



202223  
SCHEDULE B

# 202223 BUDGET ADJUSTMENTS

Budget & Reporting  
Budget & Treasury Office  
202223 SCHEDULE B

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## Glossary

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

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

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

**Budget** – The financial plan of the Municipality.

**Budget related policy** – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Virement** – A transfer of budget.

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

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

## **PART 1 – ADJUSTMENTS BUDGET**

### **1. Mayor’s Report**

#### **INTRODUCTION**

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

The municipality has not received any additional revenues during 2022/23 financial year as stated above. Section 23(6) (b) of the Municipal Budget and Reporting Regulations states that a special adjustments budget must be table in the municipal council when the mayor tables the annual report in terms of section 127(2) of the Act, which may only deal with unauthorized expenditure from the previous financial year which the council is being requested to authorize in terms of section 32(2)(a)(i) of the Act.

The methodology Harry Gwala District Municipality applied during the preparation of this adjustment budget was to analyse the votes and identify virements, overspent votes, potential overspending on votes and projections for the rest of the year. Aligning operational activities or requirement to budget for the municipality to continue providing basic services to the people in a sustainable manner as required by the Constitution of the Republic of South Africa the municipality did not have any choice but to do adjustment budget to accommodate expenditure for repairs and maintenance that was

unforeseeable economic and financial events that affect the fiscal targets set by the budget, adjustments may need to be done.

The Adjusted budget must be tabled to Council for approval and submit to National and Provincial treasury for comments and it must be prepared on B schedule as per MBRR. SDBIP also need to be revised to align to adjusted figures.

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

## **BACKGROUND**

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

- i. To appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for.
- ii. To authorise the utilisation of projected savings in one vote towards spending under another vote.
- iii. To authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected rollovers when the annual budget for the current year was approved by the Council.
- iv. To correct any errors in the annual budget.

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

1. Adjustments of revenue items such as interest earned on investments and services charges
2. Aging and poorly maintained infrastructure.
3. The need to reprioritise projects and expenditure within the existing resource envelope
4. The municipality should also ensure that the Adjustments Budget is funded

## **2. Resolutions**

It is recommended that the Harry Gwala District Municipal Council;

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

### 3. Executive Summary

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

This adjustments budget is therefore prepared in terms of section 28 (2) (b) of the MFMA since the municipality has overspent votes, potential overspending on votes and projections for the rest of the year and to accommodate expenditure for repairs and maintenance that was unforeseeable economic and financial events that affect the fiscal targets set by the budget.

#### **REVENUE**

The consolidated Adjusted revenue has increased by R8m from R865, 2m to R873m. The parent adjusted revenue is R856million from the original budget of R848million.

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

- Interest earned on Investment - R 3m.
- Service charges -Water &Sanitation- R 5m

## **OPERATIONS BUDGET**

The operational budget increased by R14, 1million from the original budget of R645, 6million. This resulted in an adjustments budget of R659, 7million.

The item below had the major movements.

- Repairs & Maintenance- R 8, 2million
- Bulk Water Purchase – R 2million
- Telephones- R 400 000
- Security - R 3, 5million

## **CAPITAL BUDGET**

There is no adjustment made for Capital projects.

## **TABLE B 1 ADJUSTMENT BUDGET SUMMARY**

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

**DC43 Harry Gwala - Table B1 Consolidated Adjustments Budget Summary - 45113**

Description	Budget Year 2022/23					Budget Year	Budget Year
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2023/24	+2 2024/25
	A	1	6	7	8	Adjusted Budget	Adjusted Budget
<b>R thousands</b>		A1	F	G	H		
<b>Financial Performance</b>							
Property rates	–	–	–	–	–	–	–
Service charges	71 586	71 586	5 000	5 000	76 586	76 192	79 926
Investment revenue	7 320	7 320	3 000	3 000	10 320	5 713	5 948
Transfers recognised - operational	465 350	465 350	–	–	465 350	493 840	519 283
Other own revenue	12 537	12 537	–	–	12 537	30 224	31 501
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>556 794</b>	<b>556 794</b>	<b>8 000</b>	<b>8 000</b>	<b>564 794</b>	<b>605 970</b>	<b>636 657</b>
Employee costs	244 803	244 803	–	–	244 803	256 783	261 726
Remuneration of councillors	7 710	7 710	–	–	7 710	8 119	8 517
Depreciation & asset impairment	92 120	92 120	–	–	92 120	97 007	101 760
Finance charges	500	475	–	–	475	100	105
Inventory consumed and bulk purchases	26 897	26 897	2 000	2 000	28 897	28 432	29 798
Transfers and grants	21 594	21 594	–	–	21 594	2 500	2 623
Other expenditure	242 962	249 017	12 100	12 100	261 117	291 214	304 716
<b>Total Expenditure</b>	<b>636 587</b>	<b>642 617</b>	<b>14 100</b>	<b>14 100</b>	<b>656 717</b>	<b>684 155</b>	<b>709 244</b>
<b>Surplus/(Deficit)</b>	165 010	(85 823)	–	–	(85 823)	(78 186)	(72 587)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	320 236	318 218	–	–	318 218	321 352	357 813
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)	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>485 246</b>	<b>232 395</b>	<b>–</b>	<b>–</b>	<b>232 395</b>	<b>243 166</b>	<b>285 226</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>485 246</b>	<b>232 395</b>	<b>–</b>	<b>–</b>	<b>232 395</b>	<b>243 166</b>	<b>285 226</b>
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>	295 354	279 229	–	–	279 229	306 141	314 554
Transfers recognised - capital	279 176	263 051	–	–	263 051	277 584	300 473
Borrowing	–	–	–	–	–	–	–
Internally generated funds	19 754	16 178	–	–	16 178	28 557	14 081
<b>Total sources of capital funds</b>	<b>298 930</b>	<b>279 229</b>	<b>–</b>	<b>–</b>	<b>279 229</b>	<b>306 141</b>	<b>314 554</b>
<b>Financial position</b>							
Total current assets	131 223	129 918	–	–	129 918	147 860	170 655
Total non current assets	2 963 657	2 947 533	–	–	2 947 533	2 955 803	3 264 657
Total current liabilities	108 569	108 569	–	–	108 569	111 522	109 271
Total non current liabilities	28 869	28 869	–	–	28 869	28 869	30 601
Community wealth/Equity	<b>3 203 844</b>	<b>3 193 023</b>	<b>–</b>	<b>–</b>	<b>3 193 023</b>	<b>2 963 271</b>	<b>3 295 381</b>

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

**DC43 Harry Gwala - Table B1 Consolidated Adjustments Budget Summary - 45113**

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted 1	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
<b>Cash flows</b>							
Net cash from (used) operating	321 758	281 365	(11 100)	(11 100)	270 265	1 552 469	1 656 856
Net cash from (used) investing	(298 180)	(279 229)	-	-	(279 229)	(306 141)	(314 554)
Net cash from (used) financing	(2 400)	(2 400)	-	-	(2 400)	(2 251)	(2 251)
<b>Cash/cash equivalents at the year end</b>	<b>48 747</b>	<b>64 328</b>	<b>(11 100)</b>	<b>(11 100)</b>	<b>53 228</b>	<b>1 311 983</b>	<b>1 412 790</b>
<b>Cash backing/surplus reconciliation</b>							
Cash and investments available	67 003	67 003	-	-	67 003	84 290	107 773
Application of cash and investments	(14 076)	(16 159)	-	-	(16 159)	8 816	13 901
<b>Balance - surplus (shortfall)</b>	<b>81 079</b>	<b>83 162</b>	<b>-</b>	<b>-</b>	<b>83 162</b>	<b>75 475</b>	<b>93 872</b>
<b>Asset Management</b>							
Asset register summary (WDV)	2 153 726	2 137 602	-	-	2 137 602	2 145 873	2 454 726
Depreciation	92 120	92 120	-	-	92 120	97 007	101 760
Renewal and Upgrading of Existing Assets	15 763	11 909	-	-	11 909	29 538	30 330
Repairs and Maintenance	56 142	57 711	-	-	57 711	51 991	54 394
<b>Free services</b>							
Cost of Free Basic Services provided	(649)	(642)	-	-	(642)	(676)	(717)
Revenue cost of free services provided	-	-	-	-	-	-	-
<b>Households below minimum service level</b>							
Water:	33	-	-	-	33	35	37
Sanitation/sewerage:	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-

**TABLE B2 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE**

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

DC43 Harry Gwala - Table B2 Consolidated Adjustments Budget Financial Performance (functional classification) - 45113

Standard Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
<b>Revenue - Functional</b>							
<b>Governance and administration</b>	441 566	441 566	3 000	3 000	444 566	488 282	519 709
Executive and council	-	-	-	-	-	-	-
Finance and administration	441 566	441 566	3 000	3 000	444 566	488 282	519 709
Internal audit	-	-	-	-	-	-	-
<b>Community and public safety</b>	15	15	-	-	15	16	17
Community and social services	15	15	-	-	15	16	17
Sport and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	16 994	16 994	-	-	16 994	638	638
Planning and development	16 994	16 994	-	-	16 994	638	638
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
<b>Trading services</b>	416 437	406 437	5 000	5 000	411 437	438 386	474 107
Energy sources	-	-	-	-	-	-	-
Water management	402 523	392 523	3 500	3 500	396 023	423 735	458 737
Waste water management	13 914	13 914	1 500	1 500	15 414	14 651	15 369
Waste management	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>875 012</b>	<b>865 012</b>	<b>8 000</b>	<b>8 000</b>	<b>873 012</b>	<b>927 322</b>	<b>994 470</b>
<b>Expenditure - Functional</b>							
<b>Governance and administration</b>	281 683	283 144	3 900	3 900	287 044	294 557	308 185
Executive and council	31 303	31 323	-	-	31 323	39 878	41 802
Finance and administration	238 942	240 403	3 900	3 900	244 303	244 785	256 006
Internal audit	11 437	11 417	-	-	11 417	9 894	10 377
<b>Community and public safety</b>	19 193	19 237	-	-	19 237	20 592	21 594
Community and social services	19 193	19 237	-	-	19 237	20 592	21 594
Sport and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	160 667	166 616	-	-	166 616	167 382	168 111
Planning and development	160 667	166 616	-	-	166 616	167 382	168 111
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
<b>Trading services</b>	176 644	176 619	10 200	10 200	186 819	201 412	211 073
Energy sources	-	-	-	-	-	-	-
Water management	175 796	174 016	10 200	10 200	184 216	200 518	210 136
Waste water management	849	2 603	-	-	2 603	893	937
Waste management	-	-	-	-	-	-	-
Other	-	-	-	-	-	212	222
<b>Total Expenditure - Functional</b>	<b>638 187</b>	<b>645 616</b>	<b>14 100</b>	<b>14 100</b>	<b>659 716</b>	<b>684 154</b>	<b>709 185</b>
<b>Surplus/ (Deficit) for the year</b>	<b>236 825</b>	<b>219 396</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>213 296</b>	<b>243 167</b>	<b>285 285</b>

The revenue of the municipality has increased from R865million originally approved budget to R873million.

The operational expenditure increased by R7, 4million an increase on contracted services mainly due to the reclassification R7, 4m from capital grants to the contracted services budget.

### TABLE B3 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

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

DC43 Harry Gwala - Table B3 Consolidated Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 45113

Vote Description <i>[Insert departmental structure etc]</i>	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
<b>Revenue by Vote</b>							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	441 238	441 238	3 000	3 000	444 238	470 822	501 597
Vote 04 - Summary Corporate Services	245	245	-	-	245	372	-
Vote 05 - Summary Social Services & Development Planning	17 009	17 009	-	-	17 009	17 654	18 675
Vote 06 - Summary Infrastructure Services	335 869	325 869	-	-	325 869	354 861	386 489
Vote 07 - Summary Water Services	80 651	80 651	5 000	5 000	85 651	83 613	87 710
Vote 15 - Other	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>875 012</b>	<b>865 012</b>	<b>8 000</b>	<b>8 000</b>	<b>873 012</b>	<b>927 322</b>	<b>994 470</b>
<b>Expenditure by Vote</b>							
Vote 01 - Summary Council	19 787	19 787	-	-	19 787	19 937	20 902
Vote 02 - Summary Municipal Manager	22 953	22 953	-	-	22 953	22 917	24 020
Vote 03 - Summary Budget And Treasury Office	86 578	86 303	-	-	86 303	90 559	94 872
Vote 04 - Summary Corporate Services	89 852	91 588	3 900	3 900	95 488	86 586	90 296
Vote 05 - Summary Social Services & Development Planning	69 988	70 032	-	-	70 032	75 394	79 255
Vote 06 - Summary Infrastructure Services	111 077	117 026	-	-	117 026	128 353	126 996
Vote 07 - Summary Water Services	237 951	237 925	10 200	10 200	248 125	260 408	272 845
Vote 15 - Other	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>638 187</b>	<b>645 616</b>	<b>14 100</b>	<b>14 100</b>	<b>659 716</b>	<b>684 154</b>	<b>709 185</b>
<b>Surplus/ (Deficit) for the year</b>	<b>236 825</b>	<b>219 396</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>213 296</b>	<b>243 167</b>	<b>285 285</b>

Table B2 and Table B3 presents a comparison of original budget and adjusted budget for both revenue and operating expenditure. Both tables shows that the adjustment is on interest earned on investment and service charges that has increased on revenue and expenditure the adjustment is on contracted services then overall surplus from R219, 3million to R213, 2million.

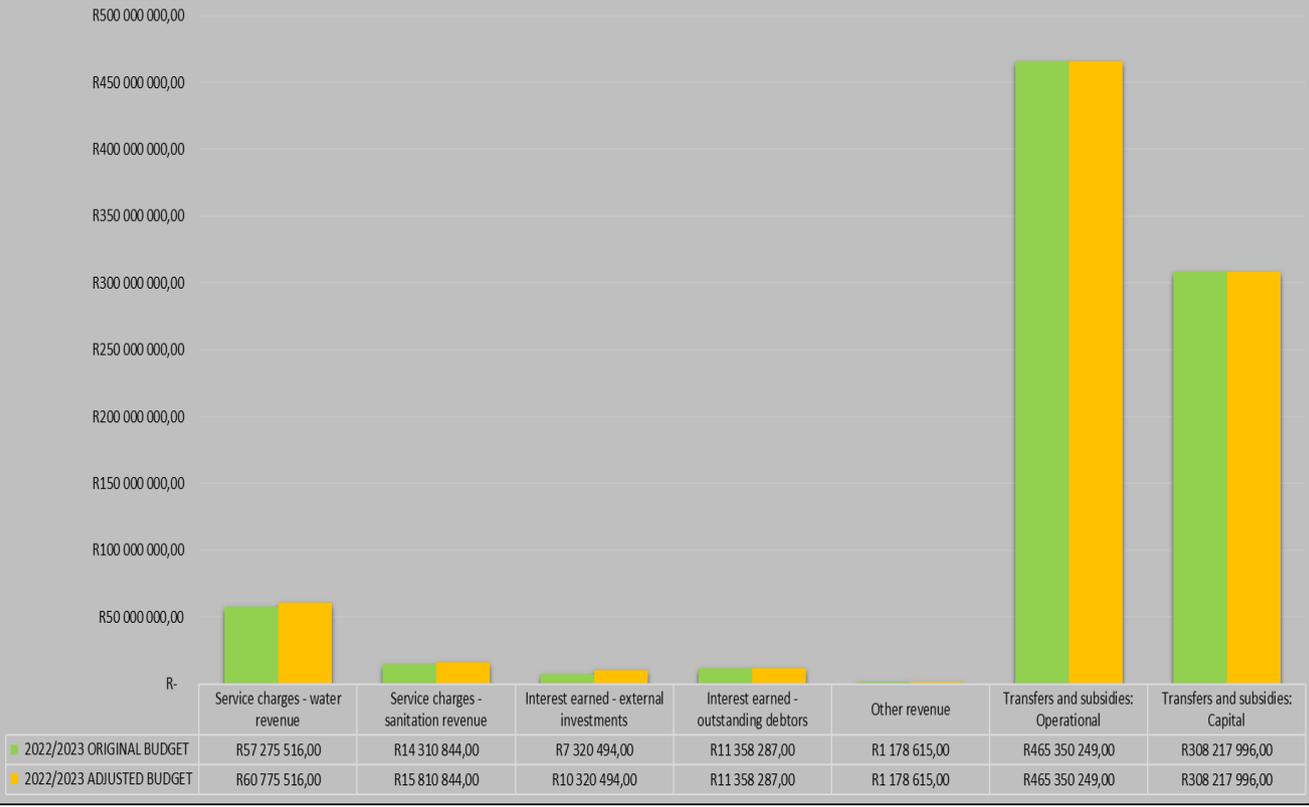
**TABLE B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE**

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

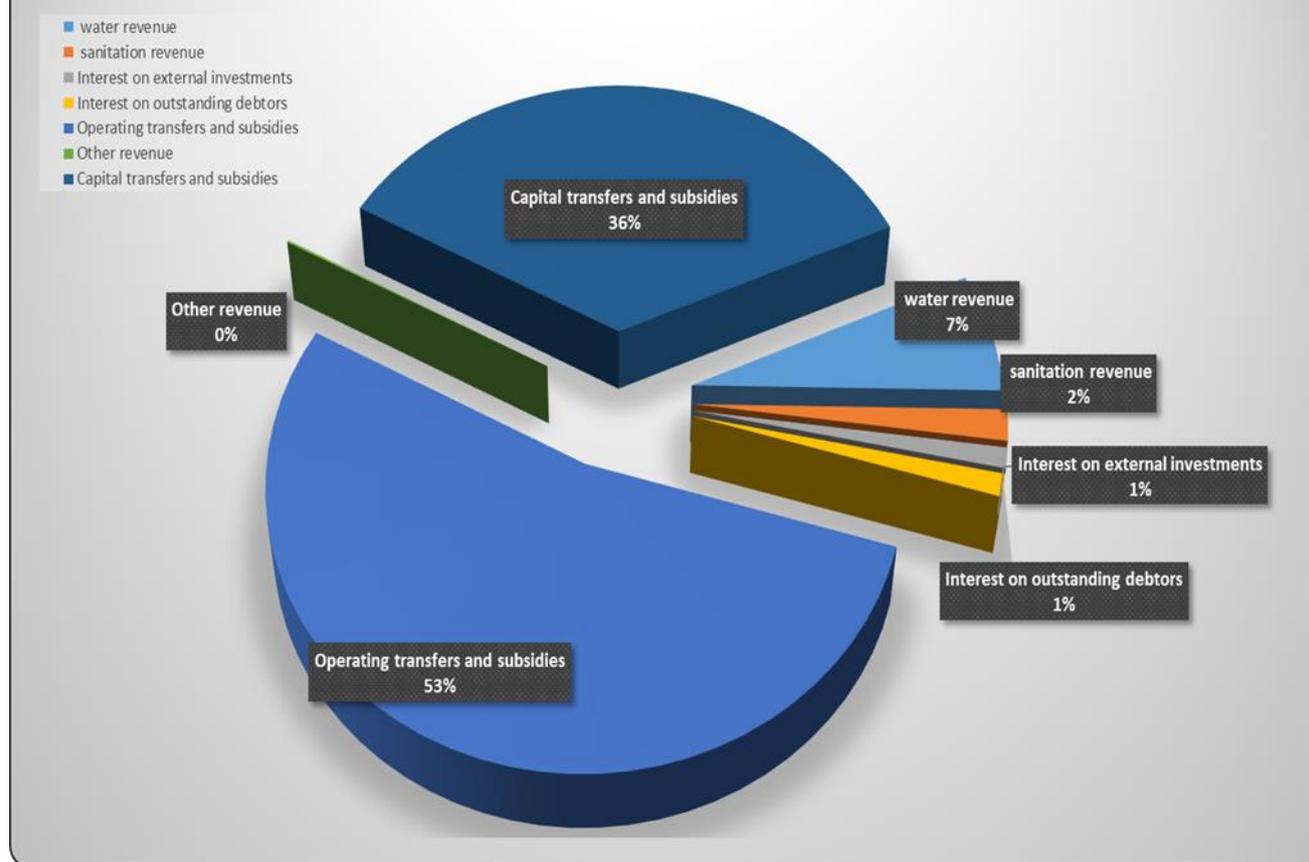
DC43 Harry Gwala - Table B4 Consolidated Adjustments Budget Financial Performance (revenue and expenditure) - 45113

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
<b>Revenue By Source</b>							
Property rates	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-
Service charges - water revenue	57 276	57 276	3 500	3 500	60 776	61 123	64 118
Service charges - sanitation revenue	14 311	14 311	1 500	1 500	15 811	15 069	15 808
Service charges - refuse revenue	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-
Interest earned - external investments	7 320	7 320	3 000	3 000	10 320	5 713	5 948
Interest earned - outstanding debtors	11 358	11 358	-	-	11 358	11 960	12 546
Agency services	-	-	-	-	-	-	-
Transfers and subsidies	465 350	465 350	-	-	465 350	493 840	519 283
Other revenue	1 179	1 179	-	-	1 179	18 264	18 955
Gains	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>556 794</b>	<b>556 794</b>	<b>8 000</b>	<b>8 000</b>	<b>564 794</b>	<b>605 970</b>	<b>636 657</b>
<b>Expenditure By Type</b>							
Employee related costs	244 803	244 803	-	-	244 803	256 783	261 726
Remuneration of councillors	7 710	7 710	-	-	7 710	8 119	8 517
Debt impairment	28 750	28 750	-	-	28 750	58 718	61 593
Depreciation & asset impairment	92 120	92 120	-	-	92 120	97 007	101 760
Finance charges	500	500	-	-	500	100	105
Bulk purchases - electricity	-	-	-	-	-	-	-
Inventory consumed	29 207	29 207	2 000	2 000	31 207	28 432	29 798
Contracted services	139 994	139 994	11 700	11 700	151 694	140 220	146 396
Transfers and subsidies	21 594	21 594	-	-	21 594	2 500	2 623
Other expenditure	74 218	74 218	400	400	74 618	92 277	96 726
Losses	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>638 896</b>	<b>638 896</b>	<b>14 100</b>	<b>14 100</b>	<b>652 996</b>	<b>684 155</b>	<b>709 244</b>
<b>Surplus/(Deficit)</b>	<b>(82 102)</b>	<b>(82 102)</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>(88 202)</b>	<b>(78 186)</b>	<b>(72 587)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	318 218	308 218	-	-	308 218	321 352	357 813
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>	<b>236 116</b>	<b>226 116</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>220 016</b>	<b>243 166</b>	<b>285 226</b>
Taxation	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>236 116</b>	<b>226 116</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>220 016</b>	<b>243 166</b>	<b>285 226</b>
Attributable to minorities	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>236 116</b>	<b>226 116</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>220 016</b>	<b>243 166</b>	<b>285 226</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>236 116</b>	<b>226 116</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>220 016</b>	<b>243 166</b>	<b>285 226</b>

### REVENUE SOURCES BY CATEGORY



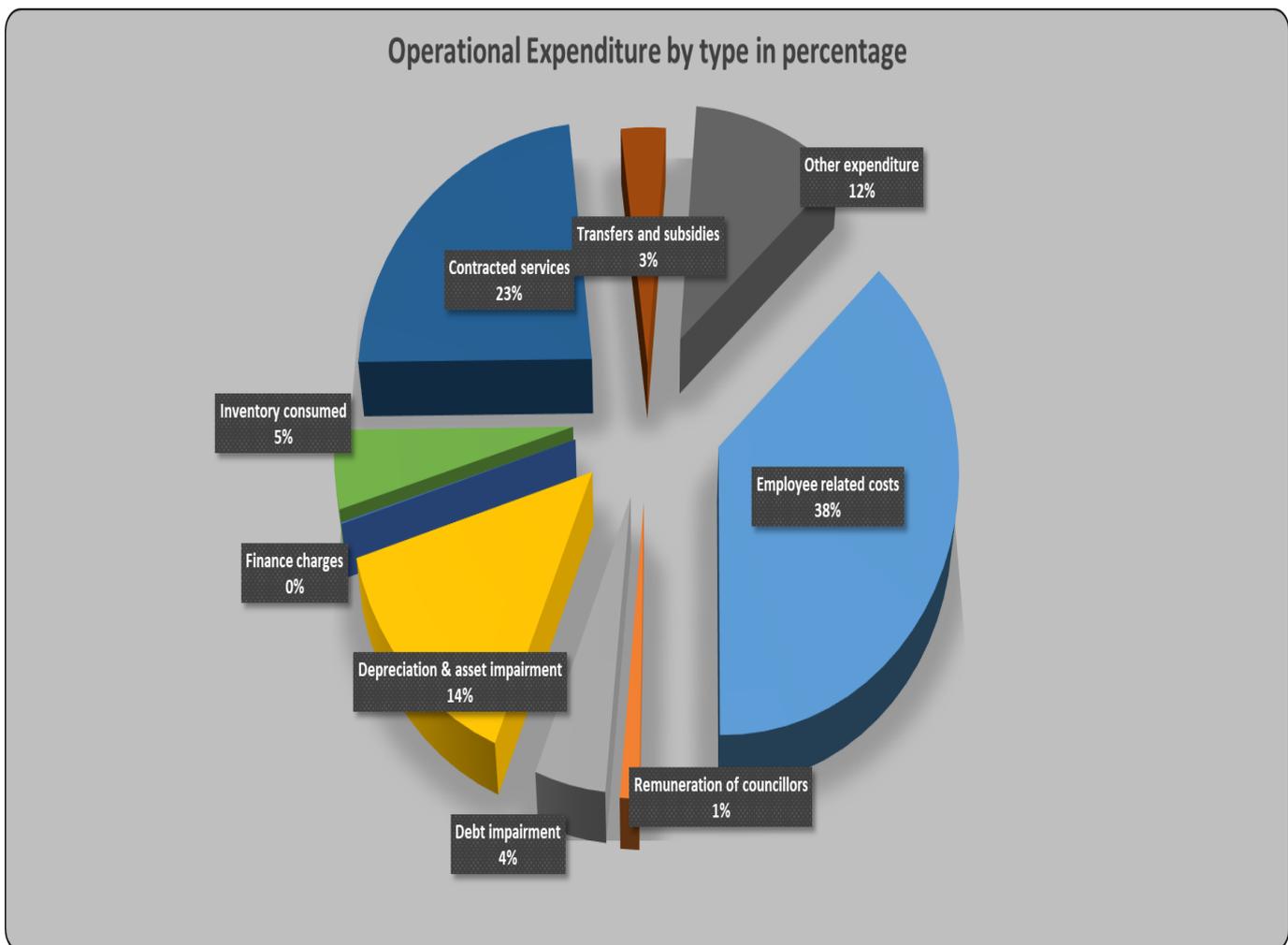
### CASH RECEIPTS DISTRIBUTION



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

The revenue of the municipality has increased from R865million originally approved budget to R873million. The increase is triggered by the collection of service charges water and sanitation, the municipality collected more than what was projected. Interest received on investments was understated and has to be adjusted upward.

The below graph shows an operational expenditure (by type)



The operational budget increased by R14, 1million from the original budget of R645, 6million. This resulted in an adjustments budget of R659, 7million. The operational expenditure is not affected by additional allocations. The increase in operating expenditure was due to the reprioritisation of the municipal programmes from identified savings, recognition of anticipated expenditure, mainly on bulk purchases, unforeseen and unavoidable expenditure on repairs and maintenance and security.

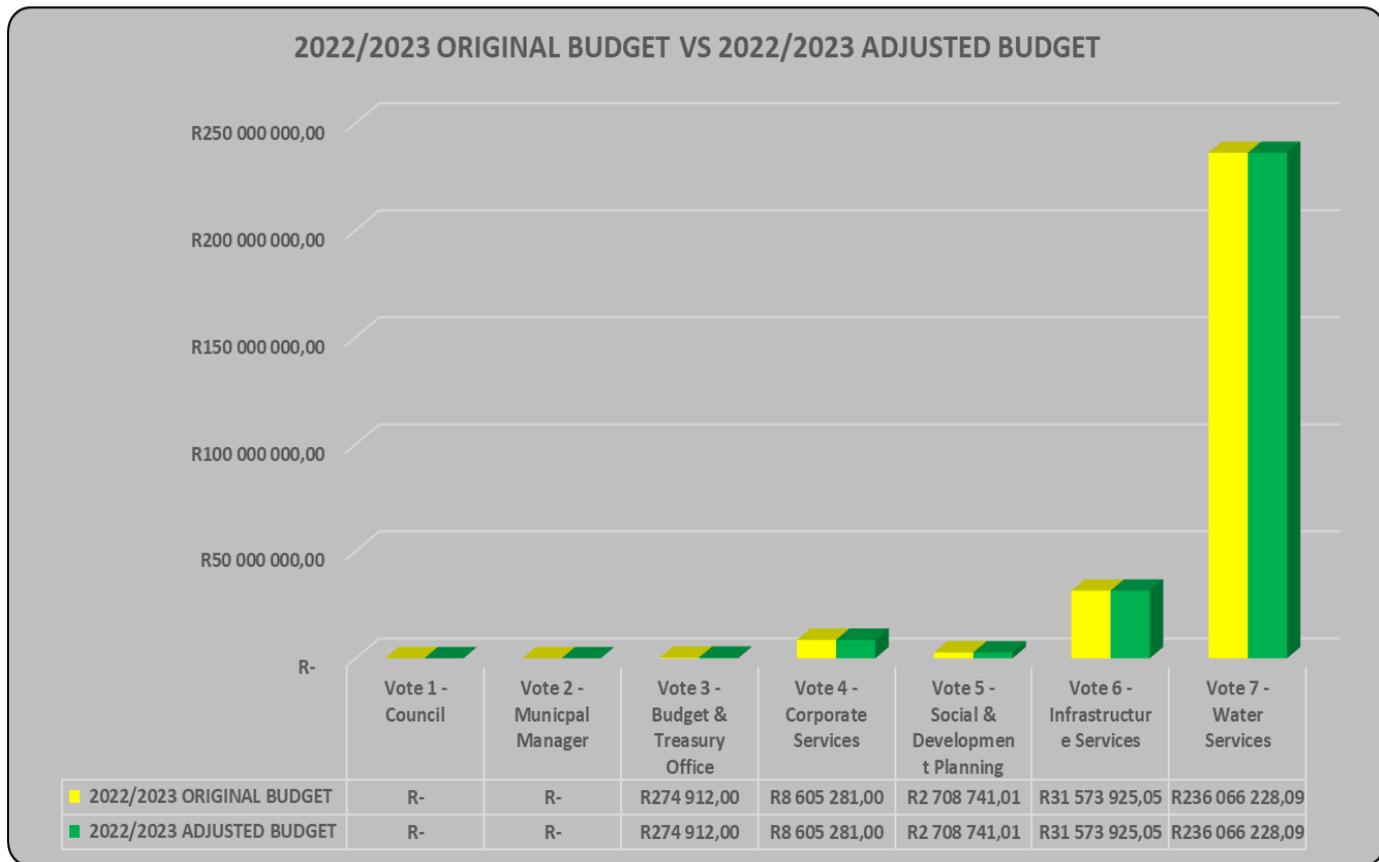
#### **TABLE B5 ADJUSTMENT CAPITAL EXPENDITURE BUDGET BY VOTE AND FUNDING**

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

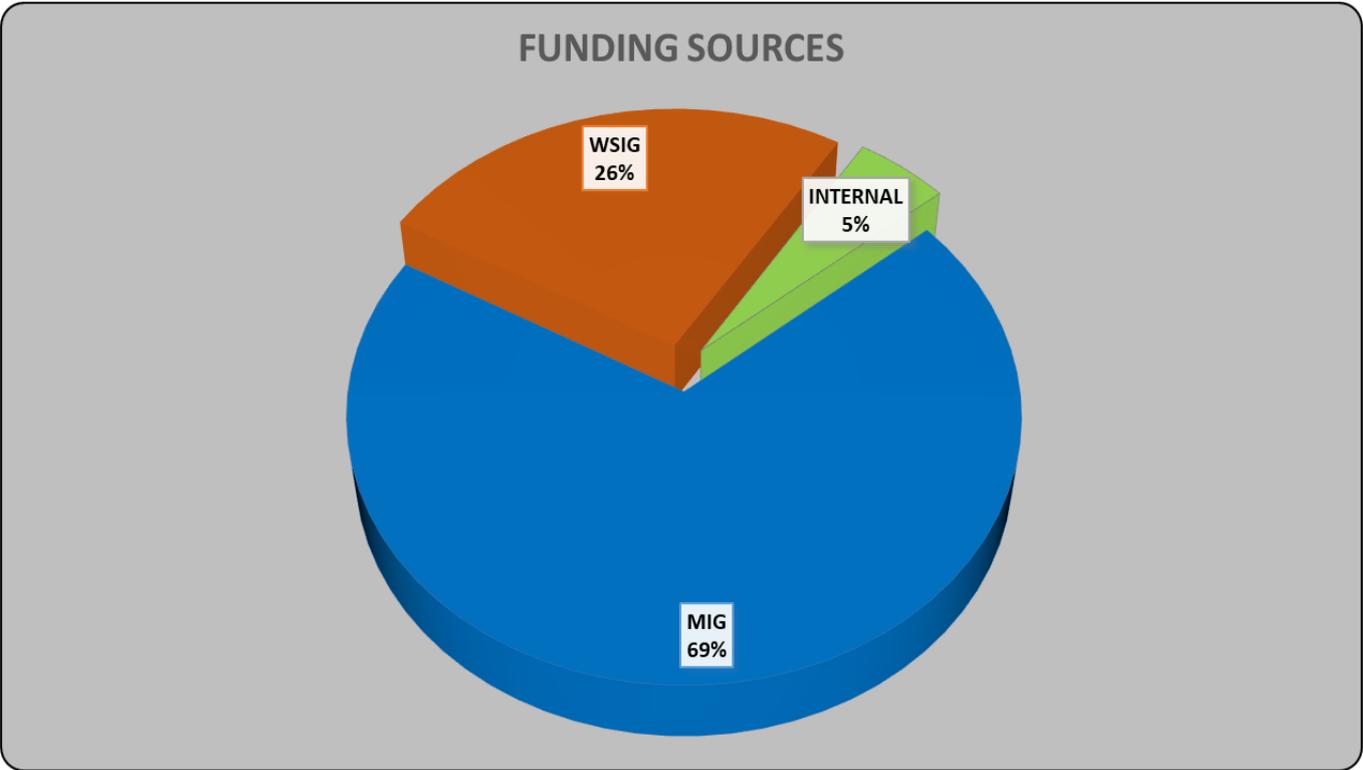
DC43 Harry Gwala - Table B5 Consolidated Adjustments Capital Expenditure Budget by vote and funding - 45113

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		5	10	11	12		
<b>R thousands</b>	<b>A</b>	<b>A1</b>	<b>F</b>	<b>G</b>	<b>H</b>		
<b>Capital expenditure - Vote</b>							
<b>Multi-year expenditure to be adjusted</b>							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	275	-	-	275	-	-
Vote 04 - Summary Corporate Services	8 605	8 605	-	-	8 605	9 641	5 922
Vote 05 - Summary Social Services & Development Planning	2 709	2 709	-	-	2 709	2 267	2 648
Vote 06 - Summary Infrastructure Services	38 676	31 574	-	-	31 574	55 292	59 491
Vote 07 - Summary Water Services	245 364	236 066	-	-	236 066	238 941	246 494
Vote 15 - Other	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>295 354</b>	<b>279 229</b>	<b>-</b>	<b>-</b>	<b>279 229</b>	<b>306 141</b>	<b>314 554</b>
<b>Total Capital Expenditure - Vote</b>	<b>295 354</b>	<b>279 229</b>	<b>-</b>	<b>-</b>	<b>279 229</b>	<b>306 141</b>	<b>314 554</b>
<b>Capital Expenditure - Functional</b>							
<b>Governance and administration</b>	<b>9 242</b>	<b>9 517</b>	<b>-</b>	<b>-</b>	<b>9 517</b>	<b>10 308</b>	<b>6 894</b>
Executive and council					-		
Finance and administration	9 242	9 517	-	-	9 517	10 308	6 894
Internal audit					-		
<b>Community and public safety</b>	<b>1 130</b>	<b>1 130</b>	<b>-</b>	<b>-</b>	<b>1 130</b>	<b>1 600</b>	<b>1 675</b>
Community and social services	1 130	1 130	-	-	1 130	1 600	1 675
Sport and recreation					-		
Public safety					-		
Housing					-		
Health					-		
<b>Economic and environmental services</b>	<b>30 943</b>	<b>27 696</b>	<b>-</b>	<b>-</b>	<b>27 696</b>	<b>27 618</b>	<b>27 393</b>
Planning and development	30 943	27 696	-	-	27 696	27 618	27 393
Road transport					-		
Environmental protection					-		
<b>Trading services</b>	<b>254 038</b>	<b>240 886</b>	<b>-</b>	<b>-</b>	<b>240 886</b>	<b>266 615</b>	<b>278 592</b>
Energy sources					-		
Water management	195 925	192 577	-	-	192 577	198 174	227 396
Waste water management	58 113	48 309	-	-	48 309	68 441	51 196
Waste management					-		
<b>Other</b>					<b>-</b>		
<b>Total Capital Expenditure - Functional</b>	<b>295 354</b>	<b>279 229</b>	<b>-</b>	<b>-</b>	<b>279 229</b>	<b>306 141</b>	<b>314 554</b>
<b>Funded by:</b>							
National Government	278 426	262 301	-	-	262 301	277 584	300 473
Provincial Government	-	-	-	-	-	-	-
District Municipality	750	750	-	-	750	-	-
<b>Transfers recognised - capital</b>	<b>279 176</b>	<b>263 051</b>	<b>-</b>	<b>-</b>	<b>263 051</b>	<b>277 584</b>	<b>300 473</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>16 178</b>	<b>16 178</b>	<b>-</b>	<b>-</b>	<b>16 178</b>	<b>28 557</b>	<b>14 081</b>
<b>Total Capital Funding</b>	<b>295 354</b>	<b>279 229</b>	<b>-</b>	<b>-</b>	<b>279 229</b>	<b>306 141</b>	<b>314 554</b>

## Chart 6: Capital Expenditure by Type



The originally approved capital budget was R 279, 2million and there is no adjustment budget effected.



**TABLE B6 ADJUSTMENTS BUDGET FINANCIAL POSITION**

Table C6 displays the adjustment budget financial position of the municipality.

DC43 Harry Gwala - Table B6 Consolidated Adjustments Budget Financial Position - 45113

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
<b>ASSETS</b>							
<b>Current assets</b>							
Cash	7 254	7 254	-	-	7 254	19 854	38 434
Call investment deposits	59 749	59 749	-	-	59 749	64 436	69 339
Consumer debtors	31 485	31 485	-	-	31 485	30 834	30 147
Other debtors	32 222	30 918	-	-	30 918	32 222	32 222
Current portion of long-term receivables	-	-	-	-	-	-	-
Inventory	513	513	-	-	513	513	513
<b>Total current assets</b>	<b>131 223</b>	<b>129 918</b>	<b>-</b>	<b>-</b>	<b>129 918</b>	<b>147 860</b>	<b>170 655</b>
<b>Non current assets</b>							
Long-term receivables	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-
Investment in Associate	-	-	-	-	-	-	-
Property, plant and equipment	2 961 505	2 945 380	-	-	2 945 380	2 954 832	3 263 117
Biological	-	-	-	-	-	-	-
Intangible	2 152	2 152	-	-	2 152	972	1 541
Other non-current assets	0	0	-	-	0	0	0
<b>Total non current assets</b>	<b>2 963 657</b>	<b>2 947 533</b>	<b>-</b>	<b>-</b>	<b>2 947 533</b>	<b>2 955 803</b>	<b>3 264 657</b>
<b>TOTAL ASSETS</b>	<b>3 094 880</b>	<b>3 077 451</b>	<b>-</b>	<b>-</b>	<b>3 077 451</b>	<b>3 103 663</b>	<b>3 435 312</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Bank overdraft	-	-	-	-	-	-	-
Borrowing	10 394	10 394	-	-	10 394	10 394	7 994
Consumer deposits	2 324	2 324	-	-	2 324	2 324	2 473
Trade and other payables	80 657	80 657	-	-	80 657	83 611	83 611
Provisions	15 194	15 194	-	-	15 194	15 194	15 194
<b>Total current liabilities</b>	<b>108 569</b>	<b>108 569</b>	<b>-</b>	<b>-</b>	<b>108 569</b>	<b>111 522</b>	<b>109 271</b>
<b>Non current liabilities</b>							
Borrowing	-	(0)	-	-	(0)	-	-
Provisions	28 869	28 869	-	-	28 869	28 869	30 601
<b>Total non current liabilities</b>	<b>28 869</b>	<b>28 869</b>	<b>-</b>	<b>-</b>	<b>28 869</b>	<b>28 869</b>	<b>30 601</b>
<b>TOTAL LIABILITIES</b>	<b>137 438</b>	<b>137 438</b>	<b>-</b>	<b>-</b>	<b>137 438</b>	<b>140 391</b>	<b>139 872</b>
<b>NET ASSETS</b>	<b>2 957 442</b>	<b>2 940 013</b>	<b>-</b>	<b>-</b>	<b>2 940 013</b>	<b>2 963 272</b>	<b>3 295 440</b>
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated Surplus/(Deficit)	3 203 844	3 193 023	-	-	3 193 023	2 963 271	3 295 381
Reserves	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 203 844</b>	<b>3 193 023</b>	<b>-</b>	<b>-</b>	<b>3 193 023</b>	<b>2 963 271</b>	<b>3 295 381</b>

## TABLE B7 ADJUSTMENTS BUDGET CASH FLOWS

DC43 Harry Gwala - Table B7 Consolidated Adjustments Budget Cash Flows - 45113

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	3 A1	8 F	9 G	10 H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Property rates				–	–		
Service charges	59 930	64 575	–	–	64 575	61 100	63 940
Other revenue	56 447	57 044	–	–	57 044	53 987	48 808
Transfers and Subsidies - Operational	446 738	446 738	–	–	446 738	493 840	519 283
Transfers and Subsidies - Capital	320 236	320 236	–	–	320 236	321 352	357 813
Interest	4 859	7 320	3 000	3 000	10 320	5 713	5 948
Dividends				–	–		
<b>Payments</b>							
Suppliers and employees	(566 453)	(614 548)	(14 100)	(14 100)	(628 648)	616 576	661 168
Finance charges	–	–	–	–	–	(100)	(105)
Transfers and Grants	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>321 758</b>	<b>281 365</b>	<b>(11 100)</b>	<b>(11 100)</b>	<b>270 265</b>	<b>1 552 469</b>	<b>1 656 856</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds on disposal of PPE				–	–		
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–
Decrease (increase) in non-current investments				–	–		
<b>Payments</b>							
Capital assets	(298 180)	(279 229)	–	–	(279 229)	(306 141)	(314 554)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(298 180)</b>	<b>(279 229)</b>	<b>–</b>	<b>–</b>	<b>(279 229)</b>	<b>(306 141)</b>	<b>(314 554)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Short term loans				–	–		
Borrowing long term/refinancing				–	–		
Increase (decrease) in consumer deposits	–	–	–	–	–	149	149
<b>Payments</b>							
Repayment of borrowing	(2 400)	(2 400)	–	–	(2 400)	(2 400)	(2 400)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(2 400)</b>	<b>(2 400)</b>	<b>–</b>	<b>–</b>	<b>(2 400)</b>	<b>(2 251)</b>	<b>(2 251)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>21 178</b>	<b>(264)</b>	<b>(11 100)</b>	<b>(11 100)</b>	<b>(11 364)</b>	<b>1 244 076</b>	<b>1 340 051</b>
Cash/cash equivalents at the year begin:	27 569	64 592	–	–	64 592	67 907	72 739
Cash/cash equivalents at the year end:	48 747	64 328	(11 100)	(11 100)	53 228	1 311 983	1 412 790

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget. Cash and cash equivalents at the beginning of the financial year the municipality had a positive opening balance of R64, 5million. The closing cash and cash equivalent at year end is negative R53, 2million. Cash and cash equivalent at year end is positive.

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

DC43 Harry Gwala - Table B8 Consolidated Cash backed reserves/accumulated surplus reconciliation - 45113

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	3 A1	8 F	9 G	10 H		
<b>Cash and investments available</b>							
Cash/cash equivalents at the year end	85 769	64 328	-	-	64 328	1 311 983	1 412 790
Other current investments > 90 days	(18 767)	2 675	-	-	2 675	(1 227 693)	(1 305 017)
Non current assets - Investments	-	-	-	-	-	-	-
<b>Cash and investments available:</b>	<b>67 003</b>	<b>67 003</b>	<b>-</b>	<b>-</b>	<b>67 003</b>	<b>84 290</b>	<b>107 773</b>
<b>Applications of cash and investments</b>							
Unspent conditional transfers	-	1 483	-	-	1 483	1 483	1 483
Unspent borrowing	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-
Other working capital requirements	(15 559)	(17 643)	-	-	(17 643)	7 332	12 418
Other provisions	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>	<b>(15 559)</b>	<b>(16 159)</b>	<b>-</b>	<b>-</b>	<b>(16 159)</b>	<b>8 816</b>	<b>13 901</b>
<b>Surplus(shortfall)</b>	<b>82 562</b>	<b>83 162</b>	<b>-</b>	<b>-</b>	<b>83 162</b>	<b>75 475</b>	<b>93 872</b>

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

## TABLE B9 ASSET MANAGEMENT

DC43 Harry Gwala - Table B9 Consolidated Asset Management - 45113

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted 7	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
<b>CAPITAL EXPENDITURE</b>							
<b><u>Total New Assets to be adjusted</u></b>	<b>279 590</b>	<b>267 320</b>	<b>-</b>	<b>-</b>	<b>267 320</b>	<b>276 603</b>	<b>284 224</b>
<i>Water Supply Infrastructure</i>	220 107	213 511	-	-	213 511	191 477	228 358
<i>Sanitation Infrastructure</i>	54 258	48 309	-	-	48 309	70 568	49 951
Infrastructure	274 365	261 821	-	-	261 821	262 045	278 309
Licences and Rights	1 962	1 962	-	-	1 962	804	296
Intangible Assets	1 962	1 962	-	-	1 962	804	296
Computer Equipment	988	988	-	-	988	742	777
Furniture and Office Equipment	1 384	1 619	-	-	1 619	2 602	2 554
Machinery and Equipment	891	931	-	-	931	8 810	614
Transport Assets	0	0	-	-	0	1 600	1 675
<b><u>Total Renewal of Existing Assets to be adjusted</u></b>	<b>35 307</b>	<b>7 089</b>	<b>-</b>	<b>-</b>	<b>7 089</b>	<b>20 336</b>	<b>19 657</b>
<i>Water Supply Infrastructure</i>	28 217	0	-	-	0	14 802	17 003
Infrastructure	28 217	0	-	-	0	14 802	17 003
Machinery and Equipment	121	121	-	-	121	135	141
Transport Assets	6 968	6 968	-	-	6 968	5 400	2 513
<b><u>Total Upgrading of Existing Assets to be adjusted</u></b>	<b>4 820</b>	<b>4 820</b>	<b>-</b>	<b>-</b>	<b>4 820</b>	<b>9 202</b>	<b>10 672</b>
<i>Water Supply Infrastructure</i>	4 820	4 820	-	-	4 820	8 129	9 428
<i>Sanitation Infrastructure</i>	3 855	-	-	-	-	1 073	1 245
Infrastructure	4 820	4 820	-	-	4 820	9 202	10 672
<b><u>Total Capital Expenditure to be adjusted</u></b>	<b>319 716</b>	<b>279 229</b>	<b>-</b>	<b>-</b>	<b>279 229</b>	<b>306 141</b>	<b>314 554</b>
<i>Water Supply Infrastructure</i>	218 331	218 331	-	-	218 331	214 407	254 789
<i>Sanitation Infrastructure</i>	48 309	48 309	-	-	48 309	71 641	51 196
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-
Infrastructure	266 640	266 640	-	-	266 640	286 048	305 984
Licences and Rights	1 962	1 962	-	-	1 962	804	296
Intangible Assets	1 962	1 962	-	-	1 962	804	296
Computer Equipment	988	988	-	-	988	742	777
Furniture and Office Equipment	1 384	1 619	-	-	1 619	2 602	2 554
Machinery and Equipment	1 012	1 052	-	-	1 052	8 945	755
Transport Assets	6 968	6 968	-	-	6 968	7 000	4 188
Land	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	<b>319 716</b>	<b>279 229</b>	<b>-</b>	<b>-</b>	<b>279 229</b>	<b>306 141</b>	<b>314 554</b>

DC43 Harry Gwala - Table B9 Consolidated Asset Management - 45113

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	2 153 381	2 137 602	275	275	2 137 877	2 145 873	2 454 726
<i>Roads Infrastructure</i>	188	188	-	-	188	188	188
<i>Storm water Infrastructure</i>		-	-	-	-		
<i>Electrical Infrastructure</i>	7 691	7 691	-	-	7 691	7 600	7 521
<i>Water Supply Infrastructure</i>	1 829 450	1 822 855	-	-	1 822 855	1 814 995	2 019 803
<i>Sanitation Infrastructure</i>	249 234	239 430	-	-	239 430	262 365	357 175
<i>Solid Waste Infrastructure</i>							
<i>Rail Infrastructure</i>							
<i>Coastal Infrastructure</i>							
<i>Information and Communication Infrastructure</i>	67	65	-	-	65	63	61
Infrastructure	2 086 631	2 070 229	-	-	2 070 229	2 085 212	2 384 748
Community Assets	2 847	2 847	-	-	2 847	2 834	2 826
Heritage Assets							
Investment properties	-	-	-	-	-	-	-
Other Assets	36 075	36 422	-	-	36 422	36 090	36 015
Biological or Cultivated Assets							
Intangible Assets	2 152	2 152	-	-	2 152	972	1 541
Computer Equipment	4 830	4 830	-	-	4 830	(413)	(1 854)
Furniture and Office Equipment	2 456	2 691	235	235	2 927	4 330	8 282
Machinery and Equipment	2 710	2 750	40	40	2 789	10 529	8 996
Transport Assets	15 680	15 680	-	-	15 680	6 318	14 173
Land							
Zoo's, Marine and Non-biological Animals							
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>2 153 381</b>	<b>2 137 602</b>	<b>275</b>	<b>275</b>	<b>2 137 877</b>	<b>2 145 873</b>	<b>2 454 726</b>
<b>EXPENDITURE OTHER ITEMS</b>							
<b>Depreciation &amp; asset impairment</b>	91 951	92 120	-	-	92 120	97 007	101 760
<b>Repairs and Maintenance by asset class</b>	<b>56 142</b>	<b>57 711</b>	<b>-</b>	<b>-</b>	<b>57 711</b>	<b>51 991</b>	<b>54 394</b>
<i>Water Supply Infrastructure</i>	50 308	50 308	-	-	50 308	46 093	48 213
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-
<b>Infrastructure</b>	50 308	50 308	-	-	50 308	46 093	48 213
Community Facilities	-	-	-	-	-	-	-
Sport and Recreation Facilities	90	70	-	-	70	73	77
<b>Community Assets</b>	70	70	-	-	70	73	77
<b>Investment properties</b>	-	-	-	-	-	-	-
Operational Buildings	5 423	5 423	-	-	5 423	5 459	5 721
Housing	-	-	-	-	-	-	-
<b>Other Assets</b>	5 423	5 423	-	-	5 423	5 459	5 721
Computer Equipment	111	111	-	-	111	125	131
Furniture and Office Equipment	-	-	-	-	-	-	-
Machinery and Equipment	-	1 404	-	-	1 404	-	-
Transport Assets	230	395	-	-	395	241	252
Land	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>	<b>148 093</b>	<b>149 830</b>	<b>-</b>	<b>-</b>	<b>149 830</b>	<b>148 998</b>	<b>156 154</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	12,6%	4,3%			4,3%	9,6%	9,6%
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>	43,6%	12,9%			12,9%	30,4%	29,8%
<i>R&amp;M as a % of PPE</i>	2,6%	2,7%			2,7%	2,4%	2,2%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>	4,5%	3,3%			3,3%	3,8%	3,5%

## TABLE B10 BASIC SERVICE DELIVERY MEASUREMENT

DC43 Harry Gwala - Table B10 Consolidated Basic service delivery measurement - 45113

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	11 E	12 F	13 G	14 H		
<b>Household service targets</b>							
<b>Water:</b>							
Piped water inside dwelling	55691	0	0	–	56	59310,89	63166
Piped water inside yard (but not in dwelling)	22643	0	0	–	23	24114,76	25682
Using public tap (at least min.service level)	39715,98	0	0	–	40	42297,52	45047
Other water supply (at least min.service level)	32947	0	0	–	33	35	37
<i>Minimum Service Level and Above sub-total</i>	151	–	–	–	151	161	171
Using public tap (< min.service level)				–	–		
Other water supply (< min.service level)	32946,84	0	0	–	33	35088,38	37369
No water supply				–	–		
<i>Below Minimum Service Level sub-total</i>	33	–	–	–	33	35	37
<b>Total number of households</b>	<b>184</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>184</b>	<b>196</b>	<b>209</b>
<b>Sanitation/sewerage:</b>							
Flush toilet (connected to sewerage)	86956,18	0	0	–	86 956	92608,34	98628
Flush toilet (with septic tank)	14019,66	0	0	–	14 020	14930,94	15901
Chemical toilet				–	–		
Pit toilet (ventilated)	50021,99	0	0	–	50 022	53273,41	56736
Other toilet provisions (> min.service level)				–	–		
<i>Minimum Service Level and Above sub-total</i>	150 998	–	–	–	150 998	160 813	171 265
Bucket toilet				–	–		
Other toilet provisions (< min.service level)				–	–		
No toilet provisions				–	–		
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–
<b>Total number of households</b>	<b>150 998</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>150 998</b>	<b>160 813</b>	<b>171 265</b>
<b>Cost of Free Basic Services provided (R'000)</b>							
Water (6 kilolitres per indigent household per month)	(649)	–	–	–	(649)	(683)	(717)
Sanitation (free sanitation service to indigent households)	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)	–	–	–	–	–	–	–
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>	<b>7</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7</b>	<b>7</b>	<b>–</b>
<b>Total cost of FBS provided</b>	<b>(642)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(642)</b>	<b>(676)</b>	<b>(717)</b>

# PARENT TABLES

## TABLE B 1 PARENT ADJUSTMENT BUDGET SUMMARY

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

DC43 Harry Gwala - Table B1 Adjustments Budget Summary - 45113

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
<b>Financial Performance</b>							
Property rates	-	-	-	-	-	-	-
Service charges	71 586	71 586	-	-	71 586	76 192	79 926
Investment revenue	6 920	6 920	3 000	3 000	9 920	5 095	5 330
Transfers recognised - operational	448 756	448 756	-	-	448 756	493 840	519 283
Other own revenue	12 537	12 537	-	-	12 537	13 204	13 461
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>539 800</b>	<b>539 800</b>	<b>3 000</b>	<b>3 000</b>	<b>542 800</b>	<b>588 332</b>	<b>617 999</b>
Employee costs	244 803	244 803	-	-	244 803	256 783	261 726
Remuneration of councillors	7 710	7 710	-	-	7 710	8 119	8 517
Depreciation & asset impairment	91 445	91 445	-	-	91 445	96 292	101 010
Finance charges	500	475	-	-	475	10	10
Inventory consumed and bulk purchases	26 897	26 897	2 000	2 000	28 897	28 432	29 798
Transfers and grants	15 290	15 290	-	-	15 290	-	-
Other expenditure	236 683	242 738	12 100	12 100	254 838	283 121	296 225
<b>Total Expenditure</b>	<b>623 328</b>	<b>629 358</b>	<b>14 100</b>	<b>14 100</b>	<b>643 458</b>	<b>672 756</b>	<b>697 286</b>
<b>Surplus/(Deficit)</b>	<b>(89 558)</b>	<b>(100 658)</b>	<b>-</b>	<b>-</b>	<b>(100 658)</b>	<b>(84 424)</b>	<b>(79 287)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	318 218	308 218	-	-	308 218	321 352	357 813
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>228 660</b>	<b>207 560</b>	<b>-</b>	<b>-</b>	<b>207 560</b>	<b>236 928</b>	<b>278 526</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>228 660</b>	<b>207 560</b>	<b>-</b>	<b>-</b>	<b>207 560</b>	<b>236 928</b>	<b>278 526</b>
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>	<b>293 967</b>	<b>277 842</b>	<b>-</b>	<b>-</b>	<b>277 842</b>	<b>305 474</b>	<b>313 581</b>
Transfers recognised - capital	278 426	262 301	-	-	262 301	277 584	300 473
Borrowing	-	-	-	-	-	-	-
Internally generated funds	15 541	15 541	-	-	15 541	27 890	13 108
<b>Total sources of capital funds</b>	<b>293 967</b>	<b>277 842</b>	<b>-</b>	<b>-</b>	<b>277 842</b>	<b>305 474</b>	<b>313 581</b>
<b>Financial position</b>							
Total current assets	117 761	115 553	-	-	115 553	133 495	156 290
Total non current assets	2 962 270	2 946 146	-	-	2 946 146	2 954 344	3 262 007
Total current liabilities	88 770	87 222	-	-	87 222	91 202	88 510
Total non current liabilities	28 869	28 869	-	-	28 869	28 869	30 601
Community wealth/Equity	<b>3 187 266</b>	<b>3 176 445</b>	<b>-</b>	<b>-</b>	<b>3 176 445</b>	<b>2 943 922</b>	<b>3 274 492</b>

**DC43 Harry Gwala - Table B1 Adjustments Budget Summary - 45113**

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	6 F	7 G	8 H		
<b>Cash flows</b>							
Net cash from (used) operating	321 758	281 365	(11 000)	(11 000)	270 365	1 552 469	1 656 856
Net cash from (used) investing	(298 180)	(279 229)	-	-	(279 229)	(306 141)	(314 554)
Net cash from (used) financing	(2 400)	(2 400)	-	-	(2 400)	(2 251)	(2 251)
<b>Cash/cash equivalents at the year end</b>	<b>71 404</b>	<b>49 962</b>	<b>(11 000)</b>	<b>(11 000)</b>	<b>38 962</b>	<b>1 297 618</b>	<b>1 398 425</b>
<b>Cash backing/surplus reconciliation</b>							
Cash and investments available	53 541	52 637	-	-	52 637	69 925	93 408
Application of cash and investments	(33 875)	(37 506)	-	-	(37 506)	(24 488)	(19 051)
<b>Balance - surplus (shortfall)</b>	<b>87 416</b>	<b>90 143</b>	<b>-</b>	<b>-</b>	<b>90 143</b>	<b>94 413</b>	<b>112 458</b>
<b>Asset Management</b>							
Asset register summary (WDV)	2 152 339	2 136 215	-	-	2 136 215	2 144 413	2 452 077
Depreciation	91 445	91 445	-	-	91 445	96 292	101 010
Renewal and Upgrading of Existing Assets	15 763	11 909	-	-	11 909	29 538	30 330
Repairs and Maintenance	55 742	57 311	-	-	57 311	51 791	54 184
<b>Free services</b>							
Cost of Free Basic Services provided	(649)	(642)	-	-	(642)	(676)	(717)
Revenue cost of free services provided	-	-	-	-	-	-	-
<b>Households below minimum service level</b>							
Water:	33	-	-	-	33	35	37
Sanitation/sewerage:	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-

**TABLE B2 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE**

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

DC43 Harry Gwala - Table B2 Adjustments Budget Financial Performance (functional classification) - 45113

Standard Description	Budget Year 2022/23					Budget Year	Budget Year
	Original	Prior	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Adjusted	Adjusts.	Adjusts.	Budget	Budget	Budget
	5	10	11	12			
	A	A1	F	G	H		
<b>R thousands</b>							
<b>Revenue - Functional</b>							
<b>Governance and administration</b>	441 566	441 566	3 000	3 000	444 566	471 282	501 689
Executive and council	-	-	-	-	-	-	-
Finance and administration	441 566	441 566	3 000	3 000	444 566	471 282	501 689
Internal audit	-	-	-	-	-	-	-
<b>Community and public safety</b>	15	15	-	-	15	16	17
Community and social services	15	15	-	-	15	16	17
Sport and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	-	-	-	-	-	-	-
Planning and development	-	-	-	-	-	-	-
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
<b>Trading services</b>	416 437	406 437	5 000	5 000	411 437	438 386	474 107
Energy sources	-	-	-	-	-	-	-
Water management	402 523	392 523	3 500	3 500	396 023	423 735	458 737
Waste water management	13 914	13 914	1 500	1 500	15 414	14 651	15 369
Waste management	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>858 018</b>	<b>848 018</b>	<b>8 000</b>	<b>8 000</b>	<b>856 018</b>	<b>909 684</b>	<b>975 812</b>
<b>Expenditure - Functional</b>							
<b>Governance and administration</b>	279 135	282 298	3 900	3 900	286 198	279 353	292 236
Executive and council	31 303	31 323	-	-	31 323	32 960	34 545
Finance and administration	238 076	239 537	3 900	3 900	243 437	236 499	247 314
Internal audit	9 755	11 437	-	-	11 437	9 894	10 377
<b>Community and public safety</b>	19 193	19 237	-	-	19 237	20 592	21 594
Community and social services	19 193	19 237	-	-	19 237	20 592	21 594
Sport and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	143 028	148 977	-	-	148 977	164 782	165 383
Planning and development	143 028	148 977	-	-	148 977	164 782	165 383
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
<b>Trading services</b>	176 644	176 619	10 200	10 200	186 819	201 412	211 073
Energy sources	-	-	-	-	-	-	-
Water management	175 796	174 016	10 200	10 200	184 216	200 518	210 136
Waste water management	849	2 603	-	-	2 603	893	937
Waste management	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>618 000</b>	<b>627 130</b>	<b>14 100</b>	<b>14 100</b>	<b>641 230</b>	<b>666 138</b>	<b>690 286</b>
<b>Surplus/ (Deficit) for the year</b>	<b>240 018</b>	<b>220 887</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>214 787</b>	<b>243 546</b>	<b>285 526</b>

References

## TABLE B3 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

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

DC43 Harry Gwala - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 45113

Vote Description  <i>[Insert departmental structure etc]</i>	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
<b>Revenue by Vote</b>							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	441 238	441 238	3 000	3 000	444 238	470 822	501 597
Vote 04 - Summary Corporate Services	245	245	-	-	245	372	-
Vote 05 - Summary Social Services & Development Planning	15	15	-	-	15	16	17
Vote 06 - Summary Infrastructure Services	335 869	325 869			325 869	354 861	386 489
Vote 07 - Summary Water Services	80 651	80 651	5 000	5 000	85 651	83 613	87 710
Vote 15 - Other	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>858 018</b>	<b>848 018</b>	<b>8 000</b>	<b>8 000</b>	<b>856 018</b>	<b>909 684</b>	<b>975 812</b>
<b>Expenditure by Vote</b>							
Vote 01 - Summary Council	19 787	19 787	-	-	19 787	19 937	20 902
Vote 02 - Summary Municipal Manager	22 953	22 953	-	-	22 953	22 917	24 020
Vote 03 - Summary Budget And Treasury Office	86 578	86 303	-	-	86 303	90 559	94 872
Vote 04 - Summary Corporate Services	89 852	91 588	3 900	3 900	95 488	86 586	90 296
Vote 05 - Summary Social Services & Development Planning	51 483	51 527	-	-	51 527	57 377	60 356
Vote 06 - Summary Infrastructure Services	111 077	117 026	-	-	117 026	128 353	126 996
Vote 07 - Summary Water Services	237 951	237 925	10 200	10 200	248 125	260 408	272 845
Vote 15 - Other	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>619 682</b>	<b>627 110</b>	<b>14 100</b>	<b>14 100</b>	<b>641 210</b>	<b>666 138</b>	<b>690 286</b>
<b>Surplus/ (Deficit) for the year</b>	<b>238 336</b>	<b>220 907</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>214 807</b>	<b>243 546</b>	<b>285 526</b>

## **TABLE B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE**

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

DC43 Harry Gwala - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 45113

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
<b>Revenue By Source</b>							
Property rates	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-
Service charges - water revenue	57 276	57 276	3 500	3 500	60 776	61 123	64 118
Service charges - sanitation revenue	14 311	14 311	1 500	1 500	15 811	15 069	15 808
Service charges - refuse revenue	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-
Interest earned - external investments	6 920	6 920	3 000	3 000	9 920	5 095	5 330
Interest earned - outstanding debtors	11 358	11 358	-	-	11 358	11 960	12 546
Dividends received	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-
Transfers and subsidies	448 756	448 756	-	-	448 756	493 840	519 283
Other revenue	1 179	1 179	-	-	1 179	1 244	915
Gains	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>539 800</b>	<b>539 800</b>	<b>8 000</b>	<b>8 000</b>	<b>547 800</b>	<b>588 332</b>	<b>617 999</b>
<b>Expenditure By Type</b>							
Employee related costs	244 803	244 803	-	-	244 803	256 783	261 726
Remuneration of councillors	7 710	7 710	-	-	7 710	8 119	8 517
Debt impairment	28 750	28 750	-	-	28 750	58 718	61 593
Depreciation & asset impairment	91 445	91 445	-	-	91 445	96 292	101 010
Finance charges	500	475	-	-	475	10	10
Inventory consumed	26 897	26 897	2 000	2 000	28 897	28 432	29 798
Contracted services	137 155	141 432	11 700	11 700	153 132	134 685	140 591
Transfers and subsidies	15 290	15 290	-	-	15 290	-	-
Other expenditure	70 777	72 555	400	400	72 955	89 717	94 041
Losses	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>623 328</b>	<b>629 358</b>	<b>14 100</b>	<b>14 100</b>	<b>643 458</b>	<b>672 756</b>	<b>697 286</b>
<b>Surplus/(Deficit)</b>	<b>(83 528)</b>	<b>(89 558)</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>(95 658)</b>	<b>(84 424)</b>	<b>(79 287)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	318 218	308 218	-	-	308 218	321 352	357 813
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>	<b>234 690</b>	<b>218 660</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>212 560</b>	<b>236 928</b>	<b>278 526</b>
Taxation	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>234 690</b>	<b>218 660</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>212 560</b>	<b>236 928</b>	<b>278 526</b>
Attributable to minorities	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>234 690</b>	<b>218 660</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>212 560</b>	<b>236 928</b>	<b>278 526</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>234 690</b>	<b>218 660</b>	<b>(6 100)</b>	<b>(6 100)</b>	<b>212 560</b>	<b>236 928</b>	<b>278 526</b>

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

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

DC43 Harry Gwala - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 45113

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	5 A1	10 F	11 G	12 H		
<b>R thousands</b>							
<b>Capital expenditure - Vote</b>							
<b>Multi-year expenditure to be adjusted</b>							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	275	-	-	275	-	-
Vote 04 - Summary Corporate Services	8 605	8 605	-	-	8 605	9 641	5 922
Vote 05 - Summary Social Services & Development Planning	1 322	1 322	-	-	1 322	1 600	1 675
Vote 06 - Summary Infrastructure Services	38 676	31 574	-	-	31 574	55 292	59 491
Vote 07 - Summary Water Services	245 364	236 066	-	-	236 066	238 941	246 494
Vote 15 - Other	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>293 967</b>	<b>277 842</b>	<b>-</b>	<b>-</b>	<b>277 842</b>	<b>305 474</b>	<b>313 581</b>
<b>Total Capital Expenditure - Vote</b>	<b>293 967</b>	<b>277 842</b>	<b>-</b>	<b>-</b>	<b>277 842</b>	<b>305 474</b>	<b>313 581</b>
<b>Capital Expenditure - Functional</b>							
<b>Governance and administration</b>	<b>8 605</b>	<b>8 880</b>	<b>-</b>	<b>-</b>	<b>8 880</b>	<b>9 641</b>	<b>5 922</b>
Executive and council					-		
Finance and administration	8 605	8 880	-	-	8 880	9 641	5 922
Internal audit					-		
<b>Community and public safety</b>	<b>1 130</b>	<b>1 130</b>	<b>-</b>	<b>-</b>	<b>1 130</b>	<b>1 600</b>	<b>1 675</b>
Community and social services	1 130	1 130	-	-	1 130	1 600	1 675
Sport and recreation					-		
Public safety					-		
Housing					-		
Health					-		
<b>Economic and environmental services</b>	<b>30 193</b>	<b>26 946</b>	<b>-</b>	<b>-</b>	<b>26 946</b>	<b>27 618</b>	<b>27 393</b>
Planning and development	30 193	26 946	-	-	26 946	27 618	27 393
Road transport					-		
Environmental protection					-		
<b>Trading services</b>	<b>254 038</b>	<b>240 886</b>	<b>-</b>	<b>-</b>	<b>240 886</b>	<b>266 615</b>	<b>278 592</b>
Energy sources					-		
Water management	195 925	192 577	-	-	192 577	198 174	227 396
Waste water management	58 113	48 309	-	-	48 309	68 441	51 196
Waste management					-		
<b>Other</b>					<b>-</b>		
<b>Total Capital Expenditure - Functional</b>	<b>293 967</b>	<b>277 842</b>	<b>-</b>	<b>-</b>	<b>277 842</b>	<b>305 474</b>	<b>313 581</b>
<b>Funded by:</b>							
National Government	278 426	262 301	-	-	262 301	277 584	300 473
Provincial Government	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>278 426</b>	<b>262 301</b>	<b>-</b>	<b>-</b>	<b>262 301</b>	<b>277 584</b>	<b>300 473</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>15 541</b>	<b>15 541</b>	<b>-</b>	<b>-</b>	<b>15 541</b>	<b>27 890</b>	<b>13 108</b>
<b>Total Capital Funding</b>	<b>293 967</b>	<b>277 842</b>	<b>-</b>	<b>-</b>	<b>277 842</b>	<b>305 474</b>	<b>313 581</b>

**TABLE B6 ADJUSTMENTS BUDGET FINANCIAL POSITION**

Table C6 displays the adjustment budget financial position of the municipality

**DC43 Harry Gwala - Table B6 Adjustments Budget Financial Position - 45113**

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted 3	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
<b>ASSETS</b>							
<b>Current assets</b>							
Cash	3 961	3 057	-	-	3 057	15 658	34 238
Call investment deposits	49 580	49 580	-	-	49 580	54 267	59 170
Consumer debtors	31 485	31 485	-	-	31 485	30 834	30 147
Other debtors	32 222	30 918	-	-	30 918	32 222	32 222
Current portion of long-term receivables	-	-	-	-	-	-	-
Inventory	513	513	-	-	513	513	513
<b>Total current assets</b>	<b>117 761</b>	<b>115 553</b>	<b>-</b>	<b>-</b>	<b>115 553</b>	<b>133 495</b>	<b>156 290</b>
<b>Non current assets</b>							
Long-term receivables					-	-	-
Investments					-	-	-
Investment property	-	-	-	-	-	-	-
Investment in Associate					-	-	-
Property, plant and equipment	2 960 384	2 944 259	-	-	2 944 259	2 953 654	3 260 763
Biological					-	-	-
Intangible	1 886	1 886	-	-	1 886	690	1 245
Other non-current assets	0	0	-	-	0	0	0
<b>Total non current assets</b>	<b>2 962 270</b>	<b>2 946 146</b>	<b>-</b>	<b>-</b>	<b>2 946 146</b>	<b>2 954 344</b>	<b>3 262 007</b>
<b>TOTAL ASSETS</b>	<b>3 080 031</b>	<b>3 061 698</b>	<b>-</b>	<b>-</b>	<b>3 061 698</b>	<b>3 087 838</b>	<b>3 418 297</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Bank overdraft					-	-	-
Borrowing	10 394	10 394	-	-	10 394	10 394	7 994
Consumer deposits	2 324	2 324	-	-	2 324	2 324	2 473
Trade and other payables	60 858	59 310	-	-	59 310	63 290	62 850
Provisions	15 194	15 194	-	-	15 194	15 194	15 194
<b>Total current liabilities</b>	<b>88 770</b>	<b>87 222</b>	<b>-</b>	<b>-</b>	<b>87 222</b>	<b>91 202</b>	<b>88 510</b>
<b>Non current liabilities</b>							
Borrowing	-	(0)	-	-	(0)	-	-
Provisions	15 947	28 869	-	-	28 869	28 869	30 601
<b>Total non current liabilities</b>	<b>15 947</b>	<b>28 869</b>	<b>-</b>	<b>-</b>	<b>28 869</b>	<b>28 869</b>	<b>30 601</b>
<b>TOTAL LIABILITIES</b>	<b>104 717</b>	<b>116 091</b>	<b>-</b>	<b>-</b>	<b>116 091</b>	<b>120 071</b>	<b>119 112</b>
<b>NET ASSETS</b>	<b>2 975 314</b>	<b>2 945 607</b>	<b>-</b>	<b>-</b>	<b>2 945 607</b>	<b>2 967 767</b>	<b>3 299 186</b>
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated Surplus/(Deficit)	3 187 266	3 176 445	-	-	3 176 445	2 943 922	3 274 492
Reserves	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 187 266</b>	<b>3 176 445</b>	<b>-</b>	<b>-</b>	<b>3 176 445</b>	<b>2 943 922</b>	<b>3 274 492</b>

## TABLE B7 ADJUSTMENTS BUDGET CASH FLOWS

DC43 Harry Gwala - Table B7 Adjustments Budget Cash Flows - 45113

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted 3	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Property rates				-	-		
Service charges	59 930	64 575	-	-	64 575	61 100	63 940
Other revenue	56 447	57 044	-	-	57 044	53 987	48 808
Transfers and Subsidies - Operational	446 738	446 738	-	-	446 738	493 840	519 283
Transfers and Subsidies - Capital	320 236	320 236	-	-	320 236	321 352	357 813
Interest	4 859	7 320	3 000	3 000	10 320	5 713	5 948
Dividends		-		-	-		
<b>Payments</b>							
Suppliers and employees	(566 453)	(614 548)	(14 100)	(14 100)	(628 648)	616 576	661 168
Finance charges	-	-	-	-	-	(100)	(105)
Transfers and Grants	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>321 758</b>	<b>281 365</b>	<b>(11 100)</b>	<b>(11 100)</b>	<b>270 265</b>	<b>1 552 469</b>	<b>1 656 856</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds on disposal of PPE				-	-		
Decrease (increase) in non-current receivables				-	-		
Decrease (increase) in non-current investments				-	-		
<b>Payments</b>							
Capital assets	(298 180)	(279 229)	-	-	(279 229)	(306 141)	(314 554)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(298 180)</b>	<b>(279 229)</b>	<b>-</b>	<b>-</b>	<b>(279 229)</b>	<b>(306 141)</b>	<b>(314 554)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Short term loans				-	-		
Borrowing long term/refinancing				-	-		
Increase (decrease) in consumer deposits	-	-	-	-	-	149	149
<b>Payments</b>							
Repayment of borrowing	(2 400)	(2 400)	-	-	(2 400)	(2 400)	(2 400)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(2 400)</b>	<b>(2 400)</b>	<b>-</b>	<b>-</b>	<b>(2 400)</b>	<b>(2 251)</b>	<b>(2 251)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>21 178</b>	<b>(264)</b>	<b>(11 100)</b>	<b>(11 100)</b>	<b>(11 364)</b>	<b>1 244 076</b>	<b>1 340 051</b>
Cash/cash equivalents at the year begin:	27 569	50 226	-	-	50 226	53 541	58 374
Cash/cash equivalents at the year end:	48 747	49 962	(11 100)	(11 100)	38 862	1 297 618	1 398 425

## TABLE B8 CASH BACKED RESERVES / ACCUMULATED SURPLUS RECONCILIATION

DC43 Harry Gwala - Table B8 Cash backed reserves/accumulated surplus reconciliation - 45113

Description	Budget Year 2022/23					Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	3 A1	8 F	9 G	10 H		
<b>Cash and investments available</b>							
Cash/cash equivalents at the year end	71 404	49 962	-	-	49 962	1 297 618	1 398 425
Other current investments > 90 days	(17 863)	2 675	-	-	2 675	(1 227 693)	(1 305 017)
Non current assets - Investments	-	-	-	-	-	-	-
<b>Cash and investments available:</b>	<b>53 541</b>	<b>52 637</b>	<b>-</b>	<b>-</b>	<b>52 637</b>	<b>69 925</b>	<b>93 408</b>
<b>Applications of cash and investments</b>							
Unspent conditional transfers	-	(0)	-	-	(0)	-	-
Unspent borrowing							
Statutory requirements							
Other working capital requirements	(33 875)	(37 506)	-	-	(37 506)	(24 488)	(19 051)
Other provisions							
Long term investments committed	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>	<b>(33 875)</b>	<b>(37 506)</b>	<b>-</b>	<b>-</b>	<b>(37 506)</b>	<b>(24 488)</b>	<b>(19 051)</b>
<b>Surplus(shortfall)</b>	<b>87 416</b>	<b>90 143</b>	<b>-</b>	<b>-</b>	<b>90 143</b>	<b>94 413</b>	<b>112 458</b>

## **PART 2 – SUPPORTING DOCUMENTATION**

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

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

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

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

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

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

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

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

DC43 Harry Gwala - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 45113

Description	Budget Year 2022/23							Budget Year	Budget Year
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2023/24	+2 2024/25
	A	7 A1	8 B	9 C	10 D	11 E	12 F	Adjusted Budget	Adjusted Budget
<b>R thousands</b>									
<b>RECEIPTS:</b>									
<b><u>Operating Transfers and Grants</u></b>									
<b>National Government:</b>	<b>448 756</b>	<b>448 756</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>448 756</b>	<b>493 840</b>	<b>519 283</b>
Local Government Equitable Share									
Equitable Share	432 161	432 161	-	-	-	-	432 161	463 631	494 128
Expanded Public Works Programme Integrated Grant	5 221	5 221	-	-	-	-	5 221	6 168	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 200	1 200	-	-	-	-	1 200	1 200	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	5 775	5 775	-	-	-	-	5 775	20 450	21 457
Rural Road Asset Management Systems Grant	2 381	2 381	-	-	-	-	2 381	2 391	2 498
Water Services Infrastructure Grant	2 018	2 018	-	-	-	-	2 018	-	-
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>448 756</b>	<b>448 756</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>448 756</b>	<b>493 840</b>	<b>519 283</b>
<b><u>Capital Transfers and Grants</u></b>									
<b>National Government:</b>	<b>318 218</b>	<b>308 218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>308 218</b>	<b>321 352</b>	<b>357 813</b>
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	225 236	225 236	-	-	-	-	225 236	221 352	231 828
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	10 000
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	92 982	82 982	-	-	-	-	82 982	100 000	115 985
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Infrastructure Grant	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[insert description]									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[insert description]									
Human Settlement Re-development Programme	-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>318 218</b>	<b>308 218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>308 218</b>	<b>321 352</b>	<b>357 813</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>766 974</b>	<b>756 974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>756 974</b>	<b>815 192</b>	<b>877 096</b>

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

- National Government R 448, 7million

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

- National Government R 308, 2million

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

2.3.1 There are no adjustments to Expenditure on Allocations and Grant Programmes

## 2.4 Municipal Manager's Quality Certificates

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

Print name: Gamakulu Ma'art Sineke

Municipal Manager of Harry Gwala District Municipality (DC43)

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

Date 27 June 2023