

George Municipality

Adjustments Budget 2020/2021

25 August 2020



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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.
Own Revenue – Means total revenue as reflected in the municipality's financial performance budget less national and provincial conditional transfers.
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.
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.

Vehement – A transfer of budget.

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.

Vote – One of the main segments into which a budget is divided, usually at directorate / department level.

Part 1 – Adjustments Budget

Mayor's Report

1.1 Foreword

Municipal Finance Management Act (MMFA)

The Local Government: Municipal Finance Management Act (Act No. 56 of 2003) Section 28(2)(e) prescribes as follows:

“An adjustment budget-

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.”

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:

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.”

Regulation 23. (5) furthermore, stipulates that:

“(5) An adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.”

1.2 Background

To submit to Council an Adjustments Budget for approval as prescribed in Section 28(2)(e) of the Local Government: Municipal Finance Management Act (Act No. 56 of 2003) read together with the Municipal Budget and Reporting Regulations (MBRR) 23(5). This is to accommodate roll-overs from the 2019/20 Budget.

1.3 Council Resolutions

On 25 August 2020, the Council of George Municipality met to consider the adjustments budget for approval. Council approved the following resolutions:

- (a) That the Capital Budget for 2020/2021 be adjusted to include the 2019/2020 roll-over projects as per annexure “A”;
- (b) That the Capital and Operating Budget for 2020/2021 be adjusted to reflect the allocation in the Division of Revenue Amendment Bill of 18 June 2020.
- (c) that the Service Delivery and Budget Implementation Plan (SDBIP) be amended accordingly;
- (d) That the formal budget tables be updated with the adjustments and submitted to National and Provincial Government.

1.4 Executive Summary

MOTIVATION

ROLL OVER OF CRR & EFF FUNDED CAPITAL PROJECTS

The projects listed in Annexure “A” are projects that could not be finalized due to reasons listed in the motivation column. Although the procurement process has been concluded in many instances the implementation of the projects has been delayed due to the COVID -19 pandemic and this necessitates the roll-over of the projects to the 2020/21 Capital Budget.

The roll-over of capital projects from the 2019/20 budget increases the 2020/21 capital budget from R387 975 213 to R456 025 004. See the table below for the funding mix of the Adjustments Capital Budget for 21 August 2020. This includes the roll adjustments to capital grant table funding as motivated below:

DESCRIPTION	ORIGINAL BUDGET 2020/21	PROPOSED ADJUSTMENTS August 2020	AMENDED BUDGET 2020/21
Capital Replacement Reserve (CRR)	R75 910 344	R52 323 086	R128 233 430
External Financing Fund (EFF)	R219 854 550	R18 438 900	R238 293 450
Grants	R67 623 805	-R2 712 195	R64 911 610
Other	R24 586 513	R0	R24 586 513
TOTAL	R387 975 213	R68 049 791	R456 025 004

MOTIVATION: ADDITIONAL TRANSFERS AND REDUCTIONS TO GRANT FUNDING

With regards to **Regulation 23. (3)** as defined above the National Treasury made changes to their grant funding in an adjustment budget. The budgeted changes were gazetted in the Government Gazette no. 43450 dated 18 June 2020. See the table below, summarising the grant movement.

EQUITABLE SHARE

The allocation was increased in an adjustments budget by R22 768 000.

The additional equitable share has been allocated to address the increase in indigent households due to the Covid-19 pandemic. The allocation to basic services is as per table below.

NATIONAL ALLOCATIONS			
Grant Description	2020/21 Main Allocation	Adjustments	2020/21 Adjusted Allocation
Equitable Share (Gazetted allocation)	R163 760 000	R22 768 000	R186 528 000
<u>Operational Projects</u>			
DMA allocation - salaries	10 943 040		10 943 040
Roads Maintenance - DMA	1 500 000		1 500 000
Water Network Maintenance - DMA	1 500 000		1 500 000
Electricity Network Maintenance - DMA	314 960		314 960
Water leakages	3 000 000		3 000 000
Audit and Social assessments	100 000		100 000
Electricity Prepaid meter	1 500 000		1 500 000
Sewerage blockages	1 000 000		1 000 000
Water	34 558 000	4 619 482	39 177 482
Sewerage	42 378 000	5 664 808	48 042 808
Refuse removal	40 071 000	5 356 423	45 427 423
Electricity	23 395 000	3 127 287	26 522 287
Social projects	1 500 000		1 500 000
Eskom - 50kw	2 000 000		2 000 000
Sanitation at Indigent households		4 000 000	4 000 000
Total allocations	R163 760 000	R22 768 000	R186 528 000

ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT (EEDM)

The allocation was reduced in the adjustments budget by R500 000.

INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)

The allocation was reduced in the adjustments budget by R1 000 000.

PUBLIC TRANSPORT NETWORK GRANT (PTNG)

The allocation was reduced in the adjustments budget by R24 388 000.

National Allocations			
Grant Description	2020/21 Main Allocation	Adjustments	2020/21 Adjusted Allocation
Equitable Share	163 760 000	22 768 000	186 528 000
Energy Efficiency and Demand Side Management Grant (EEDM)	5 000 000	-500 000	4 500 000
Integrated National Electrification Programme Grant (INEP)	7 000 000	-1 000 000	6 000 000
Public Transport Network Grant	153 645 000	-24 388 000	129 257 000
Total	329 405 000	-3 120 000	326 285 000

The implication of the abovementioned reduction in the PTNG will be finalized with the GIPTN.

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 - 25/08/2020

Description	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	311 989	311 989	-	-	-	-	-	-	311 989	331 942	353 194
Service charges	1 120 707	1 120 707	-	-	-	-	(18 768)	(18 768)	1 101 939	1 202 335	1 293 075
Investment revenue	52 956	52 956	-	-	-	-	-	-	52 956	55 205	57 741
Transfers recognised - operational	634 700	634 700	-	-	-	-	(611)	(611)	634 089	587 858	568 824
Other own revenue	228 429	228 429	-	-	-	-	-	-	228 429	298 332	318 048
Total Revenue (excluding capital transfers and contributions)	2 348 781	2 348 781	-	-	-	-	(19 379)	(19 379)	2 329 402	2 475 673	2 590 883
Employee costs	634 506	634 780	-	-	-	-	(399)	(399)	634 381	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	172 558	185 357
Finance charges	36 179	36 179	-	-	-	-	-	-	36 179	45 406	51 280
Materials and bulk purchases	597 668	597 220	-	-	-	-	0	0	597 220	636 785	682 018
Transfers and grants	60 860	60 860	-	-	-	-	(9 629)	(9 629)	51 231	67 333	70 053
Other expenditure	857 068	857 242	-	-	-	-	(9 351)	(9 351)	847 891	884 658	888 461
Total Expenditure	2 379 689	2 379 689	-	-	-	-	(19 379)	(19 379)	2 360 310	2 491 127	2 597 985
Surplus/(Deficit)	(30 908)	(30 908)	-	-	-	-	-	-	(30 908)	(15 455)	(7 102)
Transfers recognised - capital	73 914	73 914	-	-	-	-	(2 509)	(2 509)	71 405	67 997	87 619
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	43 006	43 006	-	-	-	-	(2 509)	(2 509)	40 496	52 542	80 516
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	43 006	43 006	-	-	-	-	(2 509)	(2 509)	40 496	52 542	80 516
Capital expenditure & funds sources											
Capital expenditure	387 975	399 975	-	-	-	-	56 396	56 396	456 372	325 936	339 997
Transfers recognised - capital	67 624	67 624	-	-	-	-	(2 366)	(2 366)	65 258	66 313	49 359
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	244 441	244 441	-	-	-	-	18 135	18 135	262 576	198 589	218 522
Internally generated funds	75 910	75 910	-	-	-	-	52 627	52 627	128 537	61 034	72 116
Total sources of capital funds	387 975	387 975	-	-	-	-	68 396	68 396	456 372	325 936	339 997
Financial position											
Total current assets	1 049 426	(897 979)	-	-	-	-	1 925 964	1 925 964	1 027 985	(166 824)	(243 744)
Total non current assets	3 514 441	387 975	-	-	-	-	3 194 862	3 194 862	3 582 837	3 620 670	3 634 731
Total current liabilities	1 211 238	(2 140 485)	-	-	-	-	3 460 834	3 460 834	1 320 349	(1 507 846)	(1 639 318)
Total non current liabilities	146 115	-	-	-	-	-	146 115	146 115	146 115	146 115	146 115
Community wealth/Equity	3 146 867	(4 472)	-	-	-	-	3 148 830	3 148 830	3 144 357	3 099 057	3 103 861
Cash flows											
Net cash from (used) operating	2 126 350	(9 400)	-	-	-	-	-	-	(9 400)	(9 500)	(10 000)
Net cash from (used) investing	(387 975)	(387 975)	-	-	-	-	(68 396)	(68 396)	(456 372)	(325 936)	(339 997)
Net cash from (used) financing	520 086	689 486	-	-	-	-	360 086	360 086	1 049 573	1 239 015	1 307 182
Cash/cash equivalents at the year end	2 644 875	678 525	-	-	-	-	678 104	678 104	1 356 628	1 614 252	1 712 258
Cash backing/surplus reconciliation											
Cash and investments available	491 947	-	-	-	-	-	488 827	488 827	488 827	386 414	386 414
Application of cash and investments	3 380 093	(1 245 498)	-	-	-	-	4 745 487	4 745 487	3 499 989	1 724 438	1 713 493
Balance - surplus (shortfall)	(2 888 147)	1 245 498	-	-	-	-	(4 256 661)	(4 256 661)	(3 011 163)	(1 338 025)	(1 327 079)
Asset Management											
Asset register summary (WDV)	3 477 395	387 975	-	-	-	-	3 157 817	3 157 817	3 545 792	3 583 625	3 597 686
Depreciation & asset impairment	168 269	168 269	-	-	-	-	-	-	168 269	172 358	185 357
Renewal of Existing Assets	28 411	28 471	-	-	-	-	6 830	6 830	35 301	23 310	16 795
Repairs and Maintenance	74 616	74 316	-	-	-	-	-	-	74 316	79 497	81 964
Free services											
Cost of Free Basic Services provided	23 395	23 395	-	-	-	-	3 127	3 127	26 522	25 384	26 907
Revenue cost of free services provided	158 029	158 029	-	-	-	-	15 641	15 641	173 670	169 977	180 394
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Table 2 – B2: Financial Performance (Functional classification)

WC044 George - Table B2 Adjustments Budget Financial Performance (functional classification) - 25/08/2020

Standard Description	Ref	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
		5	6	7	8	9	10	11	12			
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
<i>Governance and administration</i>		393 332	393 332	-	-	-	-	(399)	(399)	392 933	415 015	440 538
Executive and council		185	185	-	-	-	-	-	-	185	192	203
Finance and administration		393 147	393 147	-	-	-	-	(399)	(399)	392 749	414 823	440 335
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		269 848	269 848	-	-	-	-	(5 105)	(5 105)	264 743	223 687	171 077
Community and social services		17 789	17 789	-	-	-	-	-	-	17 789	16 827	17 695
Sport and recreation		14 418	14 418	-	-	-	-	(9 105)	(9 105)	5 313	1 363	1 445
Public safety		78 293	78 293	-	-	-	-	-	-	78 293	81 440	86 327
Housing		159 264	159 264	-	-	-	-	4 000	4 000	163 264	123 969	65 517
Health		84	84	-	-	-	-	-	-	84	88	93
<i>Economic and environmental services</i>		423 596	423 596	-	-	-	-	(24 388)	(24 388)	399 208	463 314	512 112
Planning and development		11 302	11 302	-	-	-	-	-	-	11 302	12 335	12 471
Road transport		412 293	412 293	-	-	-	-	(24 388)	(24 388)	387 905	450 978	499 639
Environmental protection		2	2	-	-	-	-	-	-	2	2	2
<i>Trading services</i>		1 335 392	1 335 392	-	-	-	-	8 004	8 004	1 343 396	1 441 582	1 554 700
Energy sources		820 190	820 190	-	-	-	-	(1 500)	(1 500)	818 690	878 640	954 631
Water management		209 314	209 314	-	-	-	-	(480)	(480)	208 833	236 466	250 200
Waste water management		168 836	168 836	-	-	-	-	9 984	9 984	178 820	180 533	193 139
Waste management		137 052	137 052	-	-	-	-	-	-	137 052	145 943	156 730
<i>Other</i>		527	527	-	-	-	-	-	-	527	71	75
Total Revenue - Functional	2	2 422 695	2 422 695	-	-	-	-	(21 888)	(21 888)	2 400 807	2 543 669	2 678 501
Expenditure - Functional												
<i>Governance and administration</i>		389 289	389 511	-	-	-	-	(399)	(399)	389 112	420 447	435 286
Executive and council		80 234	80 211	-	-	-	-	-	-	80 211	84 508	80 617
Finance and administration		293 484	293 729	-	-	-	-	(399)	(399)	293 331	320 374	337 880
Internal audit		15 570	15 570	-	-	-	-	-	-	15 570	15 565	16 789
<i>Community and public safety</i>		412 771	412 749	-	-	-	-	4 000	4 000	416 749	393 502	350 644
Community and social services		62 726	62 726	-	-	-	-	-	-	62 726	69 367	75 693
Sport and recreation		36 393	36 393	-	-	-	-	-	-	36 393	34 081	36 298
Public safety		114 317	114 157	-	-	-	-	-	-	114 157	124 067	128 493
Housing		195 079	195 217	-	-	-	-	4 000	4 000	199 217	161 449	105 352
Health		4 255	4 255	-	-	-	-	-	-	4 255	4 537	4 809
<i>Economic and environmental services</i>		459 760	459 580	-	-	-	-	(22 980)	(22 980)	436 599	483 676	513 837
Planning and development		35 464	35 104	-	-	-	-	-	-	35 104	37 671	39 196
Road transport		421 669	421 849	-	-	-	-	(22 980)	(22 980)	398 869	443 504	471 993
Environmental protection		2 626	2 626	-	-	-	-	-	-	2 626	2 501	2 648
<i>Trading services</i>		1 102 314	1 102 294	-	-	-	-	-	-	1 102 294	1 177 310	1 281 305
Energy sources		675 043	675 043	-	-	-	-	-	-	675 043	718 049	766 149
Water management		134 396	134 396	-	-	-	-	-	-	134 396	134 019	169 571
Waste water management		197 867	197 847	-	-	-	-	-	-	197 847	220 531	234 272
Waste management		95 009	95 009	-	-	-	-	-	-	95 009	104 711	111 313
<i>Other</i>		15 556	15 556	-	-	-	-	-	-	15 556	16 192	16 912
Total Expenditure - Functional	3	2 379 689	2 379 689	-	-	-	-	(19 379)	(19 379)	2 360 310	2 491 127	2 597 985
Surplus/ (Deficit) for the year		43 006	43 006	-	-	-	-	(2 509)	(2 509)	40 496	52 542	80 516

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) - 25/08/2020

Vote Description <i>[Insert departmental structure etc]</i>	Ref	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
		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	772	-	-	-	-	-	-	772	815	858
Vote 3 - Corporate Services (Continued)		2 630	2 630	-	-	-	-	-	-	2 630	2 157	2 248
Vote 4 - Community Services		17 239	17 239	-	-	-	-	-	-	17 239	15 328	16 106
Vote 5 - Community Services (Continued)		151 412	151 412	-	-	-	-	(9 105)	(9 105)	142 307	147 247	158 112
Vote 6 - Human Settlements		157 946	157 946	-	-	-	-	4 000	4 000	161 946	122 585	64 050
Vote 7 - Civil Engineering Services		385 015	385 015	-	-	-	-	9 105	9 105	394 120	421 453	447 667
Vote 8 - Electro-Technical Services		822 951	822 951	-	-	-	-	(1 500)	(1 500)	821 451	881 413	957 131
Vote 9 - Financial Services		368 976	368 976	-	-	-	-	-	-	368 976	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	20 708	-	-	-	-	-	-	20 708	21 431	22 753
Vote 12 - Protection Services		487 285	487 285	-	-	-	-	(24 388)	(24 388)	462 897	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	2 422 695	-	-	-	-	(21 888)	(21 888)	2 400 807	2 543 669	2 678 501
Expenditure by Vote	1											
Vote 1 - Office of the Municipal Manager		120 440	120 440	-	-	-	-	-	-	120 440	125 893	124 658
Vote 2 - Corporate Services		36 879	36 759	-	-	-	-	-	-	36 759	42 560	42 264
Vote 3 - Corporate Services (Continued)		36 554	36 674	-	-	-	-	-	-	36 674	39 184	41 346
Vote 4 - Community Services		72 399	72 399	-	-	-	-	-	-	72 399	78 089	84 915
Vote 5 - Community Services (Continued)		113 854	113 854	-	-	-	-	-	-	113 854	119 947	127 770
Vote 6 - Human Settlements		185 852	185 852	-	-	-	-	4 000	4 000	189 852	152 015	95 143
Vote 7 - Civil Engineering Services		362 102	362 102	-	-	-	-	(399)	(399)	361 704	380 510	430 891
Vote 8 - Electro-Technical Services		700 014	700 014	-	-	-	-	-	-	700 014	744 591	793 875
Vote 9 - Financial Services		78 835	78 835	-	-	-	-	-	-	78 835	93 860	103 655
Vote 10 - Financial Services (Continued)		54 358	54 358	-	-	-	-	-	-	54 358	53 364	55 750
Vote 11 - Planning and Development		48 927	48 927	-	-	-	-	-	-	48 927	49 885	53 591
Vote 12 - Protection Services		568 728	568 728	-	-	-	-	(22 980)	(22 980)	545 748	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	2 379 689	-	-	-	-	(19 379)	(19 379)	2 360 310	2 491 127	2 597 985
Surplus/ (Deficit) for the year	2	43 006	43 006	-	-	-	-	(2 509)	(2 509)	40 496	52 542	80 516

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

WC044 George - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 25/08/2020

Description	Ref	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
		3	4	5	6	7	8	9	10			
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	311 989	311 989	-	-	-	-	-	-	311 989	331 942	353 194
Service charges - electricity revenue	2	771 756	771 756	-	-	-	-	(3 127)	(3 127)	768 629	833 377	900 554
Service charges - water revenue	2	141 357	141 357	-	-	-	-	(4 619)	(4 619)	136 738	149 719	158 583
Service charges - sanitation revenue	2	113 118	113 118	-	-	-	-	(5 665)	(5 665)	107 453	119 624	127 629
Service charges - refuse revenue	2	94 476	94 476	-	-	-	-	(5 356)	(5 356)	89 119	99 615	106 309
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		6 480	6 480	-	-	-	-	-	-	6 480	6 808	7 217
Interest earned - external investments		52 956	52 956	-	-	-	-	-	-	52 956	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	3 695	-	-	-	-	-	-	3 695	3 872	4 104
Agency services		9 291	9 291	-	-	-	-	-	-	9 291	9 755	10 340
Transfers and subsidies		634 700	634 700	-	-	-	-	(611)	(611)	634 089	587 858	568 824
Other revenue	2	120 911	120 911	-	-	-	-	-	-	120 911	185 385	199 832
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		2 348 781	2 348 781	-	-	-	-	(19 379)	(19 379)	2 329 402	2 475 673	2 590 883
Expenditure By Type												
Employee related costs		634 506	634 780	-	-	-	-	(399)	(399)	634 381	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	36 179	-	-	-	-	-	-	36 179	45 406	51 280
Bulk purchases		529 112	529 112	-	-	-	-	-	-	529 112	564 605	605 813
Other materials		68 556	68 108	-	-	-	-	0	0	68 108	72 180	76 206
Contracted services		615 286	615 643	-	-	-	-	343	343	615 986	621 111	596 477
Transfers and subsidies		60 860	60 860	-	-	-	-	(9 629)	(9 629)	51 231	67 333	70 053
Other expenditure		166 112	165 929	-	-	-	-	(9 694)	(9 694)	156 235	184 086	207 763
Loss on disposal of PPE		715	715	-	-	-	-	-	-	715	757	795
Total Expenditure		2 379 689	2 379 689	-	-	-	-	(19 379)	(19 379)	2 360 310	2 491 127	2 597 985
Surplus/(Deficit)		(30 908)	(30 908)	-	-	-	-	-	-	(30 908)	(15 455)	(7 102)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		73 914	73 914	-	-	-	-	(2 509)	(2 509)	71 405	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)		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		43 006	43 006	-	-	-	-	(2 509)	(2 509)	40 496	52 542	80 516
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		43 006	43 006	-	-	-	-	(2 509)	(2 509)	40 496	52 542	80 516
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		43 006	43 006	-	-	-	-	(2 509)	(2 509)	40 496	52 542	80 516
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		43 006	43 006	-	-	-	-	(2 509)	(2 509)	40 496	52 542	80 516

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

WC044 George - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 25/08/2020

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore, Unavoid, 8	Nat. or Prov. Gov. 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services (Continued)		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		121	121	-	-	-	-	388	388	509	100	100
Vote 5 - Community Services (Continued)		235	235	-	-	-	-	1 227	1 227	1 462	1 968	580
Vote 6 - Human Settlements		409	272	-	-	-	-	272	-	-	759	615
Vote 7 - Civil Engineering Services		30 255	30 255	-	-	-	-	1 610	1 610	31 865	27 520	30 335
Vote 8 - Electro-Technical Services		25 553	25 473	-	-	-	-	720	720	26 193	24 961	33 585
Vote 9 - Financial Services		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Financial Services (Continued)		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Planning and Development		565	565	-	-	-	-	253	253	818	1 480	2 062
Vote 12 - Protection Services		17 961	17 911	-	-	-	-	(1 213)	(1 213)	16 697	20 835	1 500
Vote 13 - Protection Services (Continued)		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	75 099	74 832	-	-	-	-	2 985	2 985	77 816	77 622	68 777
Single-year expenditure to be adjusted	2											
Vote 1 - Office of the Municipal Manager		1 686	1 686	-	-	-	-	988	988	2 674	446	255
Vote 2 - Corporate Services		3 850	3 850	-	-	-	-	-	-	3 850	6 076	4 030
Vote 3 - Corporate Services (Continued)		892	892	-	-	-	-	132	132	1 024	720	295
Vote 4 - Community Services		6 338	6 338	-	-	-	-	439	439	6 776	3 031	6 046
Vote 5 - Community Services (Continued)		23 191	23 191	-	-	-	-	(2 169)	(2 169)	21 021	11 408	7 015
Vote 6 - Human Settlements		3 613	3 750	-	-	-	-	846	846	4 596	3 073	2 616
Vote 7 - Civil Engineering Services		204 425	216 425	-	-	-	-	39 209	39 209	255 634	173 185	207 373
Vote 8 - Electro-Technical Services		47 377	47 457	-	-	-	-	8 244	8 244	55 701	34 600	31 469
Vote 9 - Financial Services		1 214	1 214	-	-	-	-	-	-	1 214	-	200
Vote 10 - Financial Services (Continued)		2 222	2 222	-	-	-	-	750	750	2 972	2 350	750
Vote 11 - Planning and Development		2 427	2 427	-	-	-	-	-	-	2 427	1 028	520
Vote 12 - Protection Services		15 039	15 089	-	-	-	-	4 950	4 950	20 038	11 398	10 651
Vote 13 - Protection Services (Continued)		604	604	-	-	-	-	23	23	627	1 000	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		312 877	325 144	-	-	-	-	53 411	53 411	378 555	248 313	271 220
Total Capital Expenditure - Vote		387 975	399 975	-	-	-	-	56 396	56 396	456 372	325 936	339 997
Capital Expenditure - Functional												
Governance and administration		7 911	7 861	-	-	-	-	5 554	5 554	13 415	5 713	4 910
Executive and council		978	978	-	-	-	-	-	-	978	-	-
Finance and administration		6 812	6 762	-	-	-	-	5 554	5 554	12 316	5 598	4 785
Internal audit		122	122	-	-	-	-	-	-	122	115	125
Community and public safety		45 651	45 726	-	-	-	-	(711)	(711)	45 014	28 103	25 340
Community and social services		10 457	10 594	-	-	-	-	1 358	1 358	11 951	9 757	7 894
Sport and recreation		19 811	19 811	-	-	-	-	(5 496)	(5 496)	14 315	4 211	6 169
Public safety		13 132	13 207	-	-	-	-	3 202	3 202	16 409	11 620	8 110
Housing		2 106	1 969	-	-	-	-	225	225	2 194	2 155	2 807
Health		145	145	-	-	-	-	-	-	145	360	360
Economic and environmental services		48 858	48 833	-	-	-	-	8 784	8 784	57 617	49 638	21 375
Planning and development		1 484	1 484	-	-	-	-	-	-	1 484	1 448	1 990
Road transport		46 704	46 679	-	-	-	-	8 784	8 784	55 463	48 190	19 385
Environmental protection		670	670	-	-	-	-	-	-	670	-	-
Trading services		284 148	284 148	-	-	-	-	54 517	54 517	338 665	241 422	287 780
Energy sources		72 931	72 931	-	-	-	-	8 963	8 963	81 894	59 560	65 054
Water management		108 976	108 976	-	-	-	-	17 587	17 587	126 563	127 785	159 578
Waste water management		96 824	96 824	-	-	-	-	23 020	23 020	119 843	44 370	58 600
Waste management		5 418	5 418	-	-	-	-	4 947	4 947	10 364	9 708	4 548
Other		1 408	1 408	-	-	-	-	253	253	1 661	1 060	592
Total Capital Expenditure - Functional	3	387 975	387 975	-	-	-	-	68 396	68 396	456 372	325 936	339 997
Funded by:												
National Government		66 892	66 892	-	-	-	-	(2 366)	(2 366)	64 526	66 313	49 359
Provincial Government		732	732	-	-	-	-	-	-	732	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	67 624	67 624	-	-	-	-	(2 366)	(2 366)	65 258	66 313	49 359
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		244 441	244 441	-	-	-	-	18 135	18 135	262 576	198 589	218 522
Internally generated funds		75 910	75 910	-	-	-	-	52 627	52 627	128 537	61 034	72 116
Total Capital Funding		387 975	387 975	-	-	-	-	68 396	68 396	456 372	325 936	339 997

Table 6 – B6: Financial Position

WC044 George - Table B6 Adjustments Budget Financial Position - 25/08/2020

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	-	-	-	-	-	488 827	488 827	488 827	386 414	386 414
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	400 325	(1 023 979)	-	-	-	-	1 405 536	1 405 536	381 557	(698 607)	(775 526)
Other debtors		37 501	-	-	-	-	-	37 501	37 501	37 501	8 813	8 813
Current portion of long-term receivables		1 039	-	-	-	-	-	1 039	1 039	1 039	1 039	1 039
Inventory		118 614	126 000	-	-	-	-	(6 938)	(6 938)	119 062	135 517	135 517
Total current assets		1 049 426	(897 979)	-	-	-	-	1 925 964	1 925 964	1 027 985	(166 824)	(243 744)
Non current assets												
Long-term receivables		37 045	-	-	-	-	-	37 045	37 045	37 045	37 045	37 045
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		151 944	300	-	-	-	-	151 644	151 644	151 944	152 063	152 313
Investment in Associate		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	3 317 929	386 525	-	-	-	-	2 999 800	2 999 800	3 386 325	3 425 089	3 438 900
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		3 287	1 150	-	-	-	-	2 137	2 137	3 287	2 237	2 237
Other non-current assets		4 236	-	-	-	-	-	4 236	4 236	4 236	4 236	4 236
Total non current assets		3 514 441	387 975	-	-	-	-	3 194 862	3 194 862	3 582 837	3 620 670	3 634 731
TOTAL ASSETS		4 563 866	(510 004)	-	-	-	-	5 120 826	5 120 826	4 610 822	3 453 845	3 390 987
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		481 429	121 343	-	-	-	-	360 086	360 086	481 429	515 753	471 753
Consumer deposits		46 946	9 400	-	-	-	-	37 546	37 546	46 946	47 046	47 546
Trade and other payables		506 783	(2 245 184)	-	-	-	-	2 861 079	2 861 079	615 895	(2 195 278)	(2 281 579)
Provisions		176 080	(26 044)	-	-	-	-	202 124	202 124	176 080	124 634	122 962
Total current liabilities		1 211 238	(2 140 485)	-	-	-	-	3 460 834	3 460 834	1 320 349	(1 507 846)	(1 639 318)
Non current liabilities												
Borrowing	1	3 438	-	-	-	-	-	3 438	3 438	3 438	3 438	3 438
Provisions	1	142 677	-	-	-	-	-	142 677	142 677	142 677	142 677	142 677
Total non current liabilities		146 115	-	-	-	-	-	146 115	146 115	146 115	146 115	146 115
TOTAL LIABILITIES		1 357 353	(2 140 485)	-	-	-	-	3 606 950	3 606 950	1 466 465	(1 361 730)	(1 493 203)
NET ASSETS	2	3 206 513	1 630 482	-	-	-	-	1 513 876	1 513 876	3 144 357	4 815 576	4 884 190
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		3 017 928	(4 472)	-	-	-	-	3 019 891	3 019 891	3 015 418	2 974 591	2 979 395
Reserves		128 939	-	-	-	-	-	128 939	128 939	128 939	124 467	124 467
Minorities' interests		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		3 146 867	(4 472)	-	-	-	-	3 148 830	3 148 830	3 144 357	3 099 057	3 103 861

Table 7 – B7: Cash Flow

WC044 George - Table B7 Adjustments Budget Cash Flows - 25/08/2020

Budget Year 2020/21												Budget Year +1 2021/22	Budget Year +2 2022/23
Description	Ref	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	A1	B	C	D	E	F	G	H			
R thousands													
CASH FLOW FROM OPERATING ACTIVITIES													
Receipts													
Property rates		630 116	630 116	-	-	-	-	-	-	630 116	666 211	707 061	
Service charges		917 566	917 566	-	-	-	-	-	-	917 566	979 835	1 043 263	
Other revenue		81 291	81 291	-	-	-	-	-	-	81 291	143 696	155 747	
Government - operating	1	493 454	493 454	-	-	-	-	(19 379)	(19 379)	474 075	436 019	408 433	
Government - capital	1	-	-	-	-	-	-	-	-	-	-	-	
Interest		3 924	3 924	-	-	-	-	-	-	3 924	4 046	3 903	
Dividends		-	-	-	-	-	-	-	-	-	-	-	
Payments													
Suppliers and employees		-	(2 038 711)	-	-	-	-	9 750	9 750	(2 028 962)	(2 126 569)	(2 207 075)	
Finance charges		-	(36 179)	-	-	-	-	-	-	(36 179)	(45 406)	(51 280)	
Transfers and Grants	1	-	(60 860)	-	-	-	-	9 629	9 629	(51 231)	(67 333)	(70 053)	
NET CASH FROM/(USED) OPERATING ACTIVITIES		2 126 350	(9 400)	-	-	-	-	-	-	(9 400)	(9 500)	(10 000)	
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)	(387 975)	-	-	-	-	(68 396)	(68 396)	(456 372)	(325 936)	(339 997)	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(387 975)	(387 975)	-	-	-	-	(68 396)	(68 396)	(456 372)	(325 936)	(339 997)	
CASH FLOWS FROM FINANCING ACTIVITIES													
Receipts													
Short term loans		-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing		160 000	160 000	-	-	-	-	-	-	160 000	194 000	150 000	
Increase (decrease) in consumer deposits		-	9 400	-	-	-	-	-	-	9 400	9 500	10 000	
Payments													
Repayment of borrowing		360 086	520 086	-	-	-	-	360 086	360 086	880 173	1 035 515	1 147 182	
NET CASH FROM/(USED) FINANCING ACTIVITIES		520 086	689 486	-	-	-	-	360 086	360 086	1 049 573	1 239 015	1 307 182	
NET INCREASE/ (DECREASE) IN CASH HELD													
Cash/cash equivalents at the year begin:	2	386 414	386 414	-	-	-	-	386 414	386 414	772 827	710 672	755 072	
Cash/cash equivalents at the year end:	2	2 644 875	678 525	-	-	-	-	678 104	678 104	1 356 628	1 614 252	1 712 258	

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

WC044 George - Table B8 Cash backed reserves/accumulated surplus reconciliation - 25/08/2020

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
											+1 2021/22	+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	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Cash and investments available												
Cash/cash equivalents at the year end	1	2 644 875	678 525	-	-	-	-	678 104	678 104	1 356 628	1 614 252	1 712 258
Other current investments > 90 days		(2 152 928)	(678 525)	-	-	-	-	(189 277)	(189 277)	(867 802)	(1 227 838)	(1 325 844)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		491 947	-	-	-	-	-	488 827	488 827	488 827	386 414	386 414
<u>Applications of cash and investments</u>												
Unspent conditional transfers		88 750	-	-	-	-	-	88 750	88 750	88 750	88 850	88 850
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(42 052)	(1 241 026)					1 321 379	1 321 379	80 354	(1 641 052)	(1 656 802)
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-					-	-	-	-	-
Reserves to be backed by cash/investments		3 333 395	(4 472)					3 335 358	3 335 358	3 330 886	3 276 641	3 281 444
Total Application of cash and investments:		3 380 093	(1 245 498)	-	-	-	-	4 745 487	4 745 487	3 499 989	1 724 438	1 713 493
Surplus(shortfall)		(2 888 147)	1 245 498	-	-	-	-	(4 256 661)	(4 256 661)	(3 011 163)	(1 338 025)	(1 327 079)

Municipal Manager's Quality Certificate

I, **TREVOR BOTHA**, the 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 **TREVOR BOTHA**.....

Municipal Manager of **GEORGE WC044**.....

Signature .....

Date **25/08/2020**.....