

BITOU LOCAL MUNICIPALITY



**Final Adjustments Budget as at
31 May 2022**



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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, examples include tariff policy, rates policy, 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 is shown 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 legislation that shows the total allocations made by national to provincial and 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

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

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 tax based on the 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, is 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 of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

Legislative Framework

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 adjustment 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 prescribed limitation 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) 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 budget 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) Section 22(b), 23 (3) and 24(3) apply in respect of an adjustment budget , and in such application a reference in those sections to an annual budget must be read as a reference to an adjustment budget

PART 1 – ADJUSTMENTS BUDGET REPORT

Section 1 – Mayor’s Report

1.1 Municipal 2nd Adjustments Budget

The budget adjustment that is tabled before council is a result of additional grant funding of MIG and Human Settlement grants that has been gazetted and paid into the municipal bank account.

The other reason for this adjustment is to correct errors that were identified in the previous adjustment budget such as the segmentation between Machinery and Equipment and Transport Asset, misallocation of fund from one vote to another, as well as to allocate savings from one directorate to service delivery sections.

The projects that needed funding is Water and Sanitation , Clearing of grass as winter season approaches as well as EPWP project for Baboon Control and Waste Management to deal with environmental issues.

As can be seen on the operational surplus, there is no material adjustment as the net effect of the operational revenue and expenditure budget will only increase the adjustment budget by the additional grant funding.

Revenue

Grants

The municipality has received additional funding from DeCOG amounting to R9 million inclusive of Vat and an amount of R7.2 million for implementation of Qolweni TRA and relocation of non-qualifiers (Decanting) project at Qolweni will be adjusted to the operational.

Office of the Executive and Deputy Mayor sacrificed the budget to procure vehicles as tools of trade for humanitarian relief to the community of Plettenbergbay Bay by providing social relief to the needy, support SMMEs and NGO's in the remaining months of the year.

The **total operating revenue budget** amounts to R790.2 million an increase from R787.5 million as compared to the previous adjustment budget.

Expenditure

The expenditure budget has been increased by R9.5 million. This is to include contracted services and inventory consumed on operational grants.

The total operating expenditure budget amount to R788.6 million. There's a movement on operating surplus from R8.3 million to R1.5 million. The surplus for the year amounts to R55.6 million from R62.4 million.

Unauthorised expenditure

The adjustment budget has taken into account the unauthorised expenditure amounting R13.7 million. MPAC has investigated these expenditures and recommended that council should condone the expenditure for the reasons cited above.

2nd ADJUSTMENTS BUDGET 2021/22

Section 2 – MAYCO Resolutions:

- That council approves the Adjustments Budget Narrative as per attached Annexure A
- That council approves B-Schedule and supporting tables the correction of the mSCOA segments and the reallocation of savings that has been identified for Water and Sanitation, EPWP for Grass cutting projects and identified as errors in the annual budget as per Annexure B
- That council approves the Capital budget to include the revised projects of MIG and Human Settlement grants as per Annexure C
- That council approves an additional funds newly gazetted amounting to R9 million excluding Vat as per annexure D
- That council approves the funding from Provincial Department of Human Settlement for decanting of Qolweni non-qualifiers as per Annexure E
- That council approves the Unauthorised Expenditure for as per MPAC resolutions Annexure F

Section 3 – Executive summary

Explanation how the adjustments budget affects the annual budget

The adjustment budget is prepared to include additional grants as newly gazetted and the Human Settlement grants that has already been paid by into the municipal bank account by Provincial Human Settlement Department.

There is not much material impact on the operational revenue expenditure budget except to include make provision for these grants. The budget is adjusted to enhance Service delivery projects that has already been implemented which did not have funding will not necessarily be affected by these adjustment budget as these discussed with the user departments.

There's a general understanding that the budget will be adjusted and departments will make use of the budget that is remaining to ensure service delivery is uninterrupted. The projects that were reprioritised are funded by MIG and these will be implemented and continue as planned. The municipality has also adjusted the capital budget by R4 million to make provision for the rehabilitation of landfill side. This is required when capitalisation of assets is performed.

Motivation of any material changes to the annual budget

Material changes to the annual budget affect the capital budget wherein human settlement grant was initially budgeted for new roads, sewer, and water at Ebenezer, Qolweni and Shell.

The impact on the provision of basic services will not be affected as this adjustment makes provision for funding for the departments that needs additional funding. The identified saving within the budget will be sufficient to cover for the day to day operations until the end of financial year.

The adjustment made to the annual budget is highlighted above as per analysis and the below adjustment budget tables.

Funding of the budget

As can be seen on the Table B8, the adjustment budget is funded however the municipality needs to ensure it improves its reserves and working capital to ensure that non-cash items and provisions are cash backed.

Section 4 – Adjustment budget tables

Adjustment Budget Summary

WC047 Bitou - Table B1 Adjustments Budget Summary -											
Description	Budget Year 2021/22									Budget Year +1	Budget Year +2
	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	1	2	3	4	5	6	7	8		
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	158 942	156 890	-	-	-	-	-	-	156 890	163 031	169 389
Service charges	405 505	409 273	-	-	-	-	-	-	409 273	445 593	490 769
Investment revenue	11 118	7 261	-	-	-	-	-	-	7 261	11 551	12 002
Transfers recognised - operational	143 807	162 721	-	-	-	2 764	-	2 764	165 485	181 377	203 896
Other own revenue	66 070	51 377	-	-	-	-	-	-	51 377	68 713	71 466
Total Revenue (excluding capital transfers and contributions)	785 441	787 523				2 764		2 764	790 287	870 265	947 522
Employee costs	274 973	271 093	-	-	-	-	(1 783)	(1 783)	269 310	285 332	301 055
Remuneration of councillors	6 905	6 477	-	-	-	-	0	0	6 477	7 216	7 539
Depreciation & asset impairment	36 032	36 294	-	-	-	-	-	-	36 294	37 437	38 897
Finance charges	10 969	11 090	-	-	-	-	-	-	11 090	8 700	6 595
Materials and bulk purchases	162 991	163 990	-	-	-	-	(76)	(76)	163 914	202 069	248 892
Transfers and grants	4 900	4 453	-	-	-	-	146	146	4 599	-	-
Other expenditure	278 993	285 756	-	-	-	7 954	3 301	11 255	297 011	302 058	315 084
Total Expenditure	775 763	779 152				7 954	1 587	9 542	788 694	842 813	918 062
Surplus/(Deficit)	9 679	8 370				(5 190)	(1 587)	(6 777)	1 593	27 452	29 460
Transfers recognised - capital	47 624	38 648	-	-	-	14 190	-	14 190	52 838	47 708	34 347
Contributions recognised - capital & contributed assets	267	1 249	-	-	-	-	-	-	1 249	285	-
Surplus/(Deficit) after capital transfers & contributions	57 569	48 268				9 000	(1 587)	7 413	55 680	75 445	63 807
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	57 569	48 268				9 000	(1 587)	7 413	55 680	75 445	63 807
Capital expenditure & funds sources											
Capital expenditure	90 316	71 781									
Transfers recognised - capital	44 817	35 830	-	-	-	-	12 986	12 986	48 817	45 292	25 461
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	45 499	35 950	-	-	-	-	5 305	5 305	41 256	37 649	17 830
Total sources of capital funds	90 316	71 781					18 291	18 291	90 072	82 941	43 291
Financial position											
Total current assets	233 235	238 036	-	-	-	-	(9 997)	(9 997)	228 039	434 299	621 813
Total non current assets	1 214 738	1 960 365	-	-	-	-	18 297	18 297	1 978 662	2 035 690	2 074 159
Total current liabilities	141 470	131 899	-	-	-	-	-	-	131 899	137 034	144 249
Total non current liabilities	176 496	(176 496)	-	-	-	-	-	-	(176 496)	(153 875)	(133 538)
Community wealth/Equity	1 130 007	2 302 930					(48 909)	(48 909)	2 254 021	2 486 829	2 685 262
Cash flows											
Net cash from (used) operating	92 611	139 081	-	-	-	-	6 708	6 708	145 789	143 417	124 779
Net cash from (used) investing	(73 578)	(79 643)	-	-	-	-	(19 088)	(19 088)	(98 730)	(82 941)	(43 291)
Net cash from (used) financing	(22 621)	(22 439)	-	-	-	-	-	-	(22 439)	(21 830)	(17 553)
Cash/cash equivalents at the year end	122 129	110 464					(12 379)	(12 379)	98 084	149 110	213 693
Cash backing/surplus reconciliation											
Cash and investments available	130 484	110 464	-	-	-	-	(12 379)	(12 379)	98 084	278 992	429 006
Application of cash and investments	1 258 576	2 497 080	-	-	-	-	(2 578 513)	(2 578 513)	(81 434)	58 222	49 517
Balance - surplus (shortfall)	(1 128 092)	(2 386 616)					2 566 134	2 566 134	179 518	220 770	379 489
Asset Management											
Asset register summary (WDV)	54 661	35 502	-	-	-	-	18 297	18 297	53 799	45 526	4 417
Depreciation & asset impairment	36 032	36 294	-	-	-	-	-	-	36 294	37 437	38 897
Renewal of Existing Assets	9 936	6 402	-	-	-	-	-	-	6 402	12 020	5 540
Repairs and Maintenance	55 986	55 553	-	-	-	-	(2 059)	(2 059)	53 494	63 515	74 202
Free services											
Cost of Free Basic Services provided	(19 275)	(20 059)	-	-	-	-	-	-	(20 059)	(20 061)	(16 723)
Revenue cost of free services provided	(3 887)	(5 861)	-	-	-	-	-	-	(5 861)	(4 039)	(4 197)
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Section 4 – B-Schedule tables

4.1 2021/22 Adjustments Budget

The tables included in section 4 to the end of this report are from the ‘B Schedule Adjustments Budget’ legislated as part of section MFMA and MBRR.

Financial Performance (Revenue and Expenditure)

WC047 Bitou - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2021/22										Budget	Budget	
		Original	Prior	Accum.	Multi-	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted	Year +1	Year +2
		Budget	Adjusted	Funds	year capital	Unavoid.	Prov. Govt	Adjus.	Adjus.	Budget	Budget	Budget	2022/23	2023/24
	3	4	5	6	7	8	9	10						
R thousands	1	A	A1	B	C	D	E	F	G	H				
Revenue By Source														
Property rates	2	158 942	156 890	-	-	-	-	-	-	-	156 890	163 031	169 389	
Service charges - electricity revenue	2	180 150	181 409	-	-	-	-	-	-	-	181 409	210 934	247 111	
Service charges - water revenue	2	91 987	90 230	-	-	-	-	-	-	-	90 230	95 758	99 684	
Service charges - sanitation revenue	2	82 145	85 319	-	-	-	-	-	-	-	85 319	85 349	88 678	
Service charges - refuse revenue	2	51 223	52 316	-	-	-	-	-	-	-	52 316	53 551	55 296	
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment		1 465	1 319	-	-	-	-	-	-	-	1 319	1 525	1 588	
Interest earned - external investments		11 118	7 261	-	-	-	-	-	-	-	7 261	11 551	12 002	
Interest earned - outstanding debtors		17 018	15 335	-	-	-	-	-	-	-	15 335	17 728	18 467	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		36 928	23 337	-	-	-	-	-	-	-	23 337	38 368	39 865	
Licences and permits		1 047	1 047	-	-	-	-	-	-	-	1 047	1 091	1 136	
Agency services		2 748	2 748	-	-	-	-	-	-	-	2 748	2 855	2 966	
Transfers and subsidies		143 807	162 721	-	-	-	2 764	-	2 764	165 485	181 377	203 896		
Other revenue	2	6 863	7 062	-	-	-	-	-	-	7 062	7 146	7 444		
Gains		-	530	-	-	-	-	-	-	530	-	-		
Total Revenue (excluding capital transfers and contributions)		785 441	787 523	-	-	-	2 764	-	2 764	790 287	870 265	947 522		
Expenditure By Type														
Employee related costs		274 973	271 093	-	-	-	-	(1 783)	(1 783)	269 310	285 332	301 055		
Remuneration of councillors		6 905	6 477	-	-	-	-	0	0	6 477	7 216	7 539		
Debt impairment		106 990	103 540	-	-	-	-	-	-	103 540	111 376	115 943		
Depreciation & asset impairment		36 032	36 294	-	-	-	-	-	-	36 294	37 437	38 897		
Finance charges		10 969	11 090	-	-	-	-	-	-	11 090	8 700	6 595		
Bulk purchases - electricity		147 721	147 721	-	-	-	-	-	-	147 721	167 663	190 298		
Inventory Consumed		15 270	16 269	-	-	-	-	(76)	(76)	16 193	34 406	58 594		
Contracted services		112 556	119 914	-	-	-	7 954	5 845	13 799	133 713	129 973	132 372		
Transfers and subsidies		4 900	4 453	-	-	-	-	146	146	4 599	-	-		
Other expenditure		59 447	62 302	-	-	-	-	(2 544)	(2 544)	59 758	60 709	66 769		
Losses		-	-	-	-	-	-	-	-	-	-	-		
Total Expenditure		775 763	779 152	-	-	-	7 954	1 587	9 542	788 694	842 813	918 062		
Surplus/(Deficit)		9 679	8 370	-	-	-	(5 190)	(1 587)	(6 777)	1 593	27 452	29 460		
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		47 624	38 648	-	-	-	14 190	-	14 190	52 838	47 708	34 347		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		267	849	-	-	-	-	-	-	849	285	-		
Transfers and subsidies - capital (in-kind - all)		-	400	-	-	-	-	-	-	400	-	-		
Surplus/(Deficit) before taxation		57 569	48 268	-	-	-	9 000	(1 587)	7 413	55 680	75 445	63 807		
Taxation		-	-	-	-	-	-	-	-	-	-	-		
Surplus/(Deficit) after taxation		57 569	48 268	-	-	-	9 000	(1 587)	7 413	55 680	75 445	63 807		
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-		
Surplus/(Deficit) attributable to municipality		57 569	48 268	-	-	-	9 000	(1 587)	7 413	55 680	75 445	63 807		
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-		
Surplus/ (Deficit) for the year		57 569	48 268	-	-	-	9 000	(1 587)	7 413	55 680	75 445	63 807		

Operating Revenue Budget

Grants

The grants and subsidies has been adjusted by R2.7 million to include the additional grants that has been paid into the municipal bank account for the decanting of non-qualifiers at.

The total operating revenue has been adjusted upward from R787. 5 million to R790 million

Operating Expenditure Budget

Employee related costs

The budget for employee related cost is adjusted by downwards R1.7 million as a saving on EPWP internally funded to fund other service delivery projects.

Inventory consumed.

The expenditure budget has been adjusted upwards by R76 000 to increase some of the stock items where the budget is depleted

Contracted Services

Contracted services is adjusted upward by R13.7 million to R133.7 million to make provision for the project in Qolweni, and to include the expenditure that has been accepted by MPAC

Transfers and subsidies

The budget has been adjusted upwards by R14.1 million to R52.8million, this include the additional MIG allocation and reprioritization of Capital projects funded by Human settlement for the social relief.

Other expenditure

Total expenditure has been adjusted downward by R763 000 for reallocation of funding to service delivery departments.

Total operating expenditure was adjusted from RR779.1 million to R781.9 million. The operating surplus remain unchanged as it reflects an amount of R8.3 million. The total surplus after capital transfers and public contributions amounts is adjusted from R48.2 million to R62.4 million.

Financial Performance (Revenue and Expenditure by Municipal Vote)

WC047 Bitou - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -												
Vote Description	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2
		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
			3	4	5	6	7	8	9	10		
<i>[Insert departmental structure etc]</i>												
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Council		2 918	2 918	-	-	-	-	-	-	2 918	3 008	3 125
Vote 2 - Office of the Municipal Manager		48 899	48 762	-	-	-	-	-	-	48 762	53 534	54 673
Vote 3 - Community Services		155 111	149 884	-	-	-	7 954	(0)	7 954	157 838	181 608	197 326
Vote 4 - Corporate Services		266	261	-	-	-	-	-	-	261	-	-
Vote 5 - Financial Services		185 369	177 859	-	-	-	-	-	-	177 859	191 249	197 727
Vote 6 - Economic Development & Planning		5 758	6 648	-	-	-	-	-	-	6 648	3 971	5 924
Vote 7 - Engineering Services		435 010	441 089	-	-	-	9 000	-	9 000	450 089	484 888	523 093
Total Revenue by Vote	2	833 332	827 420	-	-	-	16 954	(0)	16 954	844 375	918 258	981 869
Expenditure by Vote	1											
Vote 1 - Council		9 839	8 701	-	-	-	-	(41)	(41)	8 660	10 111	10 057
Vote 2 - Office of the Municipal Manager		26 391	26 224	-	-	-	-	(230)	(230)	25 994	28 328	32 340
Vote 3 - Community Services		203 706	215 984	-	-	-	7 954	(2 975)	4 979	220 963	238 013	258 961
Vote 4 - Corporate Services		70 253	68 667	-	-	-	-	3 805	3 805	72 473	75 916	69 590
Vote 5 - Financial Services		65 074	62 844	-	-	-	-	(1 363)	(1 363)	61 481	64 967	71 467
Vote 6 - Economic Development & Planning		24 777	24 596	-	-	-	-	(555)	(555)	24 041	21 499	21 985
Vote 7 - Engineering Services		375 722	372 137	-	-	-	-	2 946	2 946	375 083	403 979	453 664
Total Expenditure by Vote	2	775 763	779 152	-	-	-	7 954	1 587	9 542	788 694	842 813	918 062
Surplus/ (Deficit) for the year	2	57 569	48 268	-	-	-	9 000	(1 587)	7 413	55 680	75 445	63 807

The table above reflects the changes or adjustments made per functional area. As stipulated above in an effort to improve the operational viability and also address some of the service delivery challenges, the adjustment budget was used to refinance and reprioritise the service delivery in the municipality additional National and Provincial grants.

Revenue

The adjusted budget is to include the additional MIG and Human settlement grant allocation that has been gazetted on the 25 March 2022 and paid into the municipal bank account

Community Services

The net effect of the adjusted budget amounts to R4.9 million is attributed reallocation of operating expenditure as reflected on B2.

Engineering Services

The budget is adjusted upwards by R2.9 million, this is attributed to reallocation of budget to service delivery projects, particularly water and waste water.

Expenditure on Repairs and Maintenance by Assets Class Capital Expenditure affected by adjustment budget

WC047 Bitou - Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class -											Budget Year +1	Budget Year +2
Description	Budget Year 2021/22									2022/23	2023/24	
	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	7	8	9	10	11	12	13	14			
R thousands	A	A1	B	C	D	E	F	G	H			
Repairs and maintenance expenditure by Asset Class/Sub-class												
Infrastructure	1 322	500	-	-	-	-	(150)	(150)	350	1 200	2 000	
Roads Infrastructure	1 322	500	-	-	-	-	(150)	(150)	350	1 200	2 000	
Road Furniture	1 322	500	-	-	-	-	(150)	(150)	350	1 200	2 000	
Water Supply Infrastructure	3 125	3 245	-	-	-	-	80	80	3 325	2 671	5 535	
Dams and Weirs	2 325	2 445	-	-	-	-	80	80	2 525	1 611	3 335	
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-	-	
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-	-	
Community Assets	1 183	1 727	-	-	-	-	(82)	(82)	1 645	1 362	2 363	
Community Facilities	1 183	1 727	-	-	-	-	(82)	(82)	1 645	1 362	2 363	
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	-	-	
Other assets	6 539	6 295	-	-	-	-	449	449	6 745	7 826	7 004	
Operational Buildings	6 539	6 295	-	-	-	-	449	449	6 745	7 826	7 004	
Municipal Offices	6 433	6 189	-	-	-	-	449	449	6 639	7 715	6 892	
Machinery and Equipment	669	589	-	-	-	-	(170)	(170)	419	346	236	
Machinery and Equipment	669	589	-	-	-	-	(170)	(170)	419	346	236	
Transport Assets	7 656	6 114	-	-	-	-	(105)	(105)	6 009	7 081	6 300	
Transport Assets	7 656	6 114	-	-	-	-	(105)	(105)	6 009	7 081	6 300	
Total Repairs and Maintenance Expenditure to be adjusted	20 494	18 470	-	-	-	-	22	22	18 493	20 486	23 438	

Financial Position

WC047 Bitou - Table B6 Adjustments Budget Financial Position -												
Description	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2
		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	3	4	5	6	7	8	9	10		
R thousands												
ASSETS												
Current assets												
Cash		12 362	60 652	-	-	-	-	(12 379)	(12 379)	48 273	149 110	213 693
Call investment deposits	1	109 766	49 811	-	-	-	-	-	-	49 811	121 360	206 620
Consumer debtors	1	95 551	95 551	-	-	-	-	-	-	95 551	112 671	130 459
Other debtors		476	15 554	-	-	-	-	-	-	15 554	34 691	54 575
Current portion of long-term receivables			1	-	-	-	-	-	-	1	-	-
Inventory		15 079	16 467	-	-	-	-	-	-	16 467	16 467	16 467
Total current assets		233 235	238 036	-	-	-	-	(12 379)	(12 379)	225 657	434 299	621 813
Non current assets												
Long-term receivables		15	-	-	-	-	-	-	-	-	-	-
Investments		8 355	-	-	-	-	-	-	-	-	8 522	8 693
Investment property		22 226	22 563	-	-	-	-	-	-	22 563	22 226	22 226
Investment in Associate		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	1 184 104	1 937 767	-	-	-	-	18 291	18 291	1 956 058	2 004 907	2 043 199
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		(0)	(0)	-	-	-	-	-	-	(0)	(6)	-
Other non-current assets		38	35	-	-	-	-	-	-	35	40	41
Total non current assets		1 214 738	1 960 365	-	-	-	-	18 291	18 291	1 978 657	2 035 690	2 074 159
TOTAL ASSETS		1 447 973	2 198 402	-	-	-	-	5 912	5 912	2 204 314	2 469 988	2 695 972
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		328	(328)	-	-	-	-	-	-	(328)	(328)	(328)
Consumer deposits		8 850	9 481	-	-	-	-	-	-	9 481	9 948	10 416
Trade and other payables		77 712	77 712	-	-	-	-	-	-	77 712	91 269	95 065
Provisions		54 580	45 034	-	-	-	-	-	-	45 034	-	-
Total current liabilities		141 470	131 899	-	-	-	-	-	-	131 899	100 889	105 153
Non current liabilities												
Borrowing	1	98 926	(98 926)	-	-	-	-	-	-	(98 926)	(76 305)	(55 968)
Provisions	1	77 570	(77 570)	-	-	-	-	-	-	(77 570)	(77 570)	(77 570)
Total non current liabilities		176 496	(176 496)	-	-	-	-	-	-	(176 496)	(153 875)	(133 538)
TOTAL LIABILITIES		317 966	(44 597)	-	-	-	-	-	-	(44 597)	(52 986)	(28 385)
NET ASSETS	2	1 130 007	2 242 998	-	-	-	-	5 912	5 912	2 248 910	2 522 974	2 724 357
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		1 008 193	2 181 116	-	-	-	-	-	(2 723)	2 178 393	2 360 752	2 551 213
Reserves		121 814	121 814	-	-	-	-	(48 909)	(48 909)	72 905	126 077	134 049
Minorities' interests		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		1 130 007	2 302 930	-	-	-	-	(48 909)	(51 632)	2 251 298	2 486 829	2 685 262

Cash Flow

WC047 Bitou - Table B7 Adjustments Budget Cash Flows -												
Description	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2
		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	3	4	5	6	7	8	9	10		
R thousands		A1	B	C	D	E	F	G	H			
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		135 101	136 106	-	-	-	-	-	-	136 106	131 587	126 037
Service charges		341 191	355 074	-	-	-	-	-	-	355 074	359 593	365 143
Other revenue		39 819	18 506	-	-	-	-	-	-	18 506	22 723	23 617
Government - operating	1	134 181	155 982	-	-	-	-	7 250	7 250	163 232	181 377	203 896
Government - capital	1	39 542	41 205	-	-	-	-	9 000	9 000	50 205	52 086	29 281
Interest		25 583	20 228	-	-	-	-	-	-	20 228	25 451	25 362
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(602 596)	(572 613)	-	-	-	-	(9 396)	(9 396)	(582 009)	(620 700)	(641 961)
Finance charges		(13 510)	(11 090)	-	-	-	-	-	-	(11 090)	(8 700)	(6 595)
Transfers and Grants	1	(6 700)	(4 316)	-	-	-	-	(146)	(146)	(4 462)	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		92 611	139 081	-	-	-	-	6 708	6 708	145 789	143 417	124 779
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	448	-	-	-	-	-	-	448	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	1	-	-	-	-	-	-	1	-	-
Decrease (increase) in non-current investments		-	(9 107)	-	-	-	-	-	-	(9 107)	-	-
Payments												
Capital assets		(73 578)	(70 985)	-	-	-	-	(19 088)	(19 088)	(90 072)	(82 941)	(43 291)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(73 578)	(79 643)	-	-	-	-	(19 088)	(19 088)	(98 730)	(82 941)	(43 291)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing		(22 621)	(22 439)	-	-	-	-	-	-	(22 439)	(21 830)	(17 553)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(22 621)	(22 439)	-	-	-	-	-	-	(22 439)	(21 830)	(17 553)
NET INCREASE/ (DECREASE) IN CASH HELD		(3 588)	36 999	-	-	-	-	(12 379)	(12 379)	24 620	38 646	63 934
Cash/cash equivalents at the year begin:	2	125 717	73 465	-	-	-	-	-	-	73 465	110 464	149 759
Cash/cash equivalents at the year end:	2	122 129	110 464	-	-	-	-	(12 379)	(12 379)	98 084	149 110	213 693

Expenditure on transfer and grant programme

WC047 Bitou - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -

Description	Budget Year 2021/22							Budget	Budget
	Original Budget	Prior Adjusted	Multi- year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Year +1	Year +2
								2022/23	2023/24
R thousands	A	A1	B	C	D	E	F		
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:									
Operating expenditure of Transfers and Grants									
National Government:	118 658	118 658	-	-	-	-	118 658	129 354	128 099
Operational Revenue:General Revenue:Equitable Share	111 953	111 953	-	-	-	-	111 953	122 633	126 328
Energy Efficiency and Demand-side [Schedule 5B]	4 159	4 159	-	-	-	-	4 159	5 000	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	996	996	-	-	-	-	996	-	-
Local Government Financial Management Grant [Schedule 5B]	1 550	1 550	-	-	-	-	1 550	1 721	1 771
Provincial Government:	23 713	43 603	-	2 764		2 764	46 367	52 023	75 797
Capacity Building	-	-	-	-	-	-	-	-	-
Capacity Building and Other	12 503	19 953	-	26 414		26 414	46 367	52 023	75 797
Infrastructure	11 210	23 650	-	(23 650)		(23 650)	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
All Grants									
Other grant providers:	440	460	-	-	-	-	460	-	-
Private Enterprises	440	460	-	-	-	-	460	-	-
Total Operating Transfers and Grants	142 811	162 721	-	-			165 485	181 377	203 896
Capital Transfers and Grants									
National Government:	25 354	25 354	-	9 000		9 000	34 354	33 508	34 347
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4 250	4 250	-	-	-	-	4 250	11 000	11 000
Municipal Infrastructure Grant [Schedule 5B]	21 104	21 104	-	9 000		9 000	30 104	22 508	23 347
Municipal Water Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Provincial Government:	22 270	13 294	-	5 190		5 190	18 484	14 200	-
Infrastructure	22 270	13 294	-	5 190		5 190	18 484	14 200	-
District Municipality:	-	-	-	-	-	-	-	-	-
All Grants									
Other grant providers:	-	400	-	-	-	-	400	-	-
Private Enterprises	-	400	-	-	-	-	400	-	-
Total Capital Transfers and Grants	47 624	39 048	-	-		14 190	53 238	47 708	34 347
TOTAL EXPENDITURE OF TRANSFERS & GRANTS	190 435	201 769	-	16 954		16 954	218 723	229 085	238 243

Section 5 - Capital Expenditure per project affected by the Adjustment budget

WC047 Bitou - Table B5 Adjustments Capital Expenditure Budget by vote and funding -													
Description	Ref	Budget Year 2021/22										Budget Year +1	Budget Year +2
		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	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H			
R thousands													
Capital expenditure - Vote													
Multi-year expenditure to be adjusted	2												
Vote 1 - Council		-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Community Services		5 785	6 674	-	-	-	-	-	-	6 674	10 400	3 800	
Vote 4 - Corporate Services		1 496	640	-	-	-	-	-	-	640	880	-	
Vote 5 - Financial Services		-	200	-	-	-	-	-	-	200	-	-	
Vote 6 - Economic Development & Planning		-	-	-	-	-	-	-	-	-	-	-	
Vote 7 - Engineering Services		63 856	36 197	-	-	-	-	11 963	11 963	48 159	44 609	24 670	
Capital multi-year expenditure sub-total	3	71 138	43 711	-	-	-	-	11 963	11 963	55 674	55 889	28 470	
Single-year expenditure to be adjusted	2												
Vote 1 - Council		-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Community Services		3 220	3 735	-	-	-	-	3 544	3 544	7 279	2 750	-	
Vote 4 - Corporate Services		3 261	2 707	-	-	-	-	16	16	2 722	1 499	-	
Vote 5 - Financial Services		-	40	-	-	-	-	22	22	62	-	-	
Vote 6 - Economic Development & Planning		-	-	-	-	-	-	-	-	-	-	-	
Vote 7 - Engineering Services		12 697	21 588	-	-	-	-	2 747	2 747	24 335	22 803	14 821	
Capital single-year expenditure sub-total		19 179	28 070	-	-	-	-	6 329	6 329	34 399	27 052	14 821	
Total Capital Expenditure - Vote		90 316	71 781	-	-	-	-	18 291	18 291	90 072	82 941	43 291	
Capital Expenditure - Functional													
Governance and administration		5 458	3 937	-	-	-	-	38	38	3 974	4 879	-	
Executive and council		-	-	-	-	-	-	-	-	-	-	-	
Finance and administration		5 458	3 937	-	-	-	-	38	38	3 974	4 879	-	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	
Community and public safety		6 705	9 466	-	-	-	-	(456)	(456)	9 010	9 950	3 800	
Community and social services		770	359	-	-	-	-	302	302	661	3 050	-	
Sport and recreation		1 935	4 606	-	-	-	-	(758)	(758)	3 849	-	-	
Public safety		4 000	4 500	-	-	-	-	-	-	4 500	6 900	3 800	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services		30 382	17 804	-	-	-	-	11 227	11 227	29 030	10 848	5 946	
Planning and development		-	-	-	-	-	-	-	-	-	-	-	
Road transport		30 382	17 804	-	-	-	-	11 227	11 227	29 030	10 848	5 946	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	
Trading services		47 771	40 575	-	-	-	-	7 483	7 483	48 058	57 264	33 546	
Energy sources		9 282	11 145	-	-	-	-	1 267	1 267	12 412	10 050	9 760	
Water management		17 639	15 969	-	-	-	-	1 516	1 516	17 484	22 493	13 511	
Waste water management		19 250	12 868	-	-	-	-	700	700	13 568	24 021	10 275	
Waste management		1 600	594	-	-	-	-	4 000	4 000	4 594	700	-	
Other		-	-	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Functional	3	90 316	71 781	-	-	-	-	18 291	18 291	90 072	82 941	43 291	
Funded by:													
National Government		22 047	22 047	-	-	-	-	7 826	7 826	29 873	31 092	25 461	
Provincial Government		22 770	13 383	-	-	-	-	5 160	5 160	18 544	14 200	-	
District Municipality		-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	400	-	-	-	-	-	-	400	-	-	
Transfers recognised - capital	4	44 817	35 830	-	-	-	-	12 986	12 986	48 817	45 292	25 461	
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	
Borrowing		-	-	-	-	-	-	-	-	-	-	-	
Internally generated funds		45 499	35 950	-	-	-	-	5 305	5 305	41 256	37 649	17 830	
Total Capital Funding		90 316	71 781	-	-	-	-	18 291	18 291	90 072	82 941	43 291	

WC047 Bitou - Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget -

Municipal Vote/Capital project	Program/Project description	Medium Term Revenue and Expenditure Framework					
		Budget Year 2021/22		Budget Year +1		Budget Year +2	
		Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
R thousand							
Parent municipality:							
<i>List all capital programs/projects grouped by Municipal Vote</i>							
ROADS, STORMWATER AND BUILDINGS MAINTENANCE							
KRANSHOEK: UPGRADE GRAVEL ROADS (MIG)	Upgrading of all gravel roads in Kranshoek with surfacing	3 400	3 454	-	-	-	-
EBENEZER: NEW ROADS	UISP: New roads at Ebenezer for New Horizons	6 600	11 000	2 000	2 000	-	-
EBENEZER: NEW ACCESS ROAD	New access road into Ebenezer	7 116	13 889	5 278	5 278	5 476	5 476
WATER SERVICES: WASTE WATER PURIFICATION							
EBENEZER: NEW SEWER	UISP: New sewer at Ebenezer for New Horizons	2 000	2 700	3 500	3 500	-	-
ELECTRICAL AND MECHANICAL ENGINEERING SERVICES							
2X TOYOTA HILUX BAKKIES	2X TOYOTA HILUX BAKKIES	-	1 267	-	-	-	-
WATER SERVICES: WATER DISTRIBUTION							
EBENEZER: NEW WATER	UISP: New water at Ebenezer for New Horizons	2 610	2 700	2 000	2 000	-	-
PLETT WTW: NEW PUMP STATION	New clear water pump station at Plett WTW	-	1 176	12 174	12 174	9 319	9 319
EBENEZER: NEW BULK WATER, PORTION 20	Construction of new Bulk Water	6 359	6 359	4 719	4 719	893	893
KRANSHOEK: UPGRADE BULK WATER	Completion of pipeline from Airport to Kranshoek and Upgrading of Bra	-	250	-	-	-	-
LIBRARY AND INFORMATION SERVICES							
RECREATIONAL EQUIPMENT	TABLE TENNIS POOL ETC	5	-	-	-	-	-
COMPUTER EQUIPMENT & ACCESSORIES	COMPUTER EQUIPMENT & ACCESSORIES	22	19	-	-	-	-
UPGRADE OF MUNICIPAL LIBRARIES	REMOVING OF ASBESTOS AND REPLACING WITH BR ZINC ROOF	290	266	-	-	-	-
FURNITURE		42	45				
PARKS AND RECREATION: PARKS MAINTENANCE AND HORTICULTURE							
BOSSIESGIF: UPGRADE OF SPORTS FIELD	Bossiesgif upgrading of Sports Field	1 476	1 050	-	-	-	-
REVENUE SERVICES							
HEAVY DUTY PAPER SHREDDER	HEAVY DUTY PAPER SHREDDER	-	22	-	-	-	-
WASTE MANAGEMENT							
REHABILITATION OF LANDFILL SITE	REHABILITATION OF LANDFILL SITE	-	4 000	-	-	-	-
COMMUNICATION							
GAZEBO TENT	3X 3M TENT GAZEBO TENT BRANDED LOGO	-	16	-	-	-	-
		29 921	48 212	29 671	29 671	15 687	15 687

Section 6 – Adjustments made to the top layer SDBIP

The municipality has amended the top layer SDBIP to be in line with adjustment budget as per the directorate performance. The SBDIP document will be separately from the budget document.

Municipal manager's quality certification

Municipal manager's quality certification

QUALITY CERTIFICATE

I, _____ the Municipal Manager of Bitou Local Municipality, hereby certify that

- The monthly budget statement
- Quarterly report on the implementation of the budget and financial state of affairs of the municipality
- Mid-year budget and performance assessment
- The Municipal Adjustments budget

for the financial year 2021/22 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Signature _____

Print Name: _____

Municipal Manager of Bitou Local Municipality – WC047

Date _____