



*“An improved quality of life for all residents”*

## **Adjustment Budget Report**

*Prepared in terms of the Local  
Government: Municipal Finance  
Management Act (56/2003):  
Municipal Budget and Reporting  
Regulations, Government Gazette  
32141, 17 April 2009.*

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**Adjustment Budget**

**dated**

**27 February 2020**

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**JOE GQABI**

**DISTRICT MUNICIPALITY**

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## **Glossary**

**Adjustments Budget** – Prescribed in section 28 of the MFMA. The formal means by which a District Municipality may revise its annual budget during the year.

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

**AFS** – Annual Financial Statements.

**Budget** – The financial plan of the Joe Gqabi District Municipality.

**Budget Related Policy** – Policy of a District 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 District Municipality's Statement of Financial Performance.

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

**CFO** – Chief Financial Officer of Joe Gqabi District Municipality

**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 and basis upon which AFS are prepared.

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

**KPI's** – Key Performance Indicators. Measures of service output and/or outcome.

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

**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 three years and current years' financial position.

**NT** – National Treasury

**Net Assets** – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the District Municipality equates to the "net wealth" of the District Municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

**Operating Expenditure** – Spending on the day to day expenses of the District 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.

**R&M** – Repairs and maintenance on property, plant and equipment.

**SCM** – Supply Chain Management.

**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 District Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

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

**Virement** – A transfer of budget.

**Virement Policy** – The policy that sets out the rules for budget transfers.

**Vote** – One of the main segments into which a budget. In Joe Gqabi District Municipality this means at directorate level. The votes for Joe Gqabi therefore are:

- Management Services;
- Financial Services;
- Corporate Services;
- Technical Services;
- Community Services; and
- Institutional Support and Advancement

## **PART 1 – ADJUSTMENTS BUDGET**

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### **Section 1 –Mayor’s Report**

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#### **Introduction**

The adjustment budget seeks to rectify issues identified in the budget verification and perfect alignment between the A1 Schedules and Data strings 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.

#### **1.1 Reasons for the adjustments budget**

The reason for the tabling of an adjustment budget is fully disclosed in the executive summary of this report. A brief summary of the reasons in terms of Sect 28 of the MFMA are discussed below:

##### ***1.1.1 New allocations of cash backed accumulated funds;***

No new allocations from cash backed accumulated funds was included.

##### ***1.1.2 Multi-year funds shifting in relation to the capital programme;***

Shifting of multi-year capital programs took place.

##### ***1.1.3 Unforeseen and unavoidable expenditure;***

No unforeseen and unavoidable expenditure as in terms of section 29 of the MFMA was included.

##### ***1.1.4 Allocations and grant adjustments; and***

This is a list of new allocations, reduced allocations since the submission of the Original Budget and approved roll overs:

- The Department of Cooperative Governance and Traditional Affairs allocated R5.7 million as Drought allocation;
- The Municipality received R5.1 million from Provincial Treasury in relation to the completion of the PT Drought projects;
- Department of Transport allocation reduced by R701,198 million;

**1.1.5 Correction of budget errors**

Noting of classification errors due to manual drafting of A1 Schedule

**1.2 Any other information considered relevant by the mayor**

None

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**Section 2 - Resolutions**

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**ADJUSTMENT BUDGET 2019/2020**

The resolution tabled at Council for consideration with approval of the adjustments budget is:

**RECOMMENDATION:**

- (a) That the Adjustments budget of Joe Gqabi District Municipality for the financial year 2019/2020 as set out in the schedules contained in section 4 be approved:
- (i) Table B2 Adjustments Budget Financial Performance (by standard classification);
  - (ii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
  - (iii) Table B4 Adjustments Budget Financial Performance (revenue by source); and
  - (iv) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)



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**Section 3 – Executive Summary**

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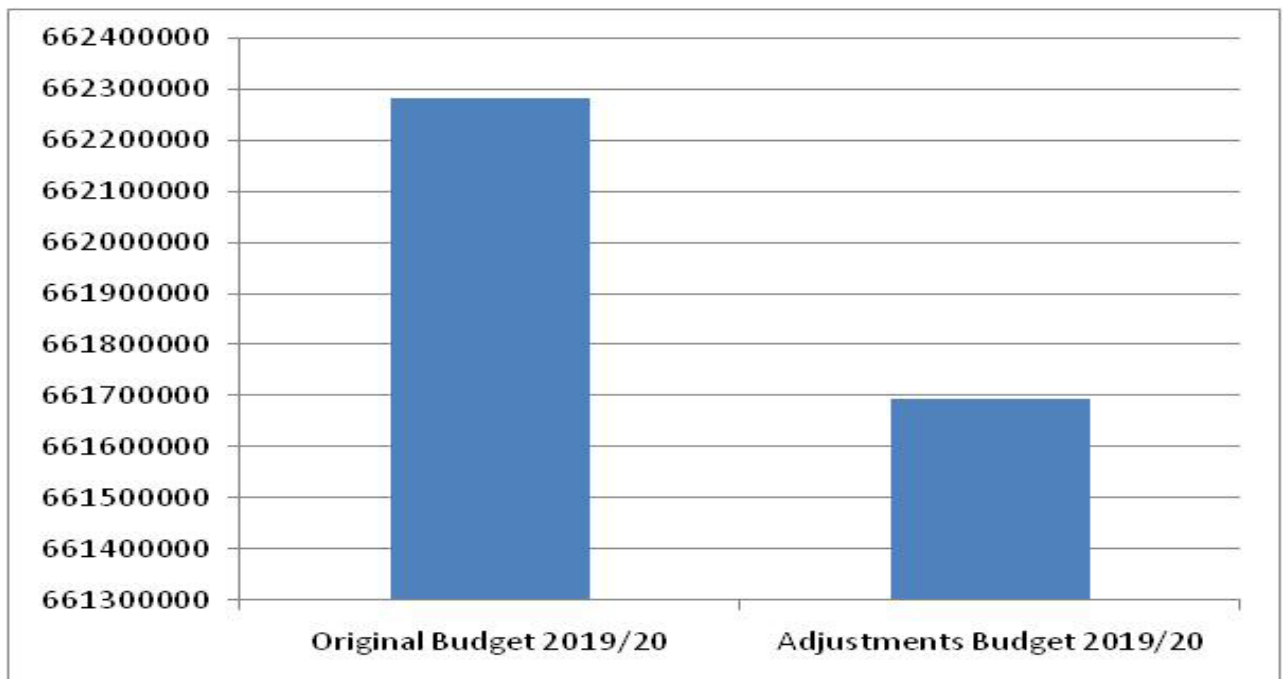
**3.1 INTRODUCTION**

The adjustments budget for 2019/20 is the first adjustment budget of Joe Gqabi District Municipality prepared via the Sebata enterprise management systems to comply with the Budget and Reporting Regulations and guidelines as issued by NT.

**3.2 OPERATIONAL BUDGET**

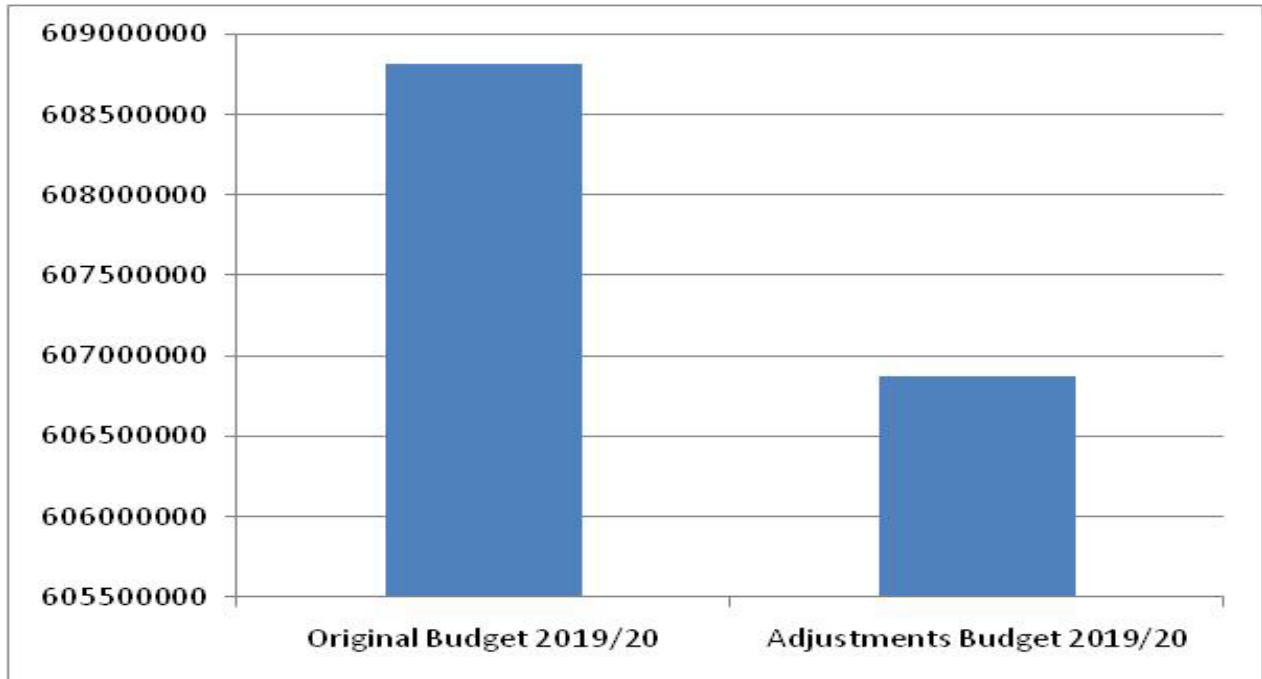
The overall changes made to the 2019/2020 budget can be best illustrated in Chart 1 and 2 below.

***Chart 1 – Operational Revenue Budget***



The operational revenue budget has been decrease by R589,750 or 0.09% from R662 million per the Original Budget to R661 million.

**Chart 2 – Operational Expenditure Budget**



The operational expenditure has been decreased by R1.9 million or 0.3% from R608.8 million per the Original Budget to R606.8 million.

A breakdown of the detailed adjustments relating to revenue and expenditure are included in Table B4 in Section 4 of this report.

### **Operating Revenue**

The decrease in operating revenue is largely due the removal of the Municipal Disaster Recovery Grant from the Budget, off-set by the reallocation of R16 million of WSIG and R20.9 million of MIG funding originally planned for Capital Projects reallocated to Operational Projects and decrease in funding from the Department of Roads and Transport.

## Operating Expenditure

The adjustments to the operating expenditure budget consists of the following adjustments:

- Contracted Services decreased by R7 million largely as result of the removal of the Municipal Disaster Recovery Grant from the Budget, off-set by the WSIG and MIG funding transferred from Capital projects to Operational projects;
- Employee Related Costs have been increased by R4.8 million.
- Finance Charges has been decreased by R1.6 million. This is as result of a reduction in front loading expenditure budgeted for the year.
- All other adjustments were as result of expenditure line item adjustments within the various divisions.

## Capital budget

- R5.7 million additional funding was allocated to the COGTA funded Drought Project.
- R5.1 million additional funding was included in the budget to complete the PT Drought Projects.
- MIG Funds amounting to R20.9 million have been reallocated from existing capital projects to operating projects as evident in the tables below.
- WSIG Funds amounting to R16 million have been reallocated from existing capital projects to operating projects as evident in the tables below.
- The Front-loading funded projects' budget for the current year have been decreased by R62.5 million.

	Original Budget - 2019/20	Adjustments Budget - 2019/20	Adjustments
<b>Drought Projects</b>			
Provincial Treasury Drought Project	-	5 105 221,00	5 105 221,00
COGTA Drought Project	-	5 700 000,00	5 700 000,00
<b>Total Capital Projects</b>	-	<b>10 805 221,00</b>	<b>10 805 221,00</b>

ADJUSTMENT BUDGET 2019/2020

	Original Budget - 2019/20	Adjustments Budget - 2019/20	Adjustments
<b>MIG funded Project</b>			
Ugie Bulk Water Infrastructure Phase 2	4 000 000,00	-	(4 000 000,00)
Sterkspruit: Upgrading of WTW and Bulk Lines	12 000 000,00	4 999 700,00	(7 000 300,00)
Senqu Rural Water Programme	25 000 000,00	25 000 000,00	-
Elundini Rural Water Programme (ORIO)	10 024 000,00	3 025 500,00	(6 998 500,00)
Jamestown sanitation Phase 2	10 000 000,00	3 000 000,00	(7 000 000,00)
Maclear Upgrading of Bulk Sanitation		7 000 000,00	7 000 000,00
Upscaling of Barkly East Bulk Water Infrastructure	20 000 000,00	17 000 000,00	(3 000 000,00)
<b>Total Capital Projects</b>	<b>81 024 000,00</b>	<b>60 025 200,00</b>	<b>(20 998 800,00)</b>

	Original Budget - 2019/20	Adjustments Budget - 2019/20	Adjustments
<b>WSIG funded Project</b>			
Pre-Paid Water Meters	1 000 000,00	1 000 000,00	-
District Wide Telemetry System	14 000 000,00	10 000 000,00	(4 000 000,00)
District Wide Refurbishment of WWTW	10 000 000,00	10 000 000,00	-
Rural Rudimentary Water Supply (Mt Fletcher, Maclear and Ugie)	5 000 000,00	5 000 000,00	-
Aliwal North Pipeline Replacement	5 000 000,00	5 000 000,00	-
District Wide Refurbishment of WWTW	30 000 000,00	18 000 000,00	(12 000 000,00)
Argumentation of Clear Water Storage	10 000 000,00	10 000 000,00	-
Electro-mechanical Asset Replacement	4 000 000,00	4 000 000,00	-
Bulk Meters	5 000 000,00	5 000 000,00	-
<b>Total Capital Projects</b>	<b>84 000 000,00</b>	<b>68 000 000,00</b>	<b>(16 000 000,00)</b>

	Original Budget - 2019/20	Adjustments Budget - 2019/20	Adjustments
<b>Front-loading funded Projects</b>			
Maclear Upgrading of Bulk Water Services	48 000 000,00	5 000 000,00	(43 000 000,00)
Maclear Upgrading of Bulk Sanitation	24 500 000,00	5 000 000,00	(19 500 000,00)
<b>Total Capital Projects</b>	<b>72 500 000,00</b>	<b>10 000 000,00</b>	<b>(62 500 000,00)</b>

- Own funded capital expenditure decreased by R2.6 million from R4.4 million per the Original Budget to R1.79 million, as evident in the tables below.

	Original Budget - 2019/20	Adjustments Budget - 2019/20	Adjustments
<b>Description of Project</b>			
Furniture and Office Equipment	30 000,00	30 000,00	-
Computer Equipment	1 100 000,00	1 100 000,00	-
Website	80 000,00	-	(80 000,00)
Vehicles	1 400 000,00	585 000,00	(815 000,00)
Machinery and Equipment	400 000,00	82 800,00	(317 200,00)
Mayoral and Speaker Vehicles	1 400 000,00	-	(1 400 000,00)
<b>Total Capital Assets</b>	<b>4 410 000,00</b>	<b>1 797 800,00</b>	<b>(2 612 200,00)</b>

## ADJUSTMENT BUDGET 2019/2020

The total capital projects, including the projects included in the tables above are listed below:

### CAPITAL BUDGET

Description of Project	Original Budget - 2019/20	Adjustments Budget - 2019/20	Adjustments	Funding Source
Furniture and Office Equipment	30 000,00	30 000,00	-	Own
Computer Equipment	1 100 000,00	1 100 000,00	-	Own
Website	80 000,00	-	(80 000,00)	Own
Vehicles	1 400 000,00	585 000,00	(815 000,00)	Own
Machinery and Equipment	400 000,00	82 800,00	(317 200,00)	Own
Mayoral and Speaker Vehicles	1 400 000,00	-	(1 400 000,00)	Own
<b>Total Capital Assets</b>	<b>4 410 000,00</b>	<b>1 797 800,00</b>	<b>(2 612 200,00)</b>	
Ugie Bulk Water Infrastructure Phase 2	4 000 000,00	-	(4 000 000,00)	MIG
Sterkspruit: Upgrading of WTW and Bulk Lines	12 000 000,00	4 999 700,00	(7 000 300,00)	MIG
Senqu Rural Water Programme	25 000 000,00	25 000 000,00	-	MIG
Elundini Rural Water Programme (ORIO)	10 024 000,00	3 025 500,00	(6 998 500,00)	MIG
Jamestown sanitation Phase 2	10 000 000,00	3 000 000,00	(7 000 000,00)	MIG
Maclear Upgrading of Bulk Sanitation		7 000 000,00	7 000 000,00	MIG
Upscaling of Barkly East Bulk Water Infrastructure	20 000 000,00	17 000 000,00	(3 000 000,00)	MIG
Maclear Upgrading of Bulk Water Services	48 000 000,00	5 000 000,00	(43 000 000,00)	Borrowing
Maclear Upgrading of Bulk Sanitation	24 500 000,00	5 000 000,00	(19 500 000,00)	Borrowing
Pre-Paid Water Meters	1 000 000,00	1 000 000,00	-	WSIG
District Wide Telemetry System	14 000 000,00	10 000 000,00	(4 000 000,00)	WSIG
District Wide Refurbishment of WWTW	10 000 000,00	10 000 000,00	-	WSIG
Rural Rudimentary Water Supply (Mt Fletcher, Maclear and Ugie)	5 000 000,00	5 000 000,00	-	WSIG
Aliwal North Pipeline Replacement	5 000 000,00	5 000 000,00	-	WSIG
District Wide Refurbishment of WWTW	30 000 000,00	18 000 000,00	(12 000 000,00)	WSIG
Argumentation of Clear Water Storage	10 000 000,00	10 000 000,00	-	WSIG
Electro-mechanical Asset Replacement	4 000 000,00	4 000 000,00	-	WSIG
Bulk Meters	5 000 000,00	5 000 000,00	-	WSIG
Provincial Treasury Drought Project	-	5 105 221,00	5 105 221,00	PT
COGTA Drought Project	-	5 700 000,00	5 700 000,00	COGTA
<b>Total Capital Projects</b>	<b>237 524 000,00</b>	<b>148 830 421,00</b>	<b>(88 693 579,00)</b>	
<b>Total</b>	<b>241 934 000,00</b>	<b>150 628 221,00</b>	<b>(91 305 779,00)</b>	

*\*Capital Adjustments is inclusive of VAT\**

### **3.2 Provision of basic services**

The provision of basic services will be effected positively by the approval of the adjustment budget.

### **3.3 Effect of the adjustments budget**

#### ***3.3.1 Service delivery and budget implementation plan***

Except for the adjustment of the monthly revenue and expenditure targets the effect to the SDBIP's are zero. None of non-financial performance targets have been adjusted.

#### ***3.3.2 Service delivery agreements***

No service delivery agreements will be influenced by the approval of the adjustments budget.

#### ***3.3.3 Medium term revenue and expenditure framework***

The effect to the outer years has been included and remains the same as the original budget.

#### ***3.3.4 Long term financial sustainability***

The deficit before capital transfers recognised has increased by R1.3 million.

The surplus earned amounts to R193 million per Schedule A2, A3 and A4, this is however taking into account total billing in the form of service charges. If the collection value was used the municipality would have had a deficit, which indicates that the operational and capital budget is under pressure. In order to mitigate this, the Municipality needs to:

- Take this into account this budget deficit in future budgets are compiled; and
- A revenue enhancement strategy needs to be developed which will enable us to fund this deficit over long-term period and turn it into a surplus.

Refer to Section 4 'Table B9 Cash backed reserves/accumulated surplus reconciliation' under section 4.

### **3.4 Adjustment highlights**

The adjustment budget seeks to comply with section 28 of the MFMA. The adjustments can best be discussed according to the sub-sections below:

- **Budget Reforms**

The budget regulations promulgated in terms of the MFMA prescribes the format of the budget. Even the layout of this report is prescribed in terms of the MBRR. All of these reforms will be adhered to with the acceptance of this budget. All line items were coded, both for cash flow, financial performance and financial position in order to be able to extract and complete the prescribed schedule B. The adjustment budget has been prepared on the latest B Schedule (version 2.8) that was issued by National Treasury.

- **Shifting of Projects**

At face value it creates the impression that no system exists to prioritise projects based on project plans that can be executed at short notice. Major movements did take place and it is best illustrated by the Supporting table that lists all the affected projects (Table SB 19).

### **3.5 Conclusion**

This Adjustment Budget provided an opportunity to correct the classification errors identified by comparing the A1 Schedule with the mSCOA data strings, due to the A1 Schedule not being extracted from the financial system, include the additional funding received as well as reduce revenue and expenditure as result of the removal of the Municipal Disaster Recovery Grant and the reduction in the Department of Roads and Transport funding.

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**Section 4 – Adjustments budget tables**

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Section 1 and 3 already dealt in detail with the accounting and budget changes made to the budget documents. The tables below set out the figures for firstly the original budget; then the next 7 columns provide detail of the adjustment budget; with the adjustment budget and the two outer years in the last two columns.

The tables that will follow in order listed below are:



**ADJUSTMENT BUDGET 2019/2020**

**4.1 Table B1 - Budget Summary**  
(Providing an executive summary of Tables B2 to B10)

**DC14 Joe Gqabi - Table B1 Adjustments Budget Summary - 28/02/2020**

Description	Budget Year 2019/20									Budget Year	Budget Year
	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		
<b>Financial Performance</b>											
Property rates	-	-	-	-	-	-	-	-	-	-	-
Service charges	167 059	-	-	-	-	-	-	-	167 059	157 259	164 361
Investment revenue	6 720	-	-	-	-	-	-	-	6 720	7 078	5 044
Transfers recognised - operational	450 219	-	-	-	-	-	(24 435)	(24 435)	425 784	356 173	353 993
Other own revenue	38 285	-	-	-	-	-	23 845	23 845	62 131	33 176	34 982
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>662 284</b>	-	-	-	-	-	<b>(590)</b>	<b>(590)</b>	<b>661 694</b>	<b>553 686</b>	<b>558 381</b>
Employee costs	226 046	-	-	-	-	-	4 868	4 868	230 914	218 706	230 533
Remuneration of councillors	6 062	-	-	-	-	-	0	0	6 062	6 252	6 590
Depreciation & asset impairment	49 957	-	-	-	-	-	23	23	49 980	50 457	50 957
Finance charges	7 561	-	-	-	-	-	(1 631)	(1 631)	5 930	7 913	5 867
Materials and bulk purchases	22 364	-	-	-	-	-	(5 018)	(5 018)	17 345	21 211	20 712
Transfers and grants	11 715	-	-	-	-	-	(3 098)	(3 098)	8 617	11 765	11 765
Other expenditure	285 119	-	-	-	-	-	2 909	2 909	288 028	189 987	162 702
<b>Total Expenditure</b>	<b>608 824</b>	-	-	-	-	-	<b>(1 948)</b>	<b>(1 948)</b>	<b>606 876</b>	<b>506 289</b>	<b>489 125</b>
<b>Surplus/(Deficit)</b>	<b>53 460</b>	-	-	-	-	-	<b>1 358</b>	<b>1 358</b>	<b>54 818</b>	<b>47 396</b>	<b>69 256</b>
Transfers recognised - capital	165 025	-	-	-	-	-	(26 194)	(26 194)	138 830	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>218 485</b>	-	-	-	-	-	<b>(24 836)</b>	<b>(24 836)</b>	<b>193 649</b>	<b>47 396</b>	<b>69 256</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>218 485</b>	-	-	-	-	-	<b>(24 836)</b>	<b>(24 836)</b>	<b>193 649</b>	<b>47 396</b>	<b>69 256</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>241 934</b>	-	-	-	-	-	<b>(75 226)</b>	<b>(75 226)</b>	<b>166 708</b>	<b>309 120</b>	<b>256 241</b>
Transfers recognised - capital	169 434	-	-	-	-	-	(12 726)	(12 726)	156 708	236 620	256 241
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	72 500	-	-	-	-	-	(62 500)	(62 500)	10 000	72 500	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>241 934</b>	-	-	-	-	-	<b>(75 226)</b>	<b>(75 226)</b>	<b>166 708</b>	<b>309 120</b>	<b>256 241</b>
<b>Financial position</b>											
Total current assets	246 604	-	-	-	-	-	11 506	11 506	258 109	269 730	292 034
Total non current assets	2 024 258	-	-	-	-	-	(141 594)	(141 594)	1 882 664	2 283 031	2 488 206
Total current liabilities	109 097	-	-	-	-	-	574	574	109 671	245 028	95 460
Total non current liabilities	127 846	-	-	-	-	-	(82 108)	(82 108)	45 737	62 528	67 678
<b>Community wealth/Equity</b>	<b>2 033 919</b>	-	-	-	-	-	<b>(48 554)</b>	<b>(48 554)</b>	<b>1 985 364</b>	<b>2 245 205</b>	<b>2 617 102</b>
<b>Cash flows</b>											
Net cash from (used) operating	205 042	-	-	-	-	-	(87 461)	(87 461)	117 582	244 890	402 266
Net cash from (used) investing	(241 934)	-	-	-	-	-	91 306	91 306	(150 628)	(309 120)	(256 241)
Net cash from (used) financing	69 630	-	-	-	-	-	(62 500)	(62 500)	7 130	69 630	(82 930)
<b>Cash/cash equivalents at the year end</b>	<b>60 441</b>	-	-	-	-	-	<b>(53 810)</b>	<b>(53 810)</b>	<b>6 631</b>	<b>12 031</b>	<b>75 126</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	76 012	-	-	-	-	-	(65 716)	(65 716)	10 297	83 022	91 507
Application of cash and investments	13 669	-	-	-	-	-	(35 064)	(35 064)	(21 394)	(349 210)	(364 119)
<b>Balance - surplus (shortfall)</b>	<b>62 343</b>	-	-	-	-	-	<b>(30 652)</b>	<b>(30 652)</b>	<b>31 691</b>	<b>432 232</b>	<b>455 626</b>
<b>Asset Management</b>											
Asset register summary (WDV)	2 020 686	-	-	-	-	-	(141 688)	(141 688)	1 878 998	2 408 927	2 481 000
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-	-	-
Renewal of Existing Assets	45 000	-	-	-	-	-	(9 895)	(9 895)	35 105	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-
<b>Free services</b>											
Cost of Free Basic Services provided	190 156	-	-	-	-	-	-	-	190 156	201 565	213 660
Revenue cost of free services provided	276	-	-	-	-	-	-	-	276	293	310
<b>Households below minimum service level</b>											
Water:	39	-	-	-	-	-	-	-	39	39	39
Sanitation/sewerage:	39	-	-	-	-	-	-	-	39	39	39
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

ADJUSTMENT BUDGET 2019/2020

**4.2 Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

(This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions. The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.)

DC14 Joe Gqabi - Table B2 Adjustments Budget Financial Performance (functional classification) - 28/02/2020

Standard Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		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	1,4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	+1 2020/21	+2 2021/22
<b>Revenue - Functional</b>												
<i>Governance and administration</i>		238 588	-	-	-	-	-	6 007	6 007	244 595	248 219	265 913
Executive and council		20 697	-	-	-	-	-	-	-	20 697	21 557	21 993
Finance and administration		214 590	-	-	-	-	-	6 007	6 007	220 597	223 184	240 288
Internal audit		3 301	-	-	-	-	-	-	-	3 301	3 478	3 632
<i>Community and public safety</i>		32 488	-	-	-	-	-	38	38	32 526	34 194	35 672
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		16 163	-	-	-	-	-	-	-	16 163	16 850	17 445
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		16 325	-	-	-	-	-	38	38	16 363	17 344	18 227
<i>Economic and environmental services</i>		281 155	-	-	-	-	-	(50 643)	(50 643)	230 512	237 044	363 715
Planning and development		238 954	-	-	-	-	-	(49 928)	(49 928)	189 026	227 046	353 279
Road transport		29 515	-	-	-	-	-	(715)	(715)	28 800	2 448	2 583
Environmental protection		12 686	-	-	-	-	-	-	-	12 686	7 551	7 853
<i>Trading services</i>		275 077	-	-	-	-	-	17 814	17 814	292 892	270 848	294 322
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		135 743	-	-	-	-	-	26 722	26 722	162 464	126 397	133 982
Waste water management		139 335	-	-	-	-	-	(8 907)	(8 907)	130 428	144 451	160 341
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>827 308</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26 784)</b>	<b>(26 784)</b>	<b>800 524</b>	<b>790 306</b>	<b>959 622</b>

**ADJUSTMENT BUDGET 2019/2020**

**DC14 Joe Gqabi - Table B2 Adjustments Budget Financial Performance (functional classification) - 28/02/2020**

Standard Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	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 2020/21	+2 2021/22
<b>Expenditure - Functional</b>												
<i>Governance and administration</i>		121 529	-	-	-	-	-	19 941	19 941	141 470	119 774	117 298
Executive and council		20 697	-	-	-	-	-	1 208	1 208	21 905	21 557	21 993
Finance and administration		97 531	-	-	-	-	-	18 752	18 752	116 283	94 740	91 674
Internal audit		3 301	-	-	-	-	-	(19)	(19)	3 282	3 478	3 632
<i>Community and public safety</i>		32 488	-	-	-	-	-	1 405	1 405	33 893	34 194	35 672
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		16 163	-	-	-	-	-	1 769	1 769	17 932	16 850	17 445
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		16 325	-	-	-	-	-	(364)	(364)	15 961	17 344	18 227
<i>Economic and environmental services</i>		198 534	-	-	-	-	-	(41 670)	(41 670)	156 864	87 949	64 932
Planning and development		157 929	-	-	-	-	-	(42 551)	(42 551)	115 378	79 046	55 532
Road transport		29 515	-	-	-	-	-	(715)	(715)	28 800	2 448	2 583
Environmental protection		11 090	-	-	-	-	-	1 596	1 596	12 686	6 456	6 817
<i>Trading services</i>		256 273	-	-	-	-	-	18 376	18 376	274 648	264 372	271 223
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		220 320	-	-	-	-	-	8 940	8 940	229 260	227 919	233 771
Waste water management		35 953	-	-	-	-	-	9 436	9 436	45 389	36 453	37 453
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	608 824	-	-	-	-	-	(1 948)	(1 948)	606 876	506 289	489 125
<b>Surplus/ (Deficit) for the year</b>		218 485	-	-	-	-	-	(24 836)	(24 836)	193 649	284 016	470 497

ADJUSTMENT BUDGET 2019/2020

**4.3 Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

(The operating expenditure budget is approved by Council on the municipal vote level. The Municipal votes reflect the organisational structure of the District Municipality which is made up of the following directorates: Management Services; Financial Services; Corporate Services; Technical Services and Community Services)

**DC14 Joe Gqabi - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28/02/2020**

Vote Description  <i>(Insert departmental structure etc)</i>	Ref	Budget Year 2019/20									Budget Year	Budget Year
		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	+1 2020/21	+2 2021/22	
R thousands	A	A1	B	C	D	E	F	G	H			
<b>Revenue by Vote</b>	1											
Vote 1 - Office of Municipal Manager		30 815	-	-	-	-	-	-	30 815	33 304	33 613	
Vote 2 - Financial Services		136 874	-	-	-	-	18 368	18 368	155 242	147 343	162 277	
Vote 3 - Corporate Services		45 244	-	-	-	-	5 942	5 942	51 186	42 156	43 447	
Vote 4 - Technical Services		252 010	-	-	-	-	(50 643)	(50 643)	201 367	211 230	337 436	
Vote 5 - Community Services		63 477	-	-	-	-	(2 265)	(2 265)	61 212	60 519	62 707	
Vote 6 - Institutional Support and Advancement		23 812	-	-	-	-	-	-	23 812	24 906	25 819	
Vote 7 - Water Service Provision		275 077	-	-	-	-	1 814	1 814	276 892	270 848	294 322	
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	
<b>Total Revenue by Vote</b>	2	827 308	-	-	-	-	(26 784)	(26 784)	800 524	790 306	959 622	

ADJUSTMENT BUDGET 2019/2020

DC14 Joe Gqabi - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28/02/2020

Vote Description  <i>[Insert departmental structure etc]</i>  R thousands	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Expenditure by Vote</b>	1											
Vote 1 - Office of Municipal Manager		30 815	-	-	-	-	-	(132)	(132)	30 683	33 304	33 613
Vote 2 - Financial Services		38 117	-	-	-	-	-	7 435	7 435	45 552	37 672	32 845
Vote 3 - Corporate Services		45 244	-	-	-	-	-	9 989	9 989	55 233	42 156	43 447
Vote 4 - Technical Services		170 985	-	-	-	-	-	(41 037)	(41 037)	129 948	63 230	39 689
Vote 5 - Community Services		61 178	-	-	-	-	-	18 983	18 983	80 161	59 036	61 259
Vote 6 - Institutional Support and Advancement		23 812	-	-	-	-	-	421	421	24 232	24 906	25 819
Vote 7 - Water Service Provision		238 673	-	-	-	-	-	2 393	2 393	241 066	245 986	252 453
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	608 824	-	-	-	-	-	(1 948)	(1 948)	606 876	506 289	489 125
<b>Surplus/ (Deficit) for the year</b>	2	218 485	-	-	-	-	-	(24 836)	(24 836)	193 649	284 016	470 497

ADJUSTMENT BUDGET 2019/2020

**4.4 Table B4 - Budgeted Financial Performance (revenue and expenditure)**

**DC14 Joe Gqabi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28/02/2020**

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		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	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Revenue By Source</b>												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	135 743	-	-	-	-	-	-	-	135 743	126 397	133 982
Service charges - sanitation revenue	2	31 317	-	-	-	-	-	-	-	31 317	30 862	30 380
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		9	-	-	-	-	-	-	-	9	9	9
Interest earned - external investments		6 720	-	-	-	-	-	-	-	6 720	7 078	5 044
Interest earned - outstanding debtors		24 018	-	-	-	-	-	17 814	17 814	41 832	24 969	26 467
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-
Agency services		533	-	-	-	-	-	(14)	(14)	519	-	-
Transfers and subsidies		450 219	-	-	-	-	-	(24 435)	(24 435)	425 784	356 173	353 993
Other revenue	2	13 725	-	-	-	-	-	6 045	6 045	19 770	8 198	8 506
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>662 284</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(590)</b>	<b>(590)</b>	<b>661 694</b>	<b>553 686</b>	<b>558 381</b>

ADJUSTMENT BUDGET 2019/2020

DC14 Joe Gqabi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28/02/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total Adjusts.	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.		Budget	Budget	Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2020/21	+2 2021/22
<b>Expenditure By Type</b>												
Employee related costs		226 046	-	-	-	-	-	4 868	4 868	230 914	218 706	230 533
Remuneration of councillors		6 062	-	-	-	-	-	0	0	6 062	6 252	6 590
Debt impairment		76 020	-	-	-	-	-	-	-	76 020	76 520	77 020
Depreciation & asset impairment		49 957	-	-	-	-	-	23	23	49 980	50 457	50 957
Finance charges		7 561	-	-	-	-	-	(1 631)	(1 631)	5 930	7 913	5 867
Bulk purchases		7 000	-	-	-	-	-	(1 250)	(1 250)	5 750	7 000	7 000
Other materials		15 364	-	-	-	-	-	(3 768)	(3 768)	11 595	14 211	13 712
Contracted services		155 740	-	-	-	-	-	(7 197)	(7 197)	148 544	70 171	44 741
Transfers and subsidies		11 715	-	-	-	-	-	(3 098)	(3 098)	8 617	11 765	11 765
Other expenditure		53 359	-	-	-	-	-	10 106	10 106	63 465	43 296	40 941
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>608 824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 948)</b>	<b>(1 948)</b>	<b>606 876</b>	<b>506 289</b>	<b>489 125</b>

ADJUSTMENT BUDGET 2019/2020

**4.5 Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding**

DC14 Joe Gqabi - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28/02/2020

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		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	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
<b>Capital expenditure - Vote</b>												
<b>Multi-year expenditure to be adjusted</b>	2											
Vote 1 - Office of Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		153 524	-	-	-	-	-	(72 694)	(72 694)	80 830	220 500	215 247
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Institutional Support and Advancement		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Water Service Provision		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	3	153 524	-	-	-	-	-	(72 694)	(72 694)	80 830	220 500	215 247
<b>Single-year expenditure to be adjusted</b>	2											
Vote 1 - Office of Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services		-	-	-	-	-	-	668	668	668	-	-
Vote 3 - Corporate Services		2 200	-	-	-	-	-	(2 200)	(2 200)	-	-	-
Vote 4 - Technical Services		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		1 000	-	-	-	-	-	(1 000)	(1 000)	-	-	-
Vote 6 - Institutional Support and Advancement		1 210	-	-	-	-	-	(80)	(80)	1 130	-	-
Vote 7 - Water Service Provision		84 000	-	-	-	-	-	(16 000)	(16 000)	68 000	88 620	103 494
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		88 410	-	-	-	-	-	(18 612)	(18 612)	69 798	88 620	103 494
<b>Total Capital Expenditure - Vote</b>		241 934	-	-	-	-	-	(91 306)	(91 306)	150 628	309 120	318 741



## ADJUSTMENT BUDGET 2019/2020

DC14 Joe Gqabi - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28/02/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		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	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	+1 2020/21	+2 2021/22
<b>Capital Expenditure - Functional</b>												
<i>Governance and administration</i>		3 410	-	-	-	-	-	(1 612)	(1 612)	1 798	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		3 410	-	-	-	-	-	(1 612)	(1 612)	1 798	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		154 524	-	-	-	-	-	(73 694)	(73 694)	80 830	220 500	215 247
Planning and development		153 524	-	-	-	-	-	(72 694)	(72 694)	80 830	220 500	215 247
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		1 000	-	-	-	-	-	(1 000)	(1 000)	-	-	-
<i>Trading services</i>		84 000	-	-	-	-	-	(16 000)	(16 000)	68 000	88 620	103 494
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		84 000	-	-	-	-	-	(16 000)	(16 000)	68 000	88 620	103 494
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	241 934	-	-	-	-	-	(91 306)	(91 306)	150 628	309 120	318 741
<b>Funded by:</b>												
National Government		169 434	-	-	-	-	-	(28 806)	(28 806)	140 628	236 620	256 241
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	169 434	-	-	-	-	-	(28 806)	(28 806)	140 628	236 620	256 241
<b>Public contributions &amp; donations</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>		72 500	-	-	-	-	-	(62 500)	(62 500)	10 000	72 500	62 500
<b>Internally generated funds</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>		241 934	-	-	-	-	-	(91 306)	(91 306)	150 628	309 120	318 741

**ADJUSTMENT BUDGET 2019/2020**

**4.6 Table B6 - Budgeted Financial Position**

DC14 Joe Gqabi - Table B6 Adjustments Budget Financial Position - 28/02/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		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	+1 2020/21	+2 2021/22
<b>ASSETS</b>												
<b>Current assets</b>												
Cash		60 441	-	-	-	-	-	(55 810)	(55 810)	4 631	65 841	66 436
Call investment deposits	1	12 000	-	-	-	-	-	(10 000)	(10 000)	2 000	13 500	21 500
Consumer debtors	1	145 510	-	-	-	-	-	93 984	93 984	239 494	163 346	184 942
Other debtors		26 275	-	-	-	-	-	(16 468)	(16 468)	9 807	25 665	17 275
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Inventory		2 378	-	-	-	-	-	(200)	(200)	2 178	1 379	1 881
<b>Total current assets</b>		<b>246 604</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 506</b>	<b>11 506</b>	<b>258 109</b>	<b>269 730</b>	<b>292 034</b>
<b>Non current assets</b>												
Long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Investments		3 572	-	-	-	-	-	94	94	3 666	3 682	3 572
Investment property		2 393	-	-	-	-	-	(45)	(45)	2 348	2 348	2 302
Investment in Associate		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	2 017 929	-	-	-	-	-	(157 643)	(157 643)	1 860 286	2 276 806	2 482 305
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		364	-	-	-	-	-	(80)	(80)	284	196	27
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>2 024 258</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(157 674)</b>	<b>(157 674)</b>	<b>1 866 584</b>	<b>2 283 031</b>	<b>2 488 206</b>
<b>TOTAL ASSETS</b>		<b>2 270 861</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(146 168)</b>	<b>(146 168)</b>	<b>2 124 693</b>	<b>2 552 761</b>	<b>2 780 240</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		2 870	-	-	-	-	-	-	-	2 870	145 430	430
Consumer deposits		900	-	-	-	-	-	76	76	976	901	903
Trade and other payables		82 405	-	-	-	-	-	(8 289)	(8 289)	74 116	75 775	71 205
Provisions		22 922	-	-	-	-	-	8 707	8 707	31 629	22 922	22 922
<b>Total current liabilities</b>		<b>109 097</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>494</b>	<b>494</b>	<b>109 591</b>	<b>245 028</b>	<b>95 460</b>
<b>Non current liabilities</b>												
Borrowing	1	76 568	-	-	-	-	-	(66 292)	(66 292)	10 276	6 718	7 335
Provisions	1	51 278	-	-	-	-	-	(15 816)	(15 816)	35 462	55 810	60 342
<b>Total non current liabilities</b>		<b>127 846</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(82 108)</b>	<b>(82 108)</b>	<b>45 737</b>	<b>62 528</b>	<b>67 678</b>
<b>TOTAL LIABILITIES</b>		<b>236 943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(81 614)</b>	<b>(81 614)</b>	<b>155 328</b>	<b>307 556</b>	<b>163 137</b>
<b>NET ASSETS</b>	2	<b>2 033 919</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(64 554)</b>	<b>(64 554)</b>	<b>1 969 364</b>	<b>2 245 205</b>	<b>2 617 102</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		2 033 919	-	-	-	-	-	(64 554)	(64 554)	1 969 364	2 245 205	2 617 102
Reserves		-	-	-	-	-	-	-	-	-	-	-
Minorities' interests		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>2 033 919</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(64 554)</b>	<b>(64 554)</b>	<b>1 969 364</b>	<b>2 245 205</b>	<b>2 617 102</b>

ADJUSTMENT BUDGET 2019/2020

**4.7 Table B7 - Budgeted Cash Flows**

DC14 Joe Gqabi - Table B7 Adjustments Budget Cash Flows - 28/02/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total Adjusts.	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.		Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates		-							-	-	62 904	65 745
Service charges		66 824							-	66 824	8 207	8 515
Other revenue		14 267						6 045	6 045	20 312	356 173	353 993
Government - operating	1	450 219						(24 435)	(24 435)	425 784	236 620	401 241
Government - capital	1	165 025						(26 194)	(26 194)	138 830	7 078	5 044
Interest		6 720						5 344	5 344	12 065	-	-
Dividends		-						-	-	-	-	-
<b>Payments</b>												
Suppliers and employees		(483 201)						(52 951)	(52 951)	(536 151)	(406 413)	(414 640)
Finance charges		(3 097)						1 631	1 631	(1 465)	(7 913)	(5 867)
Transfers and Grants	1	(11 715)						3 098	3 098	(8 617)	(11 765)	(11 765)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>205 042</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(87 461)</b>	<b>(87 461)</b>	<b>117 582</b>	<b>244 890</b>	<b>402 266</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE									-	-		
Decrease (Increase) in non-current debtors									-	-		
Decrease (increase) other non-current receivables									-	-		
Decrease (increase) in non-current investments									-	-		
<b>Payments</b>												
Capital assets		(241 934)						91 306	91 306	(150 628)	(309 120)	(256 241)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(241 934)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91 306</b>	<b>91 306</b>	<b>(150 628)</b>	<b>(309 120)</b>	<b>(256 241)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans									-	-		
Borrowing long term/refinancing		72 500						(62 500)	(62 500)	10 000	72 500	62 500
Increase (decrease) in consumer deposits									-	-		
<b>Payments</b>												
Repayment of borrowing		(2 870)						-	-	(2 870)	(2 870)	(145 430)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>69 630</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(62 500)</b>	<b>(62 500)</b>	<b>7 130</b>	<b>69 630</b>	<b>(82 930)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>												
		32 738	-	-	-	-	-	(58 655)	(58 655)	(25 917)	5 400	63 095
Cash/cash equivalents at the year begin:	2	27 702						4 845	4 845	32 548	6 631	12 031
Cash/cash equivalents at the year end:	2	60 441	-	-	-	-	-	(53 810)	(53 810)	6 631	12 031	75 126

ADJUSTMENT BUDGET 2019/2020

**4.8 Table B8 - Cash backed reserves/accumulated surplus reconciliation**

DC14 Joe Gqabi - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28/02/2020

Description	Ref	Budget Year 2019/20								Budget Year	Budget Year	
		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		
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	60 441	-	-	-	-	-	(53 810)	(53 810)	6 631	12 031	75 126
Other current investments > 90 days		12 000	-	-	-	-	-	(12 000)	(12 000)	0	67 310	12 810
Non current assets - Investments	1	3 572	-	-	-	-	-	94	94	3 666	3 682	3 572
<b>Cash and investments available:</b>		<b>76 012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(65 716)</b>	<b>(65 716)</b>	<b>10 297</b>	<b>83 022</b>	<b>91 507</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing												
Statutory requirements		-								-	-	-
Other working capital requirements	2	(1 603)	-					(54 693)	(54 693)	(56 296)	74 877	70 307
Other provisions		-								-	-	-
Long term investments committed		-	-					-	-	-	-	-
Reserves to be backed by cash/investments		-	-					-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>(1 603)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54 693)</b>	<b>(54 693)</b>	<b>(56 296)</b>	<b>74 877</b>	<b>70 307</b>
<b>Surplus(shortfall)</b>		<b>77 615</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11 022)</b>	<b>(11 022)</b>	<b>66 593</b>	<b>8 145</b>	<b>21 200</b>

ADJUSTMENT BUDGET 2019/2020

**4.9 Table B9 - Asset Management**

DC14 Joe Gqabi - Table B9 Asset Management - 28/02/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>CAPITAL EXPENDITURE</b>												
<u>Total New Assets to be adjusted</u>	1	43 410	-	-	-	-	-	49 088	49 088	92 498	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		25 000	-	-	-	-	-	65 700	65 700	90 700	-	-
Sanitation Infrastructure		14 000	-	-	-	-	-	(14 000)	(14 000)	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		39 000	-	-	-	-	-	51 700	51 700	90 700	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		80	-	-	-	-	-	(80)	(80)	-	-	-
Intangible Assets		80	-	-	-	-	-	(80)	(80)	-	-	-
Computer Equipment		1 100	-	-	-	-	-	-	-	1 100	-	-
Furniture and Office Equipment		30	-	-	-	-	-	-	-	30	-	-
Machinery and Equipment		1 000	-	-	-	-	-	(917)	(917)	83	-	-
Transport Assets		2 200	-	-	-	-	-	(1 615)	(1 615)	585	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-

ADJUSTMENT BUDGET 2019/2020

DC14 Joe Gqabi - Table B9 Asset Management - 28/02/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total Adjusts.	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.		Budget	Budget	Budget
R thousands		7	8	9	10	11	12	13	14			
		A	A1	B	C	D	E	F	G	H		
<b>Total Renewal of Existing Assets to be adjusted</b>	2	45 000	-	-	-	-	-	(9 895)	(9 895)	35 105	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		5 000	-	-	-	-	-	30 105	30 105	35 105	-	-
Sanitation Infrastructure		40 000	-	-	-	-	-	(40 000)	(40 000)	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		45 000	-	-	-	-	-	(9 895)	(9 895)	35 105	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-

**ADJUSTMENT BUDGET 2019/2020**

**DC14 Joe Gqabi - Table B9 Asset Management - 28/02/2020**

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		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	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>Total Capital Expenditure to be adjusted</b>	4											
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		149 024	-	-	-	-	-	(15 194)	(15 194)	133 830	151 000	76 374
Sanitation Infrastructure		88 500	-	-	-	-	-	(73 500)	(73 500)	15 000	69 500	76 374
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		237 524	-	-	-	-	-	(88 694)	(88 694)	148 830	220 500	152 747
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		80	-	-	-	-	-	(80)	(80)	-	-	-
Intangible Assets		80	-	-	-	-	-	(80)	(80)	-	-	-
Computer Equipment		1 100	-	-	-	-	-	-	-	1 100	-	-
Furniture and Office Equipment		30	-	-	-	-	-	-	-	30	-	-
Machinery and Equipment		1 000	-	-	-	-	-	(917)	(917)	83	-	-
Transport Assets		2 200	-	-	-	-	-	(1 615)	(1 615)	585	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	4	<b>241 934</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(91 306)</b>	<b>(91 306)</b>	<b>150 628</b>	<b>220 500</b>	<b>152 747</b>

**ADJUSTMENT BUDGET 2019/2020**

**DC14 Joe Gqabi - Table B9 Asset Management - 28/02/2020**

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total Adjusts.	Adjusted	Adjusted	Adjusted	
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	13	Budget	Budget	Budget	
R thousands		7	8	9	10	11	12	G	H				
		A	A1	B	C	D	E	F					
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	2 020 686	-	-	-	-	-	(157 768)				2 408 927	2 481 000
<i>Roads Infrastructure</i>									-	-		148 830	15 000
<i>Storm water Infrastructure</i>									-	-			
<i>Electrical Infrastructure</i>									-	-			
<i>Water Supply Infrastructure</i>		1 259 031						305 792	305 792	1 564 824	1 376 414	1 419 171	
<i>Sanitation Infrastructure</i>		725 820						(454 020)	(454 020)	271 800	872 334	1 040 095	
<i>Solid Waste Infrastructure</i>									-	-			
<i>Rail Infrastructure</i>									-	-			
<i>Coastal Infrastructure</i>									-	-			
<i>Information and Communication Infrastructure</i>									-	-			
<b>Infrastructure</b>		1 984 852	-	-	-	-	-	(148 228)	(148 228)	1 836 624	2 397 579	2 474 266	
<i>Community Facilities</i>									-	-			
<i>Sport and Recreation Facilities</i>									-	-			
<i>Community Assets</i>		-	-	-	-	-	-	-	-	-	-	-	
<i>Heritage Assets</i>									-	-			
<i>Revenue Generating</i>		-							-	-			
<i>Non-revenue Generating</i>		2 393						45	45	2 439			
<i>Investment properties</i>		2 393	-	-	-	-	-	45	45	2 439	-	-	
<i>Operational Buildings</i>		19 872						(11 863)	(11 863)	8 009	2 348	2 302	
<i>Housing</i>		-							-	-			
<i>Other Assets</i>		19 872	-	-	-	-	-	(11 863)	(11 863)	8 009	2 348	2 302	
<i>Biological or Cultivated Assets</i>									-	-			
<i>Servitudes</i>									-	-			
<i>Licences and Rights</i>		364						(80)	(80)	284	196	27	
<i>Intangible Assets</i>		364	-	-	-	-	-	(80)	(80)	284	196	27	
<i>Computer Equipment</i>		1 598						2 059	2 059	3 657	948	798	
<i>Furniture and Office Equipment</i>		1 165						137	137	1 303	793	421	
<i>Machinery and Equipment</i>		2 674						(1 298)	(1 298)	1 376	2 021	1 867	
<i>Transport Assets</i>		5 724						1 458	1 458	7 182	3 000	(725)	
<i>Land</i>		2 043						-	-	2 043	2 043	2 043	
<i>Zoo's, Marine and Non-biological Animals</i>									-	-			
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	2 020 686	-	-	-	-	-	(157 768)	(157 768)	1 862 918	2 408 927	2 481 000	



ADJUSTMENT BUDGET 2019/2020

**4.10 Table B10 - Basic service delivery measurement**

DC14 Joe Gqabi - Table B10 Basic service delivery measurement - 28/02/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2020/21	+2 2021/22
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>Household service targets</b>	1											
<b>Water:</b>												
Piped water inside dwelling		15							-	15	15	15
Piped water inside yard (but not in dwelling)		22							-	22	22	22
Using public tap (at least min.service level)	2	17							-	17	17	17
Other water supply (at least min.service level)		5							-	5	5	5
<i>Minimum Service Level and Above sub-total</i>		59							-	59	59	59
Using public tap (< min.service level)	3	7							-	7	7	7
Other water supply (< min.service level)	3,4	11							-	11	11	11
No water supply		20							-	20	20	20
<i>Below Minimum Service Level sub-total</i>		39							-	39	39	39
<b>Total number of households</b>	5	98							-	98	98	98
<b>Sanitation/sewerage:</b>												
Flush toilet (connected to sewerage)		23308							-	23 308	23308	23308
Flush toilet (with septic tank)		2879							-	2 879	2879	2879
Chemical toilet		3511							-	3 511	3511	3511
Pit toilet (ventilated)		20570							-	20 570	20570	20570
Other toilet provisions (> min.service level)		8304							-	8 304	8304	8304
<i>Minimum Service Level and Above sub-total</i>		58 572							-	58 572	58 572	58 572
Bucket toilet		1730							-	1 730	1730	1730
Other toilet provisions (< min.service level)		25725							-	25 725	25725	25725
No toilet provisions		11737							-	11 737	11737	11737
<i>Below Minimum Service Level sub-total</i>		39 192							-	39 192	39 192	39 192
<b>Total number of households</b>	5	97 764							-	97 764	97 764	97 764
<b>Energy:</b>												
Electricity (at least min. service level)									-			
Electricity - prepaid (> min.service level)									-			
<i>Minimum Service Level and Above sub-total</i>									-			
Electricity (< min.service level)									-			
Electricity - prepaid (< min. service level)									-			
Other energy sources									-			
<i>Below Minimum Service Level sub-total</i>									-			
<b>Total number of households</b>	5								-			
<b>Refuse:</b>												
Removed at least once a week (min.service)									-			
<i>Minimum Service Level and Above sub-total</i>									-			
Removed less frequently than once a week									-			
Using communal refuse dump									-			
Using own refuse dump									-			
Other rubbish disposal									-			
No rubbish disposal									-			
<i>Below Minimum Service Level sub-total</i>									-			
<b>Total number of households</b>	5								-			
<b>Households receiving Free Basic Service</b>	15											
Water (6 kilolitres per household per month)									-			
Sanitation (free minimum level service)									-			
Electricity/other energy (50kwh per household per month)									-			
Refuse (removed at least once a week)									-			
<b>Cost of Free Basic Services provided (R'000)</b>	16											
Water (6 kilolitres per indigent household per month)		108 033							-	108 033	114 515	121 386
Sanitation (free sanitation service to indigent households) month)		82 123							-	82 123	87 050	92 274
Refuse (removed once a week for indigent households)									-			
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>												
<b>Total cost of FBS provided</b>		190 156							-	190 156	201 565	213 660
<b>Highest level of free service provided</b>												
Property rates (R'000 value threshold)									-			
Water (kilolitres per household per month)									-			
Sanitation (kilolitres per household per month)									-			
Sanitation (Rand per household per month)									-			
Electricity (kw per household per month)									-			
Refuse (average litres per week)									-			
<b>Revenue cost of free services provided (R'000)</b>	17											
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)									-			
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)									-			
Water (in excess of 6 kilolitres per indigent household per month)		276							-	276	293	310
Sanitation (in excess of free sanitation service to indigent households)									-			
Electricity/other energy (in excess of 50 kwh per indigent household per month)									-			
Sanitation (in excess of free sanitation service to indigent households)									-			
Municipal Housing - rental rebates									-			
Housing - top structure subsidies	6								-			
Other									-			
<b>Total revenue cost of subsidised services provided</b>		276							-	276	293	310

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## **PART 2 – SUPPORTING DOCUMENTATION**

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### **Section 5–Adjustments to budget assumptions**

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No changes were made to the budget assumptions as included in the A Schedule for 2019/2020 financial year.

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### **Section 6–Adjustments to budget funding**

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#### **6.1 Summary of the impact of the adjustments budget**

##### ***6.1.1 Funding of operating and capital expenditure***

The cash and cash equivalent situation will not deteriorate to an overdraft by the end of June 2020. The cash flow on capital assets from own sources (Equitable share) place a burden on the cash and cash equivalents and has therefore been decreased from R4.4 million to R1.7 million.

##### ***6.1.2 Financial plans***

In order to ensure that the municipality is sustainable, it is important to ensure that the municipal budgets are funded. In order to ensure long-term financial health of the municipality, the municipality will have to cut municipal operational costs significantly in the short term.

##### ***6.1.3 Reserves & Provisions***

A minimal portion of the reserves and provisions will be cash backed at 30 June 2020, whilst no reserves exist currently. The provisions are mainly employee benefits.

##### ***6.1.4 Financial sustainability of the District Municipality***

The financial sustainability of the District Municipality is under pressure due to the unfunded employee benefit provisions, low collection rate and high value creditors at 30 June 2019. These provisions include the following:

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- Post-retirement health care benefits;
- Staff long service awards;
- Ex gratia Pension; and
- Staff leave

Refer to 'Supporting Table SB6 Adjustments Budget - funding measurement' for more detail.

**DC14 Joe Gqabi - Supporting Table SB6 Adjustments Budget - funding measurement - 28/02/2020**

Description	Ref	MFMA section	2016/17	2017/18	2018/19	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	1	18(1)b				60 441	-	6 631	12 031	75 126
Cash + investments at the yr end less applications - R'000	2	18(1)b				62 343	-	31 691	432 232	455 626
Cash year end/monthly employee/supplier payments	3	18(1)b				-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)				218 485	-	193 649	47 396	69 256
Service charge rev % change - macro CPIX target exclusive	5	18(1)a,(2)				0,0%	0,0%	0,0%	-11,9%	-1,5%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0,0%	0,0%	0,0%	39,5%	0,0%	38,0%	224,4%	214,8%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)				45,5%	0,0%	45,5%	48,7%	46,9%
Capital payments % of capital expenditure	8	18(1)c;19				100,0%	0,0%	0,0%	0,0%	0,0%
Borrowing receipts % of capital expenditure (excl. transfers)	9	18(1)c				100,0%	0,0%	-14,3%	137,1%	0,0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a				0,0%	0,0%	0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	11	18(1)a							-24,2%	7,0%
Long term receivables % change - incr(decr)	12	18(1)a							0,0%	0,0%
R&M % of Property Plant & Equipment	13	20(1)(vi)				0,0%	0,0%	0,0%	0,0%	0,0%
Asset renewal % of capital budget	14	20(1)(vi)				18,6%	0,0%	23,3%	0,0%	0,0%

### 6.2 Expenditure funded in accordance with MFMA section 18

All revenue streams have been adjusted to be realistic.

### 6.3 Adjustments to the monetary investments

No investment was adjusted.

### 6.4 Adjustments to contributions and donations in cash or in-kind

None

### 6.6 Adjustments related to proceeds from the sale of assets

None

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**6.7 Adjustments related to proceeds from the lease of assets, where the period of the lease is three years or more**

None

**6.8 Adjustments related to the planned use of previous years' cash backed accumulated surplus**

None

**6.9 Adjustments related to new proposed loans to be raised in the budget year**

The Front-loading advance for the 2019/20 financial year has been reduced by R62.5 million from R72.5 million to R10 million.

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**Section 7–Adjustments to expenditure on allocations and grant programmes**

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The changes to grants relates to the upward adjustment of:

- Provincial Treasury Grant by R 5.1 million; and
- The Department of Cooperative Governance and Traditional Affairs by R5.7 million

The changes to grants relates to the downward adjustment of:

- Department of Roads and Transport by R701,198; and
- Municipal Disaster Recovery Grant by R60.7 million

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**Section 8 – Adjustments to allocations or grants made by the District Municipality**

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None

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**Section 9 – Adjustments to councillors and board members allowances and employee benefits**

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Increase in Councillors Remuneration of R3.

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**Section 10 – Adjustments to service delivery and budget implementation plan**

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**10.1 Quarterly service delivery targets and performance indicators in the SDBIP**

None

**10.2 Key financial indicators**

The annual collection rate was set at 30% for the year in the adjustments budget.

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**Section 11 – Adjustments to capital expenditure**

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As already mentioned in the executive summary; the capital budget was decreased by R91.3 million, from R 241.9 million per the Original Budget to R 150.6 million.

The MIG, RBIG, WSIG and Provincial Treasury projects are indicated inclusive of VAT in order to align the expenditure to Funding allocated as per the DoRA and Table B5 of the B Schedule.

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**Section 12 – Municipal Manager’s quality certification**

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An adjustments budget and supporting documentation must be covered by a quality certificate in the format as per page 75 of the Government Gazette 32141 - 17 April 2009.

**QUALITY CERTIFICATE**

I, ZA Williams, Municipal Manager of Joe Gqabi 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 the Act, and that the adjustments budget and supporting documents are consistent with the Integrated Development Plan of the District Municipality.

Print Name \_\_\_\_\_

Municipal Manager of Joe Gqabi District Municipality (DC14)

Signature \_\_\_\_\_

Date \_\_\_\_\_