



202223  
SCHEDULE B

# 202223 BUDGET ADJUSTMENTS

Budget & Reporting  
Budget & Treasury Office  
202223 SCHEDULE B

## Table of Contents

PART 1 – ADJUSTMENTS BUDGET.....	5
1. Mayor’s Report .....	5
2. Resolutions.....	7
3. Executive Summary .....	7
PART 2 – SUPPORTING DOCUMENTATION .....	36
2.1 Adjustments to Budget Assumptions .....	36
2.2 Adjustments to Budget funding .....	36
2.3 Adjustments to Expenditure on Allocations and Grant Programmes.....	38
2.4 Municipal Manager’s Quality Certificates.....	39

## Glossary

**Adjustments budget** – Prescribed in section 28 of the MFMA.

The formal means by which a municipality may revise its annual budget during the year.

**Allocations** – Money received from Provincial or National Government or other municipalities.

**Budget** – The financial plan of the 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 collection policy.

**Capital expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

**Cash flow statement** – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by National to Provincial and local government.

**Equitable share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

**Fruitless and wasteful expenditure** – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

**GRAP** – Generally Recognised Accounting Practice. The new standard for municipal accounting.

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

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations April 2009

**MFMA** – The Municipal Finance Management Act – No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

**Operating expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages.

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

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

**Strategic objectives** – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorised expenditure** – Generally, spending without, or in excess of, an approved budget.

**Virement** – A transfer of budget.

**Virement policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**Vote** – One of the main segments into which a budget. In Harry Gwala District Municipality means a directorate level.

## **PART 1 – ADJUSTMENTS BUDGET**

### **1. Mayor’s Report**

#### **INTRODUCTION**

It is critical to note that according to Municipal Finance Management Act and Municipal Budget Regulation and Reporting only one adjustment budget referred to in sub regulation (1) maybe tabled to municipal council during a financial year except when the additional revenues contemplated in section 28 (2) (b) of the MFMA are allocated to a municipality in a national or provincial adjustment budget.

The National Treasury reduced Water Services Infrastructure grant funding by R10m due to underperformance. The mayor must table the adjustment budget to council within 60 days of the approval of the relevant national adjustments budget referred to in section 28 (2) (b) of the act in the council to appropriate this additional revenue.

If the municipality prepares the second adjustments to capital expenditure, a list of adjusted capital programmes and projects of the municipality must be aligned to the goals of the integrated development plan of the municipality.

#### **BACKGROUND**

In accordance with section 28 of the Municipal Finance Management Act, No 56 of 2003 (MFMA) a municipality must revise its approved annual budget through an adjustments budget, in the following circumstances:

- i. To 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.
- ii. To authorise the utilisation of projected savings in one vote towards spending under another vote.
- iii. To 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 rollovers when the annual budget for the current year was approved by the Council.
- iv. To correct any errors in the annual budget.

In line with the MFMA, the 2022/23 approved Budget has now been adjusted. The following matters the preparation of the 2022/2023 Adjustments Budget have been considered:

- Adjustments of revenue items such as capital transfers and subsidies
- Improvement or acceleration of expenditure on Capital projects.
- The municipality should also ensure that the Adjustments Budget is funded.
- Adjustments Budget reaffirms the Municipality's commitment to achieve the service delivery targets and performance indicators as reflected in the approved service delivery and budget implementation plan.

In preparing the adjustment budget Water Services department has seen an increase in revenue as per the conditions of the grant to prioritise the implementation of water and sanitation followed by Infrastructure department for Municipal Infrastructure Grant that is also allocated to implement water and sanitation within Harry Gwala District community.

## **2. Resolutions**

It is recommended that the Harry Gwala District Municipal Council;

- 2.1 Approves the adjustments budget and consolidated adjustments budget for the financial year 2022/2023, as set-out in the schedules contained in Section 4:
- 2.2 Approves any adjustments permitted in terms of Section 28 (2) of the Act,
- 2.3 Approves the revisions to the monthly and quarterly service delivery targets and performance indicators in the service delivery and budget implementation plan, if any, to correspond with the approval of the adjustments budget.

## **3. Executive Summary**

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains viable and that the municipality services are provided sustainably, economically and equitably to all communities.

This adjustments budget is therefore prepared in terms of section 28 (2) (b) of the MFMA since the municipality has reduction of R10 million for Water Services Infrastructure Grant through National Treasury.

The Adjusted revenue has decreased by R10m from R858m to R848m. The consolidated Adjusted Revenue is R865million from the original budget of R875million.

This upward adjustment is mainly due to following major contributing factor;

- Water Services Infrastructure Grant- R 10m

The operational budget increased by R11million from the original budget of R614, 1million. This resulted in an adjustments budget of R625, 1million

The item below had the major movements.

- An increase on contracted services mainly due to the reclassification R7, 7m from capital grants to the contracted services budget.

The Parent capital budget has decreased from R293, 9million to R286, 2million. This is mainly attributable to the downward adjustment of the following grants;

- Municipal Infrastructure Grant- R 5, 9m
- Water Services Infrastructure Grant- R 1, 7m
- Water Services Infrastructure Grant Reduction- R 10m

A number of capital projects that would not be capitalized were shifted to the operations budget. A number of capital projects totaling to R7, 7million. The consolidated capital budget has decreased from R295, 3million to R287, 6million.



## TABLE B 1 ADJUSTMENT BUDGET SUMMARY

Table B1 below provides a summary of the budget adjustment of the municipality and is unpacked in the sections that follow.

DC43 Harry Gwala - Table B1 Consolidated Adjustments Budget Summary - 44963

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	E	F	G	H		
<b>Financial Performance</b>							
Property rates	-	-	-	-	-	-	-
Service charges	64 990	-	6 597	6 597	71 586	76 192	79 926
Investment revenue	4 859	-	2 461	2 461	7 320	5 713	5 948
Transfers recognised - operational	463 738	-	1 612	1 612	465 350	493 840	519 283
Other own revenue	11 941	-	596	596	12 537	30 224	31 501
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>545 528</b>	<b>-</b>	<b>11 266</b>	<b>11 266</b>	<b>556 794</b>	<b>605 970</b>	<b>636 657</b>
Employee costs	250 011	-	(5 209)	(5 209)	244 803	256 783	261 726
Remuneration of councillors	8 879	-	(1 169)	(1 169)	7 710	8 119	8 517
Depreciation & asset impairment	91 951	-	169	169	92 120	97 007	101 760
Finance charges	516	-	(16)	(16)	500	100	105
Inventory consumed and bulk purchases	29 207	-	(2 309)	(2 309)	26 897	28 432	29 798
Transfers and grants	17 000	-	4 594	4 594	21 594	2 500	2 623
Other expenditure	210 569	-	38 423	38 423	248 992	291 214	304 716
<b>Total Expenditure</b>	<b>608 134</b>	<b>-</b>	<b>34 483</b>	<b>34 483</b>	<b>642 617</b>	<b>684 155</b>	<b>709 244</b>
<b>Surplus/(Deficit)</b>	<b>(62 606)</b>	<b>-</b>	<b>(23 217)</b>	<b>(23 217)</b>	<b>(85 823)</b>	<b>(78 186)</b>	<b>(72 587)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	320 236	-	(2 018)	(2 018)	318 218	321 352	357 813
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>257 630</b>	<b>-</b>	<b>(25 235)</b>	<b>(25 235)</b>	<b>232 395</b>	<b>243 166</b>	<b>285 226</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>257 630</b>	<b>-</b>	<b>(25 235)</b>	<b>(25 235)</b>	<b>232 395</b>	<b>243 166</b>	<b>285 226</b>
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>	<b>298 180</b>	<b>-</b>	<b>(10 255)</b>	<b>(10 255)</b>	<b>287 925</b>	<b>306 141</b>	<b>314 554</b>
Transfers recognised - capital	278 426	-	(6 679)	(6 679)	271 747	277 584	300 473
Borrowing	-	-	-	-	-	-	-
Internally generated funds	19 754	-	(3 577)	(3 577)	16 178	28 557	14 081
<b>Total sources of capital funds</b>	<b>298 180</b>	<b>-</b>	<b>(10 255)</b>	<b>(10 255)</b>	<b>287 925</b>	<b>306 141</b>	<b>314 554</b>
<b>Financial position</b>							
Total current assets	106 085	-	25 137	25 137	131 223	147 860	170 655
Total non current assets	2 677 309	-	278 919	278 919	2 956 228	2 955 803	3 264 657
Total current liabilities	125 478	-	(16 909)	(16 909)	108 569	111 522	109 271
Total non current liabilities	15 947	-	12 922	12 922	28 869	28 869	30 601
Community wealth/Equity	<b>2 641 669</b>	<b>-</b>	<b>311 343</b>	<b>311 343</b>	<b>2 953 012</b>	<b>2 963 271</b>	<b>3 295 381</b>

**Table B1 Cont.....**

**DC43 Harry Gwala - Table B1 Consolidated Adjustments Budget Summary - 44963**

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	E	F	G	H		
<b>Cash flows</b>							
Net cash from (used) operating	321 758	-	(23 993)	(23 993)	297 765	1 552 469	1 656 856
Net cash from (used) investing	(298 180)	-	2 827	2 827	(295 354)	(306 141)	(314 554)
Net cash from (used) financing	(2 400)	-	-	-	(2 400)	(2 251)	(2 251)
<b>Cash/cash equivalents at the year end</b>	<b>48 747</b>	<b>-</b>	<b>15 856</b>	<b>15 856</b>	<b>64 603</b>	<b>1 311 983</b>	<b>1 412 790</b>
<b>Cash backing/surplus reconciliation</b>							
Cash and investments available	51 147	-	15 856	15 856	67 003	84 290	107 773
Application of cash and investments	2 324	-	(20 370)	(20 370)	(18 045)	8 816	13 901
<b>Balance - surplus (shortfall)</b>	<b>48 823</b>	<b>-</b>	<b>36 225</b>	<b>36 225</b>	<b>85 048</b>	<b>75 475</b>	<b>93 872</b>
<b>Asset Management</b>							
Asset register summary (WDV)	1 945 475	-	200 823	200 823	2 146 297	2 145 873	2 454 726
Depreciation	91 951	-	169	169	92 120	97 007	101 760
Renewal and Upgrading of Existing Assets	44 930	-	(30 922)	(30 922)	14 009	29 538	30 330
Repairs and Maintenance	37 538	-	20 173	20 173	57 711	51 991	54 394
<b>Free services</b>							
Cost of Free Basic Services provided	(642)	-	-	-	(642)	(676)	(717)
Revenue cost of free services provided	-	-	-	-	-	-	-
<b>Households below minimum service level</b>							
Water:	33	-	-	-	33	35	37
Sanitation/sewerage:	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-

**TABLE B2 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE**

Schedule B2 is the Expenditure by standard classification presents the adjustment expenditures by the departments.

DC43 Harry Gwala - Table B2 Consolidated Adjustments Budget Financial Performance (functional classification) - 44963

Standard Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	9 E	10 F	11 G	12 H		
<b>Revenue - Functional</b>							
<b>Governance and administration</b>	<b>438 744</b>	-	<b>2 822</b>	<b>2 822</b>	<b>441 566</b>	<b>488 282</b>	<b>519 709</b>
Executive and council	-	-	-	-	-	-	-
Finance and administration	438 744	-	2 822	2 822	441 566	488 282	519 709
Internal audit	-	-	-	-	-	-	-
<b>Community and public safety</b>	-	-	<b>15</b>	<b>15</b>	<b>15</b>	<b>16</b>	<b>17</b>
Community and social services	-	-	15	15	15	16	17
Sport and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>17 180</b>	-	<b>(186)</b>	<b>(186)</b>	<b>16 994</b>	<b>638</b>	<b>638</b>
Planning and development	17 180	-	(186)	(186)	16 994	638	638
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
<b>Trading services</b>	<b>409 840</b>	-	<b>6 597</b>	<b>6 597</b>	<b>416 437</b>	<b>438 386</b>	<b>474 107</b>
Energy sources	-	-	-	-	-	-	-
Water management	396 689	-	5 833	5 833	402 523	423 735	458 737
Waste water management	13 151	-	763	763	13 914	14 651	15 369
Waste management	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>865 764</b>	-	<b>9 248</b>	<b>9 248</b>	<b>875 012</b>	<b>927 322</b>	<b>994 470</b>
<b>Expenditure - Functional</b>							
<b>Governance and administration</b>	<b>266 502</b>	-	<b>16 642</b>	<b>16 642</b>	<b>283 144</b>	<b>294 557</b>	<b>308 185</b>
Executive and council	33 112	-	(1 788)	(1 788)	31 323	39 878	41 802
Finance and administration	223 635	-	16 768	16 768	240 403	244 785	256 006
Internal audit	9 755	-	1 662	1 662	11 417	9 894	10 377
<b>Community and public safety</b>	<b>20 881</b>	-	<b>(1 644)</b>	<b>(1 644)</b>	<b>19 237</b>	<b>20 592</b>	<b>21 594</b>
Community and social services	20 881	-	(1 644)	(1 644)	19 237	20 592	21 594
Sport and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>156 969</b>	-	<b>9 647</b>	<b>9 647</b>	<b>166 616</b>	<b>167 382</b>	<b>168 111</b>
Planning and development	156 969	-	9 647	9 647	166 616	167 382	168 111
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
<b>Trading services</b>	<b>163 481</b>	-	<b>13 137</b>	<b>13 137</b>	<b>176 619</b>	<b>201 412</b>	<b>211 073</b>
Energy sources	-	-	-	-	-	-	-
Water management	162 342	-	11 674	11 674	174 016	200 518	210 136
Waste water management	1 139	-	1 464	1 464	2 603	893	937
Waste management	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	<b>212</b>	<b>222</b>
<b>Total Expenditure - Functional</b>	<b>607 834</b>	-	<b>37 782</b>	<b>37 782</b>	<b>645 616</b>	<b>684 154</b>	<b>709 185</b>
<b>Surplus/ (Deficit) for the year</b>	<b>257 930</b>	-	<b>(28 534)</b>	<b>(28 534)</b>	<b>229 396</b>	<b>243 167</b>	<b>285 285</b>

The revenue of the municipality has decreased from R858million originally approved budget to R848million.

The operational expenditure increased by R7, 7million an increase on contracted services mainly due to the reclassification R7, 7m from capital grants to the contracted services budget

### TABLE B3 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

Table B3 presents the same information as the table above, the difference being that it's by Municipal vote.

DC43 Harry Gwala - Table B3 Consolidated Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 44963

Vote Description  <i>[Insert departmental structure etc]</i>	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	7 E	8 F	9 G	10 H		
<b>Revenue by Vote</b>							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	438 660	-	2 577	2 577	441 238	470 822	501 597
Vote 04 - Summary Corporate Services	-	-	245	245	245	372	-
Vote 05 - Summary Social Services & Development Planning	17 180	-	(171)	(171)	17 009	17 654	18 675
Vote 06 - Summary Infrastructure Services	337 554	-	(1 685)	(1 685)	335 869	354 861	386 489
Vote 07 - Summary Water Services	72 370	-	8 281	8 281	80 651	83 613	87 710
Vote 15 - Other	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>865 764</b>	<b>-</b>	<b>9 248</b>	<b>9 248</b>	<b>875 012</b>	<b>927 322</b>	<b>994 470</b>
<b>Expenditure by Vote</b>							
Vote 01 - Summary Council	18 963	-	824	824	19 787	19 937	20 902
Vote 02 - Summary Municipal Manager	23 904	-	(950)	(950)	22 953	22 917	24 020
Vote 03 - Summary Budget And Treasury Office	83 148	-	3 155	3 155	86 303	90 559	94 872
Vote 04 - Summary Corporate Services	91 438	-	150	150	91 588	86 586	90 296
Vote 05 - Summary Social Services & Development Planning	72 345	-	(2 313)	(2 313)	70 032	75 394	79 255
Vote 06 - Summary Infrastructure Services	109 944	-	7 083	7 083	117 026	128 353	126 996
Vote 07 - Summary Water Services	208 092	-	29 833	29 833	237 925	260 408	272 845
Vote 15 - Other	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>607 834</b>	<b>-</b>	<b>37 782</b>	<b>37 782</b>	<b>645 616</b>	<b>684 154</b>	<b>709 185</b>
<b>Surplus/ (Deficit) for the year</b>	<b>257 930</b>	<b>-</b>	<b>(28 534)</b>	<b>(28 534)</b>	<b>229 396</b>	<b>243 167</b>	<b>285 285</b>

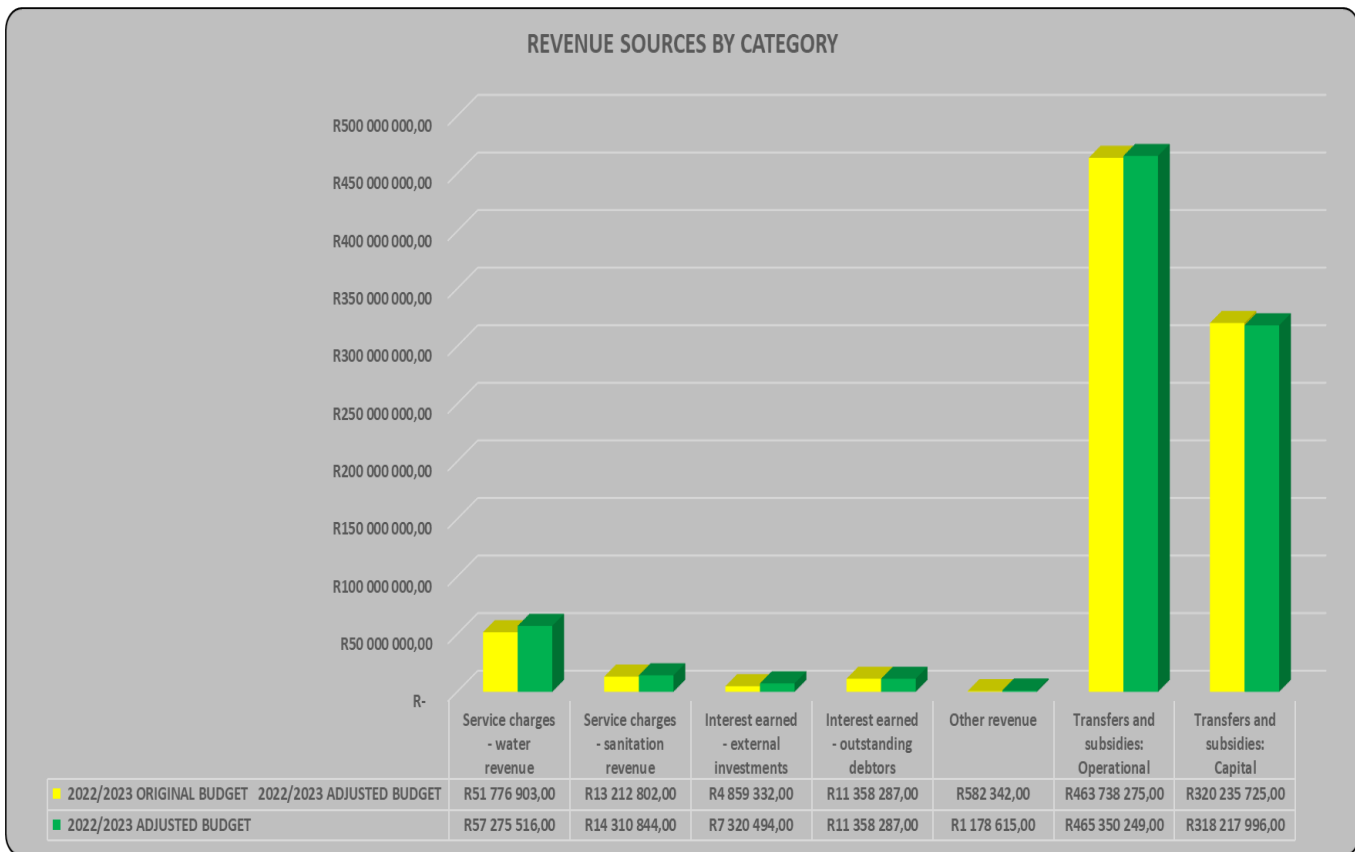
Table B2 and Table B3 presents a comparison of original budget and adjusted budget for both revenue and operating expenditure. Both tables shows that the only adjustment is on transfers recognized capital that decreased then overall surplus from R257, 9million to R229, 3million

**TABLE B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE**

This schedule provides information on the adjustment revenue by source and adjustment operational expenditures by type.

DC43 Harry Gwala - Table B4 Consolidated Adjustments Budget Financial Performance (revenue and expenditure) - 44963

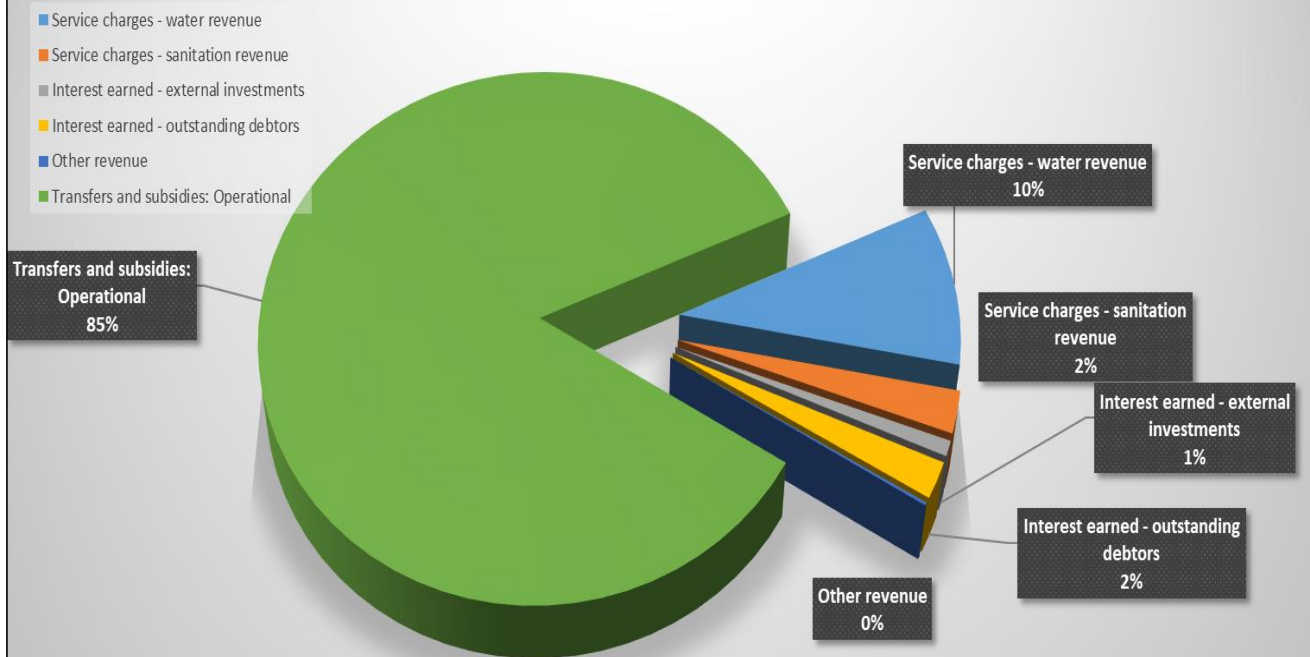
Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	7 E	8 F	9 G	10 H		
<b>Revenue By Source</b>							
Property rates	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-
Service charges - water revenue	51 777	-	5 499	5 499	57 276	61 123	64 118
Service charges - sanitation revenue	13 213	-	1 098	1 098	14 311	15 069	15 808
Service charges - refuse revenue	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-
Interest earned - external investments	4 859	-	2 461	2 461	7 320	5 713	5 948
Interest earned - outstanding debtors	11 358	-	-	-	11 358	11 960	12 546
Dividends received	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-
Transfers and subsidies	463 738	-	1 612	1 612	465 350	493 840	519 283
Other revenue	582	-	596	596	1 179	18 264	18 955
Gains	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>545 528</b>	<b>-</b>	<b>11 266</b>	<b>11 266</b>	<b>556 794</b>	<b>605 970</b>	<b>636 657</b>
<b>Expenditure By Type</b>							
Employee related costs	250 011	-	(5 209)	(5 209)	244 803	256 783	261 726
Remuneration of councillors	8 879	-	(1 169)	(1 169)	7 710	8 119	8 517
Debt impairment	28 750	-	-	-	28 750	58 718	61 593
Depreciation & asset impairment	91 951	-	169	169	92 120	97 007	101 760
Finance charges	516	-	(16)	(16)	500	100	105
Bulk purchases - electricity	-	-	-	-	-	-	-
Inventory consumed	29 207	-	(2 309)	(2 309)	26 897	28 432	29 798
Contracted services	117 271	-	27 001	27 001	144 272	140 220	146 396
Transfers and subsidies	17 000	-	4 594	4 594	21 594	2 500	2 623
Other expenditure	64 548	-	11 422	11 422	75 970	92 277	96 726
Losses	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>608 134</b>	<b>-</b>	<b>34 483</b>	<b>34 483</b>	<b>642 617</b>	<b>684 155</b>	<b>709 244</b>
<b>Surplus/(Deficit)</b>	<b>(62 606)</b>	<b>-</b>	<b>(23 217)</b>	<b>(23 217)</b>	<b>(85 823)</b>	<b>(78 186)</b>	<b>(72 587)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	320 236	-	(2 018)	(2 018)	318 218	321 352	357 813
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>	<b>257 630</b>	<b>-</b>	<b>(25 235)</b>	<b>(25 235)</b>	<b>232 395</b>	<b>243 166</b>	<b>285 226</b>
Taxation	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>257 630</b>	<b>-</b>	<b>(25 235)</b>	<b>(25 235)</b>	<b>232 395</b>	<b>243 166</b>	<b>285 226</b>
Attributable to minorities	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>257 630</b>	<b>-</b>	<b>(25 235)</b>	<b>(25 235)</b>	<b>232 395</b>	<b>243 166</b>	<b>285 226</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>257 630</b>	<b>-</b>	<b>(25 235)</b>	<b>(25 235)</b>	<b>232 395</b>	<b>243 166</b>	<b>285 226</b>



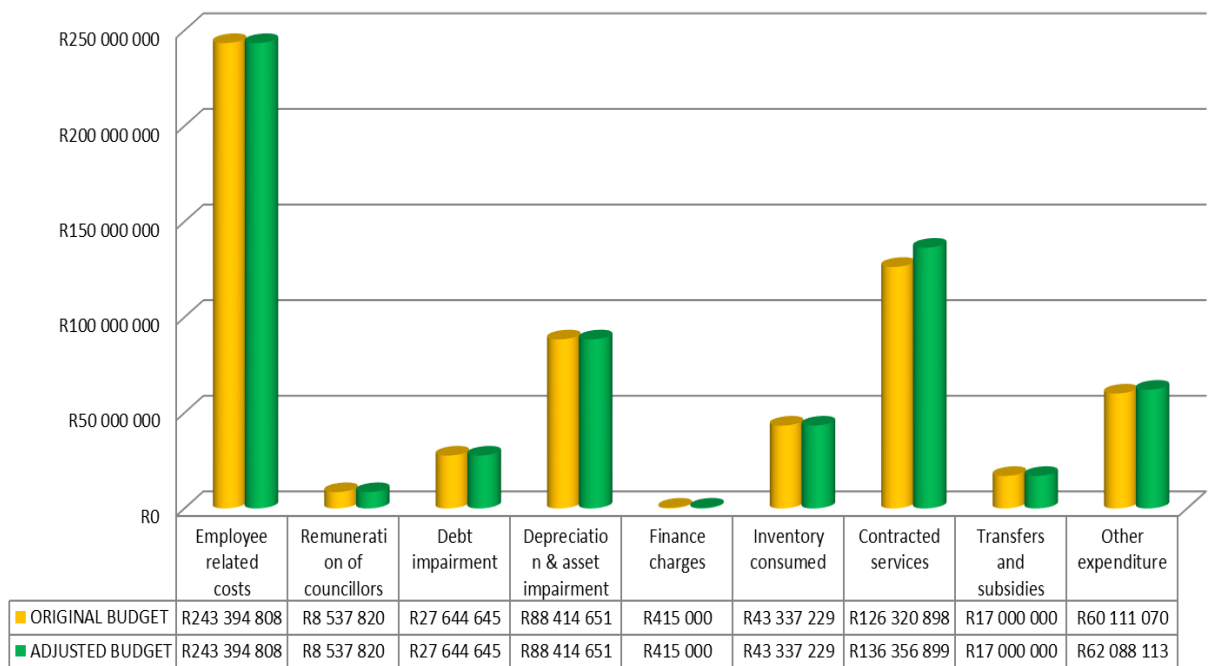
The above graphs present comparison of original and adjusted budget for revenue (by source)

The revenue of the municipality has decreased from R825, 6million originally approved budget to R858, 6million. The additional funding is for Municipal Infrastructure Grant and Water Services Infrastrucutre Grant amount to R33million from National.

## REVENUE BY SOURCE:PROPORTION

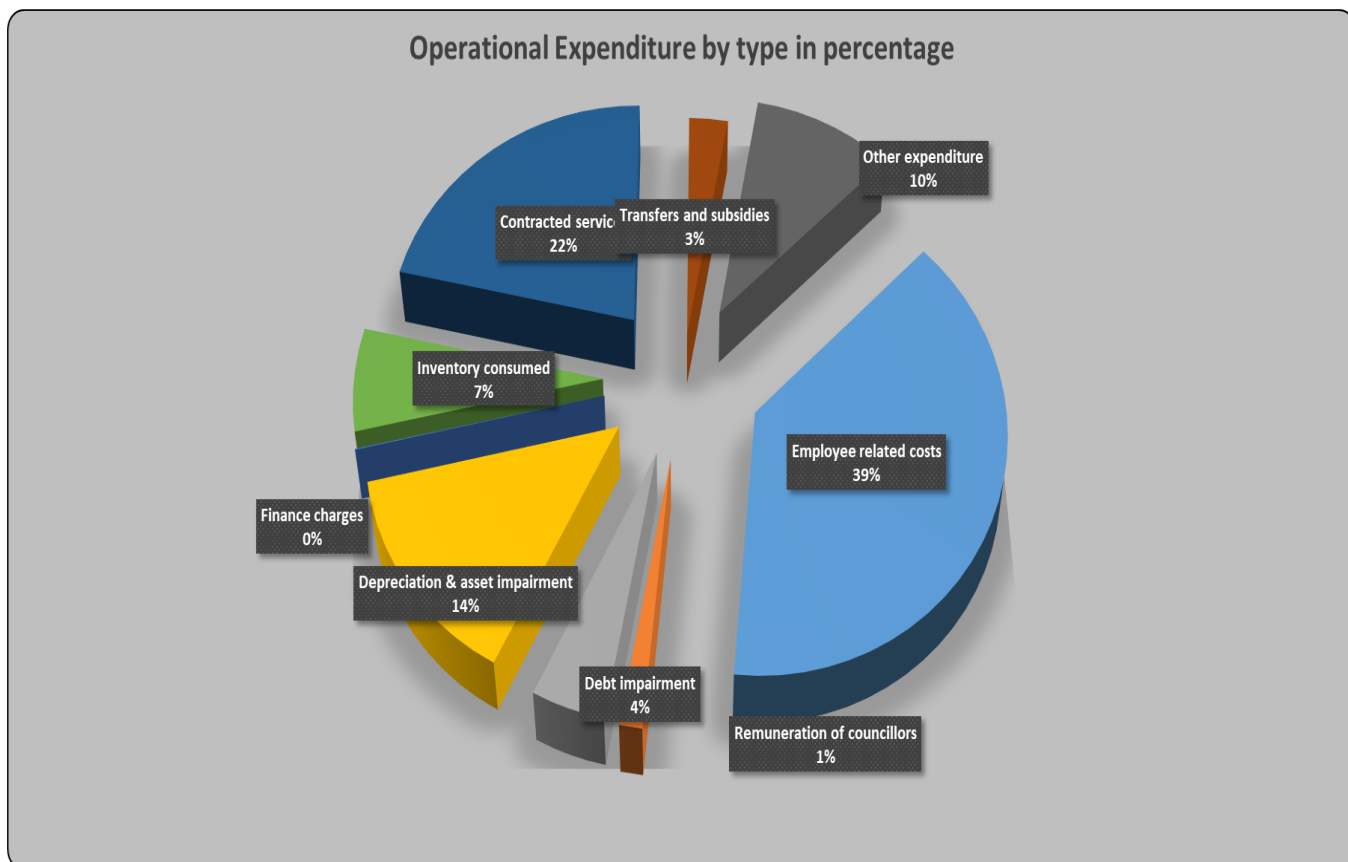


## OPERATIONAL EXPENDITURE BY TYPE





The above graph shows an expenditure (by type) even though there are no changes from the original budget and special adjustment budget



The operational budget increased by R11million from the original budget of R614, 1million. This resulted in an adjustments budget of R625, 1million. The operational expenditure is not affected by additional allocations.

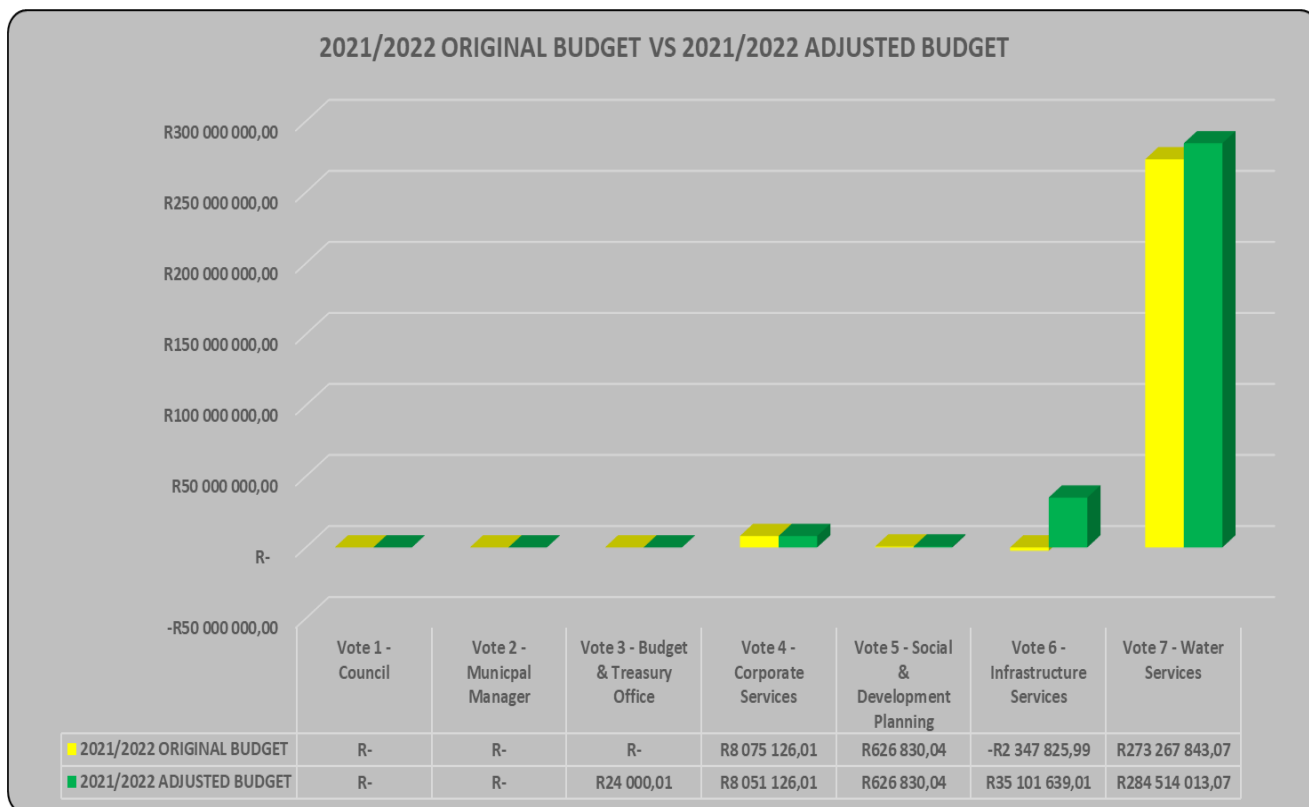
**TABLE B5 ADJUSTMENT CAPITAL EXPENDITURE BUDGET BY VOTE AND FUNDING**

Schedule B5 below reports on the adjusted capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

DC43 Harry Gwala - Table B5 Consolidated Adjustments Capital Expenditure Budget by vote and funding - 25/04/2022

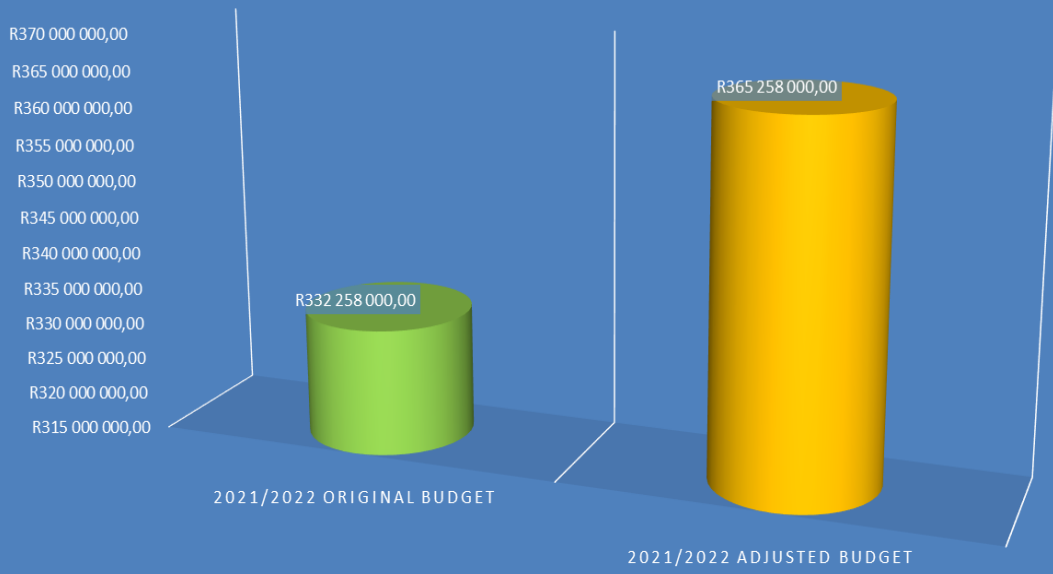
Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	E	F	G	H		
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure to be adjusted</b>								
Vote 01 - Summary Council	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	500	0	-	24	24	24	-	-
Vote 04 - Summary Corporate Services	4 031	8 075	-	(24)	(24)	8 051	9 940	10 377
Vote 05 - Summary Social Services & Development Planing	1 870	627	-	-	-	627	4 151	4 001
Vote 06 - Summary Infrastructure Services	16 300	(2 348)	-	37 449	37 449	35 102	36 087	99 715
Vote 07 - Summary Water Services	284 583	273 268	-	11 246	11 246	284 514	248 167	215 442
Vote 15 - Other	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>307 283</b>	<b>279 622</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>328 318</b>	<b>298 345</b>	<b>329 536</b>
<b>Total Capital Expenditure - Vote</b>	<b>307 283</b>	<b>279 622</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>328 318</b>	<b>298 345</b>	<b>329 536</b>
<b>Capital Expenditure - Functional</b>								
<b>Governance and administration</b>	<b>5 110</b>	<b>8 655</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 655</b>	<b>10 508</b>	<b>10 638</b>
Executive and council						-	-	-
Finance and administration	5 110	8 655	-	-	-	8 655	10 508	10 638
Internal audit						-	-	-
<b>Community and public safety</b>	<b>1 021</b>	<b>47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47</b>	<b>3 304</b>	<b>3 450</b>
Community and social services	1 021	47	-	-	-	47	3 304	3 450
Sport and recreation						-	-	-
Public safety						-	-	-
Housing						-	-	-
Health						-	-	-
<b>Economic and environmental services</b>	<b>1 270</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>11 148</b>	<b>43 856</b>
Planning and development	1 270	0	-	-	-	0	11 148	43 856
Road transport						-	-	-
Environmental protection						-	-	-
<b>Trading services</b>	<b>299 883</b>	<b>270 920</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>319 616</b>	<b>273 384</b>	<b>271 592</b>
Energy sources						-	-	-
Water management	244 033	220 614	-	31 418	31 418	252 033	226 254	239 494
Waste water management	55 850	50 306	-	17 277	17 277	67 583	47 130	32 098
Waste management						-	-	-
<b>Other</b>								
<b>Total Capital Expenditure - Functional</b>	<b>307 283</b>	<b>279 622</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>328 318</b>	<b>298 345</b>	<b>329 536</b>
<b>Funded by:</b>								
National Government	298 258	239 355	-	48 696	48 696	288 050	278 466	309 115
Provincial Government	-	29 565	-	-	-	29 565	-	-
District Municipality	-	47	-	-	-	47	-	-
<b>Transfers recognised - capital</b>	<b>298 258</b>	<b>268 967</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>317 663</b>	<b>278 466</b>	<b>309 115</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>9 025</b>	<b>10 655</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 655</b>	<b>19 879</b>	<b>20 421</b>
<b>Total Capital Funding</b>	<b>307 283</b>	<b>279 622</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>328 318</b>	<b>298 345</b>	<b>329 536</b>

## Chart 6: Capital Expenditure by Type



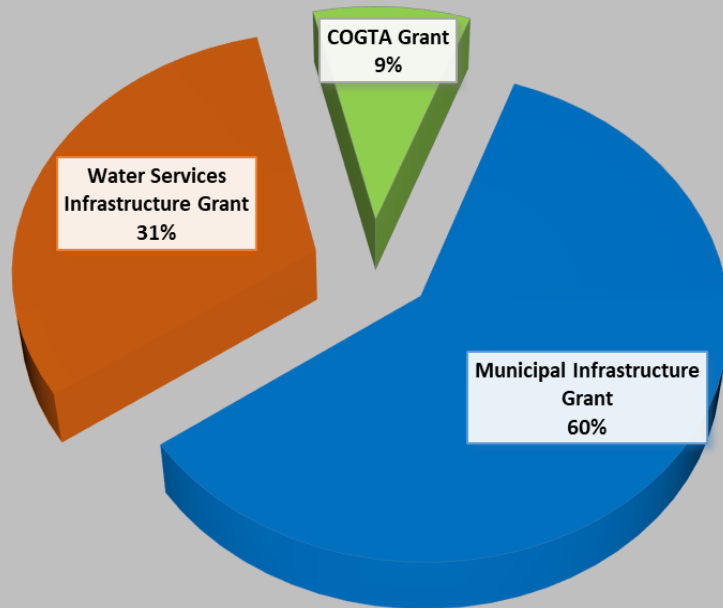
The originally approved capital budget was R 332, 2million and adjusted budget is R 365, 2million. The upward adjustment is due to additional funding for Municipal Infrastructure grant and water services infrastructure grant for water and sanitation projects.

### ORIGINAL BUDGET VS ADJUSTED BUDGET



	2021/2022 ORIGINAL BUDGET	2021/2022 ADJUSTED BUDGET
■ CAPITAL BUDGET	R332 258 000,00	R365 258 000,00

### SOURCES OF FUNDING



## TABLE B6 ADJUSTMENTS BUDGET FINANCIAL POSITION

Table C6 displays the adjustment budget financial position of the municipality

DC43 Harry Gwala - Table B6 Consolidated Adjustments Budget Financial Position - 25/04/2022

Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted 3	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	A1	E	F	G	H		
<b>ASSETS</b>								
<b>Current assets</b>								
Cash	11 058	19 711	-	17 528	17 528	37 239	15 849	20 416
Call investment deposits	40 121	22 036	-	-	-	22 036	49 114	49 114
Consumer debtors	30 951	28 157	-	-	-	28 157	32 600	33 963
Other debtors	25 222	18 092	-	-	-	18 092	21 930	24 930
Current portion of long-term receivables	-	-	-	-	-	-	-	-
Inventory	267	408	-	-	-	408	408	408
<b>Total current assets</b>	<b>107 619</b>	<b>88 404</b>	<b>-</b>	<b>17 528</b>	<b>17 528</b>	<b>105 932</b>	<b>119 901</b>	<b>128 831</b>
<b>Non current assets</b>								
Property, plant and equipment	2 843 962	2 742 357	-	48 696	48 696	2 791 052	2 675 771	2 932 123
Biological								
Intangible	1 946	822	-	-	-	822	1 702	1 785
Other non-current assets	0	0	-	-	-	0	0	0
<b>Total non current assets</b>	<b>2 845 908</b>	<b>2 743 179</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>2 791 875</b>	<b>2 677 474</b>	<b>2 933 908</b>
<b>TOTAL ASSETS</b>	<b>2 953 527</b>	<b>2 831 583</b>	<b>-</b>	<b>66 224</b>	<b>66 224</b>	<b>2 897 806</b>	<b>2 797 374</b>	<b>3 062 739</b>
<b>LIABILITIES</b>								
<b>Current liabilities</b>								
Bank overdraft						-	-	
Borrowing	-	13 194	-	-	-	13 194	8 394	5 994
Consumer deposits	2 155	2 182	-	-	-	2 182	2 331	2 480
Trade and other payables	91 336	72 038	-	(300)	(300)	71 738	99 666	96 666
Provisions	13 294	15 088	-	-	-	15 088	15 088	15 088
<b>Total current liabilities</b>	<b>106 785</b>	<b>102 502</b>	<b>-</b>	<b>(300)</b>	<b>(300)</b>	<b>102 202</b>	<b>125 478</b>	<b>120 227</b>
<b>Non current liabilities</b>								
Borrowing	1 878	1 796	-	-	-	1 796	-	-
Provisions	23 797	26 960	-	-	-	26 960	15 947	17 570
<b>Total non current liabilities</b>	<b>25 676</b>	<b>28 756</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28 756</b>	<b>15 947</b>	<b>17 570</b>
<b>TOTAL LIABILITIES</b>	<b>132 461</b>	<b>131 258</b>	<b>-</b>	<b>(300)</b>	<b>(300)</b>	<b>130 958</b>	<b>141 425</b>	<b>137 797</b>
<b>NET ASSETS</b>	<b>2 821 066</b>	<b>2 700 325</b>	<b>-</b>	<b>66 524</b>	<b>66 524</b>	<b>2 766 848</b>	<b>2 655 949</b>	<b>2 924 942</b>
<b>COMMUNITY WEALTH/EQUITY</b>								
Accumulated Surplus/(Deficit)	2 821 066	2 700 325	-	66 524	66 524	2 766 848	2 655 949	2 924 942
Reserves	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 821 066</b>	<b>2 700 325</b>	<b>-</b>	<b>66 524</b>	<b>66 524</b>	<b>2 766 848</b>	<b>2 655 949</b>	<b>2 924 942</b>

## TABLE B7 ADJUSTMENTS BUDGET CASH FLOWS

DC43 Harry Gwala - Table B7 Consolidated Adjustments Budget Cash Flows - 25/04/2022

Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	E	F	G	H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates					-	-		
Service charges	53 905	58 404	-	-	-	58 404	59 930	63 356
Other revenue	549	549	-	-	-	549	582	606
Transfers and Subsidies - Operational	389 288	400 406	-	-	-	400 406	446 738	472 349
Transfers and Subsidies - Capital	303 580	332 258	-	33 000	33 000	365 258	320 236	360 787
Interest	5 592	5 592	-	(1 178)	(1 178)	4 414	4 679	4 867
Dividends					-	-		
<b>Payments</b>								
Suppliers and employees	(445 807)	(564 406)	-	(12 663)	(12 663)	(577 069)	(500 370)	(537 518)
Finance charges	(1 328)	(415)	-	-	-	(415)	-	-
Transfers and Grants	-	(135)	-	-	-	(135)	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>305 780</b>	<b>232 254</b>	<b>-</b>	<b>19 159</b>	<b>19 159</b>	<b>251 413</b>	<b>331 796</b>	<b>364 446</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE					-	-		
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments					-	-		
<b>Payments</b>								
Capital assets	(307 283)	(299 622)	-	(28 696)	(28 696)	(328 318)	(298 345)	(329 536)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(307 283)</b>	<b>(299 622)</b>	<b>-</b>	<b>(28 696)</b>	<b>(28 696)</b>	<b>(328 318)</b>	<b>(298 345)</b>	<b>(329 536)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans					-	-		
Borrowing long term/refinancing					-	-		
Increase (decrease) in consumer deposits	(122)	(2 182)	-	-	-	(2 061)	(149)	(149)
<b>Payments</b>								
Repayment of borrowing					-	-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(122)</b>	<b>(2 182)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 061)</b>	<b>(149)</b>	<b>(149)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(1 625)</b>	<b>(69 550)</b>	<b>-</b>	<b>(9 537)</b>	<b>(9 537)</b>	<b>(78 965)</b>	<b>33 302</b>	<b>34 762</b>
Cash/cash equivalents at the year begin:	48 731	51 862	-	-	-	51 862	60 569	64 962
Cash/cash equivalents at the year end:	47 106	(17 688)	-	(9 537)	(9 537)	(27 103)	93 871	99 724

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. Cash and cash equivalents at the beginning of the financial year the municipality had a positive opening balance of R51, 8million. The closing cash and cash equivalent at year end is negative R27, 1million as per B7 above due to vat that does not display as part of revenue therefore cash and cash equivalent on the table above is exaggerated. Reason behind is due to mapping on the schedules, Treasury still need to correct or improve the mapping on the side of vat as previously used to be displayed on B8. Otherwise the cash and cash equivalent at year end is positive.

### TABLE B8 CASH BACKED RESERVES / ACCUMULATED SURPLUS RECONCILIATION

DC43 Harry Gwala - Table B8 Consolidated Cash backed reserves/accumulated surplus reconciliation - 25/04/2022

Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	3 A1	7 E	8 F	9 G	10 H		
<b>Cash and investments available</b>								
Cash/cash equivalents at the year end	47 106	(17 688)	–	(9 537)	(9 537)	(27 225)	93 871	99 724
Other current investments > 90 days	4 073	59 435	–	27 065	27 065	86 500	(28 909)	(30 194)
Non current assets - Investments	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>	<b>51 179</b>	<b>41 747</b>	<b>–</b>	<b>17 528</b>	<b>17 528</b>	<b>59 275</b>	<b>64 962</b>	<b>69 530</b>
<b>Applications of cash and investments</b>								
Unspent conditional transfers	–	(0)	–	–	–	(0)	–	–
Unspent borrowing	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–
Other working capital requirements	59 118	37 054	–	211	211	37 266	41 923	35 487
Other provisions	–	–	–	–	–	–	–	–
Long term investments committed	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	–	–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>	<b>59 118</b>	<b>37 054</b>	<b>–</b>	<b>211</b>	<b>211</b>	<b>37 266</b>	<b>41 923</b>	<b>35 487</b>
<b>Surplus(shortfall)</b>	<b>(7 939)</b>	<b>4 693</b>	<b>–</b>	<b>17 317</b>	<b>17 317</b>	<b>22 009</b>	<b>23 039</b>	<b>34 043</b>

The objective of the medium-term framework is to ensure the budget is funded aligned to section 18 of the MFMA. As part of the Municipal Finance Management Circular 107 that informed the funding position of the budget and adjustment budget and considering the requirements of section 18 of the MFMA, it can be concluded that the Adjustment Budget is unfunded.

## TABLE B9 ASSET MANAGEMENT

DC43 Harry Gwala - Table B9 Consolidated Asset Management - 25/04/2022

Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	7 A1	11 E	12 F	13 G	14 H		
<b>CAPITAL EXPENDITURE</b>								
<b><u>Total New Assets to be adjusted</u></b>	<b>290 783</b>	<b>226 885</b>	<b>-</b>	<b>19 176</b>	<b>19 176</b>	<b>246 061</b>	<b>262 997</b>	<b>283 930</b>
<i>Water Supply Infrastructure</i>	228 108	173 274	-	19 290	19 290	192 564	207 857	243 803
<i>Sanitation Infrastructure</i>	55 850	50 306	-	(114)	(114)	50 191	47 130	32 098
Infrastructure	283 958	223 580	-	19 176	19 176	242 755	254 988	275 901
Licences and Rights	1 418	450	-	-	-	450	1 534	1 354
Intangible Assets	1 418	450	-	-	-	450	1 534	1 354
Computer Equipment	2 130	1 409	-	-	-	1 409	1 904	1 903
Furniture and Office Equipment	3 057	1 400	-	-	-	1 400	2 206	2 303
Machinery and Equipment	220	47	-	-	-	47	191	200
Transport Assets	-	-	-	-	-	-	2 174	2 270
<b><u>Total Renewal of Existing Assets to be adjusted</u></b>	<b>16 000</b>	<b>52 614</b>	<b>-</b>	<b>9 710</b>	<b>9 710</b>	<b>62 324</b>	<b>31 000</b>	<b>35 171</b>
<i>Water Supply Infrastructure</i>	15 800	17 652	-	9 710	9 710	27 363	24 348	28 226
<i>Sanitation Infrastructure</i>	-	29 565	-	-	-	29 565	-	-
Infrastructure	15 800	47 217	-	9 710	9 710	56 928	24 348	28 226
Machinery and Equipment	200	150	-	-	-	150	217	227
Transport Assets	-	5 246	-	-	-	5 246	6 435	6 718
Land	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
<b><u>Total Upgrading of Existing Assets to be adjusted</u></b>	<b>500</b>	<b>123</b>	<b>-</b>	<b>19 810</b>	<b>19 810</b>	<b>19 933</b>	<b>4 348</b>	<b>10 435</b>
<i>Water Supply Infrastructure</i>	500	123	-	2 418	2 418	2 541	4 348	10 435
<i>Sanitation Infrastructure</i>	-	-	-	17 391	17 391	17 391	-	-
Infrastructure	500	123	-	19 810	19 810	19 933	4 348	10 435
<b><u>Total Capital Expenditure to be adjusted</u></b>	<b>307 283</b>	<b>279 622</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>328 318</b>	<b>298 345</b>	<b>329 536</b>
<i>Water Supply Infrastructure</i>	244 408	191 049	-	31 418	31 418	222 468	236 553	282 464
<i>Sanitation Infrastructure</i>	55 850	79 871	-	17 277	17 277	97 148	47 130	32 098
Infrastructure	300 258	270 920	-	48 696	48 696	319 616	283 683	314 562
Licences and Rights	1 418	450	-	-	-	450	1 534	1 354
Intangible Assets	1 418	450	-	-	-	450	1 534	1 354
Computer Equipment	2 130	1 409	-	-	-	1 409	1 904	1 903
Furniture and Office Equipment	3 057	1 400	-	-	-	1 400	2 206	2 303
Machinery and Equipment	420	197	-	-	-	197	409	427
Transport Assets	-	5 246	-	-	-	5 246	8 609	8 987
Land	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	<b>307 283</b>	<b>279 622</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>328 318</b>	<b>298 345</b>	<b>329 536</b>



DC43 Harry Gwala - Table B9 Consolidated Asset Management - 25/04/2022

Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	7	11	12	13	14		
<b>R thousands</b>		A1	E	F	G	H		
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	2 178 724	2 011 345	-	48 696	48 696	2 060 041	1 945 639	2 202 074
<i>Roads Infrastructure</i>	(0)	0	-	-	-	0	-	-
<i>Storm water Infrastructure</i>								
<i>Electrical Infrastructure</i>	9 004	8 911	-	-	-	8 911	7 342	5 774
<i>Water Supply Infrastructure</i>	1 868 527	1 739 576	-	31 418	31 418	1 770 995	1 686 341	1 899 621
<i>Sanitation Infrastructure</i>	227 065	195 115	-	17 277	17 277	212 392	186 805	213 768
<i>Information and Communication Infrastructure</i>	97	53	-	-	-	53	67	33
Infrastructure	2 104 692	1 943 655	-	48 696	48 696	1 992 351	1 880 556	2 119 195
Community Assets	2 533	2 389	-	-	-	2 389	2 162	1 934
Heritage Assets								
Investment properties	-	-	-	-	-	-	-	-
Other Assets	34 969	36 527	-	-	-	36 527	36 075	35 008
Biological or Cultivated Assets								
Intangible Assets	1 946	822	-	-	-	822	1 702	1 785
Computer Equipment	6 013	4 748	-	-	-	4 748	4 277	5 293
Furniture and Office Equipment	3 550	3 522	-	-	-	3 522	3 953	5 811
Machinery and Equipment	439	2 237	-	-	-	2 237	2 422	2 849
Transport Assets	24 581	17 444	-	-	-	17 444	14 493	30 198
Land								
Zoo's, Marine and Non-biological Animals								
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>2 178 724</b>	<b>2 011 345</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>2 060 041</b>	<b>1 945 639</b>	<b>2 202 074</b>
<b>EXPENDITURE OTHER ITEMS</b>								
<u>Depreciation &amp; asset impairment</u>	87 410	88 415	-	-	-	88 415	91 951	95 997
<u>Repairs and Maintenance by asset class</u>	<b>34 000</b>	<b>47 290</b>	<b>-</b>	<b>1 000</b>	<b>1 000</b>	<b>48 290</b>	<b>37 238</b>	<b>38 876</b>
<i>Water Supply Infrastructure</i>	29 000	31 036	-	1 000	1 000	32 036	33 000	34 452
<b>Infrastructure</b>	29 000	31 036	-	1 000	1 000	32 036	33 000	34 452
Community Facilities	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	90	64	-	-	-	64	90	94
<b>Community Assets</b>	90	64	-	-	-	64	90	94
<b>Investment properties</b>	-	-	-	-	-	-	-	-
Operational Buildings	3 000	4 081	-	-	-	4 081	3 500	3 654
Housing	-	-	-	-	-	-	-	-
<b>Other Assets</b>	3 000	4 081	-	-	-	4 081	3 500	3 654
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	320	96	-	-	-	96	320	334
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	1 262	11 568	-	-	-	11 568	-	-
<b>Transport Assets</b>	328	447	-	-	-	447	328	342
<b>Land</b>	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>	<b>121 410</b>	<b>135 705</b>	<b>-</b>	<b>1 000</b>	<b>1 000</b>	<b>136 705</b>	<b>129 189</b>	<b>134 873</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	5,4%	18,9%				25,1%	11,8%	13,8%
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>	18,9%	59,6%				93,0%	38,4%	47,5%
<i>R&amp;M as a % of PPE</i>	1,6%	2,4%				2,3%	1,9%	1,8%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>	2,3%	5,0%				6,3%	3,7%	3,8%

## TABLE B10 BASIC SERVICE DELIVERY MEASUREMENT

DC43 Harry Gwala - Table B10 Consolidated Basic service delivery measurement - 44326

Description	Budget Year 2021/22					Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	11 E	12 F	13 G	14 H		
<b>Household service targets</b>							
<b>Water:</b>							
Piped water inside dwelling	52292	0	0	–	52292	55691	59310,89
Piped water inside yard (but not in dwelling)	21261	0	0	–	21261	22643	24114,76
Using public tap (at least min.service level)	37292	0	0	–	37292	39715,98	42297,52
Other water supply (at least min.service level)	30936	0	0	–	30936	33	35
<i>Minimum Service Level and Above sub-total</i>	142	–	–	–	142	151	161
Using public tap (< min.service level)				–	–		
Other water supply (< min.service level)	30936	0	0	–	30936	32946,84	35088,38
No water supply				–	–		
<i>Below Minimum Service Level sub-total</i>	31	–	–	–	31	33	35
<b>Total number of households</b>	<b>173</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>173</b>	<b>184</b>	<b>196</b>
<b>Sanitation/sewerage:</b>							
Flush toilet (connected to sewerage)	81649	0	0	–	81 649	86956,18	92608,34
Flush toilet (with septic tank)	13164	0	0	–	13 164	14019,66	14930,94
Chemical toilet				–	–		
Pit toilet (ventilated)	46969	0	0	–	46 969	50021,99	53273,41
Other toilet provisions (> min.service level)				–	–		
<i>Minimum Service Level and Above sub-total</i>	141 782	–	–	–	141 782	150 998	160 813
Bucket toilet				–	–		
Other toilet provisions (< min.service level)				–	–		
No toilet provisions				–	–		
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–
<b>Total number of households</b>	<b>141 782</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>141 782</b>	<b>150 998</b>	<b>160 813</b>
<b>Cost of Free Basic Services provided (R'000)</b>							
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)	–	–	–	–	–	–	–
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>	<b>7</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Total cost of FBS provided</b>	<b>7</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7</b>	<b>7</b>	<b>7</b>

# PARENT TABLES

## TABLE B 1 PARENT ADJUSTMENT BUDGET SUMMARY

Table B1 below provides a summary of the budget adjustment of the municipality and is unpacked in the sections that follow

DC43 Harry Gwala - Table B1 Adjustments Budget Summary - 25/04/2022

Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	E	F	G	H		
<b>Financial Performance</b>								
Property rates	-	-	-	-	-	-	-	-
Service charges	69 422	60 087	-	976	976	61 063	64 990	68 889
Investment revenue	5 592	4 414	-	-	-	4 414	4 679	4 867
Transfers recognised - operational	400 406	400 406	-	-	-	400 406	446 738	472 349
Other own revenue	10 748	11 565	-	-	-	11 565	11 941	12 418
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>486 168</b>	<b>476 472</b>	<b>-</b>	<b>976</b>	<b>976</b>	<b>477 448</b>	<b>528 348</b>	<b>558 523</b>
Employee costs	224 855	231 093	-	-	-	231 093	237 545	249 769
Remuneration of councillors	8 922	8 538	-	-	-	8 538	8 879	9 270
Depreciation & asset impairment	86 885	87 890	-	-	-	87 890	91 405	95 427
Finance charges	1 313	400	-	-	-	400	500	522
Inventory consumed and bulk purchases	31 249	43 337	-	-	-	43 337	29 207	30 492
Transfers and grants	17 000	17 000	-	-	-	17 000	17 000	17 000
Other expenditure	191 158	211 145	-	12 013	12 013	223 159	207 634	216 596
<b>Total Expenditure</b>	<b>561 382</b>	<b>599 404</b>	<b>-</b>	<b>12 013</b>	<b>12 013</b>	<b>611 417</b>	<b>592 170</b>	<b>619 076</b>
<b>Surplus/(Deficit)</b>	<b>(75 214)</b>	<b>(122 931)</b>	<b>-</b>	<b>(11 037)</b>	<b>(11 037)</b>	<b>(133 968)</b>	<b>(63 822)</b>	<b>(60 554)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	298 258	332 258	-	33 000	33 000	365 258	320 236	360 787
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>223 044</b>	<b>209 327</b>	<b>-</b>	<b>21 963</b>	<b>21 963</b>	<b>231 290</b>	<b>256 414</b>	<b>300 233</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>223 044</b>	<b>209 327</b>	<b>-</b>	<b>21 963</b>	<b>21 963</b>	<b>231 290</b>	<b>256 414</b>	<b>300 233</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	<b>306 704</b>	<b>279 042</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>327 738</b>	<b>297 776</b>	<b>329 275</b>
Transfers recognised - capital	298 258	268 967	-	48 696	48 696	317 663	278 466	309 115
Borrowing	-	-	-	-	-	-	-	-
Internally generated funds	8 446	10 075	-	-	-	10 075	19 310	20 160
<b>Total sources of capital funds</b>	<b>306 704</b>	<b>279 042</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>327 738</b>	<b>297 776</b>	<b>329 275</b>
<b>Financial position</b>								
Total current assets	107 619	88 404	-	17 528	17 528	105 932	119 901	128 831
Total non current assets	2 845 328	2 742 600	-	48 696	48 696	2 791 295	2 676 905	2 933 079
Total current liabilities	106 785	102 502	-	(300)	(300)	102 202	109 196	103 594
Total non current liabilities	25 676	28 756	-	-	-	28 756	15 947	17 570
Community wealth/Equity	<b>2 820 209</b>	<b>2 716 849</b>	<b>-</b>	<b>46 701</b>	<b>46 701</b>	<b>2 763 551</b>	<b>2 654 286</b>	<b>2 923 801</b>

DC43 Harry Gwala - Table B1 Adjustments Budget Summary - 25/04/2022

Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	5 E	6 F	7 G	8 H		
<b>Cash flows</b>								
Net cash from (used) operating	305 780	232 254	–	19 159	19 159	251 413	331 796	364 446
Net cash from (used) investing	(307 283)	(299 622)	–	(28 696)	(28 696)	(328 318)	(298 345)	(329 536)
Net cash from (used) financing	(122)	(2 182)	–	–	–	(2 182)	(149)	(149)
<b>Cash/cash equivalents at the year end</b>	<b>47 106</b>	<b>(17 688)</b>	<b>–</b>	<b>(9 537)</b>	<b>(9 537)</b>	<b>(27 225)</b>	<b>93 871</b>	<b>99 724</b>
<b>Cash backing/surplus reconciliation</b>								
Cash and investments available	51 179	41 747	–	17 528	17 528	59 275	64 962	69 530
Application of cash and investments	59 118	37 054	–	211	211	37 266	25 641	18 853
<b>Balance - surplus (shortfall)</b>	<b>(7 939)</b>	<b>4 693</b>	<b>–</b>	<b>17 317</b>	<b>17 317</b>	<b>22 009</b>	<b>39 321</b>	<b>50 677</b>
<b>Asset Management</b>								
Asset register summary (WDV)	2 178 145	2 010 765	–	48 696	48 696	2 059 461	1 945 071	2 201 244
Depreciation	86 885	87 890	–	–	–	87 890	91 405	95 427
Renewal and Upgrading of Existing Assets	16 500	52 737	–	29 520	29 520	82 257	35 348	45 606
Repairs and Maintenance	34 000	47 290	–	1 000	1 000	48 290	37 238	38 876
<b>Free services</b>								
Cost of Free Basic Services provided	7	612	–	(612)	(612)	7	(642)	(680)
Revenue cost of free services provided	–	–	–	–	–	–	–	–
<b>Households below minimum service level</b>								
Water:	31	–	–	–	–	31	33	35
Sanitation/sewerage:	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–

**TABLE B2 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE**

Schedule B2 is the Expenditure by standard classification presents the adjustment expenditures by the departments.

DC43 Harry Gwala - Table B2 Adjustments Budget Financial Performance (functional classification) - 25/04/2022

Standard Description	Budget Year 2021/22						Budget Year	Budget Year
	Original	Prior	Nat. or Prov.	Other	Total Adjusts.	Adjusted	Adjusted	
	Budget	Adjusted	Govt	Adjusts.		Budget	Budget	
R thousands	A	5	9	10	11	12		
	A	A1	E	F	G	H		
							+1 2022/23	+2 2023/24
							Adjusted	Adjusted
							Budget	Budget
<b>Revenue - Functional</b>								
<b>Governance and administration</b>	404 553	393 591	-	-	-	393 591	438 744	469 512
Executive and council	-	-	-	-	-	-	-	-
Finance and administration	404 553	393 591	-	-	-	393 591	438 744	469 512
Internal audit	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	-	-	-	-	-	-	-	-
Community and social services	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	5 322	(0)	-	-	-	(0)	-	-
Planning and development	5 322	(0)	-	-	-	(0)	-	-
Road transport	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-
<b>Trading services</b>	374 551	415 139	-	33 976	33 976	449 115	409 840	449 798
Energy sources	-	-	-	-	-	-	-	-
Water management	360 199	368 733	-	33 976	33 976	402 709	396 689	435 935
Waste water management	14 352	46 406	-	-	-	46 406	13 151	13 864
Waste management	-	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>784 426</b>	<b>808 730</b>	<b>-</b>	<b>33 976</b>	<b>33 976</b>	<b>842 706</b>	<b>848 584</b>	<b>919 310</b>
<b>Expenditure - Functional</b>								
<b>Governance and administration</b>	251 534	249 599	-	7 796	7 796	257 395	266 752	278 436
Executive and council	24 745	35 223	-	6 253	6 253	41 476	33 612	35 091
Finance and administration	217 553	206 186	-	1 443	1 443	207 629	223 385	233 161
Internal audit	9 236	8 189	-	100	100	8 289	9 755	10 184
<b>Community and public safety</b>	18 501	19 197	-	-	-	19 197	20 931	21 852
Community and social services	18 501	19 197	-	-	-	19 197	20 931	21 852
Sport and recreation	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	138 302	131 970	-	5 526	5 526	137 496	140 736	147 832
Planning and development	138 302	131 970	-	5 526	5 526	137 496	140 736	147 832
Road transport	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-
<b>Trading services</b>	153 045	198 637	-	(1 309)	(1 309)	197 328	163 751	170 956
Energy sources	-	-	-	-	-	-	-	-
Water management	152 147	197 526	-	(1 309)	(1 309)	196 217	162 612	169 767
Waste water management	898	1 111	-	-	-	1 111	1 139	1 190
Waste management	-	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>561 382</b>	<b>599 404</b>	<b>-</b>	<b>12 013</b>	<b>12 013</b>	<b>611 417</b>	<b>592 170</b>	<b>619 076</b>
<b>Surplus/ (Deficit) for the year</b>	<b>223 044</b>	<b>209 327</b>	<b>-</b>	<b>21 963</b>	<b>21 963</b>	<b>231 290</b>	<b>256 414</b>	<b>300 233</b>

## TABLE B3 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

Table B3 presents the same information as the table above, the difference being that it's by Municipal vote

DC43 Harry Gwala - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 25/04/2022

Vote Description <i>[Insert departmental structure etc]</i>	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted 3	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	A1	E	F	G	H		
<b>Revenue by Vote</b>								
Vote 01 - Summary Council	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	404 553	393 222	-	-	-	393 222	438 660	469 423
Vote 04 - Summary Corporate Services	-	290	-	-	-	290	-	-
Vote 05 - Summary Social Services & Development Planning	5 322	(0)	-	-	-	(0)	-	-
Vote 06 - Summary Infrastructure Services	311 333	314 169	-	33 000	33 000	347 169	337 554	373 401
Vote 07 - Summary Water Services	63 218	101 049	-	976	976	102 025	72 370	76 485
Vote 15 - Other	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>784 426</b>	<b>808 730</b>	<b>-</b>	<b>33 976</b>	<b>33 976</b>	<b>842 706</b>	<b>848 584</b>	<b>919 310</b>
<b>Expenditure by Vote</b>								
Vote 01 - Summary Council	16 256	20 456	-	2 743	2 743	23 199	18 963	19 798
Vote 02 - Summary Municipal Manager	17 726	22 957	-	3 610	3 610	26 567	24 404	25 477
Vote 03 - Summary Budget And Treasury Office	85 267	80 264	-	53	53	80 317	83 148	86 754
Vote 04 - Summary Corporate Services	89 530	80 250	-	390	390	80 640	91 188	95 200
Vote 05 - Summary Social Services & Development Planning	52 206	52 361	-	204	204	52 565	56 162	57 885
Vote 06 - Summary Infrastructure Services	109 078	103 074	-	5 322	5 322	108 396	109 944	116 433
Vote 07 - Summary Water Services	191 319	240 042	-	(309)	(309)	239 733	208 362	217 530
Vote 15 - Other	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>561 382</b>	<b>599 404</b>	<b>-</b>	<b>12 013</b>	<b>12 013</b>	<b>611 417</b>	<b>592 170</b>	<b>619 076</b>
<b>Surplus/ (Deficit) for the year</b>	<b>223 044</b>	<b>209 327</b>	<b>-</b>	<b>21 963</b>	<b>21 963</b>	<b>231 290</b>	<b>256 414</b>	<b>300 233</b>

## TABLE B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

This schedule provides information on the adjustment revenue by source and adjustment operational expenditures by type

DC43 Harry Gwala - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 25/04/2022

Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	E	F	G	H		
<b>Revenue By Source</b>								
Property rates	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-
Service charges - water revenue	48 866	47 622	-	976	976	48 598	51 777	54 884
Service charges - sanitation revenue	20 555	12 465	-	-	-	12 465	13 213	14 006
Interest earned - external investments	5 592	4 414	-	-	-	4 414	4 679	4 867
Interest earned - outstanding debtors	10 198	10 715	-	-	-	10 715	11 358	11 813
Transfers and subsidies	400 406	400 406	-	-	-	400 406	446 738	472 349
Other revenue	549	850	-	-	-	850	582	606
Gains	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>486 168</b>	<b>476 472</b>	<b>-</b>	<b>976</b>	<b>976</b>	<b>477 448</b>	<b>528 348</b>	<b>558 523</b>
<b>Expenditure By Type</b>								
Employee related costs	224 855	231 093	-	-	-	231 093	237 545	249 769
Remuneration of councillors	8 922	8 538	-	-	-	8 538	8 879	9 270
Debt impairment	27 645	27 645	-	-	-	27 645	28 750	30 015
Depreciation & asset impairment	86 885	87 890	-	-	-	87 890	91 405	95 427
Finance charges	1 313	400	-	-	-	400	500	522
Bulk purchases - electricity	-	-	-	-	-	-	-	-
Inventory consumed	31 249	43 337	-	-	-	43 337	29 207	30 492
Contracted services	104 211	125 377	-	10 036	10 036	135 413	116 540	121 573
Transfers and subsidies	17 000	17 000	-	-	-	17 000	17 000	17 000
Other expenditure	59 303	58 123	-	1 977	1 977	60 100	62 344	65 008
Losses	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>561 382</b>	<b>599 404</b>	<b>-</b>	<b>12 013</b>	<b>12 013</b>	<b>611 417</b>	<b>592 170</b>	<b>619 076</b>
<b>Surplus/(Deficit)</b>								
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(75 214)	(122 931)	-	(11 037)	(11 037)	(133 968)	(63 822)	(60 554)
Transfers and subsidies - capital (in-kind - all)	298 258	332 258	-	33 000	33 000	365 258	320 236	360 787
<b>Surplus/(Deficit) before taxation</b>	<b>223 044</b>	<b>209 327</b>	<b>-</b>	<b>21 963</b>	<b>21 963</b>	<b>231 290</b>	<b>256 414</b>	<b>300 233</b>
Taxation	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>223 044</b>	<b>209 327</b>	<b>-</b>	<b>21 963</b>	<b>21 963</b>	<b>231 290</b>	<b>256 414</b>	<b>300 233</b>
Attributable to minorities	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>223 044</b>	<b>209 327</b>	<b>-</b>	<b>21 963</b>	<b>21 963</b>	<b>231 290</b>	<b>256 414</b>	<b>300 233</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>223 044</b>	<b>209 327</b>	<b>-</b>	<b>21 963</b>	<b>21 963</b>	<b>231 290</b>	<b>256 414</b>	<b>300 233</b>

## TABLE B5 ADJUSTMENT CAPITAL EXPENDITURE BUDGET BY VOTE AND FUNDING

Schedule B5 below reports on the adjusted capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

DC43 Harry Gwala - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 25/04/2022

Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	E	F	G	H		
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure to be adjusted</b>								
Vote 01 - Summary Council	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	500	0	-	24	24	24	-	-
Vote 04 - Summary Corporate Services	4 031	8 075	-	(24)	(24)	8 051	9 940	10 377
Vote 05 - Summary Social Services & Development Planning	1 291	47	-	-	-	47	3 583	3 740
Vote 06 - Summary Infrastructure Services	16 300	(2 348)	-	37 449	37 449	35 102	36 087	99 715
Vote 07 - Summary Water Services	284 583	273 268	-	11 246	11 246	284 514	248 167	215 442
Vote 15 - Other	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>306 704</b>	<b>279 042</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>327 738</b>	<b>297 776</b>	<b>329 275</b>
<b>Total Capital Expenditure - Vote</b>	<b>306 704</b>	<b>279 042</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>327 738</b>	<b>297 776</b>	<b>329 275</b>
<b>Capital Expenditure - Functional</b>								
<b>Governance and administration</b>	<b>4 531</b>	<b>8 075</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 075</b>	<b>9 940</b>	<b>10 377</b>
Executive and council	-	-	-	-	-	-	-	-
Finance and administration	4 531	8 075	-	-	-	8 075	9 940	10 377
Internal audit	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>1 021</b>	<b>47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47</b>	<b>3 304</b>	<b>3 450</b>
Community and social services	1 021	47	-	-	-	47	3 304	3 450
Sport and recreation	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>1 270</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>11 148</b>	<b>43 856</b>
Planning and development	1 270	0	-	-	-	0	11 148	43 856
Road transport	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>299 883</b>	<b>270 920</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>319 616</b>	<b>273 384</b>	<b>271 592</b>
Energy sources	-	-	-	-	-	-	-	-
Water management	244 033	220 614	-	31 418	31 418	252 033	226 254	239 494
Waste water management	55 850	50 306	-	17 277	17 277	67 583	47 130	32 098
Waste management	-	-	-	-	-	-	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	<b>306 704</b>	<b>279 042</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>327 738</b>	<b>297 776</b>	<b>329 275</b>
<b>Funded by:</b>								
National Government	298 258	239 355	-	48 696	48 696	288 050	278 466	309 115
Provincial Government	-	29 565	-	-	-	29 565	-	-
District Municipality	-	47	-	-	-	47	-	-
<b>Transfers recognised - capital</b>	<b>298 258</b>	<b>268 967</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>317 663</b>	<b>278 466</b>	<b>309 115</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>8 446</b>	<b>10 075</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 075</b>	<b>19 310</b>	<b>20 160</b>
<b>Total Capital Funding</b>	<b>306 704</b>	<b>279 042</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>327 738</b>	<b>297 776</b>	<b>329 275</b>



## TABLE B6 ADJUSTMENTS BUDGET FINANCIAL POSITION

Table C6 displays the adjustment budget financial position of the municipality

DC43 Harry Gwala - Table B6 Adjustments Budget Financial Position - 25/04/2022

Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	E	F	G	H		
<b>ASSETS</b>								
<b>Current assets</b>								
Cash	11 058	19 711	-	17 528	17 528	37 239	15 849	20 416
Call investment deposits	40 121	22 036	-	-	-	22 036	49 114	49 114
Consumer debtors	30 951	28 157	-	-	-	28 157	32 600	33 963
Other debtors	25 222	18 092	-	-	-	18 092	21 930	24 930
Current portion of long-term receivables	-	-	-	-	-	-	-	-
Inventory	267	408	-	-	-	408	408	408
<b>Total current assets</b>	<b>107 619</b>	<b>88 404</b>	<b>-</b>	<b>17 528</b>	<b>17 528</b>	<b>105 932</b>	<b>119 901</b>	<b>128 831</b>
<b>Non current assets</b>								
Long-term receivables	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-
Investment in Associate	-	-	-	-	-	-	-	-
Property, plant and equipment	2 843 832	2 742 227	-	48 696	48 696	2 790 922	2 675 606	2 931 871
Biological	-	-	-	-	-	-	-	-
Intangible	1 496	373	-	-	-	373	1 298	1 207
Other non-current assets	0	0	-	-	-	0	0	0
<b>Total non current assets</b>	<b>2 845 328</b>	<b>2 742 600</b>	<b>-</b>	<b>48 696</b>	<b>48 696</b>	<b>2 791 295</b>	<b>2 676 905</b>	<b>2 933 079</b>
<b>TOTAL ASSETS</b>	<b>2 952 948</b>	<b>2 831 003</b>	<b>-</b>	<b>66 224</b>	<b>66 224</b>	<b>2 897 227</b>	<b>2 796 806</b>	<b>3 061 910</b>
<b>LIABILITIES</b>								
<b>Current liabilities</b>								
Bank overdraft	-	-	-	-	-	-	-	-
Borrowing	-	13 194	-	-	-	13 194	8 394	5 994
Consumer deposits	2 155	2 182	-	-	-	2 182	2 331	2 480
Trade and other payables	91 336	72 038	-	(300)	(300)	71 738	83 384	80 032
Provisions	13 294	15 088	-	-	-	15 088	15 088	15 088
<b>Total current liabilities</b>	<b>106 785</b>	<b>102 502</b>	<b>-</b>	<b>(300)</b>	<b>(300)</b>	<b>102 202</b>	<b>109 196</b>	<b>103 594</b>
<b>Non current liabilities</b>								
Borrowing	1 878	1 796	-	-	-	1 796	-	-
Provisions	23 797	26 960	-	-	-	26 960	15 947	17 570
<b>Total non current liabilities</b>	<b>25 676</b>	<b>28 756</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28 756</b>	<b>15 947</b>	<b>17 570</b>
<b>TOTAL LIABILITIES</b>	<b>132 461</b>	<b>131 258</b>	<b>-</b>	<b>(300)</b>	<b>(300)</b>	<b>130 958</b>	<b>125 143</b>	<b>121 164</b>
<b>NET ASSETS</b>	<b>2 820 487</b>	<b>2 699 745</b>	<b>-</b>	<b>66 524</b>	<b>66 524</b>	<b>2 766 268</b>	<b>2 671 663</b>	<b>2 940 746</b>
<b>COMMUNITY WEALTH/EQUITY</b>								
Accumulated Surplus/(Deficit)	2 820 209	2 716 849	-	46 701	46 701	2 763 551	2 654 286	2 923 801
Reserves	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 820 209</b>	<b>2 716 849</b>	<b>-</b>	<b>46 701</b>	<b>46 701</b>	<b>2 763 551</b>	<b>2 654 286</b>	<b>2 923 801</b>

## TABLE B7 ADJUSTMENTS BUDGET CASH FLOWS

DC43 Harry Gwala - Table B7 Adjustments Budget Cash Flows - 25/04/2022

Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	E	F	G	H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates						-	-	
Service charges	53 905	58 404	-	-	-	58 404	59 930	63 356
Other revenue	549	549	-	-	-	549	582	606
Transfers and Subsidies - Operational	389 288	400 406	-	-	-	400 406	446 738	472 349
Transfers and Subsidies - Capital	303 580	332 258	-	33 000	33 000	365 258	320 236	360 787
Interest	5 592	5 592	-	(1 178)	(1 178)	4 414	4 679	4 867
Dividends						-	-	
<b>Payments</b>								
Suppliers and employees	(445 807)	(564 406)	-	(12 663)	(12 663)	(577 069)	(500 370)	(537 518)
Finance charges	(1 328)	(415)	-	-	-	(415)	-	-
Transfers and Grants	-	(135)	-	-	-	(135)	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>305 780</b>	<b>232 254</b>	<b>-</b>	<b>19 159</b>	<b>19 159</b>	<b>251 413</b>	<b>331 796</b>	<b>364 446</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE						-	-	
Decrease (increase) in non-current receivables						-	-	
Decrease (increase) in non-current investments						-	-	
<b>Payments</b>								
Capital assets	(307 283)	(299 622)	-	(28 696)	(28 696)	(328 318)	(298 345)	(329 536)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(307 283)</b>	<b>(299 622)</b>	<b>-</b>	<b>(28 696)</b>	<b>(28 696)</b>	<b>(328 318)</b>	<b>(298 345)</b>	<b>(329 536)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans						-	-	
Borrowing long term/refinancing						-	-	
Increase (decrease) in consumer deposits	(122)	(2 182)	-	-	-	(2 061)	(149)	(149)
<b>Payments</b>								
Repayment of borrowing						-	-	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(122)</b>	<b>(2 182)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 061)</b>	<b>(149)</b>	<b>(149)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(1 625)</b>	<b>(69 550)</b>	<b>-</b>	<b>(9 537)</b>	<b>(9 537)</b>	<b>(78 965)</b>	<b>33 302</b>	<b>34 762</b>
Cash/cash equivalents at the year begin:	48 731	51 862	-	-	-	51 862	60 569	64 962
Cash/cash equivalents at the year end:	47 106	(17 688)	-	(9 537)	(9 537)	(27 103)	93 871	99 724

## TABLE B8 CASH BACKED RESERVES / ACCUMULATED SURPLUS RECONCILIATION

DC43 Harry Gwala - Table B8 Cash backed reserves/accumulated surplus reconciliation - 25/04/2022

Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	3 A1	7 E	8 F	9 G	10 H		
<b>Cash and investments available</b>								
Cash/cash equivalents at the year end	47 106	(17 688)	-	(9 537)	(9 537)	(27 225)	93 871	99 724
Other current investments > 90 days	4 073	59 435	-	27 065	27 065	86 500	(28 909)	(30 194)
Non current assets - Investments	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>	<b>51 179</b>	<b>41 747</b>	<b>-</b>	<b>17 528</b>	<b>17 528</b>	<b>59 275</b>	<b>64 962</b>	<b>69 530</b>
<b>Applications of cash and investments</b>								
Unspent conditional transfers	-	(0)	-	-	-	(0)	-	-
Unspent borrowing	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-
Other working capital requirements	59 118	37 054	-	211	211	37 266	25 641	18 853
Other provisions	-	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>	<b>59 118</b>	<b>37 054</b>	<b>-</b>	<b>211</b>	<b>211</b>	<b>37 266</b>	<b>25 641</b>	<b>18 853</b>
<b>Surplus(shortfall)</b>	<b>(7 939)</b>	<b>4 693</b>	<b>-</b>	<b>17 317</b>	<b>17 317</b>	<b>22 009</b>	<b>39 321</b>	<b>50 677</b>

## **PART 2 – SUPPORTING DOCUMENTATION**

### **2.1 Adjustments to Budget Assumptions**

There have not been major shifts in the budget assumptions. However, the few points noted below are work noting.

**External factors:** The economic slowdown as shown by the further declines in economic growth figures, the rising cost of living, the high unemployment levels and financial resources are limited due to reduced payment levels by consumers as a result of the coronavirus pandemic. The latest figures released by the Census also show a decline in district population due to migration. This has resulted in declining cash inflows, which has necessitated major budgeted expenditure cuts to ensure that cash outflows remain within the affordability parameters of the district's finances.

**Collection rate for revenue services:** A collection rate of 73 per cent of billed services looking at the performance of the previous financial year.

### **2.2 Adjustments to Budget funding**

Cash flow constraints still continue to affect the financial sustainability of the municipality as the municipality is largely grant dependent. This high grant dependency ratio (of over 97%) means that the municipality's operations are highly sensitive to non-payment by consumers. The increasing water & sanitation infrastructural assets also tend to burden the operations budget in the form of high operations and maintenance costs.

As stated in the budget assumptions above, the adjustment to revenue collection estimated at a conservative 73 per cent.

Table SB 7 below provides details of the Government Grants and Subsidies differentiated between National & Provincial Governments.

DC43 Harry Gwala - Supporting Table SB7 Consolidated Adjustments Budget - transfers and grant receipts - 25/04/2022

Description	Budget Year 2021/22						Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	9	10	11	12		
			C	D	E	F		
<b>RECEIPTS:</b>								
<b>Operating Transfers and Grants</b>								
<b>National Government:</b>	400 406	400 406	-	-	-	400 406	446 738	472 349
Local Government Equitable Share								
Equitable Share	387 013	387 013	-	-	-	387 013	432 161	462 712
Expanded Public Works Programme Integrated Grant	4 596	4 596	-	-	-	4 596	5 221	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 200	1 200	-	-	-	1 200	1 200	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	5 322	5 322	-	-	-	5 322	5 775	6 046
Rural Road Asset Management Systems Grant	2 275	2 275	-	-	-	2 275	2 381	2 391
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	17 000	17 000	-	-	-	17 000	17 000	17 000
<i>Specify (Add grant description)</i>	17 000	17 000	-	-	-	17 000	17 000	17 000
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-
<i>Chemical Industry Seta</i>	-	-	-	-	-	-	-	-
<i>Parent Municipality</i>	-	-	-	-	-	-	-	-
<i>Unspecified</i>	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>417 406</b>	<b>417 406</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>417 406</b>	<b>463 738</b>	<b>489 349</b>
<b>Capital Transfers and Grants</b>								
<b>National Government:</b>	298 258	298 258	-	33 000	33 000	331 258	320 236	360 787
Equitable Share	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	207 558	207 558	-	8 000	8 000	215 558	225 236	235 787
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	25 000
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	90 700	90 700	-	25 000	25 000	115 700	95 000	100 000
<b>Provincial Government:</b>	-	34 000	-	-	-	34 000	-	-
Infrastructure Grant	-	34 000	-	-	-	34 000	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-
<i>Specify (Add grant description)</i>	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-
<i>[insert description]</i>	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>298 258</b>	<b>332 258</b>	<b>-</b>	<b>33 000</b>	<b>33 000</b>	<b>365 258</b>	<b>320 236</b>	<b>360 787</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>715 664</b>	<b>749 664</b>	<b>-</b>	<b>33 000</b>	<b>33 000</b>	<b>782 664</b>	<b>783 974</b>	<b>850 136</b>

The total adjusted **Operational Government** grant allocations are as follows;

- National Government                      R 417, 4million

While the adjusted **Capital Funding** are as follows;

- National Government                      R 365, 2million

## **2.3 Adjustments to Expenditure on Allocations and Grant Programmes**

2.3.1 An allocation of capital grants for water and sanitation projects which is made up of the following grant allocation:

- Water Services Infrastructure Grant-      R 10m

## 2.4 Municipal Manager's Quality Certificates

I, Gamakulu Ma'art Sineke, Municipal Manager of **Harry Gwala District Municipality**, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under that Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print name: Gamakulu Ma'art Sineke

Municipal Manager of Harry Gwala District Municipality (DC43)

Signature: \_\_\_\_\_

Date 30 May 2023