



# George Municipality Draft Budget 2022/23 to 2024/25

Medium Term Revenue and  
Expenditure Framework (MTREF)

**28 March 2022**

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## Glossary

<b>Adjustments Budget</b> – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
<b>Allocations</b> – Money received from Provincial or National Government or other municipalities.
<b>Budget</b> – The financial plan of the Municipality.
<b>Budget Related Policy</b> – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.
<b>Capital Expenditure</b> - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.
<b>Cash flow statement</b> – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.
<b>DORA</b> – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.
<b>Equitable Share</b> – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
<b>Fruitless and wasteful expenditure</b> – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
<b>GFS</b> – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
<b>GRAP</b> – Generally Recognised Accounting Practice. The new standard for municipal accounting.
<b>IDP</b> – Integrated Development Plan. The main strategic planning document of the Municipality
<b>KPI's</b> – Key Performance Indicators. Measures of service output and/or outcome.
<b>MFMA</b> – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.
<b>MTREF</b> – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also, includes details of the previous and current years' financial position.
<b>Operating Expenditure</b> – Spending on the day to day expenses of the Municipality such as salaries and wages.
<b>Rates</b> – Local Government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

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

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

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

**Virement** – A transfer of budget.

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

**Vote** – One of the main segments into which a budget is divided, usually at directorate / department level.

## **Part 1 – Annual Budget**

### **1.1 Mayoral Budget Speech**

The budget speech will be made available after the Council meeting.

### **1.2 Council Resolutions**

The Council of George Municipality at a meeting that will take place on 28 March 2022 will table the draft annual budget. The following draft resolutions are contained in the agenda of the Special Council meeting to be held on 28 March 2022:

#### **RECOMMENDATION**

That the following draft resolutions in terms of sections 16(2) and 17(3) of the Municipal Finance Management Act, (Act 56 of 2003) be noted for final approval in May 2022.

#### **DRAFT COUNCIL RESOLUTIONS (To be approved in May 2022)**

- a) that the following draft policies be tabled for public comment:
  - (i) Customer Care, Credit Control and Debt Collection Policy and By-law;
  - (ii) Property Rates Policy and By-law;
  - (iii) Tariff Policy and By-law,
  - (iv) Unauthorized, Irregular and Fruitless and Wasteful Expenditure Policy;
  - (v) Indigent Policy;
  - (vi) Virement Policy;
  - (vii) Cash Management and Investment Policy;
  - (viii) Travel & Subsistence Policy;
  - (ix) Supply Chain Management Policy;
  - (x) Asset Management Policy;
  - (xi) Funding Borrowing & Reserve Policy;
  - (xii) Long Term Financial Plan;
  - (xiii) Liquidity Policy;
  - (xiv) Cost Containment Policy;
  - (xv) Cell Phone Allowance Policy.

The policies will be reviewed by Council to be approved in May 2022.

- (b) that the draft annual budget for the financial year 2022/23 and indicative outer years 2023/24 and 2024/25 be tabled as set-out:
  - (i) Capital expenditure by project as contained in annexure "A" to the agenda;
  - (ii) Capital funding by source as contained in annexure "A" to the agenda;
  - (iii) Operating revenue by source as contained in Table A4 of the report;

- (iv) Operating expenditure by type as contained in Table A5 of the report;
- (c) that the draft tariffs for property rates as reflected in the report be tabled for the budget year 2022/23;
- (d) that draft tariffs and services charges as reflected in the formal tariff list be tabled for the budget year 2022/23;
- (e) that the draft annual budget documentation for 2022/23– 2024/25 as outlined in the budget regulations be submitted to National and Provincial Treasury.

### 1.3 Budget 2021/22 Mid-year Review and Adjustments Budget

The following table shows the original and adjustments budget for 2022/21.

	<b>Original Budget 2020/21 R'000</b>	<b>Adjusted Budget 2020/21 R'000</b>	<b>Difference R'000</b>
Capital	370 443	463 450	93 007
Operating Income	2 616 730	2 802 854	186 124
Operating Expenditure	2 511 069	2 626 053	114 984

The 2021/22 adjustments budget approved on 24 February 2022 was considered in the preparation of the 2022/23 MTREF. The capital budget must be set at a level that is realistic in terms of the capacity to deliver and the ability to fund.

### 1.4 Executive Summary

As is annually the case, the Budget Committee was confronted with numerous challenges during the budget process. It remains a complex task balancing the needs of the community with limited resources whilst having to operate within the legislative framework determined by the various spheres of government in ensuring a credible, funded budget is implemented.

Some of the crucial factors taken into account in the Budget Process are listed and discussed below for further clarity.

#### **1.4.1 A Credible Funded Budget**

A budget makes budgetary provision for service delivery to the community of George. The community should realistically expect to receive services that are affordable for which provision is made in a budget.

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;
- Does not jeopardize the financial viability of the municipality i.e ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

Furthermore, draft budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and close to the final approved budget. During this financial year 6 Budget Steering Committee meetings were held. The Budget Committee was again confronted with various challenges during the budget process. The following had an impact:

- The 3.3% moderate improvement in the local economy's projected GDP growth was forecasted for 2022 however National Treasury has altered its projection on a real economic growth of 4.8% in 2022, following an expected contraction of 6.4% in 2020. Real GDP growth is expected to moderate to 2.1% in 2022. Over the next three years, GDP growth is expected to average 1.8%. (MFMA Circular No.112 & 115);
- A further risk to the South-African economy remains the ongoing problems with Eskom's operations that continue to disrupt the supply of electricity to households and businesses with periodical load shedding;
- The aforementioned impacts on local government ability to markedly contribute to reducing unemployment and poverty;
- The pressures of the slow economy on collection rates and the ability of George Municipality's residents to pay their municipal bill which has since been exacerbated by the COVID19-pandemic's effects;
- The addressing of service delivery shortcomings as identified in the adjustments budget in February 2022 and its effect on the available funding;
- The continued funding constraints with regards to the low available funding for the Capital Budget through the Capital Replacement Reserve and the ability to take up loans to meet the demand for upgrading and replacing of infrastructure. The stopping of MIG grants and the non-approval of roll over applications have set back the municipality's infrastructure upgrading. The development of the Capital Expenditure Framework (CEF) will assist in guiding the municipality in prioritizing the capital budget in line with the



Spatial Development Framework (SDF), Long Term Financial Plan (LTFP) etc.

A strategy guided by council's long-term financial plan (LTFP) was followed with the compilation of the draft budget, whereby the following was done:

- The municipality needs to focus on its core functions especially during the COVID19 pandemic. During the February 2021 adjustments budget the Budget Committee and portfolio councilors in conjunction with the heads of departments, scrutinized the budget to affect all possible savings and to align the capital budget to achievable goals;
- The 2021/22 adjustments budget is the base for the 2022/23 MTREF;
- The need to maximize income through efficiencies and the way we do business before we decide to increase our rates, service charges and other tariffs was again emphasized;
- Revenue “enhancement” focusses on ensuring that all consumers are billed correctly and are contributing to the municipality's revenue as set out in our tariff policy;
- A provision of R122.2 million was made for debtor's impairment in the operating budget. The writing off, of irrecoverable debt will continue to be scrutinized through the business processes of the internal credit control unit. The unit is guided by an internal credit control committee to ensure that proper credit control measures are performed and to recommend to council the writing off, of debt;
- The effects of the COVID-19 pandemic has compelled Council to adopt a more lenient approach to the tourism and business sector that have debt collection issues;
- George Municipality is in the process of amending the Land Use Planning By-Law for George Municipality, 2015 in relation to certain provisions which pertain to the imposition of development charges to bring the Planning By-Law in line with the Western Cape Land Use Planning Act, 3 of 2014. See paragraph relating to the development charges below;
- A greater emphasis will be placed on improving our cash management practices, within the legal prescripts, to improve our liquidity position;
- All attempts need to be made to maximize available National and Provincial Government Grants to service part of our capital program. In this regard George Municipality, will liaise with National Treasury regarding additional grant funding;
- The Budget Committee considered the possibility of selling land to generate much needed CRR funding for infrastructure development. The property market is however in a downward phase and it would therefore not make sense to sell prime land at this stage.

### **1.4.2 Legal Directives**

The following legal directives/prescriptions were followed with the compilation of this draft budget:

- National Treasury sent out MFMA Budget Circular No. 112 on 6 December 2021 providing guidance to municipalities on their 2022/23 budget and Medium-Term Revenue and Expenditure Framework (MTREF).
- This was followed by MFMA Budget Circular No. 115 – on 4 March 2022.

### **1.4.3 Municipal Standard Chart of Accounts (mSCOA)**

The mSCOA Regulations apply to all municipalities from 1 July 2017. George Municipality has early adopted mSCOA in July 2016 and has been transacting across all the segments. Although the municipality is transacting in mSCOA there are areas of improvement needed for example further expanding on the project segment. The further integration of our sub-modules within SAMRAS is also receiving attention for example the SDBIP and contract management modules.

George Municipality implemented mSCOA version 5.4 in 2016. We are currently budgeting on mSCOA version 6.6 for the 2022/23 financial year. The changes in versions create its own challenges with the implementation thereof.

### **1.4.4 Review of Budget Related Policies**

In terms of section 17 (3) (e) of the Municipal Finance Management Act, No. 56 of 2003 it prescribes that the Municipality must review the budget related policies and by-laws (where applicable) annually.

This administration has reviewed the policies and workshops will be held with Council where changes were made. See below the applicable policies and by-laws:

- Customer Care, Credit Control and Debt Collection Policy and By-laws;
- Property Rates Policy and By-laws;
- Tariff Policy and By-laws;
- Unauthorized Irregular and Fruitless and Wasteful Expenditure Policy;
- Indigent Policy;
- Virement Policy;
- Cash Management and Investment Policy;
- Travel & Subsistence Policy;
- Supply Chain Management Policy;
- Asset Management Policy;
- Funding Borrowing & Reserve Policy;
- Long Term Financial Plan;

- Liquidity Policy;
- Cost Containment Policy;
- Cell Phone Allowance Policy.

The draft policies are contained in Annexure D to the item and will be placed on the municipal website for public comment. The draft LTFP will be reworked to include the draft 2022/23 MTREF.

#### **1.4.5 Municipal Budget and Reporting Regulations**

The Local Government: Municipal Finance Management Act (Act No. 56 of 2003): Municipal Budget and Reporting Regulations regulate the format of the budget documentation as set out in Schedule A (version 6.6) of the Municipal Budget and Reporting Regulations. This includes the main Tables A1 – A10 as well as the supporting tables SA 1 – SA 38.

#### **1.4.6 George Integrated Public Transport Network (GIPTN)**

George Municipality has commenced with the phased roll-out of the GO GEORGE public transport service that aims to provide reliable, affordable, accessible scheduled public transport service to the community of George. The first trial phase commenced on 8 December 2014 and subsequently phases two and three were rolled out in accordance with the schedule agreed to with the Vehicle Operating Company (VOC), George Link (Pty) Ltd, during the 2015/2016 financial year. Phase 4B was successfully rolled-out on 22 March 2020. The roll-out for Phase 4A is currently projected for the first quarter of the 2022/23 financial period followed by phases, 5 and 6 thereafter.

The Automatic Fare Collection System was successfully implemented on 14 November 2018. Fares have been set at the same level as paper tickets however there was additional cost related to the issuing of EMV card - (Europay, MasterCard® and Visa®). The implementation of the AFC System allowed for the introduction of additional product categories to allow passengers to purchase any combination of trips suited to their individual travel needs.

The introduction of the GIPTN service required that the fare structure for GO GEORGE be included in the tariff list and that the approved fare structure be gazetted. There is currently a process underway with Council for the fare tariff to be reviewed and increased by an average 5.9% for the various multi-journey product types. During the 2020/21 financial year, GIPTN introduced an off-bus single trip to encourage greater usage of the smart card system. This off-bus single trip is sold at a premium. The on-bus single trip has been suspended as part of the COVID-19 preventative measures. The proposed fare increase is in line with the increase for other municipal services. The tariffs need to be increased annually to align with the increased costs of providing the service and to ensure the financial sustainability of GIPTN.

The following municipal processes are included within the GIPTN project, and must be managed to meet the project milestones:

- Legislatively required approvals from Council;
- Legislatively required public comment processes;
- Progress updates to Mayoral Planning, Mayco and Council;
- Supply chain management processes for contracting (on-going);
- National grant funding requires milestones for coming years;
- Transfer of PTI/PTNO funds contingent on reaching milestones;
- High-level milestones will be submitted to DoT and NT for the payment schedule.

The following key milestones of the GIPTN project have been set for the 2022/23 financial period:

- Infrastructure : Continued construction Tabata and Market Street Commence construction of Golf Street (Circular-King and King-Main)
- Shelters : Continued maintenance and repair on vandalised shelters.
- GIPTN Reward System : Introduction of the GIPTN Reward System to encourage the George community to come forward and report incidents of vandalism.
- Continued monitoring of the system : Intelligent Transport Systems and automated Fare Collection System
- COVID-19 response : Sanitising of public transport Facilities
- Field monitoring : Specialist GIPTN field monitoring services to ensure adequate service standards are being maintained.
- Facilities management : Management of all GIPTN transfer terminals, shelters, and the Transport Hub. Ensuring locations are adequately maintained, cleaned, and secured.

- Procurement : Procure additional equipment and vehicles to support the GIPTN safety and security plan.
- Additional fleet procurement : Replacement fleet to be procured by the Vehicle Operating Company in line with the requirements of the Operator Contract.
- Asset transfer : Transfer of sprinter vehicles to the Vehicle Operating Company

It must be specifically noted that the roll-out of the GIPTN project is being implemented on a very restricted budget and roll-out influence's revenue required to fund operational costs.

An application was submitted to National Treasury via the National Department of Transport for additional funding in the 2021/22 financial year toward the costs of further Upgrading of Market Street and Tabata Street and to commence construction of Ncgakani Street. In terms of this application the Municipality will contribute a certain percentage if funding is made available by the Department of Transport. Infrastructure is a key element, but is dependent on the grant funding received, however, the estimated shortfall in 2022/23 is in the region of R130 million per annum increasing over the outer years.

The municipality received in-year funding of R57 million during the 2021/22 financial year from their partner the Western Cape Department of Transport and Public Works. It should be noted that adjustment funding is highly influenced by performance of cities. MFMA Circular 98 of 2019 noted the revision to the PTNG grant which has funded 13 cities over the past decade of which only six (including George) have launched operations. It should be noted that GIPTN achieved an outstanding "raw score" for the incentive component of the PTNG resulting in an additional R54 million being allocated to GIPTN over and above the base allocation. The Provincial subsidy has decreased by 4% when compared to the base allocation for the 2021/22 financial period.

The gazetted national 2022/23 three-year budget for public transport is as follows:

Description	2022/23	2023/24	2024/25
National Grant	(R '000)	(R'000)	(R'000)
Operations	166 373	143 171	148 640
Infrastructure	25 037	-	-
<b>Sub-Total: PTNG</b>	<b>191 410</b>	<b>143 171</b>	<b>148 640</b>
<b>Provincial Grant</b>			
Operation	154 868	154 868	161 822
<b>Total - Grants</b>	<b>346 278</b>	<b>298 039</b>	<b>310 462</b>

In terms of paragraph 4.2.4.4 of the Financial Agreement the allocation of the Municipal GIPTN Infrastructure financing shortfall after the sixth year of operation shall be as agreed between the parties. At this stage, such an agreement is not in place, but it should be prioritised to ensure the sustainability of infrastructure program going forward.

#### **1.4.7 Budgeted Surplus versus Depreciation**

The depreciation budget for the MTREF, calculated on the existing assets, is R158 million for 2022/23, R172 million and R160 million respectively for the two outer years.

Depreciation is calculated by using the straight-line method over the life-span of the asset. The assets in the asset register are funded from different funding sources and the depreciation of these assets is also treated differently.

George Municipality has used the “cost model” to implement GRAP 17. The fact that George Municipality has created 75% of its depreciable asset base in the last ten years has increased the depreciation cost beyond normal tariff increases.

As example, a filtration plant was constructed with funds from the emergency drought relief grant. A capital asset of ± R95 million was created with an estimated life span of 20 years. The impact on the depreciation budget was an additional depreciation to the amount of R4.75 million per year.

It is impossible to give this burden through to the inhabitants of George. To soften the impact of this depreciation a “claw back” of depreciation is done during the budget process as part of the tariff setting. This inevitably leads to a budgeted deficit on the Budgeted Statement of Financial Performance.

## 1.5 Budget Overview of the 2022/23 MTREF

This section provides an overview of the George Municipality's 2022/23 to 2024/25 MTREF. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of George Municipality.

The Municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and district government. The spheres of Government are partners in meeting the service delivery challenges faced in George. George alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

Per MFMA Circular No. 115, the following headline inflation forecasts underpin the national 2022 Budget:

Fiscal Year	2021/22 Estimate	2022/23	2023/24	2024/25
		Forecast		
Headline CPI Inflation	4.5%	4.8%	4.4%	4.5%

*Source: 2022 Budget Review*

The growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities and municipal entities, to ensure that all spheres of government support the national macroeconomic policies, unless it can be shown that external factors impact otherwise.

The budget process in George followed the requirements of the MFMA. A Table of key deadlines was tabled in Council by the Mayor during August 2021.

A Budget Committee was established to examine, review and prioritise budget proposals from departments.

Over the 3-year period, the Municipality is planning to spend R2 503 million on capital investment for the infrastructure needs of the City. In 2022/23 the capital budget is R785 million. Operating expenditure in 2022/23 is budgeted at R2 871 billion and the operating revenue is budgeted at R3 424 billion.

The MFMA requires municipalities to set out measurable performance objectives when tabling their budgets. These "key deliverables" link the financial inputs of the budget to service delivery on the ground.

As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Draft Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality's in year monitoring.



The following table is a consolidated overview of the proposed MTREF:

**Table 1 – Consolidated Overview of the 2022/23 MTREF**

	<b>ADJUSTMENTS BUDGET 2021/22 R</b>	<b>BUDGET YEAR 2022/23 R</b>	<b>BUDGET YEAR 2023/24 R</b>	<b>BUDGET YEAR 2024/25 R</b>
Total revenue	2 802 854 041	3 242 253 479	3 631 390 651	3 516 901 983
Less: Total expenditure	-2 626 053 793	-2 871 397 966	-3 047 231 116	-3 166 639 444
<b>Surplus/(Deficit)</b>	<b>176 800 248</b>	<b>370 855 513</b>	<b>584 159 535</b>	<b>350 262 539</b>
<b>Capital Expenditure Total Capital Expenditure</b>	<b>463 450 356</b>	<b>784 773 786</b>	<b>942 371 762</b>	<b>775 916 003</b>

## 1.6 Operating Revenue Framework

For George Municipality to continue maintaining / improving the quality of services provided to its citizens it needs to generate the required revenue.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines, MFMA Circular No. 112 & 115;
- The municipality's Property Rates Policy;
- The municipality's Credit Control and Indigent Policy and rendering of free basic services;
- Tariff policy and structure;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Revenue enhancement plan.

The following table is a summary of the 2022/23 MTREF (classified by main revenue source):



**Table 2 – Summary of revenue classified by main revenue sources**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Revenue By Source											
Property rates	2	270 173	302 837	523 108	341 309	344 309	344 309	265 172	371 853	401 600	433 728
Service charges - electricity revenue	2	624 667	3 825 203	1 540 691	875 458	875 458	875 458	551 995	962 607	1 011 335	1 061 648
Service charges - water revenue	2	128 182	1 432 758	320 037	145 866	145 866	145 866	113 553	160 445	176 482	193 897
Service charges - sanitation revenue	2	98 855	1 107 575	278 213	144 326	144 326	144 326	100 217	157 635	171 822	187 286
Service charges - refuse revenue	2	81 727	1 079 662	236 170	112 663	112 663	112 663	82 055	122 802	133 855	145 902
Rental of facilities and equipment		3 130	33 160	20 127	6 019	6 019	6 019	3 655	4 741	5 025	5 326
Interest earned - external investments		46 246	52 238	69 324	59 264	60 691	60 691	10 970	57 219	58 239	60 692
Interest earned - outstanding debtors		4 080	44 345	13 737	8 353	8 353	8 353	5 569	9 061	9 837	10 681
Dividends received		–	11 645	10 785	–	–	–	4 221	–	–	–
Fines, penalties and forfeits		94 581	591 026	119 322	81 958	81 958	81 958	6 666	83 680	85 548	87 468
Licences and permits		2 322	26 282	5 367	3 869	3 869	3 869	1 954	3 863	4 094	4 339
Agency services		11 140	72 535	22 881	9 476	15 676	15 676	16 231	16 617	17 614	18 671
Transfers and subsidies		460 258	4 570 217	1 092 279	613 642	664 168	664 168	357 194	552 292	585 305	579 534
Other revenue	2	79 411	655 814	166 028	110 670	74 477	74 477	51 208	138 046	156 433	155 692
Gains		34	2	953	–	63 342	63 342	54	230 994	234 666	226 111
Total Revenue (excluding capital transfers and contributions)		1 904 807	13 805 298	4 419 023	2 512 874	2 601 175	2 601 175	1 570 715	2 871 854	3 051 855	3 170 975
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	6	114 410	191 721	156 099	89 098	186 920	186 920	76 562	370 399	579 536	345 927
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		13 260	78 665	39 641	14 759	14 759	14 759	16 469	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	4 124	–	–	–	–	–	–	–	–
Total Revenue		2 032 477	14 079 807	4 614 763	2 616 730	2 802 854	2 802 854	1 663 746	3 242 253	3 631 391	3 516 902

Revenue generated from property rates and service charges forms a significant percentage of the revenue source of the municipality. The above table considers revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality and capital transfers and contributions.

The operating revenue has increased from R2,802 billion in the 2021/2022 February adjustments budget to R3,242 billion in 2022/2023 draft budget.

The increase/decrease in revenue is mainly due to:

- The increase in Transfers Recognised – Capital is mainly due to an increase in the following grants:
  - Public Transport Network Grant (PTNG) – (R24.5m – 2021/22 to R34m - 2022/23);
  - Regional Bulk Infrastructure Grant (RBIG) – Increased from R81 million in 2021/22 to R240million in 2022/23.
  - Municipal Infrastructure Grant (MIG) – R41.5m – 2021/22 to R44.7m – 2022/2023).
  - Integrated National Electrification Programme (INEP) – (R15m – 2021/22 to R38m - 2022/23).

- A decrease in Transfers Recognised – Operational is mainly due to a decrease in the Human Settlements Development Grant from R58 million (2021/22) to R4 million in 2022/23.
- An increase in Transport Fees (65%) – is mainly due to an increase in the GIPTN fare revenue for the roll-out of further phases.
- Gains on disposal of Property, Plant and Equipment (increase of 265%) – The increase is due to the mSCOA accounting treatment for water inventory. The issuing of water is done at the sale price of water thus the item being accounted for under Gains.

The table also gives the percentage increases in property rates and the service charges.

The following table provides a breakdown of the various grants allocated to George Municipality over the medium term:

**Table 3 – Grants Allocation**

<b>Local Government Allocations 2022/23 - 2024/25</b>			
	<b>Medium Term Estimates</b>		
<b>National Grants</b>	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/2025</b>
<b><u>Direct Grant</u></b>			
Equitable Share	193 460 000	210 287 000	228 699 000
Infrastructure Skills Development Grant	6 000 000	6 000 000	6 500 000
LG Financial Management Grant	1 721 000	1 771 000	1 771 000
Expanded Public Works Programme	1 990 000	-	-
Municipal Infrastructure Grant	45 508 000	47 448 000	49 512 000
Energy Efficiency and Demand Side Grant	2 500 000	-	-
Integrated National Electrification Grant	38 036 000	12 000 000	12 539 000
Regional Bulk Infrastructure Grant	240 648 000	510 838 000	274 626 000
Neighbourhood Development Partnership grant	-	-	5 000 000
Public Transport Network Grant	191 410 000	143 171 000	148 640 000
<b>TOTAL: Direct Transfers</b>	<b>721 273 000</b>	<b>931 515 000</b>	<b>727 287 000</b>
<b><u>In-kind Grant (Not included in budget)</u></b>			
Integrated National Electrification Programme (ESKOM)	5 355 000	4 550 000	4 740 000
Neighbourhood Development Partnership Grant (Technical Assistance)	2 500 000	100 000	100 000
<b>TOTAL: Indirect Transfers</b>	<b>7 855 000</b>	<b>4 650 000</b>	<b>4 840 000</b>
<b>Total</b>	<b>729 128 000</b>	<b>936 165 000</b>	<b>732 127 000</b>
<b>Provincial Grants</b>	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/2025</b>
<b><u>Direct Grant</u></b>			
Human Settlements Development Grant (Beneficiaries)	4 000 000	56 300 000	13 000 000
Municipal Accreditation and Capacity Buildign Grant	513 000	491 000	497 000
Informal Settlements Upgrading Partnership Grant : Provinces	1 000 000	12 000 000	12 000 000
Integrated Transport Planning	-	-	627 000
Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	22 425 000	425 000	425 000
George Integrated Public Transport Network - Operations	154 868 000	154 868 000	161 822 000
Community Library Services Grant	11 921 000	9 148 000	9 559 000
Development of Sport and Recreation Facilities	800 000	-	-
Thusong Services Centres Grant	-	-	150 000
Community Development Workers (CDW) Operational Support Grant	94 000	94 000	94 000
<b>TOTAL: Direct Transfers</b>	<b>195 621 000</b>	<b>233 326 000</b>	<b>198 174 000</b>
<b>Total Allocations Excluding Indirect Grants</b>	<b>916 894 000</b>	<b>1 164 841 000</b>	<b>925 461 000</b>

**SERVICE CHARGES AND MISCELLANEOUS TARIFFS:**

The following tariff increases are proposed:

▪ Electricity	:	8.00%
▪ Water	:	10.00%
▪ Rates	:	8.00%
▪ Refuse	:	9.00%
▪ Sewerage	:	9.00%
▪ Other (miscellaneous)	:	6.00%

**TARIFF CHANGES SUGGESTED FOR 2022/23****Rates Tariffs**

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

**Implementation of General Valuation Roll**

The new General Valuation Roll was implemented on 1 July 2018 and will be valid to 30 June 2022. The validity of the valuation roll was extended to 30 June 2023.

The budget committee considered a rebate of 15% of property rates applicable to pensioners earning up to R276 000 per annum on the first R1 million-rand valuation of their primary property. This will apply to persons over the age of 65-years for their single primary residence.

**4.2 Rates Charges****4.2.1 Municipal Valuation Threshold**

The new General Valuation Roll was implemented on 1 July 2018 and will be valid to 30 June 2022. The validity of the valuation roll was extended to 30 June 2023.

The budget committee considered a rebate of 15% of property rates applicable to pensioners earning up to R276 000 per annum on the first R1 million-rand valuation of their primary property. This will apply to persons over the age of 65-years for their single primary residence.

**4.2.2 Rates Revenue**

The public's reaction to the ever-increasing tariff hikes in electricity charges has resulted in a decline in revenue from electricity sales with many customers electing to find alternative renewable energy sources. George Municipality must reduce its reliance on electricity as its main source of revenue and must focus on the rates revenue. Given the afore mentioned it is proposed that rates increase by 8%.

**Table 4 – Proposed rates to be levied for the 2022/23 financial year**

<b>Category of property</b>	<b>Cent amount in the Rand rate determined for the relevant property category</b>
Residential property	1: 0.008219
Business and Commercial property	1: 0.011757
Industrial property	1: 0.011596
Mining property	1: 0.011596
Agricultural property	1: 0.002055
Public Service Infrastructure property (PSI)	1: 0.002055
Public Benefit Organisation property (PBO)	1: 0.002055 (100% rebate)
Public Service Purpose property (state owned)	1: 0.011596
Residential Vacant properties	1: 0.011757

### **Water Tariffs**

South Africa faces similar challenges regarding water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition, National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective.

During the tariff modelling exercise, it was acknowledged that the basic charge for water does not cover the basic cost for the water service and that the structure needs to be changed and remodelled in future budgets.

A average tariff increase of 10% from 1 July 2022 for water is proposed. In addition, 6kℓ water per 30-day period will be granted free of charge to all households. The tariff structure is designed to charge higher levels of consumption at a higher rate per kilolitre.

The tariff structures of the DMA and George are different. The 6% increase in the current tariff will apply to the DMA area as well. George Municipality is reassessing the basic charge for water service to ensure that it is cost reflective of the fixed costs components needed to deliver water to the consumers.

The budget committee was confronted with the call by National Treasury to keep the tariff increases within the upper limit of 3 to 6% target band together with the higher than inflation rate electricity bulk purchase tariff increases on the one hand and the need for additional budget for capital renewal and operational costs in the departments on the other hand. The committee elected to increase the fixed cost portion of the overall fee, with revisions to the consumption charges per block, overall limiting the increase to  $\pm 10\%$ .

Council has embarked on a campaign to minimize water leaks and to curb water losses. The installation of smart water meters is also in a planning phase to assist in the process to minimize water leaks. This will bring down the water losses and a decline in the associated cost of purifying water. It will also improve the management of water usage.

Council has embarked on a war on leaks – project to curb water losses. The installation of smart water meters has also been approved to assist in the process. This will bring down the water losses and a decline in the associated cost of purifying water. It will also improve the management of the water usage by indigent households where excessive usage is often registered.

A summary of the proposed tariffs for households (residential) and non-residential in George are as follows:

**Table 5 – Proposed Water Tariffs**

CATEGORY	CURRENT TARIFFS 2021/22	PROPOSED TARIFFS 2022/23
	Rand per kℓ	Rand per kℓ
<b>RESIDENTIAL</b>		
(i) 0 to 6 kℓ per 30-day period	Free	Free
(ii) 6 to 15 kℓ per 30-day period	17.67	19.44
(iii) 15 to 20 kℓ per 30-day period	20.36	22.40
(iv) 20 to 30 kℓ per 30-day period	26.46	29.11
(v) 30 to 50 kℓ per 30-day period	33.16	36.48
(vi) 50 kℓ per 30-day period	39.38	44.98
(vii) >100 kℓ per 30-day period	0	76.67
<b>NON-RESIDENTIAL</b>		
(i) 0 to 6 kℓ per 30-day period	17.67	14.48
(ii) 6 to 15 kℓ per 30-day period	17.67	17.04
(iii) 15 to 20 kℓ per 30-day period	20.36	22.83
(iv) 20 to 30 kℓ per 30-day period	24.39	27.50
(v) 30 to 50 kℓ per 30-day period	26.77	29.50
(vi) 50 kℓ per 30-day period	29.29	32.25
(vii) >100 kℓ per 30-day period	29.29	32.25

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

**Table 6 – Comparison between current water charges and increases in the DMA area (Domestic)**

CATEGORY	CURRENT TARIFFS 2021/22	PROPOSED TARIFFS 2022/23
	Rand per kℓ	Rand per kℓ
<b>RESIDENTIAL</b>		
(i) 0 to 6 kℓ per 30-day period	Free	Free
(ii) 6 to 12 kℓ per 30-day period	7.87	7.67
(iii) 12 to 20 kℓ per 30-day period	9.01	10.22
(iv) 20 to 30 kℓ per 30-day period	10.83	11.59
(v) 30 to 50 kℓ per 30-day period	12.97	14.48
(vi) 50 - 100kℓ per 30-day period	14.82	20.28
(vii) >100kℓ per 30-day period	0	34.59
<b>NON-RESIDENTIAL</b>		
(i) 0 to 6 kℓ per 30-day period	7.87	6.47
(ii) 6 to 12 kℓ per 30-day period	7.87	7.67
(iii) 12 to 20 kℓ per 30-day period	9.01	10.22
(iv) 20 to 30 kℓ per 30-day period	10.83	11.59
(v) 30 to 50 kℓ per 30-day period	11.86	12.10
(vi) 50 - 100kℓ per 30-day period	13.01	13.12
(vii) >100kℓ per 30-day period	0	15.33

### Electricity Tariffs

An average tariff increase of 8% for electricity from 1 July 2022 is proposed.

The local authority tariff increase is effective from 1 July 2022 to 30 June 2023. During the April 2022 to June 2022 three-month period, the 2021/22 local authority tariffs are still applicable.

NERSA sets benchmark tariffs as a guideline and it should be noted that the guideline is not an automatic increase in tariffs. This municipality has a distribution license and is still required to apply to NERSA for the approval of our tariffs.

The following table shows the impact of the proposed increases in electricity tariffs on the domestic customers:

**Table 7 – Comparison between current electricity charges and increases  
Domestic – Single phase consumer: one part Pre-Paid (VAT exclusive)**

Monthly consumption kWh	Current amount Payable 238.36 c / unit R	Proposed amount Payable 239.62 c / unit R	Difference (Increase) R	Percentage change
100	238.36	239.62	1.26	0.53%
250	595.91	599.05	3.14	0.53%
500	1191.80	1198.10	6.30	0.53%
750	1787.70	1797.15	9.45	0.53%
1 000	2383.60	2396.20	12.60	0.53%
2 000	4767.20	4792.40	25.20	0.53%

**Table 8 – Indigent – single phase consumers: One part Pre-paid meter (VAT exclusive)**

Monthly consumption kWh	Current amount Payable 169.17 c / unit R	Proposed amount Payable 181.28 c / unit R	Difference (Increase) R	Percentage change
100	50.75	54.38	3.63	7.16%
250	304.50	326.30	21.80	7.16%
450	642.83	688.86	46.03	7.16%

Free 70,140,210 kWh per month are awarded to each household who qualifies in terms of the Indigent Policy including approved backyard dwellers.

### Sanitation tariffs

A tariff increase of 9% for sanitation from 1 July 2022 is proposed.

The following table compares the current and proposed tariffs:

**Table 9 – Comparison between current sanitation charges and increases**

CURRENT TARIFF 2021/22 Rand per year	PROPOSED TARIFF 2022/23 Rand per year	DIFFERENCE R	% INCREASE
2993.15	3 262.56	269.41	9%



### Waste Removal tariff

An average 9% increase in the waste removal tariff is proposed from 1 July 2022.

**Table 10 – Comparison between current waste fees and increases for a single dwelling-house**

<b>CURRENT TARIFF 2020/21 Rand per year</b>	<b>PROPOSED TARIFF 2021/22 Rand per year</b>	<b>DIFFERENCE  R</b>	<b>% INCREASE</b>
2 773.97	3 204.00	430.03	15.5%

### Overall impact of tariff increases on households

The following table shows the overall expected impact of tariff increases on a large and small household, as well as an indigent household receiving free basic services.

It needs to be noted that most indigent households in George are situated in the affordable house areas. The valuation of these houses is below R150 000 and due to rebates do not pay property rates.

Indigent households receive a discount on their services equal to the basic charge for water plus 6kl water free, 70kwh electricity units, the monthly levy for refuse and sanitation.

**Table 11 – MBRR Table SA14 – Household bills**

The follow tables give the monetary impact of the tariff increases on the monthly household bills.

**WC044 George - Supporting Table SA14 Household bills**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		359,63	386,63	409,80	434,40	434,40	434,40	8,0%	469,17	506,70	547,24
Electricity : Basic levy		–	–	–	–	–	–	–	75,19	81,21	87,70
Electricity : Consumption		1 719,50	1 944,24	2 065,17	2 366,48	2 366,48	2 366,48	(11,2%)	2 100,40	2 268,43	2 449,91
Water: Basic levy		84,73	89,81	95,20	100,91	100,91	100,91	10,0%	111,00	122,10	134,31
Water: Consumption		423,81	449,27	476,18	504,73	504,73	504,73	14,5%	578,06	635,87	699,45
Sanitation		203,64	220,95	235,31	249,43	249,43	249,43	9,0%	271,88	296,35	323,02
Refuse removal		190,56	207,70	221,20	231,15	231,15	231,15	15,5%	267,00	291,03	317,22
Other		–	–	–	–	–	–	–	–	–	–
sub-total		2 981,87	3 298,60	3 502,86	3 887,10	3 887,10	3 887,10	(0,4%)	3 872,70	4 201,69	4 558,85
VAT on Services		393,34	436,80	463,96	517,91	517,91	517,91	(1,4%)	510,53	630,25	683,83
Total large household bill:		3 375,21	3 735,40	3 966,82	4 405,01	4 405,01	4 405,01	(0,5%)	4 383,23	4 831,94	5 242,68
% increase/-decrease			10,7%	6,2%	11,0%	–	–	(0,5%)	(0,5%)	10,2%	8,5%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		254,63	273,74	290,15	307,57	307,57	307,57	8,0%	332,18	358,75	387,45
Electricity : Basic levy		–	–	–	–	–	–	–	75,19	81,21	87,70
Electricity : Consumption		859,75	972,12	1 032,59	1 183,24	1 183,24	1 183,24	(11,2%)	1 050,20	1 134,22	1 224,95
Water: Basic levy		84,73	89,81	95,20	100,91	100,91	100,91	10,0%	111,00	122,10	134,31
Water: Consumption		321,41	340,72	361,13	382,78	382,78	382,78	13,0%	432,51	475,76	523,34
Sanitation		203,64	220,95	235,31	249,43	249,43	249,43	9,0%	271,88	296,35	323,02
Refuse removal		190,56	207,70	221,20	231,15	231,15	231,15	15,5%	267,00	291,03	317,22
Other		–	–	–	–	–	–	–	–	–	–
sub-total		1 914,72	2 105,04	2 235,58	2 455,08	2 455,08	2 455,08	3,5%	2 539,96	2 759,42	2 998,00
VAT on Services		249,01	274,69	291,81	322,13	322,13	322,13	2,8%	331,17	413,91	449,70
Total small household bill:		2 163,73	2 379,73	2 527,39	2 777,21	2 777,21	2 777,21	3,4%	2 871,13	3 173,33	3 447,70
% increase/-decrease			10,0%	6,2%	9,9%	–	–	3,4%	3,4%	10,5%	8,6%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–	–	–	–	–
Electricity : Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity : Consumption		341,49	386,12	410,14	469,98	469,98	469,98	8,0%	507,58	548,19	592,04
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		225,76	239,34	253,70	268,90	268,90	268,90	10,0%	295,84	325,42	357,97
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse removal		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
sub-total		567,25	625,46	663,84	738,88	738,88	738,88	8,7%	803,42	873,61	950,01
VAT on Services		85,09	93,82	99,58	110,83	110,83	110,83	8,7%	120,51	131,04	142,50
Total small household bill:		652,34	719,28	763,42	849,71	849,71	849,71	8,7%	923,93	1 004,65	1 092,51
% increase/-decrease			10,3%	6,1%	11,3%	–	–	8,7%	8,7%	8,7%	8,7%

## 1.7 Operating Expenditure Framework

The expenditure framework for the 2022/23 budget and MTREF is informed by the guidelines of National Treasury.

The following table is a summary of the 2022/23 MTREF (classified by main expenditure types):

**Table 12 – Summary of operating expenditure by type**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Expenditure By Type											
Employee related costs	2	496 335	906 420	1 209 100	606 002	660 431	660 431	438 466	731 991	763 828	804 195
Remuneration of councillors		22 017	25 201	46 993	26 171	26 171	26 171	17 083	26 171	27 479	28 853
Debt impairment	3	97 347	138 722	170 000	126 696	118 696	118 696	19 625	122 257	125 924	129 702
Depreciation & asset impairment	2	142 900	287 769	325 850	157 539	157 539	157 539	118 166	158 810	172 365	160 124
Finance charges		42 264	116 937	76 484	38 539	31 593	31 593	14 857	40 950	46 307	63 580
Bulk purchases	2	426 308	2 952 964	1 041 910	613 082	608 582	608 582	411 751	667 159	731 377	801 667
Other materials	8	52 264	257 545	138 646	108 459	137 503	137 503	58 191	274 217	286 211	286 309
Contracted services		430 073	1 868 984	1 013 517	593 888	644 299	644 299	332 042	581 200	643 673	635 275
Transfers and subsidies		65 525	409 819	221 244	64 785	63 427	63 427	38 632	42 636	19 800	17 833
Other expenditure	4, 5	225 068	317 674	271 649	167 974	169 880	169 880	103 015	179 836	184 236	196 502
Losses		8 593	1 539	(230)	7 934	7 934	7 934	-	46 171	46 031	42 600
Total Expenditure		2 008 694	7 283 574	4 515 163	2 511 069	2 626 054	2 626 054	1 551 827	2 871 398	3 047 231	3 166 639

The operating expenditure has increased from R 2,626 billion in 2021/22 (February adjustments budget) to R2,871 billion in 2022/23. The 9% increase in expenditure as contained in the table above giving the year-on-year growth/decline in expenditure by type.

The increase/decrease in expenditure is mainly due to:

- **Contracted Services:** The decrease is mainly due to the decrease in the budget for operational expenditure on Housing Projects and the GIPTN.
- **Bulk Purchases for Electricity:** Increased by 9.61% based on the Eskom tariff.
- **Inventory consumed and Loss on disposal of PPE:** The increase is mainly due to the cost of water unit price that increased significantly as part of the water inventory calculation. Increase in unit price is due to the hike in chemical prices.

**Table 13 – Repairs and maintenance per asset class**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Repairs and Maintenance by Asset Class</b>	3									
Roads Infrastructure		15 443	60 053	44 105	29 434	40 484	40 484	51 948	29 985	31 478
Storm water Infrastructure		5 342	6 326	6 267	3 749	6 409	6 409	5 559	5 823	6 094
Electrical Infrastructure		6 369	28 175	18 575	12 279	12 529	12 529	14 772	14 274	15 187
Water Supply Infrastructure		9 315	16 541	25 094	10 426	16 724	16 724	17 753	19 650	20 589
Sanitation Infrastructure		5 415	13 294	18 355	9 411	11 101	11 101	12 278	13 133	14 054
Solid Waste Infrastructure		144	65	500	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	29 109	10 295	5 598	5 570	5 570	6 015	6 319	6 638
Sport and Recreation Facilities		30	3 759	3 636	1 817	1 817	1 817	1 829	1 920	2 016
Community Assets		30	32 868	13 930	7 415	7 387	7 387	7 844	8 239	8 654
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	1 471	543	131	126	126	132	139	146
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	1 471	543	131	126	126	132	139	146
Operational Buildings		1 037	1 583	3 195	2 222	3 222	3 222	5 633	5 353	2 978
Housing		-	-	-	-	-	-	-	-	-
Other Assets		1 037	1 583	3 195	2 222	3 222	3 222	5 633	5 353	2 978
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		1	0	-	235	335	335	316	329	343
Machinery and Equipment		3 261	5 252	6 049	3 108	3 108	3 108	3 453	3 637	3 829
Transport Assets		1 237	1 468	3 278	50 113	51 782	51 782	86 584	88 262	92 168
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL REPAIRS AND MAINTENANCE</b>		<b>48 661</b>	<b>203 017</b>	<b>157 562</b>	<b>138 292</b>	<b>163 942</b>	<b>163 942</b>	<b>219 881</b>	<b>202 554</b>	<b>207 298</b>

## 1.8 Capital Budget

The Budget Committee went through several stages of prioritizing the capital budget to contain the budget within the available funding. This commenced with the preparing of the 2021/22 adjustments budget in February 2022.

The budget committee has prioritized the upgrading of the core services infrastructure. Below are a few of the main focus areas.

R428.76 million was appropriated over the MTREF for the for the extension of the Water Treatment Works. The upgrading of sewer pump stations has been prioritized and R201.88 million over the MTREF has been allocated. A further R 216.24 million has been allocated to the extension of the Sewerage Treatment Works over the MTREF.

The Thembaletu / Ballots bay 66KV/11kv substation is a multi-year project. In 2021/2022 R13.7 million was provided for this project with a further R45 million budgeted over the MTREF. The project was delayed by the community and subsequently a community liaison officer was appointed to resolve the grievances raised by the community.

Renewable energy project at the amount of R170 million was provided over MTREF. This 10MW project will reduce the reliance on ESKOM and continuously increase renewable energy alternatives. Solar panels will be installed at various water and sewerage pump stations to the cost of R49.8 million over the MTREF to further reduce the Municipality's electricity usage.

This draft capital budget has been compiled with due consideration to the direct impact that it would have on the operating budget and our cash position where projects are to be funded from either internal sources or from external borrowings.

The Capital Budget was prioritized within the available funding as indicated in table below. Full provision has been made for the grant funded projects.

#### **1.8.1 Capital Budget - 2020/2021 to 2022/2023**

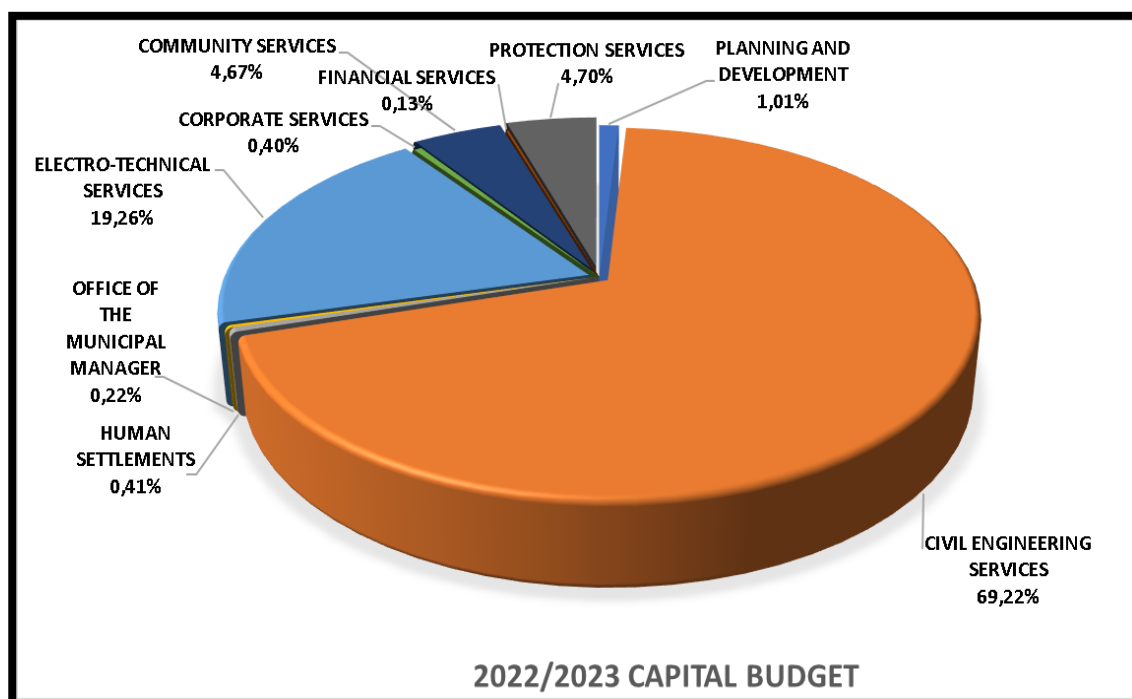
Projects to be funded from the Capital Replacement Reserve (CRR) were capped at R 151.1 million and R 304.4 million for projects linked to external funding (EFF). Full provision was made for grant funded projects as contained in the Division of Revenue Act. An amount of R 323 million was budgeted for grants. R 6 million of the housing Special Operating Account (SOA) is also earmarked to fund infrastructure projects linked to the provision of housing

The housing development in Thembaletu is one of the main developments putting pressure on the waterworks as well as the sewage treatment works. The electricity infrastructure is also not sufficient for the housing development. The Western Cape Department of Human Settlements has indicated their willingness to assist with possible grant funding given the magnitude of the housing project and its impact on the bulk infrastructure. This needs to be investigated further given the limited capital funding.

**Table 14 – Capital Budget per department**

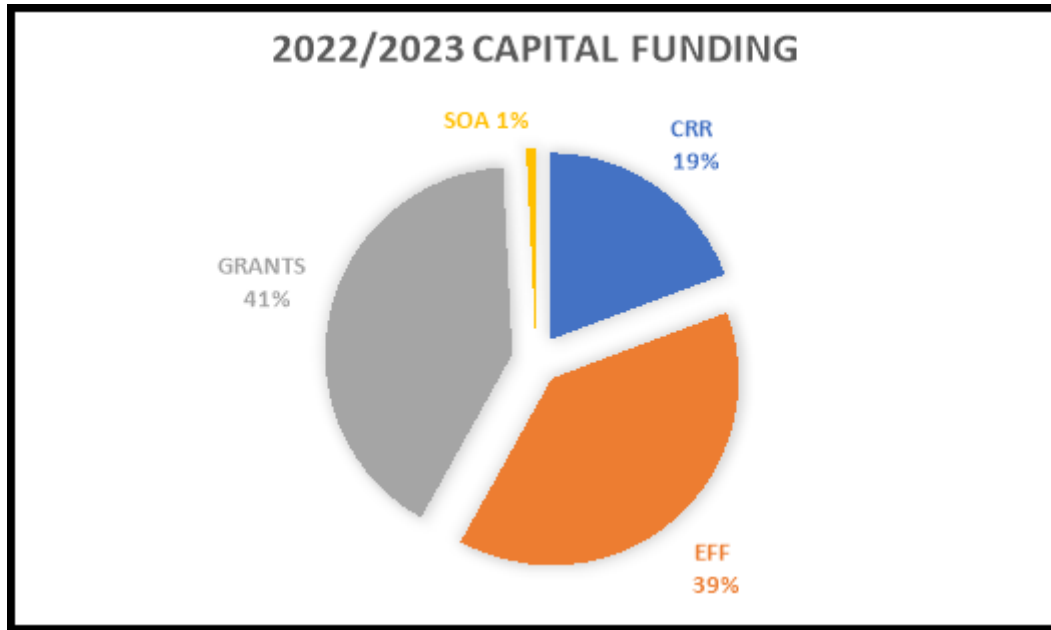
DESCRIPTION	2022/23	2023/24	2024/25
OFFICE OF THE MUNICIPAL MANAGER	1 701 000	280 000	870 000
FINANCIAL SERVICES	990 000	180 000	180 000
CORPORATE SERVICES	3 114 000	4 325 000	4 170 000
HUMAN SETTLEMENTS	3 186 000	5 119 000	5 588 000
PLANNING AND DEVELOPMENT	7 925 000	7 915 000	6 860 000
CIVIL ENGINEERING SERVICES	543 256 212	680 944 349	514 687 062
ELECTRO-TECHNICAL SERVICES	151 116 022	176 624 863	169 505 478
COMMUNITY SERVICES	36 630 752	35 626 050	28 930 963
PROTECTION SERVICES	36 854 800	31 357 500	45 124 500
<b>TOTAL</b>	<b>784 773 786</b>	<b>942 371 762</b>	<b>775 916 003</b>

The pie chart below indicates the proposed capital budget per department:



R280,9 million (51,71%) of the total budget for Civil Engineering Services is funded from grants. R205.7 million (37.87%) of the grant funding for Civil Engineering Services is earmarked for the further roll – out of the BFI Capital Projects

The pie chart below indicates the funding mix of the Capital Budget.



### 1.8.2 Internal Funding

One of the main challenges impacting on the capital budget is the expected contributions to the Capital Replacement Reserve (CRR) for the current year. This situation also emphasizes the need to expand our current additional income base (sources) and exploring other income sources. The Budget Committee re-affirmed the need to broaden the income base.

A contribution of R56.5 million was made to the CRR in the February 2022 Adjustments Budget from working capital.

Although the budgeted income and expenditure are realistically anticipated, the situation regarding the available internal funds will be monitored closely and expenditure on capital projects linked to the CRR will be managed per the available cash.

The table below gives a breakdown of the available budgeted CRR funds.

Table 15 – Budgeted CRR funds

CRR FUNDING FOR 2022/23							
DESCRIPTION OF CAPITAL REPLACEMENT RESERVE (CRR)	PROJECTED OPENING BALANCE	PROJECTED CAPITAL CONTRIBUTIONS 2022/23	ADDITIONAL BUDGETED CONTRIBUTION TO CRR	PROJECTED VAT INCOME ON GRANTS FOR 2022/23	TOTAL PROJECTED AMOUNT AVAILABLE FOR CAPITAL EXPENDITURE IN 2021/22	PROPOSED CRR CAPITAL BUDGET FOR 2022/23	TOTAL AMOUNT AVAILABLE/SHORT FOR CAPITAL EXPENDITURE FOR NEXT YEAR
General	5 125 000	0			5 125 000	64 196 263	-59 071 263
Electricity	4 910 000	10 987 381		5 965 891	21 863 272	38 930 652	-17 067 380
Water	2 599 139	4 710 414		5 374 304	12 683 857	16 966 680	-4 282 823
Sewerage	1 897 705	4 752 120		19 552 604	26 202 429	19 210 000	6 992 429
Sale of Property	7 394 840	6 000 000		11 836 265	25 231 105	3 733 000	21 498 105
Cleansing	0	94 898			94 898	8 095 100	-8 000 202
Parking Facilities	2 165 672	1 648 554			3 814 226		3 814 226
Contribution from Working Capital		0	56 500 000		56 500 000		56 500 000
<b>TOTAL CRR</b>	<b>24 092 356</b>	<b>28 193 366</b>	<b>56 500 000</b>	<b>42 729 065</b>	<b>151 514 788</b>	<b>151 131 695</b>	<b>383 092</b>



### **1.8.3 External Financing Funding**

Although the Long Term Financial Plan indicates that George Municipality's gearing has declined, allowing the municipality to take up external funding, the magnitude of external funding required over the MTREF compelled the Budget Committee to further scrutinize the different planning scenarios before committing to taking up loans of more than R 894.3 million over the MTREF. The multi-year planning needs to be spread out over a 5-7-year period to soften the impact of interest and redemption payments on tariffs to the customers.

The Budget Committee considered the requests by the technical departments to take up external loans to fund major upgrading of infrastructure and new infrastructure to provide for the demand created by new developments.

**Table 16 – Capital expenditure by GFS classification**

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
<b>Capital Expenditure - Functional</b>											
<i>Governance and administration</i>		(71 181)	(11 924)	(37 384)	3 232	6 897	6 897	3 710	8 497	6 756	4 547
Executive and council		420	50	4	-	-	-	-	-	-	-
Finance and administration		(71 713)	(12 002)	(37 389)	3 212	6 877	6 877	3 710	8 422	6 746	4 467
Internal audit		112	28	1	20	20	20	-	75	10	80
<i>Community and public safety</i>		11 512	12 412	509	29 317	22 161	22 161	9 239	51 355	56 254	65 294
Community and social services		3 429	1 633	(446)	3 884	3 729	3 729	2 352	7 701	5 135	5 066
Sport and recreation		6 393	816	(12)	15 810	6 561	6 561	1 204	10 348	16 703	11 595
Public safety		4 522	6 757	(255)	6 983	7 019	7 019	3 539	26 945	27 535	41 425
Housing		(3 080)	3 133	1 223	2 380	4 531	4 531	1 986	4 562	6 617	7 208
Health		248	73	-	260	320	320	158	1 800	265	-
<i>Economic and environmental services</i>		110 515	32 312	(3 461)	58 596	89 563	89 563	69 310	137 413	108 415	103 345
Planning and development		291	436	(70)	846	869	869	295	7 738	7 385	4 305
Road transport		110 225	31 876	(3 536)	58 750	88 557	88 557	68 881	129 675	101 030	99 040
Environmental protection		-	-	145	-	137	137	134	-	-	-
<i>Trading services</i>		214 290	69 027	36 793	278 101	343 818	343 818	127 422	587 271	770 417	601 875
Energy sources		76 651	27 304	15 981	60 129	58 923	58 923	14 080	151 116	176 625	169 505
Water management		28 982	18 014	5 851	48 612	69 283	69 283	10 481	254 552	470 857	205 035
Waste water management		89 930	17 293	12 500	161 650	206 598	206 598	100 729	162 358	108 128	211 396
Waste management		18 727	6 416	2 461	7 710	9 014	9 014	2 131	19 245	14 808	15 938
<i>Other</i>		194	371	(117)	197	1 011	1 011	31	237	530	855
<b>Total Capital Expenditure - Functional</b>	3,7	265 331	102 198	(3 659)	370 443	463 450	463 450	209 712	784 774	942 372	775 916

## 1.9 Budget Schedules

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium-term planning and policy choices on service delivery.

Narrative will only be provided at certain tables to clarify certain aspects otherwise it will be a repetition of what has already been documented.

**Table 17 – A1: Budget Summary****WC044 George - Table A1 Budget Summary**

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	270 173	302 837	523 108	341 309	344 309	344 309	265 172	371 853	401 600	433 728
Service charges	933 431	7 445 198	2 375 111	1 278 313	1 278 313	1 278 313	847 821	1 403 489	1 493 494	1 588 733
Investment revenue	46 246	52 238	69 324	59 264	60 691	60 691	10 970	57 219	58 239	60 692
Transfers recognised - operational	460 258	4 570 217	1 092 279	613 642	664 168	664 168	357 194	552 292	585 305	579 534
Other own revenue	194 699	1 434 809	359 201	220 346	253 694	253 694	89 559	487 002	513 217	508 288
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 904 807</b>	<b>13 805 298</b>	<b>4 419 023</b>	<b>2 512 874</b>	<b>2 601 175</b>	<b>2 601 175</b>	<b>1 570 715</b>	<b>2 871 854</b>	<b>3 051 855</b>	<b>3 170 975</b>
Employee costs	496 335	906 420	1 209 100	606 002	660 431	660 431	438 466	731 991	763 828	804 195
Remuneration of councillors	22 017	25 201	46 993	26 171	26 171	26 171	17 083	26 171	27 479	28 853
Depreciation & asset impairment	142 900	287 769	325 850	157 539	157 539	157 539	118 166	158 810	172 365	160 124
Finance charges	42 264	116 937	76 484	38 539	31 593	31 593	14 857	40 950	46 307	63 580
Materials and bulk purchases	478 572	3 210 509	1 180 556	721 541	746 085	746 085	469 943	941 376	1 017 588	1 087 976
Transfers and grants	65 525	409 819	221 244	64 785	63 427	63 427	38 632	42 636	19 800	17 833
Other expenditure	761 081	2 326 919	1 454 936	896 492	940 808	940 808	454 682	929 463	999 864	1 004 079
<b>Total Expenditure</b>	<b>2 008 694</b>	<b>7 283 574</b>	<b>4 515 163</b>	<b>2 511 069</b>	<b>2 626 054</b>	<b>2 626 054</b>	<b>1 551 827</b>	<b>2 871 398</b>	<b>3 047 231</b>	<b>3 166 639</b>
<b>Surplus/(Deficit)</b>	<b>(103 887)</b>	<b>6 521 724</b>	<b>(96 140)</b>	<b>1 805</b>	<b>(24 878)</b>	<b>(24 878)</b>	<b>18 888</b>	<b>456</b>	<b>4 624</b>	<b>4 336</b>
Transfers and subsidies - capital (monetary allocations)	114 410	191 721	156 099	89 098	186 920	186 920	76 562	370 399	579 536	345 927
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)	13 260	82 788	39 641	14 759	14 759	14 759	16 469	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>23 783</b>	<b>6 796 234</b>	<b>99 599</b>	<b>105 661</b>	<b>176 800</b>	<b>176 800</b>	<b>111 919</b>	<b>370 856</b>	<b>584 160</b>	<b>350 263</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>23 783</b>	<b>6 796 234</b>	<b>99 599</b>	<b>105 661</b>	<b>176 800</b>	<b>176 800</b>	<b>111 919</b>	<b>370 856</b>	<b>584 160</b>	<b>350 263</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>265 331</b>	<b>102 198</b>	<b>(3 659)</b>	<b>370 443</b>	<b>463 450</b>	<b>463 450</b>	<b>209 712</b>	<b>784 774</b>	<b>942 372</b>	<b>775 916</b>
Transfers recognised - capital	145 516	22 429	10 999	81 405	168 819	168 819	73 350	323 088	505 249	302 110
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	4 944	(21 895)	(21 857)	218 758	150 304	150 304	101 404	310 554	309 822	316 605
Internally generated funds	124 067	102 911	7 913	70 280	144 327	144 327	34 958	151 132	127 301	157 201
<b>Total sources of capital funds</b>	<b>274 527</b>	<b>103 446</b>	<b>(2 945)</b>	<b>370 443</b>	<b>463 450</b>	<b>463 450</b>	<b>209 712</b>	<b>784 774</b>	<b>942 372</b>	<b>775 916</b>
<b>Financial position</b>										
Total current assets	(78 760)	(1 344 333)	(6 863)	1 485 776	2 503 413	2 503 413	269 872	1 418 735	1 474 188	1 480 028
Total non current assets	102 980	(8 109 211)	(50 235)	3 489 333	3 769 482	3 769 482	58 534	4 208 303	4 978 310	5 594 102
Total current liabilities	(73 562)	(3 665 851)	(504 951)	919 543	1 140 472	1 140 472	217 252	962 297	1 071 002	1 235 401
Total non current liabilities	11 122	(294 029)	48 596	687 379	687 379	687 379	(252)	856 794	990 337	1 098 253
Community wealth/Equity	128 752	(245 680)	(22 981)	3 368 187	6 375 072	6 375 072	–	3 807 948	4 391 160	4 740 476
<b>Cash flows</b>										
Net cash from (used) operating	408 459	12 274 070	2 282 310	629 064	822 134	822 134	(304 458)	712 347	1 042 076	773 317
Net cash from (used) investing	(274 109)	(101 640)	(2 945)	(370 443)	(499 838)	(499 838)	(171 220)	(784 774)	(978 291)	(775 916)
Net cash from (used) financing	1 203	(72 977)	(6 017)	208 500	257 560	257 560	3 308	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>753 338</b>	<b>12 662 057</b>	<b>3 072 854</b>	<b>1 136 742</b>	<b>1 249 477</b>	<b>1 249 477</b>	<b>197 251</b>	<b>1 105 300</b>	<b>1 169 086</b>	<b>1 166 487</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	(165 559)	236 902	(129 885)	1 155 102	1 963 712	1 963 712	294 991	1 105 300	1 169 089	1 166 487
Application of cash and investments	(208 118)	(1 241 770)	(408 818)	401 169	303 751	303 751	296 365	364 620	372 104	422 177
<b>Balance - surplus (shortfall)</b>	<b>42 559</b>	<b>1 478 672</b>	<b>278 933</b>	<b>753 932</b>	<b>1 659 961</b>	<b>1 659 961</b>	<b>(1 374)</b>	<b>740 679</b>	<b>796 985</b>	<b>744 311</b>
<b>Asset management</b>										
Asset register summary (WDV)	104 201	(8 281 510)	(55 768)	3 452 945	6 322 543	6 322 543	–	625 963	2 542 463	615 792
Depreciation	142 900	287 769	325 850	157 539	157 539	157 539	–	158 810	172 365	160 124
Renewal of Existing Assets	9 522	(94 966)	38 841	50 232	79 326	79 326	–	82 577	79 840	51 760
Repairs and Maintenance	47 594	167 095	139 892	128 524	153 207	153 207	–	206 272	188 824	195 520
<b>Free services</b>										
Cost of Free Basic Services provided	108 114	114 285	140 402	156 891	156 891	145 491	158 701	158 701	173 116	188 847
Revenue cost of free services provided	33 021	35 935	38 852	40 916	42 260	42 260	45 641	45 641	49 293	53 236
<b>Households below minimum service level</b>										
Water:	1	3	1	1	1	1	2	2	2	2
Sanitation/sew erage:	1	1	–	–	–	–	–	–	–	–
Energy :	4	4	4	5	5	5	5	5	5	5
Refuse:	–	–	–	–	–	–	–	–	–	–

**Table 18 – A2: Budgeted Financial Performance by standard classification**

WC044 George - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		(401 152)	(819 905)	(296 262)	421 153	425 083	425 083	453 736	485 445	519 508
Executive and council		(119 558)	35 232	(27 201)	37	37	37	4	4	2
Finance and administration		(281 214)	(855 127)	(269 327)	421 116	425 046	425 046	453 732	485 441	519 506
Internal audit		(380)	(10)	265	–	–	–	–	–	–
<i>Community and public safety</i>		228 198	2 416 926	211 560	209 840	193 084	193 084	124 396	194 849	143 896
Community and social services		31 319	85 555	50 036	15 039	18 359	18 359	20 721	17 652	16 490
Sport and recreation		(2 754)	7 407	15 245	10 276	1 831	1 831	3 771	12 551	4 359
Public safety		104 192	582 291	115 858	79 177	79 492	79 492	80 870	82 396	83 884
Housing		95 414	1 741 144	30 277	105 267	93 322	93 322	18 870	82 081	39 069
Health		27	529	144	80	80	80	165	170	95
<i>Economic and environmental services</i>		325 037	3 374 206	1 188 725	473 424	518 411	518 411	506 518	448 618	470 754
Planning and development		22 043	20 115	28 945	11 228	11 278	11 278	21 386	22 215	19 094
Road transport		303 081	3 354 110	1 160 008	462 194	507 131	507 131	485 128	426 399	451 658
Environmental protection		(88)	(18)	(227)	2	2	2	4	4	2
<i>Trading services</i>		1 881 477	9 107 815	3 510 161	1 511 934	1 665 915	1 665 915	2 157 215	2 502 283	2 382 599
Energy sources		1 162 467	4 538 699	1 898 138	927 453	928 124	928 124	1 042 224	1 065 607	1 119 829
Water management		346 867	1 902 656	584 842	197 798	307 165	307 165	640 206	933 344	632 094
Waste water management		166 187	1 419 641	563 477	229 276	273 023	273 023	303 929	317 503	428 165
Waste management		205 957	1 246 818	463 704	157 408	157 603	157 603	170 857	185 830	202 511
<i>Other</i>	4	(1 083)	766	578	379	361	361	388	195	145
Total Revenue - Functional	2	2 032 477	14 079 807	4 614 763	2 616 730	2 802 854	2 802 854	3 242 253	3 631 391	3 516 902
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		1 284 178	1 829 371	1 771 540	409 490	401 640	401 640	448 980	483 898	528 406
Executive and council		286 807	83 531	177 550	78 265	74 180	74 180	72 539	77 809	81 158
Finance and administration		985 009	1 704 160	1 565 865	315 370	312 949	312 949	357 502	386 266	426 502
Internal audit		12 361	41 680	28 124	15 855	14 511	14 511	18 940	19 823	20 745
<i>Community and public safety</i>		280 832	475 415	627 289	376 771	381 999	381 999	308 595	376 929	341 869
Community and social services		32 783	53 627	95 463	60 464	60 296	60 296	63 937	62 759	64 391
Sport and recreation		36 625	56 991	68 230	35 208	34 943	34 943	37 440	38 288	38 399
Public safety		128 180	312 179	208 359	130 315	137 816	137 816	146 973	152 644	158 405
Housing		80 437	46 288	247 560	146 382	144 362	144 362	54 117	117 585	74 762
Health		2 808	6 330	7 676	4 402	4 583	4 583	6 127	5 654	5 912
<i>Economic and environmental services</i>		295 966	1 821 870	633 703	499 027	522 764	522 764	518 245	493 295	523 664
Planning and development		15 508	29 153	50 981	33 967	38 064	38 064	40 966	42 763	49 669
Road transport		278 776	1 790 722	578 023	462 120	481 360	481 360	473 701	446 804	470 100
Environmental protection		1 683	1 995	4 699	2 940	3 341	3 341	3 578	3 728	3 895
<i>Trading services</i>		134 474	3 117 034	1 460 308	1 208 529	1 303 000	1 303 000	1 577 841	1 674 730	1 753 443
Energy sources		27 523	2 525 273	1 052 181	790 207	770 865	770 865	841 666	901 227	980 619
Water management		(54 010)	294 700	136 335	130 674	215 570	215 570	395 540	409 165	402 311
Waste water management		136 711	327 306	234 200	200 086	217 686	217 686	237 086	258 369	261 100
Waste management		24 250	(30 245)	37 591	87 563	98 879	98 879	103 549	105 969	109 413
<i>Other</i>	4	14 879	18 676	29 953	17 251	16 650	16 650	17 737	18 379	19 257
Total Expenditure - Functional	3	2 010 329	7 262 366	4 522 793	2 511 069	2 626 054	2 626 054	2 871 398	3 047 231	3 166 639
Surplus/(Deficit) for the year		22 148	6 817 441	91 969	105 661	176 800	176 800	370 856	584 160	350 263

**Table 19 – A3: Budgeted Financial Performance by municipal vote****WC044 George - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Office of the Municipal Manager		2 450	38 201	7 329	2 302	2 302	2 302	2 520	2 914	2 966
Vote 2 - Corporate Services		1 680	1 626	915	256	467	467	597	622	566
Vote 3 - Corporate Services (Continued)		2 806	6 813	4 677	1 833	2 137	2 137	1 665	1 735	1 585
Vote 4 - Community Services		16 639	74 949	33 672	14 768	18 597	18 597	20 140	16 626	15 314
Vote 5 - Community Services (Continued)		123 591	1 137 957	344 674	167 674	159 287	159 287	174 607	198 358	206 857
Vote 6 - Human Settlements		69 659	1 716 517	25 547	104 054	91 815	91 815	17 781	80 944	37 881
Vote 7 - Civil Engineering Services		365 806	3 093 363	853 264	438 244	638 254	638 254	1 009 152	1 264 177	1 073 633
Vote 8 - Electro-Technical Services		672 439	3 920 836	1 634 873	929 953	930 159	930 159	1 044 462	1 067 619	1 122 102
Vote 9 - Financial Services		323 165	410 511	691 806	399 324	402 324	402 324	432 265	463 694	497 377
Vote 10 - Financial Services (Continued)		4 861	56 209	9 522	4 966	4 966	4 966	5 275	5 541	5 772
Vote 11 - Planning and Development		28 641	25 171	32 316	20 543	20 575	20 575	30 125	30 900	27 848
Vote 12 - Protection Services		420 325	3 593 674	973 623	532 627	531 783	531 783	502 627	497 167	524 047
Vote 13 - Protection Services (Continued)		-	1 384	2 472	186	186	186	1 038	1 093	953
Vote 14 - 0		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>2 032 061</b>	<b>14 077 212</b>	<b>4 614 690</b>	<b>2 616 730</b>	<b>2 802 854</b>	<b>2 802 854</b>	<b>3 242 253</b>	<b>3 631 391</b>	<b>3 516 902</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Office of the Municipal Manager		198 613	170 353	230 428	120 687	117 263	117 263	120 313	128 062	133 797
Vote 2 - Corporate Services		31 797	41 627	71 688	35 443	38 894	38 894	40 416	41 529	42 068
Vote 3 - Corporate Services (Continued)		29 124	38 215	69 795	37 489	41 225	41 225	41 228	43 202	45 399
Vote 4 - Community Services		50 816	90 232	128 145	69 566	72 357	72 357	75 765	75 351	78 372
Vote 5 - Community Services (Continued)		95 443	109 091	201 445	105 583	116 492	116 492	122 532	125 093	128 081
Vote 6 - Human Settlements		94 462	64 125	233 415	132 115	121 034	121 034	42 880	105 822	63 148
Vote 7 - Civil Engineering Services		300 796	949 241	731 600	362 721	468 832	468 832	686 430	699 174	696 355
Vote 8 - Electro-Technical Services		558 375	3 166 727	1 364 474	817 970	794 164	794 164	866 771	927 284	1 008 109
Vote 9 - Financial Services		58 649	89 342	145 550	101 902	97 467	97 467	108 706	128 170	159 782
Vote 10 - Financial Services (Continued)		32 943	41 296	102 885	57 904	55 027	55 027	61 263	63 484	65 572
Vote 11 - Planning and Development		60 601	61 420	90 467	48 782	52 235	52 235	57 177	59 226	64 109
Vote 12 - Protection Services		465 239	2 441 029	1 144 795	620 119	650 092	650 092	647 040	649 922	680 896
Vote 13 - Protection Services (Continued)		429	720	1 592	788	972	972	878	912	949
Vote 14 - 0		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>1 977 286</b>	<b>7 263 418</b>	<b>4 516 279</b>	<b>2 511 069</b>	<b>2 626 054</b>	<b>2 626 054</b>	<b>2 871 398</b>	<b>3 047 231</b>	<b>3 166 639</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>54 775</b>	<b>6 813 795</b>	<b>98 411</b>	<b>105 661</b>	<b>176 800</b>	<b>176 800</b>	<b>370 856</b>	<b>584 160</b>	<b>350 263</b>

**Table 20 – A4: Budgeted Financial Performance by revenue source and expenditure type**

WC044 George - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Revenue By Source											
Property rates	2	270 173	302 837	523 108	341 309	344 309	344 309	265 172	371 853	401 600	433 728
Service charges - electricity revenue	2	624 667	3 825 203	1 540 691	875 458	875 458	875 458	551 995	962 607	1 011 335	1 061 648
Service charges - water revenue	2	128 182	1 432 758	320 037	145 866	145 866	145 866	113 553	160 445	176 482	193 897
Service charges - sanitation revenue	2	98 855	1 107 575	278 213	144 326	144 326	144 326	100 217	157 635	171 822	187 286
Service charges - refuse revenue	2	81 727	1 079 662	236 170	112 663	112 663	112 663	82 055	122 802	133 855	145 902
Rental of facilities and equipment		3 130	33 160	20 127	6 019	6 019	6 019	3 655	4 741	5 025	5 326
Interest earned - external investments		46 246	52 238	69 324	59 264	60 691	60 691	10 970	57 219	58 239	60 692
Interest earned - outstanding debtors		4 080	44 345	13 737	8 353	8 353	8 353	5 569	9 061	9 837	10 681
Dividends received		–	11 645	10 785	–	–	–	4 221	–	–	–
Fines, penalties and forfeits		94 581	591 026	119 322	81 958	81 958	81 958	6 666	83 680	85 548	87 468
Licences and permits		2 322	26 282	5 367	3 869	3 869	3 869	1 954	3 863	4 094	4 339
Agency services		11 140	72 535	22 881	9 476	15 676	15 676	16 231	16 617	17 614	18 671
Transfers and subsidies		460 258	4 570 217	1 092 279	613 642	664 168	664 168	357 194	552 292	585 305	579 534
Other revenue	2	79 411	655 814	166 028	110 670	74 477	74 477	51 208	138 046	156 433	155 692
Gains		34	2	953	–	63 342	63 342	54	230 994	234 666	226 111
Total Revenue (excluding capital transfers and contributions)		1 904 807	13 805 298	4 419 023	2 512 874	2 601 175	2 601 175	1 570 715	2 871 854	3 051 855	3 170 975
Expenditure By Type											
Employee related costs	2	496 335	906 420	1 209 100	606 002	660 431	660 431	438 466	731 991	763 828	804 195
Remuneration of councillors		22 017	25 201	46 993	26 171	26 171	26 171	17 083	26 171	27 479	28 853
Debt impairment	3	97 347	138 722	170 000	126 696	118 696	118 696	19 625	122 257	125 924	129 702
Depreciation & asset impairment	2	142 900	287 769	325 850	157 539	157 539	157 539	118 166	158 810	172 365	160 124
Finance charges		42 264	116 937	76 484	38 539	31 593	31 593	14 857	40 950	46 307	63 580
Bulk purchases	2	426 308	2 952 964	1 041 910	613 082	608 582	608 582	411 751	667 159	731 377	801 667
Other materials	8	52 264	257 545	138 646	108 459	137 503	137 503	58 191	274 217	286 211	286 309
Contracted services		430 073	1 868 984	1 013 517	593 888	644 299	644 299	332 042	581 200	643 673	635 275
Transfers and subsidies		65 525	409 819	221 244	64 785	63 427	63 427	38 632	42 636	19 800	17 833
Other expenditure	4, 5	225 068	317 674	271 649	167 974	169 880	169 880	103 015	179 836	184 236	196 502
Losses		8 593	1 539	(230)	7 934	7 934	7 934	–	46 171	46 031	42 600
Total Expenditure		2 008 694	7 283 574	4 515 163	2 511 069	2 626 054	2 626 054	1 551 827	2 871 398	3 047 231	3 166 639
Surplus/(Deficit)											
		(103 887)	6 521 724	(96 140)	1 805	(24 878)	(24 878)	18 888	456	4 624	4 336
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		114 410	191 721	156 099	89 098	186 920	186 920	76 562	370 399	579 536	345 927
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	13 260	78 665	39 641	14 759	14 759	14 759	16 469	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	4 124	–	–	–	–	–	–	–	–
		23 783	6 796 234	99 599	105 661	176 800	176 800	111 919	370 856	584 160	350 263
Surplus/(Deficit) after capital transfers & contributions											
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation											
Attributable to minorities		23 783	6 796 234	99 599	105 661	176 800	176 800	111 919	370 856	584 160	350 263
		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality											
Share of surplus/ (deficit) of associate	7	23 783	6 796 234	99 599	105 661	176 800	176 800	111 919	370 856	584 160	350 263
		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year											
		23 783	6 796 234	99 599	105 661	176 800	176 800	111 919	370 856	584 160	350 263

**Table 21 – A5: Budgeted Capital Expenditure by vote, standard classification and funding**

WC044 George - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Office of the Municipal Manager		-	311	(2)	50	40	40	-	255	30	120
Vote 2 - Corporate Services		-	23	-	-	-	-	-	-	500	500
Vote 3 - Corporate Services (Continued)		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	292	(154)	-	200	200	-	1 650	1 450	550
Vote 5 - Community Services (Continued)		-	20 192	96	959	439	439	-	6 713	6 900	6 030
Vote 6 - Human Settlements		-	-	(523)	2 050	4 201	4 201	-	2 819	4 265	3 015
Vote 7 - Civil Engineering Services		-	91 331	15 910	76 192	126 538	126 538	(14 668)	214 620	218 573	302 912
Vote 8 - Electro-Technical Services		-	61 641	-	30 652	17 790	17 790	-	40 419	40 481	7 200
Vote 9 - Financial Services		-	383	-	85	250	250	-	75	180	180
Vote 10 - Financial Services (Continued)		-	(9 189)	(40)	250	391	391	-	1 250	250	250
Vote 11 - Planning and Development		-	-	(279)	690	200	200	-	5 145	6 850	3 950
Vote 12 - Protection Services		-	279	(20 840)	600	140	140	-	11 070	12 820	21 820
Vote 13 - Protection Services (Continued)		-	-	-	-	-	-	-	1 400	250	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>		-	<b>165 263</b>	<b>(5 833)</b>	<b>111 529</b>	<b>150 189</b>	<b>150 189</b>	<b>(14 668)</b>	<b>285 416</b>	<b>292 549</b>	<b>346 527</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Office of the Municipal Manager		-	5 349	108	41	688	688	(3)	96	405	400
Vote 2 - Corporate Services		-	5 685	(1 311)	2 130	480	480	(2 143)	2 405	2 930	2 950
Vote 3 - Corporate Services (Continued)		-	981	(0)	-	-	-	-	709	490	320
Vote 4 - Community Services		-	6 827	(2 757)	1 861	5 245	5 245	216	7 348	4 255	2 626
Vote 5 - Community Services (Continued)		-	89 181	10 751	21 691	12 547	12 547	-	19 040	23 021	18 775
Vote 6 - Human Settlements		-	92 543	(210)	950	1 277	1 277	-	2 247	854	3 523
Vote 7 - Civil Engineering Services		-	914 792	36 069	192 353	240 610	240 610	6 236	328 016	462 291	211 695
Vote 8 - Electro-Technical Services		-	367 307	307	29 476	41 134	41 134	8 561	110 697	136 144	162 305
Vote 9 - Financial Services		-	7 734	25	279	1 161	1 161	(9)	915	-	-
Vote 10 - Financial Services (Continued)		-	(23 110)	(1 503)	525	515	515	(831)	100	-	500
Vote 11 - Planning and Development		-	10 104	(2 448)	353	1 680	1 680	-	3 401	1 145	2 990
Vote 12 - Protection Services		-	77 755	744	9 256	7 923	7 923	(889)	21 449	16 505	21 615
Vote 13 - Protection Services (Continued)		-	(177)	(177)	-	-	-	-	2 935	1 783	1 690
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	<b>1 554 972</b>	<b>39 596</b>	<b>258 915</b>	<b>313 261</b>	<b>313 261</b>	<b>11 137</b>	<b>499 358</b>	<b>649 823</b>	<b>429 389</b>
<b>Total Capital Expenditure - Vote</b>	<b>3.7</b>	-	<b>1 720 236</b>	<b>33 764</b>	<b>370 443</b>	<b>463 450</b>	<b>463 450</b>	<b>(3 531)</b>	<b>784 774</b>	<b>942 372</b>	<b>775 916</b>



**Table 21 – A5: Budgeted Capital Expenditure by vote, standard classification and funding (continue)**

WC044 George - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>	<b>1</b>										
<b>Capital Expenditure - Functional</b>											
<i>Governance and administration</i>		(71 181)	(11 924)	(37 384)	3 232	6 897	6 897	3 710	8 497	6 756	4 547
Executive and council		420	50	4	-	-	-	-	-	-	-
Finance and administration		(71 713)	(12 002)	(37 389)	3 212	6 877	6 877	3 710	8 422	6 746	4 467
Internal audit		112	28	1	20	20	20	-	75	10	80
<i>Community and public safety</i>		11 512	12 412	509	29 317	22 161	22 161	9 239	51 355	56 254	65 294
Community and social services		3 429	1 633	(446)	3 884	3 729	3 729	2 352	7 701	5 135	5 066
Sport and recreation		6 393	816	(12)	15 810	6 561	6 561	1 204	10 348	16 703	11 595
Public safety		4 522	6 757	(255)	6 983	7 019	7 019	3 539	26 945	27 535	41 425
Housing		(3 080)	3 133	1 223	2 380	4 531	4 531	1 986	4 562	6 617	7 208
Health		248	73	-	260	320	320	158	1 800	265	-
<i>Economic and environmental services</i>		110 515	32 312	(3 461)	59 596	89 563	89 563	69 310	137 413	108 415	103 345
Planning and development		291	436	(70)	846	869	869	295	7 738	7 385	4 305
Road transport		110 225	31 876	(3 536)	58 750	88 557	88 557	68 881	129 675	101 030	99 040
Environmental protection		-	-	145	-	137	137	134	-	-	-
<i>Trading services</i>		214 290	69 027	36 793	278 101	343 818	343 818	127 422	587 271	770 417	601 875
Energy sources		76 651	27 304	15 981	60 129	58 923	58 923	14 080	151 116	176 625	169 505
Water management		28 982	18 014	5 851	48 612	69 283	69 283	10 481	254 552	470 857	205 035
Waste water management		89 930	17 293	12 500	161 650	206 598	206 598	100 729	162 358	108 128	211 396
Waste management		18 727	6 416	2 461	7 710	9 014	9 014	2 131	19 245	14 808	15 938
<i>Other</i>		194	371	(117)	197	1 011	1 011	31	237	530	855
<b>Total Capital Expenditure - Functional</b>	<b>3,7</b>	<b>265 331</b>	<b>102 198</b>	<b>(3 659)</b>	<b>370 443</b>	<b>463 450</b>	<b>463 450</b>	<b>209 712</b>	<b>784 774</b>	<b>942 372</b>	<b>775 916</b>
<b>Funded by:</b>											
National Government		(78 056)	18 364	10 997	81 405	167 819	167 819	73 350	320 468	505 249	302 110
Provincial Government		223 572	(59)	2	-	1 000	1 000	-	1 620	-	-
District Municipality		-	-	-	-	-	-	-	1 000	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	4 124	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>145 516</b>	<b>22 429</b>	<b>10 999</b>	<b>81 405</b>	<b>168 819</b>	<b>168 819</b>	<b>73 350</b>	<b>323 088</b>	<b>505 249</b>	<b>302 110</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	<b>6</b>	<b>4 944</b>	<b>(21 895)</b>	<b>(21 857)</b>	<b>218 758</b>	<b>150 304</b>	<b>150 304</b>	<b>101 404</b>	<b>310 554</b>	<b>309 822</b>	<b>316 605</b>
<b>Internally generated funds</b>		<b>124 067</b>	<b>102 911</b>	<b>7 913</b>	<b>70 280</b>	<b>144 327</b>	<b>144 327</b>	<b>34 958</b>	<b>151 132</b>	<b>127 301</b>	<b>157 201</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>274 527</b>	<b>103 446</b>	<b>(2 945)</b>	<b>370 443</b>	<b>463 450</b>	<b>463 450</b>	<b>209 712</b>	<b>784 774</b>	<b>942 372</b>	<b>775 916</b>



**Table 22 – A6: Budgeted Financial Position**

WC044 George - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
ASSETS											
Current assets											
Cash		284 441	89 902	(182 885)	1 008 102	1 816 712	1 816 712	294 991	1 105 300	1 169 089	1 166 487
Call investment deposits	1	(450 000)	147 000	53 000	147 000	147 000	147 000	–	–	–	–
Consumer debtors	1	86 971	(1 566 179)	124 353	71 919	82 919	82 919	36 810	74 946	69 523	66 958
Other debtors		15 167	(12 828)	5 127	66 259	159 723	159 723	(59 288)	75 508	84 009	91 729
Current portion of long-term receivables		152	2 800	(2 205)	3 839	7 677	7 677	(684)	3 839	3 839	3 839
Inventory	2	(15 491)	(5 028)	(4 253)	188 657	289 382	289 382	(1 956)	159 142	147 728	151 014
Total current assets		(78 760)	(1 344 333)	(6 863)	1 485 776	2 503 413	2 503 413	269 872	1 418 735	1 474 188	1 480 028
Non current assets											
Long-term receivables		(1 222)	(824)	4 252	36 387	72 775	72 775	(38 510)	36 387	36 387	36 387
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		(169)	(7 591)	(157)	144 411	288 883	288 883	–	144 856	145 601	146 346
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	103 614	(8 100 357)	(54 008)	3 301 576	3 394 945	3 394 945	97 019	4 019 566	4 787 067	5 401 009
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		756	(438)	(322)	2 722	4 407	4 407	25	3 258	5 018	6 123
Other non-current assets		–	–	–	4 236	8 472	8 472	–	4 236	4 236	4 236
Total non current assets		102 980	(8 109 211)	(50 235)	3 489 333	3 769 482	3 769 482	58 534	4 208 303	4 978 310	5 594 102
TOTAL ASSETS		24 219	(9 453 543)	(57 098)	4 975 108	6 272 895	6 272 895	328 406	5 627 038	6 452 498	7 074 130
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	30 244	(792 239)	(239 408)	161 593	161 593	161 593	(19 025)	223 887	299 687	384 687
Consumer deposits		1 203	2 114	3 383	58 560	98 120	98 120	3 393	43 560	39 060	35 060
Trade and other payables	4	(143 826)	(2 888 679)	(287 411)	573 278	627 070	627 070	237 168	548 965	559 500	614 684
Provisions		38 816	12 953	18 485	126 111	253 689	253 689	(4 283)	145 885	172 755	200 970
Total current liabilities		(73 562)	(3 665 851)	(504 951)	919 543	1 140 472	1 140 472	217 252	962 297	1 071 002	1 235 401
Non current liabilities											
Borrowing		(1 978)	–	–	435 590	435 590	435 590	(252)	611 523	751 250	865 034
Provisions		13 099	(294 029)	48 596	251 789	251 789	251 789	–	245 271	239 087	233 219
Total non current liabilities		11 122	(294 029)	48 596	687 379	687 379	687 379	(252)	856 794	990 337	1 098 253
TOTAL LIABILITIES		(62 440)	(3 959 880)	(456 355)	1 606 921	1 827 850	1 827 850	217 001	1 819 091	2 061 338	2 333 654
NET ASSETS	5	86 660	(5 493 663)	399 257	3 368 187	4 445 045	4 445 045	111 406	3 807 948	4 391 160	4 740 476
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		100 068	123 303	(15 882)	3 136 281	6 143 166	6 143 166	–	3 527 959	4 054 979	4 347 760
Reserves	4	28 683	(368 983)	(7 099)	231 907	231 907	231 907	–	279 989	336 181	392 716
TOTAL COMMUNITY WEALTH/EQUITY	5	128 752	(245 680)	(22 981)	3 368 187	6 375 072	6 375 072	–	3 807 948	4 391 160	4 740 476

**Table 23 – A7: Budgeted Cash Flow****WC044 George - Table A7 Budgeted Cash Flows**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		270 173	302 837	523 108	341 309	344 309	344 309	265 172	371 853	401 600	433 728
Service charges		933 431	7 445 198	2 375 111	1 278 313	1 278 313	1 278 313	847 821	1 403 489	1 493 494	1 588 733
Other revenue		190 619	1 378 820	334 679	211 993	245 341	245 341	79 769	246 947	268 714	271 496
Transfers and Subsidies - Operational	1	460 258	4 570 217	1 092 279	613 642	664 168	664 168	357 194	552 292	585 305	579 534
Transfers and Subsidies - Capital	1	127 670	274 509	195 740	103 857	201 679	201 679	93 031	370 399	579 536	345 927
Interest		50 326	96 583	83 061	67 617	69 044	69 044	16 539	66 280	68 076	71 373
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(1 516 228)	(1 593 778)	(2 245 184)	(1 949 127)	(1 949 127)	(1 949 127)	(1 949 127)	(2 215 326)	(2 288 542)	(2 436 061)
Finance charges		(42 264)	(116 937)	(76 484)	(38 539)	(31 593)	(31 593)	(14 857)	(40 950)	(46 307)	(63 580)
Transfers and Grants	1	(65 525)	(83 378)	-	-	-	-	-	(42 636)	(19 800)	(17 833)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>408 459</b>	<b>12 274 070</b>	<b>2 282 310</b>	<b>629 064</b>	<b>822 134</b>	<b>822 134</b>	<b>(304 458)</b>	<b>712 347</b>	<b>1 042 076</b>	<b>773 317</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		220	1 240	-	-	-	-	(1)	-	-	-
Decrease (increase) in non-current receivables		99	283	-	-	(36 387)	(36 387)	38 493	-	(35 919)	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(274 527)	(103 446)	(2 945)	(370 443)	(463 450)	(463 450)	(209 712)	(784 774)	(942 372)	(775 916)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(274 109)</b>	<b>(101 640)</b>	<b>(2 945)</b>	<b>(370 443)</b>	<b>(499 838)</b>	<b>(499 838)</b>	<b>(171 220)</b>	<b>(784 774)</b>	<b>(978 291)</b>	<b>(775 916)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	199 000	199 000	199 000	(26)	-	-	-
Increase (decrease) in consumer deposits		1 203	(72 977)	(6 017)	9 500	58 560	58 560	3 334	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>1 203</b>	<b>(72 977)</b>	<b>(6 017)</b>	<b>208 500</b>	<b>257 560</b>	<b>257 560</b>	<b>3 308</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>135 554</b>	<b>12 099 453</b>	<b>2 273 348</b>	<b>467 121</b>	<b>579 856</b>	<b>579 856</b>	<b>(472 370)</b>	<b>(72 426)</b>	<b>63 785</b>	<b>(2 599)</b>
Cash/cash equivalents at the year begin:	2	617 784	562 604	799 506	669 621	669 621	669 621	669 621	1 177 727	1 105 300	1 169 086
Cash/cash equivalents at the year end:	2	753 338	12 662 057	3 072 854	1 136 742	1 249 477	1 249 477	197 251	1 105 300	1 169 086	1 166 487

**Table 24 – A8: Cash backed reserves/accumulated surplus reconciliation****WC044 George - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	753 338	12 662 057	3 072 854	1 136 742	1 249 477	1 249 477	197 251	721 704	799 959	767 970
Other current investments > 90 days		(918 897)	(12 425 155)	(3 202 739)	18 360	714 235	714 235	65 486	(1 298 095)	(1 252 150)	(1 297 317)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>(165 559)</b>	<b>236 902</b>	<b>(129 885)</b>	<b>1 155 102</b>	<b>1 963 712</b>	<b>1 963 712</b>	<b>262 737</b>	<b>(576 391)</b>	<b>(452 191)</b>	<b>(529 346)</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		(10 233)	(302 582)	(71 672)	74 764	74 764	74 764	221 498	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(228 925)	(933 912)	(337 146)	326 406	228 987	228 987	36 401	(80 144)	168 519	49 836
Other provisions		31 039	(5 276)	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>(208 118)</b>	<b>(1 241 770)</b>	<b>(408 818)</b>	<b>401 169</b>	<b>303 751</b>	<b>303 751</b>	<b>257 900</b>	<b>(80 144)</b>	<b>168 519</b>	<b>49 836</b>
<b>Surplus(shortfall)</b>		<b>42 559</b>	<b>1 478 672</b>	<b>278 933</b>	<b>753 932</b>	<b>1 659 961</b>	<b>1 659 961</b>	<b>4 838</b>	<b>(496 247)</b>	<b>(620 710)</b>	<b>(579 182)</b>

**Table 25 – A9: Asset Management****WC044 George - Table A9 Asset Management**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	105 193	(346 055)	(93 210)	146 634	178 590	178 590	515 476	603 807	455 552
Roads Infrastructure		–	(47 552)	2 072	–	2 700	2 700	11 883	4 775	6 475
Storm water Infrastructure		225	–	497	300	12 588	12 588	15 630	300	300
Electrical Infrastructure		42 181	(56 514)	(19 194)	51 274	40 084	40 084	132 816	136 884	149 325
Water Supply Infrastructure		7 237	(69 879)	(74 021)	20 387	30 964	30 964	202 550	356 728	153 547
Sanitation Infrastructure		9 592	(24 019)	5 656	29 250	27 365	27 365	45 356	26 888	54 381
Solid Waste Infrastructure		9 475	(33 528)	1 781	1 500	2 300	2 300	3 695	3 500	4 000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		1 170	481	2 688	1 620	1 563	1 563	8 190	10 300	5 220
Infrastructure		69 880	(231 011)	(80 520)	104 331	117 564	117 564	420 120	539 375	373 249
Community Facilities		(1 095)	(4 216)	(2 393)	2 009	3 129	3 129	8 280	3 290	4 470
Sport and Recreation Facilities		422	(4 972)	(13 728)	13 016	3 040	3 040	2 940	14 453	8 375
Community Assets		(672)	(9 188)	(16 121)	15 025	6 169	6 169	11 220	17 743	12 845
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	(300)	–	–	–	500	750	1 350
Non-revenue Generating		–	–	–	50	–	–	–	–	–
Investment properties		–	–	(300)	50	–	–	500	750	1 350
Operational Buildings		3 237	(18 581)	1 894	4 470	4 042	4 042	7 197	7 000	3 100
Housing		–	–	–	–	–	–	750	1 000	1 250
Other Assets		3 237	(18 581)	1 894	4 470	4 042	4 042	7 947	8 000	4 350
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		1 499	(730)	(1 128)	500	166	166	100	100	100
Intangible Assets		1 499	(730)	(1 128)	500	166	166	100	100	100
Computer Equipment		6 162	(935)	2 326	1 618	2 429	2 429	4 812	4 170	4 828
Furniture and Office Equipment		2 002	(2 982)	(725)	568	992	992	1 552	2 110	1 600
Machinery and Equipment		9 807	(41 101)	(93)	14 512	31 910	31 910	25 330	11 235	33 030
Transport Assets		13 279	(41 527)	1 457	5 560	15 317	15 317	43 896	20 326	24 200
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
<u>Total Renewal of Existing Assets</u>	2	9 522	(94 966)	38 841	50 232	79 326	79 326	82 577	79 840	51 760
Roads Infrastructure		–	(68 237)	33 719	41 622	64 730	64 730	58 607	35 000	33 500
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		2 631	(3 768)	985	2 450	2 942	2 942	1 500	7 100	5 000
Water Supply Infrastructure		5 828	(11 045)	1 007	3 700	6 121	6 121	7 300	36 235	12 750
Sanitation Infrastructure		240	(1)	2 131	250	5 493	5 493	12 770	290	290
Solid Waste Infrastructure		–	(5 733)	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		8 699	(88 784)	37 841	48 022	79 286	79 286	80 177	78 625	51 540
Community Facilities		754	(6 097)	880	1 650	–	–	250	750	–
Sport and Recreation Facilities		–	–	–	540	–	–	1 940	400	200
Community Assets		754	(6 097)	880	2 190	–	–	2 190	1 150	200
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		69	(85)	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		69	(85)	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	120	20	40	40	35	35	20
Furniture and Office Equipment		–	–	–	–	–	–	175	30	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–

**Table 25 – A9: Asset Management (continues)**

WC044 George - Table A9 Asset Management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
CAPITAL EXPENDITURE										
<u>Total Upgrading of Existing Assets</u>	6	39 600	(189 300)	(9 651)	173 577	205 534	205 534	186 721	258 725	268 604
Roads Infrastructure		-	(40 638)	12 744	15 860	23 210	23 210	51 451	61 050	56 870
Storm water Infrastructure		2 231	(20 526)	23 415	30 120	36 499	36 499	13 237	13 000	18 000
Electrical Infrastructure		3 371	(4 213)	1 181	2 250	2 713	2 713	8 150	25 731	8 700
Water Supply Infrastructure		(4 018)	(77 488)	(4 610)	19 905	24 778	24 778	25 523	74 544	33 738
Sanitation Infrastructure		34 287	(28 099)	(42 119)	101 000	110 962	110 962	71 295	71 990	144 085
Solid Waste Infrastructure		-	(3 760)	(300)	-	300	300	2 000	1 000	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		35 870	(174 725)	(9 690)	169 135	198 462	198 462	171 657	247 315	261 394
Community Facilities		996	(3 929)	(558)	2 070	2 613	2 613	2 330	4 200	4 050
Sport and Recreation Facilities		1 625	(4 463)	712	1 132	666	666	2 268	600	-
Community Assets		2 621	(8 392)	154	3 202	3 278	3 278	4 598	4 800	4 050
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1 099	(6 186)	67	900	3 593	3 593	9 970	5 960	2 510
Housing		-	-	-	340	200	200	490	650	650
Other Assets		1 099	(6 186)	67	1 240	3 793	3 793	10 460	6 610	3 160
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		9	2	(183)	-	-	-	6	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	154 315	(630 321)	(64 021)	370 443	463 450	463 450	784 774	942 372	775 916
Roads Infrastructure		-	(156 427)	48 535	57 482	90 640	90 640	121 941	100 825	96 845
Storm water Infrastructure		2 456	(20 526)	23 912	30 420	49 087	49 087	28 867	13 300	18 300
Electrical Infrastructure		48 183	(64 496)	(17 029)	55 974	45 739	45 739	142 466	169 715	163 025
Water Supply Infrastructure		9 047	(158 412)	(77 624)	43 992	61 863	61 863	235 373	467 507	200 035
Sanitation Infrastructure		44 119	(52 119)	(34 333)	130 500	143 820	143 820	129 421	99 168	198 756
Solid Waste Infrastructure		9 475	(43 021)	1 481	1 500	2 600	2 600	5 695	4 500	4 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		1 170	481	2 688	1 620	1 563	1 563	8 190	10 300	5 220
Infrastructure		114 450	(494 520)	(52 369)	321 489	395 312	395 312	671 954	865 314	686 183
Community Facilities		655	(14 242)	(2 071)	5 729	5 742	5 742	10 860	8 240	8 520
Sport and Recreation Facilities		2 047	(9 435)	(13 016)	14 688	3 706	3 706	7 148	15 453	8 575
Community Assets		2 702	(23 677)	(15 087)	20 417	9 448	9 448	18 008	23 693	17 095
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	(300)	-	-	-	500	750	1 350
Non-revenue Generating		-	-	-	50	-	-	-	-	-
Investment properties		-	-	(300)	50	-	-	500	750	1 350
Operational Buildings		4 405	(24 852)	1 962	5 370	7 636	7 636	17 167	12 960	5 610
Housing		-	-	-	340	200	200	1 240	1 650	1 900
Other Assets		4 405	(24 852)	1 962	5 710	7 836	7 836	18 407	14 610	7 510
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		1 499	(730)	(1 128)	500	166	166	100	100	100
Intangible Assets		1 499	(730)	(1 128)	500	166	166	100	100	100
Computer Equipment		6 162	(935)	2 446	1 638	2 469	2 469	4 847	4 205	4 848
Furniture and Office Equipment		2 011	(2 979)	(908)	568	992	992	1 733	2 140	1 600
Machinery and Equipment		9 807	(41 101)	(93)	14 512	31 910	31 910	25 330	11 235	33 030
Transport Assets		13 279	(41 527)	1 457	5 560	15 317	15 317	43 896	20 326	24 200
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		154 315	(630 321)	(64 021)	370 443	463 450	463 450	784 774	942 372	775 916

**Table 25 – A9: Asset Management (continues)**

WC044 George - Table A9 Asset Management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>										
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>104 201</b>	<b>(8 281 510)</b>	<b>(55 768)</b>	<b>3 452 945</b>	<b>6 322 543</b>	<b>6 322 543</b>	<b>625 963</b>	<b>2 542 463</b>	<b>615 792</b>
<i>Roads Infrastructure</i>		146 188	(1 070 645)	85 090	992 164	1 912 300	1 912 300	76 480	45 755	49 372
<i>Storm water Infrastructure</i>		(1 557)	(26 878)	24 578	45 076	35 761	35 761	25 695	9 130	12 183
<i>Electrical Infrastructure</i>		7 038	(931 262)	(30 294)	308 008	524 255	524 255	122 604	148 436	144 236
<i>Water Supply Infrastructure</i>		30 391	(1 299 114)	(82 904)	291 069	520 916	520 916	201 795	439 724	174 223
<i>Sanitation Infrastructure</i>		(10 480)	(843 952)	(46 940)	311 328	382 061	382 061	112 378	724 017	171 742
<i>Solid Waste Infrastructure</i>		(1 943)	(61 051)	(85)	34 669	68 045	68 045	4 293	43 970	2 878
<i>Rail Infrastructure</i>		-	-	(450)	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		(1 208)	(730)	(866)	3 716	4 992	4 992	1 690	3 700	2 720
<b>Infrastructure</b>		<b>168 428</b>	<b>(4 233 633)</b>	<b>(51 871)</b>	<b>1 986 029</b>	<b>3 448 329</b>	<b>3 448 329</b>	<b>544 935</b>	<b>1 414 731</b>	<b>557 353</b>
<b>Community Assets</b>		(70 071)	(335 819)	(13 105)	142 081	248 352	248 352	15 869	22 903	32 232
<b>Heritage Assets</b>		-	(4 236)	-	4 236	8 472	8 472	-	-	-
<b>Investment properties</b>		(169)	(168 580)	(287)	144 411	288 883	288 883	495	745	745
<b>Other Assets</b>		2 680	(1 502 014)	2 450	791 683	1 580 871	1 580 871	7 029	1 079 638	798
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		756	(8 337)	(1 472)	2 722	4 407	4 407	855	6 156	1 105
<b>Computer Equipment</b>		3 298	(4 155)	4 314	1 258	1 525	1 525	(1 091)	(1 203)	(146)
<b>Furniture and Office Equipment</b>		1 315	(3 021)	1 833	(2 888)	(7 239)	(7 239)	19 529	12 762	8 192
<b>Machinery and Equipment</b>		4 254	(1 043 709)	(595)	(527 580)	(1 079 429)	(1 079 429)	17 432	6 230	14 334
<b>Transport Assets</b>		(5 530)	(63 290)	1 435	(15 830)	(25 275)	(25 275)	20 909	482	1 178
<b>Land</b>		(758)	(914 717)	1 530	926 824	1 853 648	1 853 648	-	18	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>104 201</b>	<b>(8 281 510)</b>	<b>(55 768)</b>	<b>3 452 945</b>	<b>6 322 543</b>	<b>6 322 543</b>	<b>625 963</b>	<b>2 542 463</b>	<b>615 792</b>
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation</b>	<b>7</b>	142 900	287 769	325 850	157 539	157 539	157 539	158 810	172 365	160 124
<b>Repairs and Maintenance by Asset Class</b>	<b>3</b>	<b>47 594</b>	<b>167 095</b>	<b>139 892</b>	<b>128 524</b>	<b>153 207</b>	<b>153 207</b>	<b>206 272</b>	<b>188 824</b>	<b>195 520</b>
<i>Roads Infrastructure</i>		15 443	60 053	44 105	29 434	40 484	40 484	51 948	29 985	31 478
<i>Storm water Infrastructure</i>		5 342	6 326	6 267	3 749	6 409	6 409	5 559	5 823	6 094
<i>Electrical Infrastructure</i>		6 369	28 175	18 575	12 279	12 529	12 529	14 772	14 274	15 187
<i>Water Supply Infrastructure</i>		9 315	16 541	25 094	10 426	16 724	16 724	17 753	19 650	20 589
<i>Sanitation Infrastructure</i>		5 415	13 294	18 355	9 411	11 101	11 101	12 278	13 133	14 054
<i>Solid Waste Infrastructure</i>		144	65	500	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>42 027</b>	<b>124 454</b>	<b>112 896</b>	<b>65 299</b>	<b>87 247</b>	<b>87 247</b>	<b>102 311</b>	<b>82 865</b>	<b>87 402</b>
<b>Community Facilities</b>		-	29 109	10 295	5 598	5 570	5 570	6 015	6 319	6 638
<b>Sport and Recreation Facilities</b>		30	3 759	3 636	1 817	1 817	1 817	1 829	1 920	2 016
<b>Community Assets</b>		<b>30</b>	<b>32 868</b>	<b>13 930</b>	<b>7 415</b>	<b>7 387</b>	<b>7 387</b>	<b>7 844</b>	<b>8 239</b>	<b>8 654</b>
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	1 471	543	131	126	126	132	139	146
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	<b>1 471</b>	<b>543</b>	<b>131</b>	<b>126</b>	<b>126</b>	<b>132</b>	<b>139</b>	<b>146</b>
<i>Operational Buildings</i>		1 037	1 583	3 195	2 222	3 222	3 222	5 633	5 353	2 978
<i>Housing</i>		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>1 037</b>	<b>1 583</b>	<b>3 195</b>	<b>2 222</b>	<b>3 222</b>	<b>3 222</b>	<b>5 633</b>	<b>5 353</b>	<b>2 978</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		1	0	-	235	335	335	316	329	343
<b>Machinery and Equipment</b>		3 261	5 252	6 049	3 108	3 108	3 108	3 453	3 637	3 829
<b>Transport Assets</b>		1 237	1 468	3 278	50 113	51 782	51 782	86 584	88 262	92 168
<b>Libraries</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>190 493</b>	<b>454 864</b>	<b>465 743</b>	<b>286 062</b>	<b>310 746</b>	<b>310 746</b>	<b>365 083</b>	<b>361 189</b>	<b>355 644</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		31,8%	45,1%	-45,6%	60,4%	61,5%	61,5%	34,3%	35,9%	41,3%
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>		34,4%	-98,8%	9,0%	142,1%	180,8%	180,8%	169,6%	196,4%	200,1%
<b>R&amp;M as a % of PPE</b>		45,9%	-2,1%	-259,0%	3,9%	4,5%	4,5%	33,0%	7,4%	31,8%
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>		93,0%	1,0%	-303,0%	10,0%	7,0%	7,0%	76,0%	21,0%	84,0%

**Table 26 – A10: Basic Service delivery measurement****WC044 George - Table A10 Basic service delivery measurement**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		38 677	39 340	43 770	45 083	45 083	45 083	46 435	47 828	50 219
Piped water inside yard (but not in dwelling)		21 319	17 877	19 802	20 396	20 396	20 396	21 008	21 638	22 720
Using public tap (at least min.service level)	2	3 399	6 284	3 674	3 784	3 874	3 874	3 898	4 015	4 216
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		63 395	63 501	67 246	69 263	69 353	69 353	71 341	73 481	77 155
Using public tap (< min.service level)	3	74	74	211	215	215	215	221	227	238
Other water supply (< min.service level)	4	46	46	358	368	368	368	379	390	410
No water supply		995	2 629	870	898	898	898	925	953	1 001
<i>Below Minimum Service Level sub-total</i>		1 115	2 749	1 439	1 481	1 481	1 481	1 525	1 570	1 649
<b>Total number of households</b>	5	<b>64 510</b>	<b>66 250</b>	<b>68 685</b>	<b>70 744</b>	<b>70 834</b>	<b>70 834</b>	<b>72 866</b>	<b>75 051</b>	<b>78 804</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		53 275	50 372	61 149	62 983	62 983	62 983	64 872	66 818	70 159
Flush toilet (with septic tank)		5 589	5 713	6 275	6 463	6 463	6 463	6 657	6 857	7 200
Chemical toilet		18	18	1 385	1 426	1 426	1 469	1 469	1 513	1 589
Pit toilet (ventilated)		811	811	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		3 525	8 099	5 405	5 567	5 567	5 567	5 734	5 906	6 201
<i>Minimum Service Level and Above sub-total</i>		63 218	65 013	74 214	76 439	76 439	76 439	78 732	81 094	85 149
Bucket toilet		155	155	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		812	812	–	–	–	–	–	–	–
No toilet provisions		325	270	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		1 292	1 237	–	–	–	–	–	–	–
<b>Total number of households</b>	5	<b>64 510</b>	<b>66 250</b>	<b>74 214</b>	<b>76 439</b>	<b>76 439</b>	<b>76 439</b>	<b>78 732</b>	<b>81 094</b>	<b>85 149</b>
<b>Energy:</b>										
Electricity (at least min.service level)		1 023	648	1 336	1 376	1 376	1 376	1 417	1 459	1 532
Electricity - prepaid (min.service level)		43 220	45 918	48 850	50 315	50 315	50 315	51 824	53 379	56 048
<i>Minimum Service Level and Above sub-total</i>		44 243	46 566	50 186	51 691	51 691	51 691	53 241	54 838	57 580
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		3 976	4 174	4 425	4 557	4 557	4 557	4 694	4 835	5 077
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		3 976	4 174	4 425	4 557	4 557	4 557	4 694	4 835	5 077
<b>Total number of households</b>	5	<b>48 219</b>	<b>50 740</b>	<b>54 611</b>	<b>56 248</b>	<b>56 248</b>	<b>56 248</b>	<b>57 935</b>	<b>59 673</b>	<b>62 657</b>
<b>Refuse:</b>										
Removed at least once a week		60 435	62 722	67 264	70 627	70 627	70 627	72 746	74 928	78 674
<i>Minimum Service Level and Above sub-total</i>		60 435	62 722	67 264	70 627	70 627	70 627	72 746	74 928	78 674
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	<b>60 435</b>	<b>62 722</b>	<b>67 264</b>	<b>70 627</b>	<b>70 627</b>	<b>70 627</b>	<b>72 746</b>	<b>74 928</b>	<b>78 674</b>
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		24 463 886	22 194 102	34 558 000	39 177 482	39 177 482	35 810 615	39 392 000	43 331 000	47 664 000
Sanitation (free minimum level service)		34 523 555	36 088 034	42 378 000	48 042 808	48 042 808	43 914 065	47 866 000	52 174 000	56 870 000
Electricity/other energy (50kwh per household per month)		19 813 219	22 689 087	23 395 000	24 242 992	24 242 992	24 242 992	26 182 000	28 277 000	30 539 000
Refuse (removed at least once a week)		26 070 962	33 313 420	40 071 000	45 427 423	45 427 423	41 523 443	45 261 000	49 334 000	53 774 000
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		24 464	22 194	34 558	39 177	39 177	35 811	39 392	43 331	47 664
Sanitation (free sanitation service to indigent households)		34 524	36 088	42 378	48 043	48 043	43 914	47 866	52 174	56 870
Electricity/other energy (50kwh per indigent household per month)		19 813	22 689	23 395	24 243	24 243	24 243	26 182	28 277	30 539
Refuse (removed once a week for indigent households)		26 071	33 313	40 071	45 427	45 427	41 523	45 261	49 334	53 774
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		3 243	–	–	–	–	–	–	–	–
<b>Total cost of FBS provided</b>		<b>108 114</b>	<b>114 285</b>	<b>140 402</b>	<b>156 891</b>	<b>156 891</b>	<b>145 491</b>	<b>158 701</b>	<b>173 116</b>	<b>188 847</b>
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		203	220	240	251	251	251	266	282	296
Electricity (kwh per household per month)		70	70	70	70	70	70	70	70	70
Refuse (average litres per week)		240	240	240	240	240	240	240	240	240
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
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		33 021	35 935	38 852	40 916	42 260	42 260	45 641	49 293	53 236
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
<b>Total revenue cost of subsidised services provided</b>	6	<b>33 021</b>	<b>35 935</b>	<b>38 852</b>	<b>40 916</b>	<b>42 260</b>	<b>42 260</b>	<b>45 641</b>	<b>49 293</b>	<b>53 236</b>

## **Part 2 – Supporting documentation**

### **2.1 - Disclosure on implementation of the MFMA & other applicable legislation**

#### **Municipal Finance Management Act – No 56 of 2003**

The MFMA became effective on 1<sup>st</sup> July 2004. The Act aims to modernise budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting.

The various sections of the Act are phased in according to the designated financial management capacity of municipalities. George has been designated as a high capacity municipality. The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

#### **The MFMA and the Budget**

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA.

### **2.2 – The budget preparation process**

#### **2.2.1 – Overview**

A central element of the reforms is a change to the way that municipalities prepare their budgets.

The MFMA requires a council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities (as contained in the IDP) and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and particulars on borrowing, investments, municipal entities and service delivery agreements, grant allocations and details of employment costs.

The budget may be funded only from reasonable estimates of revenue and cash-backed surplus funds from the previous year and borrowings (the latter for capital items only).

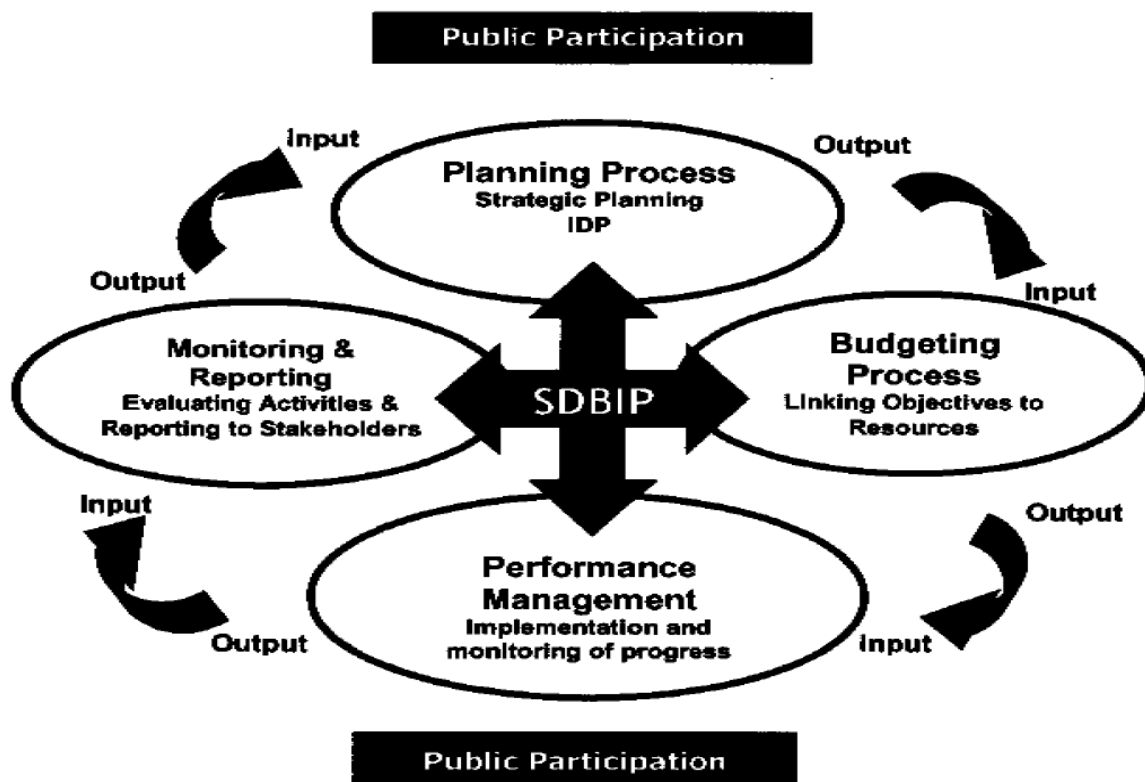


### 2.2.2 – Budget preparation timetable

The first step in the budget preparation process is to develop a timetable of all key deadlines relating to the budget and to review the municipality's IDP and budget-related policies.

The budget preparation timetable should be prepared by senior management and tabled by the mayor for council adoption ten months before the commencement of the next budget year.

The next diagram depicts the planning, implementation and monitoring process that is followed in George Municipality.



In terms of Section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule of key deadlines that sets out the process to revise the IDP and prepare the budget.



**Table 27 – Schedule of Key Deadlines relating to the budget process**

No	Activity Description	Responsible Person/s	Legislative Requirements	Target Date
<b>2022/2027 IDP PROCESS</b>				
<b>PHASE 1 – Preparation and Pre- Planning</b>				
1	Attend District IDP Alignment Workshop	Manager: IDP/PMS		8 June 2021
2	Table Draft 2022-2027 IDP and Budget time-line schedule process plan to executive management	Manager: IDP/PMS	(MFMA) Section 21	23 July 2021
3	Tabling of Draft DIP/Budget Process Plan to Council for approval with schedule for Public Meetings	Municipal Manager Manager: IDP	(MFMA) Section 21 (b)	29 July 2021
4	Advertise 2022-2027 process plan and dates of Public Engagements on website, local newspapers, municipal newsletter, noticeboards	IDP Manager	MSA Section 21, 28 (3)	30 August 2021
<b>PHASE 2 – Analysis and Strategy</b>				
<b>Performance Analysis</b>				
1	Assess the Municipal Performance (SWOT)	Manager: IDP /PMS & PP Senior Officer: PMS		12 August 2021
2	Review of the Performance Management System (PMS)	Manager: IDP /PMS & PP Senior Officer: PMS		15 August 2021
3	Review of the Annual Performance against the SDBIP	Manager: IDP /PMS & PP Senior Officer: PMS		19 August 2021
<b>Financial Analysis</b>				
4	Review of the Budget related policies for the next 3 years	CFO		22 Jan 2022
5	Determine the funding/revenue potentially available for the next 3 years	CFO		
6	Refine funding policies and review tariff policies	CFO		15 March 2022
7	Assess the Municipality's financial position and capacity (based on the Financial Statements (AFS) of the previous budgeted year)	CFO	Internal Management Procedure	March-April 2022
8	Convene IDP Steering Committee Meeting	IDP Steering Committee	Internal Management Procedure	July 2022
9	Review current realities and examine changing conditions and information within each directorate: ~ Spatial ~ Legislative	Directors / Senior Management	Internal Management Procedure	September 2022

No	Activity Description	Responsible Person/s	Legislative Requirements	Target Date
10	Convene Quarterly Ward Committee Meetings to discuss IDP & Budget Process Plan	Manager IDP	Municipal Systems Act (Section 17)	November 2021
<b>Situational Analysis</b>				
11	Analyse the Strategic Calendar and Joint Planning Initiatives	Manager: IDP /PMS & PP Senior Officer: IDP		September 2021
12	Strategic Workshop to discuss the Analysis Phase	MM/Senior Managers/IDP Manager and IDP Senior Officer	Municipal Systems Act	September 2021
13	Strategic Workshop to discuss the Strategic Objectives	Political Leadership		October 2021
14	Adoption of the 2021/2022 IDP by incoming Council	Manager: IDP /PMS & PP Senior Officer: IDP		March 2022
<b>Consultation</b>				
15	Publish online public participation process	Manager: IDP /PMS & PP Senior Officer: IDP	Municipal Systems Act (Section 28 (1))	September 2021
16	Sector representatives / Sector participation in the IDP/Budget process	Manager: IDP /PMS & PP Senior Officer: IDP CFO		October 2021
17	Media awareness Campaign	Comms		October 2022
18	Ward based planning/priorities	Manager: IDP /PMS & PP Senior Officer: IDP	Municipal Systems Act	October 2022
19	IGR Engagements to obtain sector budget commitments	Manager: IDP /PMS & PP Senior Officer: IDP	Municipal Systems Act	November 2022
20	Intergovernmental Alignment (Provincial & District)	Manager: IDP /PMS & PP Senior Officer: IDP	Municipal Systems Act	November 2022
<b>Strategy</b>				
21	Update of financial plan	CFO	Internal Management Procedure	November 2022
22	Workshop: MAYCO & Directors to discuss new developmental objectives	Municipal Manager	Internal Management Procedure	November 2022

N o	Activity Description	Responsible Person/s	Legislative Requirements	TargetDate
23	Workshop with Council to review the Vision, Mission, Strategic objectives and refine the SDF	Municipal Manager		November 2022
<b>Other activities during this phase</b>				
23	Section 71 Report / Grant report for August and September	CFO	MFMA	August 2022
24	District IDP Managers Forum	Manager IDP		December 2022
25	Provincial IDP Managers Forum	Manager: IDP /PMS & PP		December 2022
<b>PHASE 3 – Preparation and Tabling</b>				
1	Submit Draft IDP to Director Development Planningwith process public participation programme	Manager IDP	Internal Management Procedure	31 January 2022
2	Table Draft 5-year IDP and Draft Capital Budget to Executive Management	Manager IDP	Internal Management Procedure	7 February 2022
3	Attend Provincial IDP INDABA 2	Manager IDP	Internal Management Procedure	February 2022
4	Table of 2019 MSDF GAP Analysis and status quo and re-adoption of 2019 MSDF Draft	Director Development and Planning	Spatial Planning Legislation	24 February 2022
5	LGMTEC 2- Municipality receive inputs from National and Provincial Government and other institutions (Grant Allocations)	CFO Budget Office	DORA	28 February 2022
6	Table Draft IDP, Budget and SDBIP to Steering Committee for final overview, inclusiveness and quality check	Municipal Manager	MFMA (MBRR Section 14(2)	7 March 2022
7	Workshop Draft 5-year IDP, Budget, SDBIP and proposed tariffs for 2022-2023 with Council	Municipal Manager	Internal Management Procedure	10 March 2022
8	Municipal Manager presents draft IDP, MSDF Gap Analysis, Budget and Budget Related policies to the Mayor for perusal and tabling to Council	Municipal Manager	MSA Section 30 (c) and MFMA Section 21	March 2022
9	Mayor Table Draft 5-year IDP, MSDF Gap Analysis, SDBIP, Budget and Budget Related and public participation programme to Council	Executive Mayor	MFMA Section 22 and 23 MSA Reg 3(4)	31 March 2022
<b>Publication and Public Consultation Process</b>				
<b>PHASE 4 – Consultation</b>				
1	Start process to institutionalise ward committees	Manager: IDP PP Unit		November 2021
2	Make public of Draft IDP, MSDF Gap Analysis and Budget for public comment and consultation	Manager: IDP Budget Office	MFMA Section22 (a) MSA Section 21 A	March-April 2022
3	Submission of Draft IDP and tabled annual budget and draft SDBIPs to National and Provincial Treasuries and Department of Local Government in both printed and electronic formats	Manager: IDP Budget Office	MFMA Section 22(b) MBRR 15(3)(b) &15(1)	Immediately after tabling to Council
4	Consult Public on Draft IDP and Budget. Public engagements via e-public participation	Manager: IDP	MFMA Section22 &23	April 2022

**George Municipality – 2022/23 Draft Annual Budget and MTREF**

<b>No</b>	<b>Activity Description</b>	<b>Responsible Person/s</b>	<b>Legislative Requirements</b>	<b>Target Date</b>
5	Consult public on Draft IDP and Budget. PublicParticipation meetings in all wards	Manager: IDP	MFMA Section 22 &23	April 2022
6	LGMTEC 3/SIME- Provincial analysis (PT and DLG) ofthe 5-year draft IDP & Budget	Municipal Manager Directors Budget Office Manager: IDP	MFMA Section 34	April 2022
7	Deadline for Public inputs on IDP and Budget	Manager: IDP	MSA Section 21	April 2022
8	Executive Management analyse public commentson Draft IDP and Budget and prepare report with recommendations for Council's perusal	Manager: IDP CFO Mun Manager	MFMA Section 22 (a) MSA Section 21 A	May 2022
<b>PHASE 5 – Approval of IDP and Budget</b>				
1	Table Final 2022/23 revised IDP, MSDF Gap Analysisand Budget and Tariffs to the Budget Steering Committee for final overview, inclusiveness and quality check.	Municipal Manager	MFMA MBRR Section 14 (2)	May 2022
2	Workshop final 2022/23 revised IDP, MSDF Gap Analysis and Budget and tariffs for 2022/23 withCouncil.	Municipal Manager	Internal Management Procedure	May 2022
3	Council considers comments from all stakeholders (including LGMTEC 3 report) on draft IDP, MSDF GapAnalysis and Budget and revise IDP and Budget accordingly if necessary.	Municipal Manager CFO Council	Municipal Systems Act	26 May 2022
4	Table 2022/23 final IDP, MSDF Gap Analysis and Budget, Tariff List and budget related policies toCouncil for approval.	Mayor/CFO and Municipal Manager	MFMA Section24 and 25 MSA Reg 2(1)	31 May 2022
5	Submission of approved final IDP and Budget to National and Provincial Treasuries in both printedand electronic formats.	Budget Office Manager: IDP	MFMA Section 24(3) MBRR Regulation 20	10 days after council approval
6	Publish the approved 2022/23 revised IDP and Budget on municipality's website.	Budget Office Manager: IDP	MFMA Section 22 MBRR Section18	5 days after council meeting
7	Submission of 2022/23 revised IDP to MEC of LocalGovernment.	Manager: IDP	MSA Section 32(1)	10 days after final approval
8	Response / Feedback to public comments inrespect of IDP. Budget, tariffs and policies.	CFO Manager: IDP	MFMA	15 June 22

### **2.2.3 – Tabling of the draft budget**

The initial draft budget must be tabled by the mayor before council for review by 31 March.

Once tabled at council, the municipal manager must make public the appropriate budget documentation and submit it to both the national and the relevant provincial treasury and any other government departments as required. At this time, the local community must be invited to submit representations on what is contained in the budget.

The municipal budget will be tabled before Council on 28 March 2022.

### **2.2.4 – Consultation with the community and key stakeholders**

When the draft budget is tabled, council must consider the views of the local community, the national and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget.

The consultation with National and Provincial Treasuries regarding the MTREF is set to take place during May 2022.

The first round of public participation with all the 27 ward committees commenced in October/November 2020 in order to provide feedback on progress made on existing projects and share information on future projects and to afford ward committees an opportunity to review ward priorities and make further submissions.

The second round of public participation aims to:

- invite the public comments on the Draft IDP review and Budget including engagements with all the 27 ward committees.
- To provide feedback on current and future IDP projects as proposed by wards; and
- To create an opportunity for further inputs on key highlights & proposals from the Draft Budget

A complete report regarding the feedback on the public participation process will be included in the Final IDP document.

## **2.3 – Service Delivery and Budget Implementation Plan (SDBIP)**

The municipal manager must within fourteen days after the approval of the annual budget submit to the mayor for approval a draft service delivery and budget implementation plan and draft annual performance agreements for all pertinent senior staff.

A service delivery and budget implementation plan is a detailed plan for implementing the delivery of municipal services contemplated in the annual budget and should indicate monthly revenue and expenditure projections and quarterly service delivery targets and performance indicators.

The mayor must approve the draft service delivery and budget implementation plan within 28 days of the approval of the annual budget.

This plan must then be monitored by the mayor and reported on to council on a regular basis. The municipal manager is responsible for implementation of the budget and must take steps to ensure that all spending is in accordance with the budget and that revenue and expenditure are properly monitored.

Generally, councils may incur expenditure only if it is in terms of the budget, within the limits of the amounts appropriated against each budget vote – and in the case of capital expenditure, only if council has approved the project. Expenditure incurred outside of these parameters may be considered to be unauthorised or, in some cases, irregular or fruitless and wasteful. Unauthorised expenditure must be reported and may result in criminal proceedings.

## 2.4 – Alignment of Annual Budget with IDP

Local priorities were identified as part of the IDP process which is directly aligned to that of national and provincial priorities.

The IDP strategic objectives and goals are set out in the IDP document.

George is a city for all reasons and this along with the strategic vision and mission has led to the conceptualisation of five strategic goals for George. These goals are as follows:



The above strategic goals are set to become the catalysts to ensure that the vision and mission is achieved in the next five years.

The 2022/23 MTREF has therefore been directly informed by the IDP and the following tables provide reconciliation between the IDP strategic objectives and goals.

**Table 28 – SA4: Reconciliation between IDP strategic objectives and budgeted operating revenue****WC044 George - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)**

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
				R thousand								
Sanitation	Affordable Quality Services			163 631	159 180	191 963	196 949	210 957	210 957	244 029	281 558	273 508
Water Services	Affordable Quality Services			188 659	188 887	183 446	200 328	214 577	214 577	248 216	335 929	324 249
Roads Streets, Storm water drainage and Sidewalks	Affordable Quality Services			13 516	47 938	28 205	40 967	43 881	43 881	50 760	7 379	6 907
Transport Planning & Traffic Engineering	Affordable Quality Services			313 191	405 686	418 201	440 203	471 514	471 514	545 433	534 093	506 544
Electricity	Affordable Quality Services			673 680	718 719	812 188	929 953	996 099	996 099	1 152 256	1 324 629	1 286 653
Housing	Affordable Quality Services			51 088	30 512	153 035	105 267	112 755	112 755	130 431	167 244	185 066
Spatial Planning	Affordable Quality Services			10 703	7 807	10 206	10 425	11 167	11 167	12 917	14 307	13 348
Property Development	Affordable Quality Services			16 964	6 533	8 881	8 938	9 574	9 574	11 075	12 142	11 214
Public Safety and Law Enforcement	Safe, Clean and Green			93 443	75 395	78 552	79 177	84 809	84 809	98 104	108 767	101 781
Road Transport	Affordable Quality Services			13 668	12 435	13 168	13 431	14 387	14 387	16 642	18 488	17 301
Environmental Health	Safe, Clean and Green			440	296	3	4	4	4	5	5	5
Public Amenities	Affordable Quality Services			4 784	3 845	519	3 549	3 802	3 802	4 398	4 867	4 362
Waste Management	Safe, Clean and Green			118 981	133 557	152 439	157 408	168 604	168 604	195 036	220 952	211 774
Sport facilities and Development	Develop and Grow George			3 151	129	1 349	9 641	10 327	10 327	11 946	5 737	51
Local Economic Development	Develop and Grow George			960	288	853	803	860	860	995	956	894
Tourism	Develop and Grow George			14	23	746	377	404	404	468	99	92
Financial viability and management	Good Governance and Human Capital			43 217	43 863	50 027	51 012	54 640	54 640	63 206	70 262	65 730
Revenue enhancement	Good Governance and Human Capital			278 170	310 137	331 720	351 013	375 980	375 980	434 922	501 836	487 574
Credit Control	Good Governance and Human Capital			–	–	–	–	–	–	–	–	–
Budget Formulation and control	Good Governance and Human Capital			1 567	754	1 468	1 053	1 127	1 127	1 304	1 253	1 212
People Management and Empowerment	Good Governance and Human Capital			1 542	1 117	967	650	696	696	805	877	–
Administrative Support	Good Governance and Human Capital			3 569	2 536	3 922	3 092	3 311	3 311	3 831	3 799	3 531
Library Services	Affordable Quality Services			9 843	10 285	10 944	9 430	10 100	10 100	11 684	12 799	11 940
Integrated Development Planning	Participative Partnerships			–	–	–	–	–	–	–	–	–
Communication	Participative Partnerships			202	4	136	100	107	107	124	135	124
HIV/Aids	Affordable Quality Services			–	–	–	–	–	–	–	–	–
Social Development	Affordable Quality Services			4 665	6 879	3 645	2 961	3 171	3 171	3 668	3 278	3 045
Internal Audit and Risk Management	Good Governance and Human Capital			439	–	–	–	–	–	–	–	–
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	2 010 085	2 166 806	2 456 583	2 616 730	2 802 854	2 802 854	3 242 253	3 631 391	3 516 902



**Table 29 – SA5: Reconciliation between IDP strategic objectives and budgeted operating expenditure**

WC044 George - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand													
Sanitation	Affordable Quality Services			91 156	101 828	110 919	111 372	116 472	116 472	127 354	136 192	136 430	
Water Services	Affordable Quality Services			126 690	152 641	154 238	147 273	154 016	154 016	168 406	173 836	174 903	
Roads Streets, Storm water drainage and Sidewalks	Affordable Quality Services			87 490	96 700	96 945	104 076	108 842	108 842	119 011	114 823	114 080	
Transport Planning & Traffic Engineering	Affordable Quality Services			288 042	351 101	404 613	438 881	458 978	458 978	501 858	491 782	495 530	
Electricity	Affordable Quality Services			558 537	628 653	697 141	814 824	852 136	852 136	931 749	1 030 369	1 098 039	
Housing	Affordable Quality Services			90 709	52 641	192 733	144 049	150 645	150 645	164 720	185 202	210 994	
Spatial Planning	Affordable Quality Services			19 257	18 984	24 971	25 059	26 206	26 206	28 655	30 106	30 700	
Property Development	Affordable Quality Services			28 880	10 540	6 205	6 378	6 670	6 670	7 293	6 712	6 723	
Public Safety and Law Enforcement	Safe, Clean and Green			155 682	158 222	136 456	152 072	159 036	159 036	173 894	182 276	182 594	
Road Transport	Affordable Quality Services			6 745	7 118	9 973	10 837	11 333	11 333	12 392	12 570	12 844	
Environmental Health	Safe, Clean and Green			1 593	10 938	13 053	13 806	14 438	14 438	15 787	16 314	16 611	
Public Amenities	Affordable Quality Services			8 934	43 332	48 481	49 140	51 390	51 390	56 192	58 143	58 529	
Waste Management	Safe, Clean and Green			41 186	84 693	96 343	89 082	93 161	93 161	101 865	105 885	106 830	
Sport facilities and Development	Develop and Grow George			114 772	13 416	15 770	14 508	15 173	15 173	16 590	15 410	15 183	
Local Economic Development	Develop and Grow George			14 385	3 407	4 714	4 128	4 317	4 317	4 721	4 186	4 171	
Tourism	Develop and Grow George			3 809	5 621	7 258	8 278	8 657	8 657	9 466	8 519	8 624	
Financial viability and management	Good Governance and Human Capital			5 831	33 270	41 500	50 418	52 726	52 726	57 653	82 627	98 198	
Revenue enhancement	Good Governance and Human Capital			30 415	40 535	41 493	50 739	53 062	53 062	58 020	59 774	61 176	
Credit Control	Good Governance and Human Capital			33 620	4 137	4 285	4 428	4 630	4 630	5 063	5 412	5 559	
Budget Formulation and control	Good Governance and Human Capital			3 908	3 309	4 336	4 706	4 922	4 922	5 382	5 054	5 194	
People Management and Empowerment	Good Governance and Human Capital			3 974	24 060	26 072	26 645	27 866	27 866	30 469	32 237	32 029	
Administrative Support	Good Governance and Human Capital			21 784	119 254	168 226	167 329	174 991	174 991	191 340	200 257	201 515	
Library Services	Affordable Quality Services			117 293	12 309	22 086	23 078	24 134	24 134	26 389	27 618	28 157	
Integrated Development Planning	Participative Partnerships			12 323	3 141	5 779	4 940	5 166	5 166	5 649	5 969	6 065	
Communication	Participative Partnerships			4 073	18 477	19 090	21 573	22 561	22 561	24 669	27 575	27 268	
HIV/Aids	Affordable Quality Services			16 697	847	1 402	836	875	875	956	1 088	1 104	
Social Development	Affordable Quality Services			1 173	18 603	16 084	13 170	13 773	13 773	15 059	15 887	16 071	
Internal Audit and Risk Management	Good Governance and Human Capital			15 233	6 084	9 522	9 444	9 876	9 876	10 799	11 411	11 519	
Allocations to other priorities													
Total Expenditure				1	1 904 192	2 023 860	2 379 689	2 511 069	2 626 054	2 626 054	2 871 398	3 047 231	3 166 639

**Table 30 – SA6: Reconciliation between IDP strategic objectives and budgeted capital expenditure**

WC044 George - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand													
Sanitation	Affordable Quality Services	A		46 727	14 315	93 257	131 420	118 232	118 232	136 641	97 943	197 946	
Water Services	Affordable Quality Services			19 343	24 368	109 251	49 512	122 467	122 467	254 552	470 857	205 035	
Roads Streets, Storm water drainage and Sidewalks	Affordable Quality Services			88 447	60 982	32 172	87 612	—	—	—	—	—	
Transport Planning & Traffic Engineering	Affordable Quality Services			2 551	270	16 804	1 558	—	—	—	—	—	
Electricity	Affordable Quality Services			46 330	28 465	72 931	60 129	101 245	101 245	151 116	176 625	169 505	
Housing	Affordable Quality Services			2 007	5 433	4 022	3 000	3 338	3 338	3 186	5 119	5 588	
Spatial Planning	Affordable Quality Services			994	298	1 184	516	2 504	2 504	1 494	3 929	4 193	
Property Development	Affordable Quality Services			—	—	—	—	—	—	—	—	—	
Public Safety and Law Enforcement	Safe, Clean and Green			6 992	7 732	13 152	7 333	26 953	26 953	36 855	31 358	45 125	
Road Transport	Affordable Quality Services			476	21	1 308	—	65 685	65 685	150 063	110 160	109 970	
Environmental Health	Safe, Clean and Green			—	320	814	30	—	—	—	—	—	
Public Amenities	Affordable Quality Services			—	1 691	9 085	4 301	4 271	4 271	9 013	9 100	7 150	
Waste Management	Safe, Clean and Green			2 263	6 664	6 300	7 780	9 609	9 609	19 395	14 958	16 088	
Sport facilities and Development	Develop and Grow George			14 178	552	16 891	14 490	5 087	5 087	6 208	14 664	8 517	
Local Economic Development	Develop and Grow George			3 652	237	400	300	323	323	1 450	660	540	
Tourism	Develop and Grow George			140	472	1 408	197	511	511	187	530	855	
Financial viability and management	Good Governance and Human Capital			148	688	1 214	364	108	108	990	180	180	
Revenue enhancement	Good Governance and Human Capital			236	—	—	—	—	—	—	—	—	
Credit Control	Good Governance and Human Capital			—	—	—	—	—	—	—	—	—	
Budget Formulation and control	Good Governance and Human Capital			—	—	—	—	—	—	—	—	—	
People Management and Empow erment	Good Governance and Human Capital			—	15	302	—	—	—	109	—	—	
Administrative Support	Good Governance and Human Capital			93	2 615	5 984	1 856	2 423	2 423	10 075	6 211	4 057	
Library Services	Affordable Quality Services			7 877	359	734	5	12	12	920	30	20	
Integrated Dev elopment Planning	Participative Partnerships			597	16	—	30	—	—	55	—	—	
Communication	Participative Partnerships			—	23	29	10	—	—	—	—	—	
HIV/Aids	Affordable Quality Services	B		53	18	—	—	—	—	—	—	—	
Social Development	Affordable Quality Services	C		—	466	735	—	631	631	2 270	30	1 056	
Internal Audit and Risk Management	Good Governance and Human Capital	D		132	—	—	—	54	54	195	20	90	
Allocations to other priorities				3									
Total Capital Expenditure				1	243 236	156 018	387 975	370 443	463 450	463 450	784 774	942 372	775 916

## **2.6 – Overview of budget related policies**

In terms of section 17 (3) (e) of the Municipal Finance Management Act, No. 56 of 2003 it prescribes that the Municipality must review the budget related policies and by-laws (where applicable) annually.

This administration has reviewed the policies and workshops will be held with Council where changes were made. See below the applicable policies and by-laws:

- Customer Care, Credit Control and Debt Collection Policy and By-laws;
- Property Rates Policy and By-laws;
- Tariff Policy and By-laws;
- Unauthorized Irregular and Fruitless and Wasteful Expenditure Policy;
- Indigent Policy;
- Virement Policy;
- Cash Management and Investment Policy;
- Travel & Subsistence Policy;
- Supply Chain Management Policy;
- Asset Management Policy;
- Funding Borrowing & Reserve Policy;
- Long Term Financial Plan;
- Liquidity Policy;
- Cost Containment Policy;
- Cell Phone Allowance Policy.

The draft policies are contained in Annexure D to the item and will be placed on the municipal website for public comment. The draft LTFP will be reworked to include the draft 2022/23 MTREF.

## **2.7 – Budget Assumptions**

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. This section provides a comprehensive summary of all the assumptions used in preparing the budget.

### **2.7.1 – National Treasury MFMA Circular No 112 & 115**

These Circulars was issued on 06 December 2021 and 04 March 2022 respectively, and it provides further guidance to municipalities for the preparation of the 2022/23 budget and MTREF. The circulars were used in preparing this budget.

### **2.7.2 – Inflation Outlook**

In MFMA Circular No 115, inflation forecasts are estimated at 4.8%, 4.4% and 4.5% respectively for the years 2022 to 2024.

### 2.7.3 – Rates, tariffs, charges and timing of revenue collection

The Budget Committee made use of tariff modelling to calculate realistic tariff increases. Although the budget committee endeavoured to contain the increase within the 6% upper boundary of the South African Reserve Bank's inflation target, the model indicated that this was not possible. In order to have a funded budget the following tariff increases are recommended for the 2022/23 financial year:

Category	Base Budget 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
Property Rates	6.00%	8.00%	8.00%	8.00%
Electricity	14.59%	8.00%	8.00%	8.00%
Water	6.00%	10.00%	10.00%	10.00%
Sanitation	6.00%	9.00%	9.00%	9.00%
Refuse	4.50%	9.00%	9.00%	9.00%
Other	2.00%	6.00%	6.00%	6.00%

The cash flow statement shows when rates and tariffs are expected to be collected over the financial year. In general terms, the timing of rates, tariffs and charges is based on the following;

Rates	Monthly billing. Interim billing throughout the year.
Tariffs	Monthly billing. On-going prepayment meters. Seasonal fluctuations.
Charges	Generally steady state throughout the financial year with seasonal fluctuations.

**2.7.4 – Collection rates for each revenue source and customer type**

The following bad debt provisions and collection rates are assumed in the MTREF for rates and tariffs.

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Provision for bad and doubtful debts	R122.2m	R125.9m	R129.7m
Assumed collection rate	96%	96%	96%

**2.7.5 – Price movements on specifics e.g. bulk purchases**

The following amounts are included in the MTREF for increases in bulk purchases;

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
ESKOM	R666.1m	R730.1m	R800.3m

**2.7.6 – Average salary increases**

The MTREF includes the following average percentage increases for wages and salary and for councillors' allowances;

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Councillors	5%	5%	5%
Staff	0%	5%	5%

**2.7.7 – Industrial relations climate, reorganisation and capacity building**

The ability of the Municipality to deliver quality services is virtually entirely dependent on its staff. Failure by the Municipality to invest in its staff to ensure that the capacity and skills exist to meet the challenges being faced by George will ultimately mean a failure to deliver services.

The Municipality has made the following amounts available for training over the MTREF period.

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Training Budget	1 500 000	1 575 000	1 654 000

## 2.7.8 – Trends in demand for free or subsidised basic services

George's criteria for supporting free or subsidised basic services are set out in the Indigent Policy. The Government allocates revenue via the Equitable Share grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services. Any costs over and above the Equitable Share allocation must be paid by the consumer.

The proposed allocation to Indigent Households will have the following financial consequences:

<b>National Allocations</b>	<b>Draft MTREF allocation</b>		
<b>Grant Description</b>	<b>87,91</b>	<b>84,29</b>	<b>80,96</b>
Equitable Share (Gazetted allocation)	R193 460 000	R210 287 000	R228 699 000
<b>Operational Projects</b>			
DMA allocation - salaries	14 554 935	17 645 034	22 211 295
Roads Maintenance - DMA	2 000 000	2 000 000	2 000 000
Water Network Maintenance - DMA	2 000 000	2 000 000	2 000 000
Water leakages	3 748 000	3 632 900	3 864 200
Audit and Social assessments	100 000	106 000	112 400
Electricity Prepaid meter	3 000 000	3 180 000	3 466 000
Sewerage blockages	1 808 000	2 000 000	3 583 400
Water	39 392 000	43 331 000	47 664 000
Sewerage	43 914 065	47 081 066	47 664 705
Refuse removal	45 261 000	49 334 000	53 774 000
Electricity	26 182 000	28 277 000	30 539 000
Social projects	2 000 000	2 000 000	2 000 000
Eskom - 50kw	1 000 000	1 200 000	1 320 000
Chemical Toilets	8 500 000	8 500 000	8 500 000
<b>Total allocations</b>	<b>R193 460 000</b>	<b>R210 287 000</b>	<b>R228 699 000</b>

The indigent qualification criteria will be enforced more rigorously to ensure that those who do not qualify are removed from the allocation list. This saving on the equitable share allocation, if any, will allow Council to make an additional contribution from the operating account to fund the provision of free basic services.

It must be remembered that such indigent support is not subsidized from services charges collected from the citizens of George.

The proposed package of free basic services allocated to the indigents consists of the following:

Description	Escalation (%)	2021/22 (R)	2022/23 (R)
Water (Basic)	10%	100.91	111.00
Water 6kl	10%	106.04	116.64
Electricity	8%	117.49	126.89
Refuse	9%	231.15	251.95
Sewer	9%	249.43	271.88
<b>Total</b>		<b>R805.02</b>	<b>R878.36</b>

### 2.7.9 – Ability of the municipality to spend and deliver on the programmes

Spending is monitored closely throughout the year and Directors must ensure that capital programmes are supported by robust planning. The Municipality is currently reviewing its capital planning processes and will soon implement the capital rating and ranking programme of Ignite Advisory Service.

The SDBIP includes monthly cash flows of expenditure and is used as the basis for budget monitoring. Monthly Section 71 meetings with portfolio councillor, municipal manager, directors and the budget office also forms part of the monitoring tool and directorates must give reasons for poor performance and over spending and put corrective measures in place.

### 2.7.10 – Capital Budget

Projects to be funded from the Capital Replacement Reserve (CRR) were capped at R 151.1 million and R 304.3 million for projects linked to external funding (EFF). Full provision was made for grant funded projects as contained in the Division of Revenue Act. An amount of R 323 million was budgeted for grants. R 6.1 million of the housing Special Operating Account (SOA) is also earmarked to fund infrastructure projects linked to the provision of housing

The budget committee has prioritized the upgrading of the core services infrastructure. Below are a few of the focus areas:

R428.76 million was appropriated over the MTREF for the extension of the Water Treatment Works. The upgrading of sewer pump stations has been prioritized and R201.88 million over the MTREF has been allocated. A further R 216.24 million has been allocated to the extension of the Sewerage Treatment Works over the MTREF.

The Thembaletu / Ballots bay 66KV/11kv substation is a multi-year project. In 2021/2022 R13.7 million was provided for this project with a further R45 million budgeted over the MTREF. The project was delayed by the community and subsequently a community liaison officer was appointed to resolve the grievances raised by the community.

Renewable energy project at the amount of R170 million was provided over MTREF. This 10MW project will reduce the reliance on ESKOM and continuously increase renewable energy alternatives. Solar panels will be installed at various water and sewerage pump stations to the cost of R49.8 million over the MTREF to further reduce the Municipality's electricity usage.

This draft capital budget has been compiled with due consideration to the direct impact that it would have on the operating budget and our cash position where projects are to be funded from either internal sources or from external borrowings.

The Capital Budget was prioritized within the available funding as indicated in table below. Full provision has been made for the grant funded projects.

#### **2.7.11 – Implications of restructuring and other major events in the future**

Council approved a new macro organisational structure in June 2017 which has increased the Directorates from seven to nine with a 10year phase-in approach to fill vacant posts.

#### **2.7.12 – Service level standards**

MFMA circular No. 72 indicated that all municipalities must formulate service level standards which must form part of the tabled MTREF budget documentation.

A broad guideline was provided on the minimum service standards to be incorporated in the budget documentation. In addition to the guideline, a framework was developed as an outline to assist municipalities in finalising their service level standards.

It is accepted that it is not possible to have the same service level standards across all municipalities. Therefore, the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances.

The municipality is currently busy updating the service level standard document.



## 2.8 – Other Supporting documents

### 2.8.1 Investment Particulars by Type

**Table 31 – SA15: Investment Particulars by Type**

WC044 George - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Parent municipality										
Securities - National Government		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -
Listed Corporate Bonds		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -
Deposits - Bank			147 000	147 000	200 000	200 000	200 000	200 000	-	-
Deposits - Public Investment Commissioners		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	-	-
Deposits - Corporation for Public Deposits		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	-	-
Bankers Acceptance Certificates		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	-	-
Negotiable Certificates of Deposit - Banks		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	-	-
Guaranteed Endowment Policies (sinking)		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	-	-
Repurchase Agreements - Banks		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	-	-
Municipal Bonds		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	-	-
Municipality sub-total	1	-	147 000	147 000	200 000	200 000	200 000	200 000	-	-
Entities										
Securities - National Government		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -
Listed Corporate Bonds		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -
Deposits - Bank		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -
Deposits - Public Investment Commissioners		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -
Deposits - Corporation for Public Deposits		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -
Bankers Acceptance Certificates		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -
Negotiable Certificates of Deposit - Banks		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -
Guaranteed Endowment Policies (sinking)		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -
Repurchase Agreements - Banks		✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -	✔ -
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	147 000	147 000	200 000	200 000	200 000	200 000	-	-

## 2.8.2 Borrowings

### Table 32 – SA17: Borrowing

WC044 George - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Parent municipality										
Annuity and Bullet Loans		258 023	281 329	291 840	475 772	475 772	475 772	733 772	1 033 772	1 083 772
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		(2 737)	-	(468)	-	-	-	-	-	-
Municipality sub-total	1	255 286	281 329	291 372	475 772	475 772	475 772	733 772	1 033 772	1 083 772
Entities										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	255 286	281 329	291 372	475 772	475 772	475 772	733 772	1 033 772	1 083 772
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

## 2.8.3 Grants and subsidies

Table 33 – SA18: Transfers and grants receipt

WC044 George - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		265 264	363 350	320 465	335 841	336 791	336 791	358 291	351 979	381 360
Operational Revenue: General Revenue: Equitable Share		137 401	149 978	186 528	170 498	170 498	170 498	193 460	210 287	228 699
Energy Efficiency and Demand-side [Schedule 5B]		378	-	100	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		5 466	5 111	4 921	3 068	3 068	3 068	1 990	-	-
HIV and Aids		-	-	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-	-
Housing Top structure		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		5 897	6 880	6 089	6 000	6 000	6 000	6 000	6 000	6 500
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	1 550	1 550	1 550	1 721	1 771	1 771
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Grant [Schedule 5B]		-	506	-	-	-	-	-	-	-
Municipal Human Settlement Capacity Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Natural Resource Management Project		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	5 000
Municipal Infrastructure Grant [Schedule 5B]		1 532	1 604	1 594	700	750	750	751	750	750
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]		113 040	197 721	119 683	154 025	153 425	153 425	154 369	133 171	138 640
Regional Bulk Infrastructure Grant		-	-	-	-	1 500	1 500	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		151 494	422 547	351 522	277 151	326 607	326 607	194 001	233 326	198 174
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		1 877	3 301	152 448	106 804	74 175	74 175	11 708	9 733	10 300
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		33 896	226 614	-	-	-	-	-	-	-
Infrastructure		-	-	199 074	170 347	252 432	252 432	182 293	223 593	187 874
Libraries, Archives and Museums		9 239	9 798	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Public Transport		101 086	172 747	-	-	-	-	-	-	-
Road Infrastructure - Maintenance		5 168	10 087	-	-	-	-	-	-	-
Sports and Recreation		228	-	-	-	-	-	-	-	-
Waste Water Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	1 202	-	120	120	-	-	-
All Grants		-	-	1 202	-	120	120	-	-	-
<b>Other Grant Providers:</b>		1 045	1 039	950	650	650	650	-	-	-
Departmental Agencies and Accounts		1 045	1 039	950	650	650	650	-	-	-
<b>Total Operating Transfers and Grants</b>	5	417 803	786 936	674 139	613 642	664 168	664 168	552 292	585 305	579 534
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		120 716	104 069	99 904	89 098	185 920	185 920	362 982	579 536	345 927
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		13 000	10 044	6 794	15 100	15 100	15 100	38 036	12 000	12 539
Municipal Infrastructure Grant [Schedule 5B]		46 356	38 500	34 772	41 562	41 512	41 512	44 757	46 698	48 762
Energy Efficiency and Demand Side Management Grant		6 622	7 000	4 400	-	-	-	2 500	-	-
Public Transport Network Grant [Schedule 5B]		54 635	47 905	53 938	29 354	46 381	46 381	37 041	10 000	10 000
Public Transport Network Operations Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant [Schedule 5B]		-	-	-	-	79 845	79 845	240 648	510 838	274 626
Water Services Infrastructure Grant [Schedule 5B]		-	-	-	3 082	3 082	3 082	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		103	620	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	6 823	-	-	1 000	1 000	1 620	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	300	300	820	-	-
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	6 628	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	700	700	800	-	-
Libraries, Archives and Museums		-	195	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	120 716	110 892	99 904	89 098	186 920	186 920	364 602	579 536	345 927
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		538 519	897 828	774 043	702 740	851 088	851 088	916 894	1 164 841	925 461

**Table 34 – SA19: Expenditure on transfers and grants**

WC044 George - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		266 097	355 536	178 332	190 106	190 973	190 973	197 312	178 195	192 111
Operational Revenue: General Revenue: Equitable Share		137 401	149 978	27 358	25 007	25 052	25 052	34 759	36 692	39 652
Energy Efficiency and Demand-side [Schedule 5B]		378	–	72	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		5 466	4 299	4 849	3 024	3 024	3 024	1 952	–	–
HIV and Aids		–	–	–	–	–	–	–	–	–
Housing Accreditation		–	–	–	–	–	–	–	–	–
Housing Top structure		–	–	–	–	–	–	–	–	–
Infrastructure Skills Development Grant [Schedule 5B]		4 934	6 059	6 034	5 931	5 803	5 803	5 922	5 964	6 444
Integrated City Development Grant		–	–	–	–	–	–	–	–	–
Khayelitsha Urban Renewal		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant [Schedule 5B]		1 550	786	1 418	1 418	1 418	1 418	1 568	1 618	1 625
Mitchell's Plain Urban Renewal		–	–	–	–	–	–	–	–	–
Municipal Demarcation and Transition Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Municipal Disaster Grant [Schedule 5B]		–	506	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	5 000
Municipal Infrastructure Grant [Schedule 5B]		1 532	1 604	1 594	700	750	750	751	750	750
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Public Transport Network Grant [Schedule 5B]		114 836	192 304	137 007	154 025	153 425	153 425	152 359	133 171	138 640
Regional Bulk Infrastructure Grant		–	–	–	–	1 500	1 500	–	–	–
Municipal Emergency Housing Grant		–	–	–	–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		184 659	209 542	338 056	279 356	326 608	326 608	195 999	233 314	198 142
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		1 113	2 568	11 940	11 897	15 456	15 456	11 696	9 721	10 268
Disaster and Emergency Services		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Housing		67 902	18 187	–	–	–	–	–	–	–
Infrastructure		–	–	326 116	267 459	311 152	311 152	184 303	223 593	187 874
Libraries, Archives and Museums		9 239	9 798	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Public Transport		101 237	168 902	–	–	–	–	–	–	–
Road Infrastructure - Maintenance		5 168	10 087	–	–	–	–	–	–	–
District Municipality:		–	–	1 202	–	120	120	–	–	–
All Grants		–	–	1 202	–	120	120	–	–	–
Other Grant Providers:		1 045	1 039	650	650	650	650	–	–	–
Departmental Agencies and Accounts		1 045	1 039	650	650	650	650	–	–	–
Total operating expenditure of Transfers and Grants:		451 801	566 117	518 240	470 111	518 351	518 351	393 310	411 509	390 253
Capital expenditure of Transfers and Grants										
National Government:		116 086	59 677	93 952	81 405	167 819	167 819	320 468	505 249	302 110
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		16 476	9 250	5 908	13 230	13 230	13 230	33 075	10 435	10 903
Municipal Infrastructure Grant [Schedule 5B]		36 158	6 977	30 236	36 141	36 097	36 097	31 984	36 819	32 291
Energy Efficiency and Demand Side Management Grant		7 602	4 342	3 870	–	–	–	2 174	–	–
Public Transport Network Grant [Schedule 5B]		52 657	31 770	53 938	29 354	46 381	46 381	37 041	10 000	10 000
Public Transport Network Operations Grant [Schedule 5B]		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant (Schedule 5B)		3 090	6 718	–	–	69 430	69 430	216 195	447 995	248 916
Water Services Infrastructure Grant [Schedule 5B]		–	–	–	2 680	2 680	2 680	–	–	–
Infrastructure Skills Development Grant [Schedule 5B]		103	620	–	–	–	–	–	–	–
Provincial Government:		773	3 496	732	–	1 000	1 000	1 620	–	–
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		177	–	–	–	300	300	820	–	–
Housing		596	3 301	–	–	–	–	–	–	–
Infrastructure		–	–	732	–	700	700	800	–	–
Libraries, Archives and Museums		–	195	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	1 000	–	–
All Grants		–	–	–	–	–	–	1 000	–	–
Total capital expenditure of Transfers and Grants		116 859	63 173	94 684	81 405	168 819	168 819	323 088	505 249	302 110
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		568 660	629 290	612 924	551 516	687 170	687 170	716 398	916 757	692 363

**Table 35 – SA20: Reconciliation of transfers, grants receipts and unspent funds**

WC044 George - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Operating transfers and grants:</b>		1,3									
<b>National Government:</b>											
Balance unspent at beginning of the year			(3 799)	146 412	(2 867)	(9 277)	(9 277)	-	-	-	-
Current year receipts			(128 000)	(213 663)	(209 980)	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>			<b>(131 800)</b>	<b>(69 091)</b>	<b>(299 167)</b>	<b>(9 277)</b>	<b>(9 277)</b>	-	-	-	-
Conditions still to be met - transferred to liabilities			-	1 840	86 320	-	-	-	-	-	-
<b>Provincial Government:</b>											
Balance unspent at beginning of the year			-	119 250	475	1 897	1 897	-	-	-	-
Current year receipts			(150 234)	(180 765)	(193 099)	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>			<b>(150 234)</b>	<b>(246 060)</b>	<b>(414 354)</b>	<b>1 897</b>	<b>1 897</b>	-	-	-	-
Conditions still to be met - transferred to liabilities			-	184 544	221 730	-	-	-	-	-	-
<b>District Municipality:</b>											
Balance unspent at beginning of the year			-	-	-	-	-	-	-	-	-
Current year receipts			-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>			-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities			-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>											
Balance unspent at beginning of the year			-	16 724	-	(5 788)	(5 788)	-	-	-	-
Current year receipts			-	(100)	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>			-	<b>16 624</b>	-	<b>(5 788)</b>	<b>(5 788)</b>	-	-	-	-
Conditions still to be met - transferred to liabilities			-	-	-	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>			<b>(282 034)</b>	<b>(298 527)</b>	<b>(713 521)</b>	<b>(13 168)</b>	<b>(13 168)</b>	-	-	-	-
<b>Total operating transfers and grants - CTBM</b>		2	-	<b>186 384</b>	<b>308 050</b>	-	-	-	-	-	-
<b>Capital transfers and grants:</b>		1,3									
<b>National Government:</b>											
Balance unspent at beginning of the year			-	26 954	-	(49 547)	(49 547)	-	-	-	-
Current year receipts			(221 907)	(150 023)	(153 713)	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>			<b>(221 907)</b>	<b>(140 649)</b>	<b>(190 633)</b>	<b>(49 547)</b>	<b>(49 547)</b>	-	-	-	-
Conditions still to be met - transferred to liabilities			-	17 581	36 920	-	-	-	-	-	-
<b>Provincial Government:</b>											
Balance unspent at beginning of the year			-	32 296	-	(13 251)	(13 251)	-	-	-	-
Current year receipts			(6 885)	(24 839)	(732)	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>			<b>(6 885)</b>	<b>(72)</b>	<b>(2 202)</b>	<b>(13 251)</b>	<b>(13 251)</b>	-	-	-	-
Conditions still to be met - transferred to liabilities			-	7 529	1 470	-	-	-	-	-	-
<b>District Municipality:</b>											
Balance unspent at beginning of the year			-	2 973	-	-	-	-	-	-	-
Current year receipts			-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>			-	<b>2 973</b>	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities			-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>											
Balance unspent at beginning of the year			-	-	-	-	-	-	-	-	-
Current year receipts			-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>			-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities			-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>			<b>(228 792)</b>	<b>(137 748)</b>	<b>(192 835)</b>	<b>(62 798)</b>	<b>(62 798)</b>	-	-	-	-
<b>Total capital transfers and grants - CTBM</b>		2	-	<b>25 110</b>	<b>38 390</b>	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>			<b>(510 826)</b>	<b>(436 275)</b>	<b>(906 356)</b>	<b>(75 966)</b>	<b>(75 966)</b>	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>			-	<b>211 494</b>	<b>346 440</b>	-	-	-	-	-	-

#### **2.8.4 Councillors and employee benefits**

The total remuneration has increased from R660 million to R731 million. The increase of R71 million can be attributed to:

- Employee Related Costs –The new wage agreement was received on 9 March 2022 which indicates that the salary and wage increase will be 4.9%, with effect from 1 July 2022.
- The process of prioritizing the critical vacant posts will be completed after the draft budget is tabled.

**Table 36 – SA22: Summary of councillor and staff benefits**

WC044 George - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages	1	14 115	14 559	30 504	16 886	16 886	16 886	16 886	17 731	18 617
Pension and UIF Contributions		732	1 076	1 472	890	890	890	890	934	981
Medical Aid Contributions		283	322	538	346	407	407	407	427	448
Motor Vehicle Allowance		4 760	6 969	9 936	5 468	5 407	5 407	5 407	5 678	5 961
Cellphone Allowance		2 128	2 276	4 542	2 581	2 581	2 581	2 581	2 710	2 845
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>22 017</b>	<b>25 201</b>	<b>46 993</b>	<b>26 171</b>	<b>26 171</b>	<b>26 171</b>	<b>26 171</b>	<b>27 479</b>	<b>28 853</b>
<b>% increase</b>	4		<b>14,5%</b>	<b>86,5%</b>	<b>(44,3%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,0%</b>	<b>5,0%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages	2	8 197	12 327	21 649	13 783	9 536	9 536	10 518	11 043	11 596
Pension and UIF Contributions		648	1 073	1 236	1 281	1 355	1 355	1 421	1 492	1 566
Medical Aid Contributions		148	314	338	209	314	314	369	388	407
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		575	3 388	2 352	1 989	1 989	1 989	1 871	1 965	2 063
Motor Vehicle Allowance	3	324	541	685	485	490	490	615	646	678
Cellphone Allowance	3	92	97	118	109	128	128	157	165	173
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	129	545	684	562	499	499	480	504	529
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>10 113</b>	<b>18 285</b>	<b>27 063</b>	<b>18 417</b>	<b>14 310</b>	<b>14 310</b>	<b>15 430</b>	<b>16 202</b>	<b>17 011</b>
<b>% increase</b>	4		<b>80,8%</b>	<b>48,0%</b>	<b>(31,9%)</b>	<b>(22,3%)</b>	<b>-</b>	<b>7,8%</b>	<b>5,0%</b>	<b>5,0%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		277 877	498 134	717 544	335 045	387 938	387 938	434 086	449 700	474 868
Pension and UIF Contributions		49 457	69 210	118 859	66 186	62 891	62 891	72 821	76 464	80 289
Medical Aid Contributions		20 322	37 283	57 459	37 568	31 595	31 595	40 295	42 101	43 987
Overtime		51 597	161 023	96 136	54 989	71 006	71 006	67 730	70 769	74 205
Performance Bonus		(1)	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	14 870	15 713	31 506	18 253	16 706	16 706	16 874	17 513	18 215
Cellphone Allowance	3	1 105	2 984	2 903	1 791	1 624	1 624	1 664	1 744	1 826
Housing Allowances	3	2 117	3 363	6 711	2 847	2 150	2 150	4 338	4 555	4 783
Other benefits and allowances	3	37 991	51 584	83 072	44 153	44 790	44 790	51 974	54 562	57 281
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		4 671	3 080	4 523	4 108	4 209	4 209	4 420	4 641	4 873
Post-retirement benefit obligations	6	27 850	24 554	70 954	22 643	23 211	23 211	22 360	25 578	26 857
<b>Sub Total - Other Municipal Staff</b>		<b>487 856</b>	<b>866 927</b>	<b>1 189 668</b>	<b>587 585</b>	<b>646 121</b>	<b>646 121</b>	<b>716 561</b>	<b>747 626</b>	<b>787 183</b>
<b>% increase</b>	4		<b>77,7%</b>	<b>37,2%</b>	<b>(50,6%)</b>	<b>10,0%</b>	<b>-</b>	<b>10,9%</b>	<b>4,3%</b>	<b>5,3%</b>
<b>Total Parent Municipality</b>		<b>519 986</b>	<b>910 413</b>	<b>1 263 723</b>	<b>632 172</b>	<b>686 602</b>	<b>686 602</b>	<b>758 162</b>	<b>791 307</b>	<b>833 048</b>
			<b>75,1%</b>	<b>38,8%</b>	<b>(50,0%)</b>	<b>8,6%</b>	<b>-</b>	<b>10,4%</b>	<b>4,4%</b>	<b>5,3%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>519 986</b>	<b>910 413</b>	<b>1 263 723</b>	<b>632 172</b>	<b>686 602</b>	<b>686 602</b>	<b>758 162</b>	<b>791 307</b>	<b>833 048</b>
<b>% increase</b>	4		<b>75,1%</b>	<b>38,8%</b>	<b>(50,0%)</b>	<b>8,6%</b>	<b>-</b>	<b>10,4%</b>	<b>4,4%</b>	<b>5,3%</b>
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>497 969</b>	<b>885 212</b>	<b>1 216 730</b>	<b>606 002</b>	<b>660 431</b>	<b>660 431</b>	<b>731 991</b>	<b>763 828</b>	<b>804 195</b>

## 2.8.5 Monthly targets for revenue, expenditure and cash flow

**Table 37 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type**

WC044 George - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>																
<b>Revenue By Source</b>																
Property rates		30 988	30 988	30 988	30 988	30 988	30 988	30 988	30 988	30 988	30 988	30 988	30 988	371 853	401 600	433 728
Service charges - electricity revenue		80 217	80 217	80 217	80 217	80 217	80 217	80 217	80 217	80 217	80 217	80 217	80 217	962 607	1 011 335	1 061 648
Service charges - water revenue		13 370	13 370	13 370	13 370	13 370	13 370	13 370	13 370	13 370	13 370	13 370	13 370	160 445	176 482	193 897
Service charges - sanitation revenue		13 136	13 136	13 136	13 136	13 136	13 136	13 136	13 136	13 136	13 136	13 136	13 136	157 635	171 822	187 286
Service charges - refuse revenue		10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 234	122 802	133 855	145 902
Rental of facilities and equipment		365	365	455	365	365	455	365	365	455	365	365	455	4 741	5 025	5 326
Interest earned - external investments		3 456	3 456	7 392	3 456	3 456	7 392	3 456	3 456	7 392	3 456	3 456	7 392	57 219	58 239	60 692
Interest earned - outstanding debtors		755	755	755	755	755	755	755	755	755	755	755	755	9 061	9 837	10 681
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		578	578	578	578	578	578	578	578	578	578	578	77 326	83 680	85 548	87 468
Licences and permits		322	322	322	322	322	322	322	322	322	322	322	322	3 863	4 094	4 339
Agency services		-	-	4 154	-	-	4 154	-	-	4 154	-	-	4 154	16 617	17 614	18 671
Transfers and subsidies		35 417	35 417	67 238	35 417	35 417	67 238	35 417	35 417	67 238	35 417	35 417	67 238	552 292	585 305	579 534
Other revenue		9 510	9 510	13 622	9 510	9 510	17 196	9 510	9 510	13 622	9 510	9 510	17 525	138 046	156 433	155 692
Gains		-	-	-	-	-	-	-	-	-	-	-	230 994	230 994	234 666	226 111
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>198 349</b>	<b>198 349</b>	<b>242 461</b>	<b>198 349</b>	<b>198 349</b>	<b>246 035</b>	<b>198 349</b>	<b>198 349</b>	<b>242 461</b>	<b>198 349</b>	<b>198 349</b>	<b>554 106</b>	<b>2 871 854</b>	<b>3 051 855</b>	<b>3 170 975</b>
<b>Expenditure By Type</b>																
Employee related costs		60 159	60 159	60 159	60 159	60 159	60 159	60 159	60 159	60 159	60 159	60 159	70 246	731 991	763 828	804 195
Remuneration of councillors		2 186	2 186	2 186	2 186	2 186	2 156	2 186	2 186	2 186	2 186	2 186	2 156	26 171	27 479	28 853
Debt impairment		4 912	4 912	4 912	4 912	4 912	4 912	4 912	4 912	4 912	4 912	4 912	68 224	122 257	125 924	129 702
Depreciation & asset impairment		13 234	13 234	13 234	13 234	13 234	13 234	13 234	13 234	13 234	13 234	13 234	13 234	158 810	172 365	160 124
Finance charges		-	-	-	-	-	12 648	-	-	-	-	-	-	28 302	46 307	63 580
Bulk purchases		55 597	55 597	55 597	55 597	55 597	55 597	55 597	55 597	55 597	55 597	55 597	55 597	667 159	731 377	801 667
Other materials		7 272	7 272	7 410	7 272	7 272	7 410	7 272	7 272	7 410	7 272	7 272	193 812	274 217	286 211	286 309
Contracted services		48 170	48 170	48 960	48 170	48 170	48 960	48 170	48 170	48 960	48 170	48 170	48 960	581 200	643 673	635 275
Transfers and subsidies		3 532	3 532	3 532	3 532	3 532	3 557	3 532	3 532	3 532	3 532	3 532	3 757	42 636	19 800	17 833
Other expenditure		14 903	14 903	14 903	14 903	14 903	14 903	14 903	14 903	14 903	14 903	14 903	15 903	179 836	184 236	196 502
Losses		-	-	-	-	-	350	-	-	-	-	-	45 821	46 171	46 031	42 600
<b>Total Expenditure</b>		<b>209 964</b>	<b>209 964</b>	<b>210 893</b>	<b>209 964</b>	<b>209 964</b>	<b>223 886</b>	<b>209 964</b>	<b>209 964</b>	<b>210 893</b>	<b>209 964</b>	<b>209 964</b>	<b>546 012</b>	<b>2 871 398</b>	<b>3 047 231</b>	<b>3 166 639</b>
<b>Surplus(Deficit)</b>		<b>(11 615)</b>	<b>(11 615)</b>	<b>31 568</b>	<b>(11 615)</b>	<b>(11 615)</b>	<b>22 149</b>	<b>(11 615)</b>	<b>(11 615)</b>	<b>31 568</b>	<b>(11 615)</b>	<b>(11 615)</b>	<b>8 093</b>	<b>466</b>	<b>4 624</b>	<b>4 336</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		30 867	30 867	30 867	30 867	30 867	30 867	30 867	30 867	30 867	30 867	30 867	30 867	370 399	579 536	345 927
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus(Deficit) after capital transfers &amp; contributions</b>		<b>19 251</b>	<b>19 251</b>	<b>62 434</b>	<b>19 251</b>	<b>19 251</b>	<b>53 015</b>	<b>19 251</b>	<b>19 251</b>	<b>62 434</b>	<b>19 251</b>	<b>19 251</b>	<b>38 960</b>	<b>370 856</b>	<b>584 160</b>	<b>350 263</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus(Deficit)</b>	<b>1</b>	<b>19 251</b>	<b>19 251</b>	<b>62 434</b>	<b>19 251</b>	<b>19 251</b>	<b>53 015</b>	<b>19 251</b>	<b>19 251</b>	<b>62 434</b>	<b>19 251</b>	<b>19 251</b>	<b>38 960</b>	<b>370 856</b>	<b>584 160</b>	<b>350 263</b>



**Table 38 – SA26: Budgeted monthly revenue and expenditure by municipal vote**

W C044 George - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue by Vote</b>																
Vote 1 - Office of the Municipal Manager		210	210	210	210	210	210	210	210	210	210	210	212	2 520	2 914	2 966
Vote 2 - Corporate Services		44	44	44	44	44	44	44	44	44	44	44	114	597	622	566
Vote 3 - Corporate Services (Continued)		109	109	109	109	109	285	109	109	109	109	109	293	1 665	1 735	1 585
Vote 4 - Community Services		1 669	1 669	1 669	1 669	1 669	1 686	1 669	1 669	1 669	1 669	1 669	1 759	20 140	16 626	15 314
Vote 5 - Community Services (Continued)		10 622	10 622	22 255	10 622	10 622	22 562	10 622	10 622	22 255	10 622	10 622	22 562	174 607	198 358	206 857
Vote 6 - Human Settlements		1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	17 781	80 944	37 881
Vote 7 - Civil Engineering Services		59 786	59 786	74 945	59 786	59 786	74 985	59 786	59 786	74 945	59 786	59 786	305 989	1 009 152	1 264 177	1 073 633
Vote 8 - Electro-Technical Services		84 059	84 059	92 998	84 059	84 059	92 998	84 059	84 059	92 998	84 059	84 059	92 998	1 044 462	1 067 619	1 122 102
Vote 9 - Financial Services		34 696	34 696	38 632	34 696	34 696	38 662	34 696	34 696	38 632	34 696	34 696	38 770	432 265	463 694	497 377
Vote 10 - Financial Services (Continued)		440	440	440	440	440	440	440	440	440	440	440	440	5 275	5 541	5 772
Vote 11 - Planning and Development		1 915	1 915	2 192	1 915	1 915	5 196	1 915	1 915	2 192	1 915	1 915	5 226	30 125	30 900	27 848
Vote 12 - Protection Services		34 098	34 098	38 266	34 098	34 098	38 266	34 098	34 098	38 266	34 098	34 098	115 042	502 627	497 167	524 047
Vote 13 - Protection Services (Continued)		87	87	87	87	87	87	87	87	87	87	87	87	1 038	1 093	953
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>229 216</b>	<b>229 216</b>	<b>273 327</b>	<b>229 216</b>	<b>229 216</b>	<b>276 901</b>	<b>229 216</b>	<b>229 216</b>	<b>273 327</b>	<b>229 216</b>	<b>229 216</b>	<b>584 972</b>	<b>3 242 253</b>	<b>3 631 391</b>	<b>3 516 902</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Office of the Municipal Manager		9 141	9 141	9 219	9 141	9 141	9 214	9 141	9 141	9 219	9 141	9 141	19 536	120 313	128 062	133 797
Vote 2 - Corporate Services		3 234	3 234	3 234	3 234	3 234	4 077	3 234	3 234	3 234	3 234	3 234	3 999	40 416	41 529	42 068
Vote 3 - Corporate Services (Continued)		3 435	3 435	3 435	3 435	3 435	3 435	3 435	3 435	3 435	3 435	3 435	3 438	41 228	43 202	45 399
Vote 4 - Community Services		6 233	6 233	6 445	6 233	6 233	6 515	6 233	6 233	6 445	6 233	6 233	6 500	75 765	75 351	78 372
Vote 5 - Community Services (Continued)		9 996	9 996	9 996	9 996	9 996	10 834	9 996	9 996	9 996	9 996	9 996	11 735	122 532	125 093	128 081
Vote 6 - Human Settlements		3 544	3 544	3 544	3 544	3 544	3 728	3 544	3 544	3 544	3 544	3 544	3 708	42 880	105 822	63 148
Vote 7 - Civil Engineering Services		37 120	37 120	37 120	37 120	37 120	41 876	37 120	37 120	37 120	37 120	37 120	273 356	686 430	699 174	696 355
Vote 8 - Electro-Technical Services		71 399	71 399	72 036	71 399	71 399	75 753	71 399	71 399	72 036	71 399	71 399	75 755	866 771	927 284	1 008 109
Vote 9 - Financial Services		7 328	7 328	7 328	7 328	7 328	9 575	7 328	7 328	7 328	7 328	7 328	25 854	108 706	128 170	159 782
Vote 10 - Financial Services (Continued)		5 106	5 106	5 106	5 106	5 106	5 106	5 106	5 106	5 106	5 106	5 106	5 100	61 263	63 484	65 572
Vote 11 - Planning and Development		4 755	4 755	4 755	4 755	4 755	4 816	4 755	4 755	4 755	4 755	4 755	4 808	57 177	59 226	64 109
Vote 12 - Protection Services		48 601	48 601	48 601	48 601	48 601	48 884	48 601	48 601	48 601	48 601	48 601	112 150	647 040	649 922	680 896
Vote 13 - Protection Services (Continued)		73	73	73	73	73	73	73	73	73	73	73	74	878	912	949
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>209 964</b>	<b>209 964</b>	<b>210 893</b>	<b>209 964</b>	<b>209 964</b>	<b>223 886</b>	<b>209 964</b>	<b>209 964</b>	<b>210 893</b>	<b>209 964</b>	<b>209 964</b>	<b>546 012</b>	<b>2 871 398</b>	<b>3 047 231</b>	<b>3 166 639</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>19 251</b>	<b>19 251</b>	<b>62 434</b>	<b>19 251</b>	<b>19 251</b>	<b>53 015</b>	<b>19 251</b>	<b>19 251</b>	<b>62 434</b>	<b>19 251</b>	<b>19 251</b>	<b>38 960</b>	<b>370 856</b>	<b>584 160</b>	<b>350 263</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>19 251</b>	<b>19 251</b>	<b>62 434</b>	<b>19 251</b>	<b>19 251</b>	<b>53 015</b>	<b>19 251</b>	<b>19 251</b>	<b>62 434</b>	<b>19 251</b>	<b>19 251</b>	<b>38 960</b>	<b>370 856</b>	<b>584 160</b>	<b>350 263</b>

**Table 39 – SA27: Budgeted monthly revenue and expenditure by standard classification**

WC044 George - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue - Functional</b>																
<b>Governance and administration</b>		35 961	35 961	39 897	35 961	35 961	43 108	35 961	35 961	39 897	35 961	35 961	43 144	453 736	485 445	519 508
Executive and council		0	0	0	0	0	0	0	0	0	0	0	2	4	4	2
Finance and administration		35 961	35 961	39 897	35 961	35 961	43 107	35 961	35 961	39 897	35 961	35 961	43 141	453 732	485 441	519 506
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		3 883	3 883	3 897	3 883	3 883	4 260	3 883	3 883	3 897	3 883	3 883	81 277	124 396	194 849	143 896
Community and social services		1 713	1 713	1 713	1 713	1 713	1 725	1 713	1 713	1 713	1 713	1 713	1 866	20 721	17 652	16 490
Sport and recreation		262	262	262	262	262	574	262	262	262	262	262	574	3 771	12 551	4 359
Public safety		337	337	350	337	337	350	337	337	350	337	337	77 126	80 870	82 396	83 884
Housing		1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 664	18 870	82 081	39 069
Health		7	7	7	7	7	47	7	7	7	7	7	47	165	170	95
<b>Economic and environmental services</b>		40 732	40 732	45 163	40 732	40 732	45 163	40 732	40 732	45 163	40 732	40 732	45 169	506 518	448 618	470 754
Planning and development		1 690	1 690	1 966	1 690	1 690	1 966	1 690	1 690	1 966	1 690	1 690	1 970	21 386	22 215	19 094
Road transport		39 043	39 043	43 197	39 043	39 043	43 197	39 043	39 043	43 197	39 043	39 043	43 197	485 128	426 399	451 658
Environmental protection		0	0	0	0	0	0	0	0	0	0	0	2	4	4	2
<b>Trading services</b>		148 607	148 607	184 339	148 607	148 607	184 339	148 607	148 607	184 339	148 607	148 607	415 343	2 157 215	2 502 283	2 382 599
Energy sources		83 872	83 872	92 812	83 872	83 872	92 812	83 872	83 872	92 812	83 872	83 872	92 812	1 042 224	1 065 607	1 119 829
Water management		33 746	33 746	34 810	33 746	33 746	34 810	33 746	33 746	34 810	33 746	33 746	265 804	640 206	933 344	632 094
Waste water management		20 628	20 628	34 723	20 628	20 628	34 723	20 628	20 628	34 723	20 628	20 628	34 733	303 929	317 503	428 165
Waste management		10 360	10 360	21 994	10 360	10 360	21 994	10 360	10 360	21 994	10 360	10 360	21 994	170 857	185 830	202 511
<b>Other</b>		32	32	32	32	32	32	32	32	32	32	32	40	388	195	145
<b>Total Revenue - Functional</b>		229 216	229 216	273 327	229 216	229 216	276 901	229 216	229 216	273 327	229 216	229 216	584 972	3 242 253	3 631 391	3 516 902
<b>Expenditure - Functional</b>																
<b>Governance and administration</b>		34 850	34 850	34 928	34 850	34 850	36 875	34 850	34 850	34 928	34 850	34 850	63 451	448 980	483 898	528 406
Executive and council		5 186	5 186	5 186	5 186	5 186	5 180	5 186	5 186	5 186	5 186	5 186	15 502	72 539	77 809	81 158
Finance and administration		28 112	28 112	28 112	28 112	28 112	30 064	28 112	28 112	28 112	28 112	28 112	46 319	357 502	386 266	426 502
Internal audit		1 552	1 552	1 631	1 552	1 552	1 631	1 552	1 552	1 631	1 552	1 552	1 630	18 940	19 823	20 745
<b>Community and public safety</b>		20 013	20 013	20 225	20 013	20 013	22 451	20 013	20 013	20 225	20 013	20 013	85 591	308 595	376 929	341 869
Community and social services		5 194	5 194	5 194	5 194	5 194	6 037	5 194	5 194	5 194	5 194	5 194	5 956	63 937	62 759	64 391
Sport and recreation		2 945	2 945	3 158	2 945	2 945	3 809	2 945	2 945	3 158	2 945	2 945	3 755	37 440	38 288	38 399
Public safety		6 940	6 940	6 940	6 940	6 940	7 139	6 940	6 940	6 940	6 940	6 940	70 432	146 973	152 644	158 405
Housing		4 422	4 422	4 422	4 422	4 422	4 956	4 422	4 422	4 422	4 422	4 422	4 939	54 117	117 585	74 762
Health		511	511	511	511	511	511	511	511	511	511	511	509	6 127	5 654	5 912
<b>Economic and environmental services</b>		43 174	43 174	43 174	43 174	43 174	43 257	43 174	43 174	43 174	43 174	43 174	43 246	518 245	493 295	523 664
Planning and development		3 404	3 404	3 404	3 404	3 404	3 465	3 404	3 404	3 404	3 404	3 404	3 459	40 966	42 763	49 669
Road transport		39 472	39 472	39 472	39 472	39 472	39 493	39 472	39 472	39 472	39 472	39 472	39 489	473 701	446 804	470 100
Environmental protection		298	298	298	298	298	299	298	298	298	298	298	298	3 578	3 728	3 895
<b>Trading services</b>		110 452	110 452	111 089	110 452	110 452	119 812	110 452	110 452	111 089	110 452	110 452	352 238	1 577 841	1 674 730	1 753 443
Energy sources		69 307	69 307	69 944	69 307	69 307	73 661	69 307	69 307	69 944	69 307	69 307	73 661	841 666	901 227	980 619
Water management		13 205	13 205	13 205	13 205	13 205	15 892	13 205	13 205	13 205	13 205	13 205	247 595	395 540	409 165	402 311
Waste water management		19 431	19 431	19 431	19 431	19 431	21 496	19 431	19 431	19 431	19 431	19 431	21 275	237 086	258 369	261 100
Waste management		8 508	8 508	8 508	8 508	8 508	8 763	8 508	8 508	8 508	8 508	8 508	9 707	103 549	105 969	109 413
<b>Other</b>		1 476	1 476	1 476	1 476	1 476	1 490	1 476	1 476	1 476	1 476	1 476	1 486	17 737	18 379	19 257
<b>Total Expenditure - Functional</b>		209 964	209 964	210 893	209 964	209 964	223 886	209 964	209 964	210 893	209 964	209 964	546 012	2 871 398	3 047 231	3 166 639
<b>Surplus/(Deficit) before assoc.</b>		19 251	19 251	62 434	19 251	19 251	53 015	19 251	19 251	62 434	19 251	19 251	38 960	370 856	584 160	350 263
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	1	19 251	19 251	62 434	19 251	19 251	53 015	19 251	19 251	62 434	19 251	19 251	38 960	370 856	584 160	350 263

**Table 40 – SA28: Budgeted monthly capital expenditure (municipal vote)**

WC044 George - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Office of the Municipal Manager		21	21	21	21	21	21	21	21	21	21	21	21	255	30	120
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	500	500
Vote 3 - Corporate Services (Continued)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	263	-	-	263	-	-	263	-	-	863	1 650	1 450	550
Vote 5 - Community Services (Continued)		330	330	368	330	330	368	330	330	368	330	330	2 968	6 713	6 900	6 030
Vote 6 - Human Settlements		235	235	235	235	235	235	235	235	235	235	235	235	2 819	4 265	3 015
Vote 7 - Civil Engineering Services		15 433	15 433	15 533	15 433	15 433	28 195	15 433	15 433	15 533	15 433	15 433	31 896	214 620	218 573	302 912
Vote 8 - Electro-Technical Services		2 756	2 756	2 906	2 756	2 956	3 341	2 756	2 756	2 906	2 930	4 256	7 341	40 419	40 481	7 200
Vote 9 - Financial Services		-	-	-	-	-	18	-	-	-	-	-	58	75	180	180
Vote 10 - Financial Services (Continued)		104	104	104	104	104	104	104	104	104	104	104	104	1 250	250	250
Vote 11 - Planning and Development		29	29	154	29	29	1 024	29	29	154	529	1 029	2 079	5 145	6 850	3 950
Vote 12 - Protection Services		920	920	927	920	920	927	920	920	927	920	920	928	11 070	12 820	21 820
Vote 13 - Protection Services (Continued)		117	117	117	117	117	117	117	117	117	117	117	117	1 400	250	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	<b>19 946</b>	<b>19 946</b>	<b>20 628</b>	<b>19 946</b>	<b>20 146</b>	<b>34 613</b>	<b>19 946</b>	<b>19 946</b>	<b>20 628</b>	<b>20 619</b>	<b>22 446</b>	<b>46 609</b>	<b>285 416</b>	<b>292 549</b>	<b>346 527</b>
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Office of the Municipal Manager		8	8	8	8	8	8	8	8	8	8	8	8	96	405	400
Vote 2 - Corporate Services		50	50	105	50	50	115	50	50	105	430	450	900	2 405	2 930	2 950
Vote 3 - Corporate Services (Continued)		-	-	20	-	-	20	-	-	120	100	100	349	709	490	320
Vote 4 - Community Services		-	-	868	-	-	938	-	-	868	-	-	4 676	7 348	4 255	2 626
Vote 5 - Community Services (Continued)		375	375	1 175	375	375	1 445	375	375	1 175	375	375	12 245	19 040	23 021	18 775
Vote 6 - Human Settlements		187	187	187	187	187	187	187	187	187	187	187	191	2 247	854	3 523
Vote 7 - Civil Engineering Services		25 765	25 765	25 985	25 765	25 765	31 859	25 765	25 765	25 985	25 765	25 765	38 064	328 016	462 291	211 695
Vote 8 - Electro-Technical Services		1 256	1 256	9 860	1 256	1 256	11 615	1 356	1 356	17 460	9 416	18 356	36 250	110 697	136 144	162 305
Vote 9 - Financial Services		-	-	-	-	-	35	-	-	-	-	-	880	915	-	-
Vote 10 - Financial Services (Continued)		8	8	8	8	8	8	8	8	8	8	8	8	100	-	500
Vote 11 - Planning and Development		4	4	6	4	4	154	4	4	606	704	504	1 407	3 401	1 145	2 990
Vote 12 - Protection Services		1 782	1 782	1 782	1 782	1 782	1 812	1 782	1 782	1 782	1 782	1 782	1 813	21 449	16 505	21 615
Vote 13 - Protection Services (Continued)		119	119	119	119	119	119	119	119	119	119	119	1 629	2 935	1 783	1 690
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	<b>29 555</b>	<b>29 555</b>	<b>40 123</b>	<b>29 555</b>	<b>29 555</b>	<b>48 315</b>	<b>29 655</b>	<b>29 655</b>	<b>48 423</b>	<b>38 895</b>	<b>47 655</b>	<b>98 420</b>	<b>499 358</b>	<b>649 823</b>	<b>429 389</b>
<b>Total Capital Expenditure</b>	2	<b>49 500</b>	<b>49 500</b>	<b>60 751</b>	<b>49 500</b>	<b>49 700</b>	<b>82 928</b>	<b>49 600</b>	<b>49 600</b>	<b>69 051</b>	<b>59 514</b>	<b>70 100</b>	<b>145 028</b>	<b>784 774</b>	<b>942 372</b>	<b>775 916</b>

**Table 41 – SA29: Budgeted monthly capital expenditure (standard classification and funding)**

WC044 George - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		246	246	366	246	246	1 351	246	246	366	246	246	4 448	8 497	6 756	4 547
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		240	240	360	240	240	1 345	240	240	360	240	240	4 442	8 422	6 746	4 467
Internal audit		6	6	6	6	6	6	6	6	6	6	6	6	75	10	80
<b>Community and public safety</b>		3 135	3 135	4 990	3 135	3 135	5 350	3 135	3 135	5 090	3 615	3 635	9 869	51 355	56 254	65 294
Community and social services		224	224	741	224	224	811	224	224	841	704	724	2 536	7 701	5 135	5 066
Sport and recreation		243	243	1 581	243	243	1 851	243	243	1 581	243	243	3 391	10 348	16 703	11 595
Public safety		2 242	2 242	2 242	2 242	2 242	2 262	2 242	2 242	2 242	2 242	2 242	2 262	26 945	27 535	41 425
Housing		276	276	276	276	276	276	276	276	276	276	276	1 530	4 562	6 617	7 208
Health		150	150	150	150	150	150	150	150	150	150	150	150	1 800	265	–
<b>Economic and environmental services</b>		10 041	10 041	10 168	10 041	10 041	14 642	10 041	10 041	10 768	11 241	11 541	18 810	137 413	108 415	103 345
Planning and development		25	25	152	25	25	1 147	25	25	752	1 225	1 525	2 786	7 738	7 385	4 305
Road transport		10 016	10 016	10 016	10 016	10 016	13 494	10 016	10 016	10 016	10 016	10 016	16 025	129 675	101 030	99 040
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		36 141	36 141	45 289	36 141	36 341	61 624	36 241	36 241	52 889	44 474	54 741	111 010	587 271	770 417	601 875
Energy sources		4 013	4 013	12 767	4 013	4 213	14 957	4 113	4 113	20 367	12 347	22 613	43 592	151 116	176 625	169 505
Water management		18 340	18 340	18 590	18 340	18 340	32 700	18 340	18 340	18 590	18 340	18 340	37 950	254 552	470 857	205 035
Waste water management		13 313	13 313	13 383	13 313	13 313	13 418	13 313	13 313	13 383	13 313	13 313	15 668	162 358	108 128	211 396
Waste management		475	475	550	475	475	550	475	475	550	475	475	13 800	19 245	14 808	15 938
<b>Other</b>		12	12	12	12	12	34	12	12	12	12	12	84	237	530	855
<b>Total Capital Expenditure - Functional</b>	2	49 573	49 573	60 825	49 573	49 773	83 001	49 673	49 673	69 125	59 587	70 173	144 221	784 774	942 372	775 916
<b>Funded by:</b>																
National Government		26 524	26 524	26 524	26 524	26 524	26 524	26 524	26 524	26 524	26 698	27 524	27 525	320 468	505 249	302 110
Provincial Government		–	–	405	–	–	405	–	–	405	–	–	405	1 620	–	–
District Municipality		–	–	–	–	–	–	–	–	500	500	–	–	1 000	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>		26 524	26 524	26 929	26 524	26 524	26 929	26 524	26 524	27 429	27 198	27 524	27 930	323 088	505 249	302 110
<b>Public contributions &amp; donations</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Borrowing</b>		15 443	15 443	19 193	15 443	15 443	32 693	15 543	15 543	26 793	23 603	33 043	82 373	310 554	309 822	316 605
<b>Internally generated funds</b>		7 606	7 606	14 703	7 606	7 806	23 379	7 606	7 606	14 903	8 786	9 606	33 919	151 132	127 301	157 201
<b>Total Capital Funding</b>		49 573	49 573	60 825	49 573	49 773	83 001	49 673	49 673	69 125	59 587	70 173	144 221	784 774	942 372	775 916

**Table 42 – SA30: Budgeted monthly cash flow****WC044 George - Supporting Table SA30 Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Cash Receipts By Source</b>													1		
Property rates	37 419	37 419	46 165	37 419	37 419	49 699	37 419	37 419	46 165	37 419	37 419	197 018	638 395	524 840	547 964
Service charges - electricity revenue	36 957	36 957	38 142	36 957	36 957	38 142	36 957	36 957	38 142	36 957	36 957	38 142	448 225	483 989	522 606
Service charges - water revenue	12 984	12 984	14 048	12 984	12 984	14 048	12 984	12 984	14 048	12 984	12 984	14 048	160 063	175 889	193 059
Service charges - sanitation revenue	12 815	12 815	13 947	12 815	12 815	13 987	12 815	12 815	13 947	12 815	12 815	13 997	158 397	172 505	187 784
Service charges - refuse revenue	9 918	9 918	9 993	9 918	9 918	9 993	9 918	9 918	9 993	9 918	9 918	9 993	119 312	130 042	141 735
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	89	-	-	89	-	-	89	-	-	89	357	378	401
Interest earned - external investments	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	12 002	6 205	6 577
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	35 350	35 350	67 170	35 350	35 350	67 170	35 350	35 350	67 170	35 350	35 350	67 171	551 481	584 454	578 694
Other revenue	6 902	6 902	6 902	6 902	6 902	6 902	6 902	6 902	6 902	6 902	6 902	6 902	82 819	98 839	109 508
<b>Cash Receipts by Source</b>	<b>153 344</b>	<b>153 344</b>	<b>197 456</b>	<b>153 344</b>	<b>153 344</b>	<b>201 030</b>	<b>153 344</b>	<b>153 344</b>	<b>197 456</b>	<b>153 344</b>	<b>153 344</b>	<b>348 359</b>	<b>2 171 052</b>	<b>2 177 141</b>	<b>2 288 329</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	30 383	30 383	30 383	30 383	30 383	30 383	30 383	30 383	30 383	30 383	30 383	30 384	364 602	579 536	345 927
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	304 378	304 378	298 672	291 350
Increase (decrease) in consumer deposits	833	833	(5 417)	833	833	(5 417)	833	833	(5 417)	833	833	(5 417)	(15 000)	64 060	(4 000)
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	(35 919)	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>184 561</b>	<b>184 561</b>	<b>222 422</b>	<b>184 561</b>	<b>184 561</b>	<b>225 996</b>	<b>184 561</b>	<b>184 561</b>	<b>222 422</b>	<b>184 561</b>	<b>184 561</b>	<b>677 703</b>	<b>2 825 031</b>	<b>3 083 490</b>	<b>2 921 606</b>

**Table 43 – SA30: Budgeted monthly cash flow (continues)**

WC044 George - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Cash Payments by Type</b>															
Employee related costs	(33 401)	(33 401)	(33 401)	(33 401)	(33 401)	(36 660)	(33 401)	(33 401)	(33 401)	(33 401)	(33 401)	(40 973)	(411 642)	(331 282)	(333 331)
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	(52 817)	(52 817)	(52 817)	(52 817)	(52 817)	(52 817)	(52 817)	(52 817)	(52 817)	(52 817)	(52 817)	(52 817)	(633 801)	(716 750)	(721 500)
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	(1 158)	-	-	-	-	-	(1 158)	(2 316)	(2 432)	(2 554)
Contracted services	-	-	(979)	-	-	(979)	-	-	(979)	-	-	(979)	(3 916)	(17)	(34)
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	(102 273)	(102 273)	(102 273)	(102 273)	(102 273)	(102 273)	(102 273)	(102 273)	(102 273)	(102 273)	(102 273)	(110 774)	(1 235 782)	(1 289 127)	(1 364 641)
<b>Cash Payments by Type</b>	<b>(188 491)</b>	<b>(188 491)</b>	<b>(189 470)</b>	<b>(188 491)</b>	<b>(188 491)</b>	<b>(193 887)</b>	<b>(188 491)</b>	<b>(188 491)</b>	<b>(189 470)</b>	<b>(188 491)</b>	<b>(188 491)</b>	<b>(206 701)</b>	<b>(2 287 457)</b>	<b>(2 339 607)</b>	<b>(2 422 060)</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	-	-	-	-	-	-	-	-	-	-	-	(784 774)	(784 774)	(942 372)	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>(188 491)</b>	<b>(188 491)</b>	<b>(189 470)</b>	<b>(188 491)</b>	<b>(188 491)</b>	<b>(193 887)</b>	<b>(188 491)</b>	<b>(188 491)</b>	<b>(189 470)</b>	<b>(188 491)</b>	<b>(188 491)</b>	<b>(991 474)</b>	<b>(3 072 231)</b>	<b>(3 281 979)</b>	<b>(2 422 060)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>373 052</b>	<b>373 052</b>	<b>411 892</b>	<b>373 052</b>	<b>373 052</b>	<b>419 883</b>	<b>373 052</b>	<b>373 052</b>	<b>411 892</b>	<b>373 052</b>	<b>373 052</b>	<b>1 669 178</b>	<b>5 897 262</b>	<b>6 365 470</b>	<b>5 343 666</b>
Cash/cash equivalents at the month/year begin:	-	373 052	746 104	1 157 996	1 531 048	1 904 100	2 323 984	2 697 036	3 070 088	3 481 980	3 855 032	4 228 084	-	5 897 262	12 262 731
Cash/cash equivalents at the month/year end:	373 052	746 104	1 157 996	1 531 048	1 904 100	2 323 984	2 697 036	3 070 088	3 481 980	3 855 032	4 228 084	5 897 262	5 897 262	12 262 731	17 606 398

### **2.8.6 Capital expenditure details**

The following three tables present details of the Municipality's capital expenditure programme.

**Table 44 – SA34a: Capital Expenditure on new assets by asset class**

WC044 George - Supporting Table SA34a Capital expenditure on new assets by asset class

Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			69 880	(231 011)	(80 520)	104 331	117 564	117 564	420 120	539 375	373 249
Roads Infrastructure			–	(47 552)	2 072	–	2 700	2 700	11 883	4 775	6 475
Roads			–	(35 056)	2 083	–	–	–	8 033	4 575	6 275
Road Structures			–	(1 217)	–	–	2 500	2 500	150	–	–
Road Furniture			–	(11 279)	(11)	–	200	200	3 700	200	200
Storm water Infrastructure			225	–	497	300	12 588	12 588	15 630	300	300
Drainage Collection			–	–	497	300	239	239	300	300	300
Storm water Conveyance			225	–	–	–	12 349	12 349	15 330	–	–
Electrical Infrastructure			42 181	(56 514)	(19 194)	51 274	40 084	40 084	132 816	136 884	149 325
Power Plants			–	–	–	–	–	–	20 000	60 000	90 000
HV Substations			–	(5 103)	938	2 374	2 073	2 073	4 350	11 500	6 250
HV Switching Station			2 067	(1 295)	1 741	3 354	1 640	1 640	16 600	19 500	–
HV Transmission Conductors			–	(4 225)	(150)	25	25	25	–	–	–
MV Substations			5 220	(28 788)	(22 327)	29 247	13 747	13 747	33 575	13 200	500
MV Switching Stations			1 697	(1 848)	119	1 500	1 500	1 500	2 800	1 500	3 000
MV Networks			3 682	(6 075)	–	–	–	–	–	–	1 000
LV Networks			29 515	(9 181)	484	14 773	21 099	21 099	55 491	31 184	48 575
Capital Spares			–	–	–	–	–	–	–	–	–
Water Supply Infrastructure			7 237	(69 879)	(74 021)	20 387	30 964	30 964	202 550	356 728	153 547
Dams and Weirs			86	(1 046)	–	3 771	246	246	5 400	1 500	–
Reservoirs			3 657	155	395	2 500	2 637	2 637	5 957	67 044	89 147
Pump Stations			–	(56)	–	200	100	100	700	–	–
Water Treatment Works			1 111	(50 725)	(75 561)	12 816	23 118	23 118	158 382	263 834	39 635
Bulk Mains			–	–	–	–	3 700	3 700	6 000	1 000	1 000
Distribution			1 952	(15 396)	1 145	1 100	1 162	1 162	26 112	23 100	23 516
Distribution Points			431	(2 811)	–	–	–	–	–	250	250
Sanitation Infrastructure			9 592	(24 019)	5 656	29 250	27 365	27 365	45 356	26 888	54 381
Pump Station			3 521	(6 004)	–	1 300	1 240	1 240	3 800	300	19 300
Reticulation			4 725	(13 495)	526	9 900	7 674	7 674	21 706	18 988	26 081
Waste Water Treatment Works			1 347	(4 470)	3 284	16 000	14 467	14 467	18 850	4 600	–
Outfall Sewers			–	(50)	–	–	–	–	1 000	–	5 000
Toilet Facilities			–	–	1 845	2 050	3 984	3 984	1 000	2 000	4 000
Capital Spares			–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure			9 475	(33 528)	1 781	1 500	2 300	2 300	3 695	3 500	4 000
Landfill Sites			–	–	–	–	–	–	1 695	3 500	3 500
Waste Transfer Stations			7 383	(24 649)	396	–	–	–	–	–	500
Waste Processing Facilities			2 092	(8 879)	1 385	1 500	2 300	2 300	2 000	–	–
Information and Communication Infrastructure			1 170	481	2 688	1 620	1 563	1 563	8 190	10 300	5 220
Data Centres			–	(490)	1 603	400	400	400	6 500	6 600	2 500
Core Layers			1 170	971	1 085	1 220	1 163	1 163	1 690	3 700	2 720
Community Assets			(672)	(9 188)	(16 121)	15 025	6 169	6 169	11 220	17 743	12 845
Community Facilities			(1 095)	(4 216)	(2 393)	2 009	3 129	3 129	8 280	3 290	4 470
Halls			508	(1 556)	(32)	235	235	235	2 380	1 170	520
Centres			65	(78)	(40)	–	–	–	–	–	–
Crèches			(2 108)	(443)	(942)	400	684	684	1 480	–	650
Clinics/Care Centres			–	(391)	–	–	–	–	–	–	–
Fire/Ambulance Stations			–	–	–	–	–	–	1 000	1 000	–
Testing Stations			–	–	–	–	–	–	–	–	3 000
Libraries			–	(50)	–	–	150	150	820	–	–
Cemeteries/Crematoria			440	(768)	(1 267)	844	1 959	1 959	1 250	800	–
Public Open Space			–	(300)	188	230	101	101	–	–	–
Markets			–	(630)	(300)	300	–	–	50	300	300
Stalls			–	–	–	–	–	–	1 300	20	–
Sport and Recreation Facilities			422	(4 972)	(13 728)	13 016	3 040	3 040	2 940	14 453	8 375
Indoor Facilities			–	(750)	–	–	–	–	–	–	1 000
Outdoor Facilities			422	(4 222)	(13 728)	13 016	3 040	3 040	2 940	14 453	7 375
Investment properties			–	–	(300)	50	–	–	500	750	1 350
Revenue Generating			–	–	(300)	–	–	–	500	750	1 350
Improved Property			–	–	–	–	–	–	500	750	1 350
Unimproved Property			–	–	(300)	–	–	–	–	–	–
Non-revenue Generating			–	–	–	50	–	–	–	–	–
Unimproved Property			–	–	–	50	–	–	–	–	–
Other assets			3 237	(18 581)	1 894	4 470	4 042	4 042	7 947	8 000	4 350
Operational Buildings			3 237	(18 581)	1 894	4 470	4 042	4 042	7 197	7 000	3 100
Municipal Offices			2 941	(18 611)	1 871	4 460	3 825	3 825	6 667	4 610	3 020
Pay/Enquiry Points			–	(550)	–	–	–	–	–	–	–
Yards			–	–	–	–	–	–	100	300	80
Stores			128	–	–	–	217	217	130	40	–
Laboratories			19	8	–	–	–	–	–	–	–
Training Centres			149	(2)	(10)	10	–	–	300	2 050	–
Manufacturing Plant			–	–	–	–	–	–	–	–	–
Depots			–	573	34	–	–	–	–	–	–
Housing			–	–	–	–	–	–	750	1 000	1 250
Social Housing			–	–	–	–	–	–	750	1 000	1 250
Intangible Assets			1 499	(730)	(1 128)	500	166	166	100	100	100
Servitudes			–	–	–	–	–	–	–	–	–
Licences and Rights			1 499	(730)	(1 128)	500	166	166	100	100	100
Computer Software and Applications			1 499	(730)	(1 128)	500	166	166	100	100	100
Computer Equipment			6 162	(935)	2 326	1 618	2 429	2 429	4 812	4 170	4 828
Computer Equipment			6 162	(935)	2 326	1 618	2 429	2 429	4 812	4 170	4 828
Furniture and Office Equipment			2 002	(2 982)	(725)	568	992	992	1 552	2 110	1 600
Furniture and Office Equipment			2 002	(2 982)	(725)	568	992	992	1 552	2 110	1 600
Machinery and Equipment			9 807	(41 101)	(93)	14 512	31 910	31 910	25 330	11 235	33 030
Machinery and Equipment			9 807	(41 101)	(93)	14 512	31 910	31 910	25 330	11 235	33 030
Transport Assets			13 279	(41 527)	1 457	5 560	15 317	15 317	43 896	20 326	24 200
Transport Assets			13 279	(41 527)	1 457	5 560	15 317	15 317	43 896	20 326	24 200
Total Capital Expenditure on new assets	1		105 193	(346 055)	(93 210)	146 634	178 590	178 590	515 476	603 807	455 552



**Table 45 – SA34b: Capital Expenditure – renewal of assets by asset class**

WC044 George - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
	R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure		8 699	(88 784)	37 841	48 022	79 286	79 286	80 177	78 625	51 540	
Roads Infrastructure		-	(68 237)	33 719	41 622	64 730	64 730	58 607	35 000	33 500	
Roads		-	(68 237)	33 719	41 622	64 730	64 730	58 607	35 000	33 500	
Electrical Infrastructure		2 631	(3 768)	985	2 450	2 942	2 942	1 500	7 100	5 000	
HV Switching Station		232	(2 812)	943	2 350	2 892	2 892	-	-	-	
MV Substations		-	-	-	-	-	-	500	5 000	-	
MV Networks		692	156	-	50	-	-	1 000	2 000	2 000	
LV Networks		1 708	(1 112)	42	50	50	50	-	100	3 000	
Capital Spares		-	-	-	-	-	-	-	-	-	
Water Supply Infrastructure		5 828	(11 045)	1 007	3 700	6 121	6 121	7 300	36 235	12 750	
Dams and Weirs		-	-	-	-	-	-	-	-	-	
Pump Stations		45	(300)	293	200	3 535	3 535	800	3 756	250	
Water Treatment Works		499	(1 490)	-	-	-	-	-	-	-	
Distribution		5 284	(9 255)	714	3 500	2 586	2 586	6 500	32 479	12 500	
Sanitation Infrastructure		240	(1)	2 131	250	5 493	5 493	12 770	290	290	
Pump Station		-	-	-	-	-	-	-	-	-	
Reticulation		-	-	2 152	-	-	-	-	-	-	
Waste Water Treatment Works		240	(1)	(21)	250	5 493	5 493	12 770	290	290	
Solid Waste Infrastructure		-	(5 733)	-	-	-	-	-	-	-	
Landfill Sites		-	(5 733)	-	-	-	-	-	-	-	
Community Assets		754	(6 097)	880	2 190	-	-	2 190	1 150	200	
Community Facilities		754	(6 097)	880	1 650	-	-	250	750	-	
Halls		29	(5 624)	880	1 650	-	-	250	750	-	
Centres		725	-	-	-	-	-	-	-	-	
Crèches		-	(473)	-	-	-	-	-	-	-	
Sport and Recreation Facilities		-	-	-	540	-	-	1 940	400	200	
Indoor Facilities		-	-	-	540	-	-	540	-	-	
Outdoor Facilities		-	-	-	-	-	-	1 400	400	200	
Other assets		69	(85)	-	-	-	-	-	-	-	
Operational Buildings		69	(85)	-	-	-	-	-	-	-	
Municipal Offices		-	(60)	-	-	-	-	-	-	-	
Training Centres		69	(25)	-	-	-	-	-	-	-	
Computer Equipment		-	-	120	20	40	40	35	35	20	
Computer Equipment		-	-	120	20	40	40	35	35	20	
Furniture and Office Equipment		-	-	-	-	-	-	175	30	-	
Furniture and Office Equipment		-	-	-	-	-	-	175	30	-	
Total Capital Expenditure on renewal of existing assets:	1	9 522	(94 966)	38 841	50 232	79 326	79 326	82 577	79 840	51 760	
Renewal of Existing Assets as % of total capex			24,0%	15,1%	-60,7%	13,6%	17,1%	17,1%	10,5%	8,5%	6,7%
Renewal of Existing Assets as % of deprecn"			6,7%	-33,0%	11,9%	31,9%	50,4%	50,4%	52,0%	46,3%	32,3%

**Table 46 – SA34c: Repairs and maintenance expenditure by asset class**

WC044 George - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		42 027	124 454	112 896	65 299	87 247	87 247	102 311	82 865	87 402
Roads Infrastructure		15 443	60 053	44 105	29 434	40 484	40 484	51 948	29 985	31 478
Roads		13 820	52 325	41 100	27 233	35 333	35 333	48 461	26 372	27 671
Road Furniture		1 623	7 728	3 005	2 201	5 151	5 151	3 487	3 613	3 807
Storm water Infrastructure		5 342	6 326	6 267	3 749	6 409	6 409	5 559	5 823	6 094
Drainage Collection		5 342	6 326	6 267	3 749	6 409	6 409	5 559	5 823	6 094
Electrical Infrastructure		6 369	28 175	18 575	12 279	12 529	12 529	14 772	14 274	15 187
HV Substations		1 664	10 544	5 555	3 107	3 107	3 107	3 200	3 460	3 660
MV Networks		319	169	423	254	254	254	1 061	282	298
LV Networks		4 386	17 462	12 598	8 918	9 168	9 168	10 511	10 532	11 229
Water Supply Infrastructure		9 315	16 541	25 094	10 426	16 724	16 724	17 753	19 650	20 589
Water Treatment Works		3 167	5 610	7 611	4 755	4 429	4 429	4 996	5 291	5 598
Bulk Mains		6 147	10 930	17 483	5 671	12 295	12 295	12 757	14 359	14 991
Sanitation Infrastructure		5 415	13 294	18 355	9 411	11 101	11 101	12 278	13 133	14 054
Pump Station		437	945	1 577	864	794	794	897	931	967
Reticulation		1 576	4 752	7 558	3 176	2 936	2 936	3 390	3 535	3 684
Waste Water Treatment Works		3 402	7 597	9 220	5 371	7 371	7 371	7 991	8 667	9 403
Solid Waste Infrastructure		144	65	500	-	-	-	-	-	-
Landfill Sites		144	65	500	-	-	-	-	-	-
Community Assets		30	32 868	13 930	7 415	7 387	7 387	7 844	8 239	8 654
Community Facilities		-	29 109	10 295	5 598	5 570	5 570	6 015	6 319	6 638
Halls		-	4 813	1 620	729	1 276	1 276	1 344	1 409	1 477
Centres		-	-	54	500	240	240	252	265	278
Libraries		-	461	256	95	80	80	84	88	92
Cemeteries/Crematoria		-	1 736	264	11	11	11	12	13	14
Parks		-	1 939	817	196	196	196	206	216	227
Public Open Space		-	20 160	7 284	4 067	3 767	3 767	4 117	4 328	4 550
Sport and Recreation Facilities		30	3 759	3 636	1 817	1 817	1 817	1 829	1 920	2 016
Outdoor Facilities		30	3 759	3 636	1 817	1 817	1 817	1 829	1 920	2 016
Investment properties		-	1 471	543	131	126	126	132	139	146
Revenue Generating		-	1 471	543	131	126	126	132	139	146
Improved Property		-	1 471	543	131	126	126	132	139	146
Other assets		1 037	1 583	3 195	2 222	3 222	3 222	5 633	5 353	2 978
Operational Buildings		1 037	1 583	3 195	2 222	3 222	3 222	5 633	5 353	2 978
Municipal Offices		1 037	1 583	3 195	2 222	3 222	3 222	5 633	5 353	2 978
Furniture and Office Equipment		1	0	-	235	335	335	316	329	343
Furniture and Office Equipment		1	0	-	235	335	335	316	329	343
Machinery and Equipment		3 261	5 252	6 049	3 108	3 108	3 108	3 453	3 637	3 829
Machinery and Equipment		3 261	5 252	6 049	3 108	3 108	3 108	3 453	3 637	3 829
Transport Assets		1 237	1 468	3 278	50 113	51 782	51 782	86 584	88 262	92 168
Transport Assets		1 237	1 468	3 278	50 113	51 782	51 782	86 584	88 262	92 168
Total Repairs and Maintenance Expenditure	1	47 594	167 095	139 892	128 524	153 207	153 207	206 272	188 824	195 520
R&M as a % of PPE		45.9%	-2.1%	-259.0%	3.9%	4.5%	4.5%	225.4%	30.2%	7.7%
R&M as % Operating Expenditure		2.4%	2.3%	3.1%	5.1%	5.8%	5.8%	13.3%	6.6%	6.4%

**Table 47 – SA34d: Depreciation by asset class**

WC044 George - Supporting Table SA34d Depreciation by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		103 454	216 834	229 834	113 950	113 950	113 950	113 679	130 893	123 830
Roads Infrastructure		36 600	80 715	84 329	42 937	42 937	42 937	48 211	56 420	51 474
Roads		29 149	64 841	67 753	34 279	34 279	34 279	40 015	48 229	43 322
Road Structures		227	464	480	254	254	254	253	254	253
Road Furniture		7 223	15 410	16 096	8 404	8 404	8 404	7 943	7 938	7 899
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		6 155	12 082	13 702	6 450	6 450	6 450	1 172	1 170	1 117
Drainage Collection		5 090	10 860	11 513	5 354	5 354	5 354	432	433	432
Storm water Conveyance		1 065	1 223	2 189	1 096	1 096	1 096	740	737	685
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		18 115	37 143	40 978	20 187	20 187	20 187	19 862	19 549	18 789
Power Plants		2	3	3	2	2	2	2	2	-
HV Substations		902	4 551	1 953	1 002	1 002	1 002	1 533	1 434	1 206
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		3 660	3 827	7 531	3 846	3 846	3 846	3 866	3 839	3 815
MV Switching Stations		1 414	2 946	3 127	1 522	1 522	1 522	1 601	1 605	1 572
MV Networks		345	692	690	345	345	345	345	346	345
LV Networks		11 791	25 124	27 205	12 427	12 427	12 427	12 516	12 323	11 851
Capital Spares		-	-	469	1 044	1 044	1 044	-	-	-
Water Supply Infrastructure		24 504	49 834	51 212	26 364	26 364	26 364	26 289	26 033	25 563
Dams and Weirs		123	123	123	127	127	127	123	123	120
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		1 656	4 115	7 934	3 131	3 131	3 131	3 097	3 093	3 076
Pump Stations		3 190	8 337	6 456	3 248	3 248	3 248	3 189	3 068	3 059
Water Treatment Works		4 703	4 716	4 680	4 686	4 686	4 686	4 699	4 711	4 686
Bulk Mains		533	1 075	1 067	533	533	533	533	535	533
Distribution		13 916	30 676	30 215	14 291	14 291	14 291	14 236	14 115	13 705
Distribution Points		384	792	737	347	347	347	412	387	384
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		16 043	32 898	35 628	16 304	16 304	16 304	16 743	26 315	25 765
Pump Station		1 834	2 945	6 099	1 792	1 792	1 792	1 805	1 615	1 537
Reticulation		10 275	21 651	20 633	10 423	10 423	10 423	10 257	20 010	19 643
Waste Water Treatment Works		3 870	8 174	8 768	4 025	4 025	4 025	4 617	4 626	4 521
Outfall Sewers		64	128	128	64	64	64	64	64	64
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		2 036	4 162	3 984	1 708	1 708	1 708	1 402	1 406	1 122
Landfill Sites		1 769	3 867	3 267	1 328	1 328	1 328	1 018	1 021	738
Waste Transfer Stations		267	295	717	381	381	381	384	385	384

**Table 47 – SA34d: Depreciation by asset class (continue)**

WC044 George - Supporting Table SA34d Depreciation by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>	<b>1</b>									
<b>Community Assets</b>		<b>7 276</b>	<b>11 900</b>	<b>18 092</b>	<b>9 429</b>	<b>9 429</b>	<b>9 429</b>	<b>9 682</b>	<b>9 195</b>	<b>8 238</b>
Community Facilities		2 387	3 791	5 764	3 435	3 435	3 435	3 386	3 199	3 183
Halls		784	974	2 077	1 039	1 039	1 039	995	842	839
Centres		89	184	190	95	95	95	95	95	94
Crèches		307	405	404	404	404	404	401	402	401
Clinics/Care Centres		129	554	254	128	128	128	125	116	113
Fire/Ambulance Stations		50	50	111	50	50	50	50	50	50
Testing Stations		186	24	24	24	24	24	24	18	18
Libraries		61	77	154	77	77	77	76	77	76
Cemeteries/Crematoria		2	2	8	2	2	2	2	2	2
Public Open Space		88	598	1 125	920	920	920	919	920	918
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		127	223	291	133	133	133	135	130	127
Markets		2	3	5	2	2	2	2	2	2
Taxi Ranks/Bus Terminals		560	695	1 119	560	560	560	560	544	542
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		4 890	8 109	12 328	5 993	5 993	5 993	6 297	5 996	5 056
Indoor Facilities		128	256	255	128	128	128	128	128	127
Outdoor Facilities		4 762	7 853	12 073	5 866	5 866	5 866	6 169	5 868	4 928
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>169</b>	<b>162</b>	<b>331</b>	<b>162</b>	<b>162</b>	<b>162</b>	<b>5</b>	<b>5</b>	<b>5</b>
Revenue Generating		169	162	331	162	162	162	5	5	5
Improved Property		169	162	331	162	162	162	5	5	5
<b>Other assets</b>		<b>3 908</b>	<b>7 300</b>	<b>9 353</b>	<b>4 925</b>	<b>4 925</b>	<b>4 925</b>	<b>5 101</b>	<b>4 868</b>	<b>4 572</b>
Operational Buildings		2 659	3 869	6 708	3 677	3 677	3 677	3 853	3 617	3 367
Municipal Offices		2 631	3 820	6 653	3 653	3 653	3 653	3 828	3 592	3 342
Workshops		25	38	48	23	23	23	24	24	24
Laboratories		1	2	2	1	1	1	1	1	1
Training Centres		0	4	4	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		2	5	1	0	0	0	0	0	0
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		1 249	3 431	2 646	1 248	1 248	1 248	1 248	1 251	1 205
Staff Housing		15	37	29	14	14	14	14	14	14
Social Housing		1 234	3 394	2 617	1 234	1 234	1 234	1 234	1 237	1 191
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>2</b>	<b>76</b>	<b>344</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		2	76	344	-	-	-	-	-	-
Computer Software and Applications		2	76	344	-	-	-	-	-	-
<b>Computer Equipment</b>		<b>2 499</b>	<b>3 820</b>	<b>6 489</b>	<b>2 843</b>	<b>2 843</b>	<b>2 843</b>	<b>3 683</b>	<b>2 968</b>	<b>1 884</b>
Computer Equipment		2 499	3 820	6 489	2 843	2 843	2 843	3 683	2 968	1 884
<b>Furniture and Office Equipment</b>		<b>1 717</b>	<b>2 592</b>	<b>5 963</b>	<b>2 275</b>	<b>2 275</b>	<b>2 275</b>	<b>2 081</b>	<b>1 747</b>	<b>1 462</b>
Furniture and Office Equipment		1 717	2 592	5 963	2 275	2 275	2 275	2 081	1 747	1 462
<b>Machinery and Equipment</b>		<b>4 644</b>	<b>8 665</b>	<b>14 142</b>	<b>6 121</b>	<b>6 121</b>	<b>6 121</b>	<b>6 507</b>	<b>5 602</b>	<b>4 162</b>
Machinery and Equipment		4 644	8 665	14 142	6 121	6 121	6 121	6 507	5 602	4 162
<b>Transport Assets</b>		<b>19 230</b>	<b>36 420</b>	<b>41 304</b>	<b>17 836</b>	<b>17 836</b>	<b>17 836</b>	<b>18 072</b>	<b>17 087</b>	<b>15 972</b>
Transport Assets		19 230	36 420	41 304	17 836	17 836	17 836	18 072	17 087	15 972
<b>Total Depreciation</b>	<b>1</b>	<b>142 900</b>	<b>287 769</b>	<b>325 850</b>	<b>157 539</b>	<b>157 539</b>	<b>157 539</b>	<b>158 810</b>	<b>172 365</b>	<b>160 124</b>

**Table 48 – SA34e: Capital Expenditure on the upgrading of existing assets by asset class**

WC044 George - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class											
Infrastructure			35 870	(174 725)	(9 690)	169 135	198 462	198 462	171 657	247 315	261 394
Roads Infrastructure			–	(40 638)	12 744	15 860	23 210	23 210	51 451	61 050	56 870
Roads			–	(40 638)	12 744	12 860	23 210	23 210	51 451	61 050	56 870
Road Structures			–	–	–	3 000	–	–	–	–	–
Storm water Infrastructure			2 231	(20 526)	23 415	30 120	36 499	36 499	13 237	13 000	18 000
Drainage Collection			1 831	(14 912)	23 236	11 133	18 730	18 730	11 237	10 000	13 000
Storm water Conveyance			400	(5 615)	179	18 987	17 769	17 769	2 000	3 000	5 000
Electrical Infrastructure			3 371	(4 213)	1 181	2 250	2 713	2 713	8 150	25 731	8 700
HV Substations			–	–	455	100	100	100	1 000	14 281	–
HV Transmission Conductors			5	(366)	–	500	–	–	500	2 000	3 000
MV Networks			3 366	(3 848)	726	1 650	2 613	2 613	6 300	5 950	5 700
LV Networks			–	–	–	–	–	–	350	3 500	–
Capital Spares			–	–	–	–	–	–	–	–	–
Water Supply Infrastructure			(4 018)	(77 488)	(4 610)	19 905	24 778	24 778	25 523	74 544	33 738
Dams and Weirs			(4 363)	(69 478)	18	–	–	–	–	–	–
Boreholes			–	–	–	–	–	–	450	–	–
Reservoirs			–	–	–	–	–	–	1 500	1 500	–
Pump Stations			–	(218)	–	1 750	1 250	1 250	5 769	13 018	12 038
Water Treatment Works			345	(600)	(3 455)	13 425	19 329	19 329	5 675	49 526	–
Bulk Mains			–	–	–	–	–	–	–	–	–
Distribution			–	(7 192)	(1 174)	4 730	4 199	4 199	12 129	10 500	21 700
Sanitation Infrastructure			34 287	(28 099)	(42 119)	101 000	110 962	110 962	71 295	71 990	144 085
Pump Station			931	(22 209)	5 674	32 800	37 308	37 308	44 395	47 750	131 235
Reticulation			–	(5 539)	(2 279)	3 000	204	204	6 000	3 900	3 500
Waste Water Treatment Works			33 356	(151)	(45 461)	65 050	73 094	73 094	20 750	20 040	9 150
Outfall Sewers			–	–	–	–	–	–	–	–	–
Toilet Facilities			–	(201)	(54)	150	356	356	150	300	200
Capital Spares			–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure			–	(3 760)	(300)	–	300	300	2 000	1 000	–
Landfill Sites			–	–	–	–	–	–	2 000	–	–
Waste Transfer Stations			–	(3 760)	(300)	–	300	300	–	1 000	–
Community Assets			2 621	(8 392)	154	3 202	3 278	3 278	4 598	4 800	4 050
Community Facilities			996	(3 929)	(558)	2 070	2 613	2 613	2 330	4 200	4 050
Halls			101	(300)	–	–	–	–	–	1 230	1 650
Centres			178	(1 580)	187	1 300	1 011	1 011	1 350	2 020	500
Crèches			–	2 394	(337)	200	223	223	400	–	300
Clinics/Care Centres			–	–	426	–	–	–	–	–	–
Fire/Ambulance Stations			–	(3 750)	250	500	500	500	–	500	500
Testing Stations			–	(529)	(374)	–	–	–	–	–	–
Libraries			519	154	(582)	–	35	35	–	–	–
Parks			–	–	–	–	–	–	–	–	750
Public Ablution Facilities			198	(317)	(172)	70	173	173	150	150	150
Markets			–	–	44	–	–	–	30	300	200
Taxi Ranks/Bus Terminals			–	–	–	–	670	670	400	–	–
Sport and Recreation Facilities			1 625	(4 463)	712	1 132	666	666	2 268	600	–
Outdoor Facilities			1 625	(4 463)	712	1 132	666	666	2 268	600	–
Other assets			1 099	(6 186)	67	1 240	3 793	3 793	10 460	6 610	3 160
Operational Buildings			1 099	(6 186)	67	900	3 593	3 593	9 970	5 960	2 510
Municipal Offices			844	(4 568)	(596)	650	1 243	1 243	5 770	5 060	1 510
Workshops			144	18	(500)	–	–	–	250	750	1 000
Yards			–	–	–	–	–	–	1 250	–	–
Depots			–	(1 062)	1 163	250	2 350	2 350	2 700	150	–
Capital Spares			–	(574)	–	–	–	–	–	–	–
Housing			–	–	–	340	200	200	490	650	650
Staff Housing			–	–	–	–	–	–	–	–	–
Social Housing			–	–	–	340	200	200	490	650	650
Furniture and Office Equipment			9	2	(183)	–	–	–	6	–	–
Furniture and Office Equipment			9	2	(183)	–	–	–	6	–	–
Total Capital Expenditure on upgrading of existing ass	1		39 600	(189 300)	(9 651)	173 577	205 534	205 534	186 721	258 725	268 604
Upgrading of Existing Assets as % of total capex			0,0%	30,0%	15,1%	46,9%	44,3%	44,3%	23,8%	27,5%	34,6%
Upgrading of Existing Assets as % of deprecn"			27,7%	-65,8%	-3,0%	110,2%	130,5%	130,5%	117,6%	150,1%	167,7%

## 2.8.7 Supporting detail to A4 (Budgeted Financial Performance) and A6 (Budgeted Financial Position)

**Table 49 – SA1: Supporting detail to Statement of Financial Performance**

WC044 George - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<b>Property rates</b>	6										
Total Property Rates		303 194	338 771	561 960	382 225	386 569	386 569	298 127	417 494	450 893	486 964
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		33 021	35 935	38 852	40 916	42 260	42 260	32 955	45 641	49 293	53 236
<b>Net Property Rates</b>		<b>270 173</b>	<b>302 837</b>	<b>523 108</b>	<b>341 309</b>	<b>344 309</b>	<b>344 309</b>	<b>265 172</b>	<b>371 853</b>	<b>401 600</b>	<b>433 728</b>
<b>Service charges - electricity revenue</b>	6										
Total Service charges - electricity revenue		644 480	3 847 892	1 564 086	899 701	899 701	899 701	569 041	988 789	1 039 612	1 092 187
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basic Services (50 kwh per indigent household per month)		19 813	22 689	23 395	24 243	24 243	24 243	17 046	26 182	28 277	30 539
<b>Net Service charges - electricity revenue</b>		<b>624 667</b>	<b>3 825 203</b>	<b>1 540 691</b>	<b>875 458</b>	<b>875 458</b>	<b>875 458</b>	<b>551 995</b>	<b>962 607</b>	<b>1 011 335</b>	<b>1 061 648</b>
<b>Service charges - water revenue</b>	6										
Total Service charges - water revenue		152 646	1 454 952	354 595	185 044	185 044	181 677	125 314	199 837	219 813	241 561
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basic Services (6 kilolitres per indigent household per month)		24 464	22 194	34 558	39 177	39 177	35 811	11 761	39 392	43 331	47 664
<b>Net Service charges - water revenue</b>		<b>128 182</b>	<b>1 432 758</b>	<b>320 037</b>	<b>145 866</b>	<b>145 866</b>	<b>145 866</b>	<b>113 553</b>	<b>160 445</b>	<b>176 482</b>	<b>193 897</b>
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue		133 379	1 143 663	320 591	192 369	192 369	188 240	127 109	205 501	223 996	244 156
less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basic Services (free sanitation service to indigent households)		34 524	36 088	42 378	48 043	48 043	43 914	26 891	47 866	52 174	56 870
<b>Net Service charges - sanitation revenue</b>		<b>98 855</b>	<b>1 107 575</b>	<b>278 213</b>	<b>144 326</b>	<b>144 326</b>	<b>144 326</b>	<b>100 217</b>	<b>157 635</b>	<b>171 822</b>	<b>187 286</b>
<b>Service charges - refuse revenue</b>	6										
Total refuse removal revenue		107 798	1 112 975	276 241	158 090	158 090	154 186	107 177	168 063	183 189	199 676
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basic Services (removed once a week to indigent households)		26 071	33 313	40 071	45 427	45 427	41 523	25 122	45 261	49 334	53 774
<b>Net Service charges - refuse revenue</b>		<b>81 727</b>	<b>1 079 662</b>	<b>236 170</b>	<b>112 663</b>	<b>112 663</b>	<b>112 663</b>	<b>82 055</b>	<b>122 802</b>	<b>133 855</b>	<b>145 902</b>
<b>Other Revenue by source</b>											
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Other Revenue											
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Operational Revenue		21 519	65 807	19 563	11 943	11 943	11 943	6 724	29 205	30 515	30 900
Intercompany/Parent-subsidiary Transactions		-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Sales of Goods and Rendering of Services		57 891	590 007	146 465	98 727	62 534	62 534	44 484	108 841	125 918	124 792
Fuel Levy	3	-	-	-	-	-	-	-	-	-	-
<b>Total 'Other' Revenue</b>	1	<b>79 411</b>	<b>655 814</b>	<b>166 028</b>	<b>110 670</b>	<b>74 477</b>	<b>74 477</b>	<b>51 208</b>	<b>138 046</b>	<b>156 433</b>	<b>155 692</b>

**Table 49 – SA1: Supporting detail to Statement of Financial Performance (continues)**

WC044 George - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand												
EXPENDITURE ITEMS:												
Employee related costs												
Basic Salaries and Wages	2	292 101	518 819	746 476	404 379	408 061	408 061	272 176	451 229	467 690	493 746	
Pension and UIF Contributions		50 105	70 283	120 095	67 467	64 246	64 246	47 154	74 242	77 956	81 855	
Medical Aid Contributions		20 470	37 597	57 797	37 777	31 909	31 909	22 729	40 664	42 488	44 394	
Overtime		2 231	5 806	5 289	2 817	3 415	3 415	1 951	3 493	3 667	3 851	
Performance Bonus		23 551	34 649	54 459	28 693	26 687	26 687	25 267	30 697	32 233	33 845	
Motor Vehicle Allowance		15 194	16 254	32 192	18 738	17 196	17 196	12 037	17 488	18 159	18 893	
Cellphone Allowance		1 197	3 081	3 021	1 900	1 752	1 752	1 265	1 822	1 909	2 000	
Housing Allowances		2 117	3 363	6 711	2 847	2 150	2 150	1 647	4 338	4 555	4 783	
Other benefits and allowances		58 894	167 727	111 759	62 745	81 190	81 190	47 471	81 240	84 953	89 099	
Payments in lieu of leave		–	–	–	–	–	–	14	–	–	–	
Long service awards		6 517	5 120	8 401	5 915	4 209	4 209	2 796	4 420	4 641	4 873	
Post-retirement benefit obligations		4	24 370	43 721	59 446	20 836	23 211	23 211	3 960	22 360	25 578	26 857
sub-total		5	496 746	906 420	1 205 646	654 114	664 027	664 027	438 466	731 991	763 828	804 195
Less: Employees costs capitalised to PPE			412	–	(3 455)	48 112	3 596	3 596	–	–	–	–
Total Employee related costs		1	496 335	906 420	1 209 100	606 002	660 431	660 431	438 466	731 991	763 828	804 195
Contributions recognised - capital												
List contributions by contract		13 260	78 665	39 641	14 759	14 759	14 759	16 469	–	–	–	–
Total Contributions recognised - capital			13 260	78 665	39 641	14 759	14 759	14 759	16 469	–	–	–
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipment	10	142 897	287 693	325 506	157 539	157 539	157 539	118 166	158 810	172 365	160 124	
Lease amortisation		2	76	344	–	–	–	–	–	–	–	
Capital asset impairment		–	–	–	–	–	–	–	–	–	–	
Depreciation resulting from revaluation of PPE		–	–	–	–	–	–	–	–	–	–	
Total Depreciation & asset impairment		1	142 900	287 769	325 850	157 539	157 539	157 539	118 166	158 810	172 365	160 124
Bulk purchases												
Electricity Bulk Purchases	1	426 308	2 952 964	1 041 910	613 082	608 582	608 582	411 751	667 159	731 377	801 667	
Water Bulk Purchases		–	–	–	–	–	–	–	–	–	–	
Total bulk purchases		426 308	2 952 964	1 041 910	613 082	608 582	608 582	411 751	667 159	731 377	801 667	
Transfers and grants												
Cash transfers and grants	1	65 525	409 819	221 244	64 785	63 427	63 427	38 632	42 636	19 800	17 833	
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–	
Total transfers and grants		65 525	409 819	221 244	64 785	63 427	63 427	38 632	42 636	19 800	17 833	
Contracted services												
Outsourced Services	sub-total	189 011	1 541 446	519 926	282 068	304 806	304 806	179 219	266 099	282 949	301 231	
Consultants and Professional Services		25 180	60 424	47 359	28 812	36 926	36 926	14 290	33 915	33 325	40 566	
Contractors		215 883	267 115	446 232	283 008	302 567	302 567	138 534	281 186	327 399	293 478	
		430 073	1 868 984	1 013 517	593 888	644 299	644 299	332 042	581 200	643 673	635 275	
Allocations to organs of state:												
Electricity		–	–	–	–	–	–	–	–	–	–	
Water		–	–	–	–	–	–	–	–	–	–	
Sanitation		–	–	–	–	–	–	–	–	–	–	
Other		–	–	–	–	–	–	–	–	–	–	
Total contracted services			430 073	1 868 984	1 013 517	593 888	644 299	644 299	332 042	581 200	643 673	635 275
Other Expenditure By Type												
Collection costs	3	2 399	2 338	6 366	2 401	3 826	3 826	2 051	2 029	2 110	2 194	
Contributions to 'other' provisions		31 039	(5 276)	2 190	–	–	–	–	–	–	–	
Audit fees		5 696	34 007	12 050	6 511	6 585	6 585	5 914	6 848	7 122	7 407	
General expenses												
Operating Leases		5 486	77 826	25 859	20 045	6 254	6 254	3 291	4 797	4 300	4 559	
Operational Cost		180 447	208 779	225 184	139 018	153 215	153 215	91 758	166 162	170 704	182 342	
Statutory Payments other than Income Taxes		–	–	–	–	–	–	–	–	–	–	
Discontinued Operations	–	–	–	–	–	–	–	–	–	–		
Total 'Other' Expenditure		1	225 068	317 674	271 649	167 974	169 880	169 880	103 015	179 836	184 236	196 502
Repairs and Maintenance												
Employee related costs	8	–	–	–	–	–	–	–	–	–	–	
Other materials		–	67 813	40 422	24 451	27 427	27 427	20 060	31 581	31 395	33 259	
Contracted Services		47 594	99 282	99 471	103 159	124 866	124 866	84 015	173 691	156 368	161 096	
Other Expenditure		–	–	–	914	914	914	204	1 000	1 060	1 166	
Total Repairs and Maintenance Expenditure		9	47 594	167 095	139 892	128 524	153 207	153 207	104 279	206 272	188 824	195 520
Inventory Consumed												
Inventory Consumed - Water		(606)	(966)	(852)	(852)	(852)	(852)	(1 595)	(2 784)	(2 854)	(2 839)	
Inventory Consumed - Other		(322 336)	6 681 290	(49 162)	(5 303 507)	(5 407 876)	(5 407 876)	(253 495)	(6 183 330)	(7 117 768)	(7 889 264)	
Total Inventory Consumed & Other Material			(322 942)	6 680 324	(50 014)	(5 304 359)	(5 408 728)	(255 090)	(6 186 114)	(7 120 622)	(7 892 103)	



**Table 50 – SA3: Supporting detail to Statement of Financial Position**

WC044 George - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
ASSETS											
Call investment deposits											
Call deposits		(450 000)	147 000	53 000	147 000	147 000	147 000	-	-	-	-
Other current investments		-	-	-	-	-	-	-	-	-	-
Total Call investment deposits	2	(450 000)	147 000	53 000	147 000	147 000	147 000	-	-	-	-
Consumer debtors											
Consumer debtors		109 175	(1 523 113)	163 803	333 178	336 178	336 178	55 392	329 923	326 268	325 524
Less: Provision for debt impairment		(22 204)	(43 066)	(39 450)	(261 260)	(253 260)	(253 260)	(18 582)	(254 977)	(256 745)	(258 567)
Total Consumer debtors	2	86 971	(1 566 179)	124 353	71 919	82 919	82 919	36 810	74 946	69 523	66 958
Debt impairment provision											
Balance at the beginning of the year		-	-	-	(196 032)	(196 032)	(196 032)	-	(196 032)	(196 032)	(196 032)
Contributions to the provision		(8 188)	(42 483)	(50 283)	-	-	-	-	-	-	-
Bad debts written off		(14 016)	(583)	10 833	(65 228)	(57 228)	(57 228)	(18 582)	(58 945)	(60 713)	(62 535)
Balance at end of year		(22 204)	(43 066)	(39 450)	(261 260)	(253 260)	(253 260)	(18 582)	(254 977)	(256 745)	(258 567)
Inventory											
Water											
Opening Balance		-	606	966	852	852	852	852	1 347	2 784	2 854
System Input Volume		-	-	-	65 548	65 548	65 548	743	233 310	237 098	228 665
Water Treatment Works		-	-	-	63 342	63 342	63 342	-	230 994	234 666	226 111
Bulk Purchases		-	-	-	2 206	2 206	2 206	743	2 316	2 432	2 554
Natural Sources		-	-	-	-	-	-	-	-	-	-
Authorised Consumption	6	-	-	-	(58 314)	(58 314)	(58 314)	-	(186 402)	(191 697)	(186 080)
Billed Authorised Consumption		-	-	-	(58 314)	(58 314)	(58 314)	-	(186 402)	(191 697)	(186 080)
Billed Metered Consumption		-	-	-	(54 698)	(54 698)	(54 698)	-	(185 908)	(191 194)	(185 596)
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	(54 698)	(54 698)	(54 698)	-	(185 908)	(191 194)	(185 596)
Billed Unmetered Consumption		-	-	-	(3 617)	(3 617)	(3 617)	-	(494)	(503)	(484)
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	(3 617)	(3 617)	(3 617)	-	(494)	(503)	(484)
UnBilled Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Water Losses		606	360	(113)	(7 234)	(7 234)	(7 234)	-	(45 471)	(45 331)	(42 600)
Apparent losses		-	-	-	-	-	-	-	-	-	-
Unauthorised Consumption		-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
Real losses		606	360	(113)	(7 234)	(7 234)	(7 234)	-	(45 471)	(45 331)	(42 600)
Leakage on Transmission and Distribution Mains		-	-	-	(7 234)	(7 234)	(7 234)	-	(45 471)	(45 331)	(42 600)
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-
Leakage on Service Connections up to the point of connection		-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors		-	-	-	-	-	-	-	-	-	-
Unavoidable Annual Real Losses		606	360	(113)	-	-	-	-	-	-	-
Non-revenue Water		606	360	(113)	(7 234)	(7 234)	(7 234)	-	(45 471)	(45 331)	(42 600)
Closing Balance Water		606	966	852	852	852	852	1 595	2 784	2 854	2 839
Agricultural											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions	7	-	-	-	-	-	-	-	-	-	-
Issues		-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Agricultural		-	-	-	-	-	-	-	-	-	-



**Table 50 – SA3: Supporting detail to Statement of Financial Position  
(continues)**

WC044 George - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Consumables</b>											
<b>Standard Rated</b>											
Opening Balance		–	2 091	1 875	(13 904)	(13 904)	(13 904)	(13 904)	(494)	45	108
Acquisitions		2 091	(217)	(17 006)	2 200	2 200	2 200	18	11 000	11 000	11 500
Issues	7	–	–	1 228	(1 534)	(2 734)	(2 734)	(309)	(10 461)	(10 936)	(11 435)
Adjustments	8	–	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
<b>Closing balance - Consumables Standard Rated</b>		<b>2 091</b>	<b>1 875</b>	<b>(13 904)</b>	<b>(13 238)</b>	<b>(14 438)</b>	<b>(14 438)</b>	<b>(14 195)</b>	<b>45</b>	<b>108</b>	<b>174</b>
<b>Zero Rated</b>											
Opening Balance		–	–	–	69	69	69	69	2 906	3 745	3 663
Acquisitions		–	–	(15 000)	17 000	17 000	17 000	–	17 000	17 000	17 000
Issues	7	–	–	15 069	(14 536)	(14 939)	(14 939)	–	(16 162)	(17 081)	(18 103)
Adjustments	8	–	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
<b>Closing balance - Consumables Zero Rated</b>		<b>–</b>	<b>–</b>	<b>69</b>	<b>2 533</b>	<b>2 130</b>	<b>2 130</b>	<b>69</b>	<b>3 745</b>	<b>3 663</b>	<b>2 561</b>
<b>Finished Goods</b>											
Opening Balance		–	242	(880)	2 678	2 678	2 678	2 678	7 548	7 548	7 548
Acquisitions		242	(1 121)	3 558	–	–	–	(2 147)	–	–	–
Issues	7	–	–	–	–	–	–	–	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
<b>Closing balance - Finished Goods</b>		<b>242</b>	<b>(880)</b>	<b>2 678</b>	<b>2 678</b>	<b>2 678</b>	<b>2 678</b>	<b>531</b>	<b>7 548</b>	<b>7 548</b>	<b>7 548</b>
<b>Materials and Supplies</b>											
Opening Balance		–	4 488	2 629	(43 100)	(43 100)	(43 100)	(43 100)	68 025	41 942	30 475
Acquisitions		(1 944)	(1 633)	(96 447)	55 000	55 000	55 000	132	35 000	55 000	75 000
Issues	7	(99)	(88)	51 467	(52 851)	(58 097)	(58 097)	(290)	(61 084)	(66 466)	(70 661)
Adjustments	8	6 531	(138)	(749)	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
<b>Closing balance - Materials and Supplies</b>		<b>4 488</b>	<b>2 629</b>	<b>(43 100)</b>	<b>(40 951)</b>	<b>(46 197)</b>	<b>(46 197)</b>	<b>(43 258)</b>	<b>41 942</b>	<b>30 475</b>	<b>34 814</b>
<b>Work-in-progress</b>											
Opening Balance		–	–	–	–	–	–	–	–	–	–
Materials		–	–	–	–	–	–	–	–	–	–
Transfers		–	–	–	–	–	–	–	–	–	–
<b>Closing balance - Work-in-progress</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Housing Stock</b>											
Opening Balance		–	–	–	148	148	148	148	(750)	(750)	(750)
Acquisitions		–	–	–	–	–	–	–	–	–	–
Transfers		–	–	–	–	–	–	–	–	–	–
Sales		–	–	148	(602)	(602)	(602)	–	–	–	–
<b>Closing Balance - Housing Stock</b>		<b>–</b>	<b>–</b>	<b>148</b>	<b>(454)</b>	<b>(454)</b>	<b>(454)</b>	<b>148</b>	<b>(750)</b>	<b>(750)</b>	<b>(750)</b>
<b>Land</b>											
Opening Balance		–	(22 918)	(25 109)	(29 625)	(29 625)	(29 625)	(29 625)	103 828	103 828	103 828
Acquisitions		(22 918)	(2 191)	(4 516)	–	–	–	–	–	–	–
Sales		–	–	–	–	–	–	–	–	–	–
Adjustments		–	–	–	–	–	–	–	–	–	–
Correction of Prior period errors		–	–	–	–	–	–	–	–	–	–
<b>Closing Balance - Land</b>		<b>(22 918)</b>	<b>(25 109)</b>	<b>(29 625)</b>	<b>(29 625)</b>	<b>(29 625)</b>	<b>(29 625)</b>	<b>(29 625)</b>	<b>103 828</b>	<b>103 828</b>	<b>103 828</b>
<b>Closing Balance - Inventory &amp; Consumables</b>		<b>(15 491)</b>	<b>(20 519)</b>	<b>(82 882)</b>	<b>(78 205)</b>	<b>(85 054)</b>	<b>(85 054)</b>	<b>(84 735)</b>	<b>159 142</b>	<b>147 728</b>	<b>151 014</b>
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)	3	240 658	(5 035 119)	(63 392)	5 233 252	5 326 622	5 326 622	215 173	6 110 047	7 049 909	7 823 970
Leases recognised as PPE		–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation	2	(137 044)	(3 065 238)	9 384	(1 931 676)	(1 931 676)	(1 931 676)	(118 154)	(2 090 482)	(2 262 842)	(2 422 961)
<b>Total Property, plant and equipment (PPE)</b>		<b>103 614</b>	<b>(8 100 357)</b>	<b>(54 008)</b>	<b>3 301 576</b>	<b>3 394 945</b>	<b>3 394 945</b>	<b>97 019</b>	<b>4 019 566</b>	<b>4 787 067</b>	<b>5 401 009</b>

**Table 50 – SA3: Supporting detail to Statement of Financial Position  
(continues)**

WC044 George - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		30 244	(792 239)	(239 408)	161 593	161 593	161 593	(19 025)	223 887	299 687	384 687
Total Current liabilities - Borrowing		30 244	(792 239)	(239 408)	161 593	161 593	161 593	(19 025)	223 887	299 687	384 687
Trade and other payables											
Trade Payables		(128 300)	(2 506 104)	(203 941)	500 179	553 970	553 970	14 158	475 865	486 400	541 584
Other Creditors		-	-	-	-	-	-	-	-	-	-
Unspent conditional transfers		(10 233)	(302 582)	(71 672)	74 764	74 764	74 764	221 498	74 764	74 764	74 764
VAT		(5 293)	(79 993)	(11 799)	(1 664)	(1 664)	(1 664)	1 511	(1 664)	(1 664)	(1 664)
Total Trade and other payables	2	(143 826)	(2 888 679)	(287 411)	573 278	627 070	627 070	237 168	548 965	559 500	614 684
Non current liabilities - Borrowing											
Borrowing	4	(1 978)	-	-	435 590	435 590	435 590	(252)	611 523	751 250	865 034
Finance leases (including PPP asset element)		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing		(1 978)	-	-	435 590	435 590	435 590	(252)	611 523	751 250	865 034
Provisions - non-current											
Retirement benefits		13 099	(294 029)	48 596	128 877	128 877	128 877	-	122 359	116 175	110 307
List other major provision items											
Refuse landfill site rehabilitation		-	-	-	40 919	40 919	40 919	-	40 919	40 919	40 919
Other		-	-	-	81 993	81 993	81 993	-	81 993	81 993	81 993
Total Provisions - non-current		13 099	(294 029)	48 596	251 789	251 789	251 789	-	245 271	239 087	233 219
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		-	-	-	3 056 619	3 056 619	3 056 619	-	3 206 084	3 527 959	4 054 979
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		-	-	-	3 056 619	3 056 619	3 056 619	-	3 206 084	3 527 959	4 054 979
Surplus/(Deficit)		23 783	6 796 234	99 599	105 661	55 927	55 927	-	370 856	584 160	350 263
Transfers to/from Reserves		(17 670)	5 010	7 107	(26 000)	(26 000)	(26 000)	-	(49 003)	(57 163)	(57 506)
Depreciation offsets		-	(316 695)	-	-	-	-	-	-	-	-
Other adjustments		11 960	(19 971)	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	18 073	6 464 579	106 706	3 136 281	3 086 546	3 086 546	-	3 527 937	4 054 955	4 347 735
Reserves											
Housing Development Fund		(1 352)	(126 999)	(9 446)	57 767	57 767	57 767	-	50 271	42 434	34 940
Capital replacement		19 022	(138 796)	2 340	98 298	98 298	98 298	-	153 877	217 906	281 935
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves											
Compensation for Occupational Injuries and Diseases		-	-	-	-	-	-	-	-	-	-
Employee Benefit Reserve		7	28	7	-	-	-	-	-	-	-
Non-current Provisions Reserve		11 007	(22 014)	-	11 007	11 007	11 007	-	11 007	11 007	11 007
Valuation Reserve		-	-	-	-	-	-	-	-	-	-
Investment in associate account		-	-	-	-	-	-	-	-	-	-
Capitalisation Reserve		-	(120 724)	-	64 834	64 834	64 834	-	64 834	64 834	64 834
Equity		-	-	-	-	-	-	-	-	-	-
Non-Controlling Interest		-	-	-	-	-	-	-	-	-	-
Share Premium		-	-	-	-	-	-	-	-	-	-
Revaluation		-	39 522	-	-	-	-	-	-	-	-
Total Reserves	2	28 683	(368 983)	(7 099)	231 907	231 907	231 907	-	279 989	336 181	392 716
TOTAL COMMUNITY WEALTH/EQUITY	2	46 756	6 095 596	99 607	3 368 187	3 318 453	3 318 453	-	3 807 925	4 391 136	4 740 451

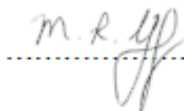
## 2.9 Municipal Manager's Quality Certificate

### Municipal Manager's Quality Certificate

I, Dr Michele Gratz, the Acting Municipal Manager of George Municipality hereby certify that the annual budget and supporting documentation for the 2022/2023 Financial Year, have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the budget and supporting documentation are consistent with the Integrated Development Plan.

Print Name                      Dr Michele Gratz

Municipal Manager of        George WC044

Signature                       .....

Date                              30/03/2022 .....

## **2.10 MTREF Budget Benchmark Assessment Report**

The MTREF Budget benchmark engagement with National Treasury will take place on 25 May 2022.

## **2.11 2022 Mid-year Budget and Performance visit**

Below is a brief report received from National Treasury regarding the 2022 mid-year and performance visit to George Municipality.



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Ref No: WC044/12**

Dr Michelle Gratz  
The Acting Municipal  
Manager George Local  
Municipality

P.O. Box

19

**GEORGE**

6530

Email:

mgratz@george.gov.za

Dear Dr Gratz

**OBSERVATIONS AND RECOMMENDATIONS EMANATING FROM THE  
VIRTUAL MID-YEAR BUDGET AND PERFORMANCE ENGAGEMENT HELD ON  
22 FEBRUARY 2021**

The annual mid-year and budget performance assessment focused on the City's 2020/21 financial year's performance, the 2021/22 mid-year performance and the preparations for the 2022/23 Medium Term Revenue and Expenditure Framework.

The meeting was well attended by senior management from the City including the acting Chief Financial Officer (CFO) and acting Municipal Manager (MM) as well as various invited sector departments.

A summation of the observations, recommendations and resolutions emanating from the discussions is presented below. These should inform the municipality's 2022/23 MTREF where appropriate.

## **KEY OBSERVATIONS**

### **Institutional Arrangement (Fragile)**

The municipality's institutional arrangements are considered fragile, which means that most indicators are good but there are worrying signs:

- The MM has been acting for over a year and the City is unable to appoint Civil director;
- The City has a coalition government, but on a good note there is continuation with the previous Mayor. There is also a cordial relationship between MAYCO and the administration;
- There is a high vacancy rate, the City is unable to attract scarce skilled individuals, especially in the Legal, IT and Engineering Departments. This correlates to high expenditure linked to consultancy fees;
- There are financial constraints in filling critical vacancies;
- City is instilling change management to promote good values to stem out the lack of discipline that existed in the past;
- The Performance Agreements of the Senior Management of the City are linked to integrated development plan and the service delivery budget and implementation plan (IDP/SDBIP), this is rolled to all levels in the City; and
- Consultants expenditure increased from R21.9 million in 2020 to R23.7 million in 2021. City argued that the use of specialised knowledge is expensive.

### **Financial Health (Sound)**

The municipality's financial health is rated sound as its financial position is thriving:

- The City has realised a deficit of R3 million in 2020/21 financial year and has reported a surplus of R61.2 million by mid-year 2021/22;
- A positive cash balance of R669.2 million was realised in 2020/21 which is enough to pay outstanding creditors of R234 million. The cash and cash equivalents was reported at R737.6 million by mid-year;
- A concern is that cash was used in operations (R129.9 million) instead of being generated, due to a reduction of the collection rate;
- The cost coverage ratio is above the norm of 1-3 months at about 5 months;
- Collection rate improved from 89 per cent in 2019/20 to 93 per cent in 2020/21 and is currently at 98.8 per cent by mid-year 2021/22;
- Net Debtors increased from R162.4 million in 2019/20 to R190.5 million in

- 2020/21 and are currently at R171.1 million;
- Employee related costs (26.3 per cent), Councillor Remuneration (1 per cent) and contracted services (20.4 per cent), all three form 47.7 per cent of the operating budget which is above the norm of 45 per cent;
  - Overtime is slightly high at 7 per cent, while the norm should be 5 per cent of employee related costs (decrease is noted from R42 million in 2020 to R40 million in 2021);
  - Capital expenditure although not satisfactory, has increased from 53.4 per cent in 2019/20 to 68 per cent in 2020/21. A concern is that at mid-year capital expenditure was only 39.9 per cent;
  - Conditional grants expenditure for 2020/21 stood at 92.8 per cent while it was reported at 34.6 per cent during the mid-year;
  - Current ratio is within the norm at 2.27:1; and
  - City is planning to embark in revenue enhancement projects and data cleansing but indicated that they lack funding to do so.

### **Financial Governance (Sound)**

The City's financial governance is rated sound based on the following:

- Municipality improved on the audit outcome for 2020/21 from unqualified with findings on predetermined objectives to an unqualified with no findings;
- There are improved controls around indigent debtors and the overall improvement of the control environment at the City
- Irregular expenditure was reported at R5.5 million in 2021 from R3.5 million in 2020;
- Fruitless and Wasteful Expenditure was reported at only R21.7 thousand;
- The City is commended for no unauthorised expenditure;
- New risks are identified in the audit action plan, are assessed by the risk owners, and further mitigating actions and controls are identified and their implementation status is monitored;
- Each department and risk action owner takes responsibility for addressing their risks;
- Most municipal standard chart of accounts (mSCOA) modules are fully utilised;
- Supply Chain Management (SCM) module is linked to the Central Supplier Database (CSD);

- Cash Flow still have areas of concern that the City is still working on;
- City is working on Water Inventory which is to be implemented fully during adjustment budget;
- A concern is that opening balances are not represented on the data strings; and
- Another concern is that the financial system is allowing transactions without budget.

### **Service Delivery (Fragile)**

The City's service delivery is rated fragile based on the following:

- Overall institutional achievement for 2020/21 was 63 per cent while service delivery was only 48.4 per cent;
- City is commended for keeping the electricity distribution losses at 8.8 percent within the norm of 7-10 per cent;
- Water distribution losses are also within the norm at 22.7 per cent within the norm of 25-30 per cent;
- The replacement of pipelines is done in accordance with a pipe replacement programme;
- A concern is that data pertaining to water is lacking to know which areas are spending most water;
- Challenge is that indigents are spending more than 12kl of water;
- Sewage capacity has been reached;
- There is insufficient reservoir storage;
- Network inspection is done to identify future breakdowns;
- Illegal electricity connections and load-shedding is a challenge;
- The City is embarking on renewable energy projects but lacks funding;
- The City indicated that the upper limits scales make it difficult to appoint Director for Engineering; and
- Some meters can't be read regularly, the City is looking into smart city technology but it will be a process to modernise.

### **RECOMMENDATIONS**

It is recommended that the City should:

- Spend conditional grants first half of the financial year to benefit from stopping and reallocation;
- National Treasury (NT) should find ways to assist the City in funding the



- renewable electricity projects;
- City should manage the unauthorised irregular fruitless & wasteful expenditure (UIFW) to avoid it from recurring and increasing and look at the UIFW reduction strategy document issued by NT;
  - Errors in the recording of transactional information must be corrected in the data string in M08 (February 2022) that must be submitted by 15 March 2022 (Adjustment budget);
  - The City must review the setup of system controls to prevent transacting from taking place against no budget;
  - The City must do costing of own labour for repairs and maintenance as per the classes of asset in the fixed asset register;
  - The City must ensure that they have fully budgeted for water inventory in terms of GRAP 12 in the 2021/22 adjustments budget;
  - The City must ensure that the data strings are mapped to the Cash Flows schedules to fully populate and align to the statement of financial position;
  - The closing balances of the previous financial year must be brought forward into the current financial year; and
  - The City must ensure that the grants are fully budgeted to perform movement accounting.

## RESOLUTIONS

It was resolved at the engagement that the City will:

- Share the Audit Action Plan with NT;
- Submit a draft UIFW reduction plan; and
- City to share with NT draft adjustment budget data strings before sending the final to test if the adjustment budget is funded.

Yours faithfully



MANDLA GILIMANI

**DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS**

**DATE: 22 February 2022**

Cc: CFO George Municipality – [Caduplessis@george.gov.za](mailto:Caduplessis@george.gov.za)  
MFMA Coordinator – [Steven.Kenyon@westerncape.gov.za](mailto:Steven.Kenyon@westerncape.gov.za)