nelson mandela bay
MUNICIPALITY
PORT ELIZABETH | UITENHAGE | DESPATCH

2020/21
EARLY ADJUSTMENTS BUDGET

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PART 1 – 2020/21 EARLY ADJUSTMENTS BUDGET

1.1 EXECUTIVE MAYOR'S REPORT

1.1.1 Summary of key reasons for the 2020/21 Early Adjustments Budget

The State President declared a national state of disaster in late March 2020, resulting in a period of lockdown that led to the economy not operating effectively at all for the full month of April 2020, with a phased in resumption of operations since **1 May 2020**. The situation negatively impacted on the economic position of the country as well as the municipality.

As we are aware, the Minister of Finance tabled to parliament, the first budget covering the 2020/21 to 2022/23 period on the 26 February 2020. This budget was tabled prior the declaration of the national state of disaster due to COVID-19. The Minister of Finance, again on the 24 June 2020 tabled to parliament, an amended 2020/21 to 2022/23 budget to parliament necessitated by the economic conditions resulting from the pandemic.

The tabling of the budget for the second time by the National Finance Minister resulted to a number of conditional and unconditional grants either increasing or decreasing. The amendments of these grants meant that the budget of the municipality will have to be amended and approved by Council, within the first three months of the financial year (2020/2021).

The following spreadsheet provides an illustration of the Grants that were amended (either increasing or decreasing): -

GRANT DETAIL	2020/21 Original	2020/21 (As amended)	Additional Allocation / (Reduction to Original Allocation)
Equitable Share	1 106 936 000	1 260 840 000	153 904 000
Urban Settlements Development Grant (USDG)	903 720 000	815 606 000	-88 114 000
Neighborhood Partnership Development Grant (NDPG)	35 000 000	25 550 000	-9 450 000
Public Transport Network Operations Grant (PTNG)	316 207 000	266 016 000	-50 191 000
TOTAL	2 361 863 000	**2 368 012 000**	**6 149 000**

The above Table indicates that an Equitable Share has been increased from R1 106 936 000 to R1 260 840 000 which is an increase of R153 904 000. As the Equitable Share is targeting the subsidization of the poor households i.t.o. Free Basic Services as required in line with Council's Assistance to the Poor (ATTP) Policy, the bulk of this additional funding has been allocated to this category of expenditure.

As it relates to the Urban Settlements Development Grant (USDG), Neighborhood Development Partnership Grant (NDPG), and the Public Transport Network Operations Grant (PTNOG) an amount of R88 114 000, R9 450 000 and R50 191 000 respectively, has been reduced, amounting to R147 755 000. As these grants affect the Capital Budget the reduction for them has been effected to various capital projects for them to be in line with what is to be availed from the national fiscus in order to finance them.

Further to note is the fact that the Early Adjustment Budget (2020/2021) was also aimed to incorporate instances where Directorates would need to implement changes into their respective budgets in order to incorporate budgetary requirements resulting from COVID-19 demands. As such Directorates initiated such changes as required i.t.o. the Budget Circular (Number 3 of 2020) issued by the Chief Financial Officer in August 2020, to guide the preparation process.

Council must note that further changes that are incorporated into the Early Adjustments Budget (2020/2021) include inter-alia the following: -

DETAIL	AMOUNT "R"
LGWSETA (Funding for Learnerships Program)	7 390 910
COVID-19 Related Budget (Org Code 1752 Various)	56 000 000
Temporary Structures (Under Human Settlements Directorate)	107 000 000
Economic Recovery Plan (Under CFO's Office 0007 6367)	15 000 000
Various Water Related projects (Amendments Made)	118 800 000
M-SCOA Operations	5 854 060

As previously reported to Council when tabling the 2019/20 late Adjustment Budget on the 29 June 2020 it was indicated that an amount of R753.8 million was not yet transferred by National Treasury from the 2019/20 portion of various grants that were meant to be transferred to NMBM on quarter four of that financial year. This relates to the Equitable Share Allocation (R 255.4 million), USDG (R 390.3 million), Public Transport Network Operations Grant (R 98,2 million) and the Neighborhood Development Partnership Grant (R 10 million).

It can be confirmed to Council that these grants are yet to be transferred to the institution and the situation has escalated to the current financial year (2020/2021) where a combination of R840 117 000 has not yet been transferred by National Treasury to the NMBM's bank account. In essence this means that by the time of concluding this Budget Report, a total of R1 593 917 000 is outstanding in terms of actual grants transfer being made to the municipality.

I must take this opportunity to thank all various roleplayers who played their critical roles in order to ensure that this budget report is finalised and is tabled to Council today. Lastly, I must also emphasise that the tabling of this Early Adjustments Budget (2020/2021) does not mean that the main Adjustments Budget that is legally required to be tabled on or before end February will be negated as it is mandatory to do so.

1.1.2 The Interim Executive Mayor recommends that the Council approves the 2020/21 Early Adjustments Budget (2020/2021) and relevant documents attached to this Adjustments Budget Report.

Cllr TCS BUYEYE
INTERIM EXECUTIVE MAYOR

1.2 2020/21 EARLY ADJUSTMENTS BUDGET RESOLUTIONS

1.2.1 Approval of the 2020/21 Early Adjustments Budget

(i) The Interim 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 Early 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;
- Table B4 Adjustments Budget Financial Performance (revenue by source and expenditure by type): page 9 - 12;
- Table B5 Adjustments Budget Capital Expenditure by vote and standard classification and funding source: page 13 - 15;
- Table B6 Adjustments Budget Financial Position: page 15 - 16;
- Table B7 Adjustments Budgeted Cash Flows: page 16 ;
- Table B8 Cash backed reserves/accumulated surplus reconciliation: page 16 - 17;
- Table B9 Asset Management : page 17 - 20;
- Table B10 Basic Service Delivery: page 20 - 21.

(ii) That the Chief Financial Officer be authorised to implement any changes / corrections / additions / amendments that may be identified after the tabling of the Early Adjustments Budget (2020/2021) in Council for approval, prior to submission to National Treasury and publication on the municipal website based on there being no impact to the approved bottom-line as per the approved budget report.

(iii) That it be noted that any allocations made for special purposes, such as (a) Economic Recovery Plans, (b) Assistance to the Poor, (c) Covid-19 related Budget, (d) Temporary Structures, etc. responding to the demands of the pandemic must not be amended nor viremented against without Council's prior approval.

1.3 EXECUTIVE SUMMARY

The 2020/21 Consolidated Early Adjustments Budget amounts to R13.226 billion, comprising of R11.848 billion for the Operating Budget and R1.378 billion for the Capital Budget. The Operating Early Adjustments Budget reflects an increase of R156.289 million compared to the originally approved 2020/21 Operating Budget, whilst the Adjustments Capital Budget reflects a decrease of R266,296 million, compared to the originally approved budget.

The increase in the Operating Budget of R156.289 million is made up as follows:

	R'000
Reduction in Transfers and subsidies	(7,340)
Reduction in Employee Related Costs	(17,558)
Reduction in Finance Charges	(12,211)
Total Expenditure Reductions	**(37,109)**
Increase in Contracted Services	22,996
Increase in Other Materials	13,857
Increase in Other Expenditure	156,545
Total Expenditure Increases	**193,398**
Net Increase	**156,289**

In terms of funding the Capital Budget, the Municipality mainly relies on grant funding, comprising 45.27% of the total capital budget. The percentage funding through conditional DORA grants have reduced due to the External Borrowing taken up during the 2020/21 financial year and the material reduction in the amount of grant funding from National Government as gazette in the amended 2020 DoRA. The funding sources, supporting the Municipality's capital expenditure, are summarised below:

Description	2020/21 Original Budget	2020/21 Early Adjustments Budget	Variance
	R'000	R'000	R'000
Total Capital Budget	**1,644,753**	**1,378,457**	**(266,296)**
Funded as follows:			
Grant funding	977,010	711,899	(265,111)
Internal funding	453,328	452,143	(1,185)
Borrowing	214,415	214,415	0
Total	**1,832,628**	**1,572,555**	**(266,296)**

It is to be noted that the 2020/21 consolidated early adjustments budgeted cash flow statement projects a cash and investments balance of R3.427 billion as at 30 June 2021, compared to the amount of R2.595 billion as per the original budgeted cash flow statement (assuming that the issue of grants transfer from National Treasury will be settled and normalize). It must be noted that the municipality's cash and investments portfolio must cover certain commitments.

1.4 CONSOLIDATED EARLY 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 Early Adjustments Budget to be considered for approval by Council. Each table is accompanied by *explanatory notes* summarizing it.

Table B1 – Consolidated Adjustments Budget Summary

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											
Financial Performance											
Property rates	2,486,145	–	–	–	–	–	–	–	2,486,145	2,787,331	3,055,072
Service charges	6,396,380	–	–	–	–	–	–	–	6,396,380	6,828,217	7,426,305
Investment revenue	161,511	–	–	–	–	–	–	–	161,511	177,873	189,392
Transfers recognised - operational	2,187,776	–	–	–	–	–	283,267	283,267	2,471,043	2,247,599	2,379,225
Other own revenue	707,846	–	–	–	–	–	–	–	707,846	686,214	735,948
Total Revenue (excluding capital transfers and contributions)	**11,939,659**	**–**	**–**	**–**	**–**	**–**	**283,267**	**283,267**	**12,222,926**	**12,727,234**	**13,785,943**
Employee costs	3,768,245	–	–	–	–	–	(17,558)	(17,558)	3,750,687	4,104,420	4,497,564
Remuneration of councillors	85,283	–	–	–	–	–	–	–	85,283	89,237	93,430
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
Materials and bulk purchases	4,067,551	–	–	–	–	–	13,857	13,857	4,081,408	4,338,916	4,634,773
Transfers and grants	57,746	–	–	–	–	–	(7,340)	(7,340)	50,406	58,205	59,743
Other expenditure	2,831,380	–	–	–	–	–	179,541	179,541	3,010,921	2,980,916	3,169,158
Total Expenditure	**11,691,864**	**–**	**–**	**–**	**–**	**–**	**156,289**	**156,289**	**11,848,154**	**12,517,441**	**13,471,535**
Surplus/(Deficit)	247,794	–	–	–	–	–	126,977	126,977	374,772	209,792	314,407
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	944,113	–	–	–	–	–	(265,684)	(265,684)	678,429	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) & Transfers and subsidies - capital (in-kind - all)	32,897	–	–	–	–	–	573	573	33,470	–	–
Surplus/(Deficit) after capital transfers & contributions	**1,224,804**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,086,671**	**877,401**	**948,604**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**1,224,804**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,086,671**	**877,401**	**948,604**
Capital expenditure & funds sources											
Capital expenditure	1,644,753	–	–	–	–	–	(266,296)	(266,296)	1,378,457	1,319,102	1,264,894
Transfers recognised - capital	977,010	–	–	–	–	–	(265,111)	(265,111)	711,899	667,608	634,197
Borrowing	214,415	–	–	–	–	–	–	–	214,415	254,245	281,943
Internally generated funds	453,328	–	–	–	–	–	(1,185)	(1,185)	452,143	397,249	348,754
Total sources of capital funds	**1,644,753**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**1,378,457**	**1,319,102**	**1,264,894**
Financial position											
Total current assets	5,455,687	–	–	–	–	–	832,780	832,780	6,288,467	6,384,871	6,855,235
Total non-current assets	20,145,655	–	–	–	–	–	(266,296)	(266,296)	19,879,359	20,428,841	20,847,843
Total current liabilities	3,274,519	–	–	–	–	–	40,078	40,078	3,314,598	3,490,173	3,676,171
Total non-current liabilities	4,019,526	–	–	–	–	–	187,239	187,239	4,206,765	4,494,560	4,517,647
Community wealth/Equity	**18,307,296**	**–**	**–**	**–**	**–**	**–**	**339,167**	**339,167**	**18,646,463**	**18,828,979**	**19,509,260**
Cash flows											
Net cash from (used) operating	1,565,838	–	–	–	–	–	(114,947)	(114,947)	1,450,891	1,283,501	1,445,845
Net cash from (used) investing	(1,656,051)	–	–	–	–	–	256,937	256,937	(1,399,114)	(1,480,047)	(1,292,153)
Net cash from (used) financing	71,430	–	–	–	–	–	–	–	71,430	61,481	94,895
Cash/cash equivalents at the year end	**2,594,827**	**–**	**–**	**–**	**–**	**–**	**832,780**	**832,780**	**3,427,606**	**3,292,542**	**3,541,129**
Cash backing/surplus reconciliation											
Cash and investments available	2,594,827	–	–	–	–	–	832,780	832,780	3,427,606	3,292,542	3,541,129
Application of cash and investments	1,187,502	–	–	–	–	–	3,544	3,544	1,191,047	1,385,744	1,463,624
Balance - surplus (shortfall)	**1,407,324**	**–**	**–**	**–**	**–**	**–**	**829,235**	**829,235**	**2,236,560**	**1,906,798**	**2,077,505**
Asset Management											
Asset register summary (WDV)	20,027,407	–	–	–	–	–	(266,296)	(266,296)	19,761,111	20,295,221	20,698,189
Depreciation & asset impairment	740,575	–	–	–	–	–	–	–	740,575	784,992	861,926
Renewal and Upgrading of Existing Assets	807,125	–	–	–	–	–	(115,595)	(115,595)	691,531	637,559	653,774
Repairs and Maintenance	477,613	–	–	–	–	–	(13,139)	(13,139)	464,474	525,601	550,619
Free services											
Cost of Free Basic Services provided	436,836	–	–	–	–	–	–	–	436,836	477,143	519,843
Revenue cost of free services provided	206,535	–	–	–	–	–	–	–	206,535	226,613	248,522
Households below minimum 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 Early 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**	**–**	**–**	**–**	**–**	**–**	**24,323**	**24,323**	**3,437,455**	**3,713,962**	**3,960,991**
Executive and council	420	–	–	–	–	–	–	–	420	420	420
Finance and administration	3,412,710	–	–	–	–	–	24,323	24,323	3,437,033	3,713,540	3,960,569
Internal audit	2	–	–	–	–	–	–	–	2	2	2
Community and public safety	**1,237,518**	**–**	**–**	**–**	**–**	**–**	**(4,523)**	**(4,523)**	**1,232,994**	**1,207,517**	**1,296,387**
Community and social services	32,948	–	–	–	–	–	56,000	56,000	88,948	34,920	36,381
Sport and recreation	15,370	–	–	–	–	–	77	77	15,448	4,710	5,087
Public safety	817,360	–	–	–	–	–	–	–	817,360	916,934	1,021,114
Housing	369,255	–	–	–	–	–	(60,601)	(60,601)	308,654	248,282	231,042
Health	2,585	–	–	–	–	–	–	–	2,585	2,670	2,763
Economic and environmental services	**628,458**	**–**	**–**	**–**	**–**	**–**	**(101,152)**	**(101,152)**	**527,307**	**565,071**	**558,661**
Planning and development	164,745	–	–	–	–	–	(9,468)	(9,468)	155,277	169,790	168,700
Road transport	459,756	–	–	–	–	–	(91,684)	(91,684)	368,072	391,241	385,829
Environmental protection	3,957	–	–	–	–	–	–	–	3,957	4,040	4,132
Trading services	**7,592,325**	**–**	**–**	**–**	**–**	**–**	**99,508**	**99,508**	**7,691,833**	**7,859,530**	**8,551,438**
Energy sources	4,540,332	–	–	–	–	–	4,627	4,627	4,544,959	4,729,058	5,162,054
Water management	1,500,347	–	–	–	–	–	108,948	108,948	1,609,295	1,527,175	1,636,056
Waste water management	1,109,933	–	–	–	–	–	(14,861)	(14,861)	1,095,072	1,123,292	1,231,924
Waste management	441,713	–	–	–	–	–	794	794	442,506	480,005	521,405
Other	**45,236**	**–**	**–**	**–**	**–**	**–**	**–**	–	**45,236**	**48,762**	**52,662**
Total Revenue - Functional	**12,916,669**	**–**	**–**	**–**	**–**	**–**	**18,156**	**18,156**	**12,934,825**	**13,394,842**	**14,420,140**
Expenditure - Functional											
Governance and administration	**2,482,452**	**–**	**–**	**–**	**–**	**–**	**174**	**174**	**2,482,626**	**2,661,699**	**2,897,783**
Executive and council	246,321	–	–	–	–	–	(925)	(925)	245,396	259,104	272,223
Finance and administration	2,175,287	–	–	–	–	–	1,381	1,381	2,176,667	2,338,379	2,557,802
Internal audit	60,844	–	–	–	–	–	(281)	(281)	60,563	64,216	67,758
Community and public safety	**1,788,324**	**–**	**–**	**–**	**–**	**–**	**194,992**	**194,992**	**1,983,316**	**1,906,400**	**2,054,463**
Community and social services	310,059	–	–	–	–	–	211,405	211,405	521,464	336,349	367,861
Sport and recreation	537,570	–	–	–	–	–	(2,014)	(2,014)	535,557	574,295	610,445
Public safety	672,687	–	–	–	–	–	(6,071)	(6,071)	666,616	732,179	792,485
Housing	171,790	–	–	–	–	–	(8,019)	(8,019)	163,771	161,325	171,338
Health	96,218	–	–	–	–	–	(309)	(309)	95,909	102,253	112,334
Economic and environmental services	**756,096**	**–**	**–**	**–**	**–**	**–**	**(3,932)**	**(3,932)**	**752,164**	**786,253**	**835,981**
Planning and development	327,662	–	–	–	–	–	(2,205)	(2,205)	325,456	333,747	358,442
Road transport	381,922	–	–	–	–	–	(1,659)	(1,659)	380,263	402,337	423,409
Environmental protection	46,513	–	–	–	–	–	(68)	(68)	46,445	50,170	54,129
Trading services	**6,596,422**	**–**	**–**	**–**	**–**	**–**	**(38,105)**	**(38,105)**	**6,558,317**	**7,089,501**	**7,604,054**
Energy sources	4,761,213	–	–	–	–	–	(26,020)	(26,020)	4,735,193	5,098,447	5,454,546
Water management	862,234	–	–	–	–	–	(17,797)	(17,797)	844,437	936,279	1,000,277
Waste water management	592,440	–	–	–	–	–	1,573	1,573	594,013	632,128	697,359
Waste management	380,535	–	–	–	–	–	4,139	4,139	384,674	422,647	451,871
Other	**68,570**	**–**	**–**	**–**	**–**	**–**	**3,160**	3,160	**71,730**	**73,588**	**79,256**
Total Expenditure - Functional	**11,691,864**	**–**	**–**	**–**	**–**	**–**	**156,289**	**156,289**	**11,848,154**	**12,517,441**	**13,471,535**
Surplus/ (Deficit) for the year	**1,224,804**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,086,671**	**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	–	–	–	–	–	19,306	19,306	3,328,009	3,614,340	3,886,834
Vote 2 - Public Health	482,580	–	–	–	–	–	(1,449)	(1,449)	481,130	514,167	555,563
Vote 3 - Human Settlements	392,948	–	–	–	–	–	(58,761)	(58,761)	334,187	272,517	255,849
Vote 4 - Economic Development, Tourism & Agriculture	151,952	–	–	–	–	–	(6,694)	(6,694)	145,258	161,198	161,022
Vote 5 - Corporate Services	8,269	–	–	–	–	–	7,260	7,260	15,530	6,758	7,299
Vote 6 - Infrastructure & Engineering Unit - Rate & General	461,862	–	–	–	–	–	(91,684)	(91,684)	370,178	393,358	387,958
Vote 7 - Metro Water Service	1,500,413	–	–	–	–	–	108,948	108,948	1,609,361	1,527,245	1,636,132
Vote 8 - Sanitation - Metro	1,109,933	–	–	–	–	–	(14,861)	(14,861)	1,095,072	1,123,292	1,231,924
Vote 9 - Electricity & Energy	4,540,332	–	–	–	–	–	4,627	4,627	4,544,959	4,729,058	5,162,054
Vote 10 - Executive & Council	24,954	–	–	–	–	–	51,386	51,386	76,340	22,645	23,828
Vote 11 - Safety & Security	839,249	–	–	–	–	–	–	–	839,249	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	–	–	–	–	–	–	–	12,484	13,645	(14,916)
Vote 14 - Recreational & Cultural Services	32,582	–	–	–	–	–	77	77	32,660	22,667	23,147
Total Revenue by Vote	**12,916,669**	**–**	**–**	**–**	**–**	**–**	**18,156**	**18,156**	**12,934,825**	**13,394,842**	**14,420,140**
Expenditure by Vote											
Vote 1 - Budget & Treasury	1,107,853	–	–	–	–	–	(6,363)	(6,363)	1,101,490	1,192,501	1,289,514
Vote 2 - Public Health	714,608	–	–	–	–	–	2,318	2,318	716,927	779,281	836,822
Vote 3 - Human Settlements	264,859	–	–	–	–	–	100,939	100,939	365,798	259,339	278,319
Vote 4 - Economic Development, Tourism & Agriculture	157,557	–	–	–	–	–	626	626	158,184	162,849	172,478
Vote 5 - Corporate Services	417,523	–	–	–	–	–	8,832	8,832	426,355	447,142	484,766
Vote 6 - Infrastructure & Engineering Unit - Rate & General	882,074	–	–	–	–	–	23,689	23,689	905,763	934,552	1,020,072
Vote 7 - Metro Water Service	881,604	–	–	–	–	–	(12,778)	(12,778)	868,826	956,729	1,022,085
Vote 8 - Sanitation - Metro	562,406	–	–	–	–	–	8,632	8,632	571,038	601,562	666,239
Vote 9 - Electricity & Energy	4,757,432	–	–	–	–	–	(26,020)	(26,020)	4,731,412	5,094,322	5,450,043
Vote 10 - Executive & Council	329,540	–	–	–	–	–	54,437	54,437	383,977	338,000	358,215
Vote 11 - Safety & Security	1,032,663	–	–	–	–	–	(1,601)	(1,601)	1,031,062	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	–	–	–	–	–	–	–	10,178	11,120	12,126
Vote 14 - Recreational & Cultural Services	423,961	–	–	–	–	–	3,578	3,578	427,540	456,489	493,854
Total Expenditure by Vote	**11,691,864**	**–**	**–**	**–**	**–**	**–**	**156,289**	**156,289**	**11,848,154**	**12,517,441**	**13,471,535**
Surplus/ (Deficit) for the year	**1,224,804**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,086,671**	**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 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 Source											
Property rates	2,486,145	–	–	–	–	–	–	–	2,486,145	2,787,331	3,055,072
Service charges - electricity revenue	4,359,003	–	–	–	–	–	–	–	4,359,003	4,585,459	4,992,929
Service charges - water revenue	1,050,759	–	–	–	–	–	–	–	1,050,759	1,166,938	1,266,128
Service charges - sanitation revenue	722,107	–	–	–	–	–	–	–	722,107	788,529	855,554
Service charges - refuse revenue	264,511	–	–	–	–	–	–	–	264,511	287,292	311,695
Rental of facilities and equipment	22,627							–	22,627	24,316	26,149

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											
Interest earned - external investments	161,511							–	161,511	177,873	189,392
Interest earned - outstanding debtors	265,534							–	265,534	211,743	227,624
Dividends received								–	–		
Fines, penalties and forfeits	224,224							–	224,224	242,566	261,605
Licences and permits	22,748							–	22,748	24,522	26,484
Agency services	3,327							–	3,327	3,586	3,873
Transfers and subsidies	2,187,776						283,267	283,267	2,471,043	2,247,599	2,379,225
Other revenue	168,878	–	–	–	–	–	–	–	168,878	178,960	189,683
Gains	510							–	510	520	530
Total Revenue (excluding capital transfers and contributions)	**11,939,659**	**–**	**–**	**–**	**–**	**–**	**283,267**	**283,267**	**12,222,926**	**12,727,234**	**13,785,943**
Expenditure By Type											
Employee related costs	3,768,245	–	–	–	–	–	(17,558)	(17,558)	3,750,687	4,104,420	4,497,564
Remuneration of councillors	85,283						–	–	85,283	89,237	93,430
Debt impairment	1,084,879						–	–	1,084,879	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	–	–	–	–	–	–	–	3,844,678	4,108,748	4,393,823
Other materials	222,873						13,857	13,857	236,730	230,168	240,950
Contracted services	1,125,323	–	–	–	–	–	22,996	22,996	1,148,320	1,152,441	1,192,006
Transfers and subsidies	57,746						(7,340)	(7,340)	50,406	58,205	59,743
Other expenditure	621,178	–	–	–	–	–	156,545	156,545	777,723	651,721	695,967
Total Expenditure	**11,691,864**	**–**	**–**	**–**	**–**	**–**	**156,289**	**156,289**	**11,848,154**	**12,517,441**	**13,471,535**
Surplus/(Deficit)	**247,794**	**–**	**–**	**–**	**–**	**–**	**126,977**	**126,977**	**374,772**	**209,792**	**314,407**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	944,113						(265,684)	(265,684)	678,429	667,608	634,197
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	32,897						573	573	33,470		
Transfers and subsidies - capital (in-kind - all)								–	–		
Surplus/(Deficit) before taxation	**1,224,804**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,086,671**	**877,401**	**948,604**
Taxation								–	–		
Surplus/(Deficit) after taxation	**1,224,804**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,086,671**	**877,401**	**948,604**
Attributable to minorities								–	–		
Surplus/(Deficit) attributable to municipality	**1,224,804**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,086,671**	**877,401**	**948,604**
Share of surplus/ (deficit) of associate								–	–		
Surplus/ (Deficit) for the year	**1,224,804**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,086,671**	**877,401**	**948,604**

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

<u>Revenue</u>

1. The Financial Performance Early 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 Early Adjustments Budget, in order to assess performance.

2. Total Operating Revenue amounts to R12.223 billion in the 2020/21 Early Consolidated Adjustments Budget, compared to the amount of R11.692 billion in the original 2020/21 Budget. This represents an increase of R283.267 million or 4.54%. 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 Early Adjustments Budget is R320,865,000. This is used to fund capital expenditure. The revenue that is used to fund early adjusted operating expenditure is therefore R11.902 billion, resulting in an operating surplus of approximately R53,907 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 R283.267 million when compared to the original budget. The increase is mainly due to the following: -

- Moving R101.610 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 Vat incl. from the capital budget to the operating budget. This does not represent new grant revenue.
- DoRA allocation for Equitable Share increased by R153.904 million. This represents additional grant funding.

Expenditure

4. Total Operating Expenditure amounts to R11.848 billion in the 2020/21 Early Adjustments Budget, compared to the amount of R11.692 billion in the original 2020/21 Budget. This represents an increase of R156.29 million or 1.34%.

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

5.1 Employee Related Costs

Employee Related Costs decreased by R17.558 million, mainly due to a delay in the filling of funded vacant positions.

5.2 Contracted Services

Contracted services increased by R22.996 million compared to the original budget. This expenditure category was adjusted, in line with current expenditure trends.

5.3 Grants and subsidies Paid

Grants and subsidies Paid decreased by R7.34 million compared to the original budget.

5.4 Other Expenditure

Other expenditure increased by R156.545 million, mainly due to spending associated with the response to the Covid-19 pandemic, partially resulting from the re-prioritisation of a portion of the USDG.

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5.5 Other Materials

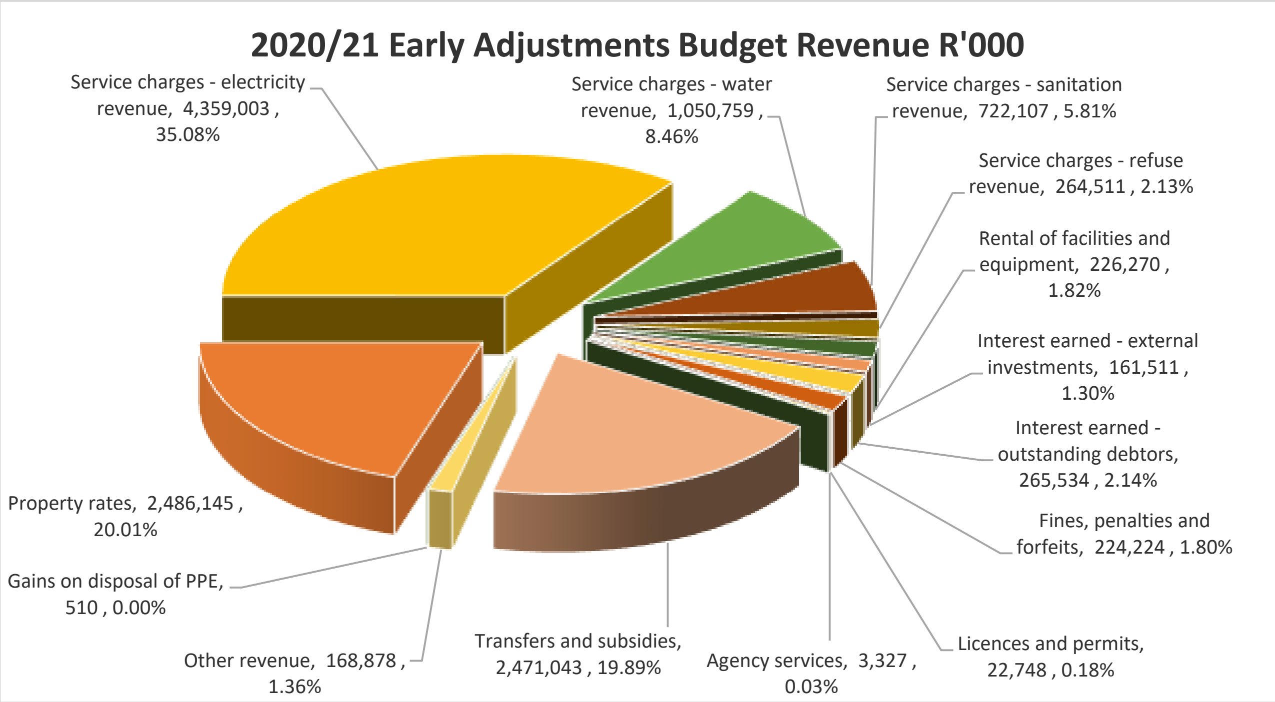
Other materials increased by R13.857 million, mainly due to spending associated with the response to the Covid-19 pandemic, partially resulting from the re-prioritisation of a portion of the USDG.

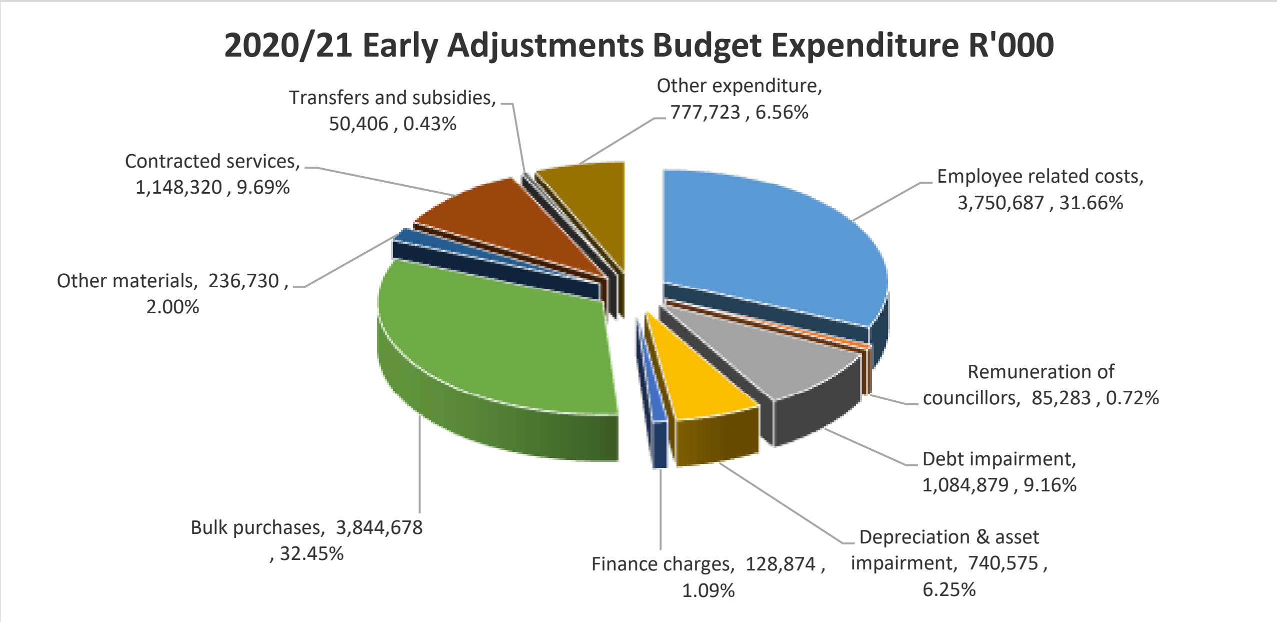
5.6 Finance Charges

Finance charges decreased by R12.211 million, to align with the repayment schedule of the external borrowing that has been taken up on 1 August 2020.

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.





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

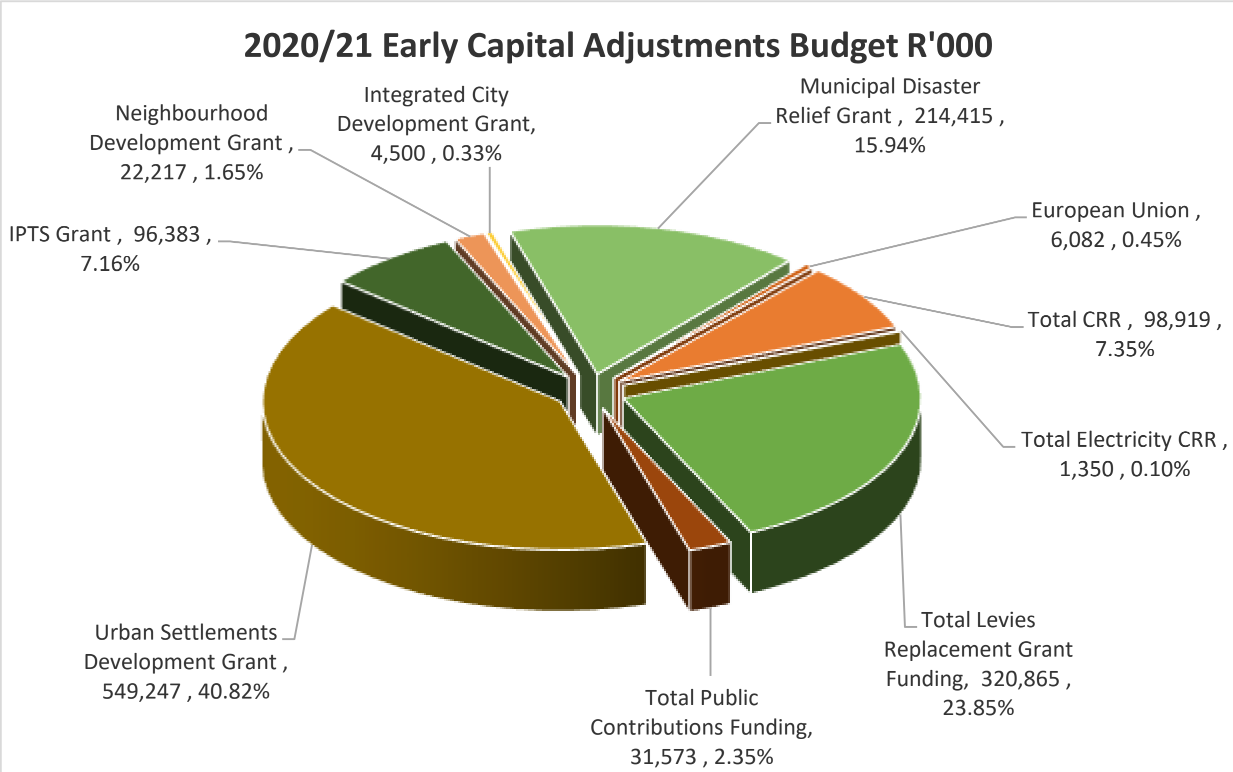


Table B5 - Consolidated Adjustment Capital Expenditure Budget by vote, standard classification and funding source

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	–	–	–	–	–	–	–	13,000	8,000	–
Vote 2 - Public Health	16,700	–	–	–	–	–	1,190	1,190	17,890	20,866	26,029
Vote 3 - Human Settlements	151,155	–	–	–	–	–	(77,755)	(77,755)	73,400	163,044	149,087
Vote 4 - Economic Development, Tourism & Agriculture	63,341	–	–	–	–	–	(8,217)	(8,217)	55,123	66,942	60,161
Vote 5 - Corporate Services	15,820	–	–	–	–	–	(1,365)	(1,365)	14,455	19,300	7,400
Vote 6 - Infrastructure & Engineering Unit - Rate & General	422,786	–	–	–	–	–	(116,152)	(116,152)	306,634	289,455	303,776
Vote 7 - Metro Water Service	305,050	–	–	–	–	–	93,900	93,900	398,950	252,612	228,393
Vote 8 - Sanitation - Metro	172,370	–	–	–	–	–	(63,900)	(63,900)	108,470	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	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**	**–**	**–**	**–**	**–**	**–**	**(188,171)**	**(188,171)**	**1,186,547**	**1,155,949**	**1,161,383**
Single-year expenditure *to be adjusted*											
Vote 1 - Budget & Treasury	4,180	–	–	–	–	–	–	–	4,180	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	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Corporate Services	13,780	–	–	–	–	–	180	180	13,960	15,500	2,000
Vote 6 - Infrastructure & Engineering Unit - Rate & General	73,254	–	–	–	–	–	400	400	73,654	95,684	61,150
Vote 7 - Metro Water Service	19,000	–	–	–	–	–	(4,500)	(4,500)	14,500	11,366	11,021
Vote 8 - Sanitation - Metro	9,000	–	–	–	–	–	(1,500)	(1,500)	7,500	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	–	–	–	–	–	–	–	15,839	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**	**–**	**–**	**–**	**–**	**–**	**(78,125)**	**(78,125)**	**191,910**	**163,153**	**103,510**

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											
Total Capital Expenditure - Vote	**1,644,753**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**1,378,457**	**1,319,102**	**1,264,894**
Capital Expenditure - Functional											
Governance and administration	**342,983**	**–**	**–**	**–**	**–**	**–**	**(208,535)**	**(208,535)**	**134,448**	**130,099**	**76,300**
Executive and council	–							–	–		
Finance and administration	342,983						(208,535)	(208,535)	134,448	130,099	76,300
Internal audit	–							–	–		
Community and public safety	**215,900**	**–**	**–**	**–**	**–**	**–**	**(123,536)**	**(123,536)**	**92,364**	**72,652**	**56,902**
Community and social services	56,000						(20,551)	(20,551)	35,449	24,362	22,703
Sport and recreation	131,600						(84,035)	(84,035)	47,565	41,300	27,991
Public safety	24,800						(16,250)	(16,250)	8,550	5,200	4,408
Housing	–						–	–	–	–	–
Health	3,500						(2,700)	(2,700)	800	1,790	1,800
Economic and environmental services	**199,487**	**–**	**–**	**–**	**–**	**–**	**172,156**	**172,156**	**371,643**	**424,910**	**408,677**
Planning and development	32,906							–	32,906	32,159	34,074
Road transport	166,582						172,156	172,156	338,737	392,751	373,603
Environmental protection	–							–	–	–	1,000
Trading services	**886,382**	**–**	**–**	**–**	**–**	**–**	**(106,381)**	**(106,381)**	**780,001**	**691,441**	**723,014**
Energy sources	391,484						(225,477)	(225,477)	166,007	160,382	166,334
Water management	128,280						303,170	303,170	431,450	295,494	262,553
Waste water management	346,418						(172,073)	(172,073)	174,345	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**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**1,378,457**	**1,319,102**	**1,264,894**
Funded by:											
National Government	944,113						(265,684)	(265,684)	678,429	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						573	573	33,470	–	–
Transfers recognised - capital	**977,010**	**–**	**–**	**–**	**–**	**–**	**(265,111)**	**(265,111)**	**711,899**	**667,608**	**634,197**
Borrowing	214,415							–	214,415	254,245	281,943
Internally generated funds	453,328						(1,185)	(1,185)	452,143	397,249	348,754
Total Capital Funding	**1,644,753**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**1,378,457**	**1,319,102**	**1,264,894**

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

1. 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.
2. The decrease in the capital grant funding is mainly attributable to the following:
   a. The portion of the Fuel Levy that was allocated to the Original Capital Budget was reduced by R1,185,000 from R322,050,000 to R320,865,000. The funds were moved to fund operating expenditure and to provide a further allocation of R7 million to the Mandela Bay Development Agency for the Nelson Mandela Bay Stadium.
   b. USDG funding in the amount of R100,269 million (VAT excl.) was transferred from the capital budget to the operating budget to fund the COVID19 projects / programmes. Moving R101,610 million 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 of the IPTS grant from the capital budget to the operating budget.
   d. Moving R5,306 million Vat incl. from the capital budget to the operating budget also does not represent new grant revenue.
   e. DoRA allocation for USDG reduced by R88.114 million, as per Finance Minister.
   f. DoRA allocation for IPTS Grant reduced by R50.191 million, as per Finance Minister.

g. DoRA allocation for Neighborhood Development Partnership Grant reduced by R9.45 million, as per the Finance Minister.

Table B6 - Consolidated Adjustments Budget Financial Position

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											
ASSETS											
Current assets											
Cash	200,200							–	200,200	200,200	200,200
Call investment deposits	2,394,627	–	–	–	–	–	832,780	832,780	3,227,406	3,092,342	3,340,929
Consumer debtors	2,285,500	–	–	–	–	–	–	–	2,285,500	2,491,194	2,690,490
Other debtors	428,722							–	428,722	447,898	463,483
Current portion of long-term receivables								–	–		
Inventory	146,639							–	146,639	153,237	160,133
Total current assets	**5,455,687**	**–**	**–**	**–**	**–**	**–**	**832,780**	**832,780**	**6,288,467**	**6,384,871**	**6,855,235**
Non-current assets											
Long-term receivables	118,248							–	118,248	133,620	149,654
Investments								–	–		
Investment property	211,285							–	211,285	205,217	198,554
Investment in Associate								–	–		
Property, plant and equipment	19,511,032	–	–	–	–	–	(266,496)	(266,496)	19,244,536	19,797,530	20,225,746
Biological								–	–		
Intangible	305,090						200	200	305,290	292,474	273,888
Other non-current assets								–	–		
Total non-current assets	**20,145,655**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**19,879,359**	**20,428,841**	**20,847,843**
TOTAL ASSETS	**25,601,342**	**–**	**–**	**–**	**–**	**–**	**566,484**	**566,484**	**26,167,825**	**26,813,712**	**27,703,078**
LIABILITIES											
Current liabilities											
Bank overdraft								–	–		
Borrowing	156,291	–	–	–	–	–	40,078	40,078	196,369	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							–	341,375	365,923	391,974
Total current liabilities	**3,274,519**	**–**	**–**	**–**	**–**	**–**	**40,078**	**40,078**	**3,314,598**	**3,490,173**	**3,676,171**
Non-current liabilities											
Borrowing	1,001,082	–	–	–	–	–	187,239	187,239	1,188,321	1,277,416	1,086,343
Provisions	3,018,443	–	–	–	–	–	–	–	3,018,443	3,217,144	3,431,303
Total non-current liabilities	**4,019,526**	**–**	**–**	**–**	**–**	**–**	**187,239**	**187,239**	**4,206,765**	**4,494,560**	**4,517,647**
TOTAL LIABILITIES	**7,294,045**	**–**	**–**	**–**	**–**	**–**	**227,317**	**227,317**	**7,521,362**	**7,984,733**	**8,193,818**
NET ASSETS	**18,307,296**	**–**	**–**	**–**	**–**	**–**	**339,167**	**339,167**	**18,646,463**	**18,828,979**	**19,509,260**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	17,436,274	–	–	–	–	–	339,167	339,167	17,775,440	17,697,283	18,266,259
Reserves	871,023	–	–	–	–	–	–	–	871,023	1,131,697	1,243,001
TOTAL COMMUNITY WEALTH/EQUITY	**18,307,296**	**–**	**–**	**–**	**–**	**–**	**339,167**	**339,167**	**18,646,463**	**18,828,979**	**19,509,260**

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 Adjusted	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							–	2,187,808	2,452,851	2,688,463
Service charges	5,628,839							–	5,628,839	6,008,855	6,535,173
Other revenue	256,978						(12,000)	(12,000)	244,978	262,665	282,342
Transfers and Subsidies - Operational	2,080,628						157,861	157,861	2,238,489	2,170,504	2,308,116
Transfers and Subsidies - Capital	1,092,945						(151,139)	(151,139)	941,806	748,199	712,356
Interest	161,511							–	161,511	177,873	189,392
Dividends								–	–		
Payments											
Suppliers and employees	(9,658,381)						(93,896)	(93,896)	(9,752,276)	(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)						(10,415)	(10,415)	(71,390)	(56,862)	(50,512)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**1,565,838**	**–**	**–**	**–**	**–**	**–**	**(114,947)**	**(114,947)**	**1,450,891**	**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)							–	(14,522)	(15,372)	(16,034)
Decrease (increase) in non-current investments								–	–		
Payments											
Capital assets	(1,641,530)						256,937	256,937	(1,384,593)	(1,464,675)	(1,276,118)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(1,656,051)**	**–**	**–**	**–**	**–**	**–**	**256,937**	**256,937**	**(1,399,114)**	**(1,480,047)**	**(1,292,153)**
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)**	**–**	**–**	**–**	**–**	**–**	**141,990**	**141,990**	**123,207**	**(135,065)**	**248,587**
Cash/cash equivalents at the year begin:	2,613,610						690,789	690,789	3,304,399	3,427,606	3,292,542
Cash/cash equivalents at the year-end:	2,594,827	–	–	–	–	–	832,780	832,780	3,427,606	3,292,542	3,541,129

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 R832.78 million from R2.595 billion in the original 2020/21 Budget, to R3.428 billion in the 2020/21 Early 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 Adjusted	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	–	–	–	–	–	832,206	832,206	3,427,033	3,291,968	3,540,556
Other current investments > 90 days	(0)	–	–	–	–	–	0	0	–	–	–
Non-current assets - Investments	–	–	–	–	–	–	–	–	–	–	–
Cash and investments available:	**2,594,827**	**–**	**–**	**–**	**–**	**–**	**832,206**	**832,206**	**3,427,033**	**3,291,968**	**3,540,556**
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)	–					3,544	3,544	(521,163)	(630,734)	(710,791)
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**	**–**	**–**	**–**	**–**	**–**	**3,544**	**3,544**	**1,191,047**	**1,385,744**	**1,463,624**
Surplus(shortfall)	**1,407,324**	**–**	**–**	**–**	**–**	**–**	**828,662**	**828,662**	**2,235,986**	**1,906,224**	**2,076,932**

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 R2.24 million in the 2020/21 Early 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 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											
Total New Assets *to be adjusted*	**837,627**	**–**	**–**	**–**	**–**	**–**	**(150,701)**	**(150,701)**	**686,926**	**681,543**	**611,120**
Roads Infrastructure	254,689	–	–	–	–	–	(73,733)	(73,733)	180,956	196,969	240,176
Storm water Infrastructure	23,450	–	–	–	–	–	(11,950)	(11,950)	11,500	30,978	34,205
Electrical Infrastructure	36,618	–	–	–	–	–	12,000	12,000	48,618	24,599	30,451
Water Supply Infrastructure	163,220	–	–	–	–	–	49,930	49,930	213,150	124,365	89,107
Sanitation Infrastructure	38,255	–	–	–	–	–	(8,235)	(8,235)	30,020	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	–	–	–	–	–	(35,488)	(35,488)	487,244	442,249	461,936
Community Facilities	55,332	–	–	–	–	–	(13,563)	(13,563)	41,769	34,335	24,770
Sport and Recreation Facilities	24,425	–	–	–	–	–	(2,573)	(2,573)	21,852	18,000	–
Community Assets	79,756	–	–	–	–	–	(16,135)	(16,135)	63,621	52,335	24,770
Heritage Assets	4,223	–	–	–	–	–	–	–	4,223	3,791	6,348
Revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Operational Buildings	31,596	–	–	–	–	–	(14,253)	(14,253)	17,343	37,150	35,417
Housing	–	–	–	–	–	–	–	–	–	–	–
Other Assets	31,596	–	–	–	–	–	(14,253)	(14,253)	17,343	37,150	35,417
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–	–	–
Licences and Rights	26,018	–	–	–	–	–	(13,325)	(13,325)	12,693	42,231	43,032
Intangible Assets	26,018	–	–	–	–	–	(13,325)	(13,325)	12,693	42,231	43,032
Computer Equipment	6,780	–	–	–	–	–	200	200	6,980	4,712	1,716
Furniture and Office Equipment	4,983	–	–	–	–	–	(1,600)	(1,600)	3,383	2,356	2,857
Machinery and Equipment	42,199	–	–	–	–	–	3,820	3,820	46,019	52,885	28,543
Transport Assets	42,839	–	–	–	–	–	1,080	1,080	43,919	42,835	6,500
Land	76,500	–	–	–	–	–	(75,000)	(75,000)	1,500	1,000	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–	–	–

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											
Total Renewal of Existing Assets ***to be adjusted***	**303,829**	**–**	**–**	**–**	**–**	**–**	**(1,570)**	**(1,570)**	**302,259**	**246,451**	**240,304**
Roads Infrastructure	54,023	–	–	–	–	–	(1,800)	(1,800)	52,223	57,200	48,200
Storm water Infrastructure	10,500	–	–	–	–	–	(700)	(700)	9,800	9,500	11,500
Electrical Infrastructure	52,100	–	–	–	–	–	(200)	(200)	51,900	41,196	39,982
Water Supply Infrastructure	155,380	–	–	–	–	–	(11,330)	(11,330)	144,050	103,445	106,014
Sanitation Infrastructure	13,500	–	–	–	–	–	11,360	11,360	24,860	25,610	33,608
Solid Waste Infrastructure	11,726	–	–	–	–	–	–	–	11,726	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Infrastructure	297,229	–	–	–	–	–	(2,670)	(2,670)	294,559	236,951	239,304
Community Facilities	2,700	–	–	–	–	–	100	100	2,800	6,000	–
Sport and Recreation Facilities	200	–	–	–	–	–	500	500	700	1,000	–
Community Assets	2,900	–	–	–	–	–	600	600	3,500	7,000	–
Heritage Assets	1,500	–	–	–	–	–	–	–	1,500	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Operational Buildings	2,200	–	–	–	–	–	500	500	2,700	2,500	1,000
Housing	–	–	–	–	–	–	–	–	–	–	–
Other Assets	2,200	–	–	–	–	–	500	500	2,700	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**	**–**	**–**	**–**	**–**	**–**	**(114,025)**	**(114,025)**	**389,272**	**391,108**	**413,470**
Roads Infrastructure	174,935	–	–	–	–	–	(76,702)	(76,702)	98,233	83,756	73,587
Storm water Infrastructure	31,000	–	–	–	–	–	(9,000)	(9,000)	22,000	28,000	24,500
Electrical Infrastructure	64,472	–	–	–	–	–	(17,258)	(17,258)	47,214	80,995	76,561
Water Supply Infrastructure	63,550	–	–	–	–	–	20,200	20,200	83,750	60,344	59,088
Sanitation Infrastructure	103,870	–	–	–	–	–	(45,380)	(45,380)	58,490	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	–	–	–	–	–	(122,840)	(122,840)	318,737	335,931	369,638
Community Facilities	27,370	–	–	–	–	–	(246)	(246)	27,124	24,127	22,732
Sport and Recreation Facilities	15,700	–	–	–	–	–	3,300	3,300	19,000	12,300	11,200
Community Assets	43,070	–	–	–	–	–	3,054	3,054	46,124	36,427	33,932
Heritage Assets	–	–	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Operational Buildings	15,650	–	–	–	–	–	4,761	4,761	20,411	15,750	7,400
Housing	–	–	–	–	–	–	–	–	–	–	–
Other Assets	15,650	–	–	–	–	–	4,761	4,761	20,411	15,750	7,400
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–	–	–
Licences and Rights	2,000	–	–	–	–	–	1,000	1,000	3,000	2,000	1,000
Intangible Assets	2,000	–	–	–	–	–	1,000	1,000	3,000	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	–	–	–	–	–	(266,296)	(266,296)	1,378,457	1,319,102	1,264,894
Roads Infrastructure	483,647	–	–	–	–	–	(152,235)	(152,235)	331,412	337,925	361,963
Storm water Infrastructure	64,950	–	–	–	–	–	(21,650)	(21,650)	43,300	68,478	70,205
Electrical Infrastructure	153,190	–	–	–	–	–	(5,458)	(5,458)	147,732	146,789	146,994
Water Supply Infrastructure	382,150	–	–	–	–	–	58,800	58,800	440,950	288,154	254,208
Sanitation Infrastructure	155,625	–	–	–	–	–	(42,255)	(42,255)	113,370	159,535	218,758
Solid Waste Infrastructure	14,226	–	–	–	–	–	5,300	5,300	19,526	2,500	2,500
Rail Infrastructure	–	–	–	–	–	–	–	–	–	–	8,000

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											
Coastal Infrastructure	–	–	–	–	–	–	–	–	–	–	1,000
Information and Communication Infrastructure	7,750	–	–	–	–	–	(3,500)	(3,500)	4,250	11,750	7,250
Infrastructure	1,261,538	–	–	–	–	–	(160,998)	(160,998)	1,100,540	1,015,131	1,070,878
Community Facilities	85,402	–	–	–	–	–	(13,709)	(13,709)	71,693	64,462	47,502
Sport and Recreation Facilities	40,325	–	–	–	–	–	1,227	1,227	41,552	31,300	11,200
Community Assets	125,726	–	–	–	–	–	(12,481)	(12,481)	113,245	95,762	58,702
Heritage Assets	5,723	–	–	–	–	–	–	–	5,723	3,791	6,348
Revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Operational Buildings	49,446	–	–	–	–	–	(8,992)	(8,992)	40,454	55,400	43,817
Housing	–	–	–	–	–	–	–	–	–	–	–
Other Assets	49,446	–	–	–	–	–	(8,992)	(8,992)	40,454	55,400	43,817
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–	–	–
Licences and Rights	28,018	–	–	–	–	–	(12,325)	(12,325)	15,693	44,231	44,032
Intangible Assets	28,018	–	–	–	–	–	(12,325)	(12,325)	15,693	44,231	44,032
Computer Equipment	7,780	–	–	–	–	–	200	200	7,980	5,712	3,216
Furniture and Office Equipment	4,983	–	–	–	–	–	(1,600)	(1,600)	3,383	2,356	2,857
Machinery and Equipment	42,199	–	–	–	–	–	3,820	3,820	46,019	52,885	28,543
Transport Assets	42,839	–	–	–	–	–	1,080	1,080	43,919	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**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**1,378,457**	**1,319,102**	**1,264,894**
ASSET REGISTER SUMMARY - PPE (WDV)	20,027,407	–	–	–	–	–	(266,296)	(266,296)	19,761,111	20,295,221	20,698,189
Roads Infrastructure	4,926,571						(152,235)	(152,235)	4,774,336	4,889,931	4,996,102
Storm water Infrastructure	615,509						(21,650)	(21,650)	593,859	646,079	698,431
Electrical Infrastructure	2,385,225						(5,458)	(5,458)	2,379,767	2,441,008	2,494,066
Water Supply Infrastructure	3,690,841						58,800	58,800	3,749,641	3,960,148	4,129,096
Sanitation Infrastructure	2,153,496						(42,255)	(42,255)	2,111,240	2,209,318	2,360,593
Solid Waste Infrastructure	390,602						5,300	5,300	395,902	387,889	378,846
Rail Infrastructure	–						–	–	–	–	–
Coastal Infrastructure	56,919						–	–	56,919	56,919	57,919
Information and Communication Infrastructure	28,905						(3,500)	(3,500)	25,405	37,155	44,405
Infrastructure	14,248,067	–	–	–	–	–	(160,998)	(160,998)	14,087,069	14,628,447	15,159,457
Community Assets	2,484,199						(12,481)	(12,481)	2,471,718	2,389,395	2,275,610
Heritage Assets	216,706						–	–	216,706	216,706	216,706
Investment properties	211,285							–	211,285	205,217	198,554
Other Assets	849,635						(21,317)	(21,317)	828,318	882,332	923,404
Biological or Cultivated Assets	–							–	–		
Intangible Assets	305,090						200	200	305,290	292,474	273,888
Computer Equipment	32,743						(1,600)	(1,600)	31,143	14,170	(7,507)
Furniture and Office Equipment	35,808						3,820	3,820	39,628	33,093	26,191
Machinery and Equipment	85,103						1,080	1,080	86,183	134,032	157,051
Transport Assets	268,944						(75,000)	(75,000)	193,944	208,527	184,006
Land	1,289,828							–	1,289,828	1,290,828	1,290,828
Zoo's, Marine and Non-biological Animals								–	–		
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**20,027,407**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**19,761,111**	**20,295,221**	**20,698,189**
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment	740,575	–	–	–	–	–	–	–	740,575	784,992	861,926
Repairs and Maintenance by asset class	**477,613**	**–**	**–**	**–**	**–**	**–**	**(13,139)**	**(13,139)**	**464,474**	**525,601**	**550,619**
Roads Infrastructure	33,476	–	–	–	–	–	(633)	(633)	32,843	33,982	34,510
Storm water Infrastructure	17,347	–	–	–	–	–	–	–	17,347	17,371	17,385
Electrical Infrastructure	47,478	–	–	–	–	–	(500)	(500)	46,978	51,686	54,078
Water Supply Infrastructure	67,927	–	–	–	–	–	33,010	33,010	100,937	72,246	75,483
Sanitation Infrastructure	72,303	–	–	–	–	–	(5,040)	(5,040)	67,263	78,013	82,993
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure	3,187	–	–	–	–	–	–	–	3,187	3,191	3,196
Coastal Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	370	–	–	–	–	–	–	–	370	392	416
Infrastructure	242,089	–	–	–	–	–	26,837	26,837	268,926	256,882	268,060

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 Facilities	14,390	–	–	–	–	–	2,095	2,095	16,485	15,048	16,140
Sport and Recreation Facilities	7,764	–	–	–	–	–	136	136	7,900	8,324	9,020
Community Assets	22,155	–	–	–	–	–	2,231	2,231	24,386	23,372	25,159
Heritage Assets	961	–	–	–	–	–	–	–	961	982	1,005
Revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Operational Buildings	33,736	–	–	–	–	–	(119)	(119)	33,617	39,240	42,017
Housing	3,021	–	–	–	–	–	–	–	3,021	3,168	3,324
Other Assets	36,757	–	–	–	–	–	(119)	(119)	36,638	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	–	–	–	–	–	(276)	(276)	7,588	8,491	9,107
Furniture and Office Equipment	3,661	–	–	–	–	–	30	30	3,691	3,822	3,987
Machinery and Equipment	118,484	–	–	–	–	–	(42,894)	(42,894)	75,590	140,507	145,059
Transport Assets	40,844	–	–	–	–	–	1,053	1,053	41,897	44,042	47,511
Land	–	–	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	**1,218,188**	**–**	**–**	**–**	**–**	**–**	**(13,139)**	**(13,139)**	**1,205,050**	**1,310,593**	**1,412,546**
Renewal and upgrading of Existing Assets as % of total capex	*49.1%*	*0.0%*							*50.2%*	*48.3%*	*51.7%*
Renewal and upgrading of Existing Assets as % of deprecn"	*109.0%*	*0.0%*							*93.4%*	*81.2%*	*75.9%*
R&M as a % of PPE	*2.4%*	*0.0%*							*2.4%*	*2.6%*	*2.7%*
Renewal and upgrading and R&M as a % of PPE	*6.4%*	*0.0%*							*5.8%*	*5.7%*	*5.8%*

Explanatory notes to Table B9 - Asset Management

1. 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
<u>Household service targets</u>											
<u>Water:</u>											
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)	0							–	–	–	–
Minimum Service Level and Above sub-total	406	–	–	–	–	–	–	–	406	414	453
Using public tap (< min.service level)								–	–		
Other water supply (< min.service level)								–	–		
No water supply								–	–		
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–	–	–
Total number of households	**406**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**406**	**414**	**453**
<u>Sanitation/sewerage:</u>											
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
Minimum Service Level and Above sub-total	367,975	–	–	–	–	–	–	–	367,975	371,995	409,716
Bucket toilet	5000							–	5,000	4000	3000
Other toilet provisions (< min.service level)								–	–		
No toilet provisions								–	–		
Below Minimum Service Level sub-total	5,000	–	–	–	–	–	–	–	5,000	4,000	3,000
Total number of households	**372,975**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**372,975**	**375,995**	**412,716**
<u>Energy:</u>											
Electricity (at least min. service level)	22851.64							–	22,852	22394.6072	21946.71506

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
Electricity - prepaid (> min.service level)	293650.86							–	293,651	299523.8772	305514.3547
Minimum Service Level and Above sub-total	316,503	–	–	–	–	–	–	–	316,503	321,918	327,461
Electricity (< min.service level)								–	–		
Electricity - prepaid (< min. service level)								–	–		
Other energy sources								–	–		
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–	–	–
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
Minimum Service Level and Above sub-total	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
Below Minimum Service Level sub-total	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	–	–	–	–	–	–	–	119,092	129,514	140,199
Sanitation (free sanitation service to indigent households)	145,951	–	–	–	–	–	–	–	145,951	159,087	172,609
Electricity/other energy (50kwh per indigent household per month)	36,696	–	–	–	–	–	–	–	36,696	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	–	–	–	–	–	–	–	436,836	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
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	–	–	–	–	–	–	–	129,054	141,220	154,681
Water (in excess of 6 kilolitres per indigent household per month)	59,133	–	–	–	–	–	–	–	59,133	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	–	–	–	–	–	–	–	18,348	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**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**206,535**	**226,613**	**248,522**

Explanatory notes to Table B10 - Basic Service Delivery Measurement

1. 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 EARLY 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 Adjusted	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	–	–	–	–	–	–	–	2,486,145	2,787,331	3,055,072
Service charges	6,396,180	–	–	–	–	–	–	–	6,396,180	6,828,017	7,426,105
Investment revenue	159,511	–	–	–	–	–	–	–	159,511	175,373	186,392
Transfers recognised - operational	2,187,776	–	–	–	–	–	283,267	283,267	2,471,043	2,247,599	2,379,225
Other own revenue	707,446	–	–	–	–	–	–	–	707,446	685,764	735,448
Total Revenue (excluding capital transfers and contributions)	**11,937,059**	**–**	**–**	**–**	**–**	**–**	**283,267**	**283,267**	**12,220,326**	**12,724,084**	**13,782,243**
Employee costs	3,727,291	–	–	–	–	–	(17,558)	(17,558)	3,709,733	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	–	–	–	–	–	13,857	13,857	4,081,408	4,338,916	4,634,773
Transfers and grants	151,246	–	–	–	–	–	(7,340)	(7,340)	143,906	156,117	163,597
Other expenditure	2,807,385	–	–	–	–	–	179,541	179,541	2,986,926	2,959,978	3,147,743
Total Expenditure	**11,718,170**	**–**	**–**	**–**	**–**	**–**	**156,289**	**156,289**	**11,874,459**	**12,547,741**	**13,503,743**
Surplus/(Deficit)	218,889	–	–	–	–	–	126,977	126,977	345,867	176,342	278,499
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	944,113	–	–	–	–	–	(265,684)	(265,684)	678,429	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) & Transfers and subsidies - capital (in-kind - all)	31,000	–	–	–	–	–	573	573	31,573	–	–
Surplus/(Deficit) after capital transfers & contributions	**1,194,002**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,055,869**	**843,951**	**912,696**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**1,194,002**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,055,869**	**843,951**	**912,696**
Capital expenditure & funds sources											
Capital expenditure	1,611,847	–	–	–	–	–	(266,296)	(266,296)	1,345,551	1,286,943	1,230,820
Transfers recognised - capital	975,113	–	–	–	–	–	(265,111)	(265,111)	710,002	667,608	634,197
Borrowing	214,415	–	–	–	–	–	–	–	214,415	254,245	281,943
Internally generated funds	422,319	–	–	–	–	–	(1,185)	(1,185)	421,134	365,090	314,680
Total sources of capital funds	**1,611,847**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**1,345,551**	**1,286,943**	**1,230,820**
Financial position											
Total current assets	5,438,159	–	–	–	–	–	832,780	832,780	6,270,938	6,365,054	6,832,549
Total non-current assets	20,013,753	–	–	–	–	–	(266,296)	(266,296)	19,747,457	20,265,705	20,651,613
Total current liabilities	3,255,319	–	–	–	–	–	40,078	40,078	3,295,398	3,469,673	3,655,671
Total non-current liabilities	4,019,526	–	–	–	–	–	187,239	187,239	4,206,765	4,494,560	4,517,647
Community wealth/Equity	**18,177,066**	**–**	**–**	**–**	**–**	**–**	**339,167**	**339,167**	**18,516,233**	**18,666,526**	**19,310,844**
Cash flows											
Net cash from (used) operating	1,534,078	–	–	–	–	–	(114,947)	(114,947)	1,419,131	1,249,054	1,408,902
Net cash from (used) investing	(1,623,146)	–	–	–	–	–	256,937	256,937	(1,366,208)	(1,447,888)	(1,258,079)
Net cash from (used) financing	71,430	–	–	–	–	–	–	–	71,430	61,481	94,895
Cash/cash equivalents at the year end	**2,579,898**	**–**	**–**	**–**	**–**	**–**	**832,780**	**832,780**	**3,412,678**	**3,275,325**	**3,521,043**
Cash backing/surplus reconciliation											
Cash and investments available	2,579,898	–	–	–	–	–	832,780	832,780	3,412,678	3,275,325	3,521,043
Application of cash and investments	1,175,499	–	–	–	–	–	3,541	3,541	1,179,040	1,668,167	1,805,722
Balance - surplus (shortfall)	**1,404,400**	**–**	**–**	**–**	**–**	**–**	**829,238**	**829,238**	**2,233,638**	**1,607,158**	**1,715,320**
Asset Management											
Asset register summary (WDV)	19,895,505	–	–	–	–	–	(266,296)	(266,296)	19,629,209	20,132,085	20,501,959
Depreciation & asset impairment	739,686	–	–	–	–	–	–	–	739,686	784,067	860,946
Renewal and Upgrading of Existing Assets	791,376	–	–	–	–	–	(115,595)	(115,595)	675,782	628,559	653,774
Repairs and Maintenance	477,613	–	–	–	–	–	(13,139)	(13,139)	464,474	525,601	550,619

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											
Free services											
Cost of Free Basic Services provided	436,836	–	–	–	–	–	–	–	436,836	477,143	519,843
Revenue cost of free services provided	206,535	–	–	–	–	–	–	–	206,535	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 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**	**–**	**–**	**–**	**–**	**–**	**24,323**	**24,323**	**3,437,455**	**3,713,962**	**3,960,991**
Executive and council	420	–	–	–	–	–	–	–	420	420	420
Finance and administration	3,412,710	–	–	–	–	–	24,323	24,323	3,437,033	3,713,540	3,960,569
Internal audit	2	–	–	–	–	–	–	–	2	2	2
Community and public safety	**1,237,518**	**–**	**–**	**–**	**–**	**–**	**(4,523)**	**(4,523)**	**1,232,994**	**1,207,517**	**1,296,387**
Community and social services	32,948	–	–	–	–	–	56,000	56,000	88,948	34,920	36,381
Sport and recreation	15,370	–	–	–	–	–	77	77	15,448	4,710	5,087
Public safety	817,360	–	–	–	–	–	–	–	817,360	916,934	1,021,114
Housing	369,255	–	–	–	–	–	(60,601)	(60,601)	308,654	248,282	231,042
Health	2,585	–	–	–	–	–	–	–	2,585	2,670	2,763
Economic and environmental services	**623,962**	**–**	**–**	**–**	**–**	**–**	**(101,152)**	**(101,152)**	**522,810**	**561,921**	**554,961**
Planning and development	160,249	–	–	–	–	–	(9,468)	(9,468)	150,781	166,640	165,000
Road transport	459,756	–	–	–	–	–	(91,684)	(91,684)	368,072	391,241	385,829
Environmental protection	3,957	–	–	–	–	–	–	–	3,957	4,040	4,132
Trading services	**7,592,325**	**–**	**–**	**–**	**–**	**–**	**99,508**	**99,508**	**7,691,833**	**7,859,530**	**8,551,438**
Energy sources	4,540,332	–	–	–	–	–	4,627	4,627	4,544,959	4,729,058	5,162,054
Water management	1,500,347	–	–	–	–	–	108,948	108,948	1,609,295	1,527,175	1,636,056
Waste water management	1,109,933	–	–	–	–	–	(14,861)	(14,861)	1,095,072	1,123,292	1,231,924
Waste management	441,713	–	–	–	–	–	794	794	442,506	480,005	521,405
Other	**45,236**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**45,236**	**48,762**	**52,662**
Total Revenue - Functional	**12,912,172**	**–**	**–**	**–**	**–**	**–**	**18,156**	**18,156**	**12,930,328**	**13,391,692**	**14,416,440**
Expenditure - Functional											
Governance and administration	**2,482,452**	**–**	**–**	**–**	**–**	**–**	**174**	**174**	**2,482,626**	**2,661,699**	**2,897,783**
Executive and council	246,321	–	–	–	–	–	(925)	(925)	245,396	259,104	272,223
Finance and administration	2,175,287	–	–	–	–	–	1,381	1,381	2,176,667	2,338,379	2,557,802
Internal audit	60,844	–	–	–	–	–	(281)	(281)	60,563	64,216	67,758
Community and public safety	**1,788,324**	**–**	**–**	**–**	**–**	**–**	**194,992**	**194,992**	**1,983,316**	**1,906,400**	**2,054,463**
Community and social services	310,059	–	–	–	–	–	211,405	211,405	521,464	336,349	367,861
Sport and recreation	537,570	–	–	–	–	–	(2,014)	(2,014)	535,557	574,295	610,445
Public safety	672,687	–	–	–	–	–	(6,071)	(6,071)	666,616	732,179	792,485
Housing	171,790	–	–	–	–	–	(8,019)	(8,019)	163,771	161,325	171,338
Health	96,218	–	–	–	–	–	(309)	(309)	95,909	102,253	112,334
Economic and environmental services	**782,402**	**–**	**–**	**–**	**–**	**–**	**(3,932)**	**(3,932)**	**778,469**	**816,553**	**868,189**
Planning and development	353,967	–	–	–	–	–	(2,205)	(2,205)	351,762	364,047	390,650
Road transport	381,922	–	–	–	–	–	(1,659)	(1,659)	380,263	402,337	423,409
Environmental protection	46,513	–	–	–	–	–	(68)	(68)	46,445	50,170	54,129
Trading services	**6,596,422**	**–**	**–**	**–**	**–**	**–**	**(38,105)**	**(38,105)**	**6,558,317**	**7,089,501**	**7,604,054**
Energy sources	4,761,213	–	–	–	–	–	(26,020)	(26,020)	4,735,193	5,098,447	5,454,546
Water management	862,234	–	–	–	–	–	(17,797)	(17,797)	844,437	936,279	1,000,277
Waste water management	592,440	–	–	–	–	–	1,573	1,573	594,013	632,128	697,359
Waste management	380,535	–	–	–	–	–	4,139	4,139	384,674	422,647	451,871
Other	**68,570**	**–**	**–**	**–**	**–**	**–**	**3,160**	3,160	**71,730**	**73,588**	**79,256**
Total Expenditure - Functional	**11,718,170**	**–**	**–**	**–**	**–**	**–**	**156,289**	**156,289**	**11,874,459**	**12,547,741**	**13,503,743**
Surplus/ (Deficit) for the year	**1,194,002**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,055,869**	**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 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	–	–	–	–	–	19,306	19,306	3,328,009	3,614,340	3,886,834

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											
Vote 2 - Public Health	482,580	–	–	–	–	–	(1,449)	(1,449)	481,130	514,167	555,563
Vote 3 - Human Settlements	392,948	–	–	–	–	–	(58,761)	(58,761)	334,187	272,517	255,849
Vote 4 - Economic Development, Tourism & Agriculture	147,455	–	–	–	–	–	(6,694)	(6,694)	140,761	158,048	157,322
Vote 5 - Corporate Services	8,269	–	–	–	–	–	7,260	7,260	15,530	6,758	7,299
Vote 6 - Infrastructure & Engineering Unit - Rate & General	461,862	–	–	–	–	–	(91,684)	(91,684)	370,178	393,358	387,958
Vote 7 - Metro Water Service	1,500,413	–	–	–	–	–	108,948	108,948	1,609,361	1,527,245	1,636,132
Vote 8 - Sanitation - Metro	1,109,933	–	–	–	–	–	(14,861)	(14,861)	1,095,072	1,123,292	1,231,924
Vote 9 - Electricity & Energy	4,540,332	–	–	–	–	–	4,627	4,627	4,544,959	4,729,058	5,162,054
Vote 10 - Executive & Council	24,954	–	–	–	–	–	51,386	51,386	76,340	22,645	23,828
Vote 11 - Safety & Security	839,249	–	–	–	–	–	–	–	839,249	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	–	–	–	–	–	–	–	12,484	13,645	(14,916)
Vote 14 - Recreational & Cultural Services	32,582	–	–	–	–	–	77	77	32,660	22,667	23,147
Total Revenue by Vote	**12,912,172**	**–**	**–**	**–**	**–**	**–**	**18,156**	**18,156**	**12,930,328**	**13,391,692**	**14,416,440**
Expenditure by Vote											
Vote 1 - Budget & Treasury	1,107,853	–	–	–	–	–	(6,363)	(6,363)	1,101,490	1,192,501	1,289,514
Vote 2 - Public Health	716,988	–	–	–	–	–	2,318	2,318	719,306	779,281	836,822
Vote 3 - Human Settlements	264,859	–	–	–	–	–	100,939	100,939	365,798	259,339	278,319
Vote 4 - Economic Development, Tourism & Agriculture	183,863	–	–	–	–	–	626	626	184,489	193,149	204,686
Vote 5 - Corporate Services	417,523	–	–	–	–	–	8,832	8,832	426,355	447,142	484,766
Vote 6 - Infrastructure & Engineering Unit - Rate & General	882,074	–	–	–	–	–	23,689	23,689	905,763	934,552	1,020,072
Vote 7 - Metro Water Service	879,225	–	–	–	–	–	(12,778)	(12,778)	866,447	956,729	1,022,085
Vote 8 - Sanitation - Metro	562,406	–	–	–	–	–	8,632	8,632	571,038	601,562	666,239
Vote 9 - Electricity & Energy	4,757,432	–	–	–	–	–	(26,020)	(26,020)	4,731,412	5,094,322	5,450,043
Vote 10 - Executive & Council	329,540	–	–	–	–	–	54,437	54,437	383,977	338,000	358,215
Vote 11 - Safety & Security	1,032,663	–	–	–	–	–	(1,601)	(1,601)	1,031,062	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	–	–	–	–	–	–	–	10,178	11,120	12,126
Vote 14 - Recreational & Cultural Services	423,961	–	–	–	–	–	3,578	3,578	427,540	456,489	493,854
Total Expenditure by Vote	**11,718,170**	**–**	**–**	**–**	**–**	**–**	**156,289**	**156,289**	**11,874,459**	**12,547,741**	**13,503,743**
Surplus/ (Deficit) for the year	**1,194,002**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,055,869**	**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 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 Source											
Property rates	2,486,145	–	–	–	–	–	–	–	2,486,145	2,787,331	3,055,072
Service charges - electricity revenue	4,359,003	–	–	–	–	–	–	–	4,359,003	4,585,459	4,992,929
Service charges - water revenue	1,050,759	–	–	–	–	–	–	–	1,050,759	1,166,938	1,266,128
Service charges - sanitation revenue	722,107	–	–	–	–	–	–	–	722,107	788,529	855,554
Service charges - refuse revenue	264,311	–	–	–	–	–	–	–	264,311	287,092	311,495
Rental of facilities and equipment	22,227							–	22,227	23,866	25,649
Interest earned - external investments	159,511							–	159,511	175,373	186,392
Interest earned - outstanding debtors	265,534							–	265,534	211,743	227,624
Dividends received								–	–		
Fines, penalties and forfeits	224,224							–	224,224	242,566	261,605
Licences and permits	22,748							–	22,748	24,522	26,484
Agency services	3,327							–	3,327	3,586	3,873
Transfers and subsidies	2,187,776						283,267	283,267	2,471,043	2,247,599	2,379,225
Other revenue	168,878	–	–	–	–	–	–	–	168,878	178,960	189,683
Gains	510							–	510	520	530
Total Revenue (excluding capital transfers and contributions)	**11,937,059**	**–**	**–**	**–**	**–**	**–**	**283,267**	**283,267**	**12,220,326**	**12,724,084**	**13,782,243**
Expenditure By Type											
Employee related costs	3,727,291	–	–	–	–	–	(17,558)	(17,558)	3,709,733	4,060,191	4,449,997
Remuneration of councillors	83,926						–	–	83,926	87,718	91,729
Debt impairment	1,084,810						–	–	1,084,810	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	–	–	–	–	–	–	–	3,844,678	4,108,748	4,393,823
Other materials	222,873						13,857	13,857	236,730	230,168	240,950
Contracted services	1,116,151	–	–	–	–	–	22,996	22,996	1,139,147	1,142,618	1,183,525
Transfers and subsidies	151,246						(7,340)	(7,340)	143,906	156,117	163,597
Other expenditure	606,423	–	–	–	–	–	156,545	156,545	762,969	640,679	683,105

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											
Losses								–	–		
Total Expenditure	**11,718,170**	**–**	**–**	**–**	**–**	**–**	**156,289**	**156,289**	**11,874,459**	**12,547,741**	**13,503,743**
Surplus/(Deficit)	**218,889**	**–**	**–**	**–**	**–**	**–**	**126,977**	**126,977**	**345,867**	**176,342**	**278,499**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	944,113						(265,684)	(265,684)	678,429	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)	31,000						573	573	31,573		
Transfers and subsidies - capital (in-kind - all)								–	–		
Surplus/(Deficit) before taxation	**1,194,002**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,055,869**	**843,951**	**912,696**
Taxation								–	–		
Surplus/(Deficit) after taxation	**1,194,002**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,055,869**	**843,951**	**912,696**
Attributable to minorities								–	–		
Surplus/(Deficit) attributable to municipality	**1,194,002**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,055,869**	**843,951**	**912,696**
Share of surplus/ (deficit) of associate								–	–		
Surplus/ (Deficit) for the year	**1,194,002**	**–**	**–**	**–**	**–**	**–**	**(138,133)**	**(138,133)**	**1,055,869**	**843,951**	**912,696**

Table B5 – Budget Capital Expenditure – Standard Classification

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year2 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	–	–	–	–	–	–	–	13,000	8,000	–
Vote 2 - Public Health	16,700	–	–	–	–	–	1,190	1,190	17,890	20,866	26,029
Vote 3 - Human Settlements	151,155	–	–	–	–	–	(77,755)	(77,755)	73,400	163,044	149,087
Vote 4 - Economic Development, Tourism & Agriculture	30,435	–	–	–	–	–	(8,217)	(8,217)	22,217	34,783	26,087
Vote 5 - Corporate Services	15,820	–	–	–	–	–	(1,365)	(1,365)	14,455	19,300	7,400
Vote 6 - Infrastructure & Engineering Unit - Rate & General	422,786	–	–	–	–	–	(116,152)	(116,152)	306,634	289,455	303,776
Vote 7 - Metro Water Service	305,050	–	–	–	–	–	93,900	93,900	398,950	252,612	228,393
Vote 8 - Sanitation - Metro	172,370	–	–	–	–	–	(63,900)	(63,900)	108,470	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	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**	**–**	**–**	**–**	**–**	**–**	**(188,171)**	**(188,171)**	**1,153,641**	**1,123,790**	**1,127,310**
Single-year expenditure *to be adjusted*											
Vote 1 - Budget & Treasury	4,180	–	–	–	–	–	–	–	4,180	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	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Corporate Services	13,780	–	–	–	–	–	180	180	13,960	15,500	2,000
Vote 6 - Infrastructure & Engineering Unit - Rate & General	73,254	–	–	–	–	–	400	400	73,654	95,684	61,150
Vote 7 - Metro Water Service	19,000	–	–	–	–	–	(4,500)	(4,500)	14,500	11,366	11,021
Vote 8 - Sanitation - Metro	9,000	–	–	–	–	–	(1,500)	(1,500)	7,500	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	–	–	–	–	–	–	–	15,839	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**	**–**	**–**	**–**	**–**	**–**	**(78,125)**	**(78,125)**	**191,910**	**163,153**	**103,510**
Total Capital Expenditure - Vote	**1,611,847**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**1,345,551**	**1,286,943**	**1,230,820**
Capital Expenditure - Functional											
Governance and administration	**342,983**	**–**	**–**	**–**	**–**	**–**	**(208,535)**	**(208,535)**	**134,448**	**130,099**	**76,300**
Executive and council	–							–	–	–	–

Description	Budget Year 2020/21									Budget Year 2021/22	Budget Year2 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											
Finance and administration	342,983						(208,535)	(208,535)	134,448	130,099	76,300
Internal audit	–							–	–	–	–
Community and public safety	**215,900**	**–**	**–**	**–**	**–**	**–**	**(123,536)**	**(123,536)**	**92,364**	**72,652**	**56,902**
Community and social services	56,000						(20,551)	(20,551)	35,449	24,362	22,703
Sport and recreation	131,600						(84,035)	(84,035)	47,565	41,300	27,991
Public safety	24,800						(16,250)	(16,250)	8,550	5,200	4,408
Housing	–						–	–	–	–	–
Health	3,500						(2,700)	(2,700)	800	1,790	1,800
Economic and environmental services	**166,582**	**–**	**–**	**–**	**–**	**–**	**172,156**	**172,156**	**338,737**	**392,751**	**374,603**
Planning and development	–							–	–	–	–
Road transport	166,582						172,156	172,156	338,737	392,751	373,603
Environmental protection	–							–	–	–	1,000
Trading services	**886,382**	**–**	**–**	**–**	**–**	**–**	**(106,381)**	**(106,381)**	**780,001**	**691,441**	**723,014**
Energy sources	391,484						(225,477)	(225,477)	166,007	160,382	166,334
Water management	128,280						303,170	303,170	431,450	295,494	262,553
Waste water management	346,418						(172,073)	(172,073)	174,345	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**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**1,345,551**	**1,286,943**	**1,230,820**
Funded by:											
National Government	944,113						(265,684)	(265,684)	678,429	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						573	573	31,573	–	–
Transfers recognised - capital	**975,113**	**–**	**–**	**–**	**–**	**–**	**(265,111)**	**(265,111)**	**710,002**	**667,608**	**634,197**
Borrowing	214,415							–	214,415	254,245	281,943
Internally generated funds	422,319						(1,185)	(1,185)	421,134	365,090	314,680
Total Capital Funding	**1,611,847**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**1,345,551**	**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 Adjusted	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	–	–	–	–	–	832,780	832,780	3,212,678	3,075,325	3,321,043
Consumer debtors	2,285,500	–	–	–	–	–	–	–	2,285,500	2,491,194	2,690,490
Other debtors	426,122							–	426,122	445,298	460,883
Current portion of long-term receivables								–	–		
Inventory	146,639							–	146,639	153,237	160,133
Total current assets	**5,438,159**	**–**	**–**	**–**	**–**	**–**	**832,780**	**832,780**	**6,270,938**	**6,365,054**	**6,832,549**
Non-current assets											
Long-term receivables	118,248							–	118,248	133,620	149,654
Investments								–	–		
Investment property	205,385							–	205,385	199,317	192,654
Investment in Associate								–	–		
Property, plant and equipment	19,393,579	–	–	–	–	–	(266,496)	(266,496)	19,127,083	19,648,491	20,043,248
Biological								–	–		
Intangible	296,542						200	200	296,742	284,277	266,057
Other non-current assets								–	–		
Total non-current assets	**20,013,753**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**19,747,457**	**20,265,705**	**20,651,613**
TOTAL ASSETS	**25,451,911**	**–**	**–**	**–**	**–**	**–**	**566,484**	**566,484**	**26,018,395**	**26,630,759**	**27,484,162**
LIABILITIES											
Current liabilities											
Bank overdraft								–	–		
Borrowing	156,291	–	–	–	–	–	40,078	40,078	196,369	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
Provisions	337,175							–	337,175	361,423	387,474
Total current liabilities	**3,255,319**	**–**	**–**	**–**	**–**	**–**	**40,078**	**40,078**	**3,295,398**	**3,469,673**	**3,655,671**
Non-current liabilities											
Borrowing	1,001,082	–	–	–	–	–	187,239	187,239	1,188,321	1,277,416	1,086,343

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											
Provisions	3,018,443	–	–	–	–	–	–	–	3,018,443	3,217,144	3,431,303
Total non-current liabilities	**4,019,526**	**–**	**–**	**–**	**–**	**–**	**187,239**	**187,239**	**4,206,765**	**4,494,560**	**4,517,647**
TOTAL LIABILITIES	**7,274,845**	**–**	**–**	**–**	**–**	**–**	**227,317**	**227,317**	**7,502,162**	**7,964,233**	**8,173,318**
NET ASSETS	**18,177,066**	**–**	**–**	**–**	**–**	**–**	**339,167**	**339,167**	**18,516,233**	**18,666,526**	**19,310,844**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	17,306,043	–	–	–	–	–	339,167	339,167	17,645,210	17,534,830	18,067,843
Reserves	871,023	–	–	–	–	–	–	–	871,023	1,131,697	1,243,001
TOTAL COMMUNITY WEALTH/EQUITY	**18,177,066**	**–**	**–**	**–**	**–**	**–**	**339,167**	**339,167**	**18,516,233**	**18,666,526**	**19,310,844**

Table B7 – Budgeted Cash Flows

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											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates	2,187,808							–	2,187,808	2,452,851	2,688,463
Service charges	5,628,639						–	–	5,628,639	6,008,655	6,534,973
Other revenue	256,578						(12,000)	(12,000)	244,578	262,215	281,842
Transfers and Subsidies - Operational	2,080,628						300,461	300,461	2,381,089	2,170,504	2,308,116
Transfers and Subsidies - Capital	1,091,048						(293,739)	(293,739)	797,309	748,199	712,356
Interest	159,511							–	159,511	175,373	186,392
Dividends								–	–		
Payments											
Suppliers and employees	(9,592,144)						(93,896)	(93,896)	(9,686,040)	(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)						(10,415)	(10,415)	(164,890)	(154,774)	(154,366)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**1,534,078**	**–**	**–**	**–**	**–**	**–**	**(114,947)**	**(114,947)**	**1,419,131**	**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)							–	(14,522)	(15,372)	(16,034)
Decrease (increase) in non-current investments								–	–		
Payments											
Capital assets	(1,608,624)						256,937	256,937	(1,351,687)	(1,432,516)	(1,242,045)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(1,623,146)**	**–**	**–**	**–**	**–**	**–**	**256,937**	**256,937**	**(1,366,208)**	**(1,447,888)**	**(1,258,079)**
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	**(17,637)**	**–**	**–**	**–**	**–**	**–**	**141,990**	**141,990**	**124,353**	**(137,353)**	**245,718**
Cash/cash equivalents at the year begin:	2,597,535						690,789	690,789	3,288,325	3,412,678	3,275,325
Cash/cash equivalents at the year-end:	2,579,898	–	–	–	–	–	832,780	832,780	3,412,678	3,275,325	3,521,043

Table B8 – Cash backed Reserves

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											
Cash and investments available											
Cash/cash equivalents at the year end	2,579,898	–	–	–	–	–	832,206	832,206	3,412,105	3,274,752	3,520,469
Other current investments > 90 days	(0)	–	–	–	–	–	0	0	–	–	–
Non-current assets - Investments	–	–	–	–	–	–	–	–	–	–	–
Cash and investments available:	**2,579,898**	**–**	**–**	**–**	**–**	**–**	**832,206**	**832,206**	**3,412,105**	**3,274,752**	**3,520,469**

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											
<u>Applications of cash and investments</u>											
Unspent conditional transfers	54,276	–	–	–	–	–	–	–	54,276	49,276	44,276
Unspent borrowing								–	–		
Statutory requirements								–	–		
Other working capital requirements	(537,490)	–					3,541	3,541	(533,949)	(644,502)	(724,556)
Other provisions	787,690							–	787,690	1,131,697	1,243,001
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:	**1,175,499**	**–**	**–**	**–**	**–**	**–**	**3,541**	**3,541**	**1,179,040**	**1,668,167**	**1,805,722**
Surplus(shortfall)	**1,404,400**	**–**	**–**	**–**	**–**	**–**	**828,665**	**828,665**	**2,233,065**	**1,606,585**	**1,714,747**

Table B9 – Asset Management

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											
<u>Total New Assets</u> *to be adjusted*	**820,471**	**–**	**–**	**–**	**–**	**–**	**(150,701)**	**(150,701)**	**669,769**	**658,384**	**577,046**
Roads Infrastructure	254,689	–	–	–	–	–	(73,733)	(73,733)	180,956	193,960	220,816
Storm water Infrastructure	23,450	–	–	–	–	–	(11,950)	(11,950)	11,500	30,978	34,205
Electrical Infrastructure	36,618	–	–	–	–	–	12,000	12,000	48,618	24,599	30,451
Water Supply Infrastructure	163,220	–	–	–	–	–	49,930	49,930	213,150	124,365	89,107
Sanitation Infrastructure	38,255	–	–	–	–	–	(8,235)	(8,235)	30,020	54,838	53,997
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	6,500	–	–	–	–	–	(3,500)	(3,500)	3,000	10,500	6,000
Infrastructure	522,733	–	–	–	–	–	(35,488)	(35,488)	487,244	439,240	434,576
Community Facilities	55,332	–	–	–	–	–	(13,563)	(13,563)	41,769	34,335	24,770
Sport and Recreation Facilities	12,500	–	–	–	–	–	(2,573)	(2,573)	9,927	2,000	–
Community Assets	67,832	–	–	–	–	–	(16,135)	(16,135)	51,697	36,335	24,770
Heritage Assets	–	–	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Operational Buildings	31,596	–	–	–	–	–	(14,253)	(14,253)	17,343	37,150	35,417
Housing	–	–	–	–	–	–	–	–	–	–	–
Other Assets	31,596	–	–	–	–	–	(14,253)	(14,253)	17,343	37,150	35,417
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–	–	–
Licences and Rights	25,318	–	–	–	–	–	(13,325)	(13,325)	11,993	42,199	43,000
Intangible Assets	25,318	–	–	–	–	–	(13,325)	(13,325)	11,993	42,199	43,000
Computer Equipment	6,580	–	–	–	–	–	200	200	6,780	4,500	1,500
Furniture and Office Equipment	4,930	–	–	–	–	–	(1,600)	(1,600)	3,330	2,300	2,800
Machinery and Equipment	42,143	–	–	–	–	–	3,820	3,820	45,963	52,825	28,483
Transport Assets	42,839	–	–	–	–	–	1,080	1,080	43,919	42,835	6,500
Land	76,500	–	–	–	–	–	(75,000)	(75,000)	1,500	1,000	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–	–	–
<u>Total Renewal of Existing Assets</u> *to be adjusted*	**288,080**	**–**	**–**	**–**	**–**	**–**	**(1,570)**	**(1,570)**	**286,510**	**237,451**	**240,304**
Roads Infrastructure	53,500	–	–	–	–	–	(1,800)	(1,800)	51,700	53,200	48,200
Storm water Infrastructure	10,500	–	–	–	–	–	(700)	(700)	9,800	9,500	11,500
Electrical Infrastructure	52,100	–	–	–	–	–	(200)	(200)	51,900	41,196	39,982
Water Supply Infrastructure	155,380	–	–	–	–	–	(11,330)	(11,330)	144,050	103,445	106,014
Sanitation Infrastructure	13,500	–	–	–	–	–	11,360	11,360	24,860	25,610	33,608
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Infrastructure	284,980	–	–	–	–	–	(2,670)	(2,670)	282,310	232,951	239,304
Community Facilities	700	–	–	–	–	–	100	100	800	1,000	–
Sport and Recreation Facilities	200	–	–	–	–	–	500	500	700	1,000	–
Community Assets	900	–	–	–	–	–	600	600	1,500	2,000	–
Heritage Assets	–	–	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Operational Buildings	2,200	–	–	–	–	–	500	500	2,700	2,500	1,000
Housing	–	–	–	–	–	–	–	–	–	–	–
Other Assets	2,200	–	–	–	–	–	500	500	2,700	2,500	1,000
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–	–	–

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											
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**	**–**	**–**	**–**	**–**	**–**	**(114,025)**	**(114,025)**	**389,272**	**391,108**	**413,470**
Roads Infrastructure	174,935	–	–	–	–	–	(76,702)	(76,702)	98,233	83,756	73,587
Storm water Infrastructure	31,000	–	–	–	–	–	(9,000)	(9,000)	22,000	28,000	24,500
Electrical Infrastructure	64,472	–	–	–	–	–	(17,258)	(17,258)	47,214	80,995	76,561
Water Supply Infrastructure	63,550	–	–	–	–	–	20,200	20,200	83,750	60,344	59,088
Sanitation Infrastructure	103,870	–	–	–	–	–	(45,380)	(45,380)	58,490	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	–	–	–	–	–	(122,840)	(122,840)	318,737	335,931	369,638
Community Facilities	27,370	–	–	–	–	–	(246)	(246)	27,124	24,127	22,732
Sport and Recreation Facilities	15,700	–	–	–	–	–	3,300	3,300	19,000	12,300	11,200
Community Assets	43,070	–	–	–	–	–	3,054	3,054	46,124	36,427	33,932
Heritage Assets	–	–	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Operational Buildings	15,650	–	–	–	–	–	4,761	4,761	20,411	15,750	7,400
Housing	–	–	–	–	–	–	–	–	–	–	–
Other Assets	15,650	–	–	–	–	–	4,761	4,761	20,411	15,750	7,400
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–	–	–
Licences and Rights	2,000	–	–	–	–	–	1,000	1,000	3,000	2,000	1,000
Intangible Assets	2,000	–	–	–	–	–	1,000	1,000	3,000	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	–	–	–	–	–	(266,296)	(266,296)	1,345,551	1,286,943	1,230,820
Roads Infrastructure	483,124	–	–	–	–	–	(152,235)	(152,235)	330,889	330,916	342,603
Storm water Infrastructure	64,950	–	–	–	–	–	(21,650)	(21,650)	43,300	68,478	70,205
Electrical Infrastructure	153,190	–	–	–	–	–	(5,458)	(5,458)	147,732	146,789	146,994
Water Supply Infrastructure	382,150	–	–	–	–	–	58,800	58,800	440,950	288,154	254,208
Sanitation Infrastructure	155,625	–	–	–	–	–	(42,255)	(42,255)	113,370	159,535	218,758
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	7,750	–	–	–	–	–	(3,500)	(3,500)	4,250	11,750	7,250
Infrastructure	1,249,289	–	–	–	–	–	(160,998)	(160,998)	1,088,291	1,008,122	1,043,518
Community Facilities	83,402	–	–	–	–	–	(13,709)	(13,709)	69,693	59,462	47,502
Sport and Recreation Facilities	28,400	–	–	–	–	–	1,227	1,227	29,627	15,300	11,200
Community Assets	111,802	–	–	–	–	–	(12,481)	(12,481)	99,321	74,762	58,702
Heritage Assets	–	–	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Operational Buildings	49,446	–	–	–	–	–	(8,992)	(8,992)	40,454	55,400	43,817
Housing	–	–	–	–	–	–	–	–	–	–	–
Other Assets	49,446	–	–	–	–	–	(8,992)	(8,992)	40,454	55,400	43,817
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–	–	–
Licences and Rights	27,318	–	–	–	–	–	(12,325)	(12,325)	14,993	44,199	44,000
Intangible Assets	27,318	–	–	–	–	–	(12,325)	(12,325)	14,993	44,199	44,000
Computer Equipment	7,580	–	–	–	–	–	200	200	7,780	5,500	3,000
Furniture and Office Equipment	4,930	–	–	–	–	–	(1,600)	(1,600)	3,330	2,300	2,800
Machinery and Equipment	42,143	–	–	–	–	–	3,820	3,820	45,963	52,825	28,483
Transport Assets	42,839	–	–	–	–	–	1,080	1,080	43,919	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**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**1,345,551**	**1,286,943**	**1,230,820**

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											
ASSET REGISTER SUMMARY - PPE (WDV)	19,895,505	–	–	–	–	–	(266,296)	(266,296)	19,629,209	20,132,085	20,501,959
Roads Infrastructure	4,926,571						(152,235)	(152,235)	4,774,336	4,889,931	4,996,102
Storm water Infrastructure	615,509						(21,650)	(21,650)	593,859	646,079	698,431
Electrical Infrastructure	2,385,225						(5,458)	(5,458)	2,379,767	2,441,008	2,494,066
Water Supply Infrastructure	3,690,841						58,800	58,800	3,749,641	3,960,148	4,129,096
Sanitation Infrastructure	2,153,496						(42,255)	(42,255)	2,111,240	2,209,318	2,360,593
Solid Waste Infrastructure	390,602						5,300	5,300	395,902	387,889	378,846
Rail Infrastructure	–						–	–	–	–	–
Coastal Infrastructure	56,919						–	–	56,919	56,919	57,919
Information and Communication Infrastructure	28,905						(3,500)	(3,500)	25,405	37,155	44,405
Infrastructure	14,248,067	–	–	–	–	–	(160,998)	(160,998)	14,087,069	14,628,447	15,159,457
Community Assets	2,484,199						(12,481)	(12,481)	2,471,718	2,389,395	2,275,610
Heritage Assets	216,706						–	–	216,706	216,706	216,706
Investment properties	205,385							–	205,385	199,317	192,654
Other Assets	732,182						(21,317)	(21,317)	710,865	733,293	740,906
Biological or Cultivated Assets								–	–		
Intangible Assets	296,542						200	200	296,742	284,277	266,057
Computer Equipment	32,743						(1,600)	(1,600)	31,143	14,170	(7,507)
Furniture and Office Equipment	35,808						3,820	3,820	39,628	33,093	26,191
Machinery and Equipment	85,103						1,080	1,080	86,183	134,032	157,051
Transport Assets	268,944						(75,000)	(75,000)	193,944	208,527	184,006
Land	1,289,828							–	1,289,828	1,290,828	1,290,828
Zoo's, Marine and Non-biological Animals								–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**19,895,505**	**–**	**–**	**–**	**–**	**–**	**(266,296)**	**(266,296)**	**19,629,209**	**20,132,085**	**20,501,959**
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment	739,686	–	–	–	–	–	–	–	739,686	784,067	860,946
Repairs and Maintenance by asset class	**477,613**	**–**	**–**	**–**	**–**	**–**	**(13,139)**	**(13,139)**	**464,474**	**525,601**	**550,619**
Roads Infrastructure	33,476	–	–	–	–	–	(633)	(633)	32,843	33,982	34,510
Storm water Infrastructure	17,347	–	–	–	–	–	–	–	17,347	17,371	17,385
Electrical Infrastructure	47,478	–	–	–	–	–	(500)	(500)	46,978	51,686	54,078
Water Supply Infrastructure	67,927	–	–	–	–	–	33,010	33,010	100,937	72,246	75,483
Sanitation Infrastructure	72,303	–	–	–	–	–	(5,040)	(5,040)	67,263	78,013	82,993
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure	3,187	–	–	–	–	–	–	–	3,187	3,191	3,196
Coastal Infrastructure	–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	370	–	–	–	–	–	–	–	370	392	416
Infrastructure	242,089	–	–	–	–	–	26,837	26,837	268,926	256,882	268,060
Community Facilities	14,390	–	–	–	–	–	2,095	2,095	16,485	15,048	16,140
Sport and Recreation Facilities	7,764	–	–	–	–	–	136	136	7,900	8,324	9,020
Community Assets	22,155	–	–	–	–	–	2,231	2,231	24,386	23,372	25,159
Heritage Assets	961	–	–	–	–	–	–	–	961	982	1,005
Revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Operational Buildings	33,736	–	–	–	–	–	(119)	(119)	33,617	39,240	42,017
Housing	3,021	–	–	–	–	–	–	–	3,021	3,168	3,324
Other Assets	36,757	–	–	–	–	–	(119)	(119)	36,638	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	–	–	–	–	–	(276)	(276)	7,588	8,491	9,107
Furniture and Office Equipment	3,661	–	–	–	–	–	30	30	3,691	3,822	3,987
Machinery and Equipment	118,484	–	–	–	–	–	(42,894)	(42,894)	75,590	140,507	145,059
Transport Assets	40,844	–	–	–	–	–	1,053	1,053	41,897	44,042	47,511
Land	–	–	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	**1,217,299**	**–**	**–**	**–**	**–**	**–**	**(13,139)**	**(13,139)**	**1,204,160**	**1,309,668**	**1,411,565**
Renewal and upgrading of Existing Assets as % of total capex	*49.1%*	*0.0%*							*50.2%*	*48.8%*	*53.1%*
Renewal and upgrading of Existing Assets as % of deprecn"	*107.0%*	*0.0%*							*91.4%*	*80.2%*	*75.9%*
R&M as a % of PPE	*2.4%*	*0.0%*							*2.4%*	*2.6%*	*2.7%*
Renewal and upgrading and R&M as a % of PPE	*6.4%*	*0.0%*							*5.8%*	*5.7%*	*5.9%*

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	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)	0							–	–	–	–
Minimum Service Level and Above sub-total	406	–	–	–	–	–	–	–	406	414	453
Using public tap (< min.service level)								–	–		
Other water supply (< min.service level)								–	–		
No water supply								–	–		
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–	–	–
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
Minimum Service Level and Above sub-total	367,975	–	–	–	–	–	–	–	367,975	371,995	409,716
Bucket toilet	5000							–	5,000	4000	3000
Other toilet provisions (< min.service level)								–	–		
No toilet provisions								–	–		
Below Minimum Service Level sub-total	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
Minimum Service Level and Above sub-total	316,503	–	–	–	–	–	–	–	316,503	321,918	327,461
Electricity (< min.service level)								–	–		
Electricity - prepaid (< min. service level)								–	–		
Other energy sources								–	–		
Below Minimum Servic Level sub-total	–	–	–	–	–	–	–	–	–	–	–
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
Minimum Service Level and Above sub-total	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
Below Minimum Service Level sub-total	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	–	–	–	–	–	–	–	119,092	129,514	140,199
Sanitation (free sanitation service to indigent households)	145,951	–	–	–	–	–	–	–	145,951	159,087	172,609
Electricity/other energy (50kwh per indigent household per month)	36,696	–	–	–	–	–	–	–	36,696	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	–	–	–	–	–	–	–	436,836	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
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	129,054	–	–	–	–	–	–	–	129,054	141,220	154,681

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
and impermissible values in excess of section 17 of MPRA)											
Water (in excess of 6 kilolitres per indigent household per month)	59,133	–	–	–	–	–	–	–	59,133	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	–	–	–	–	–	–	–	18,348	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**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**206,535**	**226,613**	**248,522**

PART 2 – SUPPORTING DOCUMENTATION

2.1 Adjustments to Budget Assumptions

In terms of the Early Adjustment Budget (2020/21) the original Collection Rate of 88% has been maintained and will be re-looked at during the main Adjustments Budget (2020/2021) upon assessing at least for a period of about six months.

2.2 Adjustments to Budget Funding

2.2.1 <u>Funding the Early Adjustments Budget</u>

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%	2,486,145,410	20.34%	0	0.00%
Service charges - electricity revenue	4,359,003,000	36.51%	4,359,003,000	35.66%	0	0.00%
Service charges - water revenue	1,050,759,400	8.80%	1,050,759,400	8.60%	0	0.00%
Service charges - sanitation revenue	722,107,000	6.05%	722,107,000	5.91%	0	0.00%
Service charges - refuse revenue	264,511,000	2.22%	264,511,000	2.16%	0	0.00%
Rental of facilities and equipment	22,626,510	0.19%	22,626,510	0.19%	0	0.00%
Interest earned - external investments	161,510,810	1.35%	161,510,810	1.32%	0	0.00%
Interest earned - outstanding debtors	265,534,090	2.22%	265,534,090	2.17%	0	0.00%
Fines, penalties and forfeits	224,223,580	1.88%	224,223,580	1.83%	0	0.00%
Licences and permits	22,747,760	0.19%	22,747,760	0.19%	0	0.00%
Agency services	3,326,610	0.03%	3,326,610	0.03%	0	0.00%
Transfers and subsidies	2,187,775,893	18.32%	2,471,042,820	20.22%	283,266,927	12.95%
Other revenue	168,877,800	1.41%	168,877,800	1.38%	0	0.00%
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%**	**12,222,925,790**	**100.00%**	**283,266,927**	**2.37%**

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	2019/20	Medium Term Revenue and Expenditure Framework			
R thousands		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23
Funding measures	-							
Cash/cash equivalents at the year end - R'000	18(1)b	2,609,521	3,208,672	3,304,399	2,594,827	3,427,606	3,292,542	3,541,129
Cash + investments at the yr end less applications - R'000	18(1)b	970,525	1,892,670	[redacted]	1,407,324	2,236,560	1,906,798	2,077,505

Description R thousands	MFMA section	2017/18 Audited Outcome	2018/19 Audited Outcome	2019/20 Audited Outcome	Medium Term Revenue and Expenditure Framework: Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23
Funding measures	-							
Cash year end/monthly employee/supplier payments	18(1)b	0	0	N/A	0	0	0	0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	2,304,457	1,189,177	N/A	1,224,804	1,086,671	877,401	948,604
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	3.7%	-3.5%	N/A	0.0%	0.0%	2.3%	3.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	0.0%	0.0%	0.0%	84.2%	84.1%	84.7%	84.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	12.1%	10.5%	N/A	12.2%	12.2%	12.2%	12.2%
Capital payments % of capital expenditure	18(1)c;19	102.4%	102.2%	N/A	99.8%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	32.1%	30.2%	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%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	9.8%	6.9%	N/A	N/A	N/A	8.3%	7.3%
Long term receivables % change - incr(decr)	18(1)a	21.1%	16.2%	N/A	N/A	N/A	13.0%	12.0%
R&M % of Property Plant & Equipment	20(1)(vi)	2.0%	2.4%	N/A	2.4%	2.4%	2.6%	2.7%
Asset renewal % of capital budget	20(1)(vi)	20.2%	16.8%	N/A	18.5%	21.9%	18.7%	19.0%

The 2019/20 Consolidated Financial Statement will be submitted by not later than 30 November 2020 and therefore, the financial outcomes for the 2019/20 financial year have not yet been finalised. This is as a result of the Exemption Gazette issued by the Minister of Finance delaying the submission of the 2019/20 annual financial statements to the Auditor General South Africa (AGSA).

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

2.2.1.3 Budget Performance Indicators

Description of financial indicator	Basis of calculation	2020/21 Original Budget	2020/21 Adjusted Budget	Budget Year 2021/22 Adjusted Budget	Budget Year 2022/23 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%	30.2%	37.1%	22.3%
Safety of Capital					
Gearing	Long Term Borrowing/ Funds & Reserves	5.47%	6.37%	6.78%	5.57%
Liquidity					
Current Ratio	Current assets/current liabilities	1.67:1	1.90:1	1.83:1	1.87:1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8:1	1.0:1	0.9:1	1.0:1
Revenue Management					
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		88.0%	88.0%	88.0%	88.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	23.7%	23.2%	24.1%	24.0%
Creditors Management					
Creditors to Cash and Investments		100.7%	76.2%	83.9%	82.4%
Other Indicators					
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.6%	30.7%	32.2%	32.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.0%	3.8%	4.1%	4.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.4%	7.1%	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	35.22 times	26.42 times	32.83 times
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	19.1%	18.7%	19.6%	19.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.2	4.1	3.7	3.8

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 maintained at **88%** in this Early Adjustments Budget, and are maintained at 88% for the entire 2021/22 MTREF period.

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	3,227,406
TOTAL INVESTMENTS	**2,394,627**	**3,227,406**

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 Early Adjustments Budget					
DEPOSITS WITH BANKS		1 - 3 Months	Fixed Term	Various	2,727,406
DEPOSITS WITH BANKS		12 months	Fixed Term	Various	500,000
					3,227,406

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	983,161	23,118	1,006,279
Other transfers and grants	105,669	12,772	118,441
Total Capital transfers recognized	**1,088,830**	**35,890**	**1,124,720**

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**	**–**	**–**	**–**	**300,461**	**300,461**	**2,350,323**	**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				116,610	116,610	183,972	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
Human Settlements Development							–		
DRPW (Maintenance of Roads)	14,000						14,000	14,000	
Marine and Coastal Management	896						896	896	896
						–	–		
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]						–	–		
						–	–		
Other grant providers:	–	–	–	–	–	–	–	–	–
[insert description]						–	–		
						–	–		
Total Operating Transfers and Grants	**2,080,628**	**–**	**–**	**–**	**300,461**	**300,461**	**2,381,089**	**2,170,504**	**2,308,116**
Capital Transfers and Grants									
National Government:	**1,060,048**	**–**	**–**	**–**	**(294,312)**	**(294,312)**	**765,736**	**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				(9,450)	(9,450)	25,550	40,000	30,000
Urban Settlements Development	836,358				(204,724)	(204,724)	631,634	558,645	534,895
Integrated National Electrification	6,994					–	6,994		14,000
Drought Relief						–	–		
Integrated City Development	10,481				(5,306)	(5,306)	5,175	19,220	20,322
						–	–		
						–	–		
Provincial Government:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other capital transfers/grants [insert description]						–	–		
						–	–		
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]						–	–		
						–	–		
Other grant providers:	**32,897**	**–**	**–**	**–**	**573**	**573**	**33,470**	**–**	**–**
Private Contribution and Donations	31,000				573	573	31,573		
MBDA (KFW)	1,897						1,897		
Total Capital Transfers and Grants	**1,092,945**	**–**	**–**	**–**	**(293,739)**	**(293,739)**	**799,206**	**748,199**	**712,356**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**3,173,573**	**–**	**–**	**–**	**6,722**	**6,722**	**3,180,295**	**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**	**–**	**–**	**–**	**165,121**	**165,121**	**2,214,983**	**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				(25,990)	(25,990)	41,372		
LGSETA	2,000				7,260	7,260	9,260	159,819	189,585
Integrated Public Transport System	144,992				24,641	24,641	169,634		
Fuel Levy	706,955					–	706,955	730,665	738,198
Other grants							–		
Provincial Government:	**30,766**	**–**	**–**	**–**	**–**	**–**	**30,766**	**31,417**	**17,417**
Sport and Recreation	15,870					–	15,870	16,521	16,521

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									
Human Settlements Development							–		
DRPW (Maintenance of Roads)	14,000						14,000	14,000	
Marine and Coastal Management	896						896	896	896
Other grants							–		
							–		
District Municipality:	–	–	–	–	–	–	–	–	–
[insert description]						–	–		
						–	–		
Other grant providers:	–	–	–	–	–	–	–	–	–
[insert description]						–	–		
						–	–		
Total operating expenditure of Transfers and Grants:	**2,080,628**	**–**	**–**	**–**	**165,121**	**165,121**	**2,245,750**	**2,170,504**	**2,308,116**
Capital expenditure of Transfers and Grants									
National Government:	**1,060,048**	**–**	**–**	**–**	**(151,712)**	**(151,712)**	**908,336**	**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				(9,450)	(9,450)	25,550	40,000	30,000
Urban Settlements Development	836,358				(62,124)	(62,124)	774,234	558,645	534,895
Integrated National Electrification	6,994					–	6,994	–	14,000
Drought Relief						–	–		
Integrated City Development	10,481				(5,306)	(5,306)	5,175	19,220	20,322
						–	–		
Provincial Government:	–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]						–	–		
						–	–		
District Municipality:	–	–	–	–	–	–	–	–	–
[insert description]						–	–		
						–	–		
Other grant providers:	**32,897**	**–**	**–**	**–**	**573**	**573**	**33,470**	**–**	**–**
Private Contribution and Donations	31,000				573	573	31,573		
KFW MBDA	1,897					–	1,897		
Total capital expenditure of Transfers and Grants	**1,092,945**	**–**	**–**	**–**	**(151,139)**	**(151,139)**	**941,806**	**748,199**	**712,356**
Total capital expenditure of Transfers and Grants	**3,173,573**	**–**	**–**	**–**	**13,983**	**13,983**	**3,187,556**	**2,918,703**	**3,020,472**

2.3 Adjustments to expenditure on allocations and grant programmes

2.3.1 <u>The adjustments made to planned capital expenditure of allocations and grants received</u>

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	3,750,687	(17,558)
Remuneration of councillors	85,283	85,283	0

The portion for the Remuneration of Councillors also include the emoluments payable to the MBDA Board members in the amount of R1,356,376.

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 Early 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 special 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 : ___________________________________