



nelson mandela bay

M U N I C I P A L I T Y

PORT ELIZABETH | UITENHAGE | DESPATCH

**2020/21
ADJUSTMENTS
BUDGET**

TABLE OF CONTENTS

		PAGE
PART 1 – ADJUSTMENTS BUDGET		
1.1	Executive Mayor’s Report	3-4
1.2	2020/21 Adjustments Budget Resolutions	5
1.3	Executive Summary	6
1.4	Consolidated Adjustments Budget Tables	6 - 23
1.5	Adjustments Budget Tables – Parent Municipality	23 - 34
 PART 2 – SUPPORTING DOCUMENTATION		
2.1	Adjustments to Budget Assumptions	34
2.2	Adjustments to Budget Funding	35 - 38
2.3	Adjustments to expenditure on allocations and grant programmes	39
2.4	Consolidated Adjustments to Councillors and Employee Benefits	39
2.5	Adjustments to Service Delivery and Budget Implementation Plan (SDBIP)	39
2.6	Adjustments to Capital Expenditure	39
2.7	Acting City Manager’s Quality Certification	39

PART 1 – 2020/21 ADJUSTMENTS BUDGET

1.1 EXECUTIVE MAYOR'S REPORT

1.1.1 Summary of reasons for the 2020/21 Adjustments Budget

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

- (i) To adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue;
- (ii) 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;
- (iii) To authorise the utilisation of projected savings in one vote towards spending under another vote;
- (iv) 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;
- (v) To correct any errors in the annual budget.

The Municipal Budget and Reporting Regulations (32141 of 2009) stipulate that one adjustments budget may be tabled in the Municipal Council during a financial year. The Adjustments Budget referred to herein must be approved by Council on or before end of February of each year.

In line with the MFMA and the Municipal Budget and Reporting Regulations (MBRR), the 2020/21 approved Budget has been adjusted. The adjustment has been mainly necessitated as a result of, amongst others, the following:

- The need to appropriate additional revenues that may have become available over and above those anticipated in the approved 2020/21 Budget.
- The need to authorise the utilisation of projected savings in one vote towards spending under another vote/s (across the Directorates).
- The need to adjust the collection rate, in view of declining revenue collection levels.

The 2020/21 Adjustments Budget is tabled to Council after an early Adjustments Budget for the 2020/21 financial year was approved by Council in October 2020. This Adjustments Budget takes into account the early Adjustment Budgets, as approved by Council, and any further changes required through various interactions between Budget and Treasury and the relevant Directorates.

The original budgeted collection rate of 88% for the 2020/21 financial year has been negatively affected by the Covid-19 pandemic. In view of declining revenue collection levels of 81.1% for the first six months of the 2020/21 financial year, the collection rate for the adjustments budget has been adjusted downwards to 85%.

Council must also be aware that due to various reasons, there were delays in the transfer of conditional grants by National Treasury to the NMBM for the last quarter of the 2019/20 financial year, as well as the first half of the 2020/2021 financial year. The transfer of conditional grants to the NMBM only commenced in early December 2020, with the result that this impacted negatively on the actual spending of the Capital Budget at mid-term, in view of not being able to implement capital projects until the funds were transferred in to the Municipality's bank account.

It is to be noted that the following grants for the 2019/20 financial year are still outstanding:

2019/20 CONDITIONAL GRANTS NOT YET RECEIVED FROM NATIONAL TREASURY	
GRANT NAME	AMOUNT OWING
Equitable Share	R255 415 000
Urban Settlements Development Grant (USDG)	R390 274 000
Public Transport Network Operations Grant	R 98 154 007
Neighborhood Development Partnership Grant (NDPG)	R 10 000 000
TOTAL	R753 843 007

It is also important for Council to note that National Treasury did not approve the rollover applications for the unspent conditional grants in the 2019/20 financial year, amounting to R508.5 million. This means that National Treasury will deduct from the 2020/21 allocated Equitable Share, the rollover amounts not approved. This will result in projects to be funded from these sources, to be subjected to re-prioritisation or be held in abeyance.

The following table indicates the 2019/20 unspent conditional grants that were not approved by National Treasury:

2019/20 UNSPENT CONDITIONAL GRANTS NOT APPROVED NATIONAL TREASURY			
GRANT NAME	ROLLOVER APPLIED	ROLLOVER APPROVED	ROLLOVER REJECTED
Urban Settlements Development Grant (USDG)	R314 744 560	R0	R314 744 560
Municipal Disaster Recovery Grant / Drought Relief Grant	R187 217 524	R0	R187 217 524
Neighborhood Development Partnership Grant (NDPG)	R6 568 561	R0	R6 568 561
TOTAL	R508 530 645		R508 530 645

1.1.2 The Executive Mayor recommends that the Council approves the 2020/21 Adjustments Budget and relevant documents attached to this Adjustment Budget Report.

Councillor N BHANGA
EXECUTIVE MAYOR

1.2 2020/21 ADJUSTMENTS BUDGET RESOLUTIONS

1.2.1 Approval of the 2020/21 Adjustments Budget

- (i) The Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the 2020/21 Consolidated Adjustments Budget as set-out in the following tables:
- Table B1 Adjustments Budget Summary: page 7 – 8;
 - Table B2 Adjustments Budget Financial Performance (revenue and expenditure by standard classification): page 8 - 9;
 - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote): page 9 -10;
 - Table B4 Adjustments Budget Financial Performance (revenue by source and expenditure by type): page 10 - 13;
 - Table B5 Adjustments Budget Capital Expenditure by vote and standard classification and funding source: page 14 - 16;
 - Table B6 Adjustments Budget Financial Position: page 16 - 17;
 - Table B7 Adjustments Budgeted Cash Flows: page 17 - 18;
 - Table B8 Cash backed reserves/accumulated surplus reconciliation: page 18;
 - Table B9 Asset Management : page 18 - 22;
 - Table B10 Basic Service Delivery: page 22 - 23.
- (ii) That the Chief Financial Officer be authorised to implement any changes that may be identified after the tabling of the 2020/21 Adjustments Budget in Council for approval, prior to submission to National Treasury and publication on the municipal website.

1.3 EXECUTIVE SUMMARY

The 2020/21 Consolidated Adjustments Budget amounts to R13.426 billion, comprising of R12.054 billion for the Operating Budget and R1.372 billion for the Capital Budget. The Operating Adjustments Budget reflects an increase of R362,240 million, compared to the originally approved 2020/21 Operating Budget, whilst the Adjustments Capital Budget reflects a decrease of R272,989 million, compared to the originally approved budget.

The increase in the Operating Budget of R362,240 million, is made up as follows:

Operating Expenditure	Original Budget	Adjusted Budget	Increase / (Reduction)
R thousands			
Expenditure By Type			
Employee related costs	3,768,245	3,756,172	(12,073)
Remuneration of councillors	85,283	85,215	(68)
Debt impairment	1,084,879	1,284,675	199,797
Finance charges	141,084	128,874	(12,211)
Bulk purchases	3,844,678	3,775,867	(68,812)
Other materials	222,873	221,091	(1,782)
Contracted services	1,125,323	1,192,883	67,559
Transfers and subsidies	57,746	59,571	1,825
Other expenditure	621,178	809,182	188,004
Net Increase	11,691,864	12,054,104	362,240

In terms of funding the Capital Budget, the Municipality mainly relies on grant funding, comprising 52.88% of the total capital budget. The percentage funding through grants has reduced due to the external borrowing taken up during the 2020/21 financial year. The funding sources, supporting the Municipality's capital expenditure, are summarised below:

Description	2020/21 Original Budget	2020/21 Adjustments Budget	Variance
	R'000	R'000	R'000
Total Capital Budget	1,644,753	1,371,763	(272,989)
Funded as follows:			
Grant funding	977,010	725,338	(251,672)
Internal funding	453,328	432,011	(21,317)
Borrowing	214,415	214,415	0
Total	1,644,753	1,371,763	(272,989)

It is to be noted that the 2020/21 consolidated adjustments budgeted cash flow statement projects a cash and investments balance of R3.292 billion as at 30 June 2021, compared to the amount of R2.595 billion as per the original budgeted cash flow statement. It must be noted that the municipality's cash and investments portfolio must cover certain commitments.

1.4 CONSOLIDATED ADJUSTMENTS BUDGET TABLES

The ten main consolidated (i.e. Parent Municipality and its Entity) budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's 2020/21 Adjustments Budget to be considered for approval by Council. Each table is accompanied by *explanatory notes* summarising it.

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
service level											
Water:	-							-	-	-	-
Sanitation/sewerage:	5							-	5	4	3
Energy:	-							-	-	-	-
Refuse:	392							-	392	392	392

Explanatory notes to Table B1 – Adjustments Budget Summary

The aim of the Adjustments Budget Summary is to provide a concise overview of the proposed Adjustments Budget from all of the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the amounts to be approved by Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance, as well as the Municipality's commitment to eliminating basic service delivery backlogs.

NB: It must be noted that the figures illustrated above are inclusive of the entity.

Table B2 - Consolidated Adjustments Budget Financial Performance (revenue and expenditure by standard classification)

Standard Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23	
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands												
Revenue - Functional												
Governance and administration	3,413,132							(9,782)	(9,782)	3,403,350	3,713,962	3,960,991
Executive and council	420							40	40	460	420	420
Finance and administration	3,412,710							(9,822)	(9,822)	3,402,888	3,713,540	3,960,569
Internal audit	2							-	-	2	2	2
Community and public safety	1,237,518							20,484	20,484	1,258,001	1,207,517	1,296,387
Community and social services	32,948							71,058	71,058	104,006	34,920	36,381
Sport and recreation	15,370							1,500	1,500	16,871	4,710	5,087
Public safety	817,360							2,531	2,531	819,891	916,934	1,021,114
Housing	369,255							(52,998)	(52,998)	316,257	248,282	231,042
Health	2,585							(1,609)	(1,609)	977	2,670	2,763
Economic and environmental services	628,458							(88,717)	(88,717)	539,742	565,071	558,661
Planning and development	164,745							22,607	22,607	187,352	169,790	168,700
Road transport	459,756							(111,060)	(111,060)	348,695	391,241	385,829
Environmental protection	3,957							(263)	(263)	3,694	4,040	4,132
Trading services	7,592,325							(1,801)	(1,801)	7,590,524	7,859,530	8,551,438
Energy sources	4,540,332							(364,450)	(364,450)	4,175,882	4,729,058	5,162,054
Water management	1,500,347							430,051	430,051	1,930,399	1,527,175	1,636,056
Waste water management	1,109,933							(68,468)	(68,468)	1,041,465	1,123,292	1,231,924
Waste management	441,713							1,065	1,065	442,778	480,005	521,405
Other	45,236							(10,567)	(10,567)	34,669	48,762	52,662
Total Revenue - Functional	12,916,669							(90,383)	(90,383)	12,826,285	13,394,842	14,420,140
Expenditure - Functional												
Governance and administration	2,482,452							128,522	128,522	2,610,974	2,661,699	2,897,783
Executive and council	246,321							20,567	20,567	266,889	259,104	272,223
Finance and administration	2,175,287							108,158	104,558	2,284,444	2,338,379	2,557,802
Internal audit	60,844							(203)	(203)	60,641	64,216	67,758
Community and public safety	1,788,324							187,590	187,590	1,975,914	1,906,400	2,054,463
Community and social services	310,059							209,367	209,367	519,426	336,349	367,861
Sport and recreation	537,570							6,144	6,144	543,714	574,295	610,445
Public safety	672,687							(28,288)	(28,288)	644,398	732,179	792,485
Housing	171,790							(1,181)	(1,181)	170,609	161,325	171,338
Health	96,218							1,549	1,549	97,767	102,253	112,334
Economic and environmental services	756,096							97,620	97,620	853,716	786,253	835,981
Planning and development	327,662							38,085	38,085	365,747	333,747	358,442
Road transport	381,922							59,126	59,126	441,048	402,337	423,409
Environmental protection	46,513							408	408	46,921	50,170	54,129
Trading services	6,596,422							(51,369)	(51,369)	6,545,052	7,089,501	7,604,054

Standard Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Energy sources	4,761,213						(135,589)	(135,589)	4,625,623	5,098,447	5,454,546
Water management	862,234						58,112	58,112	920,346	936,279	1,000,277
Waste water management	592,440						8,031	8,031	600,471	632,128	697,359
Waste management	380,535						18,077	18,077	398,612	422,647	451,871
Other	68,570						(123)	(123)	68,447	73,588	79,256
Total Expenditure - Functional	11,691,864						362,240	362,240	12,054,104	12,517,441	13,471,535
Surplus/ (Deficit) for the year	1,224,804						(452,623)	(452,623)	772,181	877,401	948,604

Explanatory notes to Table B2 – Adjustments Budget Financial Performance (revenue and expenditure by standard classification)

The “standard classification” refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities. It should be noted that the revenue by vote as reflected in this table, includes revenue attributable to capital grants.

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

Vote Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Revenue by Vote											
Vote 1 - Budget & Treasury	3,308,703						(19,074)	(19,074)	3,289,629	3,614,340	3,886,834
Vote 2 - Public Health	482,580						6,913	6,913	489,493	514,167	555,563
Vote 3 - Human Settlements	392,948						(49,143)	(49,143)	343,805	272,517	255,849
Vote 4 - Economic Development, Tourism & Agriculture	151,952						26,471	26,471	178,423	161,198	161,022
Vote 5 - Corporate Services	8,269						16,945	16,945	25,214	6,758	7,299
Vote 6 - Infrastructure & Engineering Unit - Rate & General	461,862						(111,770)	(111,770)	350,092	393,358	387,958
Vote 7 - Metro Water Service	1,500,413						430,051	430,051	1,930,464	1,527,245	1,636,132
Vote 8 - Sanitation - Metro	1,109,933						(68,462)	(68,462)	1,041,470	1,123,292	1,231,924
Vote 9 - Electricity & Energy	4,540,332						(364,450)	(364,450)	4,175,882	4,729,058	5,162,054
Vote 10 - Executive & Council	24,954						46,886	46,886	71,840	22,645	23,828
Vote 11 - Safety & Security	839,249						(8,036)	(8,036)	831,214	940,531	1,046,599
Vote 12 - Mandela Bay Stadium	50,409						-	-	50,409	53,419	56,848
Vote 13 - Special Projects and Programmes	12,484						1,745	1,745	14,228	13,645	(14,916)
Vote 14 - Recreational & Cultural Services	32,582						1,540	1,540	34,123	22,667	23,147
Total Revenue by Vote	12,916,669						(90,383)	(90,383)	12,826,285	13,394,842	14,420,140
Expenditure by Vote											
Vote 1 - Budget & Treasury	1,107,853						103,454	103,454	1,211,307	1,192,501	1,289,514
Vote 2 - Public Health	714,608						15,941	15,941	730,549	779,281	836,822
Vote 3 - Human Settlements	264,859						124,159	124,159	389,018	259,339	278,319
Vote 4 - Economic Development, Tourism & Agriculture	157,557						22,213	22,213	179,770	162,849	172,478
Vote 5 - Corporate Services	417,523						312	312	417,835	447,142	484,766
Vote 6 - Infrastructure & Engineering Unit - Rate & General	882,074						61,801	61,801	943,874	934,552	1,020,072
Vote 7 - Metro Water Service	881,604						64,053	64,053	945,657	956,729	1,022,085
Vote 8 - Sanitation - Metro	562,406						14,127	14,127	576,533	601,562	666,239
Vote 9 - Electricity & Energy	4,757,432						(134,612)	(134,612)	4,622,820	5,094,322	5,450,043
Vote 10 - Executive & Council	329,540						82,852	82,852	412,391	338,000	358,215
Vote 11 - Safety & Security	1,032,663						(17,003)	(17,003)	1,015,661	1,125,973	1,223,353
Vote 12 - Mandela Bay Stadium	149,607						-	-	149,607	157,581	163,649
Vote 13 - Special Projects and Programmes	10,178						4,051	4,051	14,228	11,120	12,126
Vote 14 - Recreational & Cultural Services	423,961						20,892	20,892	444,853	456,489	493,854
Total Expenditure by Vote	11,691,864						362,240	362,240	12,054,104	12,517,441	13,471,535
Surplus/ (Deficit) for the year	1,224,804						(452,623)	(452,623)	772,181	877,401	948,604

Explanatory notes to Table B3 – Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

The purpose of the format in which the Early Adjustments Budget is presented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, to assign responsibility for the revenue and expenditure recorded against these votes to the City Manager and Executive Directors concerned. Operating revenue and expenditure is thus presented by 'vote'. A 'vote' is defined in terms of Section 1 of the Municipal Finance Management Act (MFMA) 56 of 2003 as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table B4 - Consolidated Adjustments Budget Financial Performance (revenue and expenditure)

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Revenue By Source											
Property rates	2,486,145						2,138	2,138	2,488,283	2,787,331	3,055,072
Service charges - electricity revenue	4,359,003						(404,310)	(404,310)	3,954,693	4,585,459	4,992,929
Service charges - water revenue	1,050,759						251,072	251,072	1,301,832	1,166,938	1,266,128
Service charges - sanitation revenue	722,107						(24,062)	(24,062)	698,045	788,529	855,554
Service charges - refuse revenue	264,511						-	-	264,511	287,292	311,695
Rental of facilities and equipment	22,627						6,113	6,113	28,739	24,316	26,149
Interest earned - external investments	161,511						-	-	161,511	177,873	189,392
Interest earned - outstanding debtors	265,534						69,007	69,007	334,541	211,743	227,624
Dividends received							-	-	-	-	-
Fines, penalties and forfeits	224,224						(19,000)	(19,000)	205,224	242,566	261,605
Licences and permits	22,748						(10,644)	(10,644)	12,104	24,522	26,484
Agency services	3,327						(268)	(268)	3,059	3,586	3,873
Transfers and subsidies	2,187,776						310,050	310,050	2,497,826	2,247,599	2,379,225
Other revenue	168,878						(17,709)	(17,709)	151,168	178,960	189,683
Gains	510						-	-	510	520	530
Total Revenue (excluding capital transfers and contributions)	11,939,659						162,386	162,386	12,102,045	12,727,234	13,785,943
Expenditure By Type											
Employee related costs	3,768,245						(12,073)	(12,073)	3,756,172	4,104,420	4,497,564
Remuneration of councillors	85,283						(68)	(68)	85,215	89,237	93,430
Debt impairment	1,084,879						199,797	199,797	1,284,675	1,176,754	1,281,186
Depreciation & asset impairment	740,575						-	-	740,575	784,992	861,908
Finance charges	141,084						(12,211)	(12,211)	128,874	160,755	154,958
Bulk purchases	3,844,678						(68,812)	(68,812)	3,775,867	4,108,748	4,393,823
Other materials	222,873						(1,782)	(1,782)	221,091	230,168	240,950
Contracted services	1,125,323						67,559	67,559	1,192,883	1,152,441	1,192,006
Transfers and subsidies	57,746						1,825	1,825	59,571	58,205	59,743
Other expenditure	621,178						188,004	188,004	809,182	651,721	695,967
Losses							-	-	-	-	-
Total Expenditure	11,691,864						362,240	362,240	12,054,104	12,517,441	13,471,535
Surplus/(Deficit)	247,794						(199,854)	(199,854)	47,941	209,792	314,407
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	944,113						(286,108)	(286,108)	658,005	667,608	634,197
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations Higher Educational Institutions)	32,897						33,339	33,339	66,236		
Transfers and subsidies - capital (in-kind - all)							-	-	-		
Surplus/(Deficit) before taxation	1,224,804						(452,623)	(452,623)	772,181	877,401	948,604
Taxation							-	-	-		
Surplus/(Deficit) after taxation	1,224,804						(452,623)	(452,623)	772,181	877,401	948,604
Attributable to minorities							-	-	-		
Surplus/(Deficit) attributable to municipality	1,224,804						(452,623)	(452,623)	772,181	877,401	948,604
Share of surplus/ (deficit) of associate							-	-	-		
Surplus/ (Deficit) for the year	1,224,804						(452,623)	(452,623)	772,181	877,401	948,604

Explanatory notes to Table B4 – Adjustments Budget Financial Performance (revenue and expenditure)

Revenue

1. The Financial Performance Adjustments Budget is required to be approved concurrently by revenue source and expenditure type, in order to ensure consistency with the annual reporting format requirements. A key aim is to facilitate comparison between the annual results and the Adjustments Budget, in order to assess performance.
2. Total Operating Revenue amounts to R12.102 billion in the 2020/21 Consolidated Adjustments Budget, compared to the amount of R11.940 billion in the original 2020/21 Budget. This represents an increase of R162.386 million or 1.36%. It is to be noted that an amount of R322,050,000 million in respect of the Fuel Levy allocation, is included in the original Total Operating Revenue. The amount included in the Adjustments Budget is R276,765,000. This is used to fund capital expenditure. **The revenue that is used to fund the adjusted operating expenditure is therefore R11.825 billion, resulting in an operating deficit of approximately R228.824 million.**
3. The significant variations in revenue, compared to the original budget are as follows:
 - 3.1 Transfers Recognised – Operating
This includes the local government equitable share and other operating grants from national and provincial government. Transfers increased by R310.050 million when compared to the original budget. The increase is mainly due to the following: -
 - Moving R129.548 million of the Urban Settlements Development Grant from the capital budget to the operating budget. This does not represent new grant revenue.
 - Moving R24.641 million of the IPTS grant from the capital budget to the operating budget.
 - Moving R5.306 million of the Integrated City Development Grant. from the capital budget to the operating budget. This does not represent new grant revenue.
 - DoRA allocation for the Equitable Share increased by R153.904 million. This represents additional grant funding.
 - 3.2 Service Charges: Electricity Revenue
The Electricity revenue as projected in the 2020/21 Original Budget was reduced by R404.310 million, in line with prevailing consumption patterns.

The Electricity Service is operating at a loss and requires urgent review, in order to ensure its financial sustainability.
 - 3.3 Service Charges: Water Revenue
The Water revenue increased by R251.072 million due to the punitive water tariffs imposed, in view of the drought situation.
 - 3.4 Interest Earned: Outstanding Debtors
The interest earned on outstanding debtors were adjusted by R69.007 million, due to the escalation in outstanding debtors, caused by the punitive water tariffs and the COVID-19 pandemic.

Expenditure

4. Total Operating Expenditure amounts to R12.035 billion in the 2020/21 Adjustments Budget, compared to the amount of R11.692 billion in the original 2020/21 Budget. This represents an increase of R342.640 million or 2.93%.

5. The significant variations in expenditure, compared to the original budget, are as follows:

5.1 Employee Related Costs

Employee Related Costs decreased by R12.073 million, mainly due to a delay in the filling of funded vacant positions.

5.2 Contracted Services

Contracted services increased by R67.559 million, compared to the original budget. This expenditure category was adjusted, in line with current expenditure trends.

5.3 Bulk Purchases

Electricity Bulk Purchases decreased by R68.812 million, compared to the original budget, in line with the prevailing consumption patterns.

5.4 Other Expenditure

Other expenditure increased by R188.004 million, mainly due to spending associated with the response to the Covid-19 pandemic. This is also attributable to the re-prioritisation of a portion of the USDG.

5.5 Finance Charges

Finance charges decreased by R12.211 million, in line with the repayment schedule for new external borrowing that has been taken.

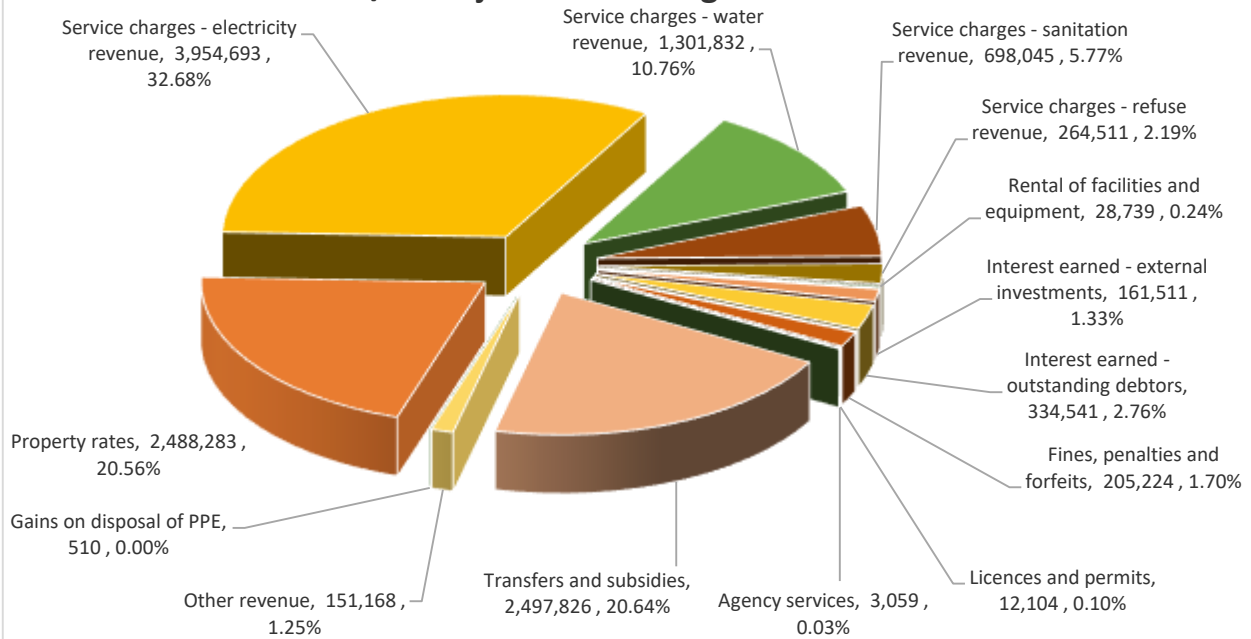
5.6 Debt Impairment

Debt impairment increased by R199.797 million, compared to the original budget. The 2020/21 Adjustments Budget is based on a collection rate of 85%, compared to the collection rate of 88% in the original budget. The collection rate was adjusted, in line with the declining collection levels.

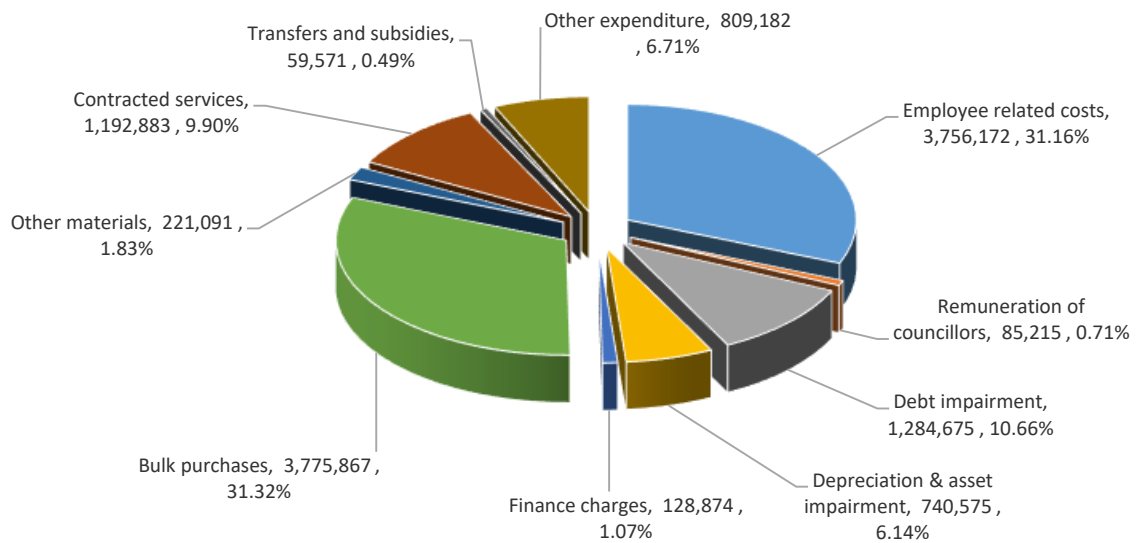
6. Graphical representation of Operating Revenue, Operating Expenditure and Capital funding

The following graphs illustrate how the operating revenue, operating expenditure and capital funding is allocated over the various categories.

2020/21 Adjustments Budget Revenue R'000



2020/21 Adjustments Budget Expenditure R'000



The capital graph below illustrates how the adjusted capital budget is funded.

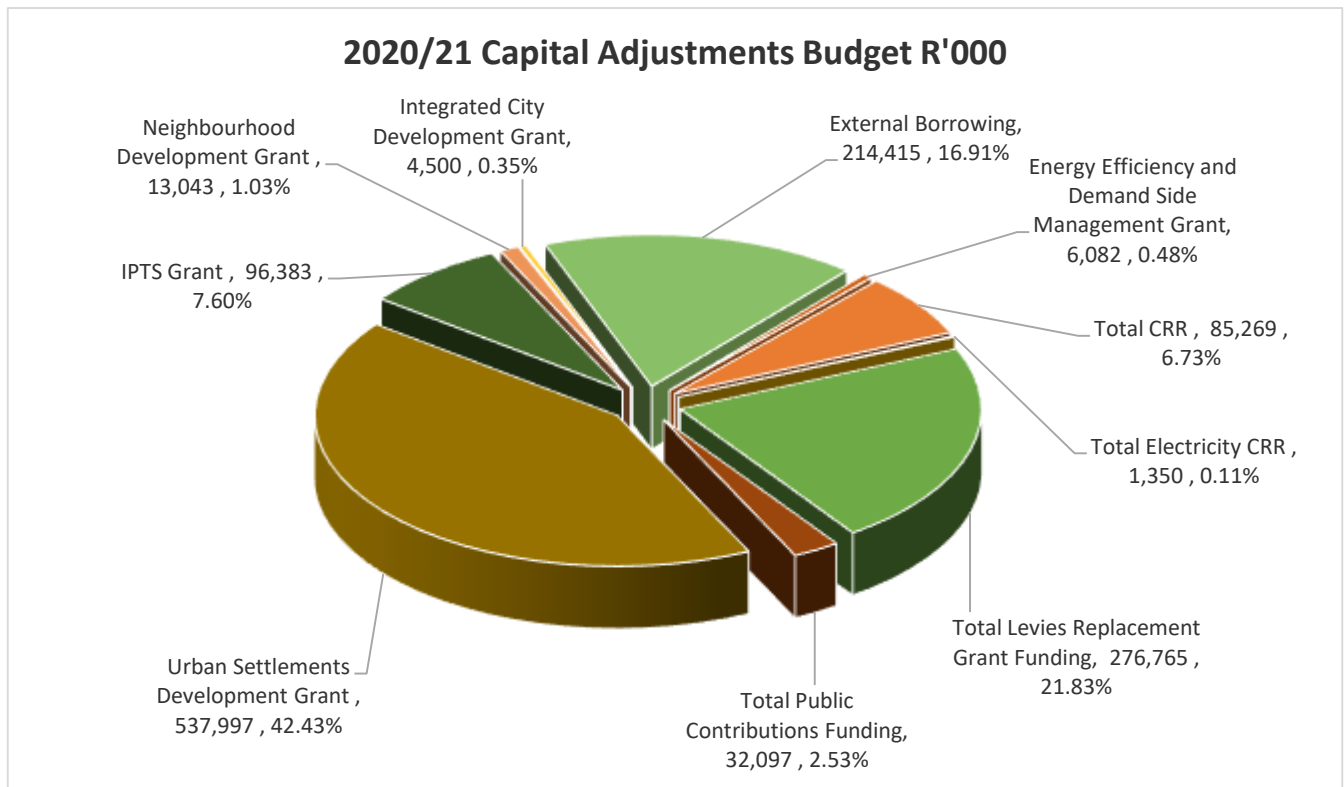


Table B5 - Consolidated Adjustment Capital Expenditure Budget by vote, standard classification and funding source

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Capital expenditure - Vote											
Multi-year expenditure to be adjusted											
Vote 1 - Budget & Treasury	13,000						(9,650)	(9,650)	3,350	8,000	-
Vote 2 - Public Health	16,700						1,190	1,190	17,890	20,866	26,029
Vote 3 - Human Settlements	151,155						(100,006)	(100,006)	51,150	163,044	149,087
Vote 4 - Economic Development, Tourism & Agriculture	63,341						53,565	53,565	116,906	66,942	60,161
Vote 5 - Corporate Services	15,820						(4,544)	(4,544)	11,276	19,300	7,400
Vote 6 - Infrastructure & Engineering Unit - Rate & General	422,786						(176,977)	(176,977)	245,809	289,455	303,776
Vote 7 - Metro Water Service	305,050						150,150	150,150	455,200	252,612	228,393
Vote 8 - Sanitation - Metro	172,370						(65,400)	(65,400)	106,970	128,386	188,035
Vote 9 - Electricity & Energy	163,383						(3,658)	(3,658)	159,725	156,732	150,330
Vote 10 - Executive & Council	9,114						(9,114)	(9,114)	-	16,713	17,671
Vote 11 - Safety & Security	1,000						-	-	1,000	-	-
Vote 12 - Mandela Bay Stadium	9,000						(9,000)	9,000	-	7,000	7,000
Vote 13 - Special Projects and Programmes	-									-	-
Vote 14 - Recreational & Cultural Services	32,000						(3,100)	(3,100)	28,900	26,900	23,500
Capital multi-year expenditure sub-total	1,374,718						(176,543)	(176,543)	1,198,175	1,155,949	1,161,383
Single-year expenditure to be adjusted											
Vote 1 - Budget & Treasury	4,180						(1,050)	(1,050)	3,130	1,700	700
Vote 2 - Public Health	26,900						67	67	26,967	11,652	7,603
Vote 3 - Human Settlements	75,000						(75,000)	75,000	-	-	-
Vote 4 - Economic Development, Tourism & Agriculture	-						5,000	5,000	5,000	-	-
Vote 5 - Corporate Services	13,780						(591)	(591)	13,189	15,500	2,000
Vote 6 - Infrastructure & Engineering Unit - Rate & General	73,254						(1,350)	(1,350)	71,903	95,684	61,150
Vote 7 - Metro Water Service	19,000						(12,250)	(12,250)	6,750	11,366	11,021

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Vote 8 - Sanitation - Metro	9,000						(6,000)	6,000	3,000	3,302	1,333
Vote 9 - Electricity & Energy	14,582						(800)	(800)	13,782	8,150	18,704
Vote 10 - Executive & Council	-						-	-	-	-	-
Vote 11 - Safety & Security	15,839						(7,500)	(7,500)	8,339	15,000	-
Vote 12 - Mandela Bay Stadium	-						-	-	-	-	-
Vote 13 - Special Projects and Programmes	-						-	-	-	-	-
Vote 14 - Recreational & Cultural Services	18,500						3,027	,027	21,527	800	1,000
Capital single-year expenditure sub-total	270,034						(96,446)	(96,446)	173,588	163,153	103,510
Total Capital Expenditure - Vote	1,644,753						(272,989)	(272,989)	1,371,763	1,319,102	1,264,894
Capital Expenditure - Functional											
Governance and administration	342,983						(235,810)	(235,810)	107,174	130,099	76,300
Executive and council	-						-	-	-	-	-
Finance and administration	342,983						(235,810)	(235,810)	107,174	130,099	76,300
Internal audit	-						-	-	-	-	-
Community and public safety	215,900						(130,785)	(130,785)	85,115	72,652	56,902
Community and social services	56,000						(26,350)	26,350	29,650	24,362	22,703
Sport and recreation	131,600						(97,205)	(97,205)	34,395	41,300	27,991
Public safety	24,800						(4,530)	(4,530)	20,270	5,200	4,408
Housing	-						-	-	-	-	-
Health	3,500						(2,700)	(2,700)	800	1,790	1,800
Economic and environmental services	199,487						174,077	174,077	373,565	424,910	408,677
Planning and development	32,906						70,957	70,957	103,863	32,159	34,074
Road transport	166,582						103,121	103,121	269,702	392,751	373,603
Environmental protection	-						-	-	-	-	1,000
Trading services	886,382						(80,472)	(80,472)	805,910	691,441	723,014
Energy sources	391,484						(225,477)	(225,477)	166,007	160,382	166,334
Water management	128,280						350,070	350,070	478,350	295,494	262,553
Waste water management	346,418						(193,065)	(193,065)	153,353	233,065	291,628
Waste management	20,200						(12,000)	(12,000)	8,200	2,500	2,500
Other	-						-	-	-	-	-
Total Capital Expenditure - Functional	1,644,753						(272,989)	(272,989)	1,371,763	1,319,102	1,264,894
Funded by:											
National Government	944,113						(286,108)	(286,108)	658,005	667,608	634,197
Provincial Government	-						-	-	-	-	-
District Municipality	-						-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	32,897						34,437	34,437	67,333	-	-
Transfers recognised - capital	977,010						(251,672)	(251,672)	725,338	667,608	634,197
Borrowing	214,415						-	-	214,415	254,245	281,943
Internally generated funds	453,328						(21,317)	(21,317)	432,011	397,249	348,754
Total Capital Funding	1,644,753						(272,989)	(272,989)	1,371,763	1,319,102	1,264,894

Explanatory notes to Table B5 – Adjustments Capital Expenditure Budget by vote, standard classification and funding source

- Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- The decrease in the capital grant funding is mainly attributable to the following:
 - The portion of the Fuel Levy that was allocated to the Original Capital Budget was reduced by R45,285,000 from R322,050,000 to R276,765,000. The funds were moved to fund operating expenditure and to provide a further allocation of R9 million to the Mandela Bay Development Agency for the Nelson Mandela Bay Stadium.
 - USDG funding in the amount of R129,548 million (VAT incl.) was transferred from the capital budget to the operating budget to fund the COVID19 projects / programmes. Moving R129,548 million (VAT Incl.) of the Urban Settlements Development Grant

from the capital budget to the operating budget does not represent new grant revenue.

- c. Moving R24,641 million VAT incl. of the IPTS grant from the capital budget to the operating budget.
- d. Moving R5,306 million Vat incl of the Integrated City Development Grant from the capital budget to the operating budget also does not represent new grant revenue.
- e. DoRA allocation for USDG was reduced by R88.114 million.
- f. DoRA allocation for IPTS Grant was reduced by R50.191 million.
- g. DoRA allocation for Neighborhood Development Partnership Grant was reduced by R20 million.

Table B6 - Consolidated Adjustments Budget Financial Position

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
ASSETS											
Current assets											
Cash	200,200							-	200,200	200,200	200,200
Call investment deposits	2,394,627						697,170	697,170	3,091,797	2,967,513	3,227,175
Consumer debtors	2,285,500						182,840	182,840	2,468,340	2,665,807	3,138,130
Other debtors	428,722								428,722	447,898	463,483
Current portion of long-term receivables											
Inventory	146,639						16,775	16,775	163,414	173,218	183,612
Total current assets	5,455,687						896,785	896,785	6,352,472	6,454,636	7,212,601
Non-current assets											
Long-term receivables	118,248						(60,852)	(60,852)	57,395	61,987	66,946
Investments											
Investment property	211,285						(51,921)	(51,921)	159,363	153,295	146,633
Investment in Associate											
Property, plant and equipment	19,511,032						1,326,054	(1,326,054)	18,184,978	18,739,972	19,169,188
Biological											
Intangible	305,090						(181,268)	(181,268)	123,822	111,006	92,420
Other non-current assets											
Total non-current assets	20,145,655						(1,620,096)	1,620,096)	18,525,559	19,066,260	19,475,187
TOTAL ASSETS	25,601,342						(723,311)	(723,311)	24,878,031	25,520,896	26,687,787
LIABILITIES											
Current liabilities											
Bank overdraft											
Borrowing	156,291								156,291	192,847	191,073
Consumer deposits	163,347								163,347	168,574	173,968
Trade and other payables	2,613,507								2,613,507	2,762,829	2,919,157
Provisions	341,375						(141,062)	(141,062)	200,313	220,344	242,379
Total current liabilities	3,274,519						(141,062)	(141,062)	3,133,458	3,344,595	3,526,576
Non-current liabilities											
Borrowing	1,001,082								1,001,082	1,277,416	1,086,343
Provisions	3,018,443						(540,765)	(540,765)	2,477,678	2,725,446	2,997,991
Total non-current liabilities	4,019,526						(540,765)	(540,765)	3,478,761	4,002,862	4,084,334
TOTAL LIABILITIES	7,294,045						(681,827)	(681,827)	6,612,218	7,347,457	7,610,910
NET ASSETS	18,307,296						(41,484)	(41,484)	18,265,812	18,173,439	19,076,877
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	17,436,274						(41,484)	(41,484)	17,394,790	17,041,743	17,833,876
Reserves	871,023								871,023	1,131,697	1,243,001
TOTAL COMMUNITY WEALTH/EQUITY	18,307,296						(41,484)	41,484)	18,265,812	18,173,439	19,076,877

Explanatory notes to Table B6 – Adjustments Budget Financial Position

1. The table presents Assets Less Liabilities as Community Wealth. The order of items within each group is also aligned to the requirement of showing items in order of liquidity; i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.

2. Any movement on the Adjustments Budgeted Financial Performance or the Capital Adjustments Budget will invariably impact on the Adjustments Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year-end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is directly informed by forecasting the statement of financial position.

Table B7 - Consolidated Adjustments Budgeted Cash Flow Statement

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates	2,187,808						(72,767)	(72,767)	2,115,041	2,452,851	2,688,463
Service charges	5,628,839						(342,590)	(342,590)	5,286,248	6,008,855	6,535,173
Other revenue	256,978						(35,458)	(35,458)	221,520	262,665	282,342
Transfers and Subsidies - Operational	2,080,628						313,399	313,399	2,394,027	2,170,504	2,308,116
Transfers and Subsidies - Capital	1,092,945						(285,387)	(285,387)	807,557	748,199	712,356
Interest	161,511								161,511	177,873	189,392
Payments											
Suppliers and employees	(9,658,381)						(86,724)	(86,724)	(9,745,105)	(10,319,830)	(11,064,527)
Finance charges	(123,515)						(5,359)	(5,359)	(128,874)	(160,755)	(154,958)
Transfers and Grants	(60,975)						(16,675)	(16,675)	(77,650)	(56,862)	(50,512)
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,565,838						(531,563)	(531,563)	1,034,275	1,283,501	1,445,845
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (increase) in non-current receivables	(14,522)						75,374	75,374	60,852	(4,592)	(4,959)
Decrease (increase) in non-current investments											
Payments											
Capital assets	(1,641,530)						502,759	502,759	(1,138,770)	(1,464,675)	(1,276,118)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1,656,051)						578,133	578,133	(1,077,918)	(1,469,267)	(1,281,077)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing	214,415								214,415	254,245	281,943
Increase (decrease) in consumer deposits	5,065								5,065	5,227	5,394
Payments											
Repayment of borrowing	(148,049)								(148,049)	(197,990)	(192,442)
NET CASH FROM/(USED) FINANCING ACTIVITIES	71,430						-	-	71,430	61,481	94,895
NET INCREASE/ (DECREASE) IN CASH HELD	(18,783)						46,570	46,570	27,787	(124,284)	259,663
Cash/cash equivalents at the year begin:	2,613,610						650,600	650,600	3,264,209	3,291,997	3,167,713
Cash/cash equivalents at the year-end:	2,594,827						697,170	697,170	3,291,997	3,167,713	3,427,375

Explanatory notes to Table B7 – Adjustments Budget Cash Flow Statement

1. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.

2. It reflects the expected cash in-flows versus the cash out flows that is likely to result from the implementation of the Budget, and is assuming that all issues resulting from the non-transfer of grants by National Treasury will be addressed soon.
3. The cash position of the Municipality increased by R697.170 million from R2.595 billion in the original 2020/21 Budget, to R3.292 billion in the 2020/21 Adjustments Budget.

Table B8 – Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Cash and investments available											
Cash/cash equivalents at the year end	2,594,827						697,170	697,170	3,291,997	3,167,713	3,427,375
Other current investments > 90 days	(0)						0	0	0	–	–
Non-current assets - Investments	–						–	–	–	–	–
Cash and investments available:	2,594,827						697,170	697,170	3,291,997	3,167,713	3,427,375
Applications of cash and investments											
Unspent conditional transfers	54,276						–	–	54,276	49,276	44,276
Unspent borrowing									–	–	–
Statutory requirements									–	–	–
Other working capital requirements	(524,707)						(539)	(539)	(525,246)	(717,950)	(1,020,063)
Other provisions	786,911								786,911	835,505	887,137
Long term investments committed	–						–	–	–	–	–
Reserves to be backed by cash/investments	871,023						–	–	871,023	1,131,697	1,243,001
Total Application of cash and investments:	1,187,502						(539)	(539)	1,186,963	1,298,528	1,154,352
Surplus(shortfall)	1,407,324						697,709	697,709	2,105,033	1,869,185	2,273,023

Explanatory notes to Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. The table assesses the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. It is to be noted that the 2020/21 Original Budget reflected a funding Surplus of R1.407 billion, which has increased to R2.105 billion in the 2020/21 Adjustments Budget.
4. The Adjustments Budget funding position indicates that the Municipality must continue to exercise strict fiscal discipline to maintain and improve its funding position.

Table B9 – Consolidated Asset Management

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
CAPITAL EXPENDITURE											
Total New Assets to be adjusted	837,627						(164,630)	(164,630)	672,998	681,543	611,120
Roads Infrastructure	254,689						(130,715)	(130,715)	123,974	196,969	240,176
Storm water Infrastructure	23,450						(19,039)	(19,039)	4,411	30,978	34,205
Electrical Infrastructure	36,618						30,000	30,000	66,618	24,599	30,451
Water Supply Infrastructure	163,220						105,830	105,830	269,050	124,365	89,107
Sanitation Infrastructure	38,255						(19,305)	(19,305)	18,950	54,838	53,997
Solid Waste Infrastructure	–						–	–	–	–	–
Rail Infrastructure	–						–	–	–	–	8,000
Coastal Infrastructure	–						–	–	–	–	–
Information and Communication Infrastructure	6,500						(3,500)	(3,500)	3,000	10,500	6,000
Infrastructure	522,733						(36,729)	(36,729)	486,003	442,249	461,936

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Community Facilities	55,332						(17,285)	(17,285)	38,046	34,335	24,770
Sport and Recreation Facilities	24,425						10,340	10,340	34,765	18,000	-
Community Assets	79,756						(6,946)	(6,946)	72,811	52,335	24,770
Heritage Assets	4,223						2,317	2,317	6,540	3,791	6,348
Revenue Generating	-						-	-	-	-	-
Non-revenue Generating	-						-	-	-	-	-
Investment properties	-						-	-	-	-	-
Operational Buildings	31,596						(25,053)	(25,053)	6,543	37,150	35,417
Housing	-						-	-	-	-	-
Other Assets	31,596						(25,053)	(25,053)	6,543	37,150	35,417
Biological or Cultivated Assets	-						-	-	-	-	-
Servitudes	-						-	-	-	-	-
Licences and Rights	26,018						(10,626)	(10,626)	15,392	42,231	43,032
Intangible Assets	26,018						(10,626)	(10,626)	15,392	42,231	43,032
Computer Equipment	6,780						(235)	(235)	6,545	4,712	1,716
Furniture and Office Equipment	4,983						(1,701)	(1,701)	3,282	2,356	2,857
Machinery and Equipment	42,199						(5,121)	(5,121)	37,078	52,885	28,543
Transport Assets	42,839						(5,538)	(5,538)	37,301	42,835	6,500
Land	76,500						(75,000)	(75,000)	1,500	1,000	-
Zoo's, Marine and Non-biological Animals	-						-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	303,829						48,762	48,762	352,591	246,451	240,304
Roads Infrastructure	54,023						10,195	10,195	64,218	57,200	48,200
Storm water Infrastructure	10,500						(2,800)	(2,800)	7,700	9,500	11,500
Electrical Infrastructure	52,100						(200)	(200)	51,900	41,196	39,982
Water Supply Infrastructure	155,380						(14,830)	(14,830)	140,550	103,445	106,014
Sanitation Infrastructure	13,500						12,880	12,880	26,380	25,610	33,608
Solid Waste Infrastructure	11,726						-	-	11,726	-	-
Rail Infrastructure	-						7,394	7,394	7,394	-	-
Coastal Infrastructure	-						-	-	-	-	-
Information and Communication Infrastructure	-						-	-	-	-	-
Infrastructure	297,229						12,639	12,639	309,868	236,951	239,304
Community Facilities	2,700						12,272	12,272	14,972	6,000	-
Sport and Recreation Facilities	200						23,521	23,521	23,721	1,000	-
Community Assets	2,900						35,793	35,793	38,693	7,000	-
Heritage Assets	1,500						920	920	2,420	-	-
Revenue Generating	-						-	-	-	-	-
Non-revenue Generating	-						-	-	-	-	-
Investment properties	-						-	-	-	-	-
Operational Buildings	2,200						(800)	(800)	1,400	2,500	1,000
Housing	-						210	210	210	-	-
Other Assets	2,200						(590)	(590)	1,610	2,500	1,000
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	-						-	-	-	-	-
Total Upgrading of Existing Assets to be adjusted	503,296						(157,121)	(157,121)	346,175	391,108	413,470
Roads Infrastructure	174,935						(81,249)	(81,249)	93,686	83,756	73,587
Storm water Infrastructure	31,000						(15,400)	(15,400)	15,600	28,000	24,500
Electrical Infrastructure	64,472						(35,258)	(35,258)	29,214	80,995	76,561
Water Supply Infrastructure	63,550						4,700	4,700	68,250	60,344	59,088
Sanitation Infrastructure	103,870						(27,630)	(27,630)	76,240	79,087	131,152
Solid Waste Infrastructure	2,500						5,300	5,300	7,800	2,500	2,500
Rail Infrastructure	-						-	-	-	-	-
Coastal Infrastructure	-						-	-	-	-	1,000
Information and Communication Infrastructure	1,250						-	-	1,250	1,250	1,250
Infrastructure	441,576						(149,536)	(149,536)	292,040	335,931	369,638
Community Facilities	27,370						(2,250)	(2,250)	25,120	24,127	22,732
Sport and Recreation Facilities	15,700						(5,700)	(5,700)	10,000	12,300	11,200
Community Assets	43,070						(7,950)	(7,950)	35,120	36,427	33,932
Heritage Assets	-						-	-	-	-	-
Revenue Generating	-						-	-	-	-	-

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Non-revenue Generating	-						-	-	-	-	-
Investment properties	-						-	-	-	-	-
Operational Buildings	15,650						1,315	1,315	16,965	15,750	7,400
Housing	-						-	-	-	-	-
Other Assets	15,650						1,315	1,315	16,965	15,750	7,400
Biological or Cultivated Assets	-						-	-	-	-	-
Servitudes	-						-	-	-	-	-
Licences and Rights	2,000						(950)	(950)	1,050	2,000	1,000
Intangible Assets	2,000						(950)	(950)	1,050	2,000	1,000
Computer Equipment	1,000						-	-	1,000	1,000	1,500
Furniture and Office Equipment	-						-	-	-	-	-
Machinery and Equipment	-						-	-	-	-	-
Transport Assets	-						-	-	-	-	-
Land	-						-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-						-	-	-	-	-
Total Capital Expenditure to be adjusted	1,644,753						(272,989)	(272,989)	1,371,763	1,319,102	1,264,894
<i>Roads Infrastructure</i>	483,647						(201,769)	(201,769)	281,878	337,925	361,963
<i>Storm water Infrastructure</i>	64,950						(37,239)	(37,239)	27,711	68,478	70,205
<i>Electrical Infrastructure</i>	153,190						(5,458)	(5,458)	147,732	146,789	146,994
<i>Water Supply Infrastructure</i>	382,150						95,700	95,700	477,850	288,154	254,208
<i>Sanitation Infrastructure</i>	155,625						(34,055)	(34,055)	121,570	159,535	218,758
<i>Solid Waste Infrastructure</i>	14,226						5,300	5,300	19,526	2,500	2,500
<i>Rail Infrastructure</i>	-						7,394	7,394	7,394	-	8,000
<i>Coastal Infrastructure</i>	-						-	-	-	-	1,000
<i>Information and Communication Infrastructure</i>	7,750						(3,500)	(3,500)	4,250	11,750	7,250
<i>Infrastructure</i>	1,261,538						(173,626)	(173,626)	1,087,912	1,015,131	1,070,878
Community Facilities	85,402						(7,264)	(7,264)	78,138	64,462	47,502
Sport and Recreation Facilities	40,325						28,161	28,161	68,486	31,300	11,200
Community Assets	125,726						20,897	20,897	146,624	95,762	58,702
Heritage Assets	5,723						3,237	3,237	8,960	3,791	6,348
Revenue Generating	-						-	-	-	-	-
Non-revenue Generating	-						-	-	-	-	-
Investment properties	-						-	-	-	-	-
Operational Buildings	49,446						(24,538)	(24,538)	24,908	55,400	43,817
Housing	-						210	210	210	-	-
Other Assets	49,446						(24,328)	(24,328)	25,118	55,400	43,817
Biological or Cultivated Assets	-						-	-	-	-	-
Servitudes	-						-	-	-	-	-
Licences and Rights	28,018						(11,576)	(11,576)	16,442	44,231	44,032
Intangible Assets	28,018						(11,576)	(11,576)	16,442	44,231	44,032
Computer Equipment	7,780						(235)	(235)	7,545	5,712	3,216
Furniture and Office Equipment	4,983						(1,701)	(1,701)	3,282	2,356	2,857
Machinery and Equipment	42,199						(5,121)	(5,121)	37,078	52,885	28,543
Transport Assets	42,839						(5,538)	(5,538)	37,301	42,835	6,500
Land	76,500						(75,000)	(75,000)	1,500	1,000	-
Zoo's, Marine and Non-biological Animals	-						-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	1,644,753						(272,989)	(272,989)	1,371,763	1,319,102	1,264,894
ASSET REGISTER SUMMARY - PPE (WDV)	20,027,407						(1,559,244)	(1,559,244)	18,468,163	19,004,273	19,408,241
<i>Roads Infrastructure</i>	4,926,571						(528,547)	(528,547)	4,398,024	4,520,629	4,646,159
<i>Storm water Infrastructure</i>	615,509						(61,435)	(61,435)	554,074	606,294	658,646
<i>Electrical Infrastructure</i>	2,385,225						(70,337)	(70,337)	2,314,888	2,376,129	2,429,186
<i>Water Supply Infrastructure</i>	3,690,841						(187,179)	(187,179)	3,503,661	3,714,168	3,883,116
<i>Sanitation Infrastructure</i>	2,153,496						(141,000)	(141,000)	2,012,496	2,110,573	2,261,848
<i>Solid Waste Infrastructure</i>	390,602						(89,006)	(89,006)	301,596	293,584	284,540
<i>Rail Infrastructure</i>	-						-	-	-	-	8,000
<i>Coastal Infrastructure</i>	56,919						12,881	12,881	69,800	69,800	70,800
<i>Information and Communication Infrastructure</i>	28,905						(22,658)	(22,658)	6,247	17,997	25,247
<i>Infrastructure</i>	14,248,067						(1,087,281)	(1,087,281)	13,160,786	13,709,173	14,267,542
Community Assets	2,484,199						(28,407)	(28,407)	2,455,792	2,394,469	2,280,684
Heritage Assets	216,706						(5,641)	(5,641)	211,064	214,855	221,203
Investment properties	211,285						(46,021)	(46,021)	165,263	159,195	152,533

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Other Assets	849,635						52,162	52,162	901,797	926,225	934,839
Biological or Cultivated Assets	-							-	-	-	-
Intangible Assets	305,090						(176,182)	(176,182)	128,908	116,092	97,506
Computer Equipment	32,743						22,834	22,834	55,576	38,640	16,996
Furniture and Office Equipment	35,808						(4,722)	(4,722)	31,086	24,380	17,298
Machinery and Equipment	85,103						(5,772)	(5,772)	79,330	127,239	150,319
Transport Assets	268,944						(109,115)	(109,115)	159,828	174,273	149,590
Land	1,289,828						(171,097)	(171,097)	1,118,731	1,119,731	1,119,731
Zoo's, Marine and Non-biological Animals								-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	20,027,407						(1,559,244)	(1,559,244)	18,468,163	19,004,273	19,408,241
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment	740,575						-	-	740,575	784,992	861,926
Repairs and Maintenance by asset class	477,613						9,681	9,681	487,294	525,601	550,619
<i>Roads Infrastructure</i>	33,476						31,972	31,972	65,448	33,982	34,510
<i>Storm water Infrastructure</i>	17,347						-	-	17,347	17,371	17,385
<i>Electrical Infrastructure</i>	47,478						(1,793)	(1,793)	45,686	51,686	54,078
<i>Water Supply Infrastructure</i>	67,927						27,630	27,630	95,557	72,246	75,483
<i>Sanitation Infrastructure</i>	72,303						(4,020)	(4,020)	68,283	78,013	82,993
<i>Solid Waste Infrastructure</i>	-						-	-	-	-	-
<i>Rail Infrastructure</i>	3,187						(1,000)	(1,000)	2,187	3,191	3,196
<i>Coastal Infrastructure</i>	-						-	-	-	-	-
<i>Information and Communication Infrastructure</i>	370						-	-	370	392	416
<i>Infrastructure</i>	242,089						52,789	52,789	294,878	256,882	268,060
<i>Community Facilities</i>	14,390						880	880	15,270	15,048	16,140
<i>Sport and Recreation Facilities</i>	7,764						6,275	6,275	14,039	8,324	9,020
<i>Community Assets</i>	22,155						7,155	7,155	29,309	23,372	25,159
<i>Heritage Assets</i>	961						(50)	(50)	911	982	1,005
<i>Revenue Generating</i>	-						-	-	-	-	-
<i>Non-revenue Generating</i>	-						-	-	-	-	-
<i>Investment properties</i>	-						-	-	-	-	-
<i>Operational Buildings</i>	33,736						(32)	(32)	33,704	39,240	42,017
<i>Housing</i>	3,021						1,600	1,600	4,621	3,168	3,324
<i>Other Assets</i>	36,757						1,568	1,568	38,325	42,407	45,341
<i>Biological or Cultivated Assets</i>	-						-	-	-	-	-
<i>Servitudes</i>	-						-	-	-	-	-
<i>Licences and Rights</i>	4,798						-	-	4,798	5,095	5,390
<i>Intangible Assets</i>	4,798						-	-	4,798	5,095	5,390
<i>Computer Equipment</i>	7,864						(708)	(708)	7,156	8,491	9,107
<i>Furniture and Office Equipment</i>	3,661						(222)	(222)	3,439	3,822	3,987
<i>Machinery and Equipment</i>	118,484						(49,197)	(49,197)	69,288	140,507	145,059
<i>Transport Assets</i>	40,844						(1,654)	(1,654)	39,190	44,042	47,511
<i>Land</i>	-						-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>	-						-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	1,218,188						9,681	9,681	1,227,869	1,310,593	1,412,546
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	49.1%								50.9%	48.3%	51.7%
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>	109.0%								94.4%	81.2%	75.9%
<i>R&M as a % of PPE</i>	2.4%								2.6%	2.8%	2.8%
<i>Renewal and upgrading and R&M as a % of PPE</i>	6.4%								6.4%	6.1%	6.2%

Explanatory notes to Table B9 - Asset Management

- The table provides a summarised version of the capital programme divided into new assets and renewal of existing assets; it also reflects the relevant asset categories, the associated repairs and maintenance as well as depreciation of assets.

It also provides an indication of the resources deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.

Table B10 –Consolidated Basic service delivery measurement

Description	Budget Year 2020/21										Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
Household service targets												
Water:												
Piped water inside dwelling	366108								366	369128	405849	
Piped water inside yard (but not in dwelling)	0								–	0	0	
Using public tap (at least min.service level)	40000								40	45000	47000	
Other water supply (at least min.service level)									–	–	–	
<i>Minimum Service Level and Above sub-total</i>	406								406	414	453	
Using public tap (< min.service level)									–	–	–	
Other water supply (< min.service level)									–	–	–	
No water supply									–	–	–	
<i>Below Minimum Service Level sub-total</i>	–								–	–	–	
Total number of households	406								406	414	453	
Sanitation/sewerage:												
Flush toilet (connected to sewerage)	362306								362,306	365306	401836	
Flush toilet (with septic tank)	3802								3,802	3822	4013	
Chemical toilet	1700								1,700	2700	3700	
Pit toilet (ventilated)	167								167	167	167	
Other toilet provisions (> min.service level)	0								–	0	0	
<i>Minimum Service Level and Above sub-total</i>	367,975								367,975	371,995	409,716	
Bucket toilet	5000								5,000	4000	3000	
Other toilet provisions (< min.service level)									–	–	–	
No toilet provisions									–	–	–	
<i>Below Minimum Service Level sub-total</i>	5,000								5,000	4,000	3,000	
Total number of households	372,975								372,975	375,995	412,716	
Energy:												
Electricity (at least min. service level)	22851.64								22,852	22394.6072	21946.71506	
Electricity - prepaid (> min.service level)	293650.86								293,651	299523.8772	305514.3547	
<i>Minimum Service Level and Above sub-total</i>	316,503								316,503	321,918	327,461	
Electricity (< min.service level)									–	–	–	
Electricity - prepaid (< min. service level)									–	–	–	
Other energy sources									–	–	–	
<i>Below Minimum Service Level sub-total</i>	–								–	–	–	
Total number of households	316,503								316,503	321,918	327,461	
Refuse:												
Removed at least once a week (min.service)	548388								548,388	548388	548388	
<i>Minimum Service Level and Above sub-total</i>	548,388								548,388	548,388	548,388	
Removed less frequently than once a week	302410								302,410	302410	302410	
Using communal refuse dump	53368								53,368	53368	53368	
Using own refuse dump	15765								15,765	15765	15765	
Other rubbish disposal	13704								13,704	13704	13704	
No rubbish disposal	6584								6,584	6584	6584	
<i>Below Minimum Service Level sub-total</i>	391,831								391,831	391,831	391,831	
Total number of households	940,219								940,219	940,219	940,219	
Households receiving Free Basic Service												
Water (6 kilolitres per household per month)	72								72	73	73	
Sanitation (free minimum level service)	72								72	73	74	
Electricity/other energy (50kwh per household per month)	62								62	63	64	
Refuse (removed at least once a week)	63								63	64	64	
Cost of Free Basic Services provided (R'000)												
Water (6 kilolitres per indigent household per month)	119,092						27,696	27,696	146,787	129,514	140,199	
Sanitation (free sanitation service to indigent households)	145,951						25,294	25,294	171,245	159,087	172,609	
Electricity/other energy (50kwh per indigent household per month)	36,696						5,674	5,674	42,370	41,286	46,525	
Refuse (removed once a week for indigent households)	135,097								135,097	147,256	160,509	
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	–								–	–	–	
Total cost of FBS provided	436,836						58,664	58,664	495,500	477,143	519,843	
Highest level of free service provided												
Property rates (R'000 value threshold)	15000								15,000	15000	15000	
Water (kilolitres per household per month)	8								8	8	8	

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Sanitation (kilolitres per household per month)	11								11	11	11
Sanitation (Rand per household per month)	124,71								125	136,56	148,85
Electricity (kw per household per month)	75								75	75	75
Refuse (average litres per week)	240								240	240	240
Revenue cost of free services provided (R'000)											
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)	129,054						18,306	18,306	147,360	141,220	154,681
Water (in excess of 6 kilolitres per indigent household per month)	59,133						13,752	13,752	72,885	64,751	70,579
Sanitation (in excess of free sanitation service to indigent households)	-						-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	8,348						2,837	2,837	21,185	20,643	23,263
Refuse (in excess of one removal a week for indigent households)	-								-	-	-
Municipal Housing - rental rebates									-		
Housing - top structure subsidies									-		
Other									-		
Total revenue cost of subsidised services provided	206,535						34,894	34,894	241,430	226,613	248,522

Explanatory notes to Table B10 - Basic Service Delivery Measurement

- Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. The information provided in this table originates from the respective Directorates.

1.5 ADJUSTMENTS BUDGET TABLES – PARENT MUNICIPALITY (i.e. NMBM)

The ten main budget tables of the parent municipality (i.e. NMBM), as required in terms of the Municipal Budget and Reporting Regulations (MBRR), are included in this section. The purpose and form of these tables are exactly the same as the consolidated tables that have already been discussed in the previous paragraph 1.4. As such this part of the report will not include any explanatory notes as they will be repetitive, for ease of reporting.

Table B1 – Budget Summary

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Financial Performance											
Property rates	2,486,145						2,138	2,138	2,488,283	2,787,331	3,055,072
Service charges	6,396,180						(177,300)	(177,300)	6,218,880	6,828,017	7,426,105
Investment revenue	159,511						-	-	159,511	175,373	186,392
Transfers recognised - operational	2,187,776						310,050	310,050	2,497,826	2,247,599	2,379,225
Other own revenue	707,446						27,499	27,499	734,945	685,764	735,448
Total Revenue (excluding capital transfers and contributions)	11,937,059						162,386	162,386	12,099,445	12,724,084	13,782,243
Employee costs	3,727,291						(14,422)	(14,422)	3,712,869	4,060,191	4,449,997
Remuneration of councillors	83,926						-	-	83,926	87,718	91,729
Depreciation & asset impairment	739,686						-	-	739,686	784,067	860,946
Finance charges	141,084						(12,211)	(12,211)	128,874	160,755	154,958
Materials and bulk purchases	4,067,551						(70,594)	(70,594)	3,996,957	4,338,916	4,634,773
Transfers and grants	151,246						1,825	1,825	153,071	156,117	163,597
Other expenditure	2,807,385						443,173	443,173	3,250,557	2,959,978	3,147,743
Total Expenditure	11,718,170						347,771	347,771	12,065,941	12,547,741	13,503,743
Surplus/(Deficit)	218,889						(185,385)	(185,385)	33,504	176,342	278,499
Transfers and subsidies - capital (monetary allocations) (National /	944,113						(286,108)	(286,108)	658,005	667,608	634,197

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Provincial and District)											
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)	31,000						1,097	1,097	32,097	-	-
Surplus/(Deficit) after capital transfers & contributions	1,194,002						(470,396)	(470,396)	723,606	843,951	912,696
Share of surplus/ (deficit) of associate	-						-	-	-	-	-
Surplus/ (Deficit) for the year	1,194,002						(470,396)	(470,396)	723,606	843,951	912,696
Capital expenditure & funds sources											
Capital expenditure	1,611,847						(343,946)	(343,946)	1,267,901	1,286,943	1,230,820
Transfers recognised - capital	975,113						(285,011)	(285,011)	690,102	667,608	634,197
Borrowing	214,415						-	-	214,415	254,245	281,943
Internally generated funds	422,319						(58,935)	(58,935)	363,384	365,090	314,680
Total sources of capital funds	1,611,847						(343,946)	(343,946)	1,267,901	1,286,943	1,230,820
Financial position											
Total current assets	5,438,159						846,318	846,318	6,284,477	6,406,944	7,162,039
Total non-current assets	20,013,753						(1,613,144)	(1,613,144)	18,400,609	18,908,076	19,282,909
Total current liabilities	3,255,319						(136,862)	(136,862)	3,118,458	3,328,595	3,510,576
Total non-current liabilities	4,019,526						(540,765)	(540,765)	3,478,761	4,002,862	4,084,334
Community wealth/Equity	18,177,066						(89,199)	(89,199)	18,087,867	17,983,563	18,850,038
Cash flows											
Net cash from (used) operating	1,534,078						(591,830)	(591,830)	942,248	1,249,054	1,408,902
Net cash from (used) investing	(1,623,146)						615,694	615,694	(1,007,452)	(1,414,516)	(1,247,003)
Net cash from (used) financing	71,430						-	-	71,430	61,481	94,895
Cash/cash equivalents at the year end	2,579,898						646,703	646,703	3,226,601	3,122,620	3,379,414
Cash backing/surplus reconciliation											
Cash and investments available	2,579,898						646,703	646,703	3,226,601	3,122,620	3,379,414
Application of cash and investments	1,175,499						(621)	(621)	1,174,878	1,580,952	1,496,454
Balance - surplus (shortfall)	1,404,400						647,323	647,323	2,051,723	1,541,668	1,882,959
Asset Management											
Asset register summary (WDV)	19,895,505						(1,552,291)	(1,552,291)	18,343,213	18,846,089	19,215,963
Depreciation & asset impairment	739,686						-	-	739,686	784,067	860,946
Renewal and Upgrading of Existing Assets	791,376						(164,071)	(164,071)	627,305	628,559	653,774
Repairs and Maintenance	477,613						9,681	9,681	487,294	525,601	550,619
Free services											
Cost of Free Basic Services provided	436,836						58,664	58,664	495,500	477,143	519,843
Revenue cost of free services provided	206,535						34,894	34,894	241,430	226,613	248,522
Households below minimum service level											
Water:	-						-	-	-	-	-
Sanitation/sewerage:	5						-	-	5	4	3
Energy:	-						-	-	-	-	-
Refuse:	392						-	-	392	392	392

Table B2 – Budget Financial Performance by Function

Standard Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Revenue - Functional											
Governance and administration	3,413,132						(9,782)	(9,782)	3,403,350	3,713,962	3,960,991
Executive and council	420						40	40	460	420	420
Finance and administration	3,412,710						(9,822)	(9,822)	3,402,888	3,713,540	3,960,569
Internal audit	2						-	-	2	2	2

Standard Description	Budget Year 2020/21										Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands												
Community and public safety	1,237,518						20,484	20,484	1,258,001	1,207,517	1,296,387	
Community and social services	32,948						71,058	71,058	104,006	34,920	36,381	
Sport and recreation	15,370						1,500	1,500	16,871	4,710	5,087	
Public safety	817,360						2,531	2,531	819,891	916,934	1,021,114	
Housing	369,255						(52,998)	(52,998)	316,257	248,282	231,042	
Health	2,585						(1,609)	(1,609)	977	2,670	2,763	
Economic and environmental services	623,962						(120,958)	(120,958)	503,003	561,921	554,961	
Planning and development	160,249						(10,732)	(10,732)	149,517	166,640	165,000	
Road transport	459,756						(109,963)	(109,963)	349,793	391,241	385,829	
Environmental protection	3,957						(263)	(263)	3,694	4,040	4,132	
Trading services	7,592,325						(1,801)	(1,801)	7,590,524	7,859,530	8,551,438	
Energy sources	4,540,332						(364,450)	(364,450)	4,175,882	4,729,058	5,162,054	
Water management	1,500,347						430,051	430,051	1,930,399	1,527,175	1,636,056	
Waste water management	1,109,933						(68,468)	(68,468)	1,041,465	1,123,292	1,231,924	
Waste management	441,713						1,065	1,065	442,778	480,005	521,405	
Other	45,236						(10,567)	(10,567)	34,669	48,762	52,662	
Total Revenue - Functional	12,912,172						(122,625)	(122,625)	12,789,547	13,391,692	14,416,440	
Expenditure - Functional												
Governance and administration	2,482,452						128,522	128,522	2,610,974	2,661,699	2,897,783	
Executive and council	246,321						20,567	20,567	266,889	259,104	272,223	
Finance and administration	2,175,287						108,158	108,158	2,283,444	2,338,379	2,557,802	
Internal audit	60,844						(203)	(203)	60,641	64,216	67,758	
Community and public safety	1,788,324						187,590	187,590	1,975,914	1,906,400	2,054,463	
Community and social services	310,059						209,367	209,367	519,426	336,349	367,861	
Sport and recreation	537,570						6,144	6,144	543,714	574,295	610,445	
Public safety	672,687						(28,288)	(28,288)	644,398	732,179	792,485	
Housing	171,790						(1,181)	(1,181)	170,609	161,325	171,338	
Health	96,218						1,549	1,549	97,767	102,253	112,334	
Economic and environmental services	782,402						83,152	83,152	865,553	816,553	868,189	
Planning and development	353,967						23,617	23,617	377,584	364,047	390,650	
Road transport	381,922						59,126	59,126	441,048	402,337	423,409	
Environmental protection	46,513						408	408	46,921	50,170	54,129	
Trading services	6,596,422						(51,369)	(51,369)	6,545,052	7,089,501	7,604,054	
Energy sources	4,761,213						(135,589)	(135,589)	4,625,623	5,098,447	5,454,546	
Water management	862,234						58,112	58,112	920,346	936,279	1,000,277	
Waste water management	592,440						8,031	8,031	600,471	632,128	697,359	
Waste management	380,535						18,077	18,077	398,612	422,647	451,871	
Other	68,570						(123)	(123)	68,447	73,588	79,256	
Total Expenditure - Functional	11,718,170						347,771	347,771	12,065,941	12,547,741	13,503,743	
Surplus/ (Deficit) for the year	1,194,002						(470,396)	(470,396)	723,606	843,951	912,696	

Table B3 – Budget Financial Performance by Vote

Vote Description	Budget Year 2020/21										Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands												
Revenue by Vote												
Vote 1 - Budget & Treasury	3,308,703						(19,074)	(19,074)	3,289,629	3,614,340	3,886,834	
Vote 2 - Public Health	482,580						6,913	6,913	489,493	514,167	555,563	
Vote 3 - Human Settlements	392,948						(49,143)	(49,143)	343,805	272,517	255,849	
Vote 4 - Economic Development, Tourism & Agriculture	147,455						(6,868)	(6,868)	140,587	158,048	157,322	
Vote 5 - Corporate Services	8,269						16,945	16,945	25,214	6,758	7,299	
Vote 6 - Infrastructure & Engineering Unit - Rate & General	461,862						(110,673)	(110,673)	351,189	393,358	387,958	
Vote 7 - Metro Water Service	1,500,413						430,051	430,051	1,930,464	1,527,245	1,636,132	
Vote 8 - Sanitation - Metro	1,109,933						(68,462)	(68,462)	1,041,470	1,123,292	1,231,924	
Vote 9 - Electricity & Energy	4,540,332						(364,450)	(364,450)	4,175,882	4,729,058	5,162,054	
Vote 10 - Executive & Council	24,954						46,886	46,886	71,840	22,645	23,828	
Vote 11 - Safety & Security	839,249						(8,036)	(8,036)	831,214	940,531	1,046,599	
Vote 12 - Mandela Bay Stadium	50,409						-	-	50,409	53,419	56,848	
Vote 13 - Special Projects and Programmes	12,484						1,745	1,745	14,228	13,645	(14,916)	
Vote 14 - Recreational & Cultural Services	32,582						1,540	1,540	34,123	22,667	23,147	
Total Revenue by Vote	12,912,172						(122,625)	(122,625)	12,789,547	13,391,692	14,416,440	

Vote Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Expenditure by Vote											
Vote 1 - Budget & Treasury	1,107,853						103,454	103,454	1,211,307	1,192,501	1,289,514
Vote 2 - Public Health	716,988						15,941	15,941	732,928	779,281	836,822
Vote 3 - Human Settlements	264,859						124,159	124,159	389,018	259,339	278,319
Vote 4 - Economic Development, Tourism & Agriculture	183,863						7,745	7,745	191,607	193,149	204,686
Vote 5 - Corporate Services	417,523						312	312	417,835	447,142	484,766
Vote 6 - Infrastructure & Engineering Unit - Rate & General	882,074						61,801	61,801	943,874	934,552	1,020,072
Vote 7 - Metro Water Service	879,225						64,053	64,053	943,278	956,729	1,022,085
Vote 8 - Sanitation - Metro	562,406						14,127	14,127	576,533	601,562	666,239
Vote 9 - Electricity & Energy	4,757,432						(134,612)	(134,612)	4,622,820	5,094,322	5,450,043
Vote 10 - Executive & Council	329,540						82,852	82,852	412,391	338,000	358,215
Vote 11 - Safety & Security	1,032,663						(17,003)	(17,003)	1,015,661	1,125,973	1,223,353
Vote 12 - Mandela Bay Stadium	149,607						-	-	149,607	157,581	163,649
Vote 13 - Special Projects and Programmes	10,178						4,051	4,051	14,228	11,120	12,126
Vote 14 - Recreational & Cultural Services	423,961						20,892	20,892	444,853	456,489	493,854
Total Expenditure by Vote	11,718,170						347,771	347,771	12,065,941	12,547,741	13,503,743
Surplus/(Deficit) for the year	1,194,002						(470,396)	(470,396)	727,206	843,951	912,696

Table B4 – Budget Financial Performance Revenue and Expenditure

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Revenue By Source											
Property rates	2,486,145						2,138	2,138	2,488,283	2,787,331	3,055,072
Service charges - electricity revenue	4,359,003						(404,310)	(404,310)	3,954,693	4,585,459	4,992,929
Service charges - water revenue	1,050,759						251,072	251,072	1,301,832	1,166,938	1,266,128
Service charges - sanitation revenue	722,107						(24,062)	(24,062)	698,045	788,529	855,554
Service charges - refuse revenue	264,311						-	-	264,311	287,092	311,495
Rental of facilities and equipment	22,227						6,113	6,113	28,339	23,866	25,649
Interest earned - external investments	159,511						-	-	159,511	175,373	186,392
Interest earned - outstanding debtors	265,534						69,007	69,007	334,541	211,743	227,624
Dividends received							-	-	-	-	-
Fines, penalties and forfeits	224,224						(19,000)	(19,000)	205,224	242,566	261,605
Licences and permits	22,748						(10,644)	(10,644)	12,104	24,522	26,484
Agency services	3,327						(268)	(268)	3,059	3,586	3,873
Transfers and subsidies	2,187,776						310,050	310,050	2,497,826	2,247,599	2,379,225
Other revenue	168,878						(17,709)	(17,709)	151,168	178,960	189,683
Gains	510						-	-	510	520	530
Total Revenue (excluding capital transfers and contributions)	11,937,059						162,386	162,386	12,099,445	12,724,084	13,782,243
Expenditure By Type											
Employee related costs	3,727,291						(14,422)	(14,422)	3,712,869	4,060,191	4,449,997
Remuneration of councillors	83,926						-	-	83,926	87,718	91,729
Debt impairment	1,084,810						199,797	199,797	1,284,607	1,176,681	1,281,112
Depreciation & asset impairment	739,686						-	-	739,686	784,067	860,946
Finance charges	141,084						(12,211)	(12,211)	128,874	160,755	154,958
Bulk purchases	3,844,678						(68,812)	(68,812)	3,775,867	4,108,748	4,393,823
Other materials	222,873						(1,782)	(1,782)	221,091	230,168	240,950
Contracted services	1,116,151						62,959	62,959	1,179,111	1,142,618	1,183,525
Transfers and subsidies	151,246						1,825	1,825	153,071	156,117	163,597
Other expenditure	606,423						180,417	180,417	786,840	640,679	683,105
Losses							-	-	-	-	-
Total Expenditure	11,718,170						347,771	347,771	12,065,941	12,547,741	13,503,743
Surplus/(Deficit)	218,889						(185,385)	(185,385)	33,504	176,342	278,499
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	944,113						(286,108)	(286,108)	658,005	667,608	634,197
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations,	31,000						1,097	1,097	32,097		

Description	Budget Year 2020/21										Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands												
Higher Educational Institutions)												
Transfers and subsidies - capital (in-kind - all)												
Surplus/(Deficit) before taxation	1,194,002							(470,396)	(470,396)	723,606	843,951	912,696
Taxation												
Surplus/(Deficit) after taxation	1,194,002							(470,396)	(470,396)	723,606	843,951	912,696
Attributable to minorities												
Surplus/(Deficit) attributable to municipality	1,194,002							(470,396)	(470,396)	723,606	843,951	912,696
Share of surplus/ (deficit) of associate												
Surplus/ (Deficit) for the year	1,194,002							(470,396)	(470,396)	723,606	843,951	912,696

Table B5 – Budget Capital Expenditure – Standard Classification

Description	Budget Year 2020/21										Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted												
Vote 1 - Budget & Treasury	13,000							(9,650)	(9,650)	3,350	8,000	-
Vote 2 - Public Health	16,700							1,190	1,190	17,890	20,866	26,029
Vote 3 - Human Settlements	151,155							(100,006)	(100,006)	51,150	163,044	149,087
Vote 4 - Economic Development, Tourism & Agriculture	30,435							(17,391)	(17,391)	13,043	34,783	26,087
Vote 5 - Corporate Services	15,820							(4,544)	(4,544)	11,276	19,300	7,400
Vote 6 - Infrastructure & Engineering Unit - Rate & General	422,786							(176,977)	(176,977)	245,809	289,455	303,776
Vote 7 - Metro Water Service	305,050							150,150	150,150	455,200	252,612	228,393
Vote 8 - Sanitation - Metro	172,370							(65,400)	(65,400)	106,970	128,386	188,035
Vote 9 - Electricity & Energy	163,383							(3,658)	(3,658)	159,725	156,732	150,330
Vote 10 - Executive & Council	9,114							(9,114)	(9,114)	-	16,713	17,671
Vote 11 - Safety & Security	1,000							-	-	1,000	-	-
Vote 12 - Mandela Bay Stadium	9,000							(9,000)	(9,000)	-	7,000	7,000
Vote 13 - Special Projects and Programmes	-							-	-	-	-	-
Vote 14 - Recreational & Cultural Services	32,000							(3,100)	(3,100)	28,900	26,900	23,500
Capital multi-year expenditure sub-total	1,341,813							(247,500)	(247,500)	1,094,313	1,123,790	1,127,310
Single-year expenditure to be adjusted												
Vote 1 - Budget & Treasury	4,180							(1,050)	(1,050)	3,130	1,700	700
Vote 2 - Public Health	26,900							67	67	26,967	11,652	7,603
Vote 3 - Human Settlements	75,000							(75,000)	(75,000)	-	-	-
Vote 4 - Economic Development, Tourism & Agriculture	-							5,000	5,000	5,000	-	-
Vote 5 - Corporate Services	13,780							(591)	(591)	13,189	15,500	2,000
Vote 6 - Infrastructure & Engineering Unit - Rate & General	73,254							(1,350)	(1,350)	71,903	95,684	61,150
Vote 7 - Metro Water Service	19,000							(12,250)	(12,250)	6,750	11,366	11,021
Vote 8 - Sanitation - Metro	9,000							(6,000)	(6,000)	3,000	3,302	1,333
Vote 9 - Electricity & Energy	14,582							(800)	(800)	13,782	8,150	18,704
Vote 10 - Executive & Council	-							-	-	-	-	-
Vote 11 - Safety & Security	15,839							(7,500)	(7,500)	8,339	15,000	-
Vote 12 - Mandela Bay Stadium	-							-	-	-	-	-
Vote 13 - Special Projects and Programmes	-							-	-	-	-	-
Vote 14 - Recreational & Cultural Services	18,500							3,027	3,027	21,527	800	1,000
Capital single-year expenditure sub-total	270,034							(96,446)	(96,446)	173,588	163,153	103,510
Total Capital Expenditure - Vote	1,611,847							(343,946)	(343,946)	1,267,901	1,286,943	1,230,820
Capital Expenditure - Functional												
Governance and administration	342,983							(235,810)	(235,810)	107,174	130,099	76,300
Executive and council	-							-	-	-	-	-
Finance and administration	342,983							(235,810)	(235,810)	107,174	130,099	76,300
Internal audit	-							-	-	-	-	-

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Community and public safety	215,900						(130,785)	(130,785)	85,115	72,652	56,902
Community and social services	56,000						(26,350)	(26,350)	29,650	24,362	22,703
Sport and recreation	131,600						(97,205)	(97,205)	34,395	41,300	27,991
Public safety	24,800						(4,530)	(4,530)	20,270	5,200	4,408
Housing	–						–	–	–	–	–
Health	3,500						(2,700)	(2,700)	800	1,790	1,800
Economic and environmental services	166,582						103,121	103,121	269,702	392,751	374,603
Planning and development	–						–	–	–	–	–
Road transport	166,582						103,121	103,121	269,702	392,751	373,603
Environmental protection	–						–	–	–	–	1,000
Trading services	886,382						(80,472)	(80,472)	805,910	691,441	723,014
Energy sources	391,484						(225,477)	(225,477)	166,007	160,382	166,334
Water management	128,280						350,070	350,070	478,350	295,494	262,553
Waste water management	346,418						(193,065)	(193,065)	153,353	233,065	291,628
Waste management	20,200						(12,000)	(12,000)	8,200	2,500	2,500
Other	–						–	–	–	–	–
Total Capital Expenditure - Functional	1,611,847						(343,946)	(343,946)	1,267,901	1,286,943	1,230,820
Funded by:											
National Government	944,113						(286,108)	(286,108)	658,005	667,608	634,197
Provincial Government	–						–	–	–	–	–
District Municipality	–						–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	31,000						1,097	1,097	32,097	–	–
Transfers recognised - capital	975,113						(285,011)	(285,011)	690,102	667,608	634,197
Borrowing	214,415						–	–	214,415	254,245	281,943
Internally generated funds	422,319						(58,935)	(58,935)	363,384	365,090	314,680
Total Capital Funding	1,611,847						(343,946)	(343,946)	1,267,901	1,286,943	1,230,820

Table B6 – Budget Financial Position

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
ASSETS											
Current assets											
Cash	200,000								200,000	200,000	200,000
Call investment deposits	2,379,898						646,703	646,703	3,026,601	2,922,620	3,179,414
Consumer debtors	2,285,500						182,840	182,840	2,468,340	2,665,807	3,138,130
Other debtors	426,122								426,122	445,298	460,883
Current portion of long-term receivables									–	–	–
Inventory	146,639						16,775	16,775	163,414	173,218	183,612
Total current assets	5,438,159						846,318	846,318	6,284,477	6,406,944	7,162,039
Non-current assets											
Long-term receivables	118,248						(60,852)	(60,852)	57,395	61,987	66,946
Investments									–	–	–
Investment property	205,385						(46,021)	(46,021)	159,363	153,295	146,633
Investment in Associate									–	–	–
Property, plant and equipment	19,393,579						(1,330,088)	(1,330,088)	18,063,491	18,584,900	18,979,656
Biological									–	–	–
Intangible	296,542						(176,182)	(176,182)	120,359	107,894	89,674
Other non-current assets									–	–	–
Total no-current assets	20,013,753						(1,613,144)	(1,613,144)	18,400,609	18,908,076	19,282,909
TOTAL ASSETS	25,451,911						(766,826)	(766,826)	24,685,085	25,315,020	26,444,948
LIABILITIES											
Current liabilities											
Bank overdraft									–	–	–
Borrowing	156,291								156,291	192,847	191,073
Consumer deposits	163,347								163,347	168,574	173,968
Trade and other payables	2,598,507								2,598,507	2,746,829	2,903,157

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Provisions	337,175						(136,862)	(136,862)	200,313	220,344	242,379
Total current liabilities	3,255,319						(136,862)	(136,862)	3,118,458	3,328,595	3,510,576
Non-current liabilities											
Borrowing	1,001,082						-	-	1,001,082	1,277,416	1,086,343
Provisions	3,018,443						(540,765)	(540,765)	2,477,678	2,725,446	2,997,991
Total non-current liabilities	4,019,526						(540,765)	(540,765)	3,478,761	4,002,862	4,084,334
TOTAL LIABILITIES	7,274,845						(677,627)	(677,627)	6,597,218	7,331,457	7,594,910
NET ASSETS	18,177,066						(89,199)	(89,199)	18,087,867	17,983,563	18,850,038
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	17,306,043						(89,199)	(89,199)	17,216,844	16,851,866	17,607,037
Reserves	871,023						-	-	871,023	1,131,697	1,243,001
TOTAL COMMUNITY WEALTH/EQUITY	18,177,066						(89,199)	(89,199)	18,087,867	17,983,563	18,850,038

Table B7 – Budgeted Cash Flows

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates	2,187,808						(72,767)	(72,767)	2,115,041	2,452,851	2,688,463
Service charges	5,628,639						(342,590)	(342,590)	5,286,048	6,008,655	6,534,973
Other revenue	256,578						(35,458)	(35,458)	221,120	262,215	281,842
Transfers and Subsidies - Operational	2,080,628						313,399	313,399	2,394,027	2,170,504	2,308,116
Transfers and Subsidies - Capital	1,091,048						(317,227)	(317,227)	773,821	748,199	712,356
Interest	159,511								159,511	175,373	186,392
Dividends									-	-	
Payments											
Suppliers and employees	9,592,144						(72,256)	(72,256)	(9,664,400)	(10,253,216)	(10,993,916)
Finance charges	(123,515)						(5,359)	(5,359)	(128,874)	(160,755)	(154,958)
Transfers and Grants	(154,475)						(59,572)	(59,572)	(214,047)	(154,774)	(154,366)
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,534,078						(591,830)	(591,830)	942,248	1,249,054	1,408,902
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	
Decrease (increase) in non-current receivables	(14,522)						75,374	75,374	60,852	(4,592)	(4,959)
Decrease (increase) in non-current investments									-	-	
Payments											
Capital assets	(1,608,624)						540,319	540,319	(1,068,305)	(1,409,925)	(1,242,045)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1,623,146)						615,694	615,694	(1,007,452)	(1,414,516)	(1,247,003)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	
Borrowing long term/refinancing	214,415								214,415	254,245	281,943
Increase (decrease) in consumer deposits	5,065								-	5,065	5,394
Payments											
Repayment of borrowing	(148,049)								-	(148,049)	(197,990)
NET CASH FROM/(USED) FINANCING ACTIVITIES	71,430						-	-	71,430	61,481	94,895
NET INCREASE/ (DECREASE) IN CASH HELD	(17,637)						23,863	23,863	6,226	(103,981)	256,793
Cash/cash equivalents at the year begin:	2,597,535						622,840	622,840	3,220,375	3,226,601	3,122,620
Cash/cash equivalents at the year-end:	2,579,898						646,703	646,703	3,226,601	3,122,620	3,379,414

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
<i>Coastal Infrastructure</i>	-						-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-						-	-	-	-	-
Infrastructure	284,980						(7,750)	(7,750)	277,230	232,951	239,304
Community Facilities	700						1,100	1,100	1,800	1,000	-
Sport and Recreation Facilities	200						500	500	700	1,000	-
Community Assets	900						1,600	1,600	2,500	2,000	-
Heritage Assets	-						-	-	-	-	-
Revenue Generating	-						-	-	-	-	-
Non-revenue Generating	-						-	-	-	-	-
Investment properties	-						-	-	-	-	-
Operational Buildings	2,200						(800)	(800)	1,400	2,500	1,000
Housing	-						-	-	-	-	-
Other Assets	2,200						(800)	(800)	1,400	2,500	1,000
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	-						-	-	-	-	-
Total Upgrading of Existing Assets to be adjusted	503,296						(157,121)	(157,121)	346,175	391,108	413,470
<i>Roads Infrastructure</i>	174,935						(81,249)	(81,249)	93,686	83,756	73,587
<i>Storm water Infrastructure</i>	31,000						(15,400)	(15,400)	15,600	28,000	24,500
<i>Electrical Infrastructure</i>	64,472						(35,258)	(35,258)	29,214	80,995	76,561
<i>Water Supply Infrastructure</i>	63,550						4,700	4,700	68,250	60,344	59,088
<i>Sanitation Infrastructure</i>	103,870						(27,630)	(27,630)	76,240	79,087	131,152
<i>Solid Waste Infrastructure</i>	2,500						5,300	5,300	7,800	2,500	2,500
<i>Rail Infrastructure</i>	-						-	-	-	-	-
<i>Coastal Infrastructure</i>	-						-	-	-	-	1,000
<i>Information and Communication Infrastructure</i>	1,250						-	-	1,250	1,250	1,250
Infrastructure	441,576						(149,536)	(149,536)	292,040	335,931	369,638
Community Facilities	27,370						(2,250)	(2,250)	25,120	24,127	22,732
Sport and Recreation Facilities	15,700						(5,700)	(5,700)	10,000	12,300	11,200
Community Assets	43,070						(7,950)	(7,950)	35,120	36,427	33,932
Heritage Assets	-						-	-	-	-	-
Revenue Generating	-						-	-	-	-	-
Non-revenue Generating	-						-	-	-	-	-
Investment properties	-						-	-	-	-	-
Operational Buildings	15,650						1,315	1,315	16,965	15,750	7,400
Housing	-						-	-	-	-	-
Other Assets	15,650						1,315	1,315	16,965	15,750	7,400
Biological or Cultivated Assets	-						-	-	-	-	-
Servitudes	-						-	-	-	-	-
Licences and Rights	2,000						(950)	(950)	1,050	2,000	1,000
Intangible Assets	2,000						(950)	(950)	1,050	2,000	1,000
Computer Equipment	1,000						-	-	1,000	1,000	1,500
Furniture and Office Equipment	-						-	-	-	-	-
Machinery and Equipment	-						-	-	-	-	-
Transport Assets	-						-	-	-	-	-
Land	-						-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-						-	-	-	-	-
Total Capital Expenditure to be adjusted	1,611,847						(343,946)	(343,946)	1,267,901	1,286,943	1,230,820
<i>Roads Infrastructure</i>	483,124						(217,770)	(217,770)	265,354	330,916	342,603
<i>Storm water Infrastructure</i>	64,950						(37,239)	(37,239)	27,711	68,478	70,205
<i>Electrical Infrastructure</i>	153,190						(5,458)	(5,458)	147,732	146,789	146,994
<i>Water Supply Infrastructure</i>	382,150						95,700	95,700	477,850	288,154	254,208
<i>Sanitation Infrastructure</i>	155,625						(34,055)	(34,055)	121,570	159,535	218,758
<i>Solid Waste Infrastructure</i>	2,500						5,300	5,300	7,800	2,500	2,500
<i>Rail Infrastructure</i>	-						-	-	-	-	-
<i>Coastal Infrastructure</i>	-						-	-	-	-	1,000
<i>Information and Communication Infrastructure</i>	7,750						(3,500)	(3,500)	4,250	11,750	7,250
Infrastructure	1,249,289						(197,022)	(197,022)	1,052,267	1,008,122	1,043,518
Community Facilities	83,402						(18,544)	(18,544)	64,857	59,462	47,502

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Sport and Recreation Facilities	28,400						(1,691)	(1,691)	26,709	15,300	11,200
Community Assets	111,802						(20,235)	(20,235)	91,567	74,762	58,702
Heritage Assets	-						-	-	-	-	-
Revenue Generating	-						-	-	-	-	-
Non-revenue Generating	-						-	-	-	-	-
Investment properties	-						-	-	-	-	-
Operational Buildings	49,446						(24,538)	(24,538)	24,908	55,400	43,817
Housing	-						-	-	-	-	-
Other Assets	49,446						(24,538)	(24,538)	24,908	55,400	43,817
Biological or Cultivated Assets	-						-	-	-	-	-
Servitudes	-						-	-	-	-	-
Licences and Rights	27,318						(14,402)	(14,402)	12,917	44,199	44,000
Intangible Assets	27,318						(14,402)	(14,402)	12,917	44,199	44,000
Computer Equipment	7,580						(170)	(170)	7,410	5,500	3,000
Furniture and Office Equipment	4,930						(1,700)	(1,700)	3,230	2,300	2,800
Machinery and Equipment	42,143						(5,328)	(5,328)	36,815	52,825	28,483
Transport Assets	42,839						(5,552)	(5,552)	37,287	42,835	6,500
Land	76,500						(75,000)	(75,000)	1,500	1,000	-
Zoo's, Marine and Non-biological Animals	-						-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	1,611,847						(343,946)	(343,946)	1,267,901	1,286,943	1,230,820
ASSET REGISTER SUMMARY - PPE (WDV)	19,895,505						(1,552,291)	(1,552,291)	18,343,213	18,846,089	19,215,963
<i>Roads Infrastructure</i>	4,926,571						(528,547)	(528,547)	4,398,024	4,513,619	4,619,790
<i>Storm water Infrastructure</i>	615,509						(61,435)	(61,435)	554,074	606,294	658,646
<i>Electrical Infrastructure</i>	2,385,225						(70,337)	(70,337)	2,314,888	2,376,129	2,429,186
<i>Water Supply Infrastructure</i>	3,690,841						(187,179)	(187,179)	3,503,661	3,714,168	3,883,116
<i>Sanitation Infrastructure</i>	2,153,496						(141,000)	(141,000)	2,012,496	2,110,573	2,261,848
<i>Solid Waste Infrastructure</i>	390,602						(89,006)	(89,006)	301,596	293,584	284,540
<i>Rail Infrastructure</i>	-						-	-	-	-	-
<i>Coastal Infrastructure</i>	56,919						12,881	12,881	69,800	69,800	70,800
<i>Information and Communication Infrastructure</i>	28,905						(22,658)	(22,658)	6,247	17,997	25,247
<i>Infrastructure</i>	14,248,067						(1,087,281)	(1,087,281)	13,160,786	13,702,164	14,233,173
Community Assets	2,484,199						(28,407)	(28,407)	2,455,792	2,373,469	2,259,684
Heritage Assets	216,706						(5,641)	(5,641)	211,064	211,064	211,064
Investment properties	205,385						(46,021)	(46,021)	159,363	153,295	146,633
Other Assets	732,182						59,115	59,115	791,296	813,725	821,337
Biological or Cultivated Assets	-						-	-	-	-	-
Intangible Assets	296,542						(176,182)	(176,182)	120,359	107,894	89,674
Computer Equipment	32,743						22,834	22,834	55,576	38,604	16,927
Furniture and Office Equipment	35,808						(4,722)	(4,722)	31,086	24,551	17,649
Machinery and Equipment	85,103						(5,772)	(5,772)	79,330	127,180	150,199
Transport Assets	268,944						(109,115)	(109,115)	159,828	174,412	149,890
Land	1,289,828						(171,097)	(171,097)	1,118,731	1,119,731	1,119,731
Zoo's, Marine and Non-biological Animals	-						-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	19,895,505						(1,552,291)	(1,552,291)	18,343,213	18,846,089	19,215,963
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment	739,686						-	-	739,686	784,067	860,946
Repairs and Maintenance by asset class	477,613						9,681	9,681	487,294	525,601	550,619
<i>Roads Infrastructure</i>	33,476						31,972	31,972	65,448	33,982	34,510
<i>Storm water Infrastructure</i>	17,347						-	-	17,347	17,371	17,385
<i>Electrical Infrastructure</i>	47,478						(1,793)	(1,793)	45,686	51,686	54,078
<i>Water Supply Infrastructure</i>	67,927						27,630	27,630	95,557	72,246	75,483
<i>Sanitation Infrastructure</i>	72,303						(4,020)	(4,020)	68,283	78,013	82,993
<i>Solid Waste Infrastructure</i>	-						-	-	-	-	-
<i>Rail Infrastructure</i>	3,187						(1,000)	(1,000)	2,187	3,191	3,196
<i>Coastal Infrastructure</i>	-						-	-	-	-	-
<i>Information and Communication Infrastructure</i>	370						-	-	370	392	416
<i>Infrastructure</i>	242,089						52,789	52,789	294,878	256,882	268,060

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjust	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Community Facilities	14,390						880	880	15,270	15,048	16,140
Sport and Recreation Facilities	7,764						6,275	6,275	14,039	8,324	9,020
Community Assets	22,155						7,155	7,155	29,309	23,372	25,159
Heritage Assets	961						(50)	(50)	911	982	1,005
Revenue Generating	-						-	-	-	-	-
Non-revenue Generating	-						-	-	-	-	-
Investment properties	-						-	-	-	-	-
Operational Buildings	33,736						(32)	(32)	33,704	39,240	42,017
Housing	3,021						1,600	1,600	4,621	3,168	3,324
Other Assets	36,757						1,568	1,568	38,325	42,407	45,341
Biological or Cultivated Assets	-						-	-	-	-	-
Servitudes	-						-	-	-	-	-
Licences and Rights	4,798						-	-	4,798	5,095	5,390
Intangible Assets	4,798						-	-	4,798	5,095	5,390
Computer Equipment	7,864						(708)	(708)	7,156	8,491	9,107
Furniture and Office Equipment	3,661						(222)	(222)	3,439	3,822	3,987
Machinery and Equipment	118,484						(49,197)	(49,197)	69,288	140,507	145,059
Transport Assets	40,844						(1,654)	(1,654)	39,190	44,042	47,511
Land	-						-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-						-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	1,217,299						9,681	9,681	1,226,980	1,309,668	1,411,565
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	49.1%								49.5%	48.8%	53.1%
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>	107.0%								84.8%	80.2%	75.9%
<i>R&M as a % of PPE</i>	2.4%								2.7%	2.8%	2.9%
<i>Renewal and upgrading and R&M as a % of PPE</i>	6.4%								6.1%	6.1%	6.3%

Table B10 – Basic Service Delivery Measurement

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Household service targets											
Water:											
Piped water inside dwelling	366,108								366	369,128	405,849
Piped water inside yard (but not in dwelling)	-								-	-	-
Using public tap (at least min.service level)	40,000								40	45,000	47,000
Other water supply (at least min.service level)	-								-	-	-
<i>Minimum Service Level and Above sub-total</i>	406								406	414	453
Using public tap (< min.service level)	-								-	-	-
Other water supply (< min.service level)	-								-	-	-
No water supply	-								-	-	-
<i>Below Minimum Serviv Level sub-total</i>	-								-	-	-
Total number of households	406								406	414	453
Sanitation/sewerage:											
Flush toilet (connected to sewerage)	362,306								362,306	365,306	401,836
Flush toilet (with septic tank)	3,802								3,802	3,822	4,013
Chemical toilet	1,700								1,700	2,700	3,700
Pit toilet (ventilated)	167								167	167	167
Other toilet provisions (> min.service level)	-								-	-	-
<i>Minimum Service Level and Above sub-total</i>	367,975								367,975	371,995	409,716
Bucket toilet	5,000								5,000	4,000	3,000
Other toilet provisions (< min.service level)	-								-	-	-
No toilet provisions	-								-	-	-
<i>Below Minimum Serviv Level sub-total</i>	5,000								5,000	4,000	3,000
Total number of households	372,975								372,975	375,995	412,716
Energy:											
Electricity (at least min. service level)	22,852								22,852	22,395	21,947
Electricity - prepaid (> min.service level)	293,651								293,651	299,524	305,514
<i>Minimum Service Level and Above sub-total</i>	316,503								316,503	321,918	327,461
Electricity (< min.service level)	-								-	-	-
Electricity - prepaid (< min. service level)	-								-	-	-
Other energy sources	-								-	-	-
<i>Below Minimum Serviv Level sub-total</i>	-								-	-	-
Total number of households	316,503								316,503	321,918	327,461

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Refuse:											
Removed at least once a week (min.service)	548,388								548,388	548,388	548,388
Minimum Service Level and Above sub-total	548,388								548,388	548,388	548,388
Removed less frequently than once a week	302,410								302,410	302,410	302,410
Using communal refuse dump	53,368								53,368	53,368	53,368
Using own refuse dump	15,765								15,765	15,765	15,765
Other rubbish disposal	13,704								13,704	13,704	13,704
No rubbish disposal	6,584								6,584	6,584	6,584
<i>Below Minimum Serviv Level sub-total</i>	391,831								391,831	391,831	391,831
Total number of households	940,219								940,219	940,219	940,219
Households receiving Free Basic Service											
Water (6 kilolitres per household per month)	72								72	73	73
Sanitation (free minimum level service)	72								72	73	74
Electricity/other energy (50kwh per household per month)	62								62	63	64
Refuse (removed at least once a week)	63								63	64	64
Cost of Free Basic Services provided (R'000)											
Water (6 kilolitres per indigent household per month)	119,092						27,696	27,696	146,787	129,514	140,199
Sanitation (free sanitation service to indigent households)	145,951						25,294	25,294	171,245	159,087	172,609
Electricity/other energy (50kwh per indigent household per month)	36,696						5,674	5,674	42,370	41,286	46,525
Refuse (removed once a week for indigent households)	135,097								135,097	147,256	160,509
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	-								-	-	-
Total cost of FBS provided	436,836						58,664	58,664	495,500	477,143	519,843
Highest level of free service provided											
Property rates (R'000 value threshold)	15,000								15,000	15,000	15,000
Water (kilolitres per household per month)	8								8	8	8
Sanitation (kilolitres per household per month)	11								11	11	11
Sanitation (Rand per household per month)	125								125	137	149
Electricity (kw per household per month)	75								75	75	75
Refuse (average litres per week)	240								240	240	240
Revenue cost of free services provided (R'000)											
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)	129,054						18,306	18,306	147,360	141,220	154,681
Water (in excess of 6 kilolitres per indigent household per month)	59,133						13,752	13,752	72,885	64,751	70,579
Sanitation (in excess of free sanitation service to indigent households)	-								-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	18,348						2,837	2,837	21,185	20,643	23,263
Refuse (in excess of one removal a week for indigent households)	-								-	-	-
Municipal Housing - rental rebates									-		
Housing - top structure subsidies									-		
Other									-		
Total revenue cost of subsidised services provided	206,535						34,894	34,894	241,430	226,613	248,522

PART 2 – SUPPORTING DOCUMENTATION

2.1 Adjustments to Budget Assumptions

The original collection rate of 88% has been adjusted downwards to 85%, taking in to account the average collection rate during the six months of the 2020/21 financial year, being 81.1%.

2.2 Adjustments to Budget Funding

2.2.1 Funding the Adjustments Budget

2.2.1.1 Funding of Operating Expenditure

The Municipality's operating expenditure is mainly funded from sources such as property rates, service charges and government grants. The table below reflects the various funding sources:

Description	Budget Year 2020/21					
	Original Budget	% of Budget	Adjusted Budget	% of Budget	Variance	% Variance
Revenue By Source						
Property rates	2,486,145,410	20.82%	2,488,283,020	20.56%	2,137,610	0.09%
Service charges - electricity revenue	4,359,003,000	36.51%	3,954,692,900	32.68%	-404,310,100	-10.22%
Service charges - water revenue	1,050,759,400	8.80%	1,301,831,630	10.76%	251,072,230	19.29%
Service charges - sanitation revenue	722,107,000	6.05%	698,044,820	5.77%	-24,062,180	-3.45%
Service charges - refuse revenue	264,511,000	2.22%	264,511,000	2.19%	0	0.00%
Rental of facilities and equipment	22,626,510	0.19%	28,739,370	0.24%	6,112,860	21.27%
Interest earned - external investments	161,510,810	1.35%	161,510,810	1.33%	0	0.00%
Interest earned - outstanding debtors	265,534,090	2.22%	334,541,040	2.76%	69,006,950	20.63%
Fines, penalties and forfeits	224,223,580	1.88%	205,223,580	1.70%	-19,000,000	-9.26%
Licences and permits	22,747,760	0.19%	12,104,010	0.10%	-10,643,750	-87.94%
Agency services	3,326,610	0.03%	3,058,780	0.03%	-267,830	-8.76%
Transfers and subsidies	2,187,775,893	18.32%	2,497,825,550	20.64%	310,049,657	12.41%
Other revenue	168,877,800	1.41%	151,168,310	1.25%	-17,709,490	-11.72%
Gains	510,000	0.00%	510,000	0.00%	0	0.00%
Total Revenue (excluding capital transfers and contributions)	11,939,658,863	100.00%	12,102,044,820	100.00%	162,385,957	1.34%

2.2.1.2 Reconciliation showing that operating and capital expenditure remain funded in accordance with section 18 of the MFMA

Description	MFMA section	2017/18	2018/19	Medium Term Revenue and Expenditure Framework			
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23
R thousands							
Funding measures							
Cash/cash equivalents at the year-end - R'000	18(1)b	2,609,521	3,208,672	2,594,827	3,291,997	3,167,713	3,427,375
Cash + investments at the year-end less applications - R'000	18(1)b	970,525	1,892,670	1,407,324	2,105,033	1,869,185	2,273,023
Cash year end/monthly employee/supplier payments	18(1)b	4.53 times	4.83 times	3.22 times	4.09 times	3.71 times	3.74 times
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	2,304,457	1,189,177	1,224,804	772,181	877,401	948,604
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	3.7%	-3.5%	0.0%	0.0%	4.4%	3.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	0.0%	0.0%	84.2%	80.7%	84.7%	84.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	12.1%	10.5%	12.2%	14.7%	12.2%	12.2%
Capital payments % of capital expenditure	18(1)c;19	102.4%	102.2%	99.8%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	32.1%	30.4%	37.1%	22.3%
Grants % of Govt. legislated/gazetted allocations	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr. (decr)	18(1)a	9.8%	6.9%	N/A	N/A	7.5%	15.7%
Long term receivables % change - incr. (decr)	18(1)a	21.1%	16.2%	N/A	N/A	8.0%	8.0%
R&M % of Property Plant & Equipment	20(1)(vi)	2.0%	2.4%	2.4%	2.6%	2.8%	2.8%
Asset renewal % of capital budget	20(1)(vi)	20.2%	16.8%	18.5%	25.7%	18.7%	19.0%

The aforementioned table reflects the funding status of the Adjustments Budget.

2.2.1.3 Budget Performance Indicators

Description of financial indicator	Basis of calculation	Budget Year 2020/21		Budget Year 2021/22	Budget Year 2022/23
		Original Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Borrowing Management					
Credit Rating	Short term/long term rating	Aaa.za	Aaa.za		
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.5%	2.3%	2.9%	2.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants	32.1%	30.4%	37.1%	22.3%
Safety of Capital					
Gearing	Long Term Borrowing/ Funds & Reserves	114.9%	114.9%	112.9%	87.4%
Liquidity					
Current Ratio	Current assets/current liabilities	166.6%	202.7%	193.0%	204.5%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90	166.6%	0.0%	0.0%	0.0%

Description of financial indicator	Basis of calculation	Budget Year 2020/21		Budget Year 2021/22	Budget Year 2022/23
		Original Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Liquidity Ratio	days/current liabilities				
	Monetary Assets/Current Liabilities	0.8	1.1	0.9	1.0
Revenue Management					
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing				
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		88.0%	85.0%	88.0%	88.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	23.7%	24.4%	25.0%	26.6%
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.6%	31.0%	32.2%	32.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.0%	4.0%	4.1%	4.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.4%	7.2%	7.4%	7.4%
IDP regulation financial viability indicators					
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	33.73 times	34.68 times	29.21 times	32.83 times
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	19.1%	20.4%	20.9%	22.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.2	3.9	3.6	3.6

2.2.2 Adjustments to estimated collection levels

The 2020/21 Original Operating Budget was based on a debtors' collection rate of 88%. This debtors' collection rate has been amended to **85%** in this Adjustments Budget.

2.2.3 Adjustments to NMBM's monetary investments

Below is an analysis of the investments by type and maturity.

INVESTMENT PARTICULARS BY TYPE

INVESTMENT PARTICULARS BY TYPE	Original Budget 2020/21	Adjustments Budget 2020/21
	R'000	R'000
Investment Type		
DEPOSITS WITH BANKS	2,394,627	3,091,797
TOTAL INVESTMENTS	2,394,627	3,091,797

INVESTMENT PARTICULARS BY MATURITY

INVESTMENT PARTICULARS BY MATURITY	Period of Investment	Type of Investment	Expiry date of Investment	Monetary Value
Investment				
2020/21 Original Budget				R'000
DEPOSITS WITH BANKS	1 - 3 Months	Fixed Term	Various	1,894,627
DEPOSITS WITH BANKS	12 Months	Fixed Term	Various	500,000
				2,394,627
2020/21 Adjustments Budget				
DEPOSITS WITH BANKS	1 - 3 Months	Fixed Term	Various	2,591,797
DEPOSITS WITH BANKS	12 months	Fixed Term	Various	500,000
				3,091,797

2.2.4 Adjustments related to allocations and grants to the Municipality

2.2.4.1 Adjustments related to capital allocations and grants to the Municipality

Below is a summarised version of the adjustments relating to grant funding, supporting the Municipality's Capital Budget:

Adjustments Capital Expenditure Budget by grant funding			
Description	Budget Year 2019/20		
	Original Budget	Total Adjusts.	Adjustments Budget
R thousands	R	R	R
Funded by:			
National Government	944,113	(286,108)	658,005
Other transfers and grants	32,897	34,437	67,333
Total Capital transfers recognized	977,010	(251,672)	725,338

The relevant details, reflecting the capital projects in question, are attached as a separate Annexure to this Budget Report.

2.2.4.2 Adjustments related to allocations and grants to the Municipality

Below are the adjustments pertaining to operating and capital allocations and grants:

Supporting Table SB7 Adjustments Budget - transfers and grant receipts –

Description	Budget Year 2020/21							Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	2,049,862				313,399	313,399	2,363,261	2,139,087	2,290,699
Local Government Equitable Share	1,106,936				153,904	153,904	1,260,840	1,201,603	1,295,866
EPWP Incentive	10,117						10,117		
Finance Management	1,000						1,000	1,000	1,000
Infrastructure Skills Development	10,500						10,500	11,500	12,000
Integrated Cities Development					5,306	5,306	5,306		
Urban Settlements Development	67,362				129,548	129,548	196,909	34,500	54,050
LGSETA	2,000						2,000		
Integrated Public Transport System	144,992				24,641	24,641	169,634	159,819	189,585
Fuel Levy	706,955						706,955	730,665	738,198
Provincial Government:	30,766				-	-	30,766	31,417	17,417
Sport and Recreation	15,870						15,870	16,521	16,521
DRPW (Maintenance of Roads)	14,000						14,000	14,000	
Marine and Coastal Management	896						896	896	896
Total Operating Transfers and Grants	2,080,628				313,399	313,399	2,394,027	2,170,504	2,308,116
Capital Transfers and Grants									
National Government:	1,060,048				(317,800)	(317,800)	742,248	748,199	712,356
Public Transport and Systems	171,215				(74,832)	(74,832)	96,383	130,334	113,139
Neighbourhood Development Partnership	35,000				(20,000)	(20,000)	15,000	40,000	30,000
Urban Settlements Development	836,358				(217,662)	(217,662)	618,697	558,645	534,895
Integrated National Electrification	6,994						6,994		14,000
Drought Relief									
Smart Grid								19,220	20,322
Integrated City Development	10,481				(5,306)	(5,306)	5,175		
Provincial Government:	-				-	-	-	-	-

Description	Budget Year 2020/21							Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands									
District Municipality:	-				-	-	-	-	-
Other grant providers:	32,897				32,412	32,412	65,309	-	-
Private Contribution and Donations	31,000				573	573	31,573		
MBDA (KFW)	1,897				31,839	31,839	33,736		
CDC Walmer Intervention									
EU Funding									
Total Capital Transfers and Grants	1,092,945				(285,387)	(285,387)	807,557	748,199	712,356
TOTAL RECEIPTS OF TRANSFERS & GRANTS	3,173,573				28,011	28,011	3,201,584	2,918,703	3,020,472

Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programmes

Description	Budget Year 2020/21							Budget Year 2021/22	Budget Year 2022/23
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands									
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:									
Operating expenditure of Transfers and Grants									
National Government:	2,049,862				320,659	320,659	2,370,521	2,139,087	2,290,699
Local Government Equitable Share	1,106,936				153,904	153,904	1,260,840	1,201,603	1,295,866
EPWP Incentive	10,117						10,117		
Finance Management	1,000						1,000	1,000	1,000
Infrastructure Skills Development	10,500						10,500	11,500	12,000
Integrated Cities Development					5,306	5,306	5,306	34,500	54,050
Urban Settlements Development	67,362				129,548	129,548	196,909		
LGSETA	2,000				7,260	7,260	9,260	159,819	189,585
Off Grid Electrification								730,665	738,198
Integrated Public Transport System	144,992				24,641	24,641	169,634		
Fuel Levy	706,955						706,955		
Provincial Government:	30,766				-	-	30,766	31,417	17,417
Sport and Recreation	15,870						15,870	16,521	16,521
Human Settlements Development									
DRPW (Maintenance of Roads)	14,000						14,000	14,000	
Marine and Coastal Management	896						896	896	896
District Municipality:	-				-	-	-	-	-
<i>[insert description]</i>									
Other grant providers:	-				2,645	2,645	2,645	-	-
EU Funding					1,745	1,745	1,745		
IDC					900	900	900		
Total operating expenditure of Transfers and Grants:	2,080,628				323,304	323,304	2,403,932	2,170,504	2,308,116
Capital expenditure of Transfers and Grants									
National Government:	1,060,048				(317,800)	(317,800)	742,248	748,199	712,356
Public Transport and Systems	171,215				(74,832)	(74,832)	96,383	130,334	113,139
Neighbourhood Development Partnership	35,000				(20,000)	(20,000)	15,000	40,000	30,000
Urban Settlements Development	836,358				(217,662)	(217,662)	618,697	558,645	534,895
Integrated National Electrification	6,994						6,994	-	14,000
Drought Relief									
Smart Grid								19,220	20,322
Integrated City Development	10,481				(5,306)	(5,306)	5,175		
Provincial Government:	-				-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-				-	-	-	-	-
<i>[insert description]</i>									
Other grant providers:	32,897				32,412	32,412	65,309	-	-
Private Contribution and Donations	31,000				573	573	31,573		
KFW MBDA	1,897				31,839	31,839	33,736		
Total capital expenditure of Transfers and Grants	1,092,945				(285,387)	(285,387)	807,557	748,199	712,356
Total capital expenditure of Transfers	3,173,573				37,916	37,916	3,211,489	2,918,703	3,020,472

2.3 Adjustments to expenditure on allocations and grant programmes

2.3.1 The adjustments made to planned capital expenditure of allocations and grants received

The adjustments made to planned capital expenditure, including the capital projects in question, are attached as a separate Annexure to this report.

2.4 Consolidated Adjustments to Councillors and Employee benefits

Below is a summary of the adjustments made to Councillors' Remuneration and Employee Related Costs (Parent Municipality and Entity):

Description R'000	Budget Year 2020/21		
	Original Budget	Adjusted Budget	Variance
Employee related costs	3,768,245	3,756,172	(12,073)
Remuneration of councillors	85,283	85,215	(68)

The portion for the Remuneration of Councillors also include the emoluments payable to the MBDA Board members in the amount of R1,288,426.

2.5 Adjustments to Service Delivery and Budget Implementation Plan (SDBIP)

In accordance with the MFMA, adjustments to the SDBIP will be tabled in Council after the adoption of the 2020/21 Adjustments Budget.

2.6 Adjustments to Capital Expenditure

Attached as a separate Annexure to this report is the listing of all the adjusted capital programmes and projects of the Municipality, per Directorate (Vote).

2.7 City Manager's Quality Certification

I, **Mandla George**, Acting City Manager of the Nelson Mandela Bay Metropolitan Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and the Municipal Budget and Reporting Regulations (32141 dated 17 April 2009) made under that Act.

Print Name : **Mandla George (Mr)**

Acting City Manager of Nelson Mandela Bay Municipality (EC000)

Signature : _____

Date : _____