



LEPELLE-NKUMPI LOCAL MUNICIPALITY

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TO : COUNCIL
FROM : EXECUTIVE COMMITTEE
DATE : FEBRUARY 2023
SUBJECT : 2022-2023 ADJUSTMENT BUDGET

1. Introduction

In every financial year of a municipality it is expected that a performance assessment (review) with regard to the implementation of the agreed IDP strategic objectives and the service delivery programmes as outlined in our SDBIP must be done after every quarter.

After the quarterly assessment has been done both financial and non-financial report must be compiled as in accordance to section 72 of the Municipal Finance Management Act (MFMA) to assess whether it is necessary for the municipality to adjust or review its budget (Adjustment Budget) or not.

In our case we are assessing our performance on a quarterly basis through an SDBIP and quarterly financial reports. As a result there will be a need to review our approved budget through processes of Adjustment Budget.

The Mid-Year report of December 2022 and its SDBIP were used to review whether we have spent and collected accordingly and whether we have implemented the approved programmes.

2. Purpose

To present to IDP/Budget Executive Committee the proposed 2022-2023 adjustment budget
3. Legislative Provisions

3.1 In terms of sec. 28 of the Municipal Finance Management Act no 56 of 2003:-
.....28.(1)A municipality may revise an approved annual budget through an Adjustment Budget.

(2) An adjustment budget—

- (a) must adjust the revenue and expenditure estimates downwards if there is Material under-collection of revenue during the current year;
 - (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget but only to revise or accelerate spending programmes already budgeted for;
 - (c) may within a prescribed framework authorise unforecastable and unavoidable expenditure recommended by the mayor of the municipality;
 - (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
 - (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
 - (f) may correct any errors in the annual budget and
 - (g) may provide for any other expenditure within a prescribed framework.
- (3) An adjustment budget must be in a prescribed form.
- (4) Only the mayor may table an adjustment budget in the municipal council but an adjustment budget may be tabled within any prescribed limitations as to timing or frequency.
- (5) When an adjustment budget is tabled it must be accompanied by—
- (a) an explanation how the adjustment budget affects the annual budget;
 - (b) a motivation of any material changes to the annual budget;
- adjustments budget in terms of subsection (2)(c) to (g) may only

- (c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
- (d) any other supporting documentation that may be prescribed.
- (5) Municipal tax and levies may not be increased during a financial year except when required in terms of a financial recovery plan.
- (7) Sections 22(b), 23(3), and 24(3) apply in respect of an adjustment budget and in such application a reference in those sections to an annual budget must be read as a reference to an adjustment budget.

4. Discussions

OPERATING REVENUE AND EXPENDITURE

Description	Final Budget Year 2022/2023	Increase	Decrease	Proposed Adjustment Budget 2022/2023	Budget Year 2023/2024	Budget Year 2024/2025	Reasons for Adjustment
REVENUE							
Property rates	94,373,879.82	3,100,000.00		37,473,879.82	38,122,730.53	40,983,253.41	Adjusted upwards. The department is currently busy registering the property belonging to the municipality but not appearing on the assets register and also due to registration of department of public works properties which were not registered at deeds office which the municipality were unable to bill

Refuse Removal (Labovakgornic)	7,120,609.07	2,000.00				7,122,809.07	7,433,915.87	7,768,442.08	The proposed adjustment is due to over performance on waste bins vote.
Rental of facilities and equipment	334,005.23					334,005.23	348,702.51	354,394.12	No proposed Adjustment
Interest earned - external investments	13,169,720.00	19,000,000.00				26,169,719.65	27,321,187.32	28,550,640.75	The budget will be adjusted upwards to cover the current over performance due to interest earned on investments made with various banking institutions.
Interest earned - outstanding debtors	18,427,927.49	3,000,000.00				18,421,527.49	19,232,074.70	20,097,518.06	The variance is due to the non-payment of services. Provision has been made for bad debts.
Fines, penalties and forfeits	12,061,305.88	2,500.00				12,063,805.88	12,592,003.33	13,158,643.48	The proposed adjustment is due to over performance on cattle pound vote.
Licences and permits	6,367.00					6,367.00	6,647.15	6,946.27	No proposed Adjustment
Agency services	40,515,498.00	4,111,521.70				44,727,019.70	42,402,579.79	44,310,695.88	The budget will be adjusted upwards to cater the current performance on Licensing services due to covid-19 restrictions lifted as

Transfers and subsidies	310,408,898.00				310,408,898.00	329,657,000.00	348,854,000.00	most of the clients could not previously come to renew their licenses as normal and now they are coming in numbers to address the backlog. The licensing officials were working over the weekend and even after hours to extend access of the provision of services.
Other revenue	131,730,082.00	444,454.88			132,084,534.65	118,922,123.51	114,273,619.18	National Treasury operating grants were received as per the grant transfer schedule. No proposed adjustment.
Gains	70,000.00				70,000.00	73,080.00	76,368.60	
Total Revenue (excluding offset transfers and contributions)	552,138,980.00	23,660,478.88			608,892,867.49	597,012,044.01	648,347,921.88	

Expenditure By Type										
Employee related costs	134,714,214.58	3,002,059.25	10,922,900.49	118,703,373.32	140,641,630.00	149,970,513.00				
Remuneration of councillors	22,384,173.00			22,384,170.00	23,379,679.48	24,431,591.59				
Debt Impairment	54,242,089.00	39,097,491.52	1,000,000.00	92,303,580.11	75,003,983.79	62,427,518.85				
Depreciation & asset impairment	37,699,940.52	163,542.50	163,542.50	37,699,940.52	44,489,321.63	45,823,038.88				
Inventory Consumed	4,983,423.00	807,925.88		5,791,348.88	4,847,219.67	5,065,344.56				
Finance Charges	153,613.00		103,612.62	50,000.00	180,371.57	167,898.29				
Contacted services	127,067,777.00		447,200.35	126,620,576.65	93,189,714.88	104,698,897.05				
Other expenditure	54,354,527.00		1,569,713.31	56,924,240.31	57,632,529.79	60,162,093.63				
Total Expenditure	295,809,759.59	3,935,020.25	12,236,969.27	159,677,230.09	119,343,294.91	119,748,586.65				
Transfers and subsidies - capital (mandatory allocations) (National / Provincial and District)	87,628,000.00	11,107,086.69	19,300,000.00	55,435,086.69	64,340,000.00	67,225,000.00				
Surplus/Deficit										

REPAIRS AND MAINTENANCE

Description	Final Budget Year 2022/2023	Increase	Decrease	Proposed Adjustment Budget 2022/2023	Budget Year 2023/2024	Budget Year 2024/2025	Reasons for Adjustment
REPAIRS AND MAINTENANCE							
Municipal Buildings	800,000.00			800,000.00	835,200.00	872,784.00	No proposed Adjustment
Municipal Buildings	200,000.00			200,000.00	208,900.00	218,196.00	No proposed Adjustment
GDM: Stadiums	300,000.00			300,000.00			No proposed Adjustment
GDM: Marmato Community Halls (Renovations)	6,136.00			5,136.00			No proposed Adjustment
GDM: Eradication of Alien Plant	16,455.00			16,455.00			No proposed Adjustment
Electricity Maintenance	1,000,000.00	1,405,000.00		2,405,000.00	1,014,000.00	1,090,980.00	Adjusted upwards
Electricity Maintenance	300,000.00			300,000.00	313,200.00	327,294.00	No proposed Adjustment
Municipal Vehicle Costs and Services and repairs on Municipal Fleet	4,085,157.00			4,085,157.00	4,284,803.91	4,456,824.58	No proposed Adjustment

Traffic Management Systems (lights, camera machines)	200,000.00				200,000.00	208,900.00	218,198.00	No proposed Adjustment	
Maintenance and Calibration of machines	60,000.00				60,000.00	62,640.00	65,458.80	No proposed Adjustment	
Roads and Storm Water	6,346,677.00				6,346,677.00	6,625,930.79	6,924,097.67	No proposed Adjustment	
Roads and Storm Water	666,226.80				666,226.80	682,089.42	712,782.54	No proposed Adjustment	
Public Facilities Maintenance	1,000,000.00				1,000,000.00	1,044,000.00	1,090,980.00	No proposed Adjustment	
Security Equipment Surveillance Cameras	104,800.00				104,800.00	109,411.20	114,334.70	No proposed Adjustment	
Tools and Materials Gardening	305,000.00				32,129.75	318,420.00	332,748.90	Savings to cater fleet (Both Maintenance and Fuel)	
TOTAL R&M	15,390,450.80				1,408,000.00	252,870.25	16,542,580.55	15,717,376.32	15,424,657.21

Refer to the attachments annexure A for operating expenditure programmes.

NON CASH ITEMS: PROVISION FOR BAD DEBTS

Description	Final Budget Year 2022/2023	Increase	Decrease	Proposed Adjustment Budget 2022.2023	Budget Year 2023/2024	Budget Year 2024/2025	Reasons for Adjustment
NON CASH ITEMS							
Provision for Bad Debts: Consumer Debtors: Rates	25,780,409.87	30,000,000.00	-	55,780,409.87	44,852,947.90	30,919,686.35	The budget to be adjusted upwards to cover the Impairment of property rates of Government property and unregistered property which were not previously impaired to address AGSA findings and unauthorised expenditure.
Provision for Bad Debts: Consumer Debtors: Refuse	6,274,678.73	3,700,000.00	-	8,974,678.73	6,506,784.59	5,754,569.00	To be adjusted upwards to cover the current status and mitigation of unauthorised expenditure.
Provision for Bad Debts: Consumer Debtors: QDM water Commission	18,864,000.00	5,361,491.52	-	24,225,491.52	20,131,059.30	24,036,956.97	To be adjusted upwards to cover the current status and mitigation of unauthorised expenditure.
Provision for Bad Debts: Traffic Fines	4,323,000.00	-	1,000,000.00	3,323,000.00	4,513,212.80	4,718,309.54	To be adjusted upwards to cover the current status and mitigation of unauthorised expenditure.
TOTAL PROVISIONS	54,242,088.59	39,061,491.52	1,000,000.00	92,303,580.11	75,003,983.79	62,427,518.85	

NON CASH ITEMS: DEPRECIATION

Description	Final Budget Year	Increase	Decrease	Proposed Adjustment Budget	Budget Year	Budget Year	Reasons for Adjustment
DEPRECIATION							
Depreciation of building municipal offices	3,368,076.02	-	-	3,368,076.02	3,959,879.13	4,077,846.72	No proposed adjustment
Depreciation computer equipment	338,928.49	-	-	338,928.49	398,432.32	410,353.61	No proposed adjustment
Depreciation furniture & office equipment	344,104.61	-	-	344,104.61	404,615.88	416,619.19	No proposed adjustment
Depreciation transport assets	3,413,011.72	-	-	3,413,011.72	4,012,203.08	4,132,250.19	No proposed adjustment
Depreciation solid waste landfill sites	565,933.62	-	-	565,933.62	665,289.55	865,185.34	No proposed adjustment
Depreciation solid waste transfer station	104,715.66	-	-	104,715.66	122,394.31	126,056.44	No proposed adjustment
Depreciation community testing stations	338,891.59	-	-	338,891.59	398,152.66	410,066.58	No proposed adjustment
Depreciation community libraries	801,202.45	-	-	801,202.45	1,058,418.53	1,091,116.88	No proposed adjustment
Depreciation community trails	5,897,357.99	-	-	5,897,357.99	6,932,704.60	7,140,134.56	No proposed adjustment

Depreciation community clinics/care cent.	261,710.75	-	-	-	261,710.75	307,656.98	316,862.23	No proposed adjustment.
Depreciation community centres/crematoria	644,121.76	-	-	-	644,121.76	757,204.40	779,890.41	No proposed adjustment.
Depreciation community market	84,967.65	-	-	-	84,967.65	99,884.66	102,873.26	No proposed adjustment.
Depreciation community taxi rank/bus	937,978.12	-	-	-	937,978.12	1,102,553.02	1,135,521.36	No proposed adjustment.
Depreciation sport & recreational outdoor facility	1,534,953.27	-	-	-	1,534,953.27	1,804,431.34	1,858,420.83	No proposed adjustment.
Depreciation machinery & equipment	150,000.00	-	-	-	150,000.00	176,354.16	191,610.17	No proposed adjustment.
Depreciation roads	172,143,667.62	163,542.50	-	-	173,811,910.02	20,433,497.13	21,044,877.51	No proposed adjustment.
Depreciation electricity iv networks	1,432,976.61	-	-	-	1,432,976.61	1,684,591.42	1,734,954.04	No proposed adjustment.
Amortisation intangible computer software	163,542.50	-	-	-	163,542.50	170,738.37	178,421.59	Amortisation intangible computer software
TOTAL DEPRECIATION	37,699,940.52	163,942.50	163,542.50	163,542.50	37,699,940.52	44,489,321.63	44,823,036.80	TOTAL DEPRECIATION

ELECTRICITY PROJECTS:

Description	Final Budget Year 2022/2023	Increase	Decrease	Proposed Adjustment Budget 2022-2023	Budget Year 2023/2024	Budget Year 2024/2025	Reasons for Adjustment
ELECTRICITY PROJECTS: OWN FUNDING							
Electrification of Makgopong ward 1 (110HH) New	1,980,000.00	-	-	1,980,000.00	-	-	
Electrification of Mabilafane ward 2B (109HH)	1,982,000.00	-	-	1,982,000.00	-	-	
Electrification of Botshalekgomo ward 6 (100HH)	1,800,000.00	-	-	1,800,000.00	-	-	
Electrification of Madime ward 24 (55HH)	630,000.00	-	-	630,000.00	-	-	
Electrification of Makushwane ward 7 (80HH)	1,440,000.00	-	-	1,440,000.00	-	-	
Electrification of Mantseng ward 11 (126HH)	2,304,000.00	-	-	2,304,000.00	-	-	

Electrification of Mwanaleng ward 11 (149HH)		200,000.00				200,000.00														Rollover allocation
Electrification of Zone B ward 15 (111HH)	1,400,000.00					1,400,000.00														
Electrification of Leriting ward 20 (200 HH)	3,500,000.00					3,500,000.00														
Electrification of Mphahane ward 28 (75 HH)	1,350,000.00					1,350,000.00														
Electrification of Thamagane ward 19 (40HH)	720,000.00				720,000.00															
Electrification of Makgoeba ward 27 (50HH)	900,000.00					900,000.00														Project taken over by ESKOM funds to be reprioritised by (Elec of Seditshole)
Electrification of Matsiwi ward 12 (150)	2,700,000.00					2,700,000.00														
Electrification of Dublin 29 (50HH)	1,080,000.00					1,080,000.00														
Electrification of Gedroogwa ward 03 (80HH)	1,440,000.00					1,440,000.00														

Electrification of Mashile ward 25 (50 HH)	900,000.00	-	-	900,000.00	-	-	-	-
Electrification of Medleng ward 24 (20HH)	360,000.00	-	-	360,000.00	-	-	-	-
Electrification of Thene ward 30 (55)	1,530,000.00	-	-	1,530,000.00	-	-	-	-
Electrification of Hweshaneng ward 26 (30HH)	-	-	-	-	-	-	600,000.00	-
Electrification of Mantsaashoa Ward 5 (28HH)	-	375,000.00	-	375,000.00	-	-	-	Rollover allocation
Electrification of Mafjane Ward 24 (30HH)	1,440,000.00	-	-	1,440,000.00	-	-	-	-
Electrification of Mshongville ward 11 (110HH)	1,980,000.00	-	1,980,000.00	-	-	-	-	Project taken over by ESKOM funds to be re-prioritised to (Elec of Mantsaashoa & R&M Material)
Electrification of Kiphuweli ward 1 (25HH)	450,000.00	-	-	450,000.00	-	-	-	No proposed adjustment

Electrification of Mepajakang Ward 4 (39)	702,000.00	-	-	702,000.00	-	-	-	-	-	No proposed adjustment.
Electrification of Molantonyane Ward 14 (250 HH)	2,500,000.00	-	500,000.00	2,000,000.00	-	-	-	-	-	Co-funding to align project scope with INEP allocation
Electrification of Sadimonthole Ward 19 (50HH)	-	1,000,000.00	-	1,000,000.00	-	-	-	-	-	Co-funding to align project scope with INEP allocation
Electrification of Mogale ward 9 (100HH)	1,800,000.00	-	-	1,800,000.00	-	-	-	-	-	No proposed adjustment.
Electrification of Maraleng ward 19 (80HH)	-	-	-	-	-	-	-	1,600,000.00	-	No proposed adjustment.
Electrification of Khureng ward 02 (100HH)	-	-	-	-	-	-	-	2,000,000.00	-	No proposed adjustment.
Electrification of Masadi - ward 12 (150HH)	-	-	-	-	-	-	-	3,000,000.00	-	No proposed adjustment.
Electrification of Gampopo ward 03 (150HH)	-	-	-	-	-	-	-	3,020,000.00	-	No proposed adjustment.

BY VOTE PER DEPT	Final Budget Year	Increase	Decrease	Proposed Adjustment Budget	Budget Year	Budget Year	
Electrification of Tlane ward 30 (35HH)	2022/2023						700,000.00
Electrification of Dthabeng ward 21 (50HH)							1,200,000.00
Electrification of Phelendaba ward 27 (4HH)							80,000.00
Electrification of Unit H UNIT Ward 17							
TOTAL RETICULATION: OWN FUNDING	411,048,000.00	3,076,000.00	3,200,000.00	40,923,000.00	2,000,000.00	12,200,000.00	
ELECTRICITY PROJECTS IN PROGRESS							
Electrification of Makurung Ward 2 (180) - Roll over							3,000,000.00
Electrification of Mshogville ward 11 (260HH)							5,000,000.00
							No proposed adjustment
							No proposed adjustment

Electrification of Matlaji ward 12 (100)						2,000,000.00		No proposed adjustment
Electrification of Tswaing ward 25 (40HH)							800,000.00	No proposed adjustment
Electrification of Bydlii ward 9 (200HH)						4,000,000.00		No proposed adjustment
Electrification of Lekurung ward 30 (150)						3,000,000.00		No proposed adjustment
Electrification of Sedimonthole ward 18 (150HH)	3,000,000.00		1,000,000.00		2,000,000.00			Realignment as per INEP allocation
Electrification of Mplaninyane 14 (170 HH)	2,000,000.00	1,000,000.00		3,000,000.00				Realignment as per INEP allocation
TOTAL RECALCULATION: INEP FUNDING	5,000,000.00	1,000,000.00	1,000,000.00	5,000,000.00	9,000,000.00	0,000,000.00		

INSTITUTIONAL PROJECTS

Description	Final Budget Year	Increase	Decreases	Proposed Adjustment Budget	Budget Year	Budget Year	Reasons for Adjustment
OTHER CAPITAL ASSETS							
Motor Vehicle	2,000,000.00			2,000,000.00	1,100,000	-	No proposed adjustment
IT Facilities	2,000,000.00			2,000,000.00	1,500,000	-	No proposed adjustment
IT Software	3,500,000.00			3,500,000.00	2,500,000	-	No proposed adjustment
Vehicles	1,200,000.00			1,200,000.00	-	-	No proposed adjustment
Tools and Material - Community Services	200,000.00		100,000.00	100,000.00	-	-	No proposed adjustment
Plant and Equipment	15,500,000.00			15,500,000.00	-	-	No proposed adjustment
Furniture	440,000.00			440,000.00	357,500	385,475	No proposed adjustment
Buildings	450,000.00	220,000.00		670,000.00	1,200,000	-	Installation of aircons, from R&M (initially the vote was for R&M of aircons, now is moved to CAPEX as the expenditure will be for replacement)

INFRASTRUCTURAL PROJECTS: OWN FUNDED

Description	Final Budget Year 2022/2023	Increase	Decrease	Proposed Adjustment Budget 2022, 2023	Budget Year 2023/2024	Budget Year 2024/2025	Reasons for Adjustment
Machinery & Equipment	2,140,000.00			2,140,000.00	367,000	374,850	No proposed adjustment.
Machinery & Equipment	360,000.00			360,000.00			No proposed adjustment.
Security Equipment	315,000.00		7,000.00	308,000.00	330,750	347,288	No proposed adjustment.
TOTAL OTHER CAPITAL ASSETS	28,105,000.00	220,000.00	7,000.00	28,218,000.00	7,357,250	7,108,078	
Upgrading of internal street from gravel to block paving Zone B ward 16	8,500,000.00			8,500,000.00	4,134,500		No proposed adjustment.
Resealing of internal Street Zone A Ward 18	4,500,000.00			4,500,000.00			No proposed adjustment.
Madistradions Community Hall Ward 05	2,000,000.00			2,000,000.00			No proposed adjustment.

Description	Final Budget Year 2022/2023	Increase	Decrease	Proposed Adjustment Budget 2022-2023	Budget Year 2023/2024	Budget Year 2024/2025	Reasons for Adjustment
Upgrading of Mmamolo to Mampiki Internal Streets and Stormwater (800m including passing lanes) (Ward 26)	8,000,000.00	8,000,000.00		8,000,000.00			No proposed adjustment.
Upgrading of Internal street from gravel to Tar Mmamolo Ward 22 (2km)	8,000,000.00		8,000,000.00		7,000,000		No proposed adjustment.
Upgrading of internal street from gravel to block paving Zone S Ward 16 (21km)	16,000,000.00			16,000,000.00			No proposed adjustment.
Construction of Hvelshaheng via Sateheng to Maralaleng access road Ward 19 & 23						20,000,000	No proposed adjustment.
Construction of Lebowakgomo Zone A Internal roads Ward 18	1,000,000.00	1,968,271.27		2,968,271.27		15,000,000	The project is as per Council resolution.
Construction of Lebowakgomo Zone S & R Internal roads Ward 16 & 17	1,000,000.00	1,968,271.27		2,968,271.27		15,000,000	The project is as per Council resolution.
Construction of Lebowakgomo Zone P Internal roads Ward 17	1,000,000.00	1,968,271.27		2,968,271.27		15,000,000	The project is as per Council resolution.

Design and Construction of GA road Ward 17	10,500,000.00	-	10,500,000.00	-	-	-	The project is as per Council resolution.
Zone F Storm Waterward 15	500,000.00	1,000,000.00	-	1,500,000.00	-	-	No proposed adjustment.
Molapoedi Wet Land: Fencing Ward 05	500,000.00	-	-	500,000.00	-	-	No proposed adjustment.
Construction of Storm water drainage- Mathibela (Ward 08)	2,400,000.00	3,618,641.36	-	6,018,641.36	13,500,000	-	Budget reallocated from Mogale Mshongo Road Own Funding to (Mathibela Storm water drainage, Lebowakgomo stadium, Rakgoalla and Lekurung Recreational Facilities)
BY VOTE PER DEPT	Final Budget Year 2022/2023	Increase	Decrease	Proposed Adjustment Budget 2022, 2023	Budget Year 2023/2024	Budget Year 2024/2026	
Construction of Malatjane Access Bridge Ward 29					8,000,000		No proposed adjustment.
Rakgoalla : Construction of Stormwater drainage (Ward 14)					15,000,000		No proposed adjustment.

Extension of Municipal Offices (Ward 17)	9,600,000.00			9,600,000.00				No proposed adjustment.
Construction of Magistrate's centre (Buildings) Ward 4					15,400,000			No proposed adjustment.
Construction of grade A VTS(Labwvaygom) (Ward 18)	12,000,000.00			12,000,000.00				No proposed adjustment.
Highmast Light Malemang (Ward 26)	375,000.00			375,000.00				No proposed adjustment.
Construction of Street Light (Legislature to Police Station) & Robots to Zone B Clinic ward 15					5,000,000			No proposed adjustment.
Public Lights - Ga Seloane- Ward 1	375,000.00			375,000.00				No proposed adjustment.
Public Lights Magalies/ Mepelakeng - (Ward 4)	375,000.00			375,000.00				No proposed adjustment.
BY VOTE PER DEPT	Final Budget Year 2022/2023	Income	Decrease	Proposed Adjustment Budget 2022-2023	Budget Year 2023/2024	Budget Year 2024/2025		No proposed adjustment.
High mast lights Zone A ward 18	375,000.00			375,000.00				No proposed adjustment.

Township establishment (Provision of services unit H) (Ward 17)	500,000.00	500,000.00			9,396,000	21,989,104	The project is committed to fund the Electricity of Unit H.
Township establishment (Provision of services unit BA) (Ward 17)	1,000,000.00		1,000,000.00		25,000,000	20,842,068	The project is committed to fund the Electricity of Unit H.
Township establishment (Provision of services unit R) (Ward 17)					21,000,000	20,000,000	No proposed adjustment.
Mogotlane: Construction of Stormwater drainage (Ward 10)					8,000,000		No proposed adjustment.
Mangwakhwane/ Majlane Access: Bridge ward 24					5,000,000		No proposed adjustment.
Waste Transfer Station : Mafhabatha Ward 27						10,000,000	No proposed adjustment.
Waste Transfer Station : Mogalle ward 04						10,000,000	No proposed adjustment.
Construction of Lebowakgomo Stadium (Ward 17)	5,000,000.00	1,000,000.00	4,000,000.00		5,000,000	5,000,000	Adjusted Downwards
Hawkers Stalls (Lebowakgomo) ward 17	2,000,000.00		2,000,000.00				No proposed adjustment.

Development of recreational Facilities Makuhwaneng (Ward 07)						10,000,000		No proposed adjustment.
Public Lights - LebowaKgomo Cemetery ward (12)	375,000.00				375,000.00			No proposed adjustment.
Public Lights - Sepanaputi (Ward 13)	375,000.00				375,000.00			No proposed adjustment.
Highmast Lights - Sekoyang (Ward 10)	376,000.00				375,000.00			No proposed adjustment.
Highmast Lights - Dublind/ Matkabaneng/Molsane (Ward 29)	375,000.00				375,000.00			No proposed adjustment.
Highmast Lights - Motantanyane (Ward 14)	375,000.00				375,000.00			No proposed adjustment.
Public Lights - Kgwarapel/ Makgopong (Ward 01)	375,000.00				375,000.00			No proposed adjustment.
Public Lights - Gedroogje (Ward 03)	375,000.00				375,000.00			No proposed adjustment.
Public Lights - Serqleng (Ward 02)	375,000.00				375,000.00			No proposed adjustment.
Public Lights - Makurung/Ditlabaneng (Ward 21)	375,000.00				375,000.00			No proposed adjustment.

Public Lights - Tjane (Ward 30)	375,000.00	-	-	375,000.00	-	-	No proposed adjustment
Public Lights - Morotse (Ward 20)	375,000.00	-	-	375,000.00	-	-	No proposed adjustment
Public Lights - Matame (Ward 08)	375,000.00	-	-	375,000.00	-	-	No proposed adjustment
Upgrading of Mogoto to Moshongo access road from gravel to Tar and stormwater control (Multi-year) (Ward 9 and 11)	5,000,000.00	-	5,000,000.00	-	-	-	The project was initially planned to cover the roll over for phase 1. The project is now covered under rolled over project of R8,738,511.13 (for both Phase 1 and Phase 2) Refer to approved roll over projects.
Waste Transfer Station - Matefe /Mahlajane Ward 28	-	-	-	-	2,000,000	6,020,000	budget reallocated to (Marthaba, Lekowa kgomo stadium, Rakgoatha and Lekurung)
							To be adjusted down wards to cover Dikhabeng which was compromised from R22,000,000 in the

Upgrading Dithaba Road To Tar & Seal w/21(Co Funded)	-	4,595,186.18		4,595,186.18				Current financial year, due to MIG withholding of Grant in the 2021-2022. Dithabang to be Multi-funded in the 2021-2022 and 2022-2023. The project is not yet registered, The source of funding to be changed from MIG to own. The project to be implemented as a multi-year from 2022-2023 to 2024-2025 financial year. R3,000,000 from Electrification of Matjati.
Upgrading of Gravel to Tar of Majane/Makung/ Makaepea Access Road (Ward 24 & 19). 4.8km multi-year funded. Phase 2	7,678,635.00			7,678,635.00				To be co-funded with MIG
CAPITAL PROJECT OWN FUNDED	104,970,538.00	14,138,541.36	75,000,000.00	102,797,076.36	53,500,500.00	158,851,172.69		

INFRASTRUCTURAL PROJECTS: MIG FUNDED

Description	Final Budget Year 2022/2023	Increase	Decrease	Proposed Adjustment Budget 2022/2023	Budget Year 2023/2024	Budget Year 2024/2025	Reasons for Adjustment
Development of recreational Facilities Seruleng (Ward 02)					10,000,000		
Development of recreational Facilities Lesetsi (Ward 25)					10,000,000		
Upgrading of Mopoto to Moshonga access road from gravel to Tar and stormwater control (Multi-year) (Ward 9 and 11)	7,000,000.00		7,000,000.00				R7,000,000 was for implementation of Phase 2. The project is now covered under rolled over project of R6,739,511.13 (Both Phase 1 and Phase 2). Refer to approved roll over projects
Upgrading of Dikhabaneng access road from gravel to Tar and	22,400,000.00		14,595,186.18	7,804,813.82	10,000,000	12,000,000	To be adjusted up-wards from Mathabane waste transfer

Stormwater control (Multi-year) (Ward 21)									station to cover Dithabang which was comprised from R22,000,000 in the current financial year.
Construction of Road and Stormwater Kiphuwe (Ward 04) Phase 3	9,926,278.00				9,926,278.00				due to MIG withholding of Grant in the 2021-2022. Dithabang to be Multi-funded in the 2021-2022 and 2022-2023.
Gar Mathabatha (Moleke Village) upgrading of inter-al road from Gravel to Tar Phase (Phase 2) Ward 27	14,554,466.00				14,554,466.00				No proposed adjustment.

Mogollane Community Help ward 10	4,965,857.00.	5,295,186.79	10,261,048.79	7,000,000.	9,710,000	Adjusted as per revised implementation plan
Upgrading of Gravel to Tarp of Majane/Makavung/ Makapepa Access Road (Ward 24 & 19) 4.8km multi- year funded. Phase 2						
Development of recreational Facilities : Rakgoatha (ward 14)					9,710,000	
Development of recreational Facilities : Marubeng (ward 20)					9,710,000	
Development of recreational Facilities Serobareng (ward 26)					9,710,000	
Development of recreational					9,710,000	

Facilities: Moetsana (Ward 29)								
Construction of Klurung Tar Road Ward 02							10,000,000	
Magalie VTS Ward 04							16,023,760	
Construction of Mashadi to Maselaleng Bridge (Ward 27)					5,000,000			
Waste Transfer Station - Matete /Mahlalele ward 28								

To be adjusted down wards to cover Dikhabang which was compromised from R22,000,000 in the current financial year, due to MIG withholding of Grant in the 2021-2022. Dikhabang to be Multi-funded in the 2021-2022 and 2022-2023.

CONSTR: SWATER DRAINAGE MATHIBELA W 08	Upgrading of internal street from gravel to Tar Mamaco Ward 22 (2km)	7,123,000	Adjusted as per revised implementation plan. THE PROJECT IS CO-FUNDED (Own & MIG)				
Construction of Makgopong to Ga-Molapo Bridge (Ward 01)	12,000,000						
CAPITAL PROJECT - MIG FUNDED	58,546,601.00	5,285,186.79	21,595,186.18	42,246,601.61	61,123,000.00	75,863,760.00	
TOTAL CAPITAL EXPENDITURE EXCLUDING ROLLOVER	791,330,036.00	19,953,728.74	76,702,488.18	179,267,187,186	822,008,750.00	823,822,938,186	

ROLL OVER PROJECTS: MIG FUNDING

Description	Final Budget Year 2022/2023	Increase	Decrease	Proposed Adjustment Budget 2022/2023	Budget Year 2023/2024	Budget Year 2024/2025	Reasons for Adjustment
UPGR MOGOTO- MSHON A-RD TAR&S- WA W9-11, P2		8,739,511.13		8,739,511.13			
UPGR MAJUMAKAJUMAKAP A/RD TO TAR W2&M9		440,895.42		440,895.42			Budget relocated from Mogoto Mishongo Road Own Funding to (Makhabela Storm water drainage, LebowaKgomo stadium, Rakgoathla and Lekurung Recreational Facilities)
DEV OF REC FACILITIES LEKUR W30		1,926,980.14		1,926,980.14			Budget relocated from Mogoto Mishongo Road Own Funding to (Makhabela Storm water drainage, LebowaKgomo stadium, Rakgoathla and Lekurung Recreational Facilities)
TOTAL MIG ROLL OVER PROJECTS		11,107,086.69		11,107,086.69			
UPGR MOGOTO- MSHON A-RD TAR&S- WA W9-11, P2		8,739,511.13		8,739,511.13			

UPGR MAJ/MAKAU/MAKAP AIRD TO TAR W24119	-	440,899.42	440,899.42					Budget relocated from Mogoto Meshongo Road Own Funding to (Mathibela Storm water drainage, Lebowaikgomo stadlum, Rakgatlha and Lekunung Recreational Facilities)
DEV OF REC FACILITIES LEKUR W30	-	1,926,880.14	1,926,880.14					Budget relocated from Mogoto Meshongo Road Own Funding to (Mathibela Storm water drainage, Lebowaikgomo stadlum, Rakgatlha and Lekunung Recreational Facilities)
TOTAL MIGR/RI OVER PROJECTS		1,140,7088.99	1,140,7088.99					

ROLL-OVER PROJECTS: OWN FUNDING

Description	Final Budget Year 2022/2023	Increase	Decrease	Proposed Adjustment Budget 2022/2023	Budget Year 2023/2024	Budget Year 2024/2025	Reasons for Adjustment
REFURBISHMENT OF LEBOWAKGOMO STADIUM (PHASE 1)		300,000.00		300,000.00			Budget reallocated from Magofo Mshongo Road Own Funding to (Mathibela Storm water drainage, Lebowakgomo stadium, Rakgoatha and Lekurung Recreational Facilities)
RAKGOATHA UPGRADING OF INTERNAL STREET AND STORMWATER CONTROL		223,135.54		223,135.54			Budget reallocated from Magofo Mshongo Road Own Funding to (Mathibela Storm water drainage, Lebowakgomo stadium, Rakgoatha and Lekurung Recreational Facilities)
DEVELOPMENT OF RECREATIONAL FACILITIES LEKURUNG (WARD 30)		858,323.10		858,323.10			Budget reallocated from Magofo Mshongo Road Own Funding to (Mathibela Storm water drainage, Lebowakgomo stadium, Rakgoatha and Lekurung Recreational Facilities)
TOTAL ROLL-OVER PROJECTS: OWN FUNDING		1,381,458.64		1,381,458.64			

RECOMMENDATION(S)

It is recommended that:-

5.1 Council approve the 2022-2023 MTRREF Adjustment Budget (Tables B1-B7).

- a) MBRR Table B1 - Month Budget Summary.
- b) MBRR Table B2 - Table G2 Monthly Budget Statement - Financial Performance (functional classification).
- c) MBRR Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)
- d) MBRR Table B4 - Budgeted Financial Performance (revenue and expenditure)
- e) MBRR Table B5 - Budgeted Capital Expenditure (municipal vote, functional classification and funding)
- f) MBRR Table B6 - Budgeted Financial Position.
- g) MBRR Table B7 - Monthly Budget Statement - Cash Flow

5.2 National Treasury approved roll over amount of R1 107,088 from the previous financial year 2021-2022.

5.3 Council takes note of the Treasury budget analysis reports.



Cllr. Molaletse M.M

Mayor