

George Municipality

Adjustments Budget 2022/2023

23 February 2023



Table of Contents

GLOSSARY.....	3-4
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PART 1 – ADJUSTMENTS BUDGET

1.1 FOREWORD.....	5
1.2 BACKGROUND.....	7
1.3 COUNCIL RESOLUTIONS.....	7
1.4 EXECUTIVE SUMMARY.....	7-12

PART 2 – ADJUSTMENT BUDGET SCHEDULES

2.1 LEGISLATIVE FRAMEWORK.....	13
2.2 ADJUSTMENTS BUDGET SCHEDULES.....	13-18

PART 3– MUNICIPAL MANAGER’S QUALITY CERTIFICATE.....	19
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List of Tables

Table 1 – B1: Budget Summary.....	14
Table 2 – B2: Financial Performance (Functional classification)	15
Table 3 – B3: Financial Performance (revenue and expenditure by municipal vote)	16
Table 4 – B4: Financial Performance (revenue and expenditure)	17
Table 5 – B5: Capital Expenditure Budget by vote and funding.....	18

Glossary

Act – means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
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.
GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
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 principal 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.
Own Revenue – Means total revenue as reflected in the municipality's financial performance budget less national and provincial conditional transfers.
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.

Vehement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Varmints 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 – Adjustments Budget

Mayor’s Report

1.1 Foreword

Municipal Finance Management Act (MMFA)

The Local Government: Municipal Finance Management Act (Act No. 56 of 2003) Section 28(2)(e) prescribes as follows:

“An adjustment budget-

may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council.”

Municipal Budget and Reporting Regulations (MBRR)

The Local Government: Municipal Finance Management Act (Act No. 56 of 2003): Municipal Budget and Reporting Regulations stipulates in:

1.1. Section 28 of the MFMA - Municipal Adjustments Budgets

"28 (1) A municipality may revise an approved annual budget through an adjustments budget.

(2) An adjustments budget—

- (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include

- projected roll-overs when the annual budget for the current year was approved by the council;
- (f) may correct any errors in the annual budget; and
 - (g) may provide for any other expenditure within a prescribed framework.
- (3) An adjustments budget must be in a prescribed form.
- (4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.
- (5) When an adjustments budget is tabled, it must be accompanied by—
- (a) an explanation how the adjustments budget affects the annual budget;
 - (b) a motivation of any material changes to the annual budget;
 - (c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
 - (d) any other supporting documentation that may be prescribed.
- (6) Municipal tax and tariffs may not be increased during a financial year.
- (7) Sections 22(b), 23(3) and 24(3) apply in respect of an adjustments budget, and in such application a reference in those sections to an annual budget must be read as a reference to an adjustments budget.”

1.2. Section 23 of the MBRR –Timeframes for tabling of adjustments budgets

1.2.1 Regulation 23. (1):

The Local Government: Municipal Finance Management Act, (Act No. 56 of 2003): Municipal Budget and Reporting Regulations stipulates in:

“(1) An adjustments budget referred to in section 28(2)(b), (d), (e) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February in the current year.”

1.2.2 Regulation 23. (2):

(2) Only one adjustments budget referred to in subregulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2) (b) of the Act are allocations to a municipality in a national or provincial adjustments budget, in which case subregulation (3) applies.

1.2.3 Regulation 23. (3):

(3) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28 (2)(b) of the Act in the municipal council to appropriate these additional revenues.

1.2 **Background**

To submit to Council an Adjustments Budget for approval as prescribed in Section 28(2)(e) of the Local Government: Municipal Finance Management Act (Act No. 56 of 2003) read together with the Municipal Budget and Reporting Regulations (MBRR) 23(3).

1.3 **Council Resolutions**

On 23 February 2023, the Council of George Municipality met to consider the adjustments budget for approval. Council approved the following resolutions:

- (a) that Council grant approval for the Capital Budget to be adjusted as per Annexure “B”;
- (b) that Council grant approval for the Operating Budget to be adjusted as per Table “D”;
- (c) that a contribution of R82 million to the CRR be approved;
- (d) that Council approve the bridge financing needed to fund the expedited progress on the RBIG projects,
- (e) that the Service Delivery and Budget Implementation Plan be adjusted to reflect the changes outlined in the Adjustments Budget for 2022/23;
- (f) that the Service Delivery and Budget Implementation Plan list of capital projects be adjusted to reflect the changes outlined in the Adjustments Budget;
- (g) that the formal budget tables be updated with the adjustments and be submitted to National and Provincial Treasury.

1.4 **Executive Summary**

1. **MOTIVATION REGARDING REGULATION 23. (1 & 3) OF THE MBRR**

The Section 72 report indicated that various items in the Capital and Operating Budget for 2022/2023 financial year need to be adjusted.

George Municipality received a revised allocation with regards to the Human Settlements Grant. See attached as Annexure “C” the approval letter.

Provincial Treasury has also allocated R14.220 million for the purchase of generators in response to the service delivery issues created by ESKOM’s load shedding. See attached as Annexure “D” of the Provincial Gazette.

TABLE A: ADDITIONAL ALLOCATIONS

Grant	Original Budget	Additional allocation	Adjusted Budget
Human Settlements Development Grant - Beneficiaries			
- Housing Administration	7 600 000	3 125 000	10 725 000
Informal Settlements Upgrading Partnership grant			
- Housing Administration	1 000 000	1 625 000	2 625 000
Emergency Municipal Load-Shedding Relief Grant			
- Water network	-	3 350 000	3 350 000
- Sewer network	-	10 870 000	10 870 000
Total	8 600 000	19 970 000	28 570 000

Several one-on-one sessions were held with the directorates to assess the budget implementation and identified possible adjustments. The Budget Committee met on Friday, 10 February 2023, to consider these adjustments.

The following adjustments are recommended to Council for approval:

2. **2022/2023 CAPITAL BUDGET ADJUSTMENTS**

The mid-year assessment prompted the directorates to assess their progress with the capital projects and re-align the cash flow projections.

Below table is the Capital Budget per directorate:

TABLE B: CAPITAL BUDGET ADJUSTMENTS PER DIRECTORATE

George municipality – capital budget 2022/2023			
Description	January adjustment budget 2022/2023	Proposed adjustments	February adjustment budget 2022/2023
Office of the Municipal Manager	215 000	-5 000	210 000
Financial Services	2 767 000	171 150	2 938 150
Corporate Services	6 930 000	188 264	7 118 264
Human Settlements, Planning and Development and Property Management	14 036 225	-1 561 590	12 474 635
Civil Engineering Services	559 589 189	20 635 100	580 224 289
Electro-technical Services	153 396 948	805 219	154 202 167
Community Services	66 325 426	2 644 550	68 969 976
Total	803 259 788	22 877 693	826 137 481

Changes to the Capital Budget items were made to accommodate the following:

2.1 Capital Replacement Reserve (CRR) Funded projects

- Reprioritizing of CRR – funded projects to ensure that projects are fully funded. From the 2021/22 Annual Financial Statements and the section 72 mid-year assessment for the 2022/23 financial year it is evident that a contribution must be made to the CRR from the working capital. A contribution to the CRR of R82 million is needed to fund the proposed adjusted capital budget.

See **Annexure “A”** for a summary of the capital replacement reserve as at 14 February 2023;

- The CRR funded projects are reduced from R166 859 940 to R165 354 042 = R1 505 898.

2.2 Projects funded from the Separate Operating Account (SOA)

The project funded from the Separate Operating Account (SOA) has been removed from the Capital Budget. The necessary approval could not be sought from Provincial Treasury.

2.3 Grant funded projects

Grant funding is increased from R324 087 917 to R378 878 996 = R54 791 079 increase.

This is due to the following:

- PTNG R 6.8m
- Emergency Municipal Load-Shedding Relief Grant R14.2m
- Addition to the RBIG (expedited grant spending) R35.5m

2.4 External Funding (EFF)

The EFF funding for 2022/23 is therefore reduced from R308 135 257 to R281 904 443 = R26 230 814 reduction.

The following table indicates the effect of the adjustments on the funding of the 2022/23 Capital Adjustments Budget.

TABLE C: CAPITAL BUDGET FUNDING

Description	January adjustment budget 2022/2023	Proposed adjustments	February adjustment budget 2022/2023
Capital replacement reserve (CRR)	166 859 940	-1 505 898	165 354 042
External financing fund (EFF)	308 135 257	-26 230 814	281 904 443
Grants	324 087 917	54 791 079	378 878 996
Other	4 176 674	-4 176 674	0
Total	803 259 788	22 877 693	826 137 481

See Annexure “B” for the detail adjustments to the Capital Budget.

3. 2022/23 OPERATING BUDGET ADJUSTMENTS

The table below is a summary of the Operating Budget requests and corrections.

TABLE D: OPERATING BUDGET ADJUSTMENTS

Expenditure by type	Adjustments budget	Adjustments	Adjustments budget February 2023
Employee related costs	733 983 614	(32 508 690)	701 474 924
Remuneration of councillors	26 170 670	1 759 800	27 930 470
Contracted services	665 508 273	118 301 748	783 810 021
Bulk purchases	667 159 159	(38 478 595)	628 680 564
Operating leases	3 491 147	323 900	3 815 047
Operational cost	174 840 161	(10 010 538)	164 829 623
Depreciation and amortisation	158 810 336	23 519 950	182 330 286
Loss on disposal of PPE	46 171 000	221 118	46 392 118
Bad debts	122 257 000	-	122 257 000
Transfers and subsidies paid	44 414 731	-	44 414 731
Inventory consumed	273 600 386	51 802 375	325 402 761
Interest expense	40 950 003	(5 830 000)	35 120 003
Total expenditure	2 957 356 480	109 101 067	3 066 457 547

Revenue by source	Adjustments budget	Adjustments	Adjustments budget February 2023
Property rates	370 853 000	7 789 000	378 642 000
Service charges – electricity	962 606 700	(101 113 000)	861 493 700
Service charges - water	167 445 000	34 800 000	202 245 000
Service charges – sewerage	159 335 000	(7 323 000)	152 012 000
Service charges - refuse	128 302 000	18 892 000	147 194 000
Fines, penalties and forfeits	83 680 000	216 202	83 896 202
Licences & permits	3 863 334	-	3 863 334
Income for agency services	16 617 000	2 000 000	18 617 000
Rental from fixed assets	4 740 500	194 868	4 935 368

Revenue by source	Adjustments budget	Adjustments	Adjustments budget February 2023
Grants & subsidies received – capital	371 399 117	(14 264 975)	357 134 142
Grants & subsidies received – operating	635 673 186	4 645 225	640 318 411
Interest earned - external investments	57 219 045	(11 000 000)	46 219 045
Interest earned - outstanding debtors	9 060 560	2 000 000	11 060 560
Operational revenue	25 534 000	2 969 499	28 503 499
Transport fees	82 819 182	-	82 819 182
Sale of erven	6 100 000	(4 000 000)	2 100 000
Development charges	15 644 000	12 183 305	27 827 305
Gain on disposal of PPE	230 994 000	(110 110)	230 883 890
Total revenue	3 331 885 624	(52 120 986)	3 279 764 638

4. mSCOA IMPLEMENTATION

The implementation of mSCOA – version 6.6 necessitated the creation of several new items as well as changes to existing items to bring the mSCOA register in line with the prescripts of mSCOA.

These changes will be made when required and will be signed off by the Chief Financial Officer (CFO).

Part 2 – Adjustments Budget Schedules

2.1 – Legislative Framework

The Municipal Budget and Reporting Regulations (MBRR) stipulates that,

21. “An adjustments budget and supporting documentation of a Municipality must be in the format specified in Schedule B ...”

The objective of the MBRR is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

2.2 – Adjustments Budget Schedules

Only those schedules that are affected by the adjustments budget is included in this document.

Table 1 – B1: Budget Summary

WC044 George - Table B1 Adjustments Budget Summary - 23/02/2023

Description	Budget Year 2022/23									Budget Year	Budget Year	
	Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted	
	Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjus.	Budget	Budget	Budget	
R thousands	A	A1	B	C	D	E	F	G	H			
Financial Performance												
Property rates	370 853	378 642	-	-	-	-	-	-	378 642	400 520	432 562	
Service charges	1 417 689	1 362 945	-	-	-	-	-	-	1 362 945	1 508 524	1 598 347	
Investment revenue	57 219	43 892	-	-	-	-	-	-	43 892	58 239	60 692	
Transfers recognised - operational	553 091	635 014	-	-	-	-	-	-	635 014	586 635	580 634	
Other own revenue	479 053	477 875	-	-	-	-	-	-	477 875	504 256	508 301	
Total Revenue (excluding capital transfers and contributions)	2 877 904	2 898 368							2 898 368	3 058 173	3 180 536	
Employee costs	727 721	701 455	-	-	-	-	-	-	701 455	758 167	797 823	
Remuneration of councillors	26 171	27 930	-	-	-	-	-	-	27 930	27 479	28 853	
Depreciation & asset impairment	158 810	182 334	-	-	-	-	-	-	182 334	172 365	160 124	
Finance charges	40 950	35 120	-	-	-	-	-	-	35 120	46 307	63 580	
Inventory consumed and bulk purchases	940 013	954 103	-	-	-	-	-	-	954 103	1 015 873	1 086 181	
Transfers and grants	42 636	45 265	-	-	-	-	-	-	45 265	19 800	17 833	
Other expenditure	931 723	1 063 720	-	-	-	-	-	-	1 063 720	999 632	1 002 559	
Total Expenditure	2 868 024	3 009 927							3 009 927	3 039 623	3 156 953	
Surplus/(Deficit)	9 881	(111 559)							(111 559)	18 550	23 583	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	370 399	433 390	-	-	-	-	-	-	433 390	579 536	345 927	
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	380 280	321 831							321 831	598 086	369 510	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	380 280	321 831							321 831	598 086	369 510	
Capital expenditure & funds sources												
Capital expenditure		826 137							826 137	943 982	747 286	
Transfers recognised - capital	323 088	378 879	-	-	-	-	-	-	378 879	505 249	302 110	
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	
Borrowing	307 044	281 904	-	-	-	-	-	-	281 904	306 532	304 375	
Internally generated funds	157 851	165 354	-	-	-	-	-	-	165 354	132 201	140 801	
Total sources of capital funds	787 983	826 137							826 137	943 982	747 286	
Financial position												
Total current assets	1 508 896	2 288 503	-	-	-	-	-	-	2 288 503	2 522 339	2 334 117	
Total non current assets	4 211 513	4 227 442	-	-	-	-	-	-	4 227 442	4 983 129	5 570 292	
Total current liabilities	979 193	1 817 935	-	-	-	-	-	-	1 817 935	1 949 479	1 779 973	
Total non current liabilities	922 944	948 450	-	-	-	-	-	-	948 450	1 139 632	1 340 114	
Community wealth/Equity	3 818 271	3 759 622							3 759 622	5 057 339	5 631 854	
Cash flows												
Net cash from (used) operating	459 237	575 714	-	-	-	-	-	-	575 714	657 092	280 757	
Net cash from (used) investing	(781 883)	(238)	-	-	-	-	-	-	(238)	-	-	
Net cash from (used) financing	223 227	223 227	-	-	-	-	-	-	223 227	211 027	194 785	
Cash/cash equivalents at the year end	1 078 307	1 976 430							1 976 430	1 946 426	1 492 182	
Cash backing/surplus reconciliation												
Cash and investments available	1 078 307	1 976 429	-	-	-	-	-	-	1 976 429	1 945 676	1 491 432	
Application of cash and investments	3 889 785	4 739 036	-	-	-	-	-	-	4 739 036	5 177 860	5 006 638	
Balance - surplus (shortfall)	(2 811 478)	(2 762 608)							(2 762 608)	(3 232 184)	(3 515 206)	
Asset Management												
Asset register summary (WDV)	4 175 125	4 191 054	-	-	-	-	-	-	4 191 054	4 946 742	5 533 904	
Depreciation	158 810	182 334	-	-	-	-	-	-	182 334	172 365	160 124	
Renewal and Upgrading of Existing Assets	82 577	98 567	-	-	-	-	-	-	98 567	77 340	52 760	
Repairs and Maintenance	212 873	243 334	-	-	-	-	-	-	243 334	194 959	202 014	
Free services												
Cost of Free Basic Services provided	(158 701)	(158 701)	-	-	-	-	-	-	(158 701)	(173 116)	(188 847)	
Revenue cost of free services provided	(46 641)	(46 820)	-	-	-	-	-	-	(46 820)	(50 373)	(54 402)	
Households below minimum service level												
Water:	-	-	-	-	-	-	-	-	-	-	-	
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-	
Energy:	-	-	-	-	-	-	-	-	-	-	-	
Refuse:	-	-	-	-	-	-	-	-	-	-	-	

Table 2 – B2: Financial Performance (Functional classification)

WC044 George - Table B2 Adjustments Budget Financial Performance (functional classification) - 23/02/2023

Standard Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Functional												
Governance and administration		454 694	450 387	-	-	-	-	-	-	450 387	485 688	519 492
Executive and council		4	4	-	-	-	-	-	-	4	4	2
Finance and administration		454 690	450 383	-	-	-	-	-	-	450 383	485 684	519 490
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		124 134	136 702	-	-	-	-	-	-	136 702	192 098	141 008
Community and social services		20 631	22 788	-	-	-	-	-	-	22 788	17 652	16 490
Sport and recreation		3 698	4 565	-	-	-	-	-	-	4 565	12 551	4 359
Public safety		80 770	81 973	-	-	-	-	-	-	81 973	82 396	83 884
Housing		18 870	27 210	-	-	-	-	-	-	27 210	79 330	36 181
Health		165	165	-	-	-	-	-	-	165	170	95
Economic and environmental services		497 858	554 461	-	-	-	-	-	-	554 461	439 712	470 767
Planning and development		12 727	13 671	-	-	-	-	-	-	13 671	13 309	19 107
Road transport		485 128	540 786	-	-	-	-	-	-	540 786	426 399	451 658
Environmental protection		4	4	-	-	-	-	-	-	4	4	2
Trading services		2 171 270	2 189 778	-	-	-	-	-	-	2 189 778	2 520 064	2 395 051
Energy sources		1 042 224	962 789	-	-	-	-	-	-	962 789	1 065 607	1 119 829
Water management		647 206	737 846	-	-	-	-	-	-	737 846	943 655	636 782
Waste water management		305 629	293 876	-	-	-	-	-	-	293 876	319 356	430 185
Waste management		176 212	195 267	-	-	-	-	-	-	195 267	191 447	208 255
Other		347	431	-	-	-	-	-	-	431	147	145
Total Revenue - Functional	2	3 248 303	3 331 758	-	-	-	-	-	-	3 331 758	3 637 709	3 526 463
Expenditure - Functional												
Governance and administration		457 468	471 627	-	-	-	-	-	-	471 627	488 903	532 439
Executive and council		74 652	70 429	-	-	-	-	-	-	70 429	79 808	83 112
Finance and administration		363 877	381 953	-	-	-	-	-	-	381 953	389 272	428 582
Internal audit		18 940	19 245	-	-	-	-	-	-	19 245	19 823	20 745
Community and public safety		305 171	327 727	-	-	-	-	-	-	327 727	370 625	335 308
Community and social services		63 143	63 801	-	-	-	-	-	-	63 801	61 959	63 555
Sport and recreation		37 270	39 310	-	-	-	-	-	-	39 310	38 178	38 348
Public safety		146 121	145 714	-	-	-	-	-	-	145 714	151 847	157 566
Housing		52 514	71 899	-	-	-	-	-	-	71 899	113 108	70 054
Health		6 123	7 004	-	-	-	-	-	-	7 004	5 533	5 785
Economic and environmental services		520 745	571 095	-	-	-	-	-	-	571 095	493 779	523 650
Planning and development		43 528	42 010	-	-	-	-	-	-	42 010	43 364	49 779
Road transport		473 619	525 210	-	-	-	-	-	-	525 210	446 712	470 003
Environmental protection		3 598	3 874	-	-	-	-	-	-	3 874	3 702	3 868
Trading services		1 567 278	1 621 684	-	-	-	-	-	-	1 621 684	1 667 956	1 746 313
Energy sources		839 398	819 273	-	-	-	-	-	-	819 273	898 856	978 135
Water management		392 324	429 918	-	-	-	-	-	-	429 918	408 231	401 261
Waste water management		234 226	259 511	-	-	-	-	-	-	259 511	257 056	259 743
Waste management		101 329	112 983	-	-	-	-	-	-	112 983	103 813	107 174
Other		17 361	17 794	-	-	-	-	-	-	17 794	18 361	19 242
Total Expenditure - Functional	3	2 868 024	3 009 927	-	-	-	-	-	-	3 009 927	3 039 623	3 156 953
Surplus/ (Deficit) for the year		380 280	321 831	-	-	-	-	-	-	321 831	598 086	369 510

Table 3 – B3: Financial Performance (revenue and expenditure by municipal vote)

WC044 George - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 23/02/2023

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2022/23									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue by Vote	1											
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	18 282	-	-	-	-	-	-	18 282	13 016	13 353
Vote 3 - Corporate Services		-	3 322	-	-	-	-	-	-	3 322	2 316	2 210
Vote 4 - Corporate Services		-	2 314	-	-	-	-	-	-	2 314	3 393	3 166
Vote 5 - Community Services		-	8 288	-	-	-	-	-	-	8 288	16 366	6 459
Vote 6 - Community Services		-	300 139	-	-	-	-	-	-	300 139	295 890	315 502
Vote 7 - Community Services		-	1 038	-	-	-	-	-	-	1 038	1 093	953
Vote 8 - Civil Engineering Services		-	872 851	-	-	-	-	-	-	872 851	1 041 675	854 231
Vote 9 - Civil Engineering Services		-	448 113	-	-	-	-	-	-	448 113	393 083	417 175
Vote 10 - Electro-technical Services		-	965 028	-	-	-	-	-	-	965 028	1 067 619	1 122 102
Vote 11 - Financial Services		-	394 751	-	-	-	-	-	-	394 751	414 242	446 037
Vote 12 - Financial Services		-	41 831	-	-	-	-	-	-	41 831	53 908	55 996
Vote 13 - Human Settlements, Planning and Development ar		-	44 915	-	-	-	-	-	-	44 915	100 443	63 169
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	3 100 874	-	-	-	-	-	-	3 100 874	3 403 043	3 300 352
Expenditure by Vote	1											
Vote 1 - Office of the Municipal Manager		-	28 672	-	-	-	-	-	-	28 672	29 632	30 901
Vote 2 - Corporate Services		-	74 136	-	-	-	-	-	-	74 136	71 830	73 801
Vote 3 - Corporate Services		-	42 774	-	-	-	-	-	-	42 774	41 175	43 137
Vote 4 - Corporate Services		-	96 025	-	-	-	-	-	-	96 025	101 018	105 162
Vote 5 - Community Services		-	70 660	-	-	-	-	-	-	70 660	70 516	71 932
Vote 6 - Community Services		-	303 457	-	-	-	-	-	-	303 457	301 833	312 769
Vote 7 - Community Services		-	967	-	-	-	-	-	-	967	914	951
Vote 8 - Civil Engineering Services		-	754 077	-	-	-	-	-	-	754 077	699 463	696 612
Vote 9 - Civil Engineering Services		-	484 780	-	-	-	-	-	-	484 780	430 525	453 202
Vote 10 - Electro-technical Services		-	850 318	-	-	-	-	-	-	850 318	931 201	1 012 123
Vote 11 - Financial Services		-	133 786	-	-	-	-	-	-	133 786	105 555	106 312
Vote 12 - Financial Services		-	55 388	-	-	-	-	-	-	55 388	89 576	121 919
Vote 13 - Human Settlements, Planning and Development ar		-	114 889	-	-	-	-	-	-	114 889	166 386	128 132
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	3 009 927	-	-	-	-	-	-	3 009 927	3 039 623	3 156 953
Surplus/ (Deficit) for the year	2	-	90 947	-	-	-	-	-	-	90 947	363 420	143 399

Table 4 – B4: Financial Performance (revenue and expenditure)

WC044 George - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 23/02/2023

Description	Ref	Budget Year 2022/23									Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted	
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget	
R thousands	1	A	A1	B	C	D	E	F	G	H	+1 2023/24	+2 2024/25	
Revenue By Source													
Property rates	2	370 853	378 642	-	-	-	-	-	-	378 642	400 520	432 562	
Service charges - electricity revenue	2	962 607	861 494	-	-	-	-	-	-	861 494	1 011 335	1 061 698	
Service charges - water revenue	2	167 445	202 245	-	-	-	-	-	-	202 245	184 042	195 697	
Service charges - sanitation revenue	2	159 335	152 012	-	-	-	-	-	-	152 012	173 675	189 306	
Service charges - refuse revenue	2	128 302	147 194	-	-	-	-	-	-	147 194	139 472	151 646	
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment		4 741	4 935	-	-	-	-	-	-	4 935	5 025	5 326	
Interest earned - external investments		57 219	43 892	-	-	-	-	-	-	43 892	58 239	60 692	
Interest earned - outstanding debtors		9 061	11 061	-	-	-	-	-	-	11 061	9 837	10 681	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		83 680	83 896	-	-	-	-	-	-	83 896	85 548	87 468	
Licences and permits		3 863	3 863	-	-	-	-	-	-	3 863	4 094	4 339	
Agency services		16 617	18 617	-	-	-	-	-	-	18 617	17 614	18 671	
Transfers and subsidies		553 091	635 014	-	-	-	-	-	-	635 014	586 635	580 634	
Other revenue	2	130 097	124 619	-	-	-	-	-	-	124 619	147 472	155 705	
Gains		230 994	230 884	-	-	-	-	-	-	230 884	234 666	226 111	
Total Revenue (excluding capital transfers and contributions)		2 877 904	2 898 368	-	-	-	-	-	-	2 898 368	3 058 173	3 180 536	
Expenditure By Type													
Employee related costs		727 721	701 455	-	-	-	-	-	-	701 455	758 167	797 823	
Remuneration of councillors		26 171	27 930	-	-	-	-	-	-	27 930	27 479	28 853	
Debt impairment		122 257	122 257	-	-	-	-	-	-	122 257	125 924	129 702	
Depreciation & asset impairment		158 810	182 334	-	-	-	-	-	-	182 334	172 365	160 124	
Finance charges		40 950	35 120	-	-	-	-	-	-	35 120	46 307	63 580	
Bulk purchases - electricity		667 159	628 681	-	-	-	-	-	-	628 681	731 377	801 667	
Inventory Consumed		272 853	325 423	-	-	-	-	-	-	325 423	284 496	284 514	
Contracted services		587 110	726 430	-	-	-	-	-	-	726 430	640 830	631 068	
Transfers and subsidies		42 636	45 265	-	-	-	-	-	-	45 265	19 800	17 833	
Other expenditure		176 185	168 645	-	-	-	-	-	-	168 645	186 847	199 189	
Losses		46 171	46 389	-	-	-	-	-	-	46 389	46 031	42 600	
Total Expenditure		2 868 024	3 009 927	-	-	-	-	-	-	3 009 927	3 039 623	3 156 953	
Surplus/(Deficit)		9 881	(111 559)	-	-	-	-	-	-	(111 559)	18 550	23 583	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		370 399	433 390	-	-	-	-	-	-	433 390	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) before taxation		380 280	321 831	-	-	-	-	-	-	321 831	598 086	369 510	
Taxation		-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation		380 280	321 831	-	-	-	-	-	-	321 831	598 086	369 510	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality		380 280	321 831	-	-	-	-	-	-	321 831	598 086	369 510	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year		380 280	321 831	-	-	-	-	-	-	321 831	598 086	369 510	

Table 5 – B5: Capital Expenditure Budget by vote and funding

WC044 George - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 23/02/2023

Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjus.	Adjus.	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H			
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Office of the Municipal Manager		-	210	-	-	-	-	-	-	210	20	110
Vote 2 - Corporate Services		-	418	-	-	-	-	-	-	418	-	1 020
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	500	50
Vote 4 - Corporate Services		-	21	-	-	-	-	-	-	21	10	10
Vote 5 - Community Services		-	10 917	-	-	-	-	-	-	10 917	17 203	8 395
Vote 6 - Community Services		-	31 626	-	-	-	-	-	-	31 626	21 865	17 995
Vote 7 - Community Services		-	1 494	-	-	-	-	-	-	1 494	643	250
Vote 8 - Civil Engineering Services		-	445 136	-	-	-	-	-	-	445 136	593 355	426 377
Vote 9 - Civil Engineering Services		-	1 300	-	-	-	-	-	-	1 300	-	-
Vote 10 - Electro-technical Services		-	119 541	-	-	-	-	-	-	119 541	144 595	156 925
Vote 11 - Financial Services		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Financial Services		-	650	-	-	-	-	-	-	650	250	250
Vote 13 - Human Settlements, Planning and Development and Property Management		-	8 944	-	-	-	-	-	-	8 944	22 618	6 968
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	620 256	-	-	-	-	-	-	620 256	801 057	618 801
Single-year expenditure to be adjusted	2											
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	4 865	-	-	-	-	-	-	4 865	2 870	3 006
Vote 3 - Corporate Services		-	1 794	-	-	-	-	-	-	1 794	610	320
Vote 4 - Corporate Services		-	21	-	-	-	-	-	-	21	405	400
Vote 5 - Community Services		-	6 723	-	-	-	-	-	-	6 723	3 426	1 272
Vote 6 - Community Services		-	16 378	-	-	-	-	-	-	16 378	14 958	19 318
Vote 7 - Community Services		-	1 833	-	-	-	-	-	-	1 833	960	1 010
Vote 8 - Civil Engineering Services		-	132 035	-	-	-	-	-	-	132 035	86 230	82 310
Vote 9 - Civil Engineering Services		-	1 754	-	-	-	-	-	-	1 754	20	20
Vote 10 - Electro-technical Services		-	34 661	-	-	-	-	-	-	34 661	30 350	14 670
Vote 11 - Financial Services		-	1 688	-	-	-	-	-	-	1 688	180	180
Vote 12 - Financial Services		-	600	-	-	-	-	-	-	600	-	500
Vote 13 - Human Settlements, Planning and Development and Property Management		-	3 530	-	-	-	-	-	-	3 530	2 916	5 480
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	205 881	-	-	-	-	-	-	205 881	142 924	128 486
Total Capital Expenditure - Vote		-	826 137	-	-	-	-	-	-	826 137	943 982	747 286
Capital Expenditure - Functional												
Governance and administration		9 114	10 226	-	-	-	-	-	-	10 226	6 776	4 547
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		9 039	10 171	-	-	-	-	-	-	10 171	6 766	4 467
Internal audit		75	55	-	-	-	-	-	-	55	10	80
Community and public safety		50 175	49 698	-	-	-	-	-	-	49 698	52 704	41 664
Community and social services		7 721	7 548	-	-	-	-	-	-	7 548	5 135	5 066
Sport and recreation		11 348	13 921	-	-	-	-	-	-	13 921	16 703	9 495
Public safety		25 125	22 959	-	-	-	-	-	-	22 959	24 415	20 325
Housing		4 182	3 871	-	-	-	-	-	-	3 871	6 187	6 778
Health		1 800	1 400	-	-	-	-	-	-	1 400	265	-
Economic and environmental services		141 333	123 141	-	-	-	-	-	-	123 141	121 055	103 345
Planning and development		10 238	9 537	-	-	-	-	-	-	9 537	19 885	4 305
Road transport		131 095	113 604	-	-	-	-	-	-	113 604	101 170	99 040
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		587 124	642 921	-	-	-	-	-	-	642 921	762 917	596 875
Energy sources		151 116	152 940	-	-	-	-	-	-	152 940	174 125	170 505
Water management		256 052	296 174	-	-	-	-	-	-	296 174	470 857	204 035
Waste water management		161 758	169 380	-	-	-	-	-	-	169 380	106 628	206 396
Waste management		18 198	24 426	-	-	-	-	-	-	24 426	11 308	15 938
Other		237	151	-	-	-	-	-	-	151	530	855
Total Capital Expenditure - Functional	3	787 983	826 137	-	-	-	-	-	-	826 137	943 982	747 286
Funded by:												
National Government		320 468	362 939	-	-	-	-	-	-	362 939	505 249	302 110
Provincial Government		1 620	14 940	-	-	-	-	-	-	14 940	-	-
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)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	323 088	378 879	-	-	-	-	-	-	378 879	505 249	302 110
Borrowing		307 044	281 904	-	-	-	-	-	-	281 904	306 532	304 375
Internally generated funds		157 851	165 354	-	-	-	-	-	-	165 354	132 201	140 801
Total Capital Funding		787 983	826 137	-	-	-	-	-	-	826 137	943 982	747 286

Municipal Manager's Quality Certificate

I, **DR MICHELE GRATZ**, the Municipal Manager of George Municipality hereby certify that the adjustments budget and supporting documentation for the 2022/23 Financial Year have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print Name **DR MICHELE GRATZ**

Municipal Manager of **GEORGE WC044**

Signature 

Date 07/03/2023