

George Municipality

Adjustments Budget
2020/2021

22 April 2021



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Glossary

Act – means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
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, such as the tariffs 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 scores 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 piece of legislation that shows the amount of allocations from national to local government.
Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
IDP – Integrated Development Plan. The main strategic planning document of the Municipality
KPI's – Key Performance Indicators. Measures of service output and/or outcome.
MFMA – The Municipal Finance Management Act – no 53 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.

<p>Own Revenue – Means total revenue as reflected in the municipality’s financial performance budget less national and provincial conditional transfers.</p>
<p>Rates – Local Government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.</p>
<p>SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.</p>
<p>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.</p>
<p>Vehement – A transfer of budget.</p>
<p>Virement Policy - The policy that sets out the rules for budget transfers. Varmints are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.</p>
<p>Vote – One of the main segments into which a budget is divided, usually at directorate / department level.</p>

Part 1 – Adjustments Budget

Mayor’s Report

1.1 Foreword

Municipal Finance Management Act (MMFA)

Section 28 of the MFMA - Municipal Adjustments Budgets

"28 (1) A municipality may revise an approved annual budget through an adjustments budget.

(2) An adjustments budget—

- (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- (f) may correct any errors in the annual budget; and
- (g) may provide for any other expenditure within a prescribed framework.

(3) An adjustments budget must be in a prescribed form.

(4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.

(5) When an adjustments budget is tabled, it must be accompanied by—

- (a) an explanation how the adjustments budget affects the annual budget;
 - (b) a motivation of any material changes to the annual budget;
 - (c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
 - (d) any other supporting documentation that may be prescribed.
- (6) Municipal tax and tariffs may not be increased during a financial year.
- (7) Sections 22(b), 23(3) and 24(3) apply in respect of an adjustments budget, and in such application a reference in those sections to an annual budget must be read as a reference to an adjustments budget.”

Municipal Budget and Reporting Regulations (MBRR)

The Local Government: Municipal Finance Management Act (Act No. 56 of 2003): Municipal Budget and Reporting Regulations stipulates in:

Section 23 of the MBRR –Timeframes for tabling of adjustments budgets

Regulation 23. (3):

The Local Government: Municipal Finance Management Act, (Act No. 56 of 2003): Municipal Budget and Reporting Regulations stipulates in:

“(3) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.”

1.2 Background

The Local Government: Municipal Finance Management Act, (Act No. 56 of 2003): Municipal Budget and Reporting Regulations stipulates in

Regulation 23. (3):

“(3) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.”

1.3 Council Resolutions

On 22 April 2021, the Council of George Municipality met to consider the adjustments budget for approval. Council approved the following resolutions:

- (a) That the Operating Budget and Capital Budget for 2020/2021 be adjusted to reflect the grant allocations as per table A, B and C;
- (b) that the Service Delivery and Budget Implementation Plan (SDBIP) be amended;
- (c) That the formal budget tables be updated with the adjustments and submitted to National and Provincial Government.

1.4 Executive Summary

TABLE A – PROPOSED OPERATING ADJUSTMENTS

ADJUSTMENT BUDGET - APRIL 2020/2021 OPERATING BUDGET CHANGES						
GRANT	DESCRIPTION	UKEY	VOTE	ORIGINAL BUDGET	ALLOCATIONS	PROPOSED BUDGET
COMMUNITY LIBRARY SERVICES GRANT	COMMUNITY LIBRARY SERVICES GRANT – GEORGE LIBRARY	20190705045792	10084165085400	-3 863 744	-1 842 256	-5 706 000
COMMUNITY LIBRARY SERVICES GRANT	COMMUNITY LIBRARY SERVICES GRANT – BRANCH LIBRARIES	20190705045793	10262165085400	-3 099 256	-1 477 744	-4 577 000
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	INFRASTRUCTURE SKILLS DEVELOPMENT GRANT – BASIC SALARIES AND WAGES	20180304982124	10806202530000	2 112 231	-74 000	2 038 231
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	INFRASTRUCTURE SKILLS DEVELOPMENT GRANT - ELECTRICITY	20160623021223	10806153680000	-2 677 905	-74 000	-2 603 905
MUNICIPAL INFRASTRUCTURE GRANT	MUNICIPAL INFRASTRUCTURE GRANT	20160623018986	10563127850000	-12 878 870	3 000 000	-9 878 870
				-20 407 544	- 468 000	-20 727 544

TABLE B – PROPOSED CAPITAL ADJUSTMENTS

The total 2020/2021 Capital Adjustments Budget increases to R 282 314 926.

DESCRIPTION	ADJUSTMENTS BUDGET	ALLOCATION	AMENDED BUDGET	FUNDING
	R	R	R	
CAPITAL ADJUSTMENTS BUDGET – MARCH 2021		284 923 622		
UPGRADE PACS (NEW DAWN PARK) STORMWATER	8 822 466	-2 608 696	6 213 770	MIG
TOTAL ADJUSTMENTS		-2 608 696		
CAPITAL ADJUSTMENTS BUDGET – APRIL 2021		282 314 926		

TABLE C – FUNDING

See Table C below for the funding mix of the Capital Adjustments Budget for March 2021:

DESCRIPTION	AMENDED BUDGET FEBRUARY 2021	PROPOSED ADJUSTMENTS	AMENDED BUDGET MARCH 2021
Capital Replacement Reserve (CRR)	125 131 797	-	125 131 797
External Financing Fund (EFF)	52 862 422	-	52 862 422
Grants	97 292 889	-2 608 696	94 684 193
Other	9 636 513	-	9 636 513
TOTAL	284 923 622	-2 608 696	282 314 926

Part 2 – Adjustments Budget Schedules**2.1 – Legislative Framework**

The Municipal Budget and Reporting Regulations (MBRR) stipulates that,

21. “An adjustments budget and supporting documentation of a Municipality must be in the format specified in Schedule B ...”

The objective of the MBRR is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

2.2 – Adjustments Budget Schedules

Only those schedules that are affected by the adjustments budget is included in this document.

Table 1 – B1: Budget Summary

WC044 George - Table B1 Adjustments Budget Summary - 22/04/2021											
Description	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	311 989	321 989	-	-	-	-	-	-	321 989	331 942	353 194
Service charges	1 120 707	1 115 239	-	-	-	-	-	-	1 115 239	1 119 724	1 205 508
Investment revenue	52 956	58 970	-	-	-	-	-	-	58 970	55 205	57 741
Transfers recognised - operational	634 700	670 894	-	-	-	-	3 246	3 246	674 140	587 858	568 824
Other own revenue	214 237	171 417	-	-	-	-	-	-	171 417	283 431	302 252
Total Revenue (excluding capital transfers and contributions)	2 334 589	2 338 509	-	-	-	-	3 246	3 246	2 341 755	2 378 160	2 487 519
Employee costs	634 506	604 046	-	-	-	-	3 246	3 246	607 292	658 190	692 835
Remuneration of councillors	25 140	25 140	-	-	-	-	-	-	25 140	26 397	27 981
Depreciation & asset impairment	168 269	168 269	-	-	-	-	-	-	168 269	172 358	185 357
Finance charges	36 179	34 179	-	-	-	-	-	-	34 179	45 406	51 280
Materials and bulk purchases	597 668	587 726	-	-	-	-	-	-	587 726	636 785	682 018
Transfers and grants	60 860	71 935	-	-	-	-	-	-	71 935	67 333	70 053
Other expenditure	857 068	824 081	-	-	-	-	-	-	824 081	884 752	888 555
Total Expenditure	2 379 689	2 315 375	-	-	-	-	3 246	3 246	2 318 621	2 491 221	2 598 079
Surplus/(Deficit)	(45 100)	23 134	-	-	-	-	-	-	23 134	(113 061)	(110 559)
Transfers recognised - capital	73 914	103 636	-	-	-	-	(3 000)	(3 000)	100 636	67 997	87 619
Contributions recognised - capital & contributed a	14 192	14 192	-	-	-	-	-	-	14 192	14 902	15 796
Surplus/(Deficit) after capital transfers & contributions	43 006	140 962	-	-	-	-	(3 000)	(3 000)	137 962	(30 163)	(7 145)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	43 006	140 962	-	-	-	-	(3 000)	(3 000)	137 962	(30 163)	(7 145)
Capital expenditure & funds sources											
Capital expenditure	377 109	2 812 646	-	-	-	-	(2 530 331)	(2 530 331)	282 315	506 627	474 377
Transfers recognised - capital	67 624	97 293	-	-	-	-	(2 609)	(2 609)	94 684	63 299	39 999
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	244 441	62 277	-	-	-	-	222	222	62 499	319 374	309 691
Internally generated funds	75 910	125 353	-	-	-	-	(222)	(222)	125 132	123 954	124 688
Total sources of capital funds	387 975	284 924	-	-	-	-	(2 609)	(2 609)	282 315	506 627	474 377
Financial position											
Total current assets	1 049 426	(897 979)	-	-	-	-	2 165 704	2 165 704	1 267 726	14 378	(62 542)
Total non current assets	3 514 441	284 924	-	-	-	-	2 988 896	2 988 896	3 273 820	3 666 401	6 847 549
Total current liabilities	1 211 238	(2 140 485)	-	-	-	-	2 878 219	2 878 219	737 734	(1 877 477)	(2 008 950)
Total non current liabilities	146 115	-	-	-	-	-	544 286	544 286	544 286	544 286	544 286
Community wealth/Equity	3 146 867	(4 472)	-	-	-	-	3 263 998	3 263 998	3 259 526	3 116 760	3 121 564
Cash flows											
Net cash from (used) operating	76 671	(2 245 184)	-	-	-	-	2 349 965	2 349 965	104 781	(2 542 048)	(2 628 349)
Net cash from (used) investing	(387 975)	(2 803 646)	-	-	-	-	2 521 331	2 521 331	(282 315)	(506 627)	(474 377)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	75 110	(4 249 325)	-	-	-	-	4 871 296	4 871 296	621 971	(1 924 911)	(1 934 562)
Cash backing/surplus reconciliation											
Cash and investments available	491 947	-	-	-	-	-	933 232	933 232	933 232	799 506	799 506
Application of cash and investments	3 381 508	(2 249 657)	-	-	-	-	6 105 669	6 105 669	3 856 012	1 284 374	1 202 877
Balance - surplus (shortfall)	(2 889 561)	2 249 657	-	-	-	-	(5 172 438)	(5 172 438)	(2 922 781)	(484 868)	(403 371)
Asset Management											
Asset register summary (WDV)	3 477 395	284 924	-	-	-	-	2 952 509	2 952 509	3 237 432	3 630 013	3 597 764
Depreciation & asset impairment	168 269	168 269	-	-	-	-	-	-	168 269	172 358	185 357
Renewal of Existing Assets	28 411	77 745	-	-	-	-	-	-	77 745	36 910	35 045
Repairs and Maintenance	74 616	72 906	-	-	-	-	-	-	72 906	79 497	81 964
Free services											
Cost of Free Basic Services provided	(23 395)	(26 522)	-	-	-	-	-	-	(26 522)	(25 384)	(26 907)
Revenue cost of free services provided	(158 029)	(171 248)	-	-	-	-	-	-	(171 248)	(169 977)	(180 394)
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Table 2 – B2: Financial Performance (Functional classification)

WC044 George - Table B2 Adjustments Budget Financial Performance (functional classification) - 22/04/2021

Standard Description	Ref	Budget Year 2020/21										Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted	
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget	
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	+1 2021/22	+2 2022/23	
Revenue - Functional													
<i>Governance and administration</i>		393 332	403 637	-	-	-	-	(74)	(74)	403 563	415 015	440 538	
Executive and council		185	185	-	-	-	-	-	-	185	192	203	
Finance and administration		393 147	403 453	-	-	-	-	(74)	(74)	403 379	414 823	440 335	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		269 848	244 526	-	-	-	-	3 320	3 320	247 846	223 687	171 077	
Community and social services		17 789	10 883	-	-	-	-	3 320	3 320	14 203	16 827	17 695	
Sport and recreation		14 418	1 972	-	-	-	-	-	-	1 972	1 363	1 445	
Public safety		78 293	78 552	-	-	-	-	-	-	78 552	81 440	86 327	
Housing		159 264	153 035	-	-	-	-	-	-	153 035	123 969	65 517	
Health		84	84	-	-	-	-	-	-	84	88	93	
<i>Economic and environmental services</i>		423 596	445 649	-	-	-	-	-	-	445 649	463 314	512 112	
Planning and development		11 302	11 059	-	-	-	-	-	-	11 059	12 335	12 471	
Road transport		412 293	434 589	-	-	-	-	-	-	434 589	450 978	499 639	
Environmental protection		2	2	-	-	-	-	-	-	2	2	2	
<i>Trading services</i>		1 335 392	1 361 777	-	-	-	-	(3 000)	(3 000)	1 358 777	1 441 582	1 554 700	
Energy sources		820 190	809 485	-	-	-	-	-	-	809 485	878 640	954 631	
Water management		209 314	179 989	-	-	-	-	-	-	179 989	236 466	250 200	
Waste water management		168 836	219 865	-	-	-	-	(3 000)	(3 000)	216 865	180 533	193 139	
Waste management		137 052	152 439	-	-	-	-	-	-	152 439	145 943	156 730	
<i>Other</i>		527	747	-	-	-	-	-	-	747	71	75	
Total Revenue - Functional	2	2 422 695	2 456 337	-	-	-	-	246	246	2 456 583	2 543 669	2 678 501	
Expenditure - Functional													
<i>Governance and administration</i>		389 289	376 767	-	-	-	-	(74)	(74)	376 693	420 541	435 380	
Executive and council		80 234	76 687	-	-	-	-	-	-	76 687	84 508	80 617	
Finance and administration		293 484	285 668	-	-	-	-	(74)	(74)	285 594	320 468	337 974	
Internal audit		15 570	14 412	-	-	-	-	-	-	14 412	15 565	16 789	
<i>Community and public safety</i>		412 771	401 917	-	-	-	-	3 320	3 320	405 237	393 502	350 644	
Community and social services		62 726	56 394	-	-	-	-	3 320	3 320	59 714	69 367	75 693	
Sport and recreation		36 393	34 579	-	-	-	-	-	-	34 579	34 081	36 298	
Public safety		114 317	111 543	-	-	-	-	-	-	111 543	124 067	128 493	
Housing		195 079	195 554	-	-	-	-	-	-	195 554	161 449	105 352	
Health		4 255	3 846	-	-	-	-	-	-	3 846	4 537	4 809	
<i>Economic and environmental services</i>		459 760	439 994	-	-	-	-	-	-	439 994	483 676	513 837	
Planning and development		35 464	30 159	-	-	-	-	-	-	30 159	37 671	39 196	
Road transport		421 669	407 264	-	-	-	-	-	-	407 264	443 504	471 993	
Environmental protection		2 626	2 572	-	-	-	-	-	-	2 572	2 501	2 648	
<i>Trading services</i>		1 102 314	1 081 195	-	-	-	-	-	-	1 081 195	1 177 310	1 281 305	
Energy sources		675 043	664 213	-	-	-	-	-	-	664 213	718 049	766 149	
Water management		134 396	130 950	-	-	-	-	-	-	130 950	134 019	169 571	
Waste water management		197 867	195 146	-	-	-	-	-	-	195 146	220 531	234 272	
Waste management		95 009	90 885	-	-	-	-	-	-	90 885	104 711	111 313	
<i>Other</i>		15 556	15 503	-	-	-	-	-	-	15 503	16 192	16 912	
Total Expenditure - Functional	3	2 379 689	2 315 375	-	-	-	-	3 246	3 246	2 318 621	2 491 221	2 598 079	
Surplus/ (Deficit) for the year		43 006	140 962	-	-	-	-	(3 000)	(3 000)	137 962	52 448	80 422	

Table 3 – B3: Financial Performance (revenue and expenditure by municipal vote)

WC044 George - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 22/04/2021

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2020/21								Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue by Vote	1											
Vote 1 - Office of the Municipal Manager		2 686	2 686	-	-	-	-	-	-	2 686	2 865	3 043
Vote 2 - Corporate Services		772	422	-	-	-	-	-	-	422	815	858
Vote 3 - Corporate Services (Continued)		2 630	2 512	-	-	-	-	-	-	2 512	2 157	2 248
Vote 4 - Community Services		17 239	10 581	-	-	-	-	3 320	3 320	13 901	15 328	16 106
Vote 5 - Community Services (Continued)		151 412	154 401	-	-	-	-	-	-	154 401	147 247	158 112
Vote 6 - Human Settlements		157 946	151 717	-	-	-	-	-	-	151 717	122 585	64 050
Vote 7 - Civil Engineering Services		385 015	406 614	-	-	-	-	(3 000)	(3 000)	403 614	421 453	447 667
Vote 8 - Electro-Technical Services		822 951	812 262	-	-	-	-	(74)	(74)	812 188	881 413	957 131
Vote 9 - Financial Services		368 976	379 641	-	-	-	-	-	-	379 641	391 521	416 082
Vote 10 - Financial Services (Continued)		4 892	4 892	-	-	-	-	-	-	4 892	4 894	4 942
Vote 11 - Planning and Development		20 708	20 685	-	-	-	-	-	-	20 685	21 431	22 753
Vote 12 - Protection Services		487 285	509 741	-	-	-	-	-	-	509 741	531 769	585 305
Vote 13 - Protection Services (Continued)		182	182	-	-	-	-	-	-	182	191	202
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2 422 695	2 456 337	-	-	-	-	246	246	2 456 583	2 543 669	2 678 501
Expenditure by Vote	1											
Vote 1 - Office of the Municipal Manager		120 440	119 533	-	-	-	-	-	-	119 533	125 893	124 658
Vote 2 - Corporate Services		36 879	34 926	-	-	-	-	-	-	34 926	42 654	42 358
Vote 3 - Corporate Services (Continued)		36 554	37 249	-	-	-	-	-	-	37 249	39 184	41 346
Vote 4 - Community Services		72 399	64 248	-	-	-	-	3 320	3 320	67 568	78 089	84 915
Vote 5 - Community Services (Continued)		113 854	108 312	-	-	-	-	-	-	108 312	119 947	127 770
Vote 6 - Human Settlements		185 852	181 586	-	-	-	-	-	-	181 586	152 015	95 143
Vote 7 - Civil Engineering Services		362 102	353 100	-	-	-	-	-	-	353 100	380 510	430 891
Vote 8 - Electro-Technical Services		700 014	689 223	-	-	-	-	(74)	(74)	689 149	744 591	793 875
Vote 9 - Financial Services		78 835	78 587	-	-	-	-	-	-	78 587	93 860	103 655
Vote 10 - Financial Services (Continued)		54 358	53 567	-	-	-	-	-	-	53 567	53 364	55 750
Vote 11 - Planning and Development		48 927	44 240	-	-	-	-	-	-	44 240	49 885	53 591
Vote 12 - Protection Services		568 728	550 059	-	-	-	-	-	-	550 059	610 446	643 239
Vote 13 - Protection Services (Continued)		746	746	-	-	-	-	-	-	746	784	887
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2 379 689	2 315 375	-	-	-	-	3 246	3 246	2 318 621	2 491 221	2 598 079
Surplus/ (Deficit) for the year	2	43 006	140 962	-	-	-	-	(3 000)	(3 000)	137 962	52 448	80 422

Table 4 – B4: Financial Performance (revenue and expenditure)

WC044 George - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 22/04/2021

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjsts.	Adjsts.	Budget	Budget	Budget
R thousands	1	A	A1	4	5	6	7	8	9	10		
				B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	311 989	321 989	-	-	-	-	-	-	321 989	331 942	353 194
Service charges - electricity revenue	2	771 756	758 629	-	-	-	-	-	-	758 629	833 377	900 554
Service charges - water revenue	2	141 357	132 038	-	-	-	-	-	-	132 038	113 088	119 754
Service charges - sanitation revenue	2	113 118	122 453	-	-	-	-	-	-	122 453	73 644	78 890
Service charges - refuse revenue	2	94 476	102 119	-	-	-	-	-	-	102 119	99 615	106 309
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		6 480	5 932	-	-	-	-	-	-	5 932	6 808	7 217
Interest earned - external investments		52 956	58 970	-	-	-	-	-	-	58 970	55 205	57 741
Interest earned - outstanding debtors		7 746	7 746	-	-	-	-	-	-	7 746	8 134	7 124
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		80 307	80 307	-	-	-	-	-	-	80 307	84 379	89 431
Licences and permits		3 695	3 795	-	-	-	-	-	-	3 795	3 872	4 104
Agency services		9 291	9 291	-	-	-	-	-	-	9 291	9 755	10 340
Transfers and subsidies		634 700	670 894	-	-	-	-	3 246	3 246	674 140	587 858	568 824
Other revenue	2	106 719	64 347	-	-	-	-	-	-	64 347	170 483	184 036
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		2 334 589	2 338 509	-	-	-	-	3 246	3 246	2 341 755	2 378 160	2 487 519
Expenditure By Type												
Employee related costs		634 506	604 046	-	-	-	-	3 246	3 246	607 292	658 190	692 835
Remuneration of councillors		25 140	25 140	-	-	-	-	-	-	25 140	26 397	27 981
Debt impairment		74 956	74 956	-	-	-	-	-	-	74 956	78 703	83 425
Depreciation & asset impairment		168 269	168 269	-	-	-	-	-	-	168 269	172 358	185 357
Finance charges		36 179	34 179	-	-	-	-	-	-	34 179	45 406	51 280
Bulk purchases		529 112	523 112	-	-	-	-	-	-	523 112	564 605	605 813
Other materials		68 556	64 614	-	-	-	-	-	-	64 614	72 180	76 206
Contracted services		615 286	604 372	-	-	-	-	-	-	604 372	621 121	596 487
Transfers and subsidies		60 860	71 935	-	-	-	-	-	-	71 935	67 333	70 053
Other expenditure		166 112	144 039	-	-	-	-	-	-	144 039	184 170	207 847
Loss on disposal of PPE		715	715	-	-	-	-	-	-	715	757	795
Total Expenditure		2 379 689	2 315 375	-	-	-	-	3 246	3 246	2 318 621	2 491 221	2 598 079
Surplus/(Deficit)		(45 100)	23 134	-	-	-	-	-	-	23 134	(113 061)	(110 559)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		73 914	103 636	-	-	-	-	(3 000)	(3 000)	100 636	67 997	87 619
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		14 192	14 192	-	-	-	-	-	-	14 192	14 902	15 796
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		43 006	140 962	-	-	-	-	(3 000)	(3 000)	137 962	(30 163)	(7 145)
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		43 006	140 962	-	-	-	-	(3 000)	(3 000)	137 962	(30 163)	(7 145)
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		43 006	140 962	-	-	-	-	(3 000)	(3 000)	137 962	(30 163)	(7 145)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		43 006	140 962	-	-	-	-	(3 000)	(3 000)	137 962	(30 163)	(7 145)

Table 5 – B5: Capital Expenditure Budget by vote and funding

WC044 George - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 22/04/2021

Description	Ref	Budget Year 2020/21								Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
	A	A1	B	C	D	E	F	G	H			
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted												
Vote 1 - Office of the Municipal Manager	2	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services (Continued)		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		121	474	-	-	-	-	-	474	-	100	100
Vote 5 - Community Services (Continued)		235	562	-	-	-	-	-	562	-	1 827	1 099
Vote 6 - Human Settlements		409	230	-	-	-	-	-	230	-	759	615
Vote 7 - Civil Engineering Services		29 955	26 372	-	-	-	-	-	26 372	-	106 871	95 854
Vote 8 - Electro-Technical Services		25 553	10 073	-	-	-	-	-	10 073	-	24 961	33 585
Vote 9 - Financial Services		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Financial Services (Continued)		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Planning and Development		565	744	-	-	-	-	-	744	-	1 480	2 062
Vote 12 - Protection Services		17 961	1 351	-	-	-	-	-	1 351	-	20 835	1 500
Vote 13 - Protection Services (Continued)		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	74 799	39 805	-	-	-	-	-	39 805	-	156 832	134 815
Single-year expenditure to be adjusted												
Vote 1 - Office of the Municipal Manager	2	1 686	2 796	-	-	-	-	-	2 796	-	589	255
Vote 2 - Corporate Services		3 850	1 784	-	-	-	-	-	1 784	-	7 266	4 060
Vote 3 - Corporate Services (Continued)		892	402	-	-	-	-	-	402	-	770	847
Vote 4 - Community Services		6 338	5 265	-	-	-	-	-	5 265	-	3 531	6 046
Vote 5 - Community Services (Continued)		23 191	11 189	-	-	-	-	-	11 189	-	24 550	10 135
Vote 6 - Human Settlements		3 613	4 137	-	-	-	-	-	4 137	-	3 073	2 616
Vote 7 - Civil Engineering Services		193 858	161 844	-	-	-	-	(11 609)	(11 609)	150 236	255 316	272 013
Vote 8 - Electro-Technical Services		47 377	45 157	-	-	-	-	-	45 157	-	34 600	31 469
Vote 9 - Financial Services		1 214	1 108	-	-	-	-	-	1 108	-	-	200
Vote 10 - Financial Services (Continued)		2 222	2 521 559	-	-	-	-	(2 518 722)	(2 518 722)	2 837	2 350	750
Vote 11 - Planning and Development		2 427	1 614	-	-	-	-	-	1 614	-	1 028	520
Vote 12 - Protection Services		15 039	15 932	-	-	-	-	-	15 932	-	15 723	10 651
Vote 13 - Protection Services (Continued)		604	53	-	-	-	-	-	53	-	1 000	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	302 310	2 772 841	-	-	-	-	(2 530 331)	(2 530 331)	242 510	349 795	339 562
Total Capital Expenditure - Vote		377 109	2 812 646	-	-	-	-	(2 530 331)	(2 530 331)	282 315	506 627	474 377
Capital Expenditure - Functional												
Governance and administration												
Executive and council		978	1 073	-	-	-	-	-	1 073	-	-	-
Finance and administration		6 812	11 392	-	-	-	-	-	11 392	-	6 618	4 807
Internal audit		122	75	-	-	-	-	-	75	-	115	125
Community and public safety												
Community and social services		10 457	7 677	-	-	-	-	-	7 677	-	11 540	8 454
Sport and recreation		19 811	5 959	-	-	-	-	-	5 959	-	16 712	10 809
Public safety		13 132	13 079	-	-	-	-	-	13 079	-	14 596	8 110
Housing		2 106	2 136	-	-	-	-	-	2 136	-	2 155	2 807
Health		145	108	-	-	-	-	-	108	-	360	360
Economic and environmental services												
Planning and development		1 484	1 067	-	-	-	-	-	1 067	-	1 448	1 990
Road transport		46 704	88 800	-	-	-	-	-	88 800	-	58 577	33 385
Environmental protection		670	674	-	-	-	-	-	674	-	-	-
Trading services												
Energy sources		72 931	55 230	-	-	-	-	-	55 230	-	59 560	65 054
Water management		108 976	15 668	-	-	-	-	-	15 668	-	162 419	212 348
Waste water management		96 824	73 168	-	-	-	-	(2 609)	(2 609)	70 559	161 260	121 990
Waste management		5 418	7 626	-	-	-	-	-	7 626	-	10 208	3 548
Other		1 408	1 191	-	-	-	-	-	1 191	-	1 060	592
Total Capital Expenditure - Functional	3	387 975	284 924	-	-	-	-	(2 609)	(2 609)	282 315	506 627	474 377
Funded by:												
National Government		66 892	96 561	-	-	-	-	(2 609)	(2 609)	93 952	63 299	39 999
Provincial Government		732	732	-	-	-	-	-	-	732	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	67 624	97 293	-	-	-	-	(2 609)	(2 609)	94 684	63 299	39 999
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		244 441	62 277	-	-	-	-	222	222	62 499	319 374	309 691
Internally generated funds		75 910	125 353	-	-	-	-	(222)	(222)	125 132	123 954	124 688
Total Capital Funding		387 975	284 924	-	-	-	-	(2 609)	(2 609)	282 315	506 627	474 377

Table 6 – B6: Financial Position

WC044 George - Table B6 Adjustments Budget Financial Position - 22/04/2021

Description	Ref	Budget Year 2020/21									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
ASSETS												
Current assets												
Cash		491 947	-	-	-	-	-	786 232	786 232	786 232	652 506	652 506
Call investment deposits	1	-	-	-	-	-	-	147 000	147 000	147 000	147 000	147 000
Consumer debtors	1	400 325	(1 023 979)	-	-	-	-	1 098 000	1 098 000	74 021	(1 029 443)	(1 106 362)
Other debtors		37 501	-	-	-	-	-	72 974	72 974	72 974	44 286	44 286
Current portion of long-term receivables		1 039	-	-	-	-	-	3 839	3 839	3 839	3 839	3 839
Inventory		118 614	126 000	-	-	-	-	57 660	57 660	183 660	196 190	196 190
Total current assets		1 049 426	(897 979)	-	-	-	-	2 165 704	2 165 704	1 267 726	14 378	(62 542)
Non current assets												
Long-term receivables		37 045	-	-	-	-	-	36 387	36 387	36 387	36 387	36 387
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		151 944	300	-	-	-	-	144 222	144 222	144 522	144 641	144 891
Investment in Associate		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	3 317 929	284 119	-	-	-	-	2 802 352	2 802 352	3 086 471	3 479 337	6 660 236
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		3 287	505	-	-	-	-	1 698	1 698	2 203	1 798	1 798
Other non-current assets		4 236	-	-	-	-	-	4 236	4 236	4 236	4 236	4 236
Total non current assets		3 514 441	284 924	-	-	-	-	2 988 896	2 988 896	3 273 820	3 666 401	6 847 549
TOTAL ASSETS		4 563 866	(613 055)	-	-	-	-	5 154 601	5 154 601	4 541 545	3 680 778	6 785 007
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		481 429	121 343	-	-	-	-	30 051	30 051	151 394	185 718	141 718
Consumer deposits		46 946	9 400	-	-	-	-	39 660	39 660	49 060	49 160	49 660
Trade and other payables		506 783	(2 245 184)	-	-	-	-	2 677 778	2 677 778	432 594	(2 165 550)	(2 251 851)
Provisions		176 080	(26 044)	-	-	-	-	130 729	130 729	104 686	53 194	51 523
Total current liabilities		1 211 238	(2 140 485)	-	-	-	-	2 878 219	2 878 219	737 734	(1 877 477)	(2 008 950)
Non current liabilities												
Borrowing	1	3 438	-	-	-	-	-	292 497	292 497	292 497	292 497	292 497
Provisions	1	142 677	-	-	-	-	-	251 789	251 789	251 789	251 789	251 789
Total non current liabilities		146 115	-	-	-	-	-	544 286	544 286	544 286	544 286	544 286
TOTAL LIABILITIES		1 357 353	(2 140 485)	-	-	-	-	3 422 505	3 422 505	1 282 019	(1 333 192)	(1 464 664)
NET ASSETS	2	3 206 513	1 527 430	-	-	-	-	1 732 096	1 732 096	3 259 526	5 013 970	8 249 671
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		3 017 928	(4 472)	-	-	-	-	3 058 092	3 058 092	3 053 619	2 915 326	2 920 130
Reserves		128 939	-	-	-	-	-	205 907	205 907	205 907	201 434	201 434
Minorities' interests		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		3 146 867	(4 472)	-	-	-	-	3 263 998	3 263 998	3 259 526	3 116 760	3 121 564

Table 7 – B7: Cash Flow

WC044 George - Table B7 Adjustments Budget Cash Flows - 22/04/2021

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		408 511	-	-	-	-	-	404 428	404 428	404 428	-	-
Service charges		1 119 918	-	-	-	-	-	1 119 918	1 119 918	1 119 918	-	-
Other revenue		81 721	-	-	-	-	-	38 972	38 972	38 972	-	-
Government - operating	1	634 600	-	-	-	-	-	672 838	672 838	672 838	-	-
Government - capital	1	73 182	-	-	-	-	-	99 904	99 904	99 904	-	-
Interest		3 924	-	-	-	-	-	13 905	13 905	13 905	-	-
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(2 245 184)	(2 245 184)	-	-	-	-	-	-	(2 245 184)	(2 542 048)	(2 628 349)
Finance charges		-	-	-	-	-	-	-	-	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		76 671	(2 245 184)	-	-	-	-	2 349 965	2 349 965	104 781	(2 542 048)	(2 628 349)
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		(387 975)	(2 803 646)	-	-	-	-	2 521 331	2 521 331	(282 315)	(506 627)	(474 377)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(387 975)	(2 803 646)	-	-	-	-	2 521 331	2 521 331	(282 315)	(506 627)	(474 377)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(311 304)	(5 048 830)	-	-	-	-	4 871 296	4 871 296	(177 534)	(3 048 675)	(3 102 726)
Cash/cash equivalents at the year begin:	2	386 414	799 506	-	-	-	-	0	0	799 506	1 123 764	1 168 164
Cash/cash equivalents at the year end:	2	75 110	(4 249 325)	-	-	-	-	4 871 296	4 871 296	621 971	(1 924 911)	(1 934 562)

Table 8 – B8: Cash backed reserves / accumulated surplus reconciliation

WC044 George - Table B8 Cash backed reserves/accumulated surplus reconciliation - 22/04/2021

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands		3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	75 110	(4 249 325)	-	-	-	-	4 871 296	4 871 296	621 971	(1 924 911)	(1 934 562)
Other current investments > 90 days		416 837	4 249 325	-	-	-	-	(3 938 064)	(3 938 064)	311 260	2 724 416	2 734 067
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		491 947	-	-	-	-	-	933 232	933 232	933 232	799 506	799 506
Applications of cash and investments												
Unspent conditional transfers		88 750	-	-	-	-	-	74 764	74 764	74 764	76 066	76 066
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(40 637)	(2 245 184)	-	-	-	-	2 426 463	2 426 463	181 279	(2 239 952)	(2 326 253)
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		3 333 395	(4 472)	-	-	-	-	3 604 442	3 604 442	3 599 970	3 448 260	3 453 063
Total Application of cash and investments:		3 381 508	(2 249 657)	-	-	-	-	6 105 669	6 105 669	3 856 012	1 284 374	1 202 877
Surplus(shortfall)		(2 889 561)	2 249 657	-	-	-	-	(5 172 438)	(5 172 438)	(2 922 781)	(484 868)	(403 371)

Municipal Manager’s Quality Certificate

I, **DR MICHELE GRATZ**, the Acting Municipal Manager of George Municipality hereby certify that the adjustments budget and supporting documentation for the 2020/21 Financial Year have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print Name **DR MICHELE GRATZ**

Acting Municipal Manager of **GEORGE WC044**

Signature 

Date **04/05/2021**