

# George Municipality

## Adjustments Budget 2023/2024

**25 August 2023**



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## Glossary

<b>Act</b> – means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
<b>Adjustments Budget</b> – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
<b>Allocations</b> – Money received from Provincial or National Government or other municipalities.
<b>Budget</b> – The financial plan of the Municipality.
<b>Budget Related Policy</b> – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.
<b>Capital Expenditure</b> - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.
<b>Cash flow statement</b> – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.
<b>DORA</b> – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.
<b>Equitable Share</b> – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
<b>GFS</b> – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
<b>IDP</b> – Integrated Development Plan. The main strategic planning document of the Municipality
<b>KPI's</b> – Key Performance Indicators. Measures of service output and/or outcome.
<b>MFMA</b> – The Municipal Finance Management Act – no 53 of 2003. The principal piece of legislation relating to municipal financial management.
<b>MTREF</b> – Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.
<b>Operating Expenditure</b> – Spending on the day-to-day expenses of the Municipality such as salaries and wages.
<b>Own Revenue</b> – Means total revenue as reflected in the municipality's financial performance budget less national and provincial conditional transfers.
<b>Rates</b> – Local Government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.
<b>SDBIP</b> – 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:

**Regulation 23. (5) furthermore, stipulates that:**

*“(5) An adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.”*

#### **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 (5). This is to accommodate roll-overs from the 2022/23 Budget.

### 1.3 Council Resolutions

On 25 August 2023, the Council of George Municipality met to consider the adjustments budget for approval. Council approved the following resolutions:

- a) That the Capital Budget for 2023/2024 be adjusted to include the 2022/2023 roll-over projects as per Annexure “A”;
- b) That the Operational Budget for 2023/2024 be adjusted to include the 2022/2023 roll-over projects as per Annexure “B”;
- c) that the Service Delivery and Budget Implementation Plan (SDBIP) be amended accordingly,

That the formal budget tables be updated with the adjustments and submitted to National and Provincial Government.

### 1.4 Executive Summary

#### MOTIVATION

#### **ROLL-OVER OF CRR, EFF AND GRANT FUNDED CAPITAL PROJECTS**

The projects listed in Annexure “A” are projects that could not be finalized by 30 June 2023. Although the procurement process has been concluded in many instances the implementation of the projects is in progress and this necessitates the roll-over of the projects to the 2023/24 Capital Budget.

The roll-over of capital projects from the 2022/23 budget increases the 2023/24 capital budget from R1 023 042 577 to R1 426 741 570. See the table below for the funding mix of the Adjustments Capital Budget for 25 August 2023.

<b>CAPITAL FUNDING</b>	<b>ORIGINAL BUDGET 2023/24</b>	<b>PROPOSED ADJUSTMENTS AUGUST 2023</b>	<b>AMENDED BUDGET 2023/24</b>
Capital Replacement Reserve (CRR)	248 779 611	380 385 737	629 165 348
External Financing Fund (EFF)	374 135 001	22 563 256	396 698 257
Grants	397 577 965	750 000	398 327 965
Separate Operating Account (SOA)	2 550 000	-	2 550 000
<b>TOTAL</b>	<b>1 023 042 577</b>	<b>403 698 993</b>	<b>1 426 741 570</b>

## **MOTIVATION**

### **ROLL-OVER OF SOA FUNDED OPERATIONAL PROJECTS**

The projects listed in Annexure “B” are projects that could not be finalized by 30 June 2023. Although the procurement process has been concluded in many instances the implementation of the projects has been delayed and this necessitates the roll-over of the projects to the 2023/24 Operational Budget.

## **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**

George Local Municipality - Table B1 Adjustments Budget Summary - 25/03/2023

Description	Budget Year 2023/24										Budget Year	Budget Year
	Original	Prior	Accum	Multi-year	Unfore.	Hab. or	Other	Total	Adjusted	Adjusted	+1 2024/25	+2 2025/26
	Budget	1	2	3	4	5	6	7	8	9	10	11
R. thousands	A	A1	B	C	D	E	F	G	H	I	J	K
<b>Financial Performance</b>												
Property rates	44151e	44151e	-	-	-	-	-	-	44151e	432 4e e	54e e3e	
Service charges	1464 19e	1464 19e	-	-	-	-	-	-	1464 19e	14 9 52 5	1e4e e52	
Investment revenue	42 45e	42 45e	-	-	-	-	-	-	42 45e	42 4e 1	44 99e	
Transfers recognised - operational	435 92e	434 e4 e	-	-	-	-	234	234	435 92e	744 45 4	47e e95	
Other own revenue	54453e	544e2 1	-	-	-	-	-	-	544e2 1	519 e1 1	4 6 e324	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>3 117 227</b>	<b>3 117 227</b>	-	-	-	-	<b>234</b>	<b>234</b>	<b>3 115 071</b>	<b>3 418 224</b>	<b>3 826 703</b>	
Employee costs	74e e21	74e e5 9	-	-	-	-	7	7	74e e11	73 9e 5	71e 494	
Remuneration of councillors	3e 54e	3e 54e	-	-	-	-	-	-	3e 54e	32 7e 9	34 995	
Depreciation & asset impairment	9 1 e4 4	9 1 e4 4	-	-	-	-	-	-	9 1 e4 4	244 5e 4	221 242	
Interest	4e 3e e	4e 3e e	-	-	-	-	-	-	4e 3e e	43 4e 9	44 4e 2	
Inventory consumed and bulk purchases	142e 74 4	133 11e	-	-	-	-	5 4 4	5 4 4	13e 75e	e44 9e 5	745 955	
Transfers and subsidies	4e 45e	4e 45e	-	-	-	-	-	-	4e 45e	35 32 9	35 354	
Other expenditure	142e 44e	132 49 1	-	-	-	-	34	34	132 121	141 14e 4	1441 44e	
<b>Total Expenditure</b>	<b>3 096 063</b>	<b>3 096 07 7</b>	-	-	-	-	<b>47 022</b>	<b>47 022</b>	<b>3 070 779</b>	<b>3 266 26 3</b>	<b>3 673 184</b>	
<b>Surplus/(Deficit)</b>	<b>52 119</b>	<b>52 14 e</b>	-	-	-	-	<b>(6 449)</b>	<b>(6 449)</b>	<b>44 292</b>	<b>43 94 e</b>	<b>145 5 6</b>	
Transfers and subsidies - capital (mandatory alloc	442 49 4	442 49 4	-	-	-	-	-	-	442 49 4	339 4e 9	41 251	
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>614 273</b>	<b>614 26 4</b>	-	-	-	-	<b>(6 449)</b>	<b>(6 449)</b>	<b>6 08 239</b>	<b>402 29 7</b>	<b>178 772</b>	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/ (Deficit) for the year</b>	<b>614 273</b>	<b>614 26 4</b>	-	-	-	-	<b>(6 449)</b>	<b>(6 449)</b>	<b>6 08 239</b>	<b>402 29 7</b>	<b>178 772</b>	
<b>Capital expenditure &amp; funds sources</b>												
Capital expenditure	1423 44e	1424 4e e	-	-	-	-	4e 2 44	4e 2 44	1424 142	ee4 59 9	453 299	
Transfers recognised - capital	391 57e	391 57 e	-	-	-	-	15e	15e	39e 32e	2e1 54 4	5e 34e	
Borrowing	314 445	314 44 5	-	-	-	-	22 5 43	22 5 43	399 24e	314 44e	2 442 13	
Internally generated funds	24e 7e e	24e 7e e	-	-	-	-	3e e 3e e	3e e 3e e	429 95	222 43 3	7e 67e	
<b>Total sources of capital funds</b>	<b>1 028 043</b>	<b>1 028 04 3</b>	-	-	-	-	<b>403 669</b>	<b>403 669</b>	<b>1 428 742</b>	<b>224 689</b>	<b>443 288</b>	
<b>Financial position</b>												
Total current assets	14125e	14e 5e 3	-	-	-	-	(4e 3 13 0)	(4e 3 13 0)	334 452	1 144 42 e	94e 4e 1	
Total non current assets	4325 21	4325 2 1	-	-	-	-	4e 3 4 99	4e 3 4 99	4 72e e24	5 442 33 9	5 221 52e	
Total current liabilities	521 42e	524 35 4	-	-	-	-	5 434	5 434	5 3 13e	55 1e e	54e 44 4	
Total non current liabilities	94e 7 8	94e 7 8	-	-	-	-	-	-	9 4e 7 8	12e e 11e	1544 e5 9	
Community wealth/equity	3 683 444	3 683 42 6	-	-	-	-	(6 449)	(6 449)	3 683 16 7	3 228 24 1	4 036 913	
<b>Cash flows</b>												
Net cash from (use of) operating	444 543	444 54 3	-	-	-	-	(5 4)	(5 4)	444 5 3	444 42 e	5 11 21e	
Net cash from (use of) investing	(1423 44e)	(1423 44e)	-	-	-	-	(4e 3 4 99)	(4e 3 4 99)	(1424 142)	(ee4 59 9)	(453 299)	
Net cash from (use of) financing	244 24 4	244 24 4	-	-	-	-	-	-	244 24 4	392 8 5	344 44e	
<b>Cash/cash equivalents at the year end</b>	<b>622 26 2</b>	<b>622 26 2</b>	-	-	-	-	<b>(403 749)</b>	<b>(403 749)</b>	<b>1 12 609</b>	<b>644 42 3</b>	<b>828 282</b>	
<b>Cash banking/surplus reconciliation</b>												
Cash and investments available	403 532	403 53 2	-	-	-	-	(4e 3 1 4e)	(4e 3 1 4e)	4e 7e 3	5 11 4 11	e14 7e 4	
Application of cash and investments	(5 1 93 4)	(5 12 44 4)	-	-	-	-	14 4 79	14 4 79	(453 425)	(77e e4 e)	(1459 72 1)	
<b>Balance - surplus (shortfall)</b>	<b>1 046 470</b>	<b>1 046 188</b>	-	-	-	-	<b>(1224 220)</b>	<b>(1224 433)</b>	<b>6 28 703</b>	<b>1 289 43 9</b>	<b>1 838 620</b>	
<b>Asset management</b>												
Asset register summary (R00)	421445 1	421445 1	-	-	-	-	4e 3 4 99	4e 3 4 99	4 47e 35e	4 95 144 3	5 111 452	
Depreciation	9 1 e4 4	9 1 e4 4	-	-	-	-	-	-	9 1 e4 4	244 5e 4	221 242	
Renewal and Upgrading of Existing Assets	35 9 4e	34e 4e e	-	-	-	-	25 1 9 34	25 1 9 34	4 2 344	32e 9 1 e	45 992	
Repairs and Maintenance	234 4e 9	232 8 e	-	-	-	-	(7 4)	(7 4)	232 8e	24e 344	24 1 9 54	
<b>Free services</b>												
Cost of Free Basic Services provided	115 444	115 414	-	-	-	-	-	-	115 444	9 121 2	249 215	
Revenue cost of free services provided	54 442	54 44 2	-	-	-	-	-	-	54 442	5e 42 4	4 1 9 9	
Households below mini mu m service level												
Water:	-	-	-	-	-	-	-	-	-	-	-	
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-	
Energy:	-	-	-	-	-	-	-	-	-	-	-	
Refuse:	-	-	-	-	-	-	-	-	-	-	-	



**Table 2 – B2: Financial Performance (Functional classification)**

George Local Municipality - Table B2 Adjustments Budget Financial Performance (functional classification) - 25/08/2023

Standard Description	Ref	Budget Year 2023/24										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	+1 2024/25	+2 2025/26	
<b>Revenue - Functional</b>													
<i>Governance and administration</i>		519 326	520 100	-	-	-	-	-	-	520 100	550 491	582 407	
Executive and council	4	4	4	-	-	-	-	-	-	4	4	5	
Finance and administration	519 321	520 096	-	-	-	-	-	-	-	520 096	550 486	582 402	
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		150 505	150 401	-	-	-	-	234	234	150 635	218 499	158 394	
Community and social services	22 922	22 434	-	-	-	-	-	-	-	22 434	22 688	23 655	
Sport and recreation	17 427	17 343	-	-	-	-	-	-	-	17 343	8 979	1 614	
Public safety	86 582	87 050	-	-	-	-	-	234	234	87 284	91 777	97 284	
Housing	23 399	23 399	-	-	-	-	-	-	-	23 399	94 869	35 646	
Health	175	175	-	-	-	-	-	-	-	175	185	197	
<i>Economic and environmental services</i>		521 454	521 374	-	-	-	-	-	-	521 374	524 188	546 297	
Planning and development	23 498	23 418	-	-	-	-	-	-	-	23 418	23 470	24 417	
Road transport	497 932	497 932	-	-	-	-	-	-	-	497 932	500 694	521 855	
Environmental protection	24	24	-	-	-	-	-	-	-	24	24	25	
<i>Trading services</i>		2 388 040	2 387 672	-	-	-	-	-	-	2 387 672	2 465 388	2 465 700	
Energy sources	979 286	979 286	-	-	-	-	-	-	-	979 286	1 100 141	1 291 938	
Water management	884 915	884 915	-	-	-	-	-	-	-	884 915	762 862	629 240	
Waste water management	303 074	303 074	-	-	-	-	-	-	-	303 074	377 248	305 876	
Waste management	220 765	220 397	-	-	-	-	-	-	-	220 397	225 138	238 646	
<i>Other</i>		606	383	-	-	-	-	-	-	383	158	168	
<b>Total Revenue - Functional</b>	2	3 579 931	3 579 931	-	-	-	-	234	234	3 580 165	3 758 725	3 752 966	
<b>Expenditure - Functional</b>													
<i>Governance and administration</i>		483 297	484 036	-	-	-	-	-	-	484 036	508 643	542 864	
Executive and council	75 277	75 277	-	-	-	-	-	-	-	75 277	80 392	86 095	
Finance and administration	389 071	389 795	-	-	-	-	-	-	-	389 795	408 077	435 107	
Internal audit	18 949	18 964	-	-	-	-	-	-	-	18 964	20 175	21 662	
<i>Community and public safety</i>		301 521	301 412	-	-	-	-	5 702	5 702	307 114	389 749	350 096	
Community and social services	63 315	62 822	-	-	-	-	-	-	-	62 822	66 555	70 248	
Sport and recreation	38 615	38 765	-	-	-	-	-	-	-	38 765	41 735	44 793	
Public safety	138 191	138 407	-	-	-	-	-	-	-	138 407	146 953	157 151	
Housing	54 256	54 274	-	-	-	-	-	5 702	5 702	59 976	126 947	69 850	
Health	7 143	7 143	-	-	-	-	-	-	-	7 143	7 558	8 054	
<i>Economic and environmental services</i>		564 953	564 891	-	-	-	-	-	-	564 891	561 354	587 157	
Planning and development	46 504	46 424	-	-	-	-	-	-	-	46 424	46 718	49 169	
Road transport	513 920	513 938	-	-	-	-	-	-	-	513 938	510 581	533 671	
Environmental protection	4 530	4 530	-	-	-	-	-	-	-	4 530	4 056	4 318	
<i>Trading services</i>		1 695 530	1 695 157	-	-	-	-	-	-	1 695 157	1 876 523	2 072 350	
Energy sources	892 621	892 621	-	-	-	-	-	-	-	892 621	999 712	1 128 376	
Water management	425 699	425 699	-	-	-	-	-	-	-	425 699	459 197	495 205	
Waste water management	257 703	257 739	-	-	-	-	-	-	-	257 739	284 463	306 165	
Waste management	119 506	119 098	-	-	-	-	-	-	-	119 098	133 152	142 605	
<i>Other</i>		19 758	19 562	-	-	-	-	-	-	19 562	19 589	20 727	
<b>Total Expenditure - Functional</b>	3	3 065 058	3 065 058	-	-	-	-	5 702	5 702	3 070 760	3 355 858	3 573 194	
<b>Surplus/ (Deficit) for the year</b>		514 873	514 873	-	-	-	-	(5 468)	(5 468)	509 405	402 867	179 772	

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

George Local Municipality - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 25/08/2023

Vote Description  <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
<b>R thousands</b>												
<b>Revenue by Vote</b>	1											
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		17 995	17 507	-	-	-	-	-	-	17 507	17 474	18 184
Vote 3 - Corporate Services		4 165	4 038	-	-	-	-	-	-	4 038	2 708	2 815
Vote 4 - Corporate Services		3 434	3 732	-	-	-	-	-	-	3 732	3 606	3 787
Vote 5 - Community Services		21 270	21 633	-	-	-	-	-	-	21 633	13 052	5 931
Vote 6 - Community Services		332 248	332 348	-	-	-	-	234	234	332 582	343 305	363 899
Vote 7 - Community Services		1 100	1 100	-	-	-	-	-	-	1 100	1 166	1 236
Vote 8 - Civil Engineering Services		1 199 432	1 199 588	-	-	-	-	-	-	1 199 588	1 151 408	947 355
Vote 9 - Civil Engineering Services		464 790	464 790	-	-	-	-	-	-	464 790	466 432	485 513
Vote 10 - Electro-technical Services		981 561	981 561	-	-	-	-	-	-	981 561	1 102 301	1 294 213
Vote 11 - Financial Services		458 308	458 308	-	-	-	-	-	-	458 308	489 145	518 477
Vote 12 - Financial Services		44 288	44 288	-	-	-	-	-	-	44 288	45 566	47 022
Vote 13 - Human Settlements, Planning and Development ar		51 340	51 037	-	-	-	-	-	-	51 037	122 561	64 533
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>3 579 931</b>	<b>3 579 931</b>	-	-	-	-	<b>234</b>	<b>234</b>	<b>3 580 165</b>	<b>3 758 725</b>	<b>3 752 966</b>
<b>Expenditure by Vote</b>	1											
Vote 1 - Office of the Municipal Manager		28 709	28 709	-	-	-	-	-	-	28 709	30 537	32 720
Vote 2 - Corporate Services		73 920	73 432	-	-	-	-	-	-	73 432	77 518	81 749
Vote 3 - Corporate Services		46 805	46 678	-	-	-	-	-	-	46 678	48 168	51 361
Vote 4 - Corporate Services		96 483	96 781	-	-	-	-	-	-	96 781	102 735	109 789
Vote 5 - Community Services		72 559	72 952	-	-	-	-	-	-	72 952	77 566	82 777
Vote 6 - Community Services		297 362	297 414	-	-	-	-	-	-	297 414	322 019	344 214
Vote 7 - Community Services		980	998	-	-	-	-	-	-	998	1 031	1 091
Vote 8 - Civil Engineering Services		722 310	722 466	-	-	-	-	-	-	722 466	783 539	843 739
Vote 9 - Civil Engineering Services		499 692	499 692	-	-	-	-	-	-	499 692	496 596	518 863
Vote 10 - Electro-technical Services		926 511	926 511	-	-	-	-	-	-	926 511	1 035 153	1 165 767
Vote 11 - Financial Services		123 198	123 198	-	-	-	-	5 702	5 702	128 899	131 206	140 665
Vote 12 - Financial Services		56 965	56 965	-	-	-	-	-	-	56 965	60 533	64 929
Vote 13 - Human Settlements, Planning and Development ar		119 565	119 262	-	-	-	-	-	-	119 262	189 258	135 529
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>3 065 058</b>	<b>3 065 058</b>	-	-	-	-	<b>5 702</b>	<b>5 702</b>	<b>3 070 760</b>	<b>3 355 858</b>	<b>3 573 194</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>514 873</b>	<b>514 873</b>	-	-	-	-	<b>(5 468)</b>	<b>(5 468)</b>	<b>509 405</b>	<b>402 867</b>	<b>179 772</b>

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

George Local Municipality - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 25/08/2023

Description	Ref	Budget Year 2023/24									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	3	4	5	6	7	8	9	10	+1 2024/25	+2 2025/26
		A	A1	B	C	D	E	F	G	H		
<b>Revenue</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity	2	916 429	916 429	-	-	-	-	-	-	916 429	1 032 815	1 215 624
Service charges - Water	2	218 058	218 058	-	-	-	-	-	-	218 058	239 864	263 850
Service charges - Waste Water Management	2	163 193	163 193	-	-	-	-	-	-	163 193	176 349	188 775
Service charges - Waste Management	2	156 470	156 470	-	-	-	-	-	-	156 470	167 497	177 603
Sale of Goods and Rendering of Services		113 628	113 628	-	-	-	-	-	-	113 628	129 680	145 325
Agency services		19 734	19 734	-	-	-	-	-	-	19 734	20 918	22 173
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		11 724	11 724	-	-	-	-	-	-	11 724	12 428	13 173
Interest earned from Current and Non Current Assets		42 415	42 415	-	-	-	-	-	-	42 415	43 687	44 998
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		5 231	5 231	-	-	-	-	-	-	5 231	5 545	5 878
Licence and permits		677	677	-	-	-	-	-	-	677	717	760
Operational Revenue		44 874	44 874	-	-	-	-	-	-	44 874	47 567	50 421
<b>Non-Exchange Revenue</b>												
Property rates		441 578	441 578	-	-	-	-	-	-	441 578	472 488	500 838
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		89 083	89 317	-	-	-	-	-	-	89 317	94 427	100 079
Licences or permits		4 161	4 161	-	-	-	-	-	-	4 161	4 411	4 677
Transfer and subsidies - Operational		635 102	634 868	-	-	-	-	234	234	635 102	706 654	678 095
Interest		-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		17 670	17 670	-	-	-	-	-	-	17 670	19 233	21 146
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		237 810	237 810	-	-	-	-	-	-	237 810	244 945	252 293
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>3 117 837</b>	<b>3 117 837</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>234</b>	<b>234</b>	<b>3 118 071</b>	<b>3 419 226</b>	<b>3 685 709</b>
<b>Expenditure By Type</b>												
Employee related costs		708 327	709 859	-	-	-	-	18	18	709 877	739 385	779 496
Remuneration of councillors		30 568	30 568	-	-	-	-	-	-	30 568	32 709	34 995
Bulk purchases - electricity		707 250	707 250	-	-	-	-	-	-	707 250	796 990	910 937
Inventory consumed		321 454	322 120	-	-	-	-	(18)	(18)	322 102	343 862	371 320
Debt impairment		95 146	95 146	-	-	-	-	-	-	95 146	99 903	104 898
Depreciation and amortisation		187 804	187 804	-	-	-	-	-	-	187 804	206 584	227 242
Interest		40 388	40 388	-	-	-	-	-	-	40 388	63 409	68 482
Contracted services		694 978	692 453	-	-	-	-	5 648	5 648	698 100	771 656	750 599
Transfers and subsidies		40 658	40 658	-	-	-	-	-	-	40 658	35 329	35 356
Irrecoverable debts written off		8 772	8 772	-	-	-	-	-	-	8 772	11 290	15 190
Operational costs		181 933	182 279	-	-	-	-	54	54	182 333	203 616	219 464
Losses on disposal of Assets		750	750	-	-	-	-	-	-	750	803	867
Other Losses		47 030	47 030	-	-	-	-	-	-	47 030	50 322	54 348
<b>Total Expenditure</b>		<b>3 065 058</b>	<b>3 065 077</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 702</b>	<b>5 702</b>	<b>3 070 779</b>	<b>3 355 858</b>	<b>3 573 194</b>
<b>Surplus/(Deficit)</b>		<b>52 779</b>	<b>52 760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5 468)</b>	<b>(5 468)</b>	<b>47 292</b>	<b>63 368</b>	<b>112 515</b>
Transfers and subsidies - capital (monetary allocations)		462 094	462 094	-	-	-	-	-	-	462 094	339 498	67 257
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; Income Tax</b>		<b>514 873</b>	<b>514 854</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5 468)</b>	<b>(5 468)</b>	<b>509 386</b>	<b>402 867</b>	<b>179 772</b>
<b>Surplus/(Deficit) after income tax</b>		<b>514 873</b>	<b>514 854</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5 468)</b>	<b>(5 468)</b>	<b>509 386</b>	<b>402 867</b>	<b>179 772</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>514 873</b>	<b>514 854</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5 468)</b>	<b>(5 468)</b>	<b>509 386</b>	<b>402 867</b>	<b>179 772</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>514 873</b>	<b>514 854</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5 468)</b>	<b>(5 468)</b>	<b>509 386</b>	<b>402 867</b>	<b>179 772</b>



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

George Local Municipality - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 25/08/2023

Description	Ref	Budget Year 2023/24									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
	A	A1	B	C	D	E	F	G	H			
<b>R thousands</b>												
<b>Capital expenditure - Vote</b>												
<b>Multi-year expenditure to be adjusted</b>												
Vote 1 - Office of the Municipal Manager	2	60	60	-	-	-	-	-	-	60	125	10
Vote 2 - Corporate Services		6 150	6 150	-	-	-	-	667	667	6 817	2 820	1 400
Vote 3 - Corporate Services		850	850	-	-	-	-	-	-	850	500	500
Vote 4 - Corporate Services		510	575	-	-	-	-	-	-	575	10	-
Vote 5 - Community Services		4 100	6 665	-	-	-	-	13 866	13 866	20 531	16 309	4 080
Vote 6 - Community Services		30 630	19 148	-	-	-	-	(200)	(200)	18 947	11 980	13 920
Vote 7 - Community Services		-	135	-	-	-	-	50	50	185	1 060	200
Vote 8 - Civil Engineering Services		271 575	556 153	-	-	-	-	350 020	350 020	906 173	491 203	236 128
Vote 9 - Civil Engineering Services		42	2 923	-	-	-	-	-	-	2 923	-	-
Vote 10 - Electro-technical Services		141 590	251 766	-	-	-	-	11 577	11 577	263 343	213 340	108 615
Vote 11 - Financial Services		770	412	-	-	-	-	-	-	412	151	210
Vote 12 - Financial Services		1 250	2 050	-	-	-	-	-	-	2 050	2 240	2 040
Vote 13 - Human Settlements, Planning and Development and Property Management		24 458	26 212	-	-	-	-	1 119	1 119	27 331	36 383	8 715
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	3	<b>481 985</b>	<b>873 099</b>	-	-	-	-	<b>377 098</b>	<b>377 098</b>	<b>1 250 197</b>	<b>776 120</b>	<b>375 819</b>
<b>Single-year expenditure to be adjusted</b>												
Vote 1 - Office of the Municipal Manager	2	50	50	-	-	-	-	-	-	50	15	15
Vote 2 - Corporate Services		7 913	7 913	-	-	-	-	(397)	(397)	7 516	2 383	1 645
Vote 3 - Corporate Services		610	610	-	-	-	-	-	-	610	320	-
Vote 4 - Corporate Services		945	880	-	-	-	-	-	-	880	440	-
Vote 5 - Community Services		20 667	20 182	-	-	-	-	(9 818)	(9 818)	10 364	2 117	3 400
Vote 6 - Community Services		21 538	34 170	-	-	-	-	1 695	1 695	35 865	28 963	17 780
Vote 7 - Community Services		965	830	-	-	-	-	721	721	1 551	510	950
Vote 8 - Civil Engineering Services		359 238	74 660	-	-	-	-	31 252	31 252	105 912	57 880	46 775
Vote 9 - Civil Engineering Services		5 616	2 735	-	-	-	-	4	4	2 739	20	-
Vote 10 - Electro-technical Services		119 116	8 940	-	-	-	-	-	-	8 940	12 130	6 610
Vote 11 - Financial Services		167	525	-	-	-	-	-	-	525	100	175
Vote 12 - Financial Services		800	-	-	-	-	-	-	-	-	-	-
Vote 13 - Human Settlements, Planning and Development and Property Management		3 433	1 904	-	-	-	-	(310)	(310)	1 594	3 601	130
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>541 057</b>	<b>153 398</b>	-	-	-	-	<b>23 146</b>	<b>23 146</b>	<b>176 545</b>	<b>108 479</b>	<b>77 480</b>
<b>Total Capital Expenditure - Vote</b>		<b>1 023 043</b>	<b>1 026 498</b>	-	-	-	-	<b>400 244</b>	<b>400 244</b>	<b>1 426 742</b>	<b>884 599</b>	<b>453 299</b>
<b>Capital Expenditure - Functional</b>												
<b>Governance and administration</b>		<b>10 310</b>	<b>10 310</b>	-	-	-	-	<b>105</b>	<b>105</b>	<b>10 415</b>	<b>4 343</b>	<b>5 250</b>
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		10 250	10 250	-	-	-	-	105	105	10 355	4 283	5 240
Internal audit		60	60	-	-	-	-	-	-	60	60	10
<b>Community and public safety</b>		<b>78 935</b>	<b>78 935</b>	-	-	-	-	<b>9 526</b>	<b>9 526</b>	<b>88 462</b>	<b>53 986</b>	<b>41 200</b>
Community and social services		15 645	15 645	-	-	-	-	270	270	15 915	6 878	3 500
Sport and recreation		20 027	20 027	-	-	-	-	6 128	6 128	26 155	17 659	5 580
Public safety		34 680	34 680	-	-	-	-	2 258	2 258	36 938	19 005	23 250
Housing		7 309	7 309	-	-	-	-	871	871	8 179	7 744	8 570
Health		1 275	1 275	-	-	-	-	-	-	1 275	2 700	300
<b>Economic and environmental services</b>		<b>120 560</b>	<b>120 560</b>	-	-	-	-	<b>161 428</b>	<b>161 428</b>	<b>281 988</b>	<b>104 203</b>	<b>65 180</b>
Planning and development		20 657	20 657	-	-	-	-	894	894	21 551	30 025	1 100
Road transport		99 903	99 903	-	-	-	-	160 534	160 534	260 438	74 178	64 080
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>812 417</b>	<b>812 417</b>	-	-	-	-	<b>232 600</b>	<b>232 600</b>	<b>1 045 017</b>	<b>720 982</b>	<b>341 444</b>
Energy sources		259 846	259 846	-	-	-	-	11 577	11 577	271 423	224 380	113 665
Water management		380 291	380 291	-	-	-	-	141 028	141 028	521 319	264 915	80 806
Waste water management		155 343	155 343	-	-	-	-	79 608	79 608	234 951	210 550	137 573
Waste management		16 938	16 938	-	-	-	-	387	387	17 324	21 138	9 400
<b>Other</b>		<b>820</b>	<b>820</b>	-	-	-	-	<b>40</b>	<b>40</b>	<b>860</b>	<b>1 085</b>	<b>225</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>1 023 043</b>	<b>1 023 043</b>	-	-	-	-	<b>403 699</b>	<b>403 699</b>	<b>1 426 742</b>	<b>884 599</b>	<b>453 299</b>
<b>Funded by:</b>												
National Government		397 578	397 578	-	-	-	-	-	-	397 578	287 566	50 348
Provincial Government		-	-	-	-	-	-	750	750	750	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>397 578</b>	<b>397 578</b>	-	-	-	-	<b>750</b>	<b>750</b>	<b>398 328</b>	<b>287 566</b>	<b>50 348</b>
<b>Borrowing</b>	4	<b>376 685</b>	<b>376 685</b>	-	-	-	-	<b>22 563</b>	<b>22 563</b>	<b>399 248</b>	<b>374 400</b>	<b>214 273</b>
<b>Internally generated funds</b>		<b>248 780</b>	<b>248 780</b>	-	-	-	-	<b>380 386</b>	<b>380 386</b>	<b>629 165</b>	<b>222 633</b>	<b>188 678</b>
<b>Total Capital Funding</b>		<b>1 023 043</b>	<b>1 023 043</b>	-	-	-	-	<b>403 699</b>	<b>403 699</b>	<b>1 426 742</b>	<b>884 599</b>	<b>453 299</b>



**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 2023/24 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**

Acting Municipal Manager of **GEORGE WC044**

Signature   
\_\_\_\_\_

Date \_\_\_\_\_ **01/09/2023**