



**202324
SCHEDULE B**

2324 BUDGET ADJUSTMENTS

Budget & Reporting
Budget & Treasury Office
202324 SCHEDULE B

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.

PART 1 – ADJUSTMENTS BUDGET

1. Mayor’s Report

INTRODUCTION

The adjustment budget seeks to rectify issues identified in the mid-year assessment of the financial results as well as the inclusion of additional allocations. It is drafted in terms of section 28 of the MFMA and seeks to adhere to the stipulations of specifically section 28(2) of the MFMA

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 2023/24 approved Budget has now been adjusted. The adjustment has been mainly necessitated as a result of the following:

- To appropriate the reduction of revenues that have been deducted from the annual budget, but only to revise spending programmes already budgeted for
- The need to authorise the spending of unspent funds at the end of the 2023/2024 financial year.

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.

It is critical to note that this report s28 MFMA report has been prepared as informed by the Midyear Performance assessment report presented to Council in January 2024 in terms of s72 of the MFMA a report that was also submitted to the National and Provincial in terms of s72 (1) (b) MFMA.

The Adjusted consolidated revenue has increased by R24, 1m (3%) from R927, 3m to R951, 4m and parent increased from R909, 6 to R933, 8m. This upward adjustment is mainly due to the following major contributing factors;

- Interest Earned-External Investments R13, 8m.
- Interest Earned-Outstanding Debtors R 3, 7m.

The downward adjustment is mainly due to the following contributing factor.

- Service charges - sanitation revenue R1, 6m
- Service charges - water revenue R 7, 4m
- Transfers Operational R 14, 7m.
- Expanded Public Works Programme R345k
- Own Revenue R 291k

The Adjusted operations budget is R684, 1m having increased by R22, 4million from the original budget of R706, 5million. The item below expenditure by type had the major movements:

The capital budget has increased from R305, 4million to R316, 2million. This is mainly attributable to the downward adjustment of the following grants.

DESCRIPTION	Original Budget	Adjustment Budget	New Budget
Vehicles	R 2 400 000	R 2 824 504	R 5 224 504
Computers	R 723 974	R 687 158	R 1 411 132
Office equipment	R 115 717	R 170 373	R 286 090
Server & Desktop Backup	R 618 050	R 381 950	R 1 000 000

As the municipality is in the process of reducing costs, there is an amount of R1 400 000 that is set aside to procure the Vehicle for Speaker and Deputy Mayor, furthermore, the municipality decided not to renew the contract of leasing the municipal vehicles in that way the municipality is going save a lot of money.

The below items is mainly attributable to the additional/reduction of the following grants;

- ✓ Municipal Infrastructure Grant Rollover: R21, 1million
- ✓ Municipal Infrastructure Grant Reduction: R16, 1million
- ✓ Water Services Infrastructure Grant: R 10million

Budget Summary vs Adjusted Summary

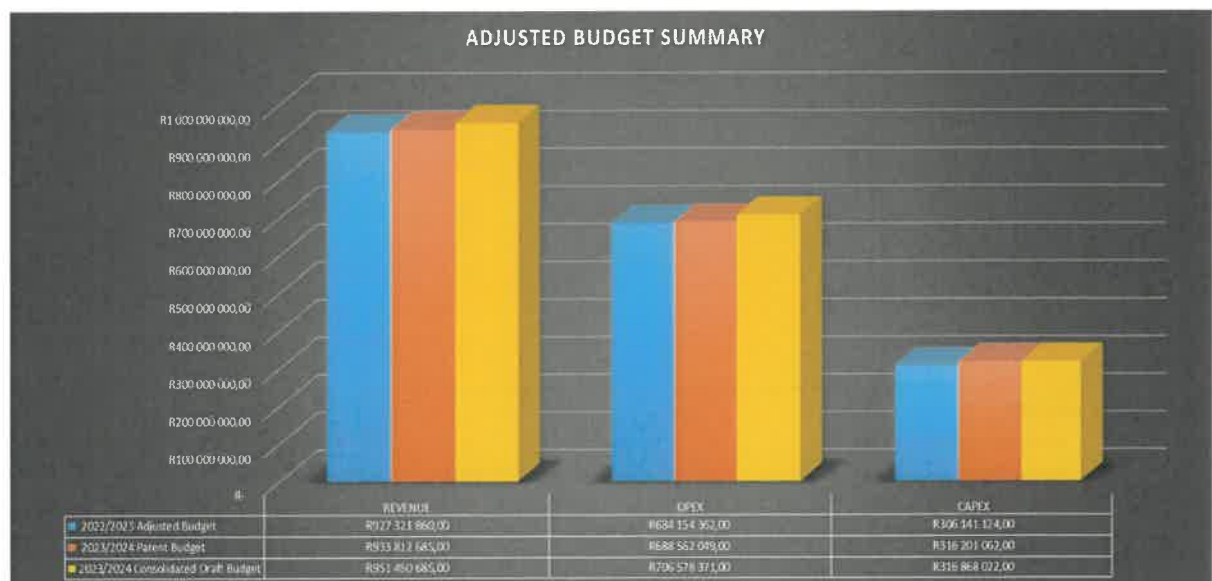


Table B1 Cont.....

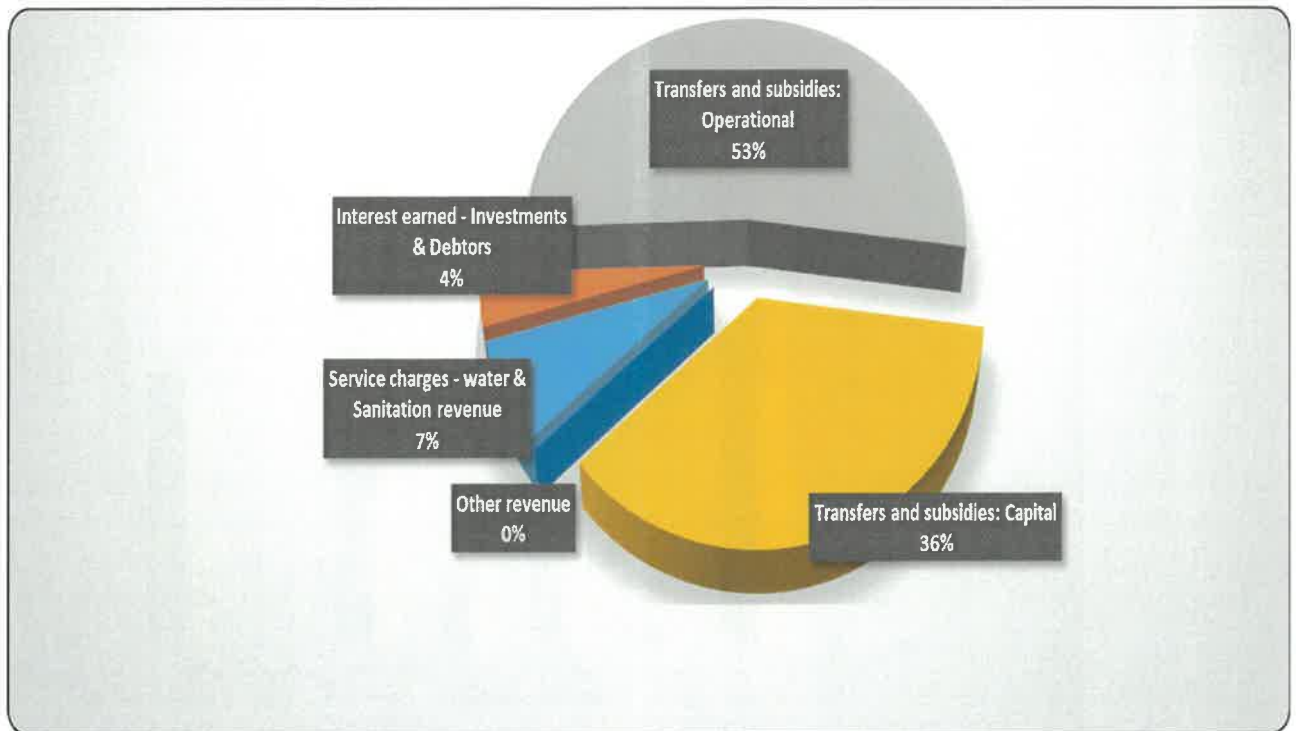
DC43 Harry Gwala - Table B1 Consolidated Adjustments Budget Summary - 20/02/2024

Description	Budget Year 2023/24					Budget Year	Budget Year
	Original	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted	Adjusted	Adjusted
	Budget	Govt			Budget	Budget	Budget
	5	6	7	8			
R thousands	A	E	F	G	H		
Cash flows							
Net cash from (used) operating	324 776	–	(529)	(529)	324 247	334 519	335 836
Net cash from (used) investing	(306 141)	–	(10 727)	(10 727)	(316 868)	(314 554)	(315 278)
Net cash from (used) financing	(2 251)	–	–	–	(2 251)	(2 251)	(2 251)
Cash/cash equivalents at the year end	84 290	–	59 843	59 843	144 133	90 453	96 099
Cash backing/surplus reconciliation							
Cash and investments available	86 626	–	59 818	59 818	146 444	110 109	134 480
Application of cash and investments	297 151	–	(34 549)	(34 549)	262 602	357 923	71 633
Balance - surplus (shortfall)	(210 525)	–	94 368	94 368	(116 158)	(247 814)	62 847
Asset Management							
Asset register summary (WDV)	2 145 873	–	283 742	283 742	2 429 615	2 454 726	2 689 803
Depreciation	97 007	–	–	–	97 007	101 760	106 543
Renewal and Upgrading of Existing Assets	29 538	–	(12 938)	(12 938)	16 600	30 330	24 144
Repairs and Maintenance	51 991	–	(3 302)	(3 302)	48 689	54 394	56 902
Free services							
Cost of Free Basic Services provided	(676)	–	–	–	(676)	(717)	(750)
Revenue cost of free services provided	–	–	–	–	–	–	–
Households below minimum service level							
Water:	35	–	–	–	35	37	40
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.

Chart 1: Adjusted Revenue Budget by Standard Classification



Parent Operational expenditure has increased by 3% to R688, 5million. This increase is largely attributed to the water services department which is responsible for repairs and maintenance.

- **Inventory Consumed:** A variance of R6, 9million or 24 per cent due to an under-estimation of budgeted bulk water purchases. The revised bulk water purchases and inventory water increased from the original budget of R 28, 4million to adjusted budget of R 35, 3million for the 2023/2-24 financial year.
- **Contracted Services:** A variance of R 10, 3million or 8 per cent due to a limited funds therefore the original budget was underestimated. The revised budget includes upward adjustment of repairs and maintenance and security.
- **Other expenditure or Operating Costs:** A negative variance of R5, 3 million or 6per cent due to a limited funds therefore the original budget was underestimated. The revised operating costs expenditure of R 5, 3million is 6 per cent more than the original budget of R 89, 7million for the current financial year.

DC43 Harry Gwala - Table B3 Consolidated Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 20/02/2024

Vote Description <i>[Insert departmental structure etc]</i>	Budget Year 2023/24					Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	7 E	8 F	9 G	10 H		
R thousands							
Revenue by Vote							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	470 822	-	13 567	13 567	484 388	501 555	529 308
Vote 04 - Summary Corporate Services	372	-	-	-	372	-	-
Vote 05 - Summary Social Services & Development Planning	17 654	-	-	-	17 654	18 658	19 739
Vote 06 - Summary Infrastructure Services	354 861	-	16 713	16 713	371 574	386 489	387 736
Vote 07 - Summary Water Services	83 613	-	(6 150)	(6 150)	77 462	75 205	78 740
Vote 15 - Other	-	-	-	-	-	-	-
Total Revenue by Vote	927 322	-	24 129	24 129	951 451	981 907	1 015 522
Expenditure by Vote							
Vote 01 - Summary Council	19 937	-	161	161	20 098	20 902	21 851
Vote 02 - Summary Municipal Manager	22 917	-	2 016	2 016	24 933	24 020	25 142
Vote 03 - Summary Budget And Treasury Office	90 559	-	7 876	7 876	98 436	62 994	66 041
Vote 04 - Summary Corporate Services	86 586	-	15 175	15 175	101 761	90 296	94 491
Vote 05 - Summary Social Services & Development Planning	75 394	-	1 482	1 482	76 876	79 255	83 207
Vote 06 - Summary Infrastructure Services	128 353	-	(9 078)	(9 078)	119 275	126 996	133 000
Vote 07 - Summary Water Services	260 408	-	4 792	4 792	265 200	272 845	285 635
Vote 15 - Other	-	-	-	-	-	-	-
Total Expenditure by Vote	684 154	-	22 424	22 424	706 578	677 307	709 367
Surplus/ (Deficit) for the year	243 167	-	1 705	1 705	244 872	304 600	306 155

Chart 3: Adjustment budget financial performance

Some major differences above are caused by the cash flow constraint facing the municipality as a result of the limited revenue, while most departments have not adjusted their budgets, Water Services has seen an increase due to the nature of the operations and repairs and maintenance undertaken under water services department followed by Corporate Services due to day to day operations of the municipality. Water Services Department also hosts the largest percentage of the municipality's labour force

The graph above presents the adjustment budget expenditure by vote.

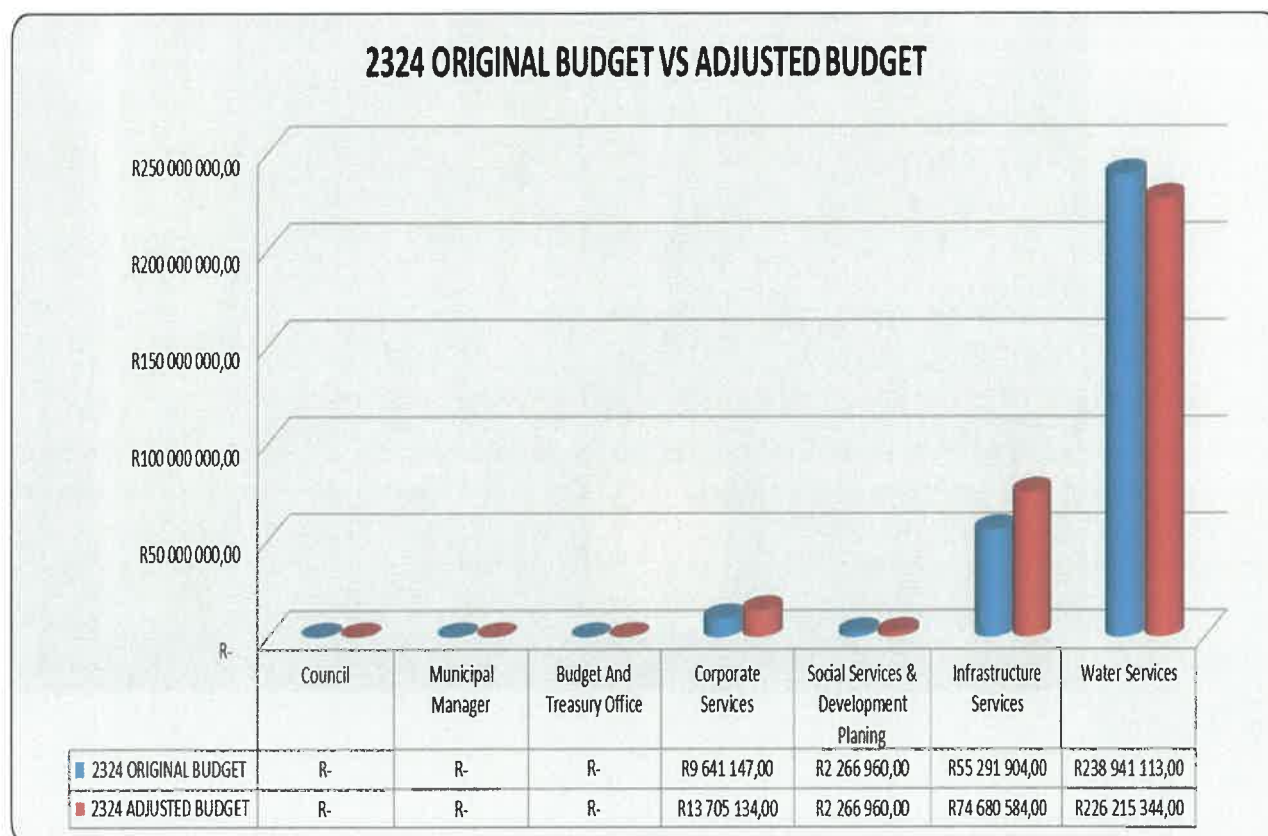
TABLE B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

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

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.

Chart 6: Capital Expenditure by Vote



The capital budget has increased from R305, 4million to R316, 2million. The municipality adjusted the budget upwards due to municipal vehicles, MIG approved rollover and installation of bulk water meters. A upward adjustment amounting to R10, 7million. There is also a downward adjustment due to DORA reduction on MIG AND WSIG.

DC43 Harry Gwala - Table B6 Consolidated Adjustments Budget Financial Position - 20/02/2024

Description	Budget Year 2023/24					Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	7 E	8 F	9 G	10 H		
ASSETS							
Current assets							
Cash and cash equivalents	84 290	-	59 843	59 843	144 133	107 773	132 144
Trade and other receivables from exchange transactions	28 499	-	1 775	1 775	30 274	27 811	27 088
Receivables from non-exchange transactions	2 336	-	(25)	(25)	2 311	2 336	2 336
Current portion of non-current receivables	-	-	-	-	-	-	-
Inventory	513	-	202	202	716	513	513
VAT	32 160	-	2 528	2 528	34 688	32 160	32 160
Other current assets	62	-	(66)	(66)	(5)	62	62
Total current assets	147 860	-	64 258	64 258	212 118	170 655	194 304
Non current assets							
Investments	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-
Property, plant and equipment	2 954 832	-	191 685	191 685	3 146 517	3 263 117	3 497 893
Biological assets	-	-	-	-	-	-	-
Living and non-living resources	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-
Intangible assets	972	-	131	131	1 103	1 541	1 841
Trade and other receivables from exchange transactions	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	-	-	-	-	-	-	-
Other non-current assets	0	-	-	-	0	0	0
Total non current assets	2 955 803	-	191 817	191 817	3 147 620	3 264 657	3 499 734
TOTAL ASSETS	3 103 663	-	256 074	256 074	3 359 738	3 435 312	3 694 038
LIABILITIES							
Current liabilities							
Bank overdraft	-	-	-	-	-	-	-
Financial liabilities	10 394	-	12	12	10 406	7 994	5 594
Consumer deposits	2 324	-	628	628	2 952	2 473	2 622
Trade and other payables from exchange transactions	75 527	-	(35 744)	(35 744)	39 782	75 527	75 527
Trade and other payables from non-exchange transactions	1 483	-	-	-	1 483	1 483	1 483
Provisions	15 194	-	977	977	16 171	15 194	15 194
VAT	6 600	-	935	935	7 535	6 600	6 600
Other current liabilities	-	-	-	-	-	-	-
Total current liabilities	111 522	-	(33 192)	(34 126)	70 795	109 271	107 020
Non current liabilities							
Borrowing	-	-	-	-	-	-	-
Provisions	28 869	-	(1 134)	(1 134)	27 735	30 601	32 437
Long term portion of trade payables	-	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-
Total non current liabilities	28 869	-	(1 134)	(1 134)	27 735	30 601	32 437
TOTAL LIABILITIES	140 391	-	(34 326)	(35 260)	98 530	139 872	139 457
NET ASSETS	2 963 272	-	290 400	291 335	3 261 208	3 295 440	3 554 580
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)	2 963 272	-	290 400	291 335	3 261 208	3 295 440	3 554 580
Funds and Reserves	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 963 272	-	290 400	291 335	3 261 208	3 295 440	3 554 580

TABLE B8 CASH-BACKED RESERVES / ACCUMULATED SURPLUS RECONCILIATION

DC43 Harry Gwala - Table B8 Consolidated Cash backed reserves/accumulated surplus reconciliation - 23/02/2023

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	E	F	G	H		
Cash and Investments available							
Cash/cash equivalents at the year end	51 147	-	15 856	15 856	67 003	57 355	63 744
Other current investments > 90 days	-	-	-	-	-	12 175	10 535
Non current assets - Investments	-	-	-	-	-	-	-
Cash and Investments available:	51 147	-	15 856	15 856	67 003	69 530	74 279
Applications of cash and investments							
Unspent conditional transfers	-	-	1 483	1 483	1 483	-	-
Unspent borrowing	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-
Other working capital requirements	2 324	-	(21 853)	(21 853)	(19 529)	-	30 564
Other provisions	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-
Total Application of cash and investments:	2 324	-	(20 370)	(20 370)	(18 045)	-	30 564
Surplus(shortfall)	48 823	-	36 225	36 225	85 048	69 530	43 715

TABLE B9 ASSET MANAGEMENT

DC43 Harry Gwala - Table B9 Consolidated Asset Management - 20/02/2024

Description	Budget Year 2023/24					Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands	A	E	F	G	H		
CAPITAL EXPENDITURE							
Total Capital Expenditure to be adjusted	306 141	-	10 727	10 727	316 868	314 554	315 278
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	214 407	-	23 789	23 789	238 196	254 789	237 331
<i>Sanitation Infrastructure</i>	71 641	-	(15 863)	(15 863)	55 778	51 196	68 690
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-
Infrastructure	286 048	-	7 926	7 926	293 974	305 984	306 021
<i>Community Facilities</i>	-	-	-	-	-	-	-
<i>Licences and Rights</i>	804	-	-	-	804	296	310
<i>Intangible Assets</i>	804	-	-	-	804	296	310
<i>Computer Equipment</i>	742	-	318	318	1 060	777	813
<i>Furniture and Office Equipment</i>	2 602	-	858	858	3 461	2 554	2 674
<i>Machinery and Equipment</i>	8 945	-	-	-	8 945	755	1 076
<i>Transport Assets</i>	7 000	-	1 625	1 625	8 625	4 188	4 385
<i>Land</i>	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	306 141	-	10 727	10 727	316 868	314 554	315 278
ASSET REGISTER SUMMARY - PPE (WDV)	2 145 873	-	283 742	283 742	2 429 615	2 454 726	2 689 803
<i>Roads Infrastructure</i>	188	-	0	0	188	188	188
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	7 600	-	(1 665)	(1 665)	5 936	7 521	7 440
<i>Water Supply Infrastructure</i>	1 814 995	-	297 672	297 672	2 112 667	2 019 803	2 161 086
<i>Sanitation Infrastructure</i>	262 365	-	(23 083)	(23 083)	239 283	357 175	435 421
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	63	-	196	196	259	61	59
Infrastructure	2 085 212	-	273 121	273 121	2 358 333	2 384 748	2 604 194
<i>Community Assets</i>	2 834	-	(1 239)	(1 239)	1 595	2 826	2 818
<i>Heritage Assets</i>	972	-	131	131	1 103	1 541	1 841
<i>Investment properties</i>	-	-	-	-	-	-	-
<i>Other Assets</i>	36 090	-	(1 206)	(1 206)	34 884	36 015	35 938
<i>Biological or Cultivated Assets</i>	-	-	-	-	-	-	-
<i>Intangible Assets</i>	-	-	-	-	-	-	-
<i>Computer Equipment</i>	(413)	-	3 135	3 135	2 722	(1 854)	6 469
<i>Furniture and Office Equipment</i>	4 330	-	994	994	5 324	8 282	10 648
<i>Machinery and Equipment</i>	10 529	-	(466)	(466)	10 063	8 996	9 675
<i>Transport Assets</i>	6 318	-	9 272	9 272	15 590	14 173	18 219
<i>Land</i>	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>	-	-	-	-	-	-	-
<i>Living Resources</i>	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	2 145 873	-	283 742	283 742	2 429 615	2 454 726	2 689 803

TABLE B10 BASIC SERVICE DELIVERY MEASUREMENT

DC43 Harry Gwala - Table B10 Consolidated Basic service delivery measurement - 20/02/2024

Description	Budget Year 2023/24					Budget Year +1	Budget Year +2
	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		
Household service targets							
Water:							
Piped water inside dwelling	59310,89	0	0	–	59310,89	63166	67272
Piped water inside yard (but not in dwelling)	24114,76	0	0	–	24114,76	25682	27352
Using public tap (at least min.service level)	42297,52	0	0	–	42297,52	45047	47975
Other water supply (at least min.service level)	35088,56	0	0	–	35088,56	37	40
<i>Minimum Service Level and Above sub-total</i>	161	–	–	–	161	171	182
Using public tap (< min.service level)				–	0		
Other water supply (< min.service level)	35088,38	0	0	–	35088,38	37369	39798
No water supply				–	0		
<i>Below Minimum Service Level sub-total</i>	35	–	–	–	35	37	40
Total number of households	196	–	–	–	196	209	222
Sanitation/sewerage:							
Flush toilet (connected to sewerage)	92608,34	0	0	–	92608,34	98628	105039
Flush toilet (with septic tank)	14930,94	0	0	–	14930,94	15901	16935
Chemical toilet				–	0		
Pit toilet (ventilated)	53273,41	0	0	–	53273,41	56736	60424
Other toilet provisions (> min.service level)				–	0		
<i>Minimum Service Level and Above sub-total</i>	160 813	–	–	–	160 813	171 265	182 398
Bucket toilet				–	0		
Other toilet provisions (< min.service level)				–	0		
No toilet provisions				–	0		
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–
Total number of households	160 813	–	–	–	160 813	171 265	182 398
Cost of Free Basic Services provided (R'000)							
Water (6 kilolitres per indigent household per month)	(683)	–	–	–	(683)	(717)	(750)
Sanitation (free sanitation service to indigent households)	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	7	–	–	–	7	–	–
Total cost of FBS provided	(676)	–	–	–	(676)	(717)	(750)

PARENT TABLES

TABLE B 1 PARENT ADJUSTMENT BUDGET SUMMARY

Table1 cont...

DC43 Harry Gwala - Table B1 Adjustments Budget Summary - 19/02/2024

Description	Budget Year 2023/24					Budget Year	Budget Year
	Original	Nat. or Prov.	Other Adjus.	Total Adjus.	Adjusted	Adjusted	Adjusted
	Budget	Govt			Budget	Budget	Budget
R thousands	A	5	6	7	8		
		E	F	G	H		
Cash flows							
Net cash from (used) operating	324 776	-	(529)	(529)	324 247	334 519	335 836
Net cash from (used) investing	(306 141)	-	(10 727)	(10 727)	(316 868)	(314 554)	(315 278)
Net cash from (used) financing	(2 251)	-	-	-	(2 251)	(2 251)	(2 251)
Cash/cash equivalents at the year end	69 925	-	59 843	59 843	129 768	76 088	81 733
Cash backing/surplus reconciliation							
Cash and investments available	72 261	-	59 818	59 818	132 079	95 743	120 114
Application of cash and investments	294 103	-	(34 550)	(34 550)	259 553	355 313	49 886
Balance - surplus (shortfall)	(221 842)	-	94 368	94 368	(127 474)	(259 569)	70 229
Asset Management							
Asset register summary (WDV)	2 144 413	-	283 742	283 742	2 428 155	2 452 077	2 686 515
Depreciation	96 292	-	-	-	96 292	101 010	105 757
Renewal and Upgrading of Existing Assets	29 538	-	(12 938)	(12 938)	16 600	30 330	24 144
Repairs and Maintenance	51 791	-	(3 302)	(3 302)	48 489	54 184	56 682
Free services							
Cost of Free Basic Services provided	(676)	-	-	-	(676)	(717)	(750)
Revenue cost of free services provided	-	-	-	-	-	-	-
Households below minimum service level							
Water:	35	-	-	-	35	37	40
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.

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 Hary Gwala - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 19/02/2024

Vote Description <i>[Insert departmental structure etc]</i>	Budget Year 2023/24					Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	E	F	G	H		
Revenue by Vote							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	470 822	-	13 567	13 567	484 388	501 555	529 308
Vote 04 - Summary Corporate Services	372	-	-	-	372	-	-
Vote 05 - Summary Social Services & Development Planning	16	-	-	-	16	-	-
Vote 06 - Summary Infrastructure Services	354 861	-	16 713	16 713	371 574	386 489	387 736
Vote 07 - Summary Water Services	83 613	-	(6 150)	(6 150)	77 462	75 205	78 740
Vote 15 - Other	-	-	-	-	-	-	-
Total Revenue by Vote	909 684	-	24 129	24 129	933 813	963 249	995 783
Expenditure by Vote							
Vote 01 - Summary Council	19 937	-	161	161	20 098	20 902	21 851
Vote 02 - Summary Municipal Manager	22 917	-	2 016	2 016	24 933	24 020	25 142
Vote 03 - Summary Budget And Treasury Office	90 559	-	7 876	7 876	98 436	62 994	66 041
Vote 04 - Summary Corporate Services	86 586	-	15 175	15 175	101 761	90 296	94 491
Vote 05 - Summary Social Services & Development Planning	57 377	-	1 482	1 482	58 860	60 356	63 420
Vote 06 - Summary Infrastructure Services	128 353	-	(9 078)	(9 078)	119 275	126 996	133 000
Vote 07 - Summary Water Services	260 408	-	4 792	4 792	265 200	272 845	285 635
Vote 15 - Other	-	-	-	-	-	-	-
Total Expenditure by Vote	666 138	-	22 424	22 424	688 562	658 408	689 579
Surplus/ (Deficit) for the year	243 546	-	1 705	1 705	245 251	304 841	306 204

TABLE B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

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

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 - 19/02/2024

Description	Budget Year 2023/24					Budget Year	Budget Year
	Original	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted	Adjusted	Adjusted
	Budget	Govt	10	11	Budget	Budget	Budget
R thousands	A	9 E	F	G	12 H	+1 2024/25	+2 2025/26
Capital expenditure - Vote							
Multi-year expenditure to be adjusted							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	9 641	-	4 064	4 064	13 705	5 922	6 200
Vote 05 - Summary Social Services & Development Planning	1 600	-	-	-	1 600	1 675	1 754
Vote 06 - Summary Infrastructure Services	55 292	-	19 389	19 389	74 681	59 491	48 783
Vote 07 - Summary Water Services	238 941	-	(12 726)	(12 726)	226 215	246 494	257 238
Capital multi-year expenditure sub-total	305 474	-	10 727	10 727	316 201	313 581	313 975
Total Capital Expenditure - Vote	305 474	-	10 727	10 727	316 201	313 581	313 975
Capital Expenditure - Functional							
Governance and administration	9 641	-	4 064	4 064	13 705	5 922	6 200
Executive and council	-	-	-	-	-	-	-
Finance and administration	9 641	-	4 064	4 064	13 705	5 922	6 200
Internal audit	-	-	-	-	-	-	-
Community and public safety	1 600	-	-	-	1 600	1 675	1 754
Community and social services	1 600	-	-	-	1 600	1 675	1 754
Sport and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Economic and environmental services	27 618	-	32 622	32 622	60 240	27 393	24 307
Planning and development	27 618	-	32 622	32 622	60 240	27 393	24 307
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
Trading services	266 615	-	(25 959)	(25 959)	240 656	278 592	281 714
Energy sources	-	-	-	-	-	-	-
Water management	198 174	-	(12 096)	(12 096)	186 078	227 396	213 024
Waste water management	68 441	-	(13 863)	(13 863)	54 578	51 196	68 690
Waste management	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	305 474	-	10 727	10 727	316 201	313 581	313 975
Funded by:							
National Government	277 584	-	9 926	9 926	287 510	300 473	300 251
Provincial Government	-	-	-	-	-	-	-
Transfers recognised - capital	277 584	-	9 926	9 926	287 510	300 473	300 251
Borrowing	-	-	-	-	-	-	-
Internally generated funds	27 890	-	801	801	28 691	13 108	13 724
Total Capital Funding	305 474	-	10 727	10 727	316 201	313 581	313 975

DC43 Harry Gwala - Table B6 Adjustments Budget Financial Position - 19/02/2024

Description	Budget Year 2023/24					Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	E	8	9	10		
R thousands							
ASSETS							
Current assets							
Cash and cash equivalents	69 925	-	59 843	59 843	129 768	93 408	117 779
Trade and other receivables from exchange transactions	28 499	-	1 775	1 775	30 274	27 811	27 088
Receivables from non-exchange transactions	2 336	-	(25)	(25)	2 311	2 336	2 336
Current portion of non-current receivables	-	-	-	-	-	-	-
Inventory	513	-	202	202	716	513	513
VAT	32 160	-	2 528	2 528	34 688	32 160	32 160
Other current assets	62	-	(66)	(66)	(5)	62	62
Total current assets	133 495	-	64 258	64 258	197 752	156 290	179 938
Non current assets							
Investments				-	-		
Investment property	-	-	-	-	-	-	-
Property, plant and equipment	2 953 654	-	191 685	191 685	3 145 339	3 260 763	3 494 914
Intangible assets	690	-	131	131	821	1 245	1 531
Other non-current assets	0	-	-	-	0	0	0
Total non current assets	2 954 344	-	191 817	191 817	3 146 160	3 262 007	3 496 445
TOTAL ASSETS	3 087 838	-	256 074	256 074	3 343 913	3 418 297	3 676 383
LIABILITIES							
Current liabilities							
Bank overdraft				-	-		
Financial liabilities	10 394	-	12	12	10 406	7 994	5 594
Consumer deposits	2 324	-	628	628	2 952	2 473	2 622
Trade and other payables from exchange transactions	56 690	-	(35 744)	(35 744)	20 945	56 249	55 268
Trade and other payables from non-exchange transactions	-	-	-	-	-	-	-
Provisions	15 194	-	977	977	16 171	15 194	15 194
VAT	6 600	-	935	935	7 535	6 600	6 600
Other current liabilities	-	-	-	-	-	-	-
Total current liabilities	91 202	-	(33 192)	(34 126)	50 475	88 510	85 278
Non current liabilities							
Borrowing	-	-	-	-	-	-	-
Provisions	28 869	-	(1 134)	(1 134)	27 735	30 601	32 437
Long term portion of trade payables				-	-		
Other non-current liabilities				-	-		
Total non current liabilities	28 869	-	(1 134)	(1 134)	27 735	30 601	32 437
TOTAL LIABILITIES	120 071	-	(34 326)	(35 260)	78 210	119 112	117 715
NET ASSETS	2 967 767	-	290 400	291 335	3 265 703	3 299 186	3 558 668
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)	2 950 439	-	224 915	224 915	3 175 353	3 300 643	3 559 987
Funds and Reserves	-	-	-	-	-	-	-
Other				-	-		
TOTAL COMMUNITY WEALTH/EQUITY	2 950 439	-	224 915	224 915	3 175 353	3 300 643	3 559 987

TABLE B8 CASH-BACKED RESERVES / ACCUMULATED SURPLUS RECONCILIATION

DC43 Harry Gwala - Table B8 Cash backed reserves/accumulated surplus reconciliation - 19/02/2024

Description	Budget Year 2023/24					Budget Year +1 2024/25	Budget Year +2 2025/26
	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		
Cash and investments available							
Cash/cash equivalents at the year end	69 925	–	59 843	59 843	129 768	76 088	81 733
Other current investments > 90 days	2 336	–	(25)	(25)	2 311	19 656	38 381
Non current assets - Investments	–	–	–	–	–	–	–
Cash and investments available:	72 261	–	59 818	59 818	132 079	95 743	120 114
Applications of cash and investments							
Unspent conditional transfers	–	–	–	–	–	–	–
Unspent borrowing	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–
Other working capital requirements	50 658	–	(36 158)	(36 158)	14 500	50 635	49 886
Other provisions	–	–	–	–	–	–	–
Long term investments committed	243 445	–	1 608	1 608	245 053	304 677	–
Reserves to be backed by cash/investments	–	–	–	–	–	–	–
Total Application of cash and investments:	294 103	–	(34 550)	(34 550)	259 553	355 313	49 886
Surplus(shortfall)	(221 842)	–	94 368	94 368	(127 474)	(259 569)	70 229

TABLE B9 ASSET MANAGEMENT

DC43 Harry Gwala - Table B9 Asset Management - 19/02/2024

Description	Budget Year 2023/24					Budget Year +1 2024/25	Budget Year +2 2025/26
	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		
R thousands							
ASSET REGISTER SUMMARY - PPE (WDV)	2 145 873	–	283 742	283 742	2 429 615	2 454 726	2 689 803
<i>Roads Infrastructure</i>	188	–	0	0	188	188	188
<i>Storm water Infrastructure</i>				–	–		
<i>Electrical Infrastructure</i>	7 600	–	(1 665)	(1 665)	5 936	7 521	7 440
<i>Water Supply Infrastructure</i>	1 814 995	–	297 672	297 672	2 112 667	2 019 803	2 161 086
<i>Sanitation Infrastructure</i>	262 365	–	(23 083)	(23 083)	239 283	357 175	435 421
<i>Solid Waste Infrastructure</i>				–	–		
<i>Rail Infrastructure</i>				–	–		
<i>Coastal Infrastructure</i>				–	–		
<i>Information and Communication Infrastructure</i>	63	–	196	196	259	61	59
<i>Infrastructure</i>	2 085 212	–	273 121	273 121	2 358 333	2 384 748	2 604 194
Community Assets	2 834	–	(1 239)	(1 239)	1 595	2 826	2 818
Heritage Assets	972	–	131	131	1 103	1 541	1 841
Other Assets	36 090	–	(1 206)	(1 206)	34 884	36 015	35 938
Biological or Cultivated Assets				–	–		
Intangible Assets				–	–		
Computer Equipment	(413)	–	3 135	3 135	2 722	(1 854)	6 489
Furniture and Office Equipment	4 330	–	994	994	5 324	8 282	10 648
Machinery and Equipment	10 529	–	(466)	(466)	10 063	8 996	9 675
Transport Assets	6 318	–	9 272	9 272	15 590	14 173	18 219
Land				–	–		
Zoo's, Marine and Non-biological Animals				–	–		
Living Resources							
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	2 145 873	–	283 742	283 742	2 429 615	2 454 726	2 689 803
EXPENDITURE OTHER ITEMS							
Depreciation & asset impairment	97 007	–	–	–	97 007	101 760	106 543
Repairs and Maintenance by asset class	51 991	–	(3 302)	(3 302)	48 689	54 394	56 902
<i>Roads Infrastructure</i>	–	–	–	–	–	–	–
<i>Storm water Infrastructure</i>	–	–	–	–	–	–	–
<i>Electrical Infrastructure</i>	–	–	–	–	–	–	–
<i>Water Supply Infrastructure</i>	46 093	–	(2 683)	(2 683)	43 410	48 213	50 431
Infrastructure	46 093	–	(2 683)	(2 683)	43 410	48 213	50 431
Community Facilities	–	–	–	–	–	–	–
Sport and Recreation Facilities	73	–	–	–	73	77	80
Community Assets	73	–	–	–	73	77	80
Investment properties	–	–	–	–	–	–	–
Operational Buildings	5 459	–	(413)	(413)	5 046	5 721	5 990
Housing	–	–	–	–	–	–	–
Other Assets	5 459	–	(413)	(413)	5 046	5 721	5 990
Intangible Assets	–	–	–	–	–	–	–
Computer Equipment	125	–	(75)	(75)	50	131	137
Furniture and Office Equipment	–	–	–	–	–	–	–
Machinery and Equipment	–	–	–	–	–	–	–
Transport Assets	241	–	(132)	(132)	109	252	263
Land	–	–	–	–	–	–	–
Living Resources	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	148 998	–	(3 302)	(3 302)	145 696	156 154	163 445
<i>Renewal and upgrading of Existing Assets as % of total c</i>	9,6%				5,2%	9,6%	7,7%
<i>Renewal and upgrading of Existing Assets as % of depre</i>	30,4%				17,1%	29,8%	22,7%
<i>R&M as a % of PPE</i>	2,4%				2,0%	2,2%	2,1%
<i>Renewal and upgrading and R&M as a % of PPE</i>	3,8%				2,7%	3,5%	3,0%

DC43 Harry Gwala - Supporting Table SB7 Consolidated Adjustments Budget - transfers and grant receipts - 20/02/2024

Description	Budget Year 2023/24					Budget Year +1 2024/25	Budget Year +2 2025/26
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	C	D	E	F		
RECEIPTS:							
Operating Transfers and Grants							
National Government:	493 840	–	(14 750)	(14 750)	479 090	519 283	547 916
Local Government Equitable Share							
Equitable Share	463 631	–	–	–	463 631	494 128	521 455
Expanded Public Works Programme Integrated Grant	6 168	–	(345)	(345)	5 823	–	–
Integrated National Electrification Programme Grant	–	–	–	–	–	–	–
Local Government Financial Management Grant	1 200	–	–	–	1 200	1 200	1 338
Municipal Disaster Relief Grant	–	–	–	–	–	–	–
Municipal Infrastructure Grant	20 450	–	(14 405)	(14 405)	6 045	21 457	22 513
Rural Road Asset Management Systems Grant	2 391	–	–	–	2 391	2 498	2 610
Water Services Infrastructure Grant	–	–	–	–	–	–	–
Provincial Government:	–	–	–	–	–	–	–
Capacity Building and Other Grants	–	–	–	–	–	–	–
District Municipality:	–	–	–	–	–	–	–
<i>Specify (Add grant description)</i>	–	–	–	–	–	–	–
Other grant providers:	–	–	–	–	–	–	–
<i>Chemical Industry Seta</i>	–	–	–	–	–	–	–
<i>Parent Municipality</i>	–	–	–	–	–	–	–
<i>Unspecified</i>	–	–	–	–	–	–	–
Total Operating Transfers and Grants	493 840	–	(14 750)	(14 750)	479 090	519 283	547 916
Capital Transfers and Grants							
National Government:	321 352	–	30 586	30 586	351 938	357 813	357 670
Integrated National Electrification Programme Grant	–	–	–	–	–	–	–
Municipal Infrastructure Grant	221 352	–	40 586	40 586	261 938	231 828	242 741
Neighbourhood Development Partnership Grant	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant	–	–	–	–	–	10 000	10 000
Rural Road Asset Management Systems Grant	–	–	–	–	–	–	–
Water Services Infrastructure Grant	100 000	–	(10 000)	(10 000)	90 000	115 985	104 929
Provincial Government:	–	–	–	–	–	–	–
Infrastructure Grant	–	–	–	–	–	–	–
District Municipality:	–	–	–	–	–	–	–
<i>Specify (Add grant description)</i>	–	–	–	–	–	–	–
Other grant providers:	–	–	–	–	–	–	–
<i>[insert description]</i>	–	–	–	–	–	–	–
<i>Human Settlement Re-development Programme</i>	–	–	–	–	–	–	–
Total Capital Transfers and Grants	321 352	–	30 586	30 586	351 938	357 813	357 670
TOTAL RECEIPTS OF TRANSFERS & GRANTS	815 192	–	15 836	15 836	831 028	877 096	905 586

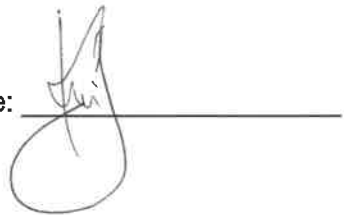
2.3 Municipal Manager's Quality Certificates

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: _____

A handwritten signature in black ink, written over a horizontal line. The signature is stylized and appears to be 'G. Ma'art Sineke'.

Date 27 February 2024