



George Municipality Final Budget 2022/23 to 2024/25

Medium Term Revenue and
Expenditure Framework (MTREF)

30 May 2022

Table of Contents

GLOSSARY.....	4-5
----------------------	------------

PART 1 – ANNUAL BUDGET	6
-------------------------------------	----------

1.1 MAYORAL BUDGET SPEECH	6
1.2 COUNCIL RESOLUTIONS.....	6-7
1.3 BUDGET 2022/23 MID-YEAR REVIEW AND ADJUSTMENTS BUDGET.....	7
1.4 EXECUTIVE SUMMARY.....	7-14
1.5 BUDGET OVERVIEW OF THE 2022/23 MTREF.....	15-16
1.6 OPERATING REVENUE FRAMEWORK.....	16-26
1.7 OPERATING EXPENDITURE FRAMEWORK.....	27-28
1.8 CAPITAL BUDGET.....	28-33
1.9 BUDGET SCHEDULES.....	33-89

PART 2 – SUPPORTING DOCUMENTATION.....	46
---	-----------

2.1 DISCLOSURE ON IMPLEMENTATION OF THE MFMA.....	46
2.2 BUDGET PREPERATION PROCESS.....	47-52
2.3 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN.....	53
2.4 ALIGNMENT OF BUDGET TO IDP.....	54-57
2.6 OVERVIEW OF BUDGET RELATED POLICIES.....	58
2.7 BUDGET ASSUMPTIONS.....	58-63
2.8 OTHER SUPPORTING DOCUMENTS.....	64-89
2.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATE.....	90
2.10 MTREF BENCHMARK ASSESSMENT REPORT.....	91
2.11 2021 MID-YEAR BUDGET AND PERFORMANCE VISIT.....	91-103

List of Tables

Table 1 – Consolidated Overview of the 2022/23 MTREF.....	16
Table 2 – Summary of revenue classified by main revenue sources.....	17
Table 3 – Grants Allocation.....	19
Table 4 – Proposed rates to be levied for the 2022/23 financial year.....	21
Table 5 – Proposed water tariffs.....	22
Table 6 – Comparison between current water charges and increases - DMA area (Domestic)	23
Table 7.1 – Comparison between current electricity charges and increases – Domestic – Single phase consumers: One part Pre-paid (vat exclusive)	24
Table 7.2 – Table 7.2 Comparison between current electricity charges and increases Domestic – 1 or 3 phase consumer: one part Pre-Paid (VAT exclusive)	24
Table 8 – Indigent – Domestic – Single phase consumers: One part Pre-paid (vat exclusive).....	24
Table 9 – Comparison between current sanitation charges and increases.....	25
Table 10 – Comparison between current waste fees and increases for a single dwelling-house.....	25
Table 11 – MBRR Table SA14 – Household bills.....	26
Table 12 – Summary of operating expenditure by type.....	27
Table 13 – Repairs and maintenance per asset class.....	28
Table 14 – Capital budget by department.....	30
Table 15 – Budgeted CRR funds.....	32
Table 16 – Capital expenditure by GFS classification.....	33
Table 17 – A1: Budget Summary.....	34
Table 18 – A2: Budgeted Financial Performance by standard classification	35
Table 19 – A3: Budgeted Financial Performance by municipal vote.....	36
Table 20 – A4: Budgeted Financial Performance by revenue source and expenditure type.....	37
Table 21 – A5: Budgeted Capital Expenditure by vote, standard classification and funding.....	38-39
Table 22 – A6: Budgeted Financial Position.....	40
Table 23 – A7: Budgeted Cash Flow.....	41
Table 24 – A8: Cash backed reserves/accumulated surplus reconciliation.....	41
Table 25 – A9: Asset Management.....	42-44
Table 26 – A10: Basic Service delivery measurement.....	45
Table 27 – Schedule of Key Deadlines relating to the budget process.....	46-51

Table 28 – SA4: Reconciliation between IDP strategic objectives and budgeted operating revenue.....	55
Table 29 – SA5: Reconciliation between IDP strategic objectives and budgeted operating expenditure.....	56
Table 30 – SA6: Reconciliation between IDP strategic objectives and budgeted capital expenditure.....	57
Table 31 – SA15: Investment Particulars by Type.....	64
Table 32 – SA17: Borrowing.....	65
Table 33 – SA18: Transfers and grants receipt.....	66
Table 34 – SA19: Expenditure on transfers and grants.....	67
Table 35 – SA20: Reconciliation of transfers, grants receipts and unspent funds.....	68
Table 36 – SA22: Summary of councillor and staff benefits.....	69-70
Table 37 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type.....	71
Table 38 – SA26: Budgeted monthly revenue and expenditure by municipal vote.....	72
Table 39 – SA27: Budgeted monthly revenue and expenditure by standard classification.....	73
Table 40 – SA28: Budgeted monthly capital expenditure by municipal vote.....	74
Table 41 – SA29: Budgeted monthly capital expenditure by standard classification.....	75
Table 42 – SA30: Budgeted monthly cash flow	76
Table 43 – SA30: Budgeted monthly cash flow(cont).....	77
Table 44 – SA34a: Capital Expenditure on new assets by asset class.....	78-79
Table 45– SA34b: Capital Expenditure on the renewal of assets by asset class.....	80
Table 46 – SA34c: Repairs and maintenance expenditure by asset class.....	81
Table 47 – SA34d: Depreciation by asset class.....	82-83
Table 48 – SA34e: Capital Expenditure on the upgrading of existing expenditure by asset class.....	84
Table 49– SA1: Supporting detail to Statement of Financial Performance.....	85-86
Table 50 – SA3: Supporting detail to Statement of Financial Position.....	87-89

Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
Allocations – Money received from Provincial or National Government or other municipalities.
Budget – The financial plan of the Municipality.
Budget Related Policy – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.
Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.
Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.
DORA – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.
Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.
IDP – Integrated Development Plan. The main strategic planning document of the Municipality
KPI's – Key Performance Indicators. Measures of service output and/or outcome.
MFMA – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.
MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also, includes details of the previous and current years' financial position.
Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.
Rates – Local Government 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 30 May 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 30 May 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) Budget Implementation and Monitoring Policy;
 - (xvi) 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 2021/22.

	Original Budget 2021/22 R'000	Adjusted Budget 2021/22 R'000	Difference R'000
Capital	370 443	463 450	93 007
Operating Income	2 616 730	2 802 854	186 124
Operating Expenditure	2 511 069	2 626 054	114 985

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 7 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);
- The violent unrest in July 2021 and the restrictions imposed to manage the third wave of COVID-19 further eroded the gains South Africa made in the first half of the year in 2021;
- Although George Municipality received the budget facility for infrastructure grant (BFI) allocation of R1.1 Billion rand for the upgrading of the bulk water services the need for the upgrading and rehabilitation of the other core services infrastructure remains high. This demand is clearly visible in the capital budget;
- A continued 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;
- George Municipality was forced to invest in purchasing standby generators for various sewer pump stations to mitigate the impact of load shedding and prevent sewerage spillages;

- 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 negative economic effects of the COVID-19 pandemic continue to place pressure on debt collection rates and the ability of George Municipality's residents to pay their municipal bill;
- The financial impact of the continued effort to enhance service delivery levels was already evident in the increases to the operational expenditure noted during the adjustments budget in February 2022, and it is still in effect for the multi-year budget;
- The focus on upgrading and replacement of the ageing infrastructure generates a high demand for funding through the Capital Replacement Reserve (CRR) and external loans to meet these demands.

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 2022 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;
- The need to return to normal credit control and debt collection processes has contributed to improvements in the year to date debt collection ratio. A 96% ratio was assumed for this budget;
- 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;

- All attempts are being made to maximize the allocation of available National and Provincial Government Grants to the municipality. In this regard George Municipality, has liaised with National Treasury regarding additional grant funding and was successful with the application for a BFI grant.

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;
- Budget Implementation and Monitoring 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	-	-
Sub-Total: PTNG	191 410	143 171	148 640
Provincial Grant			
Operation	154 868	154 868	161 822
Total - Grants	346 278	298 039	310 462

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 479 million on capital investment for the infrastructure needs of the City. In 2022/23 the capital budget is R788 million. Operating expenditure in 2022/23 is budgeted at R2 868 billion and the operating revenue is budgeted at R3 248 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

	Adjustments Budget 2021/22	Budget year 2022/23	Budget year 2023/24	Budget year 2024/25
	R	R	R	R
Total revenue	2 802 854 041	3 248 304 479	3 637 229 651	3 526 212 983
Less: Total expenditure	-2 626 053 793	-2 868 023 514	-3 040 689 864	-3 158 368 045
Surplus/(Deficit)	176 800 248	380 280 965	596 539 787	367 844 938
Capital expenditure	463 450 356	787 983 236	943 981 762	747 286 003

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	Budget Year +1	Budget Year +2
R thousand	1										
Revenue By Source											
Property rates	2	270 173	302 109	322 755	341 309	344 309	344 309	319 803	370 853	400 520	432 562
Service charges - electricity revenue	2	624 667	675 646	722 144	875 458	875 458	875 458	685 285	962 607	1 011 335	1 061 648
Service charges - water revenue	2	128 182	136 925	144 122	145 866	145 866	145 866	145 722	167 445	184 042	195 697
Service charges - sanitation revenue	2	98 855	110 680	122 717	144 326	144 326	144 326	122 966	159 335	173 675	189 306
Service charges - refuse revenue	2	81 727	92 264	101 623	112 663	112 663	112 663	100 713	128 302	139 472	151 646
Rental of facilities and equipment		3 130	22 851	13 647	6 019	6 019	6 019	3 968	4 741	5 025	5 326
Interest earned - external investments		46 246	33 526	16 368	59 264	60 691	60 691	14 046	57 219	58 239	60 692
Interest earned - outstanding debtors		4 080	3 000	5 991	8 353	8 353	8 353	6 946	9 061	9 837	10 681
Dividends received		–	11 645	10 785	–	–	–	7 744	–	–	–
Fines, penalties and forfeits		94 581	76 283	39 016	81 958	81 958	81 958	9 126	83 680	85 548	87 468
Licences and permits		2 322	1 672	1 673	3 869	3 869	3 869	2 581	3 863	4 094	4 339
Agency services		11 140	10 599	13 590	9 476	15 676	15 676	24 416	16 617	17 614	18 671
Transfers and subsidies		460 258	549 028	614 980	613 642	665 168	665 168	410 035	553 091	586 635	580 634
Other revenue	2	79 411	61 205	65 318	110 670	74 477	74 477	66 044	130 097	147 472	155 705
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	2 087 435	2 195 682	2 512 874	2 602 175	2 602 175	1 919 449	2 877 904	3 058 173	3 180 486
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	13 260	12 716	25 449	14 759	14 759	14 759	23 080	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	4 124	–	–	–	–	–	–	–	–
Total Revenue		2 032 477	2 166 827	2 304 048	2 616 730	2 834 701	2 834 701	2 029 331	3 248 303	3 637 709	3 526 413

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 R3,248 billion in 2022/2023 final 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 R45.5m – 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

Local Government Allocations 2022/23 - 2024/25			
	Medium Term Estimates		
National Grants	2022/2023	2023/2024	2024/2025
<u>Direct Grant</u>			
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
TOTAL: Direct Transfers	721 273 000	931 515 000	727 287 000
<u>In-kind Grant (Not included in budget)</u>			
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
TOTAL: Indirect Transfers	7 855 000	4 650 000	4 840 000
Total	729 128 000	936 165 000	732 127 000
Provincial Grants	2022/2023	2023/2024	2024/2025
<u>Direct Grant</u>			
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
TOTAL: Direct Transfers	195 621 000	233 326 000	198 174 000
Total Allocations Excluding Indirect Grants	916 894 000	1 164 841 000	925 461 000

SERVICE CHARGES AND MISCELLANEOUS TARIFFS:

The following tariff increases are proposed:

▪ Electricity	:	7.47%
▪ 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

Category of property	Cent amount in the Rand rate determined for the relevant property category
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
RESIDENTIAL		
(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
NON-RESIDENTIAL		
(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
RESIDENTIAL		
(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
NON-RESIDENTIAL		
(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 7.1 – Comparison between current electricity charges and increases Domestic – Single phase consumer: one part Pre-Paid (VAT exclusive)
Maximum Capacity = 20 amps. Excludes Basic Charge**

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 7.2 Comparison between current electricity charges and increases Domestic – 1 or 3 phase consumer: one part Pre-Paid (VAT exclusive)
Capacity = 30 amps. Basic Charge 75.19 pm and Capacity Charge 4.54 per Amp**

Monthly consumption kWh	Current amount Payable 238.36 c / unit R	Proposed amount Payable 210,04 c / unit <i>Basic charge =75,19</i> <i>Capacity charge = R136,20</i> <i>30 amps</i> R	Difference (Increase) R	Percentage change
100	238,36	421,43	183,07	76,80%
250	595,91	736,49	140,58	23,59%
500	1191,8	1261,59	69,79	5,86%
750	1787,7	1786,69	-1,01	-0,06%
1 000	2383,6	2311,79	-71,81	-3,01%
2 000	4767,2	4412,19	-355,01	-7,45%

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

CURRENT TARIFF 2020/21 Rand per year	PROPOSED TARIFF 2022/22 Rand per year	DIFFERENCE R	% INCREASE
2 773,97	3 324,00	550,03	20%

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	-2019	-2020	-2021-O	-2021-A	-2021-F	-2022 -2023 -2024			
		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/kent											
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		-	-	-	-	-	-	-	204,43	220,78	238,45
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	19,8%	277,00	301,93	329,10
Other		-	-	-	-	-	-	-	-	-	-
sub-total		2 961,67	3 296,59	3 502,66	3 687,10	3 687,10	3 687,10	3,2%	4 011,94	4 352,16	4 721,46
VAT on Services		393,34	436,80	463,96	517,91	517,91	517,91	2,6%	531,42	576,82	626,14
Total large household bill:		3 375,20	3 733,39	3 966,62	4 405,01	4 405,01	4 405,01	3,1%	4 543,35	4 928,98	5 347,62
% increase/-decrease			10,7%	6,2%	11,0%	-	-		3,1%	8,5%	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	358,76	387,46
Electricity: Basic levy		-	-	-	-	-	-	-	204,43	220,78	238,45
Electricity: Consumption		859,75	972,12	1 032,58	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	19,8%	277,00	301,93	329,10
Other		-	-	-	-	-	-	-	-	-	-
sub-total		1 914,72	2 105,04	2 235,57	2 455,06	2 455,06	2 455,06	9,1%	2 679,21	2 909,90	3 160,63
VAT on Services		249,01	274,69	291,81	322,13	322,13	322,13	9,3%	352,05	382,67	415,98
Total small household bill:		2 163,73	2 379,73	2 527,38	2 777,21	2 777,21	2 777,21	9,1%	3 031,26	3 292,57	3 576,61
% increase/-decrease			10,0%	6,2%	9,9%	-	-		9,1%	8,6%	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	7,5%	505,09	545,50	589,14
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	8,4%	800,93	870,92	947,11
VAT on Services		85,09	93,82	99,58	110,83	110,83	110,83	8,4%	120,14	130,64	142,07
Total small household bill:		652,34	719,28	763,42	849,71	849,71	849,71	8,4%	921,07	1 001,56	1 089,17
% increase/-decrease			10,3%	6,1%	11,3%	-	-		8,4%	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	497 969	532 336	583 611	606 002	657 025	657 025	534 192	727 721	759 714	799 438
Remuneration of councillors		22 017	22 516	21 853	26 171	26 171	26 171	21 129	26 171	27 479	28 853
Debt impairment	3	97 347	125 271	95 045	126 696	118 696	118 696	26 956	122 257	125 924	129 702
Depreciation & asset impairment	2	142 900	158 186	158 415	157 539	157 539	157 539	83 167	158 810	172 365	160 124
Finance charges		42 264	43 772	40 399	38 539	31 593	31 593	14 857	40 950	46 307	63 580
Bulk purchases	2	426 308	482 921	516 670	613 082	608 582	608 582	498 719	667 159	731 377	801 667
Other materials	8	52 264	65 033	69 032	108 459	137 833	137 833	71 052	272 853	284 495	284 514
Contracted services		430 073	418 312	453 368	593 888	644 905	644 905	425 399	587 110	640 830	631 068
Transfers and subsidies		65 525	83 378	160 383	64 785	63 507	63 507	50 094	42 636	19 800	17 833
Other expenditure	4, 5	225 068	89 831	123 142	167 974	172 269	172 269	130 902	176 185	186 847	199 189
Losses		8 593	1 539	485	7 934	7 934	7 934	-	46 171	46 031	42 600
Total Expenditure		2 010 329	2 023 096	2 222 402	2 511 069	2 626 054	2 626 054	1 856 466	2 868 024	3 041 169	3 158 568

The operating expenditure has increased from R 2,626 billion in 2021/22 (February adjustments budget) to R2,868 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
R thousand	1									
Repairs and maintenance expenditure by Asset Class										
Roads Infrastructure		15 443	32 124	24 521	29 434	40 184	40 184	51 948	29 985	31 478
Storm water Infrastructure		5 342	3 484	2 188	3 749	6 409	6 409	5 559	5 823	6 094
Electrical Infrastructure		6 369	7 655	8 574	12 279	11 939	11 939	14 772	14 274	15 187
Water Supply Infrastructure		9 315	10 970	9 400	10 426	17 084	17 084	17 753	19 650	20 589
Sanitation Infrastructure		5 415	6 918	7 825	9 411	10 972	10 972	12 278	13 133	14 054
Solid Waste Infrastructure		144	65	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	4 488	4 602	5 598	5 120	5 120	2 480	2 607	2 740
Sport and Recreation Facilities		30	1 825	1 584	1 817	1 907	1 907	1 829	1 920	2 016
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	171	225	131	126	126	132	139	146
Other assets		1 037	1 433	1 893	2 222	3 161	3 161	5 621	5 341	2 966
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		1	0	-	235	305	305	288	319	333
Machinery and Equipment		3 261	2 002	3 790	3 108	3 088	3 088	3 453	3 637	3 829
Transport Assets		1 237	1 458	1 630	50 113	53 727	53 727	96 759	98 131	102 582
Land		-	-	-	-	-	-	-	-	-
Zod's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	47 594	72 592	66 233	128 524	154 023	154 023	212 873	194 959	202 014

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 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 - 2022/2023 to 2024/2025

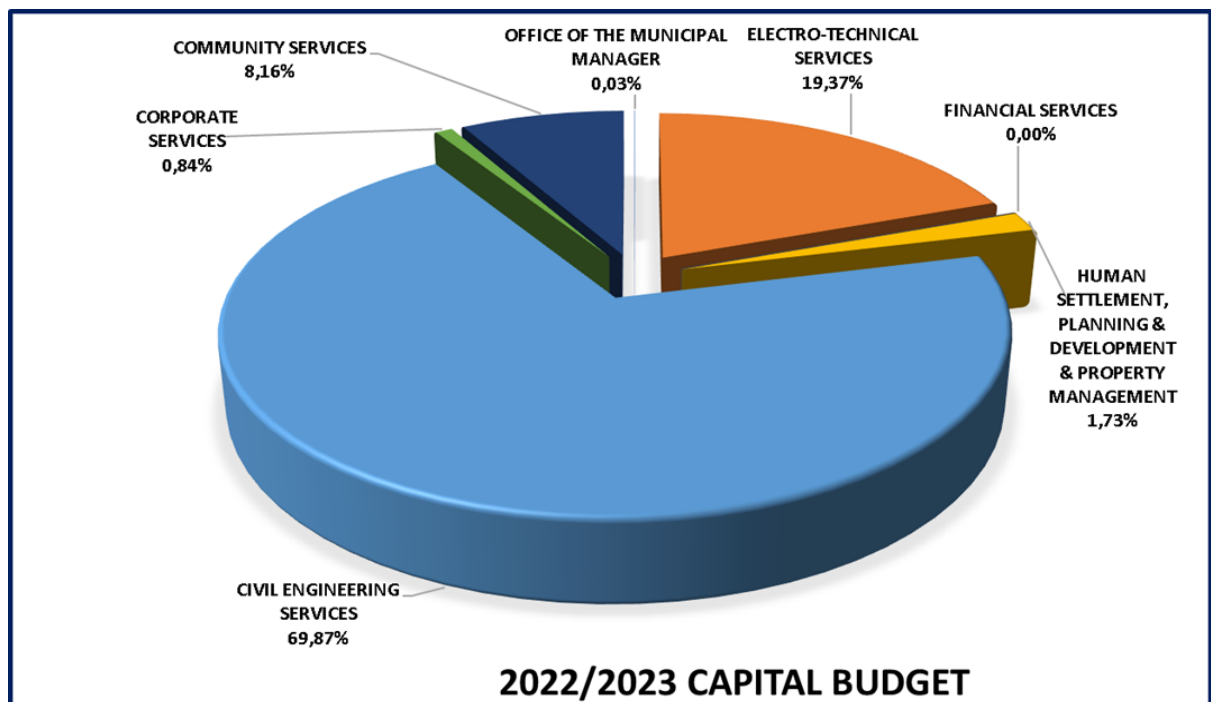
Projects to be funded from the Capital Replacement Reserve (CRR) were capped at R 157.3 million and R 303.4 million for projects linked to external funding (EFF). Full provision was made for grant funded projects as contained in the Division of Revenue Act. An amount of R 323 million was budgeted for grants. R 4.2 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

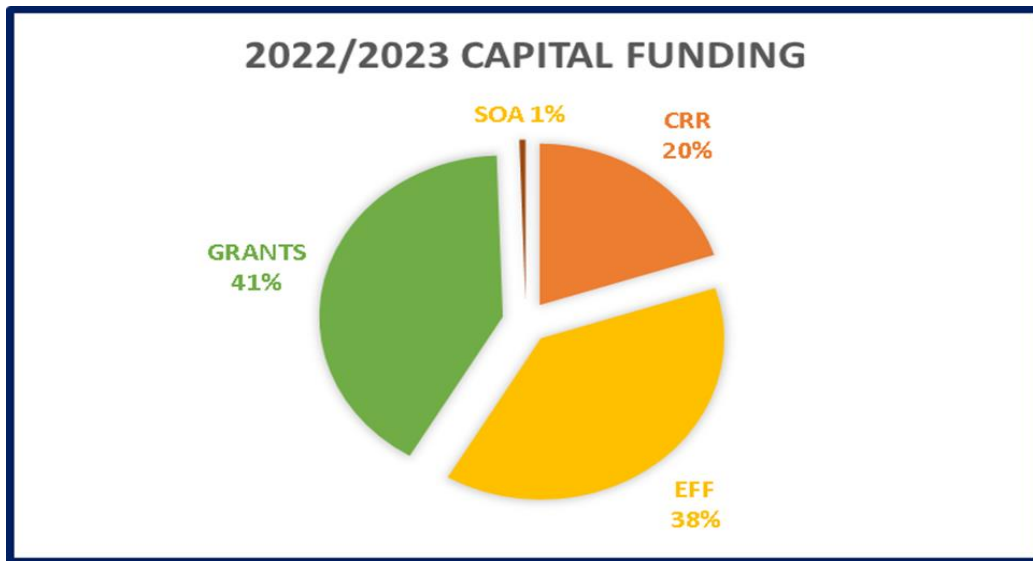
DIRECTORATE	2022/23	2023/24	2024/25
Office of The Municipal Manager	215 000	20 000	110 000
Financial Services	2 767 000	430 000	930 000
Corporate Services	6 630 000	4 395 000	5 256 000
Human Settlement, Planning & Development & Property Management	13 611 000	25 534 000	12 448 000
Civil Engineering Services	548 630 212	679 604 349	508 707 062
Electro-Technical Services	152 086 022	174 944 863	171 595 478
Community Services	64 044 002	59 053 550	48 239 463
TOTAL	787 983 236	943 981 762	747 286 003

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	9 952 450	15 278 655
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	62 700 000		62 700 000		62 700 000
TOTAL CRR	24 092 356	28 193 366	62 700 000	42 729 065	157 714 788	157 351 145	363 642

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 883 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	Budget Year +1	Budget Year +2
R thousand	1										
Capital Expenditure - Functional											
Governance and administration		(71 914)	(20 367)	(30 493)	3 232	6 965	6 965	4 129	9 114	6 776	4 547
Executive and council		564	76	1 061	-	-	-	-	-	-	-
Finance and administration		(72 545)	(20 472)	(31 587)	3 212	6 945	6 945	4 129	9 039	6 766	4 467
Internal audit		67	29	33	20	20	20	-	75	10	80
Community and public safety		15 577	14 649	23 669	29 317	22 116	22 116	12 511	50 175	52 704	41 664
Community and social services		3 403	2 638	3 833	3 884	3 654	3 654	2 559	7 721	5 135	5 066
Sport and recreation		4 777	871	3 312	15 810	6 561	6 561	2 127	11 348	16 703	9 495
Public safety		9 948	7 246	12 658	6 983	7 019	7 019	4 478	25 125	24 415	20 325
Housing		(2 806)	3 821	3 759	2 380	4 561	4 561	3 190	4 182	6 187	6 778
Health		255	74	108	260	320	320	158	1 800	265	-
Economic and environmental services		5 462	58 448	64 984	59 596	117 260	117 260	83 483	141 333	121 055	103 345
Planning and development		535	550	419	846	1 984	1 984	474	10 238	19 885	4 305
Road transport		4 927	57 897	64 101	58 750	115 142	115 142	82 875	131 095	101 170	99 040
Environmental protection		-	-	465	-	134	134	134	-	-	-
Trading services		205 041	102 817	132 718	278 101	342 526	342 526	186 185	587 124	762 917	596 875
Energy sources		74 614	43 164	45 759	60 129	57 639	57 639	30 140	151 116	174 125	170 505
Water management		24 781	30 257	12 886	48 612	69 283	69 283	25 988	256 052	470 857	204 035
Waste water management		84 770	22 802	67 671	161 650	206 587	206 587	125 056	161 758	106 628	206 396
Waste management		20 877	6 594	6 401	7 710	9 017	9 017	5 002	18 198	11 308	15 938
Other		148	472	302	197	896	896	41	237	530	855
Total Capital Expenditure -Functional	3,7	154 315	156 018	191 181	370 443	489 763	489 763	286 349	787 983	943 982	747 286

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
R thousands										
Financial Performance										
Property rates	270 173	302 109	322 755	341 309	344 309	344 309	319 803	370 853	400 520	432 562
Service charges	933 431	1 015 515	1 090 607	1 278 313	1 278 313	1 278 313	1 054 686	1 417 689	1 508 524	1 598 297
Investment revenue	46 246	33 526	16 368	59 264	60 691	60 691	14 046	57 219	58 239	60 692
Transfers recognised - operational	460 258	549 028	614 980	613 642	665 168	665 168	410 035	553 091	586 635	580 634
Other own revenue	194 699	187 256	150 972	220 346	253 694	253 694	120 879	479 053	504 256	508 301
Total Revenue (excluding capital transfers and contributions)	1 904 807	2 087 435	2 195 682	2 512 874	2 602 175	2 602 175	1 919 449	2 877 904	3 058 173	3 180 486
Employee costs	497 969	532 336	583 611	606 002	657 025	657 025	534 192	727 721	759 714	799 438
Remuneration of councillors	22 017	22 516	21 853	26 171	26 171	26 171	21 129	26 171	27 479	28 853
Depreciation & asset impairment	142 900	158 186	158 415	157 539	157 539	157 539	83 167	158 810	172 365	160 124
Finance charges	42 264	43 772	40 399	38 539	31 593	31 593	14 857	40 950	46 307	63 580
Materials and bulk purchases	478 572	547 954	585 701	721 541	746 415	746 415	569 771	940 013	1 015 872	1 086 181
Transfers and grants	65 525	83 378	160 383	64 785	63 507	63 507	50 094	42 636	19 800	17 833
Other expenditure	761 081	634 954	672 040	896 492	943 803	943 803	583 256	931 723	999 632	1 002 559
Total Expenditure	2 010 329	2 023 096	2 222 042	2 511 069	2 626 054	2 626 054	1 856 466	2 868 024	3 041 169	3 158 568
Surplus/(Deficit)	(105 522)	64 339	(26 720)	1 805	(23 878)	(23 878)	62 983	9 881	17 004	21 918
Transfers and subsidies - capital (monetary allocations)	114 410	62 552	82 917	89 098	217 767	217 767	86 802	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	16 840	25 449	14 759	14 759	14 759	23 080	-	-	-
Surplus/(Deficit) after capital transfers & contributions	22 148	143 732	81 646	105 661	208 647	208 647	172 866	380 280	596 540	367 845
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	22 148	143 732	81 646	105 661	208 647	208 647	172 866	380 280	596 540	367 845
Capital expenditure & funds sources										
Capital expenditure	154 315	156 018	191 181	370 443	489 763	489 763	286 349	787 983	943 982	747 286
Transfers recognised - capital	59 353	60 574	76 951	81 405	200 111	200 111	120 200	323 088	505 249	302 110
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	18 776	4 109	33 256	218 758	145 324	145 324	113 641	307 044	306 532	304 375
Internally generated funds	79 586	91 335	80 975	70 280	144 327	144 327	52 508	157 851	132 201	140 801
Total sources of capital funds	157 715	156 018	191 181	370 443	489 763	489 763	286 349	787 983	943 982	747 286
Financial position										
Total current assets	(78 760)	160 886	(124 540)	1 485 776	1 518 008	1 518 008	143 877	1 508 896	1 579 108	1 587 531
Total non current assets	102 980	(5 895)	36 607	3 489 333	3 608 653	3 608 653	164 388	4 211 513	4 983 129	5 570 292
Total current liabilities	(73 562)	43 102	(106 442)	919 543	969 444	969 444	139 760	979 193	1 007 795	1 035 053
Total non current liabilities	11 122	(8 674)	48 596	687 379	687 379	687 379	(252)	922 944	1 139 632	1 340 114
Community wealth/Equity	45 122	123 789	81 653	3 368 187	3 318 453	3 318 453	-	3 818 271	4 414 811	4 782 656
Cash flows										
Net cash from (used) operating	3 318 241	3 418 450	3 765 537	537 525	687 697	687 697	(3 328 775)	459 237	665 668	289 933
Net cash from (used) investing	(267 624)	(104 722)	(3 189)	-	-	-	38 463	(781 883)	(937 882)	(741 186)
Net cash from (used) financing	1 203	2 114	3 383	208 500	208 500	208 500	4 397	223 227	211 027	194 785
Cash/cash equivalents at the year end	3 051 821	3 315 841	3 765 731	1 679 011	2 762 169	2 762 169	(3 285 916)	1 078 307	1 017 120	760 651
Cash backing/surplus reconciliation										
Cash and investments available	(165 559)	236 902	(129 885)	1 155 102	1 183 308	1 183 308	170 042	1 078 307	1 017 120	760 172
Application of cash and investments	(348 873)	233 453	(112 985)	406 572	450 066	450 066	32 307	317 036	181 674	(70 268)
Balance - surplus (shortfall)	183 314	3 449	(16 900)	748 529	733 242	733 242	137 736	761 271	835 447	830 440
Asset management										
Asset register summary (WDV)	104 201	(5 071)	32 355	3 452 945	3 572 265	3 572 265	-	4 175 125	4 946 742	5 533 904
Depreciation	142 900	158 186	158 415	157 539	157 539	157 539	-	158 810	172 365	160 124
Renewal of Existing Assets	9 522	38 906	47 302	50 232	106 123	106 123	-	82 577	77 340	52 760
Repairs and Maintenance	47 594	72 592	66 233	128 524	154 023	154 023	-	212 873	194 959	202 014
Free services										
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	124 616	127 805	131 355	40 916	42 260	42 260	46 641	46 641	50 373	54 402
Households below minimum service level										
Water:	1	3	1	1	1	1	2	2	2	2
Sanitation/sewerage:	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		
		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									
Revenue - Functional										
<i>Governance and administration</i>		466 381	429 016	458 443	421 153	425 083	425 083	454 694	485 688	519 442
Executive and council		23	463	88	37	37	37	4	4	2
Finance and administration		465 919	428 553	458 355	421 116	425 046	425 046	454 690	485 684	519 440
Internal audit		439	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		188 731	125 155	80 591	209 840	193 084	193 084	124 134	194 849	143 896
Community and social services		16 949	18 763	17 778	15 039	18 359	18 359	20 631	17 652	16 490
Sport and recreation		3 188	466	1 348	10 276	1 831	1 831	3 698	12 551	4 359
Public safety		93 384	75 395	36 839	79 177	79 492	79 492	80 770	82 396	83 884
Housing		75 118	30 512	24 622	105 267	93 322	93 322	18 870	82 081	39 069
Health		92	18	4	80	80	80	165	170	95
<i>Economic and environmental services</i>		291 424	433 876	465 094	473 424	546 008	546 008	497 858	439 712	470 767
Planning and development		11 663	8 096	9 611	11 228	12 278	12 278	12 727	13 309	19 107
Road transport		279 760	425 778	455 477	462 194	533 728	533 728	485 128	426 399	451 658
Environmental protection		1	2	6	2	2	2	4	4	2
<i>Trading services</i>		1 085 905	1 178 463	1 299 373	1 511 934	1 670 165	1 670 165	2 171 270	2 517 313	2 392 163
Energy sources		649 299	704 213	763 137	927 453	932 374	932 374	1 042 224	1 065 607	1 119 829
Water management		181 088	177 161	192 033	197 798	307 165	307 165	647 206	940 904	633 894
Waste water management		136 537	163 532	192 359	229 276	273 023	273 023	305 629	319 356	430 185
Waste management		118 981	133 557	151 843	157 408	157 603	157 603	176 212	191 447	208 255
<i>Other</i>	4	36	317	546	379	361	361	347	147	145
Total Revenue - Functional	2	2 032 477	2 166 827	2 304 048	2 616 730	2 834 701	2 834 701	3 248 303	3 637 709	3 526 413
Expenditure - Functional										
<i>Governance and administration</i>		416 645	320 737	363 374	409 490	401 917	401 917	457 468	489 683	533 259
Executive and council		167 226	48 059	73 813	78 265	74 180	74 180	74 652	79 836	83 141
Finance and administration		237 876	261 259	276 742	315 370	313 249	313 249	363 877	390 025	429 373
Internal audit		11 542	11 419	12 819	15 855	14 488	14 488	18 940	19 823	20 745
<i>Community and public safety</i>		320 299	276 314	236 384	376 771	382 017	382 017	305 171	373 615	338 450
Community and social services		47 153	52 346	47 815	60 464	60 398	60 398	63 143	62 043	63 645
Sport and recreation		30 683	31 695	32 269	35 208	34 904	34 904	37 270	38 178	38 348
Public safety		138 988	137 590	97 567	130 315	137 770	137 770	146 121	151 847	157 566
Housing		100 732	51 808	55 228	146 382	144 362	144 362	52 514	115 897	72 982
Health		2 743	2 873	3 505	4 402	4 583	4 583	6 123	5 650	5 908
<i>Economic and environmental services</i>		329 579	399 261	510 218	499 027	522 474	522 474	520 745	493 847	523 721
Planning and development		25 888	25 051	23 814	33 967	38 064	38 064	43 528	43 385	49 801
Road transport		302 098	372 796	484 536	462 120	481 360	481 360	473 619	446 712	470 003
Environmental protection		1 593	1 413	1 868	2 940	3 051	3 051	3 598	3 749	3 917
<i>Trading services</i>		930 045	1 013 392	1 097 961	1 208 529	1 302 996	1 302 996	1 567 278	1 665 643	1 743 875
Energy sources		540 691	611 509	647 458	790 207	770 861	770 861	839 398	898 856	978 135
Water management		111 769	136 271	149 014	130 674	215 570	215 570	392 324	405 711	398 615
Waste water management		166 360	182 697	200 560	200 086	217 682	217 682	234 226	257 264	259 951
Waste management		111 226	82 915	100 928	87 563	98 883	98 883	101 329	103 813	107 174
<i>Other</i>	4	13 761	13 392	14 465	17 251	16 650	16 650	17 361	18 381	19 263
Total Expenditure - Functional	3	2 010 329	2 023 096	2 222 402	2 511 069	2 626 054	2 626 054	2 868 024	3 041 169	3 158 568
Surplus/(Deficit) for the year		22 148	143 732	81 646	105 661	208 647	208 647	380 280	596 540	367 845

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
R thousand										
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		439	7	86	-	-	-	-	-	-
Vote 2 - Corporate Services		16 063	16 841	15 106	12 522	15 837	15 837	16 192	13 016	13 353
Vote 3 - Corporate Services		2 553	1 924	1 555	1 597	1 902	1 902	2 930	2 316	2 210
Vote 4 - Corporate Services		2 011	2 162	4 557	2 302	2 302	2 302	2 520	3 393	3 166
Vote 5 - Community Services		6 751	2 112	4 404	13 082	5 014	5 014	7 365	16 366	6 459
Vote 6 - Community Services		226 131	221 524	203 724	249 488	256 704	256 704	277 788	295 890	315 502
Vote 7 - Community Services		-	-	2 290	186	186	186	1 038	1 093	953
Vote 8 - Civil Engineering Services		365 806	352 377	391 312	438 244	664 851	664 851	1 017 851	1 273 590	1 077 453
Vote 9 - Civil Engineering Services		313 191	405 435	434 798	440 203	432 550	432 550	401 295	393 083	417 175
Vote 10 - Electro-technical Services		672 439	706 742	765 231	929 953	934 409	934 409	1 044 462	1 067 619	1 122 102
Vote 11 - Financial Services		283 396	313 512	333 581	352 385	355 385	355 385	384 537	414 242	445 987
Vote 12 - Financial Services		44 630	100 957	106 326	51 905	51 905	51 905	52 833	53 908	55 996
Vote 13 - Human Settlements, Planning and Development and Property Mana		98 650	40 640	41 002	124 863	113 656	113 656	39 492	103 194	66 057
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2 032 061	2 164 232	2 303 975	2 616 730	2 834 701	2 834 701	3 248 303	3 637 709	3 526 413
Expenditure by Vote to be appropriated	1									
Vote 1 - Office of the Municipal Manager		20 266	21 362	23 450	26 758	25 675	25 675	28 410	29 660	30 930
Vote 2 - Corporate Services		52 472	59 914	56 960	66 061	70 148	70 148	72 286	71 907	73 885
Vote 3 - Corporate Services		27 251	30 092	31 691	33 894	39 057	39 057	40 102	41 201	43 164
Vote 4 - Corporate Services		178 347	62 697	90 652	93 929	91 587	91 587	94 136	101 029	105 173
Vote 5 - Community Services		50 105	50 412	55 367	61 673	68 178	68 178	68 661	70 595	72 015
Vote 6 - Community Services		245 855	257 614	226 850	255 318	270 658	270 658	291 551	301 962	312 905
Vote 7 - Community Services		429	493	718	788	835	835	880	914	951
Vote 8 - Civil Engineering Services		303 296	351 691	375 596	365 867	471 671	471 671	683 084	697 482	694 521
Vote 9 - Civil Engineering Services		288 007	351 120	470 659	438 881	460 603	460 603	436 054	430 525	453 202
Vote 10 - Electro-technical Services		561 657	634 965	671 224	822 635	798 509	798 509	870 685	931 201	1 012 123
Vote 11 - Financial Services		64 812	77 549	77 636	99 368	102 995	102 995	104 050	105 933	106 709
Vote 12 - Financial Services		26 779	33 249	42 373	60 438	49 498	49 498	72 533	89 576	121 919
Vote 13 - Human Settlements, Planning and Development and Property Mana		158 009	92 878	92 583	185 460	176 501	176 501	105 593	169 184	131 069
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 977 286	2 024 035	2 215 759	2 511 069	2 625 916	2 625 916	2 868 024	3 041 169	3 158 568
Surplus/(Deficit) for the year	2	54 775	140 197	88 216	105 661	208 785	208 785	380 280	596 540	367 845

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	302 109	322 755	341 309	344 309	344 309	319 803	371 853	401 600	433 728
Service charges - electricity revenue	2	624 667	675 646	722 144	875 458	875 458	875 458	685 285	962 607	1 011 335	1 061 648
Service charges - water revenue	2	128 182	136 925	144 122	145 866	145 866	145 866	145 722	160 445	176 482	193 897
Service charges - sanitation revenue	2	98 855	110 680	122 717	144 326	144 326	144 326	122 966	157 635	171 822	187 286
Service charges - refuse revenue	2	81 727	92 264	101 623	112 663	112 663	112 663	100 713	122 802	133 855	145 902
Rental of facilities and equipment		3 130	22 851	13 647	6 019	6 019	6 019	3 968	4 741	5 025	5 326
Interest earned - external investments		46 246	33 526	16 368	59 264	60 691	60 691	14 046	57 219	58 239	60 692
Interest earned - outstanding debtors		4 080	3 000	5 991	8 353	8 353	8 353	6 946	9 061	9 837	10 681
Dividends received		–	11 645	10 785	–	–	–	7 744	–	–	–
Fines, penalties and forfeits		94 581	76 283	39 016	81 958	81 958	81 958	9 136	83 680	85 548	87 468
Licences and permits		2 322	1 672	1 673	3 869	3 869	3 869	2 581	3 863	4 094	4 339
Agency services		11 140	10 599	13 590	9 476	15 676	15 676	24 416	16 617	17 614	18 671
Transfers and subsidies		460 258	549 028	614 980	613 642	665 168	665 168	410 035	552 292	585 305	579 534
Other revenue	2	79 411	61 205	65 318	110 670	74 477	74 477	66 231	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	2 087 435	2 195 682	2 512 874	2 602 175	2 602 175	1 919 646	2 871 854	3 051 855	3 170 975
Expenditure By Type											
Employee related costs	2	497 969	532 336	583 611	606 002	657 025	657 025	534 192	732 866	765 218	805 618
Remuneration of councillors		22 017	22 516	21 853	26 171	26 171	26 171	21 129	26 171	27 479	28 853
Debt impairment	3	97 347	125 271	95 045	126 696	118 696	118 696	26 956	122 257	125 924	129 702
Depreciation & asset impairment	2	142 900	158 186	158 415	157 539	157 539	157 539	137 276	158 810	172 365	160 124
Finance charges		42 264	43 772	40 399	38 539	31 593	31 593	14 857	40 950	46 307	63 580
Bulk purchases	2	426 308	482 921	516 670	613 082	608 582	608 582	498 719	667 159	731 377	801 667
Other materials	8	52 264	65 033	69 032	108 459	137 833	137 833	71 182	273 583	285 321	285 385
Contracted services		430 073	418 312	453 368	593 888	644 905	644 905	425 432	585 428	647 155	638 883
Transfers and subsidies		65 525	83 378	160 383	64 785	63 507	63 507	50 094	42 636	19 800	17 833
Other expenditure	4, 5	225 068	89 831	123 142	167 974	172 269	172 269	130 905	179 162	181 696	193 829
Losses		8 593	1 539	485	7 934	7 934	7 934	–	46 171	46 031	42 600
Total Expenditure		2 010 329	2 023 096	2 222 402	2 511 069	2 626 054	2 626 054	1 910 741	2 875 195	3 048 673	3 168 075
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		114 410	62 552	82 917	89 098	217 767	217 767	86 802	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	12 716	25 449	14 759	14 759	14 759	23 080	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	4 124	–	–	–	–	–	–	–	–
		22 148	143 732	81 646	105 661	208 647	208 647	118 788	367 059	582 717	348 827
Surplus/(Deficit) after capital transfers & contributions											
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation											
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality											
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year											
		22 148	143 732	81 646	105 661	208 647	208 647	118 788	367 059	582 717	348 827

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
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Office of the Municipal Manager		-	118	36	40	40	40	-	125	20	110
Vote 2 - Corporate Services		253	36	-	-	-	-	-	300	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	500	500
Vote 4 - Corporate Services		142	17	-	10	-	-	-	280	10	10
Vote 5 - Community Services		-	159	321	959	639	639	642	4 068	1 750	1 250
Vote 6 - Community Services		2 282	1 934	28	500	40	40	109	14 278	13 860	16 890
Vote 7 - Community Services		-	-	-	-	-	-	-	1 426	277	29
Vote 8 - Civil Engineering Services		-	27 706	41 753	76 192	152 968	152 968	602 760	212 920	218 713	302 912
Vote 9 - Civil Engineering Services		-	-	-	-	-	-	-	-	-	-
Vote 10 - Electro-technical Services		12 454	7 622	5 882	30 752	18 000	18 000	80 192	40 459	38 041	9 760
Vote 11 - Financial Services		-	-	-	85	250	250	186	435	180	180
Vote 12 - Financial Services		77	-	559	250	391	391	571	1 250	250	250
Vote 13 - Human Settlements, Planning and Development and Property Management		-	-	2 130	2 740	5 431	5 431	18 979	10 164	23 615	6 965
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total		15 208	37 592	50 708	111 529	177 758	177 758	703 438	285 704	297 216	338 856
Single-year expenditure to be appropriated	2										
Vote 1 - Office of the Municipal Manager		-	532	34	41	20	20	156	90	-	-
Vote 2 - Corporate Services		15 045	2 063	1 499	2 135	907	907	4 747	4 115	2 870	4 026
Vote 3 - Corporate Services		-	441	259	-	-	-	-	1 909	610	320
Vote 4 - Corporate Services		3 440	30	1 435	-	691	691	2 862	26	405	400
Vote 5 - Community Services		-	863	3 810	15 767	8 042	8 042	37 267	10 998	18 879	8 417
Vote 6 - Community Services		7 193	12 483	18 996	14 643	16 334	16 334	108 041	30 745	22 963	20 423
Vote 7 - Community Services		-	320	22	-	-	-	-	2 530	1 326	1 231
Vote 8 - Civil Engineering Services		6 296	71 959	85 215	192 353	240 777	240 777	1 862 267	332 656	460 871	205 775
Vote 9 - Civil Engineering Services		-	270	951	1 558	78	78	422	3 054	20	20
Vote 10 - Electro-technical Services		56 698	22 085	23 758	30 311	40 574	40 574	492 598	111 627	136 904	161 835
Vote 11 - Financial Services		-	688	271	279	1 161	1 161	7 895	982	-	-
Vote 12 - Financial Services		(2 229)	237	1 932	525	493	493	711	100	-	500
Vote 13 - Human Settlements, Planning and Development and Property Management		52 664	6 456	2 291	1 303	2 927	2 927	26 704	3 447	1 919	5 483
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		139 107	118 426	140 472	258 915	312 005	312 005	2 543 672	502 279	646 766	408 430
Total Capital Expenditure - Vote	3,7	154 315	156 018	191 181	370 443	489 763	489 763	3 247 110	787 983	943 982	747 286

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
R thousand	1										
Capital Expenditure - Functional											
Governance and administration		(71 914)	(20 367)	(30 493)	3 232	6 965	6 965	4 129	9 114	6 776	4 547
Executive and council		564	76	1 061	-	-	-	-	-	-	-
Finance and administration		(72 545)	(20 472)	(31 587)	3 212	6 945	6 945	4 129	9 039	6 766	4 467
Internal audit		67	29	33	20	20	20	-	75	10	80
Community and public safety		15 577	14 649	23 669	29 317	22 116	22 116	12 511	50 175	52 704	41 664
Community and social services		3 403	2 638	3 833	3 884	3 654	3 654	2 559	7 721	5 135	5 066
Sport and recreation		4 777	871	3 312	15 810	6 561	6 561	2 127	11 348	16 703	9 495
Public safety		9 948	7 246	12 658	6 983	7 019	7 019	4 478	25 125	24 415	20 325
Housing		(2 806)	3 821	3 759	2 380	4 561	4 561	3 190	4 182	6 187	6 778
Health		255	74	108	260	320	320	158	1 800	265	-
Economic and environmental services		5 462	58 448	64 984	59 596	117 260	117 260	83 483	141 333	121 055	103 345
Planning and development		535	550	419	846	1 984	1 984	474	10 238	19 885	4 305
Road transport		4 927	57 897	64 101	58 750	115 142	115 142	82 875	131 095	101 170	99 040
Environmental protection		-	-	465	-	134	134	134	-	-	-
Trading services		205 041	102 817	132 718	278 101	342 526	342 526	186 185	587 124	762 917	596 875
Energy sources		74 614	43 164	45 759	60 129	57 639	57 639	30 140	151 116	174 125	170 505
Water management		24 781	30 257	12 886	48 612	69 283	69 283	25 988	256 052	470 857	204 035
Waste water management		84 770	22 802	67 671	161 650	206 587	206 587	125 056	161 758	106 628	206 396
Waste management		20 877	6 594	6 401	7 710	9 017	9 017	5 002	18 198	11 308	15 938
Other		148	472	302	197	896	896	41	237	530	855
Total Capital Expenditure - Functional	3,7	154 315	156 018	191 181	370 443	489 763	489 763	286 349	787 983	943 982	747 286
Funded by:											
National Government		-	52 954	76 221	81 405	198 111	198 111	120 149	320 468	505 249	302 110
Provincial Government		59 353	3 496	729	-	1 000	1 000	52	1 620	-	-
District Municipality		-	-	-	-	1 000	1 000	-	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	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	59 353	60 574	76 951	81 405	200 111	200 111	120 200	323 088	505 249	302 110
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	18 776	4 109	33 256	218 758	145 324	145 324	113 641	307 044	306 532	304 375
Internally generated funds		79 586	91 335	80 975	70 280	144 327	144 327	52 508	157 851	132 201	140 801
Total Capital Funding	7	157 715	156 018	191 181	370 443	489 763	489 763	286 349	787 983	943 982	747 286

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	1 036 308	1 036 308	(156 570)	1 078 307	1 017 120	760 172
Call investment deposits	1	(450 000)	147 000	53 000	147 000	147 000	147 000	326 612	–	–	–
Consumer debtors	1	86 971	(60 961)	6 676	71 919	82 919	82 919	38 369	163 111	281 489	534 587
Other debtors		15 167	(12 828)	5 127	66 259	66 259	66 259	(62 896)	79 061	91 186	102 602
Current portion of long-term receivables		152	2 800	(2 205)	3 839	3 839	3 839	(671)	3 839	3 839	3 839
Inventory	2	(15 491)	(5 028)	(4 253)	188 657	181 683	181 683	(967)	184 578	185 474	186 331
Total current assets		(78 760)	160 886	(124 540)	1 485 776	1 518 008	1 518 008	143 877	1 508 896	1 579 108	1 587 531
Non current assets											
Long-term receivables		(1 222)	(824)	4 252	36 387	36 387	36 387	(38 823)	36 387	36 387	36 387
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		(169)	(7 591)	(157)	144 411	144 361	144 361	(81)	144 856	145 601	146 346
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	103 614	2 959	32 834	3 301 576	3 420 143	3 420 143	203 443	4 022 775	4 791 886	5 377 199
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		756	(438)	(322)	2 722	3 525	3 525	(151)	3 258	5 018	6 123
Other non-current assets		–	–	–	4 236	4 236	4 236	–	4 236	4 236	4 236
Total non current assets		102 980	(5 895)	36 607	3 489 333	3 608 653	3 608 653	164 388	4 211 513	4 983 129	5 570 292
TOTAL ASSETS		24 219	154 990	(87 933)	4 975 108	5 126 661	5 126 661	308 264	5 720 408	6 562 238	7 157 823
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	30 244	(38 564)	(40 751)	161 593	161 593	161 593	(19 025)	157 736	150 391	142 826
Consumer deposits		1 203	2 114	3 383	58 560	58 560	58 560	4 423	43 560	39 060	35 060
Trade and other payables	4	(143 826)	66 598	(87 560)	573 278	626 980	626 980	165 279	632 262	646 101	656 985
Provisions		38 816	12 953	18 485	126 111	122 311	122 311	(10 917)	145 635	172 242	200 182
Total current liabilities		(73 562)	43 102	(106 442)	919 543	969 444	969 444	139 760	979 193	1 007 795	1 035 053
Non current liabilities											
Borrowing		(1 978)	–	–	435 590	435 590	435 590	(252)	677 674	900 546	1 106 896
Provisions		13 099	(8 674)	48 596	251 789	251 789	251 789	–	245 271	239 087	233 219
Total non current liabilities		11 122	(8 674)	48 596	687 379	687 379	687 379	(252)	922 944	1 139 632	1 340 114
TOTAL LIABILITIES		(62 440)	34 427	(57 846)	1 606 921	1 656 823	1 656 823	139 509	1 902 138	2 147 427	2 375 167
NET ASSETS	5	86 660	120 563	(30 087)	3 368 187	3 469 838	3 469 838	168 756	3 818 271	4 414 811	4 782 656
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		16 439	124 088	93 225	3 136 281	3 086 546	3 086 546	–	3 602 195	4 141 572	4 451 911
Reserves	4	28 683	(299)	(11 572)	231 907	231 907	231 907	–	216 076	273 238	330 745
TOTAL COMMUNITY WEALTH/EQUITY	5	45 122	123 789	81 653	3 368 187	3 318 453	3 318 453	–	3 818 271	4 414 811	4 782 656

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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		3 344 469	3 416 157	3 226 123	420 938	426 748	426 748	(2 873 272)	357 370	385 939	416 793
Service charges		–	–	502 694	1 267 059	1 267 650	1 267 650	(177 875)	1 515 000	1 581 478	1 550 322
Other revenue		–	0	82 834	86 664	50 305	50 305	(44 177)	382 749	422 151	443 462
Transfers and Subsidies - Operational	1	16	15	100 295	613 642	662 677	662 677	(108 969)	561 938	590 778	584 969
Transfers and Subsidies - Capital	1	–	–	–	89 098	218 767	218 767	–	361 569	582 349	345 927
Interest		–	–	–	9 251	10 678	10 678	–	63 016	58 239	60 692
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(26 244)	2 277	(146 409)	(1 949 127)	(1 949 127)	(1 949 127)	(124 483)	(2 741 455)	(2 908 960)	(3 048 652)
Finance charges		–	–	–	–	–	–	–	(40 950)	(46 307)	(63 580)
Transfers and Grants	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		3 318 241	3 418 450	3 765 537	537 525	687 697	687 697	(3 328 775)	459 237	665 668	289 933
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	(1)	6 100	6 100	6 100
Decrease (increase) in non-current receivables		(2 293)	(2 525)	(6 848)	–	–	–	36 627	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(265 331)	(102 198)	3 659	–	–	–	1 837	(787 983)	(943 982)	(747 286)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(267 624)	(104 722)	(3 189)	–	–	–	38 463	(781 883)	(937 882)	(741 186)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	199 000	199 000	199 000	(26)	304 378	298 672	291 350
Increase (decrease) in consumer deposits		1 203	2 114	3 383	9 500	9 500	9 500	4 423	(15 000)	(4 500)	(4 000)
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	(66 151)	(83 145)	(92 565)
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 203	2 114	3 383	208 500	208 500	208 500	4 397	223 227	211 027	194 785
NET INCREASE/ (DECREASE) IN CASH HELD		3 051 821	3 315 841	3 765 731	746 025	896 197	896 197	(3 285 916)	(99 420)	(61 187)	(256 469)
Cash/cash equivalents at the year begin:	2	–	–	–	932 986	1 865 971	1 865 971	–	1 177 727	1 078 307	1 017 120
Cash/cash equivalents at the year end:	2	3 051 821	3 315 841	3 765 731	1 679 011	2 762 169	2 762 169	(3 285 916)	1 078 307	1 017 120	760 651

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
Cash and investments available											
Cash/cash equivalents at the year end	1	3 051 821	3 315 841	3 765 731	1 679 011	2 762 169	2 762 169	(3 285 916)	1 078 307	1 017 120	760 651
Other current investments > 90 days		(3 217 380)	(3 078 939)	(3 895 615)	(523 909)	(1 578 861)	(1 578 861)	3 455 958	–	–	(480)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		(165 559)	236 902	(129 885)	1 155 102	1 183 308	1 183 308	170 042	1 078 307	1 017 120	760 172
Application of cash and investments											
Unspent conditional transfers		(10 233)	41 080	(71 772)	74 764	74 764	74 764	271 528	80 467	87 304	91 508
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	(369 679)	197 650	(43 403)	331 809	375 303	375 303	(239 221)	236 569	94 369	(161 776)
Other provisions		31 039	(5 276)	2 190	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		(348 873)	233 453	(112 985)	406 572	450 066	450 066	32 307	317 036	181 674	(70 268)
Surplus(shortfall)		183 314	3 449	(16 900)	748 529	733 242	733 242	137 736	761 271	835 447	830 440

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		1	105 193	75 736	78 162	146 634	176 819	176 819	516 815	595 417	430 922
<u>Total New Assets</u>											
Roads Infrastructure			-	8 665	5 804	-	2 700	2 700	11 883	4 775	6 475
Storm water Infrastructure			225	400	497	300	12 588	12 588	15 630	300	300
Electrical Infrastructure			42 181	21 700	21 958	51 274	38 377	38 377	132 816	136 884	149 325
Water Supply Infrastructure			7 237	5 940	4 747	20 387	30 844	30 844	203 550	356 728	152 547
Sanitation Infrastructure			9 592	7 077	7 922	29 250	27 308	27 308	47 356	25 388	54 381
Solid Waste Infrastructure			9 475	5 007	1 781	1 500	2 164	2 164	2 848	-	4 000
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			1 170	1 211	3 554	1 620	1 561	1 561	8 190	10 300	5 220
Infrastructure			69 880	50 000	46 264	104 331	115 542	115 542	422 272	534 375	372 249
Community Facilities			(1 095)	948	1 687	2 009	4 099	4 099	8 280	3 290	4 470
Sport and Recreation Facilities			422	343	1 450	13 016	3 040	3 040	2 940	14 453	7 875
Community Assets			(672)	1 291	3 137	15 025	7 139	7 139	11 220	17 743	12 345
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	500	750	1 350
Non-revenue Generating			-	-	-	50	-	-	-	-	-
Investment properties			-	-	-	50	-	-	500	750	1 350
Operational Buildings			3 237	2 440	4 874	4 470	3 980	3 980	7 197	5 000	5 100
Housing			-	-	-	-	-	-	750	1 000	1 250
Other Assets			3 237	2 440	4 874	4 470	3 980	3 980	7 947	6 000	6 350
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			1 499	-	22	500	176	176	100	100	100
Intangible Assets			1 499	-	22	500	176	176	100	100	100
Computer Equipment			6 162	1 827	5 007	1 618	2 587	2 587	5 212	4 190	4 828
Furniture and Office Equipment			2 002	1 002	576	568	1 067	1 067	1 717	2 090	1 600
Machinery and Equipment			9 807	5 685	10 806	14 512	31 467	31 467	25 562	10 135	16 630
Transport Assets			13 279	13 491	7 477	5 560	14 861	14 861	42 286	20 036	15 470
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>			2	9 522	38 906	47 302	50 232	106 123	106 123	82 577	77 340
Roads Infrastructure		-		36 858	41 330	41 622	91 327	91 327	58 607	35 000	33 500
Storm water Infrastructure		-		-	-	-	-	-	-	-	-
Electrical Infrastructure		2 631		920	1 035	2 450	3 362	3 362	1 500	4 600	6 000
Water Supply Infrastructure		5 828		375	1 257	3 700	5 909	5 909	7 300	36 235	12 750
Sanitation Infrastructure		240		199	2 631	250	5 493	5 493	12 770	290	290
Solid Waste Infrastructure		-		-	-	-	-	-	-	-	-
Rail Infrastructure		-		-	-	-	-	-	-	-	-
Coastal Infrastructure		-		-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-		-	-	-	-	-	-	-	-
Infrastructure		8 699		38 352	46 252	48 022	106 091	106 091	80 177	76 125	52 540
Community Facilities		754		553	880	1 650	-	-	250	750	-
Sport and Recreation Facilities		-		-	-	540	-	-	1 940	400	200
Community Assets		754		553	880	2 190	-	-	2 190	1 150	200
Heritage Assets		-		-	-	-	-	-	-	-	-
Revenue Generating		-		-	-	-	-	-	-	-	-
Non-revenue Generating		-		-	-	-	-	-	-	-	-
Investment properties		-		-	-	-	-	-	-	-	-
Operational Buildings		69		-	-	-	-	-	-	-	-
Housing		-		-	-	-	-	-	-	-	-
Other Assets		69		-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-		-	-	-	-	-	-	-	-
Servitudes		-		-	-	-	-	-	-	-	-
Licences and Rights		-		-	-	-	-	-	-	-	-
Intangible Assets		-		-	-	-	-	-	-	-	-
Computer Equipment		-		-	170	20	32	32	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										
Total Upgrading of Existing Assets	6	39 600	41 377	65 717	173 577	206 821	206 821	188 591	271 225	263 604
Roads Infrastructure		–	7 762	12 744	15 860	23 133	23 133	52 951	61 050	56 870
Storm water Infrastructure		2 231	3 360	23 415	30 120	36 479	36 479	11 737	13 000	18 000
Electrical Infrastructure		3 371	2 777	2 551	2 250	2 486	2 486	8 150	25 731	8 700
Water Supply Infrastructure		(4 018)	16 057	745	19 905	24 778	24 778	25 273	74 544	33 738
Sanitation Infrastructure		34 287	4 383	21 516	101 000	111 592	111 592	70 145	71 990	139 085
Solid Waste Infrastructure		–	495	–	–	679	679	2 000	1 000	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		35 870	34 835	60 970	169 135	199 147	199 147	170 257	247 315	256 394
Community Facilities		996	4 539	2 128	2 070	2 753	2 753	2 350	4 200	4 050
Sport and Recreation Facilities		1 625	292	712	1 132	666	666	3 268	600	–
Community Assets		2 621	4 831	2 840	3 202	3 419	3 419	5 618	4 800	4 050
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		1 099	1 709	1 906	900	4 055	4 055	12 220	18 460	2 510
Housing		–	–	–	340	200	200	490	650	650
Other Assets		1 099	1 709	1 906	1 240	4 255	4 255	12 710	19 110	3 160
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		9	2	–	–	–	–	6	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	154 315	156 018	191 181	370 443	489 763	489 763	787 983	943 982	747 286
Roads Infrastructure		–	53 285	59 878	57 482	117 160	117 160	123 441	100 825	96 845
Storm water Infrastructure		2 456	3 760	23 912	30 420	49 067	49 067	27 367	13 300	18 300
Electrical Infrastructure		48 183	25 397	25 544	55 974	44 225	44 225	142 466	167 215	164 025
Water Supply Infrastructure		9 047	22 372	6 749	43 992	61 531	61 531	236 123	467 507	199 035
Sanitation Infrastructure		44 119	11 659	32 069	130 500	144 393	144 393	130 271	97 668	193 756
Solid Waste Infrastructure		9 475	5 502	1 781	1 500	2 843	2 843	4 848	1 000	4 000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		1 170	1 211	3 554	1 620	1 561	1 561	8 190	10 300	5 220
Infrastructure		114 450	123 187	153 486	321 489	420 780	420 780	672 706	857 814	681 183
Community Facilities		655	6 040	4 695	5 729	6 852	6 852	10 880	8 240	8 520
Sport and Recreation Facilities		2 047	635	2 162	14 688	3 706	3 706	8 148	15 453	8 075
Community Assets		2 702	6 675	6 857	20 417	10 558	10 558	19 028	23 693	16 595
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	500	750	1 350
Non-revenue Generating		–	–	–	50	–	–	–	–	–
Investment properties		–	–	–	50	–	–	500	750	1 350
Operational Buildings		4 405	4 149	6 781	5 370	8 035	8 035	19 417	23 460	7 610
Housing		–	–	–	340	200	200	1 240	1 650	1 900
Other Assets		4 405	4 149	6 781	5 710	8 235	8 235	20 657	25 110	9 510
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		1 499	–	22	500	176	176	100	100	100
Intangible Assets		1 499	–	22	500	176	176	100	100	100
Computer Equipment		6 162	1 827	5 177	1 638	2 619	2 619	5 247	4 225	4 848
Furniture and Office Equipment		2 011	1 004	576	568	1 067	1 067	1 898	2 120	1 600
Machinery and Equipment		9 807	5 685	10 806	14 512	31 467	31 467	25 562	10 135	16 630
Transport Assets		13 279	13 491	7 477	5 560	14 861	14 861	42 286	20 036	15 470
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		154 315	156 018	191 181	370 443	489 763	489 763	787 983	943 982	747 286

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										
ASSET REGISTER SUMMARY - PPE (WDV)	5	104 201	(5 071)	32 355	3 452 945	3 572 265	3 572 265	4 175 125	4 946 742	5 533 904
<i>Roads Infrastructure</i>		146 188	36 995	54 448	992 164	1 051 842	1 051 842	1 102 810	1 148 565	1 197 937
<i>Storm water Infrastructure</i>		(1 557)	(1 426)	17 334	45 076	63 723	63 723	88 429	97 559	109 742
<i>Electrical Infrastructure</i>		7 038	(4 043)	(9 534)	308 008	296 259	296 259	420 377	568 043	713 279
<i>Water Supply Infrastructure</i>		30 391	(22 854)	(23 589)	291 069	308 832	308 832	511 609	951 333	1 124 555
<i>Sanitation Infrastructure</i>		(10 480)	(13 062)	100	311 328	323 287	323 287	435 943	504 960	671 702
<i>Solid Waste Infrastructure</i>		(1 943)	3 578	(1 885)	34 669	36 011	36 011	39 224	38 818	41 695
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		(1 208)	-	-	3 716	3 679	3 679	5 349	9 049	11 769
Infrastructure		168 428	(813)	36 874	1 986 029	2 083 634	2 083 634	2 603 740	3 318 326	3 870 679
Community Assets		(70 071)	24 832	(309)	142 081	133 539	133 539	149 985	172 887	182 920
Heritage Assets		-	-	-	4 236	4 236	4 236	4 236	4 236	4 236
Investment properties		(169)	(7 591)	(157)	144 411	144 361	144 361	144 856	145 601	146 346
Other Assets		2 680	(17 208)	3 097	791 683	794 324	794 324	803 194	819 936	820 735
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		756	(438)	(322)	2 722	3 525	3 525	3 258	5 018	6 123
Computer Equipment		3 298	(1 368)	3 518	1 258	2 077	2 077	1 152	(30)	(176)
Furniture and Office Equipment		1 315	1 067	(1 030)	(2 888)	(2 949)	(2 949)	16 760	29 502	37 694
Machinery and Equipment		4 254	(4 569)	2 109	(527 580)	(510 661)	(510 661)	(492 307)	(489 177)	(474 243)
Transport Assets		(5 530)	(5 037)	(12 957)	(15 830)	(6 644)	(6 644)	13 426	13 618	12 766
Land		(758)	6 054	1 530	926 824	926 824	926 824	926 824	926 824	926 824
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	104 201	(5 071)	32 355	3 452 945	3 572 265	3 572 265	4 175 125	4 946 742	5 533 904
EXPENDITURE OTHER ITEMS										
Depreciation	7	142 900	158 186	158 415	157 539	157 539	157 539	158 810	172 365	160 124
Repairs and Maintenance by Asset Class	3	47 594	72 592	66 233	128 524	154 023	154 023	212 873	194 959	202 014
<i>Roads Infrastructure</i>		15 443	32 124	24 521	29 434	40 184	40 184	51 948	29 985	31 478
<i>Storm water Infrastructure</i>		5 342	3 484	2 188	3 749	6 409	6 409	5 559	5 823	6 094
<i>Electrical Infrastructure</i>		6 369	7 655	8 574	12 279	11 939	11 939	14 772	14 274	15 187
<i>Water Supply Infrastructure</i>		9 315	10 970	9 400	10 426	17 084	17 084	17 753	19 650	20 589
<i>Sanitation Infrastructure</i>		5 415	6 918	7 825	9 411	10 972	10 972	12 278	13 133	14 054
<i>Solid Waste Infrastructure</i>		144	65	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		42 027	61 216	52 508	65 299	86 588	86 588	102 311	82 865	87 402
<i>Community Facilities</i>		-	4 488	4 602	5 598	5 120	5 120	2 480	2 607	2 740
<i>Sport and Recreation Facilities</i>		30	1 825	1 584	1 817	1 907	1 907	1 829	1 920	2 016
Community Assets		30	6 313	6 186	7 415	7 027	7 027	4 309	4 527	4 756
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	171	225	131	126	126	132	139	146
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	171	225	131	126	126	132	139	146
<i>Operational Buildings</i>		1 037	1 433	1 893	2 222	3 161	3 161	5 621	5 341	2 966
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		1 037	1 433	1 893	2 222	3 161	3 161	5 621	5 341	2 966
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		1	0	-	235	305	305	288	319	333
Machinery and Equipment		3 261	2 002	3 790	3 108	3 088	3 088	3 453	3 637	3 829
Transport Assets		1 237	1 458	1 630	50 113	53 727	53 727	96 759	98 131	102 582
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		190 493	230 778	224 648	286 062	311 562	311 562	371 684	367 324	362 137

Table 26 – A10: Basic Service delivery measurement

WC044 George - Table A10 Basic service delivery measurement

Description	Ref	-2018	-2019	-2020	-2021-O	-2021-A	-2021-F	-2022	-2023	-2024
		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
Household service targets	1									
Water:										
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
Total number of households	5	64 510	66 250	68 685	70 744	70 834	70 834	72 866	75 051	78 804
Sanitation/sewerage:										
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	1 426	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	—	—	—	—	—	—	—
Total number of households	5	64 510	66 250	74 214	76 439	76 439	76 439	78 732	81 094	85 149
Energy:										
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
Total number of households	5	48 219	50 740	54 611	56 248	56 248	56 248	57 935	59 673	62 657
Refuse:										
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>		—	—	—	—	—	—	—	—	—
Total number of households	5	60 435	62 722	67 264	70 627	70 627	70 627	72 746	74 928	78 674
Households receiving Free Basic Service	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
Cost of Free Basic Services provided - Formal Settlements (R'000)	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
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		3 243	—	—	—	—	—	—	—	—
Total cost of FBS provided		108 114	114 285	140 402	156 891	156 891	145 491	158 701	173 116	188 847
Highest level of free service provided per household										
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
Revenue cost of subsidised services provided (R'000)	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	46 641	50 373	54 402
Water (in excess of 6 kilolitres per indigent household per month)		22 194	16 405	17 306	—	—	—	—	—	—
Sanitation (in excess of free sanitation service to indigent households)		36 088	38 858	38 559	—	—	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household per month)		—	—	—	—	—	—	—	—	—
Refuse (in excess of one removal a week for indigent households)		33 313	36 608	36 638	—	—	—	—	—	—
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total revenue cost of subsidised services provided	6	124 616	127 805	131 355	40 916	42 260	42 260	46 641	50 373	54 402

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 1st 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.

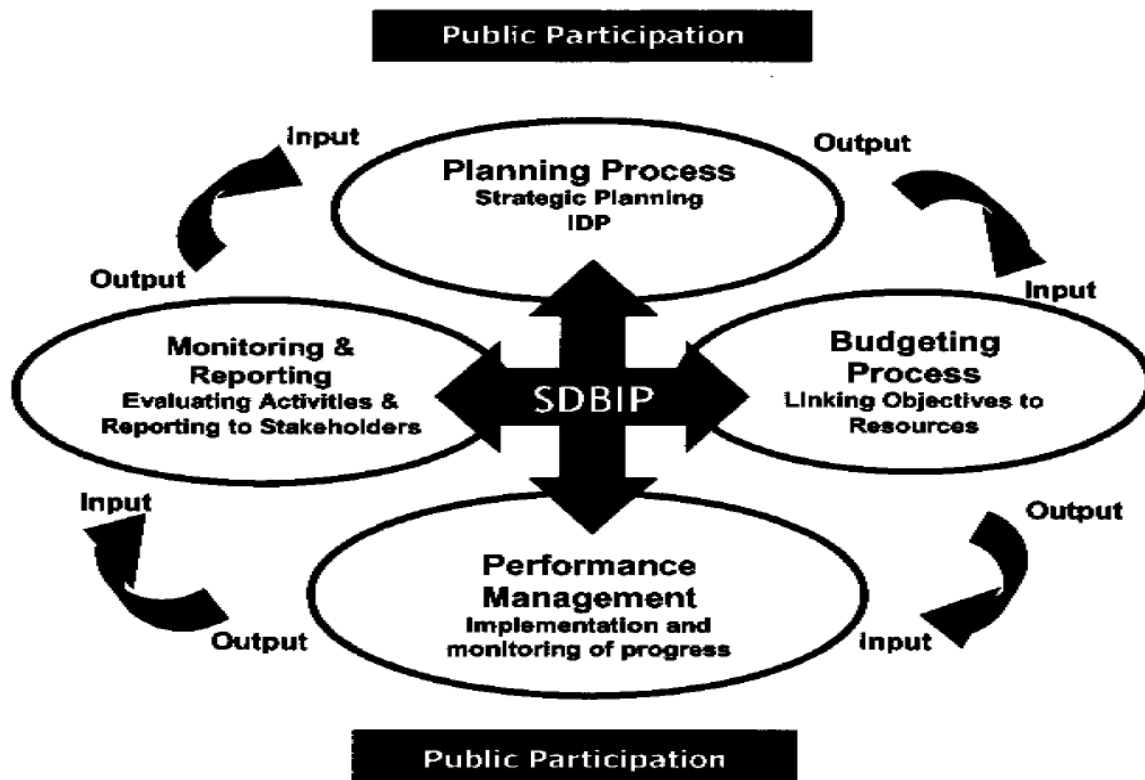
The budget may be funded only from reasonable estimates of revenue and cash-backed surplus funds from the previous year and borrowings (the latter for capital items only).

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
2022/2027 IDP PROCESS				
PHASE 1 – Preparation and Pre- Planning				
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
PHASE 2 – Analysis and Strategy				
Performance Analysis				
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
Financial Analysis				
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
Situational Analysis				
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
Consultation				
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
Strategy				
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
Other activities during this phase				
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
PHASE 3 – Preparation and Tabling				
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
Publication and Public Consultation Process				
PHASE 4 – Consultation				
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 Final Annual Budget and MTREF

No	Activity Description	Responsible Person/s	Legislative Requirements	Target Date
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
PHASE 5 – Approval of IDP and Budget				
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 was 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	Deliv er quality Services in George			163 631	159 180	194 228	196 949	227 057	227 057	264 996	285 229	390 543	
Water Services	Deliv er quality Services in George			188 659	188 887	195 993	200 328	310 201	310 201	649 724	943 527	636 629	
Roads Streets, Storm water drainage and Sidew alks	Deliv er quality Services in George			13 516	47 938	66 890	40 967	127 592	127 592	103 132	44 833	50 281	
Transport Planning & Traffic Engineering	Affordable Quality Services			313 191	405 686	434 953	440 203	432 550	432 550	401 295	393 083	417 175	
Electricity	Deliv er quality Services in George			673 680	718 719	774 899	929 953	934 409	934 409	1 044 462	1 067 619	1 122 102	
Housing	Deliv er quality Services in George			51 088	30 512	24 622	105 267	93 028	93 028	18 870	82 081	39 069	
Spatial Planning	Good governance in George			10 703	7 807	9 078	10 425	11 475	11 475	11 821	12 530	18 281	
Property Development	Deliv er quality Services in George			16 964	6 533	7 712	8 938	8 938	8 938	8 351	8 490	8 611	
Public Safety and Law Enforcement	Deliv er quality services in George			93 443	75 395	37 541	79 177	79 492	79 492	80 770	82 396	83 884	
Road Transport	Deliv er quality Services in George			13 668	12 435	17 722	13 431	19 631	19 631	21 497	22 779	23 939	
Environmental Health	Deliv er quality Services in George			440	296	6	4	298	298	6	6	4	
Public Amenities	Deliv er quality Services in George			4 784	3 845	4 369	3 549	3 691	3 691	6 241	6 512	4 353	
Waste Management	Deliv er quality Services in George			118 981	133 557	151 843	157 408	157 603	157 603	176 212	191 447	208 255	
Sport facilities and Development	Deliv er quality Services in George			3 151	129	1 134	9 641	1 059	1 059	2 405	11 207	3 609	
Local Economic Development	Grow George			960	288	533	803	803	803	905	779	826	
Tourism	Grow George			14	23	546	377	359	359	345	145	143	
Financial viability and management	Good governance in George			43 217	43 863	28 546	51 012	51 012	51 012	53 290	54 385	56 326	
Revenue enhancement	Good governance in George			278 170	310 137	330 985	351 013	354 013	354 013	382 991	412 628	444 469	
Credit Control	Good governance in George			—	—	—	—	—	—	—	—	—	
Budget Formulation and control	Good governance in George			1 567	754	895	1 053	1 053	1 053	—	—	—	
People Management and Empowerment	Good governance in George			1 542	1 117	756	650	950	950	1 521	850	900	
Administrative Support	Good governance in George			3 569	2 536	3 400	3 092	3 681	3 681	3 291	3 702	3 493	
Library Services	Deliv er quality Services in George			9 843	10 285	10 564	9 430	11 971	11 971	12 506	9 773	10 133	
Integrated Development Planning	Participate in George			—	—	—	—	—	—	—	—	—	
Communication	Good gov ernance in George			202	4	2 019	100	100	100	206	212	119	
HIV/Aids	Keep George Safe & Green			—	—	—	—	59	59	85	—	—	
Social Development	Keep George Safe & Green			4 665	6 879	4 518	2 961	3 676	3 676	3 381	3 016	3 068	
Internal Audit and Risk Management	Good governance in George			439	—	—	—	—	—	—	—	—	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	2 010 085	2 166 806	2 303 754	2 616 730	2 834 701	2 834 701	3 248 304	3 637 230	3 526 213

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	Deliver quality Services in George			91 156	101 828	112 834	111 372	119 037	119 037	127 833	140 023	143 213	
Water Services	Deliver quality Services in George			126 690	152 641	164 914	147 273	236 094	236 094	417 571	431 342	425 379	
Roads Streets, Storm water drainage and Sidewalks	Deliver quality Services in George			87 490	96 700	95 262	104 076	113 702	113 702	134 945	123 244	122 915	
Transport Planning & Traffic Engineering	Affordable Quality Services			288 042	351 101	470 659	438 881	460 603	460 603	436 054	430 525	453 202	
Electricity	Deliver quality Services in George			558 537	628 653	665 724	814 824	791 326	791 326	861 414	921 670	1 002 226	
Housing	Deliver quality Services in George			90 709	52 641	53 168	144 049	139 830	139 830	49 439	112 667	69 593	
Spatial Planning	Good governance in George			19 257	18 984	19 499	25 059	29 699	29 699	31 136	30 570	36 345	
Property Development	Deliver quality Services in George			28 880	10 540	11 015	6 378	6 548	6 548	8 967	9 079	6 700	
Public Safety and Law Enforcement	Deliver quality services in George			155 682	158 222	119 160	152 072	160 871	160 871	172 291	179 135	185 636	
Road Transport	Deliver quality Services in George			6 745	7 118	8 221	10 837	8 551	8 551	13 303	13 910	14 514	
Environmental Health	Deliver quality Services in George			10 528	10 938	11 738	13 806	15 790	15 790	15 794	16 530	17 303	
Public Amenities	Deliver quality Services in George			41 186	43 332	43 257	49 140	49 832	49 832	53 430	54 801	55 882	
Waste Management	Deliver quality Services in George			114 772	84 693	102 606	89 082	100 694	100 694	103 244	105 824	109 285	
Sport facilities and Development	Deliver quality Services in George			14 385	13 416	13 458	14 508	13 454	13 454	13 476	13 447	12 752	
Local Economic Development	Grow George			3 809	3 407	3 509	4 128	4 589	4 589	4 876	4 923	5 171	
Tourism	Grow George			5 831	5 621	6 510	8 278	7 463	7 463	6 868	7 387	7 747	
Financial viability and management	Good governance in George			30 415	33 270	35 860	50 418	40 701	40 701	63 301	79 247	108 764	
Revenue enhancement	Good governance in George			33 620	40 535	38 917	50 739	49 152	49 152	54 872	57 511	60 170	
Credit Control	Good governance in George			3 908	4 137	4 409	4 428	4 271	4 271	4 512	4 737	4 974	
Budget Formulation and control	Good governance in George			3 974	3 309	3 768	4 706	3 949	3 949	5 616	5 862	6 075	
People Management and Empowerment	Good governance in George			21 784	24 060	24 799	26 645	30 762	30 762	33 521	34 432	36 075	
Administrative Support	Good governance in George			117 293	119 254	154 952	167 329	164 761	164 761	175 670	183 182	190 024	
Library Services	Deliver quality Services in George			12 323	12 309	12 385	23 078	21 418	21 418	22 552	21 116	22 093	
Integrated Development Planning	Participate in George			4 073	3 141	2 868	4 940	3 935	3 935	5 711	5 995	6 294	
Communication	Good governance in George			16 697	18 477	22 231	21 573	24 659	24 659	23 215	24 351	25 547	
HIV/Aids	Keep George Safe & Green			1 173	847	165	836	258	258	321	247	258	
Social Development	Keep George Safe & Green			15 233	18 603	15 077	13 170	16 004	16 004	15 817	16 042	16 695	
Internal Audit and Risk Management	Good governance in George			11 542	6 084	6 818	9 444	8 100	8 100	12 273	12 889	13 534	
Allocations to other priorities													
Total Expenditure				1	1 915 735	2 023 860	2 223 785	2 511 069	2 626 054	2 626 054	2 868 024	3 040 690	3 158 368

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	Deliver quality Services in George			46 727	14 315	31 657	131 420	157 667	157 667	137 041	96 443	192 946	
Water Services	Deliver quality Services in George			19 343	24 368	9 219	49 512	71 946	71 946	258 052	472 842	205 770	
Roads Streets, Storm water drainage and Sidewalks	Deliver quality Services in George			88 447	60 982	86 092	87 612	164 132	164 132	150 483	110 300	109 970	
Transport Planning & Traffic Engineering	Affordable Quality Services			2 551	270	951	1 558	78	78	3 054	20	20	
Electricity	Deliver quality Services in George			46 330	28 465	29 190	60 129	57 639	57 639	151 116	174 125	170 505	
Housing	Deliver quality Services in George			2 007	5 433	3 689	3 000	5 478	5 478	3 186	5 119	5 588	
Spatial Planning	Good governance in George			994	298	135	516	1 909	1 909	8 733	19 225	5 465	
Property Development	Deliver quality Services in George			–	–	–	–	–	–	–	–	–	
Public Safety and Law Enforcement	Deliver quality services in George			6 992	7 732	12 750	7 333	7 020	7 020	26 116	25 763	16 830	
Road Transport	Deliver quality Services in George			476	21	791	–	–	–	4 515	1 205	5 655	
Environmental Health	Deliver quality Services in George			–	320	454	30	30	30	–	–	–	
Public Amenities	Deliver quality Services in George			2 263	1 691	2 933	4 301	5 746	5 746	10 523	9 525	4 950	
Waste Management	Deliver quality Services in George			14 178	6 664	5 051	7 780	9 324	9 324	18 348	11 458	16 088	
Sport facilities and Development	Deliver quality Services in George			3 652	552	1 973	14 490	3 205	3 205	7 208	14 664	8 017	
Local Economic Development	Grow George			140	237	284	300	60	60	1 505	660	540	
Tourism	Grow George			148	472	302	197	896	896	187	530	855	
Financial viability and management	Good governance in George			236	688	271	364	1 411	1 411	1 417	180	180	
Revenue enhancement	Good governance in George			–	–	–	–	–	–	–	–	–	
Credit Control	Good governance in George			–	–	–	–	–	–	–	–	–	
Budget Formulation and control	Good governance in George			–	–	–	–	–	–	–	–	–	
People Management and Empowerment	Good governance in George			93	15	259	–	–	–	109	–	–	
Administrative Support	Good governance in George			7 877	2 615	4 744	1 856	2 138	2 138	2 881	1 855	2 820	
Library Services	Deliver quality Services in George			597	359	21	5	337	337	920	30	20	
Integrated Development Planning	Participate in George			–	16	–	30	15	15	–	–	–	
Communication	Good governance in George			53	23	85	10	641	641	300	10	10	
HIV/Aids	Keep George Safe & Green			–	18	–	–	–	–	–	–	–	
Social Development	Keep George Safe & Green			132	466	330	–	90	90	2 290	30	1 056	
Internal Audit and Risk Management	Good governance in George	P		–	–	–	–	–	–	–	–	–	
Allocations to other priorities				3									
Total Capital Expenditure				1	243 236	156 018	191 181	370 443	489 763	489 763	787 983	943 982	747 286

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:

Average tariff increase				
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%	7.47%	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.

	2022/23	2023/24	2024/25
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;

	2022/23	2023/24	2024/25
ESKOM	R667.2m	R731.4m	R801.7m

2.7.6 – Average salary increases

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

	2022/23	2023/24	2024/25
Staff	5%	5%	5%
Councillors	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.

	2022/23	2023/24	2024/25
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:

National Allocations	Draft MTREF allocation		
Grant Description	R'000	R'000	R'000
Equitable Share (Gazetted allocation)	R193 460 000	R210 287 000	R228 699 000
<u>Operational Projects</u>			
DMA allocation - salaries	10 603 000	12 552 100	13 006 000
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	47 866 000	52 174 000	56 870 000
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
Total allocations	R193 460 000	R210 287 000	R228 699 000

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
Total		R805.02	R878.36

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 157.3 million and R 303.3 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 4.2 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										
<u>Parent municipality</u>										
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	-	-
<u>Entities</u>										
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		(1 978)	–	–	435 590	435 590	435 590	677 674	900 546	1 106 896
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)	(2 413)	(468)	–	–	–	–	–	–
Municipality sub-total	1	(4 715)	(2 413)	(468)	435 590	435 590	435 590	677 674	900 546	1 106 896
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	(4 715)	(2 413)	(468)	435 590	435 590	435 590	677 674	900 546	1 106 896

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										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		145 634	362 871	400 300	170 498	170 498	170 498	361 324	352 459	376 560
Operational Revenue: General Revenue: Equitable Share		137 401	149 978	186 528	170 498	170 498	170 498	193 460	210 767	228 899
Operational: Revenue: General Revenue: Fuel Levy		-	-	-	-	-	-	-	-	-
Arts and Culture Sustainable Resource Management		-	-	-	-	-	-	-	-	-
Department of Water Affairs and Sanitation Masibambane		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]		8 233	10 776	8 293	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		-	5 111	4 109	-	-	-	1 990	-	-
HIV and Aids		-	-	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-	-
Housing Top structure		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		-	(2 082)	2 751	-	-	-	6 000	6 000	6 500
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		-	764	(501)	-	-	-	1 721	1 771	1 771
Sport and Recreation		-	-	-	-	-	-	-	-	-
Terrestrial Invasive Alien Plants		-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Health Hygiene in Informal Settlements		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		-	604	1 594	-	-	-	750	750	750
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]		-	197 721	197 526	-	-	-	157 403	133 171	138 640
Smart Connect Grant		-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant		-	-	-	-	-	-	-	-	-
WiFi Grant [Department of Telecommunications and Postal Services]		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		3 947	177 369	192 370	-	-	-	194 821	233 326	197 397
Capacity Building		682	-	-	-	-	-	-	-	-
Capacity Building and Other		-	2 701	1 519	-	-	-	12 528	9 733	10 150
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		2 977	-	-	-	-	-	-	-	-
Infrastructure		-	174 668	190 851	-	-	-	182 293	223 593	187 247
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		61	-	-	-	-	-	-	-	-
Public Transport		-	-	-	-	-	-	-	-	-
Road Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
Sports and Recreation		228	-	-	-	-	-	-	-	-
Waste Water Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
District Municipality:		448	-	-	-	-	-	-	-	-
All Grants		448	-	-	-	-	-	-	-	-
Other Grant Providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	150 029	540 240	592 670	170 498	170 498	170 498	556 145	585 785	573 957
Capital Transfers and Grants										
National Government:		17 014	100 522	84 906	-	-	-	359 949	579 536	345 927
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		14 327	18 087	11 832	-	-	-	38 036	12 000	12 539
Municipal Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	44 758	46 698	48 762
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Public Transport Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Rural Household Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant [Schedule 4B]		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	2 500	-	-
Local Government Financial Management Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]		-	76 593	73 074	-	-	-	34 007	10 000	10 000
Public Transport Network Operations Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant [Schedule 5B]		2 687	5 842	-	-	-	-	240 648	510 838	274 626
Water Services Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		5 960	28 841	1 461	-	-	-	800	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	896	1 461	-	-	-	-	-	-
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		5 960	-	-	-	-	-	-	-	-
Infrastructure		-	27 945	-	-	-	-	800	-	-
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Public Transport		-	-	-	-	-	-	-	-	-
Road Infrastructure		-	-	-	-	-	-	-	-	-
Sports and Recreation		-	-	-	-	-	-	-	-	-
Waste Water Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other Grant Providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	22 973	129 364	86 367	-	-	-	360 749	579 536	345 927
TOTAL RECEIPTS OF TRANSFERS & GRANTS		173 002	669 603	679 037	170 498	170 498	170 498	916 894	1 165 321	919 884

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			Budget 2022/23
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	
R thousand								
EXPENDITURE:	1							
Operating expenditure of Transfers and Grants								
National Government:		120 322	135 268	258 668	190 106	190 973	190 973	
Operational Revenue:General Revenue:Equitable Share		4 413	10 080	23 363	25 007	25 052	25 052	
Operational:Revenue:General Revenue:Fuel Lev y		—	—	—	—	—	—	
2014 African Nations Championship Host City Operating Grant [Schedule 5B]		—	—	—	—	—	—	
Agriculture Research and Technology		—	—	—	—	—	—	
Agriculture, Conservation and Environmental		—	—	—	—	—	—	
Arts and Culture Sustainable Resource Management		—	—	—	—	—	—	
Energy Efficiency and Demand-side [Schedule 5B]		355	90	15	—	—	—	
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		5 406	4 214	4 859	3 024	3 024	3 024	
HIV and Aids		—	—	—	—	—	—	
Housing Accreditation		—	—	—	—	—	—	
Housing Top structure		—	—	—	—	—	—	
Infrastructure Skills Development Grant [Schedule 5B]		2 580	5 492	4 302	5 931	5 803	5 803	
Integrated City Development Grant		—	—	—	—	—	—	
Khayelitsha Urban Renewal		—	—	—	—	—	—	
Local Government Financial Management Grant [Schedule 5B]		1 472	703	1 367	1 418	1 418	1 418	
Mitchell's Plain Urban Renewal		—	—	—	—	—	—	
Municipal Demarcation and Transition Grant [Schedule 5B]		—	—	—	—	—	—	
Municipal Disaster Grant [Schedule 5B]		—	—	—	—	—	—	
Municipal Human Settlement Capacity Grant [Schedule 5B]		—	—	—	—	—	—	
Municipal Systems Improvement Grant		—	—	—	—	—	—	
Natural Resource Management Project		—	—	—	—	—	—	
Neighbourhood Development Partnership Grant		—	—	—	—	—	—	
Water Services Operating Subsidy Grant [Schedule 5B]		—	—	—	—	—	—	
Health Hygiene in Informal Settlements		—	—	—	—	—	—	
Municipal Infrastructure Grant [Schedule 5B]		1 532	—	—	700	750	750	
Water Services Infrastructure Grant		—	—	—	—	—	—	
Public Transport Network Grant [Schedule 5B]		104 563	114 689	224 761	154 025	153 425	153 425	
Smart Connect Grant		—	—	—	—	—	—	
Urban Settlement Development Grant		—	—	—	—	—	—	
WiFi Grant [Department of Telecommunications and Postal Services		—	—	—	—	—	—	
Street Lighting		—	—	—	—	—	—	
Traditional Leaders - Imbizion		—	—	—	—	—	—	
Department of Water and Sanitation Smart Living Handbook		—	—	—	—	—	—	
Integrated National Electrification Programme Grant		—	—	—	—	—	—	
Municipal Restructuring Grant		—	—	—	—	—	—	
Regional Bulk Infrastructure Grant		—	—	—	—	1 500	1 500	
Municipal Emergency Housing Grant		—	—	—	—	—	—	
Metro Informal Settlements Partnership Grant		—	—	—	—	—	—	
Provincial Government:		176 519	188 020	193 940	279 356	326 608	326 608	
Capacity Building		440	—	—	—	—	—	
Capacity Building and Other		—	4 808	3 414	11 897	15 456	15 456	
Disaster and Emergency Services		—	—	—	—	—	—	
Health		—	—	—	—	—	—	
Housing		67 368	—	—	—	—	—	
Infrastructure		—	183 211	190 526	267 459	311 152	311 152	
Libraries, Archives and Museums		2 851	—	—	—	—	—	
Other		717	—	—	—	—	—	
Public Transport		101 210	—	—	—	—	—	
Road Infrastructure - Maintenance		3 903	—	—	—	—	—	
Sports and Recreation		30	—	—	—	—	—	
Waste Water Infrastructure - Maintenance		—	—	—	—	—	—	
Water Supply Infrastructure - Maintenance		—	—	—	—	—	—	
District Municipality:		—	—	1 171	—	120	120	
<i>All Grants</i>		—	—	1 171	—	120	120	
Other Grant Providers:		56	—	—	650	650	650	
<i>Departmental Agencies and Accounts</i>		—	—	—	650	650	650	
<i>Foreign Government and International Organisations</i>		—	—	—	—	—	—	
<i>Households</i>		56	—	—	—	—	—	
Total operating expenditure of Transfers and Grants:		296 896	323 288	453 778	470 111	518 351	518 351	
Capital expenditure of Transfers and Grants								
National Government:		—	52 954	76 221	81 405	198 111	198 111	
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		—	8 043	5 832	13 230	16 926	16 926	
Municipal Infrastructure Grant [Schedule 5B]		—	6 067	30 149	36 141	36 097	36 097	
Municipal Water Infrastructure Grant [Schedule 5B]		—	—	—	—	—	—	
Neighbourhood Development Partnership Grant [Schedule 5B]		—	—	—	—	—	—	
Public Transport Infrastructure Grant [Schedule 5B]		—	—	—	—	—	—	
Rural Household Infrastructure Grant [Schedule 5B]		—	—	—	—	—	—	
Rural Road Asset Management Systems Grant [Schedule 5B]		—	—	—	—	—	—	
Urban Settlement Development Grant [Schedule 4B]		—	—	—	—	—	—	
Municipal Human Settlement		—	—	—	—	—	—	
Community Library		—	—	—	—	—	—	
Integrated City Development Grant [Schedule 4B]		—	—	—	—	—	—	
Municipal Disaster Recovery Grant [Schedule 4B]		—	—	—	—	—	—	
Energy Efficiency and Demand Side Management Grant		—	4 314	3 836	—	—	—	
Khayelitsha Urban Renewal		—	—	—	—	—	—	
Local Government Financial Management Grant [Schedule 5B]		—	—	—	—	—	—	
Municipal Systems Improvement Grant [Schedule 5B]		—	—	—	—	—	—	
Public Transport Network Grant [Schedule 5B]		—	28 688	36 404	29 354	72 978	72 978	
Public Transport Network Operations Grant [Schedule 5B]		—	—	—	—	—	—	
Regional Bulk Infrastructure Grant [Schedule 5B]		—	5 842	—	—	69 430	69 430	
Water Services Infrastructure Grant [Schedule 5B]		—	—	—	2 680	2 680	2 680	
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		—	—	—	—	—	—	
Infrastructure Skills Development Grant [Schedule 5B]		—	—	—	—	—	—	
Municipal Disaster Relief Grant		—	—	—	—	—	—	
Municipal Emergency Housing Grant		—	—	—	—	—	—	
Metro Informal Settlements Partnership Grant		—	—	—	—	—	—	
Integrated Urban Development Grant		—	—	—	—	—	—	
Provincial Government:		—	3 496	729	—	1 000	1 000	
Capacity Building		—	—	—	—	—	—	
Capacity Building and Other		—	195	—	—	300	300	
Disaster and Emergency Services		—	—	—	—	—	—	
Health		—	—	—	—	—	—	
Housing		—	—	—	—	—	—	
Infrastructure		—	3 301	729	—	700	700	
Libraries, Archives and Museums		—	—	—	—	—	—	
Other		—	—	—	—	—	—	
Public Transport		—	—	—	—	—	—	
Road Infrastructure		—	—	—	—	—	—	
Sports and Recreation		—	—	—	—	—	—	
Waste Water Infrastructure		—	—	—	—	—	—	
Water Supply Infrastructure		—	—	—	—	—	—	
District Municipality:		—	—	—	—	1 000	1 000	
<i>All Grants</i>		—	—	—	—	1 000	1 000	
Other Grant Providers:		—	—	—	—	—	—	
Total capital expenditure of Transfers and Grants		—	56 450	76 951	81 405	200 111	200 111	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		296 896	379 738	530 729	551 516	718 462	718 462	

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		
		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										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(3 799)	500	(2 867)	(9 277)	(9 277)	–	(9 277)	(12 311)	(12 311)
Current year receipts		(128 000)	(213 663)	(209 980)	–	–	–	(211 872)	(187 640)	(195 673)
Conditions met - transferred to revenue		(131 800)	(215 003)	(299 167)	(9 277)	(9 277)	–	(221 149)	(199 951)	(207 984)
Conditions still to be met - transferred to liabilities		–	1 840	86 320	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	448	475	1 897	1 897	–	1 897	(3 805)	(7 829)
Current year receipts		(150 234)	(180 765)	(193 099)	–	–	–	(194 821)	(233 326)	(197 397)
Conditions met - transferred to revenue		(150 234)	(364 861)	(414 354)	1 897	1 897	–	(192 924)	(237 131)	(205 226)
Conditions still to be met - transferred to liabilities		–	184 544	221 730	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	1 202	1 202	1 202
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	1 202	1 202	1 202
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	(5 788)	(5 788)	–	(5 788)	(5 788)	(5 788)
Current year receipts		–	(100)	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	(100)	–	(5 788)	(5 788)	–	(5 788)	(5 788)	(5 788)
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		(282 034)	(579 964)	(713 521)	(13 168)	(13 168)	–	(418 659)	(441 668)	(417 796)
Total operating transfers and grants - CTBM	2	–	186 384	308 050	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	(49 547)	(49 547)	–	(49 547)	(46 514)	(49 327)
Current year receipts		(221 907)	(150 023)	(153 713)	–	–	–	(315 941)	(533 588)	(297 915)
Conditions met - transferred to revenue		(221 907)	(167 604)	(190 633)	(49 547)	(49 547)	–	(365 488)	(580 102)	(347 242)
Conditions still to be met - transferred to liabilities		–	17 581	36 920	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	(13 251)	(13 251)	–	(13 251)	(13 251)	(13 251)
Current year receipts		(6 885)	(24 839)	(732)	–	–	–	(800)	–	–
Conditions met - transferred to revenue		(6 885)	(32 368)	(2 202)	(13 251)	(13 251)	–	(14 051)	(13 251)	(13 251)
Conditions still to be met - transferred to liabilities		–	7 529	1 470	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		(228 792)	(199 972)	(192 835)	(62 798)	(62 798)	–	(379 539)	(593 353)	(360 493)
Total capital transfers and grants - CTBM	2	–	25 110	38 390	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		(510 826)	(779 936)	(906 356)	(75 966)	(75 966)	–	(798 198)	(1 035 021)	(778 289)
TOTAL TRANSFERS AND GRANTS - CTBM		–	211 494	346 440	–	–	–	–	–	–

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 R thousand	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
	1	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		14 115	14 559	14 283	16 886	16 886	16 886	16 886	17 731	18 617
Pension and UIF Contributions		732	759	618	890	890	890	890	934	981
Medical Aid Contributions		283	257	205	346	407	407	407	427	448
Motor Vehicle Allowance		4 760	4 838	4 684	5 468	5 407	5 407	5 407	5 678	5 961
Cellphone Allowance		2 128	2 103	2 063	2 581	2 581	2 581	2 581	2 710	2 845
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		22 017	22 516	21 853	26 171	26 171	26 171	26 171	27 479	28 853
% increase	4		2,3%	(2,9%)	19,8%	-	-	-	5,0%	5,0%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		8 276	9 371	10 167	14 278	9 895	9 895	9 689	10 173	10 682
Pension and UIF Contributions		648	443	378	1 281	1 347	1 347	1 206	1 266	1 329
Medical Aid Contributions		148	182	201	209	314	314	298	313	329
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		575	879	328	1 989	1 989	1 989	1 621	1 702	1 787
Motor Vehicle Allowance	3	324	301	325	485	490	490	514	540	567
Cellphone Allowance	3	92	82	80	109	128	128	157	165	173
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	50	37	49	67	148	148	96	101	106
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 113	11 294	11 528	18 417	14 310	14 310	13 581	14 260	14 972
% increase	4		11,7%	2,1%	59,8%	(22,3%)	-	(5,1%)	5,0%	5,0%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		283 413	321 873	338 844	341 989	391 271	391 271	446 349	462 658	488 023
Pension and UIF Contributions		49 457	53 966	56 754	66 186	62 891	62 891	72 821	76 464	80 289
Medical Aid Contributions		20 322	22 363	22 235	37 568	31 595	31 595	40 295	42 101	43 987
Overtime		41 737	42 013	40 272	42 961	56 904	56 904	45 675	47 889	50 191
Performance Bonus		22 975	24 820	26 063	26 704	24 699	24 699	28 826	30 268	31 782
Motor Vehicle Allowance	3	14 870	15 107	15 004	18 253	16 706	16 706	16 874	17 513	18 215
Cellphone Allowance	3	1 105	1 261	1 616	1 791	1 646	1 646	1 679	1 757	1 839
Housing Allowances	3	2 117	2 220	2 307	2 847	2 150	2 150	4 338	4 555	4 783
Other benefits and allowances	3	19 338	20 322	20 793	22 533	27 433	27 433	30 504	32 031	33 628
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		6 517	3 707	3 724	5 915	4 209	4 209	4 420	4 641	4 873
Post-retirement benefit obligations	6	26 004	13 390	44 472	20 836	23 211	23 211	22 360	25 578	26 857
Sub Total - Other Municipal Staff		487 856	521 042	572 083	587 585	642 715	642 715	714 140	745 454	784 466
% increase	4		6,8%	9,8%	2,7%	9,4%	-	11,1%	4,4%	5,2%
Total Parent Municipality		519 986	554 852	605 464	632 172	683 196	683 196	753 891	787 193	828 291
TOTAL SALARY, ALLOWANCES & BENEFITS		519 986	554 852	605 464	632 172	683 196	683 196	753 891	787 193	828 291
% increase	4		6,7%	9,1%	4,4%	8,1%	-	10,3%	4,4%	5,2%
TOTAL MANAGERS AND STAFF	5,7	497 969	532 336	583 611	606 002	657 025	657 025	727 721	759 714	799 438

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
R thousand																
Revenue By Source																
Property rates		30 904	30 904	30 904	30 904	30 904	30 904	30 904	30 904	30 904	30 904	30 904	30 904	370 853	400 520	432 562
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		13 954	13 954	13 954	13 954	13 954	13 954	13 954	13 954	13 954	13 954	13 954	13 954	167 445	184 042	195 697
Service charges - sanitation revenue		13 278	13 278	13 278	13 278	13 278	13 278	13 278	13 278	13 278	13 278	13 278	13 278	159 335	173 675	189 306
Service charges - refuse revenue		10 692	10 692	10 692	10 692	10 692	10 692	10 692	10 692	10 692	10 692	10 692	10 692	128 302	139 472	151 646
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		35 252	35 252	67 770	35 252	35 252	67 770	35 252	35 252	67 770	35 252	35 252	67 770	553 091	586 635	580 634
Other revenue		9 130	9 130	13 054	9 130	8 920	15 947	8 920	8 920	12 844	8 920	8 920	16 258	130 097	147 472	155 705
Gains		—	—	—	—	—	—	—	—	—	—	—	230 994	230 994	234 666	226 111
Total Revenue (excluding capital transfers and contributions)		198 903	198 903	243 524	198 903	198 693	246 417	198 693	198 693	243 314	198 693	198 693	554 471	2 877 904	3 058 173	3 180 486
Expenditure By Type																
Employee related costs		59 719	59 719	59 719	59 719	59 719	60 219	60 219	59 719	59 719	59 719	59 719	69 807	727 721	759 714	799 438
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	40 950	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		7 153	7 153	7 307	7 153	7 153	7 307	7 153	7 153	7 307	7 153	7 153	193 709	272 853	284 495	284 514
Contracted services		48 057	48 057	49 937	48 057	48 057	51 391	48 107	48 057	49 937	48 057	48 057	51 341	587 110	640 830	631 068
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		14 389	14 389	14 832	14 389	14 389	15 706	14 389	14 389	14 832	14 389	14 389	15 706	176 185	186 847	199 189
Losses		—	—	—	—	—	350	—	—	—	—	—	45 821	46 171	46 031	42 600
Total Expenditure		208 779	208 779	211 255	208 779	208 779	227 076	209 329	208 779	211 255	208 779	208 779	547 654	2 868 024	3 041 169	3 158 568
Surplus/(Deficit)		(9 876)	(9 876)	32 269	(9 876)	(10 086)	19 341	(10 636)	(10 086)	32 059	(10 086)	(10 086)	6 817	9 881	17 004	21 918
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)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		20 991	20 991	63 136	20 991	20 781	50 208	20 231	20 781	62 926	20 781	20 781	37 684	380 280	596 540	367 845
Taxation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	20 991	20 991	63 136	20 991	20 781	50 208	20 231	20 781	62 926	20 781	20 781	37 684	380 280	596 540	367 845

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

WC044 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
R thousand																
Revenue by Vote																
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services		1 292	1 292	1 432	1 292	1 292	1 432	1 292	1 292	1 432	1 292	1 292	1 565	16 192	13 016	13 353
Vote 3 - Corporate Services		117	117	498	117	117	498	117	117	498	117	117	498	2 930	2 316	2 210
Vote 4 - Corporate Services		193	193	193	193	193	296	193	193	193	193	193	296	2 520	3 393	3 166
Vote 5 - Community Services		603	603	635	603	603	635	603	603	635	603	603	635	7 365	16 366	6 459
Vote 6 - Community Services		11 467	11 467	27 319	11 467	11 467	27 319	11 467	11 467	27 319	11 467	11 467	104 095	277 788	295 890	315 502
Vote 7 - Community Services		87	87	87	87	87	87	87	87	87	87	87	87	1 038	1 093	953
Vote 8 - Civil Engineering Services		60 518	60 518	75 676	60 518	60 518	75 676	60 518	60 518	75 676	60 518	60 518	306 678	1 017 851	1 273 590	1 077 453
Vote 9 - Civil Engineering Services		33 441	33 441	33 441	33 441	33 441	33 441	33 441	33 441	33 441	33 441	33 441	33 441	401 295	393 083	417 175
Vote 10 - 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 11 - Financial Services		32 176	32 176	32 176	32 176	31 966	31 966	31 966	31 966	31 966	31 966	31 966	32 074	384 537	414 242	445 987
Vote 12 - Financial Services		3 091	3 091	7 027	3 091	3 091	7 027	3 091	3 091	7 027	3 091	3 091	7 027	52 833	53 908	55 996
Vote 13 - Human Settlements, Planning and Development		2 727	2 727	2 910	2 727	2 727	5 910	2 727	2 727	2 910	2 727	2 727	5 944	39 492	103 194	66 057
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		229 770	229 770	274 391	229 770	229 560	277 284	229 560	229 560	274 181	229 560	229 560	585 337	3 248 303	3 637 709	3 526 413
Expenditure by Vote to be appropriated																
Vote 1 - Office of the Municipal Manager		2 341	2 341	2 420	2 341	2 341	2 420	2 341	2 341	2 420	2 341	2 341	2 418	28 410	29 660	30 930
Vote 2 - Corporate Services		5 890	5 890	5 923	5 890	5 890	6 695	5 890	5 890	5 923	5 890	5 890	6 621	72 286	71 907	73 885
Vote 3 - Corporate Services		3 242	3 242	3 306	3 242	3 242	3 781	3 242	3 242	3 306	3 242	3 242	3 776	40 102	41 201	43 164
Vote 4 - Corporate Services		6 944	6 944	7 069	6 944	6 944	7 063	6 944	6 944	7 069	6 944	6 944	17 387	94 136	101 029	105 173
Vote 5 - Community Services		5 454	5 454	5 669	5 454	5 454	6 872	6 004	5 454	5 669	5 454	5 454	6 265	68 661	70 595	72 015
Vote 6 - Community Services		18 933	18 933	18 959	18 933	18 933	19 472	18 933	18 933	18 959	18 933	18 933	82 698	291 551	301 962	312 905
Vote 7 - Community Services		73	73	74	73	73	74	73	73	74	73	73	74	880	914	951
Vote 8 - Civil Engineering Services		36 840	36 840	36 843	36 840	36 840	41 600	36 840	36 840	36 843	36 840	36 840	273 079	683 084	697 482	694 521
Vote 9 - Civil Engineering Services		36 336	36 336	36 342	36 336	36 336	36 342	36 336	36 336	36 342	36 336	36 336	36 342	436 054	430 525	453 202
Vote 10 - Electro-technical Services		71 708	71 708	72 388	71 708	71 708	76 129	71 708	71 708	72 388	71 708	71 708	76 116	870 685	931 201	1 012 123
Vote 11 - Financial Services		8 020	8 020	8 439	8 020	8 020	11 560	8 020	8 020	8 439	8 020	8 020	11 453	104 050	105 933	106 709
Vote 12 - Financial Services		4 404	4 404	5 229	4 404	4 404	5 229	4 404	4 404	5 229	4 404	4 404	21 610	72 533	89 576	121 919
Vote 13 - Human Settlements, Planning and Development		8 594	8 594	8 595	8 594	8 594	9 839	8 594	8 594	8 595	8 594	8 594	9 813	105 593	169 184	131 069
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		208 779	208 779	211 255	208 779	208 779	227 076	209 329	208 779	211 255	208 779	208 779	547 654	2 868 024	3 041 169	3 158 568
Surplus/(Deficit) before assoc.		20 991	20 991	63 136	20 991	20 781	50 208	20 231	20 781	62 926	20 781	20 781	37 684	380 280	596 540	367 845
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	20 991	20 991	63 136	20 991	20 781	50 208	20 231	20 781	62 926	20 781	20 781	37 684	380 280	596 540	367 845

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
Revenue - Functional																
Governance and administration		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		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		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
Economic and environmental services		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
Trading services		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
Other		32	32	32	32	32	32	32	32	32	32	32	40	388	195	145
Total Revenue - Functional		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
Expenditure - Functional																
Governance and administration		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
Community and public safety		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
Economic and environmental services		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
Trading services		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
Other		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
Total Expenditure - Functional		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
Surplus/(Deficit) before assoc.		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		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	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		
		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
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Office of the Municipal Manager		10	10	10	10	10	10	10	10	10	10	10	10	125	20	110
Vote 2 - Corporate Services		25	25	25	25	25	25	25	25	25	25	25	25	300	–	–
Vote 3 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	500	500
Vote 4 - Corporate Services		18	18	18	18	18	48	18	18	18	18	18	48	280	10	10
Vote 5 - Community Services		189	191	269	189	537	1 259	189	339	264	189	189	264	4 068	1 750	1 250
Vote 6 - Community Services		836	836	836	836	836	836	836	836	1 136	836	836	4 783	14 278	13 860	16 890
Vote 7 - Community Services		119	119	119	119	119	119	119	119	119	119	119	119	1 426	277	29
Vote 8 - Civil Engineering Services		15 220	15 220	15 320	15 220	15 220	28 033	15 220	15 220	15 320	15 220	15 220	32 483	212 920	218 713	302 912
Vote 9 - Civil Engineering Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Electro-technical Services		2 799	2 799	2 956	2 799	2 999	3 391	2 799	2 799	2 956	2 973	4 299	6 891	40 459	38 041	9 760
Vote 11 - Financial Services		–	–	–	–	–	18	–	–	–	–	–	418	435	180	180
Vote 12 - Financial Services		104	104	104	104	104	104	104	104	104	104	104	104	1 250	250	250
Vote 13 - Human Settlements, Planning and Development		656	656	781	656	656	1 651	656	656	781	656	656	1 706	10 164	23 615	6 965
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	19 976	19 978	20 439	19 976	20 524	35 494	19 976	20 126	20 734	20 150	21 476	46 852	285 704	297 216	338 856
Single-year expenditure to be appropriated																
Vote 1 - Office of the Municipal Manager		7	7	7	7	7	7	7	7	7	7	7	8	90	–	–
Vote 2 - Corporate Services		132	132	392	132	132	482	132	132	392	312	332	1 417	4 115	2 870	4 026
Vote 3 - Corporate Services		50	50	70	50	50	70	50	50	170	350	350	599	1 909	610	320
Vote 4 - Corporate Services		2	2	2	2	2	2	2	2	2	2	2	2	26	405	400
Vote 5 - Community Services		125	125	962	125	675	1 417	275	1 725	962	1 375	125	3 106	10 998	18 879	8 417
Vote 6 - Community Services		1 634	1 634	1 711	1 634	1 634	1 979	1 634	1 634	1 709	1 634	1 634	12 276	30 745	22 963	20 423
Vote 7 - Community Services		138	138	138	138	138	138	138	138	138	138	138	1 008	2 530	1 326	1 231
Vote 8 - Civil Engineering Services		25 942	25 942	26 162	25 942	25 942	32 536	25 942	25 942	26 162	25 942	25 942	40 261	332 656	460 871	205 775
Vote 9 - Civil Engineering Services		254	254	254	254	254	254	254	254	254	254	254	255	3 054	20	20
Vote 10 - Electro-technical Services		1 332	1 332	9 936	1 332	1 332	11 701	1 432	1 432	17 536	9 492	18 432	36 336	111 627	136 904	161 835
Vote 11 - Financial Services		–	–	–	–	–	53	–	–	–	–	–	930	982	–	–
Vote 12 - Financial Services		8	8	8	8	8	8	8	8	8	8	8	8	100	–	500
Vote 13 - Human Settlements, Planning and Development		59	59	61	59	59	209	59	59	661	759	559	846	3 447	1 919	5 483
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	29 684	29 684	39 706	29 684	30 234	48 857	29 934	31 384	48 003	40 274	47 784	97 051	502 279	646 766	408 430
Total Capital Expenditure	2	49 661	49 663	60 144	49 661	50 759	84 351	49 911	51 511	68 737	60 424	69 261	143 903	787 983	943 982	747 286

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
Capital Expenditure - Functional	1															
Governance and administration		255	255	337	255	405	2 005	255	255	337	255	255	4 244	9 114	6 776	4 547
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		249	249	331	249	399	1 999	249	249	331	249	249	4 238	9 039	6 766	4 467
Internal audit		6	6	6	6	6	6	6	6	6	6	6	6	75	10	80
Community and public safety		2 858	2 860	3 981	2 858	3 606	5 141	3 008	4 608	4 076	4 588	3 358	9 235	50 175	52 704	41 664
Community and social services		224	224	741	224	224	821	224	224	841	704	724	2 546	7 721	5 135	5 066
Sport and recreation		326	328	931	326	1 074	1 741	476	2 076	926	1 576	326	1 236	11 348	16 703	9 495
Public safety		1 882	1 882	1 882	1 882	1 882	2 152	1 882	1 882	1 882	1 882	1 882	4 152	25 125	24 415	20 325
Housing		276	276	276	276	276	276	276	276	276	276	276	1 150	4 182	6 187	6 778
Health		150	150	150	150	150	150	150	150	150	150	150	150	1 800	265	–
Economic and environmental services		10 541	10 541	10 668	10 541	10 541	15 142	10 541	10 541	11 268	11 241	11 041	18 730	141 333	121 055	103 345
Planning and development		442	442	569	442	442	1 564	442	442	1 169	1 142	942	2 202	10 238	19 885	4 305
Road transport		10 099	10 099	10 099	10 099	10 099	13 578	10 099	10 099	10 099	10 099	10 099	16 528	131 095	101 170	99 040
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		35 995	35 995	45 147	35 995	36 195	62 029	36 095	36 095	53 044	44 329	54 595	111 609	587 124	762 917	596 875
Energy sources		4 054	4 054	12 808	4 054	4 254	14 998	4 154	4 154	20 408	12 388	22 654	43 133	151 116	174 125	170 505
Water management		18 382	18 382	18 632	18 382	18 382	32 992	18 382	18 382	18 632	18 382	18 382	38 742	256 052	470 857	204 035
Waste water management		13 101	13 101	13 173	13 101	13 101	13 506	13 101	13 101	13 171	13 101	13 101	17 103	161 758	106 628	206 396
Waste management		458	458	533	458	458	533	458	458	833	458	458	12 631	18 198	11 308	15 938
Other		12	12	12	12	12	34	12	12	12	12	12	84	237	530	855
Total Capital Expenditure - Functional	2	49 661	49 663	60 144	49 661	50 759	84 351	49 911	51 511	68 737	60 424	69 261	143 903	787 983	943 982	747 286
Funded by:																
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		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		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
Public contributions & donations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing		15 018	15 018	18 768	15 018	15 018	33 168	15 118	16 618	26 368	23 178	32 618	81 138	307 044	306 532	304 375
Internally generated funds		8 118	8 120	14 447	8 118	9 216	24 253	8 268	8 368	14 940	10 048	9 118	34 835	157 851	132 201	140 801
Total Capital Funding		49 661	49 663	60 144	49 661	50 759	84 351	49 911	51 511	68 737	60 424	69 261	143 903	787 983	943 982	747 286

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
Cash Receipts By Source													1		
Property rates	29 781	29 781	29 781	29 781	29 781	29 781	29 781	29 781	29 781	29 781	29 781	29 781	357 370	385 939	416 793
Service charges - electricity revenue	90 987	90 987	90 987	90 987	90 987	90 987	90 987	90 987	90 987	90 987	90 987	90 987	1 091 845	1 118 706	1 044 431
Service charges - water revenue	12 836	12 836	12 836	12 836	12 836	12 836	12 836	12 836	12 836	12 836	12 836	12 836	154 030	169 426	186 144
Service charges - sanitation revenue	12 603	12 603	12 603	12 603	12 603	12 603	12 603	12 603	12 603	12 603	12 603	12 603	151 235	164 845	179 681
Service charges - refuse revenue	9 824	9 824	9 824	9 824	9 824	9 824	9 824	9 824	9 824	9 824	9 824	9 824	117 890	128 501	140 066
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	3 939	3 939	7 875	3 939	3 939	7 875	3 939	3 939	7 875	3 939	3 939	7 875	63 016	58 239	60 692
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	35	35	35	35	35	35	35	35	35	35	35	35	416	441	467
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 - Operational	23 038	23 038	94 409	23 038	23 038	94 409	23 038	23 038	94 409	23 038	23 038	94 409	561 938	590 778	584 969
Other revenue	28 557	28 557	32 480	28 557	28 347	32 373	28 347	28 347	32 270	28 347	28 347	32 585	357 112	394 977	414 660
Cash Receipts by Source	212 287	212 287	295 761	212 287	212 077	295 654	212 077	212 077	295 551	212 077	212 077	295 865	2 880 072	3 038 585	3 056 238
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	27 297	27 297	35 799	27 297	27 297	35 799	27 297	27 297	35 799	27 297	27 297	35 799	361 569	582 349	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	-	-	-	-	-	3 000	-	-	-	-	-	3 100	6 100	6 100	6 100
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	304 378	304 378	298 672	291 350
Increase (decrease) in consumer deposits	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(15 000)	(4 500)	(4 000)
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	238 333	238 333	330 309	238 333	238 123	333 202	238 123	238 123	330 099	238 123	238 123	637 891	3 537 119	3 921 207	3 695 615

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
Cash Payments by Type															
Employee related costs	(61 401)	(61 401)	(61 401)	(61 401)	(61 401)	(64 660)	(61 401)	(61 401)	(61 401)	(61 401)	(61 401)	(64 660)	(743 328)	(772 780)	(812 770)
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	(3 413)	(3 413)	(3 413)	(3 413)	(3 413)	(3 413)	(3 413)	(3 413)	(3 413)	(3 413)	(3 413)	(3 413)	(40 950)	(46 307)	(63 580)
Bulk purchases - Electricity	(63 936)	(63 936)	(63 936)	(63 936)	(63 936)	(63 936)	(63 936)	(63 936)	(63 936)	(63 936)	(63 936)	(63 936)	(767 233)	(841 084)	(921 917)
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	(8 143)	(8 143)	(8 143)	(8 143)	(8 143)	(9 301)	(8 143)	(8 143)	(8 143)	(8 143)	(8 143)	(9 301)	(100 034)	(107 404)	(113 899)
Contracted services	(56 316)	(56 316)	(56 316)	(56 316)	(56 316)	(56 316)	(56 316)	(56 316)	(56 316)	(56 316)	(56 316)	(56 316)	(675 789)	(736 965)	(725 777)
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	(18 874)	(18 874)	(18 874)	(18 874)	(18 874)	(18 874)	(18 874)	(18 874)	(18 874)	(18 874)	(18 874)	(18 874)	(226 490)	(208 676)	(219 480)
Cash Payments by Type	(212 082)	(212 082)	(212 082)	(212 082)	(212 082)	(216 499)	(212 082)	(212 082)	(212 082)	(212 082)	(212 082)	(216 500)	(2 553 824)	(2 713 216)	(2 857 423)
Other Cash Flows/Payments by Type															
Capital assets	-	-	-	-	-	-	-	-	-	-	-	(787 983)	(787 983)	(943 982)	(747 286)
Repayment of borrowing	-	-	-	-	-	(33 075)	-	-	-	-	-	(33 075)	(66 151)	(83 145)	(92 565)
Other Cash Flows/Payments	(19 048)	(19 048)	(19 048)	(19 048)	(19 048)	(19 048)	(19 048)	(19 048)	(19 048)	(19 048)	(19 048)	(19 048)	(228 581)	(242 051)	(254 810)
Total Cash Payments by Type	(231 131)	(231 131)	(231 131)	(231 131)	(231 131)	(268 623)	(231 131)	(231 131)	(231 131)	(231 131)	(231 131)	(1 056 606)	(3 636 538)	(3 982 394)	(3 952 084)
NET INCREASE/(DECREASE) IN CASH HELD	7 202	7 202	99 178	7 202	6 992	64 579	6 992	6 992	98 968	6 992	6 992	(418 715)	(99 420)	(61 187)	(256 469)
Cash/cash equivalents at the month/year begin:	1 177 727	1 184 929	1 192 132	1 291 310	1 298 512	1 305 505	1 370 084	1 377 077	1 384 069	1 483 037	1 490 030	1 497 022	1 177 727	1 078 307	1 017 120
Cash/cash equivalents at the month/year end:	1 184 929	1 192 132	1 291 310	1 298 512	1 305 505	1 370 084	1 377 077	1 384 069	1 483 037	1 490 030	1 497 022	1 078 307	1 078 307	1 017 120	760 651

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		
		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	50 000	46 264	104 331	115 542	115 542	422 272	534 375	372 249
Roads Infrastructure		—	8 665	5 804	—	2 700	2 700	11 883	4 775	6 475
Roads		—	5 643	5 794	—	—	—	8 033	4 575	6 275
Road Structures		—	363	—	—	2 500	2 500	150	—	—
Road Furniture		—	2 659	10	—	200	200	3 700	200	200
Capital Spares		—	—	—	—	—	—	—	—	—
Storm water Infrastructure		225	400	497	300	12 588	12 588	15 630	300	300
Drainage Collection		—	—	497	300	239	239	300	300	300
Storm water Conveyance		225	400	—	—	12 349	12 349	15 330	—	—
Attenuation		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		42 181	21 700	21 958	51 274	38 377	38 377	132 816	136 884	149 325
Power Plants		—	—	—	—	—	—	20 000	60 000	90 000
HV Substations		—	337	1 188	2 374	2 573	2 573	4 350	11 500	6 250
HV Switching Station		2 067	305	1 741	3 354	1 370	1 370	16 600	19 500	—
HV Transmission Conductors		—	588	—	25	25	25	—	—	—
MV Substations		5 220	1 279	173	29 247	13 747	13 747	33 575	13 200	500
MV Switching Stations		1 697	1 652	1 119	1 500	1 296	1 296	2 800	1 500	3 000
MV Networks		3 682	1 017	—	—	—	—	—	—	1 000
LV Networks		29 515	16 521	17 737	14 773	19 365	19 365	55 491	31 184	48 575
Capital Spares		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		7 237	5 940	4 747	20 387	30 844	30 844	203 550	356 728	152 547
Dams and Weirs		86	354	—	3 771	246	246	5 400	1 500	—
Boreholes		—	—	—	—	—	—	—	—	—
Reservoirs		3 657	155	595	2 500	2 637	2 637	5 957	67 044	89 147
Pump Stations		—	34	—	200	—	—	700	—	—
Water Treatment Works		1 111	2 215	2 182	12 816	23 118	23 118	159 382	263 834	38 635
Bulk Mains		—	—	—	—	3 700	3 700	6 000	1 000	1 000
Distribution		1 952	2 899	1 970	1 100	1 142	1 142	26 112	23 100	23 516
Distribution Points		431	283	—	—	—	—	—	250	250
PRV Stations		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		9 592	7 077	7 922	29 250	27 308	27 308	47 356	25 388	54 381
Pump Station		3 521	1 316	—	1 300	1 149	1 149	3 800	300	19 300
Reticulation		4 725	4 629	2 532	9 900	7 708	7 708	21 206	18 988	26 081
Waste Water Treatment Works		1 347	1 132	3 494	16 000	14 467	14 467	21 350	3 100	—
Outfall Sewers		—	—	—	—	—	—	—	1 000	5 000
Toilet Facilities		—	—	1 895	2 050	3 984	3 984	1 000	2 000	4 000
Capital Spares		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		9 475	5 007	1 781	1 500	2 164	2 164	2 848	—	4 000
Landfill Sites		—	—	—	—	—	—	848	—	3 500
Waste Transfer Stations		7 383	3 410	396	—	—	—	—	—	500
Waste Processing Facilities		2 092	1 596	1 385	1 500	2 164	2 164	2 000	—	—
Information and Communication Infrastructure		1 170	1 211	3 554	1 620	1 561	1 561	8 190	10 300	5 220
Data Centres		—	220	1 603	400	378	378	6 500	6 600	2 500
Core Layers		1 170	991	1 951	1 220	1 183	1 183	1 690	3 700	2 720
Distribution Layers		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Community Assets		(672)	1 291	3 137	15 025	7 139	7 139	11 220	17 743	12 345
Community Facilities		(1 095)	948	1 687	2 009	4 099	4 099	8 280	3 290	4 470
Halls		508	641	208	235	235	235	2 380	1 170	520
Centres		65	12	—	—	—	—	—	—	—
Crèches		(2 108)	286	708	400	654	654	1 480	—	650
Clinics/Care Centres		—	9	—	—	—	—	—	—	—
Fire/Ambulance Stations		—	—	—	—	—	—	1 000	1 000	—
Testing Stations		—	—	—	—	—	—	—	—	3 000
Libraries		—	—	—	—	150	150	820	—	—
Cemeteries/Crematoria		440	—	583	844	1 959	1 959	1 250	800	—
Public Open Space		—	—	188	230	101	101	—	—	—
Nature Reserves		—	—	—	—	—	—	—	—	—
Public Ablution Facilities		—	—	—	—	—	—	—	—	—
Markets		—	—	—	300	—	—	50	300	300
Stalls		—	—	—	—	1 000	1 000	1 300	20	—
Sport and Recreation Facilities		422	343	1 450	13 016	3 040	3 040	2 940	14 453	7 875
Indoor Facilities		—	—	—	—	—	—	—	—	500
Outdoor Facilities		422	343	1 450	13 016	3 040	3 040	2 940	14 453	7 375
Capital Spares		—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	50	—	—	500	750	1 350
Revenue Generating		—	—	—	—	—	—	500	750	1 350
Improved Property		—	—	—	—	—	—	500	750	1 350
Unimproved Property		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	50	—	—	—	—	—
Improved Property		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	50	—	—	—	—	—
Other assets		3 237	2 440	4 874	4 470	3 980	3 980	7 947	6 000	6 350
Operational Buildings		3 237	2 440	4 874	4 470	3 980	3 980	7 197	5 000	5 100
Municipal Offices		2 941	1 186	4 761	4 460	3 733	3 733	6 667	4 610	3 020
Pay/Enquiry Points		—	50	—	—	—	—	—	—	—
Yards		—	—	—	—	—	—	100	300	80
Stores		128	—	—	—	247	247	130	40	—
Laboratories		19	8	—	—	—	—	—	—	—
Training Centres		149	8	—	10	—	—	300	50	2 000
Manufacturing Plant		—	—	—	—	—	—	—	—	—
Depots		—	1 188	114	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	750	1 000	1 250
Staff Housing		—	—	—	—	—	—	750	1 000	1 250
Social Housing		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		1 499	—	22	500	176	176	100	100	100
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		1 499	—	22	500	176	176	100	100	100
Water Rights		—	—	—	—	—	—	—	—	—
Effluent Licenses		—	—	—	—	—	—	—	—	—
Solid Waste Licenses		—	—	—	—	—	—	—	—	—
Computer Software and Applications		1 499	—	22	500	176	176	100	100	100
Computer Equipment		6 162	1 827	5 007	1 618	2 587	2 587	5 212	4 190	4 828
Computer Equipment		6 162	1 827	5 007	1 618	2 587	2 587	5 212	4 190	4 828
Furniture and Office Equipment		2 002	1 002	576	568	1 067	1 067	1 717	2 090	1 600
Furniture and Office Equipment		2 002	1 002	576	568	1 067	1 067	1 717	2 090	1 600
Machinery and Equipment		9 807	5 685	10 806	14 512	31 467	31 467	25 562	10 135	16 630
Machinery and Equipment		9 807	5 685	10 806	14 512	31 467	31 467	25 562	10 135	16 630
Transport Assets		13 279	13 491	7 477	5 560	14 861	14 861	42 286	20 036	15 470
Transport Assets		13 279	13 491	7 477	5 560	14 861	14 861	42 286	20 036	15 470
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Total Capital Expenditure on new assets	1	105 193	75 736	78 162	146 634	176 819	176 819	516 815	595 417	430 922

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		
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 renewal of existing assets by Asset Class/Sub-class										
Infrastructure		8 699	38 352	46 252	48 022	106 091	106 091	80 177	76 125	52 540
Roads Infrastructure		–	36 858	41 330	41 622	91 327	91 327	58 607	35 000	33 500
Roads		–	36 858	41 330	41 622	91 327	91 327	58 607	35 000	33 500
Electrical Infrastructure		2 631	920	1 035	2 450	3 362	3 362	1 500	4 600	6 000
HV Switching Station		232	156	943	2 350	3 312	3 312	–	–	–
MV Substations		–	–	–	–	–	–	500	2 500	2 500
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		692	156	–	50	–	–	1 000	2 000	2 000
LV Networks		1 708	608	92	50	50	50	–	100	1 500
Water Supply Infrastructure		5 828	375	1 257	3 700	5 909	5 909	7 300	36 235	12 750
Pump Stations		45	–	543	200	3 324	3 324	800	3 756	250
Water Treatment Works		499	10	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		5 284	365	714	3 500	2 586	2 586	6 500	32 479	12 500
Sanitation Infrastructure		240	199	2 631	250	5 493	5 493	12 770	290	290
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	2 432	–	–	–	–	–	–
Waste Water Treatment Works		240	199	199	250	5 493	5 493	12 770	290	290
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Community Assets		754	553	880	2 190	–	–	2 190	1 150	200
Community Facilities		754	553	880	1 650	–	–	250	750	–
Halls		29	527	880	1 650	–	–	250	750	–
Centres		725	–	–	–	–	–	–	–	–
Crèches		–	27	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	540	–	–	1 940	400	200
Indoor Facilities		–	–	–	540	–	–	540	–	–
Outdoor Facilities		–	–	–	–	–	–	1 400	400	200
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		69	–	–	–	–	–	–	–	–
Operational Buildings		69	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		69	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	170	20	32	32	35	35	20
Computer Equipment		–	–	170	20	32	32	35	35	20
Furniture and Office Equipment		–	–	–	–	–	–	175	30	–
Furniture and Office Equipment		–	–	–	–	–	–	175	30	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	1	9 522	38 906	47 302	50 232	106 123	106 123	82 577	77 340	52 760

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	61 216	52 508	65 299	86 588	86 588	102 311	82 865	87 402
Roads Infrastructure		15 443	32 124	24 521	29 434	40 184	40 184	51 948	29 985	31 478
Roads		13 820	30 476	23 254	27 233	35 183	35 183	48 461	26 372	27 671
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		1 623	1 648	1 267	2 201	5 001	5 001	3 487	3 613	3 807
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		5 342	3 484	2 188	3 749	6 409	6 409	5 559	5 823	6 094
Drainage Collection		5 342	3 484	2 188	3 749	6 409	6 409	5 559	5 823	6 094
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		6 369	7 655	8 574	12 279	11 939	11 939	14 772	14 274	15 187
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		1 664	2 914	2 624	3 107	3 107	3 107	3 200	3 460	3 660
HV Switching Station		-	-	-	-	-	-	-	-	-
MV Networks		319	69	183	254	254	254	1 061	282	298
LV Networks		4 386	4 672	5 768	8 918	8 578	8 578	10 511	10 532	11 229
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		9 315	10 970	9 400	10 426	17 084	17 084	17 753	19 650	20 589
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		3 167	3 589	3 629	4 755	4 149	4 149	4 996	5 291	5 598
Bulk Mains		6 147	7 380	5 771	5 671	12 935	12 935	12 757	14 359	14 991
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		5 415	6 918	7 825	9 411	10 972	10 972	12 278	13 133	14 054
Pump Station		437	367	696	864	595	595	897	931	967
Reticulation		1 576	2 202	3 426	3 176	3 006	3 006	3 390	3 535	3 684
Waste Water Treatment Works		3 402	4 349	3 703	5 371	7 371	7 371	7 991	8 667	9 403
Solid Waste Infrastructure		144	65	-	-	-	-	-	-	-
Landfill Sites		144	65	-	-	-	-	-	-	-
Community Assets		30	6 313	6 186	7 415	7 027	7 027	4 309	4 527	4 756
Community Facilities		-	4 488	4 602	5 598	5 120	5 120	2 480	2 607	2 740
Halls		-	803	487	729	1 176	1 176	1 344	1 409	1 477
Centres		-	-	54	500	240	240	252	265	278
Libraries		-	117	143	95	80	80	84	88	92
Cemeteries/Crematoria		-	201	8	11	11	11	12	13	14
Police		-	-	-	-	-	-	-	-	-
Parks		-	236	322	196	196	196	206	216	227
Public Open Space		-	3 131	3 589	4 067	3 417	3 417	582	616	652
Sport and Recreation Facilities		30	1 825	1 584	1 817	1 907	1 907	1 829	1 920	2 016
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		30	1 825	1 584	1 817	1 907	1 907	1 829	1 920	2 016
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	171	225	131	126	126	132	139	146
Revenue Generating		-	171	225	131	126	126	132	139	146
Improved Property		-	171	225	131	126	126	132	139	146
Other assets		1 037	1 433	1 893	2 222	3 161	3 161	5 621	5 341	2 966
Operational Buildings		1 037	1 433	1 893	2 222	3 161	3 161	5 621	5 341	2 966
Municipal Offices		1 037	1 433	1 893	2 222	3 161	3 161	5 621	5 341	2 966
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		1	0	-	235	305	305	288	319	333
Furniture and Office Equipment		1	0	-	235	305	305	288	319	333
Machinery and Equipment		3 261	2 002	3 790	3 108	3 088	3 088	3 453	3 637	3 829
Machinery and Equipment		3 261	2 002	3 790	3 108	3 088	3 088	3 453	3 637	3 829
Transport Assets		1 237	1 458	1 630	50 113	53 727	53 727	96 759	98 131	102 582
Transport Assets		1 237	1 458	1 630	50 113	53 727	53 727	96 759	98 131	102 582
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	47 594	72 592	66 233	128 524	154 023	154 023	212 873	194 959	202 014

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									
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		103 454	112 093	112 723	113 950	113 950	113 950	113 679	130 893	123 830
Roads Infrastructure		36 600	41 301	42 794	42 937	42 937	42 937	48 211	56 420	51 474
Roads		29 149	32 925	34 840	34 279	34 279	34 279	40 015	48 229	43 322
Road Structures		227	247	253	254	254	254	253	254	253
Road Furniture		7 223	8 129	7 701	8 404	8 404	8 404	7 943	7 938	7 899
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		6 155	6 411	6 458	6 450	6 450	6 450	1 172	1 170	1 117
Drainage Collection		5 090	5 315	5 362	5 354	5 354	5 354	432	433	432
Storm water Conveyance		1 065	1 096	1 096	1 096	1 096	1 096	740	737	685
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		18 115	19 303	19 165	20 187	20 187	20 187	19 862	19 549	18 789
Power Plants		2	2	2	2	2	2	2	2	-
HV Substations		902	1 001	1 043	1 002	1 002	1 002	1 533	1 434	1 206
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		3 660	3 775	3 845	3 846	3 846	3 846	3 866	3 839	3 815
MV Switching Stations		1 414	1 522	1 545	1 522	1 522	1 522	1 601	1 605	1 572
MV Networks		345	346	345	345	345	345	345	346	345
LV Networks		11 791	12 657	12 386	12 427	12 427	12 427	12 516	12 323	11 851
Capital Spares		-	-	-	1 044	1 044	1 044	-	-	-
Water Supply Infrastructure		24 504	26 522	26 154	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	3 138	3 098	3 131	3 131	3 131	3 097	3 093	3 076
Pump Stations		3 190	3 261	3 198	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	535	533	533	533	533	533	535	533
Distribution		13 916	14 363	14 168	14 291	14 291	14 291	14 236	14 115	13 705
Distribution Points		384	385	354	347	347	347	412	387	384
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		16 043	16 478	16 267	16 304	16 304	16 304	16 743	26 315	25 765
Pump Station		1 834	1 915	1 785	1 792	1 792	1 792	1 805	1 615	1 537
Reticulation		10 275	10 513	10 132	10 423	10 423	10 423	10 257	20 010	19 643
Waste Water Treatment Works		3 870	3 986	4 286	4 025	4 025	4 025	4 617	4 626	4 521
Outfall Sewers		64	64	64	64	64	64	64	64	64
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		2 036	2 079	1 885	1 708	1 708	1 708	1 402	1 406	1 122
Landfill Sites		1 769	1 784	1 500	1 328	1 328	1 328	1 018	1 021	738
Waste Transfer Stations		267	295	384	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
R thousand	1									
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Community Assets</u>		7 276	9 135	9 214	9 429	9 429	9 429	9 682	9 195	8 238
Community Facilities		2 387	2 902	3 369	3 435	3 435	3 435	3 386	3 199	3 183
Halls		784	876	981	1 039	1 039	1 039	995	842	839
Centres		89	95	95	95	95	95	95	95	94
Crèches		307	405	404	404	404	404	401	402	401
Clinics/Care Centres		129	129	125	128	128	128	125	116	113
Fire/Ambulance Stations		50	50	50	50	50	50	50	50	50
Testing Stations		186	24	24	24	24	24	24	18	18
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		61	77	76	77	77	77	76	77	76
Cemeteries/Crematoria		2	2	2	2	2	2	2	2	2
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		88	546	919	920	920	920	919	920	918
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		127	134	129	133	133	133	135	130	127
Markets		2	2	2	2	2	2	2	2	2
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		560	561	560	560	560	560	560	544	542
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		4 890	6 233	5 845	5 993	5 993	5 993	6 297	5 996	5 056
Indoor Facilities		128	128	128	128	128	128	128	128	127
Outdoor Facilities		4 762	6 105	5 717	5 866	5 866	5 866	6 169	5 868	4 928
Capital Spares		–	–	–	–	–	–	–	–	–
<u>Heritage assets</u>		–	–	–	–	–	–	–	–	–
<u>Investment properties</u>		169	162	162	162	162	162	5	5	5
Revenue Generating		169	162	162	162	162	162	5	5	5
Improved Property		169	162	162	162	162	162	5	5	5
<u>Other assets</u>		3 908	4 427	4 911	4 925	4 925	4 925	5 101	4 868	4 572
Operational Buildings		2 659	3 174	3 663	3 677	3 677	3 677	3 853	3 617	3 367
Municipal Offices		2 631	3 146	3 635	3 653	3 653	3 653	3 828	3 592	3 342
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		25	21	23	23	23	23	24	24	24
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		1	1	1	1	1	1	1	1	1
Training Centres		0	4	4	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		2	2	0	0	0	0	0	0	0
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		1 249	1 253	1 248	1 248	1 248	1 248	1 248	1 251	1 205
Staff Housing		15	15	14	14	14	14	14	14	14
Social Housing		1 234	1 238	1 234	1 234	1 234	1 234	1 234	1 237	1 191
Capital Spares		–	–	–	–	–	–	–	–	–
<u>Biological or Cultivated Assets</u>		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
<u>Intangible Assets</u>		2	76	344	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		2	76	344	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		2	76	344	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
<u>Computer Equipment</u>		2 499	3 522	2 861	2 843	2 843	2 843	3 683	2 968	1 884
Computer Equipment		2 499	3 522	2 861	2 843	2 843	2 843	3 683	2 968	1 884
<u>Furniture and Office Equipment</u>		1 717	2 362	1 683	2 275	2 275	2 275	2 081	1 747	1 462
Furniture and Office Equipment		1 717	2 362	1 683	2 275	2 275	2 275	2 081	1 747	1 462
<u>Machinery and Equipment</u>		4 644	6 135	5 646	6 121	6 121	6 121	6 507	5 602	4 162
Machinery and Equipment		4 644	6 135	5 646	6 121	6 121	6 121	6 507	5 602	4 162
<u>Transport Assets</u>		19 230	20 275	20 870	17 836	17 836	17 836	18 072	17 087	15 972
Transport Assets		19 230	20 275	20 870	17 836	17 836	17 836	18 072	17 087	15 972
<u>Land</u>		–	–	–	–	–	–	–	–	–
<u>Zoo's, Marine and Non-biological Animals</u>		–	–	–	–	–	–	–	–	–
Total Depreciation	1	142 900	158 186	158 415	157 539	157 539	157 539	158 810	172 365	160 124

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		
		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 upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		35 870	34 835	60 970	169 135	199 147	199 147	171 657	247 315	261 394
Roads Infrastructure		–	7 762	12 744	15 860	23 133	23 133	51 451	61 050	56 870
Roads		–	7 762	12 744	12 860	23 133	23 133	51 451	61 050	56 870
Road Structures		–	–	–	3 000	–	–	–	–	–
Storm water Infrastructure		2 231	3 360	23 415	30 120	36 479	36 479	13 237	13 000	18 000
Drainage Collection		1 831	2 975	23 236	11 133	18 730	18 730	11 237	10 000	13 000
Storm water Conveyance		400	385	179	18 987	17 749	17 749	2 000	3 000	5 000
Electrical Infrastructure		3 371	2 777	2 551	2 250	2 486	2 486	8 150	25 731	8 700
HV Substations		–	–	455	100	100	100	1 000	14 281	–
HV Transmission Conductors		5	–	–	500	–	–	500	2 000	3 000
MV Networks		3 366	2 777	2 096	1 650	2 386	2 386	6 300	5 950	5 700
LV Networks		–	–	–	–	–	–	350	3 500	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		(4 018)	16 057	745	19 905	24 778	24 778	25 523	74 544	33 738
Dams and Weirs		(4 363)	15 867	18	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	450	–	–
Reservoirs		–	–	–	–	–	–	1 500	1 500	–
Pump Stations		–	82	–	1 750	1 250	1 250	5 769	13 018	12 038
Water Treatment Works		345	–	400	13 425	19 329	19 329	5 675	49 526	–
Distribution		–	108	326	4 730	4 199	4 199	12 129	10 500	21 700
Sanitation Infrastructure		34 287	4 383	21 516	101 000	111 592	111 592	71 295	71 990	144 085
Pump Station		931	1 706	5 674	32 800	37 937	37 937	44 395	47 750	131 235
Reticulation		–	261	221	3 000	204	204	6 000	3 900	3 500
Waste Water Treatment Works		33 356	2 391	15 439	65 050	73 094	73 094	20 750	20 040	9 150
Toilet Facilities		–	24	181	150	356	356	150	300	200
Solid Waste Infrastructure		–	495	–	–	679	679	2 000	1 000	–
Landfill Sites		–	–	–	–	–	–	2 000	–	–
Waste Transfer Stations		–	495	–	–	679	679	–	1 000	–
Community Assets		2 621	4 831	2 840	3 202	3 419	3 419	4 598	4 800	4 050
Community Facilities		996	4 539	2 128	2 070	2 753	2 753	2 330	4 200	4 050
Halls		101	–	–	–	–	–	–	1 230	1 650
Centres		178	192	387	1 300	1 011	1 011	1 350	2 020	500
Crèches		–	4 124	463	200	223	223	400	–	300
Clinics/Care Centres		–	–	426	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	750	500	640	640	–	500	500
Libraries		519	154	18	–	35	35	–	–	–
Public Ablution Facilities		198	70	40	70	173	173	150	150	150
Markets		–	–	44	–	–	–	30	300	200
Taxi Ranks/Bus Terminals		–	–	–	–	670	670	400	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		1 625	292	712	1 132	666	666	2 268	600	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		1 625	292	712	1 132	666	666	2 268	600	–
Other assets		1 099	1 709	1 906	1 240	4 255	4 255	10 460	6 610	3 160
Operational Buildings		1 099	1 709	1 906	900	4 055	4 055	9 970	5 960	2 510
Municipal Offices		844	451	663	650	1 343	1 343	5 770	5 060	1 510
Workshops		144	18	–	–	–	–	250	750	1 000
Yards		–	–	–	–	–	–	1 250	–	–
Depots		111	1 240	1 243	250	2 712	2 712	2 700	150	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	340	200	200	490	650	650
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	340	200	200	490	650	650
Furniture and Office Equipment		9	2	–	–	–	–	6	–	–
Furniture and Office Equipment		9	2	–	–	–	–	6	–	–
Total Capital Expenditure on upgrading of existing ass	1	39 600	41 377	65 717	173 577	206 821	206 821	186 721	258 725	268 604
Upgrading of Existing Assets as % of total capex		0,0%	26,5%	34,4%	46,9%	42,2%	42,2%	23,8%	27,5%	34,6%
Upgrading of Existing Assets as % of deprecn"		27,7%	26,2%	41,5%	110,2%	131,3%	131,3%	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
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates		303 194	338 044	361 607	382 225	386 569	386 569	359 084	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	39 281	46 641	50 373	54 402
Net Property Rates		270 173	302 109	322 755	341 309	344 309	344 309	319 803	370 853	400 520	432 562
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue		644 480	698 335	745 539	899 701	899 701	899 701	706 543	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	21 258	26 182	28 277	30 539
Net Service charges - electricity revenue		624 667	675 646	722 144	875 458	875 458	875 458	685 285	962 607	1 011 335	1 061 648
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		174 840	175 524	195 986	185 044	185 044	181 677	161 996	206 837	227 373	243 361
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		22 194	16 405	17 306	-	-	-	1 558	-	-	-
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	14 716	39 392	43 331	47 664
Net Service charges - water revenue		128 182	136 925	144 122	145 866	145 866	145 866	145 722	167 445	184 042	195 697
<u>Service charges - sanitation revenue</u>	6										
Total Service charges - sanitation revenue		169 467	185 626	203 654	192 369	192 369	188 240	159 843	207 201	225 849	246 176
less Revenue Foregone (in excess of free sanitation service to indigent households)		36 088	38 858	38 559	-	-	-	3 348	-	-	-
less Cost of Free Basic Services (free sanitation service to indigent households)		34 524	36 088	42 378	48 043	48 043	43 914	33 529	47 866	52 174	56 870
Net Service charges - sanitation revenue		98 855	110 680	122 717	144 326	144 326	144 326	122 966	159 335	173 675	189 306
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue		141 111	162 186	178 332	158 090	158 090	154 186	135 195	173 563	188 806	205 420
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of one removal a week to indigent households)		33 313	36 608	36 638	-	-	-	3 125	-	-	-
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	31 356	45 261	49 334	53 774
Net Service charges - refuse revenue		81 727	92 264	101 623	112 663	112 663	112 663	100 713	128 302	139 472	151 646
<u>Other Revenue by source</u>	3										
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Other Revenue		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Operational Revenue		21 519	11 302	13 105	11 943	11 943	11 943	8 335	29 958	30 431	30 903
Intercompany/Parent-subsidary Transactions		-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Sales of Goods and Rendering of Services		57 891	49 903	52 213	98 727	62 534	62 534	57 709	100 139	117 041	124 802
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Total 'Other' Revenue	1	79 411	61 205	65 318	110 670	74 477	74 477	66 044	130 097	147 472	155 705

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	331 244	349 011	404 379	404 762	404 762	333 247	456 038	472 831	498 704
Pension and UIF Contributions		50 105	54 408	57 132	67 467	64 238	64 238	57 775	74 026	77 730	81 617
Medical Aid Contributions		20 470	22 545	22 436	37 777	31 909	31 909	27 852	40 593	42 414	44 316
Overtime		41 737	42 013	40 272	42 961	56 904	56 904	41 314	45 675	47 889	50 191
Performance Bonus		23 551	25 699	26 392	28 693	26 687	26 687	25 953	30 447	31 970	33 569
Motor Vehicle Allowance		15 194	15 409	15 329	18 738	17 196	17 196	14 813	17 388	18 053	18 782
Cellphone Allowance		1 197	1 343	1 696	1 900	1 774	1 774	1 558	1 836	1 923	2 013
Housing Allowances		2 117	2 220	2 307	2 847	2 150	2 150	2 007	4 338	4 555	4 783
Other benefits and allowances		19 388	20 359	20 841	22 601	27 581	27 581	21 319	30 600	32 132	33 734
Payments in lieu of leave		-	-	-	-	-	-	14	-	-	-
Long service awards		6 517	3 707	3 724	5 915	4 209	4 209	3 388	4 420	4 641	4 873
Post-retirement benefit obligations		26 004	13 390	44 472	20 836	23 211	23 211	4 953	22 360	25 578	26 857
sub-total	5	498 381	532 336	583 611	654 114	660 622	660 622	534 192	727 721	759 714	799 438
Less: Employees costs capitalised to PPE		412	-	-	48 112	3 596	3 596	-	-	-	-
Total Employee related costs	1	497 969	532 336	583 611	606 002	657 025	657 025	534 192	727 721	759 714	799 438
Contributions recognised - capital											
List contributions by contract		13 260	12 716	25 449	14 759	14 759	14 759	23 080	-	-	-
Total Contributions recognised - capital		13 260	12 716	25 449	14 759	14 759	14 759	23 080	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		142 897	158 111	158 071	157 539	157 539	157 539	83 163	158 810	172 365	160 124
Lease amortisation	2	-	76	344	-	-	-	4	-	-	-
Capital asset impairment		-	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE		-	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	10	142 900	158 186	158 415	157 539	157 539	157 539	83 167	158 810	172 365	160 124
Bulk purchases											
Electricity Bulk Purchases		426 308	482 921	516 670	613 082	608 582	608 582	498 719	667 159	731 377	801 667
Water Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Total bulk purchases	1	426 308	482 921	516 670	613 082	608 582	608 582	498 719	667 159	731 377	801 667
Transfers and grants											
Cash transfers and grants		65 525	83 378	160 383	64 785	63 427	63 427	50 094	42 636	19 800	17 833
Non-cash transfers and grants		-	-	-	-	80	80	-	-	-	-
Total transfers and grants	1	65 525	83 378	160 383	64 785	63 507	63 507	50 094	42 636	19 800	17 833
Contracted services											
Outsourced Services		189 011	225 450	253 403	282 068	304 973	304 973	229 412	266 144	276 764	294 722
Consultants and Professional Services		25 180	21 881	23 658	28 812	35 749	35 749	18 680	39 649	36 129	42 320
Contractors		215 883	170 982	176 307	283 008	304 183	304 183	177 307	281 317	327 937	294 026
sub-total	1	430 073	418 312	453 368	593 888	644 905	644 905	425 399	587 110	640 830	631 068
Allocations to organs of state:											
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total contracted services		430 073	418 312	453 368	593 888	644 905	644 905	425 399	587 110	640 830	631 068
Other Expenditure By Type											
Collection costs		2 399	2 338	4 050	2 401	4 819	4 819	3 949	2 029	2 110	2 194
Contributions to 'other' provisions		31 039	(5 276)	2 190	-	-	-	-	-	-	-
Audit fees		5 696	5 344	6 002	6 511	6 562	6 562	6 131	6 848	7 122	7 407
General expenses											
Operating Leases		5 486	5 578	6 252	20 045	6 464	6 464	3 847	4 816	4 288	4 546
Operational Cost		180 447	81 848	104 649	139 018	154 425	154 425	116 974	162 491	173 327	185 042
Statutory Payments other than Income Taxes		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total 'Other' Expenditure	1	225 068	89 831	123 142	167 974	172 269	172 269	130 902	176 185	186 847	199 189
Repairs and Maintenance											
Employee related costs	8	-	-	-	-	-	-	-	-	-	-
Other materials		-	22 586	15 821	24 451	27 195	27 195	22 473	31 581	31 395	33 259
Contracted Services		47 594	50 006	50 412	103 159	126 214	126 214	106 948	180 292	162 503	167 589
Other Expenditure		-	-	-	914	614	614	290	1 000	1 060	1 166
Total Repairs and Maintenance Expenditure	9	47 594	72 592	66 233	128 524	154 023	154 023	129 711	212 873	194 959	202 014
Inventory Consumed											
Inventory Consumed - Water		(606)	(966)	(852)	(852)	(852)	(852)	(2 162)	(2 784)	(2 854)	(2 839)
Inventory Consumed - Other		(322 336)	(97 294)	(185 236)	(5 303 507)	(5 433 074)	(5 433 074)	(325 845)	(6 283 145)	(7 351 977)	(8 360 022)
Total Inventory Consumed & Other Material		(322 942)	(98 260)	(186 088)	(5 304 359)	(5 433 926)	(5 433 926)	(328 007)	(6 285 929)	(7 354 831)	(8 362 861)

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	326 612	-	-	-
Other current investments		-	-	-	-	-	-	-	-	-	-
Total Call investment deposits	2	(450 000)	147 000	53 000	147 000	147 000	147 000	326 612	-	-	-
Consumer debtors											
Consumer debtors		109 175	(4 444)	76 002	333 178	336 178	336 178	64 031	418 087	538 234	793 154
Less: Provision for debt impairment		(22 204)	(56 517)	(69 326)	(261 260)	(253 260)	(253 260)	(25 663)	(254 977)	(256 745)	(258 567)
Total Consumer debtors	2	86 971	(60 961)	6 676	71 919	82 919	82 919	38 369	163 111	281 489	534 587
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)	(14 033)	(19 044)	(65 228)	(57 228)	(57 228)	(25 663)	(58 945)	(60 713)	(62 535)
Balance at end of year		(22 204)	(56 517)	(69 326)	(261 260)	(253 260)	(253 260)	(25 663)	(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	1 310	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	1 310	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	2 162	2 784	2 854	2 839
Agricultural											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
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
R thousand											
ASSETS											
Consumables											
Standard Rated											
Opening Balance		–	2 091	1 875	(1 132)	(1 132)	(1 132)	(1 132)	(494)	47	626
Acquisitions		2 091	(217)	(3 006)	2 200	2 200	2 200	0	10 522	10 967	11 465
Issues	7	–	–	–	(1 534)	(2 605)	(2 605)	(364)	(9 981)	(10 387)	(10 863)
Adjustments	8	–	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
Closing balance - Consumables Standard Rated		2 091	1 875	(1 132)	(466)	(1 537)	(1 537)	(1 496)	47	626	1 228
Zero Rated											
Opening Balance		–	–	–	–	–	–	–	2 906	2 906	2 906
Acquisitions		–	–	–	17 000	17 000	17 000	–	16 208	17 145	18 170
Issues	7	–	–	–	(14 536)	(15 860)	(15 860)	–	(16 208)	(17 145)	(18 170)
Adjustments	8	–	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
Closing balance - Consumables Zero Rated		–	–	–	2 464	1 140	1 140	–	2 906	2 906	2 906
Finished Goods											
Opening Balance		–	242	(880)	2 678	2 678	2 678	2 678	7 548	7 548	7 548
Acquisitions		242	(1 121)	3 558	–	–	–	(1 470)	–	–	–
Issues	7	–	–	–	–	–	–	–	–	–	–
Adjustments	8	–	–	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
Closing balance - Finished Goods		242	(880)	2 678	2 678	2 678	2 678	1 208	7 548	7 548	7 548
Materials and Supplies											
Opening Balance		–	4 488	2 629	2 454	2 454	2 454	2 454	68 025	68 214	68 461
Acquisitions		(1 944)	(1 633)	553	55 000	55 000	55 000	39	60 452	65 513	69 670
Issues	7	(99)	(88)	22	(52 851)	(57 429)	(57 429)	(482)	(60 263)	(65 266)	(69 400)
Adjustments	8	6 531	(138)	(749)	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
Closing balance - Materials and Supplies		4 488	2 629	2 454	4 604	25	25	2 012	68 214	68 461	68 731
Work-in-progress											
Opening Balance		–	–	–	–	–	–	–	–	–	–
Materials		–	–	–	–	–	–	–	–	–	–
Transfers		–	–	–	–	–	–	–	–	–	–
Closing balance - Work-in-progress		–	–	–	–	–	–	–	–	–	–
Housing Stock											
Opening Balance		–	–	–	–	–	–	–	(750)	(750)	(750)
Acquisitions		–	–	–	–	–	–	–	–	–	–
Transfers		–	–	–	–	–	–	–	–	–	–
Sales		–	–	–	(602)	(602)	(602)	–	–	–	–
Closing Balance - Housing Stock		–	–	–	(602)	(602)	(602)	–	(750)	(750)	(750)
Land											
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		–	–	–	–	–	–	–	–	–	–
Closing Balance - Land		(22 918)	(25 109)	(29 625)	(29 625)	(29 625)	(29 625)	(29 625)	103 828	103 828	103 828
Closing Balance - Inventory & Consumables		(15 491)	(20 519)	(24 772)	(20 094)	(27 068)	(27 068)	(25 738)	184 578	185 474	186 331
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		240 658	159 692	190 359	5 233 252	5 351 819	5 351 819	286 323	6 113 257	7 054 729	7 800 160
Leases recognised as PPE	3	–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation		(137 044)	(156 733)	(157 526)	(1 931 676)	(1 931 676)	(1 931 676)	(82 880)	(2 090 482)	(2 262 842)	(2 422 961)
Total Property, plant and equipment (PPE)	2	103 614	2 959	32 834	3 301 576	3 420 143	3 420 143	203 443	4 022 775	4 791 886	5 377 199

**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	(38 564)	(40 751)	161 593	161 593	161 593	(19 025)	157 736	150 391	142 826
Total Current liabilities - Borrowing		30 244	(38 564)	(40 751)	161 593	161 593	161 593	(19 025)	157 736	150 391	142 826
Trade and other payables											
Trade Payables		(128 300)	26 956	(3 989)	500 179	553 881	553 881	(107 401)	545 017	543 037	540 202
Other Creditors		-	-	-	-	-	-	-	-	-	-
Unspent conditional transfers		(10 233)	41 080	(71 772)	74 764	74 764	74 764	271 528	80 467	87 304	91 508
VAT		(5 293)	(1 437)	(11 799)	(1 664)	(1 664)	(1 664)	1 153	6 778	15 760	25 275
Total Trade and other payables	2	(143 826)	66 598	(87 560)	573 278	626 980	626 980	165 279	632 262	646 101	656 985
Non current liabilities - Borrowing											
Borrowing	4	(1 978)	-	-	435 590	435 590	435 590	(252)	677 674	900 546	1 106 896
Finance leases (including PPP asset element)		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing		(1 978)	-	-	435 590	435 590	435 590	(252)	677 674	900 546	1 106 896
Provisions - non-current											
Retirement benefits		13 099	(8 674)	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	(8 674)	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	-	3 270 919	3 602 195	4 141 572
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		-	-	-	3 056 619	3 056 619	3 056 619	-	3 270 919	3 602 195	4 141 572
Surplus/(Deficit)		22 148	143 732	81 646	105 661	55 927	55 927	-	380 280	596 540	367 845
Transfers to/from Reserves		(17 670)	327	11 579	(26 000)	(26 000)	(26 000)	-	(49 003)	(57 163)	(57 506)
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		11 960	(19 971)	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	16 439	124 088	93 225	3 136 281	3 086 546	3 086 546	-	3 602 195	4 141 572	4 451 911
Reserves											
Housing Development Fund		(1 352)	(3 822)	(9 446)	57 767	57 767	57 767	-	50 271	42 434	34 940
Capital replacement		19 022	3 494	(2 133)	98 298	98 298	98 298	-	154 798	219 798	284 798
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves											
Compensation for Occupational Injuries and Diseases		-	-	-	-	-	-	-	-	-	-
Employee Benefit Reserve		7	28	7	-	-	-	-	-	-	-
Non-current Provisions Reserve		11 007	-	-	11 007	11 007	11 007	-	11 007	11 007	11 007
Valuation Reserve		-	-	-	-	-	-	-	-	-	-
Investment in associate account		-	-	-	-	-	-	-	-	-	-
Capitalisation Reserve		-	-	-	64 834	64 834	64 834	-	-	-	-
Equity		-	-	-	-	-	-	-	-	-	-
Non-Controlling Interest		-	-	-	-	-	-	-	-	-	-
Share Premium		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	28 683	(299)	(11 572)	231 907	231 907	231 907	-	216 076	273 238	330 745
TOTAL COMMUNITY WEALTH/EQUITY	2	45 122	123 789	81 653	3 368 187	3 318 453	3 318 453	-	3 818 271	4 414 811	4 782 656

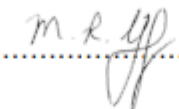
2.9 Municipal Manager's Quality Certificate

Municipal Manager's Quality Certificate

I, Dr Michele Gratz, the 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 27/05/2022

2.10 MTREF Budget Benchmark Assessment Report

The MTREF Budget benchmark engagement with National Treasury took 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.

2.10



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Ref No: WC044/12

The Municipal Manager
George Local Municipality
P O BOX 19
GEORGE
6530

Email: mgratz@george.gov.za

Dear Dr Michele Gratz

OBSERVATIONS AND RECOMMENDATIONS EMANATING FROM THE VIRTUAL BUDGET AND BENCHMARK ENGAGEMENT HELD ON THE 25 MAY 2022

The annual budget and benchmark engagement focused on the municipality's tabled budget for the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) and the strategic objectives as articulated in the longer-term strategic plans such as Municipal Spatial Development Framework (MSDF) and the Integrated Development Plan (IDP).

The objectives of the engagement were to:

- discuss the impact of COVID-19 pandemic on the municipality's finances and planning;
- assess the alignment between planning, budgeting, and reporting;
- assess the level of integrated intergovernmental planning; and
- assess whether the municipality's plans and budget are financially sustainable in the longer term and enable improved service delivery performance.

The budget was assessed in terms of credibility (whether the budget assumptions are credible and whether the budget is funded in accordance with the provisions of section 18 of the MFMA); relevance (whether the budget responds to the objectives articulated in the municipality's plans and the alignment between planning and budgeting) and sustainability (whether the municipality is financially sustainable). In addition, the overall assessment of the municipality's performance was undertaken in accordance with the four pillars namely, institutional arrangement, service delivery, financial governance, and financial health

The meeting was well attended by senior management from the municipality including the Chief Financial Officer (CFO) as well as various invited sector departments.

A summation of the observations, recommendations and resolutions emanating from the discussions is presented below. To the extent possible, these recommendations must be incorporated in the budget before final adoption. However, due to the timing of the engagement it may also be considered during the preparation of the 2022/2023 adjustments budget.

KEY OBSERVATIONS

Institutional Arrangement: Sound

The municipality's institutional arrangements are considered sound given that:

- The municipality was well prepared. The budget was found to be funded over the MTREF;
- Land invasion and demand for services are some of the challenges faced by the municipality – the municipality is faced with demolishing of illegal structures;
- The municipality is still battling with the inability to fill critical skills. The position Director: Civil Engineering Services has been difficult to fill, the municipality requested an exemption to relax the National Qualifications Framework (NQF) 8 requirement from the Minister of Finance which was refused;
- The tourism sector which is big in the municipality has been negatively affected by COVID-19;
- The Municipal Infrastructure Grant (MIG) growth rate is not in line with city's growth primarily due to old population statistics from Statistics census, the municipality intends on applying for Integrated Urban Development Grant (IUDG) Grants;
- The debt collection rate of the municipality is back to pre-Covid rates;
- The municipality is recovering from storm damage from 2021;
- The forum was satisfied with the Municipal Standard Chart of Accounts (*mSCOA*) demonstration given by the municipality – they system has controls in place;

- One Plan was endorsed by all municipalities within the district (DC4 Garden Route);
- The municipality intends on stimulating economic activity by investing in smart city solutions, which includes *mSCOA* modules;
- There is evidence in the municipality's passion to stimulate economic activity which can be seen with the building plans approved and occupation certificates issued; and
- Municipality maintains strong intergovernmental relations. There is constant collaborations and communication with provincial and national government, as well as district wide planning.

Service delivery: Fragile

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

- The municipality's Budget Facility for Infrastructure (BFI) plan is the in process of being expanded, two project managers appointed;
- The Supply Chain Management (SCM) procurement processes in the municipality are efficient and effective;
- The municipality reviews the water master plan annually;
- The municipality plans on addressing staffing requirements in the service delivery departments;
- There are controls in place to address losses in the municipality; network switched to optimal levels and the municipality uses a software that calculates the real time distribution losses. There are also water restrictors that are put in place for high water users;
- The municipality is looking at ways on electrifying informal settlements using renewable energy to address illegal connections;
- The municipality intends on addressing backlogs in lower income households which are estimated at 17 000;
- The municipality will be rolling-out educational awareness programmes in order to address sewer spillages, which is mainly caused by foreign objects in the system;
- The municipality will conduct a sewer pump station audit in 2023;
- The MTREF capital budget of the municipality has mixed funding sources (transfers and subsidies, borrowing and internally generated funds);
- The municipality adopted its Municipal Spatial Development Framework (MSDF) in 2019. This strategic document was reviewed in 2022; city demonstrates that planning is prioritised to achieve optimal service delivery;
- Go George is a transport project of improving roads and providing city buses to connect the regions and move residents within the municipality;

- The town is growing and there is a need to invest in infrastructure;
- The municipality launched an online portal system for submission of applications for building permits;
- The Infrastructure Finance Corporation Limited (INCA) has developed a longterm financial model for the municipality looking at the impact of taking loans for a longer period;
- The water quality of the municipality is within the specifications from Department of Water and Sanitation;
- The average collection rate for water of the municipality is at 56 per cent;
- In order to be proactive, the municipality included climate change risk in their GIS system. This will provide municipality with data in the event of a climatical disaster;
- The municipality indicated that the city needs a Public Transport Network Grant (PTNG) allocation of R250 million to meet backlogs;
- The municipality was able to add two reservoirs to its network due to the BFI funding.

Financial Governance: Sound

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

- There was sufficient oversight provided by Council when adopting the IDP, MSDF and Budget Process Plan;
- The municipality convened consultative sessions with Ward Committees around April/ May 2022;
- The city is managing performance well. All Key Performance Indicators (KPI) have owners and the municipality implements controls to ensure compliance. This has led to the municipality receiving a clean audit on pre-determined objectives for 2021 audit;
- The municipality used different platforms to consult on the budget, including Facebook, Municipal App, WhatsApp, Local Radio Stations, Newspaper, Twitter and the municipal website;
- Some of the issues that came up during the consultation on the budget included:
 - Local economic development;
 - Water provision;
 - Housing provision;
 - Load shedding;
 - Unemployment – conducive environment for employment; and ➤ Early Childhood Centres (ECD) within the municipality.

Financial health: Sound

The municipality's financial health is rated sound based on the following:

- The municipality tabled cost reflective tariffs for the tabled budget;
- The municipality indicated the need for funding for underfunded mandates;
- The depreciation is expected to balloon due to the purchase of buses and will create deficits;
- The BFI will have a huge impact on depreciation of assets therefore affecting the ability to generate surplus;
- The municipality implemented water restrictions;
- The use of Geographical Information System (GIS) on billing services will result in revenue optimization;
- The city social package is higher than what the national government policy;
- The municipality is rolling-out a data integrity drive which ensures that there is correct billing, updated contact information, and a policy change of enforcing a R10 penalty fee;
- A service provider was appointed for the implementation of new General Valuation by the municipality;
- The municipality promotes awareness drive to register indigents which promotes earlier registration as a better alternative. The municipality's Indigent Policy is reviewed annually;
- George municipality is able to pay creditors within 30 days of receiving the invoice;
- The municipality commissioned a Cost of study on energy services which has been completed and approved by Council and NERSA and will be implemented in a phased in approach to avoid shocks in tariffs and to gather buy-in from community.

RECOMMENDATIONS

The municipality recommends National Treasury to:

- coordinate an engagement with the municipalities in the DC4 regarding the regional landfill site since the new planned dumping site will be financed by all the municipalities within the district.

It is recommended that the municipality should:

- Share the *mSCOA* Road Map and *mSCOA* Steering Committee Minutes with National Treasury;
- Invite National Treasury the steering Committee meetings on *mSCOA*;
- Submit non-financial data strings;

- Correct table A10 on the number of indigents supported by the municipality;
- On table A10 indicate how much it cost the municipality to provide services to informal settlements;
- Phase-in the cost of electricity supply study implementation to avoid shocks;
- Provide detailed information on debtors' days by correctly capturing the SA3; and
- Include bad debt in trading services for calculations of margins.

National Treasury appreciates the municipality's preparation efforts and willingness to engage in robust and informative discussions for the duration of the engagement.

Yours faithfully



**MANDLA GILIMANI DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS DATE:
27 May 2022**

2.11



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 Flow 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
MFMA Coordinator – Steven.Kenyon@westerncape.gov.za