502	1,984	1,984	–	505	505	505
Intangible		154	0	0	–	–	–	0	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		741,044	793,776	834,616	922,614	1,771,229	1,836,075	853,481	954,027	1,082,460	1,227,055
TOTAL ASSETS		985,921	979,012	1,076,042	1,162,144	2,146,511	2,211,356	1,229,180	1,163,806	1,386,003	1,627,643
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	0	0	0	1,284	1,284	(1,284)	0	–	–	–
Consumer deposits		4,029	4,179	4,358	5,666	10,024	10,024	4,523	4,567	4,567	4,567
Trade and other payables	4	533,054	549,349	577,247	526,370	983,016	(983,016)	595,560	478,845	479,136	479,441
Provisions		51,636	45,624	60,331	3,791	8,106	8,106	60,331	4,522	4,522	4,522
Total current liabilities		588,718	599,153	641,937	537,110	1,002,430	(966,169)	660,415	487,934	488,226	488,531
Non current liabilities											
Borrowing		3,009	1,970	720	448	1,168	(1,168)	(88)	754	754	754
Provisions		34,471	32,138	35,555	80,554	181,695	(181,695)	35,555	105,996	105,996	105,996
Total non current liabilities		37,480	34,108	36,275	81,002	182,862	(182,862)	35,467	106,750	106,750	106,750
TOTAL LIABILITIES		626,199	633,261	678,211	618,112	1,185,292	(1,149,032)	695,881	594,685	594,976	595,281
NET ASSETS	5	359,723	345,751	397,831	544,032	961,218	3,360,388	533,298	569,122	791,027	1,032,362
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		350,669	392,024	383,824	544,032	961,218	961,218	525,371	569,122	791,027	1,032,362
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	350,669	392,024	383,824	544,032	961,218	961,218	525,371	569,122	791,027	1,032,362

Table 8 A6 - Budgeted Financial Position

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

Explanatory notes:

Table A6 is consistent with international standards of good financial management practice, and improves the ability to understand, for councillors and management, on the impact of the budget on the statement of financial position (balance sheet). This format of presenting the statement of financial position is aligned to GRAP 1.

MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates Service		23,439	53,475	66,775	–	–	–	51,837	81,664	85,258	89,094
charges Other revenue		162,575	133,935	107,971	–	–	–	105,953	175,804	183,539	191,799
Transfers and Subsidies - Operational	1	(18,795)	16,687	17,243	3,293	3,293	3,293	34,497	17,428	18,195	19,014
Transfers and Subsidies - Capital	1	(1,844)	8,878	9,539	113,557	114,557	114,557	10,941	126,417	136,446	148,880
Interest		–	–	–	125,212	125,212	125,212	–	116,893	167,624	185,544
Dividends		–	–	–	353	353	353	–	538	562	587
Payments											
Suppliers and employees		(251,266)	(239,847)	12,949	–	–	–	(124,718)	(376,752)	(375,539)	(399,665)
Finance charges		(12,583)	(31,383)	4,098	–	–	–	–	(14,040)	(14,658)	(15,317)
Transfers and Grants	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(98,473)	(58,254)	218,574	242,415	243,415	243,415	78,511	127,952	201,427	219,935
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	(96,339)	(125,212)	(125,212)	(125,212)	(28,155)	(115,014)	(165,667)	(183,504)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	(96,339)	(125,212)	(125,212)	(125,212)	(28,155)	(115,014)	(165,667)	(183,504)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	179	–	–	–	165	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	179	–	–	–	165	–	–	–
		(98,473)	(58,254)	122,414	117,203	118,203	118,203	50,522	12,938	35,759	36,431

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
NET INCREASE/ (DECREASE) IN CASH HELD	2	–	–	(9,454)	69,411	71,422	71,422	2,011	2,108	15,046	50,805
Cash/cash equivalents at the year begin:	2	(98,473)	(58,254)	112,960	186,614	189,625	189,625	52,533	15,046	50,805	87,236

Table 9 A7 - Budgeted Cash Flow Statement

Explanatory notes:

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(98,473)	(58,254)	112,960	186,614	189,625	189,625	52,533	15,046	50,805	87,236
Other current investments > 90 days		130,254	53,753	(110,949)	(349,998)	(355,059)	(355,059)	14,649	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		31,781	(4,501)	2,011	(163,384)	(165,433)	(165,433)	67,182	15,046	50,805	87,236
Application of cash and investments											
Unspent conditional transfers		40,510	15,940	12,456	11,321	23,778	(23,778)	17,974	13,054	13,054	13,054
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	76,738	76,738	48,583	80,421	80,421	80,421
Other working capital requirements	3	276,126	298,891	288,786	510,875	953,763	(964,713)	218,735	311,464	264,836	216,110
Other provisions		–	–	–	(3,791)	(8,106)	(8,106)	(60,331)	(4,522)	(4,522)	(4,522)
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		316,636	314,831	301,242	518,405	1,046,173	(919,859)	224,960	400,417	353,790	305,063
Surplus(shortfall)		(284,855)	(319,332)	(299,231)	(681,790)	(1,211,606)	754,426	(157,779)	(385,371)	(302,984)	(217,827)

Table 10 A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

MBRR Table A9 – Asset Management

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	10,064	25,045	50,383	31,062	31,062	31,062	38,635	67,177	104,281
Roads Infrastructure		-	24,544	(6,026)	-	-	-	-	16,000	6,000
Storm water Infrastructure		-	(23)	16,650	-	-	-	-	-	-
Electrical Infrastructure		8,695	8,695	4,084	22,000	22,000	22,000	29,135	30,000	29,527
Water Supply Infrastructure		-	1,473	30,062	-	-	-	-	10,000	53,754
Sanitation Infrastructure		-	(9,307)	6,194	9,062	9,062	9,062	9,500	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	11,177	15,000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		8,695	25,382	50,964	31,062	31,062	31,062	38,635	67,177	104,281
Community Facilities		1,369	(5,405)	(557)	-	-	-	-	-	-
Sport and Recreation Facilities		-	5,068	(24)	-	-	-	-	-	-
Community Assets		1,369	(337)	(581)	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets		-	-	44,971	94,150	94,150	94,150	76,379	98,490	79,223
<i>Roads Infrastructure</i>	6	-	-	(1,428)	24,007	23,654	23,654	31,559	-	-
<i>Storm water Infrastructure</i>		-	-	-	1,205	1,558	1,558	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	18,269
<i>Water Supply Infrastructure</i>		-	-	45,193	60,938	60,938	60,938	44,820	98,490	52,954
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	43,764	86,150	86,150	86,150	76,379	98,490	71,223
Community Facilities		-	-	1,207	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	0	8,000	8,000	8,000	-	-	8,000
Community Assets		-	-	1,207	8,000	8,000	8,000	-	-	8,000
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

Total Capital Expenditure	4	10,064	25,045	95,354	125,212	125,212	125,212	115,014	165,667	183,504
<i>Roads Infrastructure</i>		-	24,544	(7,454)	24,007	23,654	23,654	31,559	16,000	6,000
<i>Storm water Infrastructure</i>		-	(23)	16,650	1,205	1,558	1,558	-	-	-
<i>Electrical Infrastructure</i>		8,695	8,695	4,084	22,000	22,000	22,000	29,135	30,000	47,796
<i>Water Supply Infrastructure</i>		-	1,473	75,255	60,938	60,938	60,938	44,820	108,490	106,708
<i>Sanitation Infrastructure</i>		-	(9,307)	6,194	9,062	9,062	9,062	9,500	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	11,177	15,000
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		8,695	25,382	94,728	117,212	117,212	117,212	115,014	165,667	175,504
<i>Community Facilities</i>		1,369	(5,405)	650	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		-	5,068	(24)	8,000	8,000	8,000	-	-	8,000
Community Assets		1,369	(337)	626	8,000	8,000	8,000	-	-	8,000
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		10,064	25,045	95,354	125,212	125,212	125,212	115,014	165,667	183,504
ASSET REGISTER SUMMARY - PPE (WDV)	5	721,145	728,524	803,065	922,614	1,771,229	1,771,229	954,027	1,082,460	1,227,055
<i>Roads Infrastructure</i>		334,095	360,912	361,582	4,027	12,674	12,674	19,481	22,872	15,695
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		33,503	31,979	36,062	19,114	19,114	19,114	25,960	52,646	96,978
<i>Water Supply Infrastructure</i>		99,705	98,834	174,809	60,938	60,938	60,938	44,820	153,310	260,018
<i>Sanitation Infrastructure</i>		150,974	137,723	140,394	(4,401)	(1,048)	(1,048)	(3,335)	(16,734)	(30,736)
<i>Solid Waste Infrastructure</i>		125	105	85	(11)	(11)	(11)	(12)	11,152	26,139
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		618,402	629,552	712,933	79,667	91,667	91,667	86,915	223,246	368,094
Community Assets		86,630	84,022	77,167	842,230	1,678,364	1,678,364	867,342	860,211	860,759
Heritage Assets		-	-	-	-	-	-	-	-	-
Investment properties		0	0	0	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	1,502	1,984	1,984	505	505	505
Intangible Assets		154	0	0	-	-	-	-	-	-
Computer Equipment		207	89	787	(117)	(117)	(117)	-	-	-
Furniture and Office Equipment		3,314	2,919	1,266	(379)	(379)	(379)	(417)	(853)	(1,308)

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Machinery and Equipment		181	145	248	(32)	(32)	(32)	(36)	(73)	(111)
Transport Assets		2,011	1,948	1,373	(256)	(256)	(256)	(282)	(576)	(884)
Land		8,810	8,810	8,810	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		1,436	1,039	482	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	721,145	728,524	803,065	922,614	1,771,229	1,771,229	954,027	1,082,460	1,227,055
EXPENDITURE OTHER ITEMS		44,807	30,429	50,536	65,323	57,323	57,323	47,165	49,762	50,783
Depreciation	7	34,469	13,440	31,433	46,423	32,423	32,423	35,665	37,234	38,910
Repairs and Maintenance by Asset Class	3	10,338	16,989	19,103	18,900	24,900	24,900	11,500	12,528	11,873
Roads Infrastructure		135	–	4,094	4,500	4,500	4,500	3,000	3,132	2,873
Storm water Infrastructure		313	–	–	–	–	–	–	–	–
Electrical Infrastructure		1,038	–	5,719	2,000	2,000	2,000	–	–	–
Water Supply Infrastructure		3,443	–	1,488	1,500	1,500	1,500	1,000	1,044	1,091
Sanitation Infrastructure		1,338	–	2,472	2,000	2,000	2,000	–	–	–
Solid Waste Infrastructure		385	(4,522)	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		6,652	(4,522)	13,773	10,000	10,000	10,000	4,000	4,176	3,964
Community Facilities		576	990	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		576	990	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		44	4,176	2,296	2,500	1,750	1,750	1,500	1,566	1,636
Housing		–	–	–	–	–	–	–	–	–
Other Assets		44	4,176	2,296	2,500	1,750	1,750	1,500	1,566	1,636
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	16,298	3,035	6,400	13,150	13,150	6,000	6,786	6,273
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		793	–	–	–	–	–	–	–	–
Transport Assets		2,273	47	(0)	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		44,807	30,429	50,536	65,323	57,323	57,323	47,165	49,762	50,783

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0.0%	0.0%	47.2%	75.2%	75.2%	75.2%	66.4%	59.5%	43.2%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		0.0%	0.0%	143.1%	202.8%	290.4%	290.4%	214.2%	264.5%	203.6%
<i>R&M as a % of PPE</i>		1.4%	2.1%	2.3%	2.1%	1.4%	1.4%	1.2%	1.2%	1.0%
<i>Renewal and upgrading and R&M as a % of PPE</i>		1.0%	2.0%	8.0%	12.0%	7.0%	7.0%	9.0%	10.0%	7.0%

Table 11 A9 – Asset Management

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

Table A10 - Basic Service Delivery Measurement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets	1									
Water:										
Piped water inside dwelling		19,654	19,654	22,882	24,118	24,118	24,118	25,420	26,793	–
Piped water inside yard (but not in dwelling)		3,704	4,914	5,721	6,029	6,029	6,029	6,355	6,698	–
Using public tap (at least min.service level)		1,965	1,965	2,288	2,412	2,412	2,412	2,542	2,679	–
Other water supply (at least min.service level)		983	983	1,144	1,206	1,206	1,206	1,271	1,340	–
<i>Minimum Service Level and Above sub-total</i>		26,306	27,516	32,035	33,765	33,765	33,765	35,588	37,510	–
Using public tap (< min.service level)		1,384	7,836	9,123	9,616	9,616	9,616	10,135	10,682	–
Other water supply (< min.service level)		110	111	129	136	136	136	144	151	–
No water supply		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		1,494	7,947	9,252	9,752	9,752	9,752	10,279	10,833	–
Total number of households	5	27,800	35,463	41,287	43,517	43,517	43,517	45,867	48,343	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		16,544	23,176	26,983	28,440	28,440	28,440	29,976	31,594	–
Flush toilet (with septic tank)		2,846	2,781	3,238	3,413	3,413	3,413	3,597	3,791	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		1,222	2,318	2,698	2,844	2,844	2,844	2,998	3,159	–
Other toilet provisions (> min.service level)		208	208	242	255	255	255	269	283	–
<i>Minimum Service Level and Above sub-total</i>		20,820	28,483	33,161	34,952	34,952	34,952	36,840	38,827	–
Bucket toilet		94	94	94	94	94	94	94	94	–
Other toilet provisions (< min.service level)		4,036	4,036	4,036	4,036	4,036	4,036	4,036	4,036	–
No toilet provisions		2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	–
<i>Below Minimum Service Level sub-total</i>		6,980	6,980	6,980	6,980	6,980	6,980	6,980	6,980	–
Total number of households	5	27,800	35,463	40,141	41,932	41,932	41,932	43,820	45,807	–
Energy:										
Electricity (at least min.service level)		13,731	13,731	15,986	16,850	16,850	16,850	17,759	18,719	–
Electricity - prepaid (min.service level)		12,151	12,151	14,147	14,911	14,911	14,911	15,716	16,565	–
<i>Minimum Service Level and Above sub-total</i>		25,882	25,882	30,133	31,761	31,761	31,761	33,475	35,284	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		1,918	1,918	2,233	2,354	2,354	2,354	2,481	2,615	–
<i>Below Minimum Service Level sub-total</i>		1,918	1,918	2,233	2,354	2,354	2,354	2,481	2,615	–
Total number of households	5	27,800	27,800	32,366	34,115	34,115	34,115	35,956	37,899	–
Refuse:										
Removed at least once a week		6,225	6,225	7,247	7,639	7,639	7,639	8,051	8,486	–
<i>Minimum Service Level and Above sub-total</i>		6,225	6,225	7,247	7,639	7,639	7,639	8,051	8,486	–
Removed less frequently than once a week		6,225	6,225	7,247	7,639	7,639	7,639	8,051	8,486	–
Using communal refuse dump		521	521	607	639	639	639	674	710	–
Using own refuse dump		6,478	6,478	7,542	7,949	7,949	7,949	8,379	8,831	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		2,118	2,118	2,466	2,599	2,599	2,599	2,739	2,887	–
<i>Below Minimum Service Level sub-total</i>		15,342	15,342	17,862	18,826	18,826	18,826	19,843	20,914	–
Total number of households	5	21,567	21,567	25,109	26,465	26,465	26,465	27,894	29,400	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month) Sanitation (free sanitation service to indigent households) Electricity/other energy (50kwh per indigent household per month) Refuse (removed once a week for indigent households)		–	–	–	–	–	–	(600)	(626)	(655)
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		–	–	–	–	–	–	(1,200)	(1,253)	(1,309)
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of subsidised services provided (R'000)	9									
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)		–	–	–	–	–	–	–	–	–
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	(2,387)	(2,387)	(2,387)	1,514	1,581	1,652
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	(5,555)	(5,555)	(5,555)	(600)	(626)	(655)
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		–	–	–	(7,942)	(7,942)	(7,942)	914	955	998

Table 12 A10 - Basic Service Delivery Measurement

Explanatory notes:

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

4. OVERVIEW OF THE ALIGNMENT OF ANNUAL BUDGET WITH THE IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilize integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The IDP drives the strategic development of the Municipality. Thabazimbi Local Municipality's budget is influenced by the strategic objectives identified in the IDP. The service delivery budget implementation plan (SDBIP) ensures that the Municipality implements programmes and projects based on the IDP targets and associated budgets.

5. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organizational performance which in turn is directly to individual employee's performance.

At any time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

- Reporting (what information, to whom, from whom, how often and for what purposes); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the Framework of Managing Programme Performance Information issued by the National Treasury

6. BUDGET-RELATED POLICIES

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. All budget related policies were reviewed during the draft budget process.

7. OVERVIEW BUDGET ASSUMPTIONS

To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Thabazimbi Local Municipality anticipates the following collection rates:

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

Tariffs	Anticipated Collect Rate
Rates	85%
Water	85%
Electricity	95%
Sewerage	80%
Refuse	80%

Figure 10 Collection Rates Estimates

Rates, tariffs and charges

The following table shows the assumed average domestic percentage increases built into the MTREF for rates, tariffs and charges:

Tariffs	Proposed tariff increases 2022/23
Rates	5%
Water	5%
Electricity	7.47%
Sewerage	5%
Refuse	5%

Figure 11 Percentage change rates, tariffs and charges

The base assumption is that tariff and rating increases will increase at varying rates at or above the CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecast term.

8. LEGISLATION COMPLIANCE STATUS

Thabazimbi Local Municipality has been in compliance with the MFMA implementation requirements and has been substantially adhered to through the following activities:

In year reporting - Reporting to National Treasury in electronic format has seen a marginal improvement since the turn of the year. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes quarterly published financial performance on the municipality's website.

Internship Programme - The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Budget and Treasury Office.

Budget and Treasury Office - The Budget and Treasury Office has been established in accordance with the MFMA.

THABAZIMBI LOCAL MUNICIPALITY

ANNUAL BUDGET 2022/23

Audit Committee - An Audit Committee has been established and is functional.

9. OVERVIEW OF THE BUDGET FUNDING

Section 18(1) of the MFMA requires the budget of a municipality to be funded from-

- i. Realistically anticipated revenues to be collected;
- ii. (ii) Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- iii. Borrowed funds, but only for the capital budget referred to in Section (17) (2) of the MFMA.

This budget has been prepared taking into cognizance the requirements of the abovementioned section. Revenue was estimated using a collection rate of 85% on property rates and 80% on other revenue items/charges. The capital budget is funded out of grants received from National Treasury. The 2021 Division of Revenue Bill allocations to Thabazimbi Local Municipality are as follows for 2022/23 – 2024/25.

Grant allocations over the MTREF

Grant type (R'000)	2021/22	2022/23	2023/24
<i>Equitable share</i>	R 122,061,000	R 133,346,000	R 145,780,000
<i>Finance Management Grant (FMG)</i>	R 3,100,000	R 3,100,000	R 3,100,000
<i>Municipal Infrastructure Grant (MIG)</i>	R 37,573,000	R 39,134,000	R 40,794,000
<i>Extended Public Works Programme (EPWP)</i>	R 1,256,000	-	-
<i>Integrated National Electrification Program (INEP)</i>	R 25,000,000	R 30,000,000	R 41,796,000
<i>Water Services Infrastructure Grant (WISG)</i>	R 54,320,000	R 98,490,000	R 102,9540

Figure 12 Grant allocations over the MTREF

These grants are explained below:

Equitable Share - The equitable share is an unconditional grant and is used for institutional capacity and to support the indigents;

Local Government Financial Management Grant (FMG) - This grant is a conditional grant and can only be used for capacity building and Internship Programme;

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

Municipal Infrastructure Grant (MIG) - This is a conditional grant for municipal infrastructure

Water Services Infrastructure Grant (WISG)- To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritized district municipalities, especially in rural municipalities; provide interim, intermediate water and sanitation services that ensure provision of services to identified and prioritized communities, including through spring protection, drilling, testing and equipping of boreholes and on-site solutions; to support drought relief projects in affected municipalities.

Funding of capital expenditure - The budget for capital expenditure is funded from capital transfers received from National Government.

Financial recovery plan - A financial recovery plan is updated, monitored and implemented on a monthly basis. It is sent to Provincial Treasury for review and recommendations monthly. The implementation of the plan will improve the financial sustainability of the municipality.

THABAZIMBI LOCAL MUNICIPALITY
ANNUAL BUDGET 2022/23

END