

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



SPECIAL ADJUSTMENT BUDGET

2020/21 FINANCIAL YEAR

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ADJUSTMENT BUDGET

EXECUTIVE SUMMARY

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

Section 28 of Municipal Finance Management Act requires Municipality to revise its approved annual budget through an adjustment budget. The format and contents of the adjustment budget and supporting documentation must in terms of MFMA, be in the format as specified in Schedule B of the Municipal Budget and Reporting Regulations. The adjustment budget as submitted herewith contains the applicable adjustment budget tables.

It should be noted that municipal tax and tariffs are not increased during a financial year and any amendments to the annual budget must remain funded in accordance with section 18 of the MFMA.

SUMMARY OF 2020/21 SPECIAL ADJUSTMENT BUDGET					
	2020/21			2021/22	2022/23
DESCRIPTION	PRIOR ADJUSTED	ADJUSTMENT	ADJUSTED BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET
TOTAL REVENUE	594 831 467			639 879 974	666 125 836
Less: Transfer recognized capital	69 561 000			77 207 000	72 606 000
OPERATING REVENUE	525 270 467			562 672 974	593 519 836
OPERATING EXPENDITURE	516 327 915	- 5 971 131	510 356 783	529 941 334	557 519 131
TRANSFERS - CAPITAL	69 561 000			77 207 000	72 606 000
SURPLUS/(DEFECIT)	8 942 552			32 731 640	36 000 705
CAPITAL EXPENDITURE	88 322 563	5 971 131	94 293 695	104 444 040	97 382 938

The impact of special adjustment budget on the adjustment budget is as follows:

- The operational expenditure budget decreases due to savings on Bulk purchases and disaster, and other minor savings on other expenditure.
- Capital expenditure increased with the savings from expenditure to address the misclassification of CAPEX that was classified as OPEX.

Table B1 Sum: Adjustment Budget Summary

Description	Budget Year 2020/21						Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Financial Performance								
Property rates	38 345	38 345	-	-	-	38 345	40 109	41 954
Service charges	110 873	99 873	-	-	-	99 873	115 973	121 308
Investment revenue	3 042	542	-	-	-	542	3 182	3 328
Transfers recognised - operational	293 916	351 806	-	-	-	351 806	314 089	333 501
Other own revenue	85 393	34 705	-	-	-	34 705	89 321	93 429
Total Revenue (excluding capital transfers and contributions)	531 568	525 270	-	-	-	525 270	562 673	593 520
Employee costs	169 749	159 477	-	1 088	1 088	160 564	177 557	185 725
Remuneration of councillors	26 525	26 283	-	10	10	26 293	27 745	29 021
Depreciation & asset impairment	55 163	57 163	-	-	-	57 163	56 655	59 261
Finance charges	1 184	2 633	-	-	-	2 633	83	15
Materials and bulk purchases	111 976	120 437	-	(13 476)	(13 476)	106 961	117 691	127 359
Transfers and grants	3 468	3 642	-	-	-	3 642	3 605	3 747
Other expenditure	144 385	146 692	-	6 407	6 407	153 100	146 606	152 391
Total Expenditure	512 449	516 328	-	(5 971)	(5 971)	510 357	529 941	557 519
Surplus/(Deficit)	19 119	8 943	-	5 971	5 971	14 914	32 732	36 001
Transfers and subsidies - capital	74 561	69 561	-	-	-	69 561	77 207	72 606
Transfers and subsidies - capital	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	93 680	78 504	-	5 971	5 971	84 475	109 939	108 607
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	93 680	78 504	-	5 971	5 971	84 475	109 939	108 607
Capital expenditure & funds sources								
Capital expenditure	89 280	88 323	-	5 971	5 971	94 294	104 444	97 383
Transfers recognised - capital	74 561	69 561	-	-	-	69 561	77 207	72 606
Borrowing	-	-	-	-	-	-	-	-
Internally generated funds	14 719	18 762	-	5 971	5 971	24 733	27 237	24 777
Total sources of capital funds	89 280	88 323	-	5 971	5 971	94 294	104 444	97 383
Financial position								
Total current assets	134 416	116 868	-	-	-	116 868	172 216	211 750
Total non current assets	1 286 031	1 290 074	-	-	-	1 290 074	1 377 970	1 470 486
Total current liabilities	93 706	89 781	-	-	-	89 781	85 819	93 588
Total non current liabilities	94 548	94 548	-	-	-	94 548	98 928	98 368
Community wealth/Equity	1 232 193	1 222 613	-	5 971	5 971	1 228 584	1 365 440	1 490 280
Cash flows								
Net cash from (used) operating	108 434	108 217	-	-	-	114 188	126 086	125 129
Net cash from (used) investing	(87 593)	(87 918)	-	(5 971)	(5 971)	(93 889)	(93 994)	(94 483)
Net cash from (used) financing	(11 480)	(11 480)	-	-	-	(11 480)	(2 969)	(520)
Cash/cash equivalents at the year end	20 356	19 813	-	(5 971)	(5 971)	19 813	49 479	79 606
Cash backing/surplus reconciliation								
Cash and investments available	20 356	19 813	-	-	-	19 813	49 479	79 606
Application of cash and investments	16 794	17 982	-	-	-	17 982	6 796	6 529
Balance - surplus (shortfall)	3 562	1 832	-	-	-	1 832	42 683	73 076
Asset Management								
Asset register summary (WDV)	1 271 742	1 275 785	-	-	-	1 275 785	1 362 931	1 454 697
Depreciation & asset impairment	55 163	57 163	-	-	-	57 163	56 655	59 261
Renewal and Upgrading of Existing Assets	64 690	69 323	-	1 747	1 747	71 070	83 547	74 302
Repairs and Maintenance	15 373	26 008	-	-	-	26 008	15 534	15 726
Free services								
Cost of Free Basic Services provided	1 121	1 220	-	-	-	1 220	1 173	1 227
Revenue cost of free services provided	9 017	9 017	-	-	-	9 017	9 432	9 866
Households below minimum service level								
Water:	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-
Energy:	3	3	-	-	-	3	3	3
Refuse:	54	54	-	-	-	54	54	54

The above B1 Sum table summarizes the impact of adjustment budget on special adjustment budget and the approved annual.

Operating revenue

Operating Revenue isn't affected by this Special Adjustment.

Operating expenditure

Employee related cost – the upward adjustment was informed by payments in lieu of leave, long service awards and overtime, overall actual performance is in line with the adjusted budget.

Remuneration of councilors – the adjustment is based on actual performance

Bulk Purchases – The adjustment is due to underspending on bulk purchases.

Contracted Services – The adjustment is mostly attributed to litigation, security and external auditors.

Other Expenditure – adjustment is items that mostly didn't spend such as accommodation.

Table B2: Adjustment Budget – Standard Classification

Standard Description	Budget Year 2020/21						Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue - Functional								
<i>Governance and administration</i>	228 630	277 913	-	-	-	277 913	243 227	255 487
Executive and council	49 315	55 860	-	-	-	55 860	52 584	55 003
Finance and administration	169 450	208 065	-	-	-	208 065	180 325	189 691
Internal audit	9 864	13 988	-	-	-	13 988	10 318	10 793
<i>Community and public safety</i>	94 154	37 006	-	-	-	37 006	99 862	105 455
Community and social services	10 636	11 376	-	-	-	11 376	11 502	13 031
Sport and recreation	13 344	15 456	-	-	-	15 456	14 958	15 646
Public safety	70 174	10 174	-	-	-	10 174	73 402	76 778
<i>Economic and environmental services</i>	121 857	130 832	-	-	-	130 832	130 795	140 380
Planning and development	23 604	26 971	-	-	-	26 971	22 932	24 987
Road transport	96 853	100 627	-	-	-	100 627	105 445	111 863
Environmental protection	1 400	3 234	-	-	-	3 234	2 419	3 530
<i>Trading services</i>	161 488	149 081	-	-	-	149 081	165 996	164 804
Energy sources	130 709	114 001	-	-	-	114 001	133 802	131 129
Waste management	30 779	35 080	-	-	-	35 080	32 195	33 676
<i>Other</i>	-	-	-	-	-	-	-	-
Total Revenue - Functional	606 129	594 831	-	-	-	594 831	639 880	666 126
Expenditure - Functional								
<i>Governance and administration</i>	216 242	221 947	-	9 323	9 323	231 270	219 928	229 950
Executive and council	49 314	45 088	-	52	52	45 140	51 497	53 843
Finance and administration	158 383	169 759	-	7 205	7 205	176 964	159 493	166 758
Internal audit	8 545	7 099	-	2 066	2 066	9 165	8 938	9 349
<i>Community and public safety</i>	61 707	45 423	-	(1 847)	(1 847)	43 576	69 121	72 191
Community and social services	8 269	8 789	-	(1 255)	(1 255)	7 535	8 026	8 395
Sport and recreation	10 698	10 206	-	22	22	10 228	11 190	11 704
Public safety	42 740	26 428	-	(614)	(614)	25 813	49 905	52 091
<i>Economic and environmental services</i>	97 667	98 963	-	369	369	99 332	99 116	103 675
Planning and development	16 561	13 821	-	103	103	13 924	15 357	16 063
Road transport	80 487	84 515	-	266	266	84 781	83 112	86 935
Environmental protection	619	626	-	-	-	626	648	677
<i>Trading services</i>	136 832	149 995	-	(13 817)	(13 817)	136 179	141 777	151 703
Energy sources	111 667	116 490	-	(13 519)	(13 519)	102 972	117 368	127 021
Waste management	25 165	33 505	-	(298)	(298)	33 207	24 409	24 682
Total Expenditure - Functional	512 449	516 328	-	(5 971)	(5 971)	510 357	529 941	557 519
Surplus/ (Deficit) for the year	93 680	78 503	-	5 971	5 971	84 475	109 939	108 607

Table B3: Adjustment Budget – Municipal Vote

Vote Description	Budget Year 2020/21						Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue by Vote								
Vote 1 - Executive and Council	43 443	49 146	-	-	-	49 146	46 441	48 578
Vote 2 - Municipal Manager	39 284	48 377	-	-	-	48 377	41 091	43 981
Vote 3 - Budget and Treasury	66 279	82 337	-	-	-	82 337	69 408	73 672
Vote 4 - Corporate Services	44 328	53 656	-	-	-	53 656	46 367	48 500
Vote 5 - Community Services	135 511	82 668	-	-	-	82 668	144 075	153 595
Vote 6 - Technical Services	241 319	234 888	-	-	-	234 888	253 636	257 151
Vote 7 - Development Planning	16 332	18 658	-	-	-	18 658	15 325	16 030
Vote 8 - Executive Support	19 633	25 102	-	-	-	25 102	23 536	24 619
Total Revenue by Vote	606 129	594 831	-	-	-	594 831	639 880	666 126
Expenditure by Vote								
Vote 1 - Executive and Council	41 788	40 511	-	(160)	(160)	40 351	43 656	45 642
Vote 2 - Municipal Manager	39 198	44 072	-	4 815	4 815	48 887	40 969	42 854
Vote 3 - Budget and Treasury	62 769	67 880	-	4 541	4 541	72 420	60 906	63 708
Vote 4 - Corporate Services	36 795	27 703	-	164	164	27 867	38 248	40 008
Vote 5 - Community Services	96 097	87 405	-	(2 129)	(2 129)	85 276	103 178	106 965
Vote 6 - Technical Services	207 387	217 613	-	(13 435)	(13 435)	204 177	215 258	229 343
Vote 7 - Development Planning	11 455	8 892	-	18	18	8 910	10 016	10 477
Vote 8 - Executive Support	16 960	22 253	-	215	215	22 468	17 709	18 523
Total Expenditure by Vote	512 449	516 328	-	(5 971)	(5 971)	510 357	529 941	557 519
Surplus/ (Deficit) for the year	93 680	78 503	-	5 971	5 971	84 475	109 939	108 607

The above two tables (Table B2 and B3) summarize present comparison of original budget and adjusted budget for both revenue and operating expenditure. As explained under Table B1.

TableB4: Adjustment Budget–Revenue & Expenditure

Description	Budget Year 2020/21						Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source								
Property rates	38 345	38 345	–	–	–	38 345	40 109	41 954
Service charges - electricity revenue	101 945	90 945	–	–	–	90 945	106 634	111 540
Service charges - water revenue	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–
Service charges - refuse revenue	8 928	8 928	–	–	–	8 928	9 339	9 768
Rental of facilities and equipment	1 220	834	–	–	–	834	1 276	1 335
Interest earned - external investments	3 042	542	–	–	–	542	3 182	3 328
Interest earned - outstanding debtors	6 656	17 946	–	–	–	17 946	6 962	7 283
Dividends received	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	70 242	10 242	–	–	–	10 242	73 473	76 853
Licences and permits	6 344	5 044	–	–	–	5 044	6 635	6 941
Agency services	–	–	–	–	–	–	–	–
Transfers and subsidies	293 916	351 806	–	–	–	351 806	314 089	333 501
Other revenue	931	639	–	–	–	639	974	1 018
Gains	–	–	–	–	–	–	–	–
Total Revenue excluding capital transfers	531 568	525 270	–	–	–	525 270	562 673	593 520
Expenditure By Type								
Employee related costs	169 749	159 477	–	1 088	1 088	160 564	177 557	185 725
Remuneration of councillors	26 525	26 283	–	10	10	26 293	27 745	29 021
Debt impairment	42 658	19 858	–	–	–	19 858	49 850	52 143
Depreciation & asset impairment	55 163	57 163	–	–	–	57 163	56 655	59 261
Finance charges	1 184	2 633	–	–	–	2 633	83	15
Bulk purchases	94 047	94 047	–	(14 000)	(14 000)	80 047	98 937	107 743
Other materials	17 929	26 390	–	524	524	26 914	18 753	19 616
Contracted services	60 660	78 622	–	6 762	6 762	85 384	57 320	59 107
Transfers and subsidies	3 468	3 642	–	–	–	3 642	3 605	3 747
Other expenditure	41 067	48 213	–	(355)	(355)	47 858	39 436	41 140
Losses	–	–	–	–	–	–	–	–
Total Expenditure	512 449	516 328	–	(5 971)	(5 971)	510 357	529 941	557 519
Surplus/(Deficit)	19 119	8 943	–	5 971	5 971	14 914	32 732	36 001
Transfers and subsidies - capital	74 561	69 561	–	–	–	69 561	77 207	72 606
Transfers and subsidies - capital	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation	93 680	78 504	–	5 971	5 971	84 475	109 939	108 607
Taxation	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	93 680	78 504	–	5 971	5 971	84 475	109 939	108 607
Attributable to minorities	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	93 680	78 504	–	5 971	5 971	84 475	109 939	108 607
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	93 680	78 504	–	5 971	5 971	84 475	109 939	108 607

Operating revenue

The Special Adjustment didn't affect the revenue.

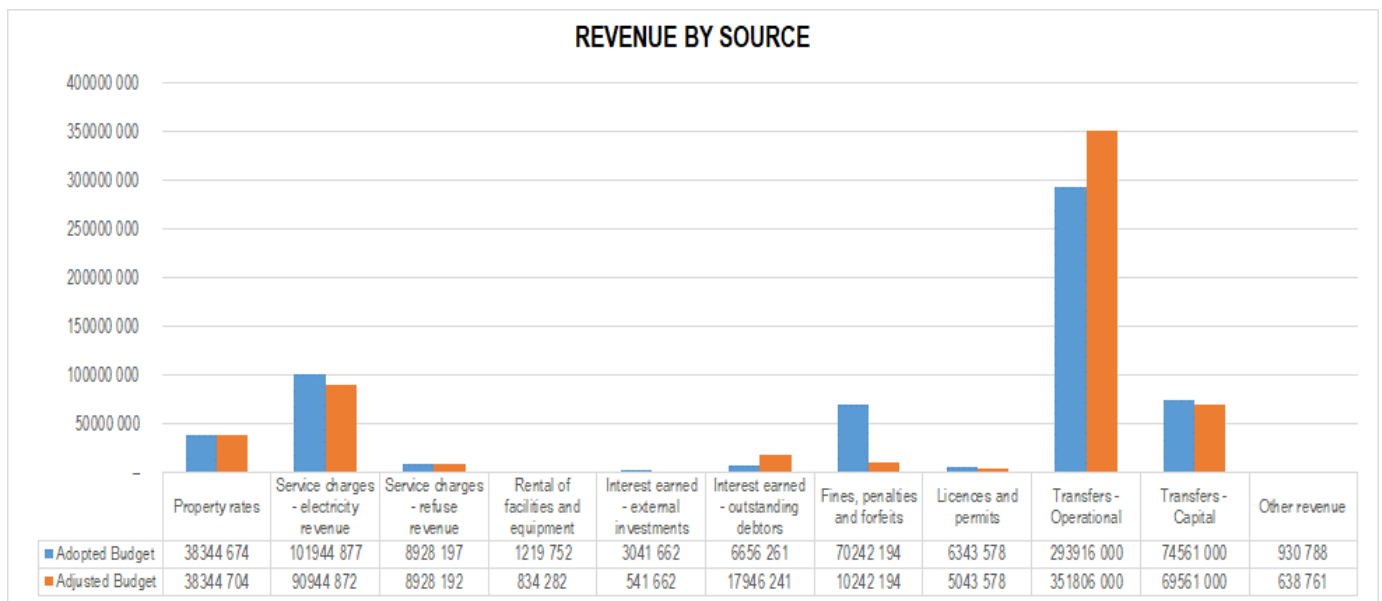
Operating expenditure

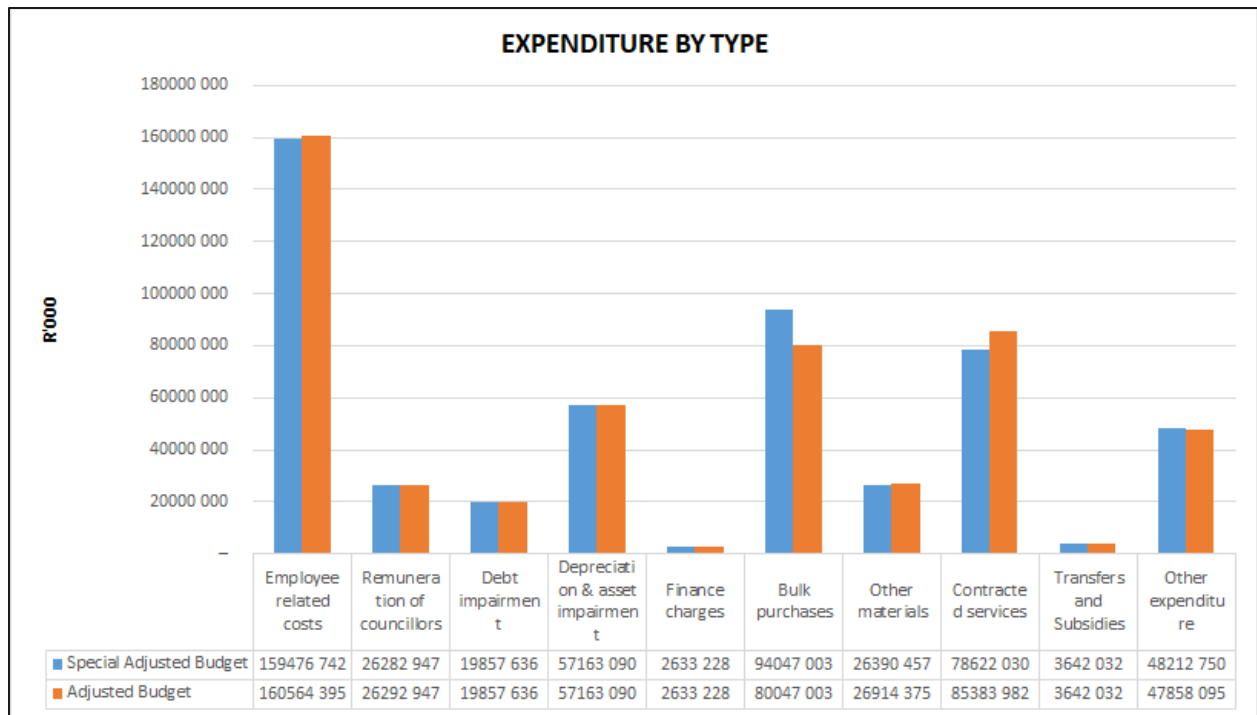
Employee related cost – the upward adjustment was informed by increase in overtime, leave pay, cellphone allowance and long service awards.

Other Expenditure – the adjustment is mainly due to under spending on accommodation, printing, etc.

Bulk Purchases – The special adjustment is mainly based on the savings from bulk purchases.

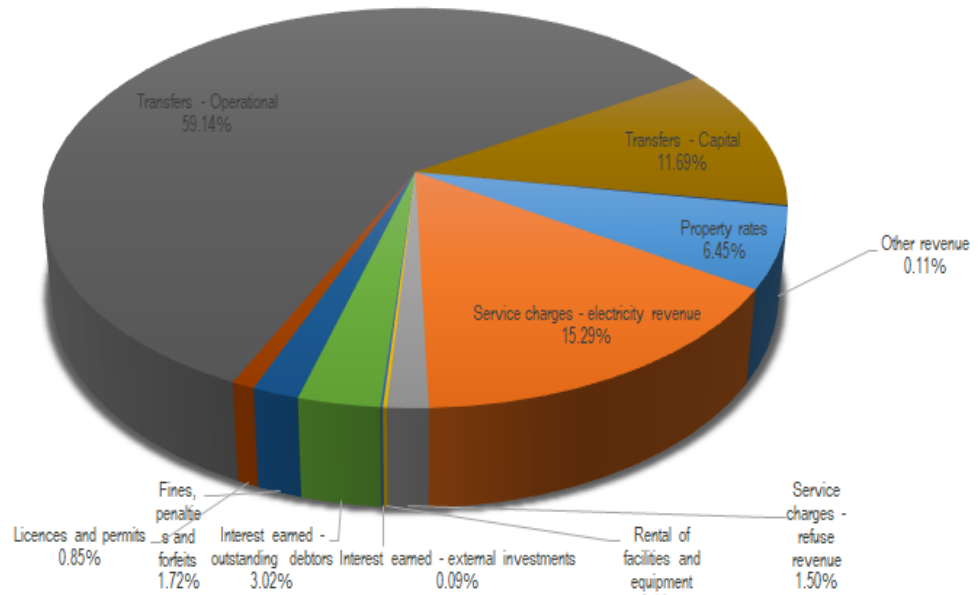
Contracted services – the upward adjustment is mainly attributed to litigation, security services and external auditors.





The above graphs present comparison of original and adjusted budget for revenue (by source) and expenditure (by type) and there are major changes from the main adjustment budget.

REVENUE BY SOURCE: PROPORTION

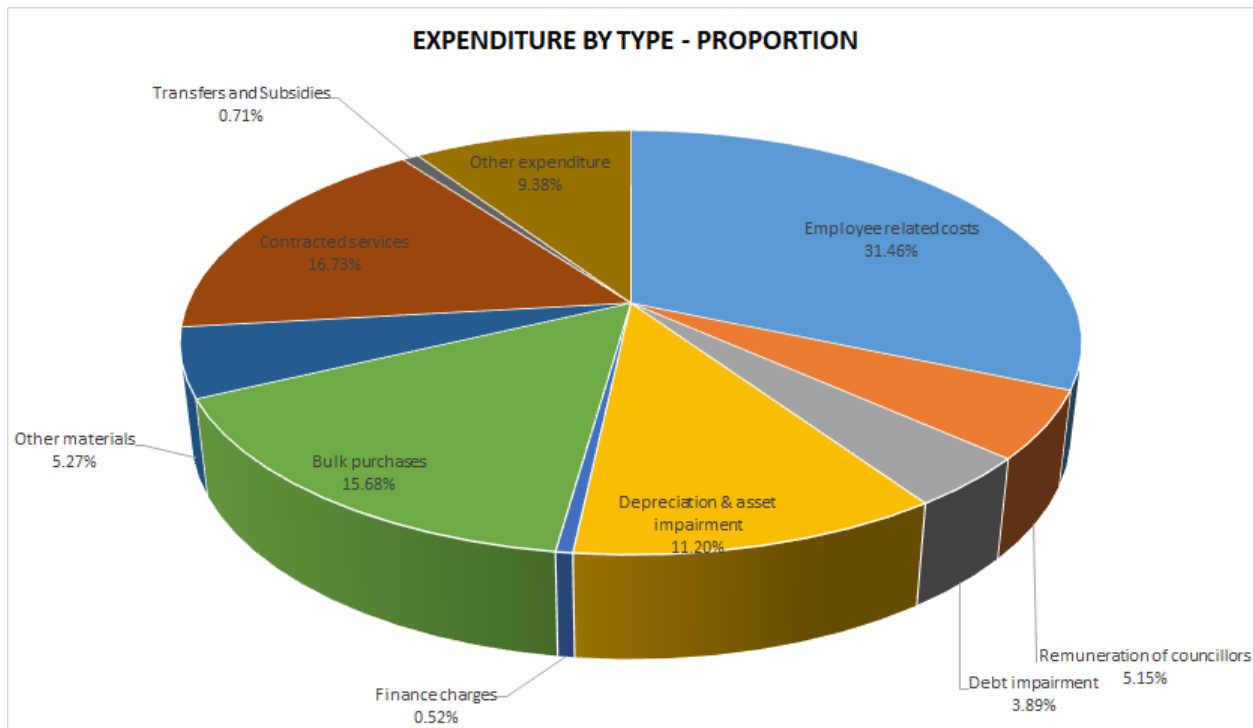


Revenue

The Graph is the illustration of main adjustment, the special adjustment did not impact the revenue budget. Fines; services charges; property rates and transfer are the major components or revenue types under operating budget.

Below are resultant changes per line item:

- Licenses and permits – Decreased to 0.85%
- Transfer operational – No changes
- Transfer capital – No changes
- Service charges electricity – Decreased to 15.29%
- Service charges refuse – No changes
- Property rates – No changes
- Fines; penalties and forfeits – Decreased to 1.72%
- Rental of facilities and equipment – Decreased to .014%
- Interest earned external investment – Decreased to 0.09%
- Interest earned outstanding debtors – Increased to 3.02%
- Other revenue – Decreased to 0.11%



Expenditure

Employee related cost, contracted services; depreciation; debt impairment and bulk purchases are the major components or expenditure types under operating budget.

The operational expenditure proportions changed from those of the special adjustment budget, the change is a result of actual performance, and reason already alluded in table B1.

Below are resultant changes per line item:

- Bulk purchases – decreased to 14.89%
- Employee related cost – increased to 0.68%
- Depreciation and asset impairment – no changes
- Other materials – Decreased to 1.99%
- Remuneration of councillors – increased to 0.04%
- Contracted services – Increased to 8.60%
- Other expenditure – Decreased to 0.74%
- Transfers and subsidies – no changes
- Finance charges – no changes
- Debt impairment – no changes

Table B5: Adjustment Capital Budget – vote and funding

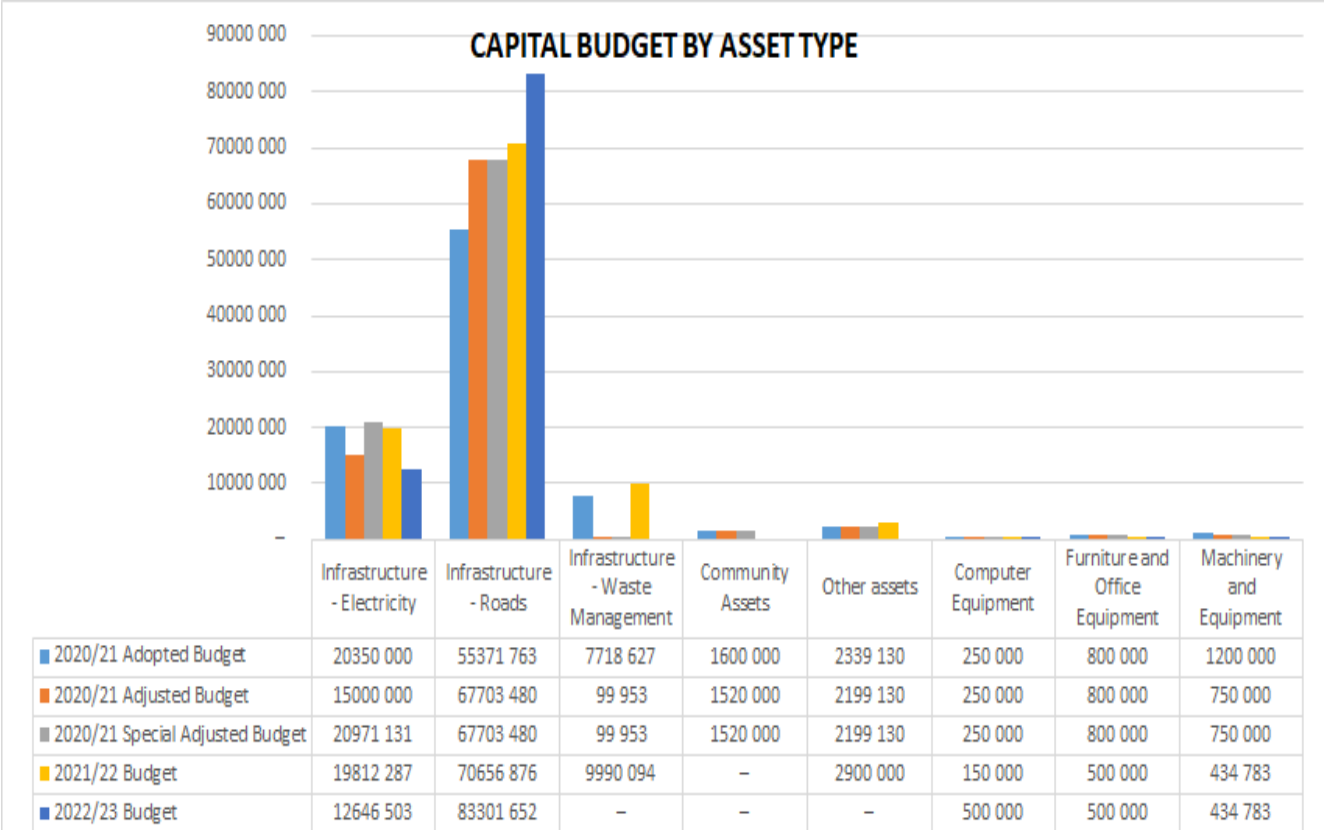
Description	Budget Year 2020/21						Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital Expenditure - Functional								
Governance and administration	1 900	1 800	-	-	-	1 800	3 985	1 435
Executive and council					-	-		
Finance and administration	1 900	1 800		-	-	1 800	3 985	1 435
Internal audit					-	-		
Community and public safety	2 200	2 290	-	-	-	2 290	-	-
Community and social services	600	720		-	-	720	-	-
Sport and recreation	1 000	800		-	-	800	-	-
Public safety	600	770		-	-	770	-	-
Housing		-			-	-		
Health		-			-	-		
Economic and environmental services	64 830	69 233	-	-	-	69 233	80 647	83 302
Planning and development		-			-	-		
Road transport	64 830	69 233		-	-	69 233	80 647	83 302
Environmental protection		-			-	-		
Trading services	20 350	15 000	-	5 971	5 971	20 971	19 812	12 647
Energy sources	20 350	15 000	-	5 971	5 971	20 971	19 812	12 647
Water management		-			-	-		
Waste water management		-			-	-		
Waste management		-			-	-		
Other		-			-	-		
Total Capital Expenditure - Functional	89 280	88 323	-	5 971	5 971	94 294	104 444	97 383
Funded by:								
National Government	74 561	69 561	-	-	-	69 561	77 207	72 606
Provincial Government		-			-	-		
District Municipality		-			-	-		
Transfers and subsidies - capital		-			-	-		
Transfers recognised - capital	74 561	69 561	-	-	-	69 561	77 207	72 606
Borrowing					-	-		
Internally generated funds	14 719	18 762		5 971	5 971	24 733	27 237	24 777
Total Capital Funding	89 280	88 323	-	5 971	5 971	94 294	104 444	97 383

Table B5B: Adjustment Capital Budget – by Vote

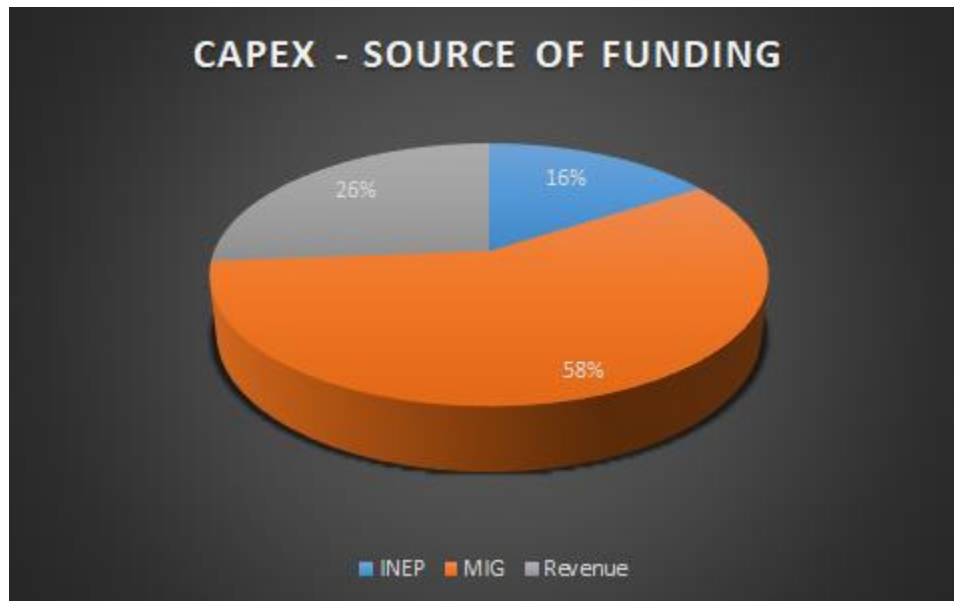
Description	Budget Year 2020/21						Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure - Vote								
Multi-year expenditure to be adjusted								
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1 050	-	-	-	-	1 050	650	1 000
Vote 5 - Community Services	-	720	-	-	-	720	-	-
Vote 6 - Technical Services	13 240	8 629	-	-	-	8 629	40 910	70 948
Vote 7 - Development Planning	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	14 290	9 349	-	-	-	10 399	41 560	71 948
Single-year expenditure to be adjusted								
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury	350	350	-	-	-	350	-	-
Vote 4 - Corporate Services	500	1 050	-	-	-	1 050	3 335	435
Vote 5 - Community Services	2 200	1 570	-	-	-	1 570	-	-
Vote 6 - Technical Services	71 939	76 004	-	5 971	5 971	81 975	59 549	25 000
Vote 7 - Development Planning	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	74 989	78 974	-	5 971	5 971	84 945	62 884	25 435
Total Capital Expenditure - Vote	89 280	88 323	-	5 971	5 971	95 344	104 444	97 383

Capital Expenditure

No adjustment on National government Transfers recognized – capital however there is an upward adjustment on internally funded projects of R5, 971 million due to correctly reclassifying expenses that were misclassified as OPEX.



Capital Expenditure: Sources of funding



The above graph reflects the funding proportion for capital expenditure budget after special adjustment budget. The sources of funding for capital budget are as follows:

- Municipal Infrastructure Grant 58%
- Integrated National Electrification Programme Grant 16%
- Internally Generated Revenue 26%

Table B6: Adjustment Budget - Financial Position

Description	Budget Year 2020/21					Adjusted Budget	Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.		2021/22	2022/23
ASSETS								
Current assets								
Cash	12 300	1 758	-	-	-	1 758	33 250	27 462
Call investment deposits	8 056	18 056	-	-	-	18 056	16 229	52 144
Consumer debtors	54 594	55 619	-	-	-	55 619	57 323	60 189
Other debtors	53 957	38 742		-	-	38 742	59 352	65 288
Current portion of long-term receivables		-			-	-		
Inventory	5 510	2 693		-	-	2 693	6 061	6 667
Total current assets	134 416	116 868	-	-	-	116 868	172 216	211 750
Non current assets								
Long-term receivables					-	-		
Investments					-	-		
Investment property	48 000	48 000		-	-	48 000	45 200	42 488
Investment in Associate					-	-		
Property, plant and equipment	1 223 249	1 227 292	-	-	-	1 227 292	1 317 243	1 411 726
Biological					-	-		
Intangible	30	30		-	-	30	25	20
Other non-current assets	14 752	14 752		-	-	14 752	15 502	16 252
Total non current assets	1 286 031	1 290 074	-	-	-	1 290 074	1 377 970	1 470 486
TOTAL ASSETS	1 420 447	1 406 942	-	-	-	1 406 942	1 550 186	1 682 236
LIABILITIES								
Current liabilities								
Bank overdraft					-	-		
Borrowing	10 980	10 980	-	-	-	10 980	-	-
Consumer deposits	5 701	5 701		-	-	5 701	5 416	5 145
Trade and other payables	71 167	67 243	-	-	-	67 243	74 487	81 935
Provisions	5 857	5 857		-	-	5 857	5 916	6 507
Total current liabilities	93 706	89 781	-	-	-	89 781	85 819	93 588
Non current liabilities								
Borrowing	-	-	-	-	-	-	2 489	-
Provisions	94 548	94 548	-	-	-	94 548	96 439	98 368
Total non current liabilities	94 548	94 548	-	-	-	94 548	98 928	98 368
TOTAL LIABILITIES	188 254	184 329	-	-	-	184 329	184 746	191 956
NET ASSETS	1 232 193	1 222 613	-	-	-	1 222 613	1 365 440	1 490 280
COMMUNITY WEALTH/EQUITY								
Accumulated Surplus/(Deficit)	1 232 193	1 212 613	-	-	-	1 212 613	1 365 440	1 490 280
Reserves	-	10 000	-	-	-	10 000	-	-
TOTAL COMMUNITY WEALTH/EQUITY	1 232 193	1 222 613	-	-	-	1 222 613	1 365 440	1 490 280

Table B6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (previously known as balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version, which presents Assets less Liabilities as “Accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

Table B6 is supported by an extensive table of notes (supporting table SB2) that provide detailed analysis of the major components of a number of items, including:

- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non-current;
- Changes in net assets; and
- Reserves.

The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. 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 informed directly by forecasting the statement of financial position. The collection rate is calculated based on actual and anticipated rate on prior six months billing and payments received.

Table B7: Adjustment Budget – Cash Flows

Description	Budget Year 2020/21						Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	26 841	26 841		–	–	26 841	28 076	29 367
Service charges	94 138	88 338		–	–	88 338	98 469	102 998
Other revenue	20 268	13 542		–	–	13 542	21 062	21 893
Transfers and Subsidies - Operational	293 916	351 806	–	–	–	351 806	314 089	333 501
Transfers and Subsidies - Capital	74 561	69 561	–	–	–	69 561	77 207	72 606
Interest	4 373	11 979		–	–	11 979	4 574	4 784
Dividends		–			–	–		
Payments								
Suppliers and employees	(401 012)	(447 575)	–	5 971	5 971	(441 604)	(413 703)	(436 259)
Finance charges	(1 184)	(2 633)		–	–	(2 633)	(83)	(15)
Transfers and Grants	(3 468)	(3 642)		–	–	(3 642)	(3 605)	(3 747)
NET CASH FROM/(USED) OPERATING ACTIVITIES	108 434	108 217	–	5 971	5 971	114 188	126 086	125 129
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE					–	–		
Decrease (increase) in non-current receivables					–	–		
Decrease (increase) in non-current investments					–	–		
Payments								
Capital assets	(87 593)	(87 918)		(5 971)	(5 971)	(93 889)	(93 994)	(94 483)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(87 593)	(87 918)	–	(5 971)	(5 971)	(93 889)	(93 994)	(94 483)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans					–	–		
Borrowing long term/refinancing	(500)	(500)		–	–	(500)	(480)	(520)
Increase (decrease) in consumer deposits					–	–		
Payments								
Repayment of borrowing	(10 980)	(10 980)		–	–	(10 980)	(2 489)	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	(11 480)	(11 480)	–	–	–	(11 480)	(2 969)	(520)
NET INCREASE/ (DECREASE) IN CASH HELD	9 361	8 819	–	–	–	8 819	29 123	30 126
Cash/cash equivalents at the year begin:	10 995	1 929		–	–	1 929	20 356	49 479
Cash/cash equivalents at the year end:	20 356	19 813	–	–	–	19 813	49 479	79 606

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget. The cash and cash equivalents increases because of healthy increase in operational activities due to implementations of various interventions, i.e. extensive debt collection drive, cost containment measures etc. The 2020/21 MTREF has been informed by the planning principle of ensuring adequate cash generation over the medium-term. Cash and cash equivalents at year end totals to R19, 813 million and at the beginning of the 2020/21 financial year the municipality had a positive opening balance of R1, 929 million.

Table B8: Adjustment Budget – Cash Backed Reserves

Description	Budget Year 2020/21						Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Cash and investments available								
Cash/cash equivalents at the year end	20 356	19 813	–	–	–	19 813	49 479	79 606
Other current investments > 90 days	–	0	–	–	–	0	–	–
Non current assets - Investments	–	–	–	–	–	–	–	–
Cash and investments available:	20 356	19 813	–	–	–	19 813	49 479	79 606
Applications of cash and investments								
Unspent conditional transfers	3 452	452	–	–	–	452	–	–
Unspent borrowing	10 980	10 980		–	–	10 980	2 489	–
Statutory requirements					–	–		
Other working capital requirements	2 362	(3 451)		–	–	(3 451)	4 307	6 529
Other provisions					–	–		
Long term investments committed	–	–		–	–	–	–	–
Reserves to be backed by cash/investments	–	10 000		–	–	10 000	–	–
Total Application of cash and investments:	16 794	17 982	–	–	–	17 982	6 796	6 529
Surplus(shortfall)	3 562	1 832	–	–	–	1 832	42 683	73 076

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates 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. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality’s budget must be “funded”.

The end objective of the medium-term framework is to ensure the budget is funded aligned to section 18 of the MFMA. As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 MTREF together with this adjustment budget and considering the requirements of section 18 of the MFMA, it can be concluded that the 2020/21 Adjustment Budget is funded due to the cash surplus as opposed to a deficit.

Table B9: Adjustment Budget – Asset Management

Description	Budget Year 2020/21						Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CAPITAL EXPENDITURE								
Total New Assets to be adjusted	24 589	18 999	–	4 224	4 224	23 223	20 897	23 081
Roads Infrastructure	–	–	–	–	–	–	–	9 000
Storm water Infrastructure	–	–	–	–	–	–	–	–
Electrical Infrastructure	20 000	15 000	–	4 224	4 224	19 224	19 812	12 647
Water Supply Infrastructure	–	–	–	–	–	–	–	–
Sanitation Infrastructure	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	–	–	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–
Infrastructure	20 000	15 000	–	4 224	4 224	19 224	19 812	21 647
Community Facilities	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–
Community Assets	–	–	–	–	–	–	–	–
Heritage Assets	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–
Operational Buildings	2 339	2 199	–	–	–	2 199	–	–
Housing	–	–	–	–	–	–	–	–
Other Assets	2 339	2 199	–	–	–	2 199	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–
Computer Equipment	250	250	–	–	–	250	150	500
Furniture and Office Equipment	800	800	–	–	–	800	500	500
Machinery and Equipment	1 200	750	–	–	–	750	435	435
Transport Assets	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets to be adjusted	47 540	53 273	–	1 747	1 747	55 020	37 530	36 550
Roads Infrastructure	39 222	52 453	–	–	–	52 453	24 640	36 550
Storm water Infrastructure	–	–	–	–	–	–	–	–
Electrical Infrastructure	–	–	–	1 747	1 747	1 747	–	–
Water Supply Infrastructure	–	–	–	–	–	–	–	–
Sanitation Infrastructure	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	7 719	100	–	–	–	100	9 990	–
Rail Infrastructure	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–
Infrastructure	46 940	52 553	–	1 747	1 747	54 300	34 630	36 550
Community Facilities	600	720	–	–	–	720	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–
Community Assets	600	720	–	–	–	720	–	–
Heritage Assets	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–
Operational Buildings	–	–	–	–	–	–	2 900	–
Housing	–	–	–	–	–	–	–	–
Other Assets	–	–	–	–	–	–	2 900	–
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	17 150	16 050	–	–	–	16 050	46 017	37 752

Table B9: Adjustment Budget – Asset Management continue

Description	Budget Year 2020/21						Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget 2021/22	Adjusted Budget 2022/23
CAPITAL EXPENDITURE								
Total New Assets to be adjusted	24 589	18 999	–	4 224	4 224	23 223	20 897	23 081
Roads Infrastructure	16 150	15 250	–	–	–	15 250	46 017	37 752
Storm water Infrastructure	–	–	–	–	–	–	–	–
Electrical Infrastructure	–	–	–	–	–	–	–	–
Water Supply Infrastructure	–	–	–	–	–	–	–	–
Sanitation Infrastructure	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	–	–	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–
Infrastructure	16 150	15 250	–	–	–	15 250	46 017	37 752
Community Facilities	1 000	800	–	–	–	800	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–
Community Assets	1 000	800	–	–	–	800	–	–
Heritage Assets	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–
Operational Buildings	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–
Other Assets	–	–	–	–	–	–	–	–
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 Capital Expenditure to be adjusted	89 280	88 323	–	5 971	5 971	94 294	104 444	97 383
Roads Infrastructure	55 372	67 703	–	–	–	67 703	70 657	83 302
Storm water Infrastructure	–	–	–	–	–	–	–	–
Electrical Infrastructure	20 000	15 000	–	5 971	5 971	20 971	19 812	12 647
Water Supply Infrastructure	–	–	–	–	–	–	–	–
Sanitation Infrastructure	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	7 719	100	–	–	–	100	9 990	–
Rail Infrastructure	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–
Infrastructure	83 090	82 803	–	5 971	5 971	88 775	100 459	95 948
Community Facilities	1 600	1 520	–	–	–	1 520	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–
Community Assets	1 600	1 520	–	–	–	1 520	–	–
Heritage Assets	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–
Operational Buildings	2 339	2 199	–	–	–	2 199	2 900	–
Housing	–	–	–	–	–	–	–	–
Other Assets	2 339	2 199	–	–	–	2 199	2 900	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–
Computer Equipment	250	250	–	–	–	250	150	500
Furniture and Office Equipment	800	800	–	–	–	800	500	500
Machinery and Equipment	1 200	750	–	–	–	750	435	435
Transport Assets	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE to be adjusted	89 280	88 323	–	5 971	5 971	94 294	104 444	97 383

Table B9: Adjustment Budget – Asset Management continue

Description	Budget Year 2020/21						Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CAPITAL EXPENDITURE								
ASSET REGISTER SUMMARY - PPE (WDV)	1 271 742	1 275 785	–	–	–	1 275 785	1 362 931	1 454 697
Roads Infrastructure	696 228	701 917	–	–	–	701 917	770 075	852 477
Storm water Infrastructure	–	–	–	–	–	–	–	–
Electrical Infrastructure	74 655	74 655	–	–	–	74 655	93 367	104 014
Water Supply Infrastructure	–	–	–	–	–	–	–	–
Sanitation Infrastructure	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	16 232	15 256	–	–	–	15 256	16 232	16 232
Rail Infrastructure	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–
Infrastructure	787 115	791 828	–	–	–	791 828	879 675	972 723
Community Assets	92 705	92 625	–	–	–	92 625	92 705	92 705
Heritage Assets	463	463	–	–	–	463	463	463
Investment properties	48 000	48 000	–	–	–	48 000	45 200	42 488
Other Assets	72 012	71 872	–	–	–	71 872	72 012	72 012
Biological or Cultivated Assets	–	–	–	–	–	–	–	–
Intangible Assets	30	30	–	–	–	30	25	20
Computer Equipment	3 796	3 796	–	–	–	3 796	4 296	4 796
Furniture and Office Equipment	2 636	2 636	–	–	–	2 636	3 136	3 636
Machinery and Equipment	30 104	29 654	–	–	–	29 654	30 539	30 974
Transport Assets	–	–	–	–	–	–	–	–
Land	234 879	234 879	–	–	–	234 879	234 879	234 879
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 271 742	1 275 785	–	–	–	1 275 785	1 362 931	1 454 697
EXPENDITURE OTHER ITEMS								
Depreciation & asset impairment	55 163	57 163	–	–	–	57 163	56 655	59 261
Repairs and Maintenance by asset class	15 373	26 008	–	–	–	26 008	15 534	15 726
Roads Infrastructure	4 892	7 783	–	–	–	7 783	4 571	4 258
Storm water Infrastructure	–	–	–	–	–	–	–	–
Electrical Infrastructure	1 845	3 689	–	–	–	3 689	1 929	2 018
Water Supply Infrastructure	–	–	–	–	–	–	–	–
Sanitation Infrastructure	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	2 993	2 808	–	–	–	2 808	3 131	3 275
Rail Infrastructure	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–
Infrastructure	9 729	14 280	–	–	–	14 280	9 630	9 550
Community Facilities	306	1 500	–	–	–	1 500	320	335
Sport and Recreation Facilities	–	–	–	–	–	–	–	–
Community Assets	306	1 500	–	–	–	1 500	320	335
Heritage Assets	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–
Operational Buildings	1 845	1 690	–	–	–	1 690	1 930	2 019
Housing	–	–	–	–	–	–	–	–
Other Assets	1 845	1 690	–	–	–	1 690	1 930	2 019
Biological or Cultivated Assets	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–
Licences and Rights	425	180	–	–	–	180	444	465
Intangible Assets	425	180	–	–	–	180	444	465
Computer Equipment	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–
Machinery and Equipment	1 214	5 939	–	–	–	5 939	1 270	1 328
Transport Assets	1 854	2 418	–	–	–	2 418	1 940	2 029
Land	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS to be adj	70 536	8317085950%	0%	–	–	83 171	72 189	74 987
Renewal and upgrading of Existing Assets as % of t	72%	78%				75%	80%	76%
Renewal and upgrading of Existing Assets as % of c	117%	121%				124%	147%	125%
R&M as a % of PPE	1%	2%				2%	1%	1%
Renewal and upgrading and R&M as a % of PPE	6%	7%				8%	7%	6%

PART 2 – SUPPORTING DOCUMENTATION

Table SB 7: Adjustment Budget – Transfers and Grants Receipts

Description	Budget Year 2020/21						
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
RECEIPTS:							
<u>Operating Transfers and Grants</u>							
National Government:	293 916	351 806	–	–	351 806	314 089	333 501
Local Government Equitable Share	289 039	347 525		–	347 525	311 289	330 501
Finance Management	2 600	2 600		–	2 600	2 800	3 000
EPWP Incentive	1 681	1 681		–	1 681	–	–
Disaster Relief Grant	596	–		–	–	–	–
Provincial Government:	–	–	–	–	–	–	–
N/A				–	–		
District Municipality:	–	–	–	–	–	–	–
N/A				–	–		
Total Operating Transfers and Grants	293 916	351 806	–	–	351 806	314 089	333 501
<u>Capital Transfers and Grants</u>							
National Government:	74 561	69 561	–	–	69 561	77 207	72 606
Municipal Infrastructure Grant (MIG)	54 561	54 561		–	54 561	59 207	62 606
Intergrated National Electrification Grant	20 000	15 000		–	15 000	18 000	10 000
Provincial Government:	–	–	–	–	–	–	–
N/A				–	–		
District Municipality:	–	–	–	–	–	–	–
N/A				–	–		
Total Capital Transfers and Grants	74 561	69 561	–	–	69 561	77 207	72 606
TOTAL RECEIPTS OF TRANSFERS & GRANTS	368 477	421 367	–	–	421 367	391 296	406 107

Table SB 8: Adjustment Budget – Transfers and Grants Expenditure

Description	Budget Year 2020/21					Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:							
Operating expenditure of Transfers and Grants							
National Government:	293 916	351 806	-	-	351 806	314 089	333 501
Local Government Equitable Share	289 039	347 525		-	347 525	311 289	330 501
Finance Management	2 600	2 600		-	2 600	2 800	3 000
EPWP Incentive	1 681	1 681		-	1 681	-	-
Disaster Relief Grant	596	-		-	-	-	-
Provincial Government:	-	-	-	-	-	-	-
N/A				-	-		
District Municipality:	-	-	-	-	-	-	-
N/A				-	-		
Total operating expenditure of Transfers and Grants:	293 916	351 806	-	-	351 806	314 089	333 501
Capital expenditure of Transfers and Grants							
National Government:	74 561	69 561	-	-	69 561	77 207	72 606
Municipal Infrastructure Grant (MIG)	54 561	54 561		-	54 561	59 207	62 606
Intergrated National Electrification Grant	20 000	15 000		-	15 000	18 000	10 000
Provincial Government:	-	-	-	-	-	-	-
N/A				-	-		
District Municipality:	-	-	-	-	-	-	-
N/A				-	-		
Total capital expenditure of Transfers and Grants	74 561	69 561	-	-	69 561	77 207	72 606
Total capital expenditure of Transfers and Grants	368 477	421 367	-	-	421 367	391 296	406 107

No adjustment on National government Transfers recognized – capital

The municipality applied for roll-over of the unspent conditional grants for MIG and INEP amounting to R4.7 million and R58 thousand respectively. The application was disapproved as a result of municipality's closing bank balance at year end being less than the roll-over amount applied for.

Table SB 9: Adjustment Budget – Reconciliation of Transfers; Grants Receipts and Unspent Funds

Description	Budget Year 2020/21					Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Operating transfers and grants:							
National Government:							
Balance unspent at beginning of the year				-	-		
Current year receipts	293 916	351 806		-	351 806	314 089	333 501
Conditions met - transferred to revenue	293 916	351 806	-	-	351 806	314 089	333 501
Conditions still to be met - transferred to liabilities				-	-		
Provincial Government:							
Balance unspent at beginning of the year				-	-		
Current year receipts				-	-		
Conditions met - transferred to revenue	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-		
District Municipality:							
Balance unspent at beginning of the year				-	-		
Current year receipts				-	-		
Conditions met - transferred to revenue	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-		
Other grant providers:							
Balance unspent at beginning of the year				-	-		
Current year receipts				-	-		
Conditions met - transferred to revenue	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-		
Total operating transfers and grants revenue	293 916	351 806	-	-	351 806	314 089	333 501
Total operating transfers and grants - CTBM	-	-	-	-	-	-	-
Capital transfers and grants:							
National Government:							
Balance unspent at beginning of the year				-	-		
Current year receipts	74 561	69 561		-	69 561	77 207	72 606
Conditions met - transferred to revenue	74 561	69 561	-	-	69 561	77 207	72 606
Conditions still to be met - transferred to liabilities				-	-		
Provincial Government:							
Balance unspent at beginning of the year				-	-		
Current year receipts				-	-		
Conditions met - transferred to revenue	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-		
District Municipality:							
Balance unspent at beginning of the year				-	-		
Current year receipts				-	-		
Conditions met - transferred to revenue	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-		
Other grant providers:							
Balance unspent at beginning of the year				-	-		
Current year receipts				-	-		
Conditions met - transferred to revenue	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-		
Total capital transfers and grants revenue	74 561	69 561	-	-	69 561	77 207	72 606
Total capital transfers and grants - CTBM	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	368 477	421 367	-	-	421 367	391 296	406 107
TOTAL TRANSFERS AND GRANTS - CTBM	-	-	-	-	-	-	-

Table SB 18a: Adjustment Budget – capital expenditure on new assets class

Description	Budget Year 2020/21						Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure on new assets by Asset Class/Sub-class								
Infrastructure	20 000	15 000	-	4 224	4 224	19 224	19 812	21 647
Roads Infrastructure	-	-	-	-	-	-	-	9 000
Roads								9 000
Road Structures								
Road Furniture								
Electrical Infrastructure	20 000	15 000	-	4 224	4 224	19 224	19 812	12 647
Power Plants								
HV Substations								
HV Switching Station								
HV Transmission Conductors								
MV Substations								
MV Switching Stations								
MV Networks	20 000	15 000	-	-	-	15 000	19 812	12 647
LV Networks				4 224	4 224	4 224		
Capital Spares								
Solid Waste Infrastructure	-	-	-	-	-	-	-	-
Landfill Sites								
Waste Transfer Stations								
Waste Processing Facilities								
Waste Drop-off Points								
Waste Separation Facilities								
Electricity Generation Facilities								
Capital Spares								
Community Assets	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-
Halls								
Centres								
Crèches								
Clinics/Care Centres								
Fire/Ambulance Stations								
Testing Stations								
Museums								
Galleries								
Theatres								
Libraries								
Cemeteries/Crematoria								
Police								
Purls								
Other assets	2 339	2 199	-	-	-	2 199	-	-
Operational Buildings	2 339	2 199	-	-	-	2 199	-	-
Municipal Offices	600	770				770		
Pay/Enquiry Points								
Building Plan Offices								
Workshops	1 739	1 429				1 429		
Computer Equipment	250	250	-	-	-	250	150	500
Computer Equipment	250	250				250	150	500
Furniture and Office Equipment	800	800	-	-	-	800	500	500
Furniture and Office Equipment	800	800				800	500	500
Machinery and Equipment	1 200	750	-	-	-	750	435	435
Machinery and Equipment	1 200	750				750	435	435
Total Capital Expenditure on new assets to be adjusted	24 589	18 999	-	4 224	4 224	23 223	20 897	23 081

Table SB 18a: Adjustment Budget – capital expenditure on renewal of existing assets class

Description	Budget Year 2020/21						Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure on renewal of existing assets by Asset Class/Sub-class								
Infrastructure	46 940	52 553	-	1 747	1 747	54 300	34 630	36 550
Roads Infrastructure	39 222	52 453	-	-	-	52 453	24 640	36 550
Roads	39 222	52 453				52 453	22 565	34 584
Road Structures						-		
Road Furniture						-	2 075	1 966
Capital Spares						-		
Storm water Infrastructure	-	-	-	-	-	-	-	-
Drainage Collection						-		
Storm water Conveyance						-		
Attenuation						-		
Electrical Infrastructure	-	-	-	1 747	1 747	1 747	-	-
Power Plants						-		
HV Substations						-		
HV Switching Station						-		
HV Transmission Conductors						-		
MV Substations						-		
MV Switching Stations						-		
MV Networks						-		
LV Networks				1 747	1 747	1 747		
Solid Waste Infrastructure	7 719	100	-	-	-	100	9 990	-
Landfill Sites	7 719	100				100	9 990	
Waste Transfer Stations						-		
Waste Processing Facilities						-		
Waste Drop-off Points						-		
Waste Separation Facilities						-		
Electricity Generation Facilities						-		
Capital Spares						-		
Rail Infrastructure	-	-	-	-	-	-	-	-
Community Assets	600	720	-	-	-	720	-	-
Community Facilities	600	720				720		
Halls						-		
Centres						-		
Crèches						-		
Galleries						-		
Theatres						-		
Libraries						-		
Cemeteries/Crematoria	600	720				720		
Sport and Recreation Facilities	-	-	-	-	-	-	-	-
Indoor Facilities						-		
Outdoor Facilities						-		
Capital Spares						-		
Heritage assets	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	2 900	-
Operational Buildings	-	-	-	-	-	-	2 900	-
Municipal Offices						-	2 900	
Pay/Enquiry Points						-		
Building Plan Offices						-		
Workshops						-		
Yards						-		
Stores						-		
Laboratories						-		
Training Centres						-		
Total Capital Expenditure on renewal of existing assets to be adjusted	47 540	53 273	-	1 747	1 747	55 020	37 530	36 550

Table SB 19: Adjustment Budget – List of Capital Projects

Function	Project Description	Type	Local	GPS		Medium Term Revenue and Expenditure Framework					
				Longitude	PS Latitude	Budget Year 2020/21		Budget Year +1 2021/22		Budget Year +2 2022/23	
						Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
R thousands											
List all capital projects grouped by Function											
Technical Services	Electrification of Mashemong	New	24	29.61254	-25.0519	10 494	10 734	-	-	-	-
Technical Services	Electrification of Ntswelemutse	New	4	29.08905	-25.1562	2 430	2 190	-	-	-	-
Technical Services	Electrification of Masakaneng	New	14	29.37203	-2.5E+09	5 100	-	-	-	6 000	6 000
Technical Services	LV Networks	New	9	29.3898	-25.1611	-	4 224	-	-	-	-
Technical Services	LV Networks	Renewal	8	29.19806	-25.2497	-	1 747	-	-	-	-
Technical Services	Electrification of Zuma Park	New	7	29.11107	-25.2509	1 976	2 076	-	-	-	-
Technical Services	Electrification of Sephaku New Stand	New	23	29.66778	-25.0187	-	-	1 500	1 500	-	-
Technical Services	Electrification of Ga Posa	New	24	29.61595	-25.9949	-	-	1 000	1 000	-	-
Technical Services	Electrification of Thabakhubedu	New	12	29.25315	-25.3443	-	-	850	850	-	-
Technical Services	Electrification of Vlakfontein	New	23	29.61394	-25.0501	-	-	2 100	2 100	-	-
Technical Services	Electrification of Kwa-Pundulwane	New	12	29.13433	-25.269	-	-	-	-	2 200	2 200
Technical Services	Electrification of Moteti	New	2	29.04597	-25.2477	-	-	5 783	5 783	-	-
Technical Services	Electrification of Rondebosch	New	2	29.07847	-25.2455	-	-	1 018	1 018	-	-
Technical Services	Electrification of Matlala Lehwelere	New	14	29.1571	-25.155	-	-	3 450	3 450	-	-
Technical Services	Electrification of Maleoskop	New	12	29.63001	-25.3344	-	-	3 300	3 300	-	-
Technical Services	Electrification of Lenkwaneng section/ ZCC	New	10	29.2449	-25.3211	-	-	-	-	1 200	1 200
Technical Services	Electrification of Ntwane	New	10	29.25778	-25.3192	-	-	-	-	600	600
Technical Services	Mpheleng Road Construction	New	5	29.15313	-25.2246	-	-	-	-	9 000	9 000
Technical Services	Kgoshi Rammupudu Road	New	26	29.49416	-25.053	16 000	16 500	-	-	-	-
Technical Services	Upgrading of Bloompoot to Uitspanning Access Road	Renewal	11	29.92452	-25.1931	-	-	13 000	13 000	27 854	27 854
Technical Services	Kgapamadi road	Renewal	21	29.68132	-24.9882	5 500	16 567	-	-	-	-
Technical Services	Tambo Road Construction	New	9	29.19303	-25.2781	9 581	10 058	-	-	-	-
Technical Services	Upgrading of Hlogotlou internal streets	Upgrade	20	29.19303	-25.2781	-	-	3 000	3 000	-	-
Technical Services	Upgrading of Nyakurone Anternal Access Road	Upgrade	7	29.51332	-25.0657	900	700	6 100	6 100	-	-
Technical Services	Upgrading of Ngolovane access road to Sibisi school(Int)	Upgrade				-	-	700	700	12 000	12 000

Table SB 19: Adjustment Budget – List of Capital Projects continues.

Function	Project Description	Type	d Loca	GPS Longitud	PS Lattitud	Medium Term Revenue and Expenditure Framework					
						Budget Year 2020/21		Budget Year +1 2021/22		Budget Year +2 2022/23	
						Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
R thousands											
List all capital projects grouped by Function											
Corporate Services	Construction of record room	Renewal	the mu	29.3898	-25.1611	-	-	2 900	2 900	-	-
Community Services	Grobblersdal Landfill site	Upgrade	13	29.42238	-25.1579	7 719	100	9 990	9 990	-	-
Technical Services	Upgrading of Dipakapakeng Access Road	Upgrade	25	29.49865	-25.0258	-	-	21 459	21 459	-	-
Technical Services	Upgrading of Tafelkop stadium Access Road	Upgrade	28	29.3898	-25.1611	-	-	14 758	14 758	25 752	25 752
Technical Services	Upgrading of Mogaung Road	Upgrade	22	29.15683	-25.1549	15 250	15 250	-	-	-	-
Corporate Services	Furniture and Office Equipment	New	the mu	29.3898	-25.1611	800	800	500	500	500	500
Corporate Services	Computer Equipment	New	the mu	29.3898	-25.1611	250	250	150	150	500	500
Technical Services	Air Conditioner	New	the mu	29.3898	-25.1611	350	-	-	-	-	-
Technical Services	Fencing of Grobblersdal Substation	New	13	29.42238	-25.1579	-	-	300	300	-	-
Technical Services	Machinery and Equipment(tools)	New	the mu	29.3898	-25.1611	500	400	435	435	435	435
Technical Services	Completion of 2 Highmast light in Ward 10	Renewal	10	29.3898	-25.1611	-	-	-	-	-	-
Technical Services	Grobblersdal Roads and Streets	New	13	29.42238	-25.1579	-	-	4 348	4 348	5 217	5 217
Technical Services	Motetema Internal Streets	New	30	29.463	-25.0981	7 629	7 629	5 217	5 217	1 512	1 512
Technical Services	Culverts, road signs	New	the mu	29.3898	-25.1611	-	-	2 075	2 075	1 966	1 966
Technical Services	Instalation of high mast light in various villages	New	the mu	29.3898	-25.1611	-	-	1 512	1 512	2 647	2 647
Community Services	Upgrading of Parks	Upgrade	the mu	29.3898	-25.1611	1 000	800	-	-	-	-
Community Services	Control Room Traffic	New	13	29.42238	-25.1579	600	770	-	-	-	-
Community Services	Fencing of Elandsdoorn/Ntwane Cemetery	New				600	720	-	-	-	-
Technical Services	Development of workshop	New	Whole	29.3898	-25.1611	1739130	1 429	-	-	-	-
Technical Services	Laersdrift Road	New	Whole	29.3898	-25.1611	510907	999	-	-	-	-
Finance	FORKLIFT	New				350000	350	-	-	-	-
						37 298	29 498	104 444 040	104 444 039.51	38 528 938	38 528 938

Quality certificate

I, KGWALE MAHLAGAUME MESHACK, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the 2020/21 special Adjustment budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with Integrated Development Plan of the Municipality.

Print name: Kgwale Mahlagaume Meshack

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)



M.M. KGWALE
MUNICIPAL MANAGER