

ANNEXURE "A"

**2023/24 SPECIAL ADJUSTMENTS BUDGET
OF
KOUGA LOCAL
MUNICIPALITY**



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PART 1 – 2023/24 SPECIAL ADJUSTMENTS BUDGET

1.1. Executive Mayor's Report

1.1.1. Summary of reasons for the 2023/24 Special Adjustments Budget

In accordance with Section 28 of the Municipal Finance Management Act, Act No 56 of 2003 (MFMA), a municipality must revise its approved annual budget through an adjustments budget, in the following circumstances:

- i. To adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue.
- ii. To 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.
- iii. To 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 rollovers when the annual budget for the current year was approved by the Council.
- iv. To authorise the utilisation of projected savings in one vote towards spending under another vote.
- v. To correct any errors in the annual budget.

Regulation 23 (3) of the Municipal Budget and Reporting Regulations, states that 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.

In line with the MFMA and the Municipal Budget and Reporting Regulations, the 2023/24 approved Adjusted Budget has been revised. The adjustment has mainly been necessitated as result of Government Gazette dated 16 February 2024.

- 1.1.2. The Executive Mayor recommends that the Council approves the 2023/24 Special Adjustments Budget.

1.2. 2023/24 Special Adjustments Budget Resolutions

1.2.1. Approval of the Special Adjustments Budget

10.1 That the Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the 2023/24 Special Adjustments Budget as set out in the **Annexure "A"** on the following tables:

- Table 7 - B1 Adjustments Budget Summary.
- Table 8 - B2 Adjustments Budget Financial Performance (revenue and expenditure by standard classification).
- Table 9 - B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote).
- Table 10 - B4 Adjustments Financial Performance (revenue and expenditure by type).
- Table 11 - B5 Adjustments Budget Capital Expenditure by vote and standard classification and funding source.
- Table 12 - B6 Adjustments Budget Financial Position.
- Table 13 - B7 Adjustments Budget Cash Flows.
- Table 14 - B8 Cash backed reserves/accumulated surplus reconciliation.
- Table 15 - B9 Asset Management, and
- Table 16 - B10 Basic service delivery measurement.

10.2 That Council notes **Annexure B** - Conditional Grants Funded Capital Projects.

10.3 That Council notes **Annexure "C"** which regulates the format of the budget documentation as set out in Schedule B of the Municipal Budget and Reporting Regulations. This includes the main Tables B1 - B10 as well as the supporting tables SB1 – SB38.

1.3. Executive Summary

The following conditional grants were reduced in terms of the Government Gazette dated 16 February 2024, as follows:

| | 2023/24 Main Allocation | 2023/24 Adjusted Allocation | Variances |
|---|--|--|------------------|
| Conditional Grants | | | |
| Municipal Infrastructure Grant | 37,367,000 | 34,868,000 | 2,499,000 |
| Integrated National Electrification Programme | 4,700,000 | 4,089,000 | 611,000 |

| | | | |
|---------------------------------|-------------------|-------------------|------------------|
| Expanded Public Works Programme | 2,458,000 | 2,321,000 | 137,000 |
| Total | 44,525,000 | 41,278,000 | 3,247,000 |

Table 1 (Conditional Grants Summary)

It must be noted that the R 0,611 million adjustments for the integrated national electrification grant was considered during the 2023/24 mid-year adjustments budget.

Table 2 (Capital Expenditure by Funding Source)

| | Approved Adjusted Budget 2023/24 | Special Adjusted Budget 2023/24 | Variance |
|-----------------------------|---|--|------------------|
| | R | R | R |
| Total Capital Budget | | | |
| Funded as follows: | | | |
| National Government | 69 115 299 | 63 703 086 | 5 412 213 |
| Provincial Government | 19 840 733 | 19 840 733 | |
| District Municipality | 3 000 277 | 3 000 277 | |
| Internally generated funds | 35 145 546 | 35 145 546 | |
| Total | 127 101 855 | 121 689 642 | 5 412 213 |

The decrease in national government grant capital funding is broken-down as follows:

Table 3 (Capital Expenditure Adjustments Summary)

| Conditional Grant | Narration | Amount |
|--|--|------------|
| Energy Efficiency and Demand Side Management | Budget re-allocated to operating budget as per grant conditions. | -3,478,261 |
| Municipal Infrastructure Grant | Budget was reduced as per Government Gazette. | -2,064,391 |

| | | |
|----------------------------|--|-------------------|
| Financial Management Grant | Budget re-allocated from operating to capital budget for Interns' laptops. | 130,439 |
| Total | | -5,412,213 |

It must be noted that the national government capital funding grants amount exclude value added tax (V.A.T).

Table 4 (Operating revenue by source)

| Description | Current year 2023/24 | | | | |
|--|----------------------|------------------|----------------|----------------|------------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| R thousands | | | | | |
| Revenue | | | | | |
| Exchange Revenue | | | | | |
| Service charges - Electricity | 390 731 | 352 780 | - | - | 352 780 |
| Service charges - Water | 101 425 | 118 603 | - | - | 118 603 |
| Service charges - Waste Water Management | 63 314 | 64 268 | - | - | 64 268 |
| Service charges - Waste Management | 66 396 | 66 782 | - | - | 66 782 |
| Sale of Goods and Rendering of Services | 7 790 | 9 000 | - | - | 9 000 |
| Agency services | 1 000 | 4 276 | - | - | 4 276 |
| Interest earned from Receivables | 18 595 | 30 145 | - | - | 30 145 |
| Interest earned from Current and Non-Current Assets | 4 598 | 11 674 | - | - | 11 674 |
| Rental from Fixed Assets | 3 295 | 2 999 | - | - | 2 999 |
| Licence and permits | 3 021 | 2 677 | - | - | 2 677 |
| Operational Revenue | 2 174 | 4 116 | - | - | 4 116 |
| Non-Exchange Revenue | | | - | - | |
| Property rates | 281 488 | 281 488 | - | - | 281 488 |
| Fines, penalties and forfeits | 10 334 | 134 597 | - | - | 134 597 |
| Licences or permits | 10 668 | 11 053 | - | - | 11 053 |
| Transfer and subsidies - Operational | 190 883 | 194 142 | 3 588 | 3 588 | 197 730 |
| Interest | 3 244 | 5 223 | - | - | 5 223 |
| Total Revenue (excluding capital transfers and contributions) | 1 158 957 | 1 293 823 | 3 588 | 3 588 | 1 297 411 |

Transfers and subsidies – operational were affected by the reduction on conditional grants and the reallocation of EEDSM grant, please refer to table 5 for the breakdown.

Table 5 (Transfer and subsidies – Operational Summary)

| Conditional Grants | Narration | Amount |
|--------------------|--|-----------|
| MIG Admin | Reduction in terms of the Government Gazette. | -124,950 |
| EEDSM | Re-allocation from capital transfers to operational transfers. | 4,000,000 |
| EPWP | Reduction in terms of the Government Gazette. | -137,000 |

| | | |
|--------------|---|------------------|
| FMG | Re-allocation from operational transfers to capital transfers | -150,000 |
| Total | | 3,588,050 |

Table 6 (Expenditure by Type)

| Description | Current year 2023/24 | | | | | |
|---------------------------------|----------------------|------------------|------------------|----------------|----------------|------------------|
| | R thousands | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| Expenditure | | | | | | |
| Employee related costs | | 447 813 | 441 415 | (159) | (159) | 441 256 |
| Remuneration of councillors | | 15 140 | 15 140 | - | - | 15 140 |
| Bulk purchases - electricity | | 364 280 | 354 710 | - | - | 354 710 |
| Inventory consumed | | 94 345 | 101 395 | 1 761 | 1 761 | 103 156 |
| Debt impairment | | 28 314 | 173 540 | - | - | 173 540 |
| Depreciation and amortisation | | 109 663 | 109 663 | - | - | 109 663 |
| Interest | | 2 090 | 5 750 | - | - | 5 750 |
| Contracted services | | 104 476 | 125 781 | 2 366 | 2 366 | 128 147 |
| Transfers and subsidies | | 924 | 1 124 | - | - | 1 124 |
| Irrecoverable debts written off | | 7 305 | 13 835 | - | - | 13 835 |
| Operational costs | | 93 964 | 90 041 | 429 | 429 | 90 470 |
| Total Expenditure | | 1 268 316 | 1 432 393 | 4 398 | 4 398 | 1 436 791 |

the operational expenditure budget was revised as follows:

| | |
|---|--------------------|
| • EEDSM operational expenditure (re-allocation) | R 3,523,478 |
| • EPWP operational expenditure (reduced per DoRA) | - R 137,000 |
| • Skills Development Levy expenditure | R 653,650 |
| • FMG operating expenditure | R 357,619 |
| Total | R 4,397,747 |

1.4. Adjustments Budget Tables

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's 2023/24 Special Adjustments Budget to be considered for approval by Council. Each table is accompanied by explanatory notes.

Table 7 (B1- Adjustments Budget Summary)

| Description | Budget Year 2023/24 |
|-------------|---------------------|
|-------------|---------------------|

| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
|--|------------------|------------------|----------------|----------------|------------------|
| R thousands | | | | | |
| Financial Performance | | | | | |
| Property rates | 281 488 | 281 488 | – | – | 281 488 |
| Service charges | 621 867 | 602 433 | – | – | 602 433 |
| Investment revenue | 4 598 | 11 674 | – | – | 11 674 |
| Transfers recognised - operational | 190 883 | 194 142 | 3 588 | 3 588 | 197 730 |
| Other own revenue | 60 121 | 204 086 | – | – | 204 086 |
| Total Revenue (excluding capital transfers and contributions) | 1 158 957 | 1 293 823 | 3 588 | 3 588 | 1 297 411 |
| Employee costs | 447 813 | 441 415 | (159) | (159) | 441 256 |
| Remuneration of councillors | 15 140 | 15 140 | – | – | 15 140 |
| Depreciation & asset impairment | 109 663 | 109 663 | – | – | 109 663 |
| Interest | 2 090 | 5 750 | – | – | 5 750 |
| Inventory consumed and bulk purchases | 458 626 | 127 943 | 1 329 | 1 329 | 129 271 |
| Transfers and subsidies | 924 | 1 124 | – | – | 1 124 |
| Other expenditure | 234 060 | 732 012 | 2 574 | 2 574 | 734 586 |
| Total Expenditure | 1 268 316 | 1 433 047 | 3 744 | 3 744 | 1 436 791 |
| Surplus/(Deficit) | (109 359) | (139 224) | (156) | (156) | (139 380) |
| Transfers and subsidies - capital (monetary allocations) | 75 561 | 100 686 | (6 224) | (6 224) | 94 462 |
| Transfers and subsidies - capital (in-kind - all) | – | – | – | – | – |
| Surplus/(Deficit) after capital transfers & contributions | (33 798) | (38 539) | (6 380) | (6 380) | (44 919) |
| Share of surplus/ (deficit) of associate | – | – | – | – | – |
| Surplus/ (Deficit) for the year | (33 798) | (38 539) | (6 380) | (6 380) | (44 919) |
| | | | | | |
| Capital expenditure & funds sources | | | | | |
| Capital expenditure | 79 343 | 127 102 | (5 412) | (5 412) | 121 690 |
| Transfers recognised - capital | 65 883 | 91 956 | (5 412) | (5 412) | 86 544 |
| Borrowing | – | – | – | – | – |
| Internally generated funds | 13 460 | 35 146 | – | – | 35 146 |
| Total sources of capital funds | 79 343 | 127 102 | (5 412) | (5 412) | 121 690 |

| Description | Budget Year 2023/24 | | | | |
|-------------------------------|---------------------|----------------|----------------|----------------|-----------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| R thousands | | | | | |
| Financial position | | | | | |
| Total current assets | 154 622 | 198 743 | (2 287) | (2 287) | 196 456 |
| Total non current assets | 2 302 442 | 2 334 326 | (5 412) | (5 412) | 2 328 913 |
| Total current liabilities | 154 259 | 214 875 | (1 319) | (1 319) | 213 556 |
| Total non current liabilities | 255 035 | 255 754 | – | – | 255 754 |

| | | | | | |
|---|---------------|---------------|----------------|----------------|---------------|
| Community wealth/Equity | 2 047 771 | 2 062 439 | (6 380) | (6 380) | 2 056 059 |
| Cash flows | | | | | |
| Net cash from (used) operating | 86 487 | 62 239 | (7 034) | (7 034) | 55 205 |
| Net cash from (used) investing | (79 343) | (127 102) | 5 412 | 5 412 | (121 690) |
| Net cash from (used) financing | (10 091) | (12 169) | – | – | (12 169) |
| Cash/cash equivalents at the year end | 5 596 | 27 903 | (1 622) | (1 622) | 26 282 |
| Cash backing/surplus reconciliation | | | | | |
| Cash and investments available | 5 596 | 27 903 | (1 622) | (1 622) | 26 282 |
| Application of cash and investments | (9 200) | 20 861 | – | – | 20 861 |
| Balance - surplus (shortfall) | 14 795 | 7 042 | (1 622) | (1 622) | 5 420 |
| Asset Management | | | | | |
| Asset register summary (WDV) | 2 302 442 | 2 334 326 | (5 412) | (5 412) | 2 328 913 |
| Depreciation | 109 663 | 109 663 | – | – | 109 663 |
| Renewal and Upgrading of Existing Assets | 53 225 | 91 885 | (1 890) | (1 890) | 89 996 |
| Repairs and Maintenance | 60 689 | 59 605 | – | – | 59 605 |
| Free services | | | | | |
| Cost of Free Basic Services provided | 37 089 | 38 098 | – | – | 38 098 |
| Revenue cost of free services provided | 29 261 | 17 793 | – | – | 17 793 |
| Households below minimum service level | | | | | |
| Water: | – | – | – | – | – |
| Sanitation/sewerage: | – | – | – | – | – |
| Energy: | – | – | – | – | – |
| Refuse: | – | – | – | – | – |

Explanatory notes to Table 7 B1 – Adjustments Budget Summary

1. The aim of the Adjustments Budget Summary is to provide a concise overview of the proposed Adjustments Budget from all of the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the amounts to be approved by Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance,

as well as the Municipality's commitment to eliminating basic service delivery backlogs.

Table 8 (B2 - Adjustments Budget Financial Performance (revenue and expenditure by standard classification))

| Description | Current year 2023/24 | | | | |
|---|----------------------|------------------|----------------|----------------|------------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| R thousands | | | | | |
| Revenue - Functional | | | | | |
| <i>Municipal governance and administration</i> | 422 639 | 558 024 | 1 | 1 | 558 025 |
| Executive and council | 106 | 135 | - | - | 135 |
| Finance and administration | 422 533 | 557 889 | 1 | 1 | 557 890 |
| Internal audit | | - | - | - | |
| <i>Community and public safety</i> | 16 716 | 37 059 | - | - | 37 059 |
| Community and social services | 2 437 | 2 435 | - | - | 2 435 |
| Sport and recreation | 10 338 | 10 802 | - | - | 10 802 |
| Public safety | 1 378 | 1 604 | - | - | 1 604 |
| Housing | | 19 841 | - | - | 19 841 |
| Health | 2 563 | 2 378 | - | - | 2 378 |
| <i>Economic and environmental services</i> | 37 432 | 50 695 | (263) | (263) | 50 432 |
| Planning and development | 8 083 | 9 817 | (126) | (126) | 9 690 |
| Road transport | 6 910 | 13 140 | (137) | (137) | 13 003 |
| Environmental protection | 22 439 | 27 739 | - | - | 27 739 |
| <i>Trading services</i> | 757 731 | 748 730 | (2 374) | (2 374) | 746 356 |
| Energy sources | 408 372 | 370 684 | - | - | 370 684 |
| Water management | 161 300 | 182 887 | - | - | 182 887 |
| Waste water management | 113 711 | 118 439 | (2 374) | (2 374) | 116 065 |
| Waste management | 74 347 | 76 720 | - | - | 76 720 |
| <i>Other</i> | | - | - | - | |
| Total Revenue - Functional | 1 234 518 | 1 394 508 | (2 636) | (2 636) | 1 391 872 |
| | | | - | - | |
| Expenditure - Functional | | | - | - | |
| <i>Municipal governance and administration</i> | 306 226 | 322 619 | 1 027 | 1 027 | 323 646 |
| Executive and council | 64 558 | 60 324 | (212) | (212) | 60 112 |
| Finance and administration | 241 417 | 262 002 | 1 072 | 1 072 | 263 075 |
| Internal audit | 251 | 293 | 167 | 167 | 460 |
| <i>Community and public safety</i> | 121 818 | 119 108 | 78 | 78 | 119 186 |
| Community and social services | 12 897 | 13 558 | - | - | 13 558 |
| Sport and recreation | 63 813 | 60 831 | 78 | 78 | 60 909 |
| Public safety | 30 247 | 30 280 | - | - | 30 280 |
| Housing | 7 037 | 6 606 | - | - | 6 606 |
| Health | 7 824 | 7 832 | - | - | 7 832 |

| Description | Current year 2023/24 | | | | | |
|---|----------------------|------------------|------------------|----------------|----------------|------------------|
| | R thousands | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| <i>Economic and environmental services</i> | | 158 670 | 303 363 | 175 | 175 | 303 538 |
| Planning and development | | 31 432 | 36 017 | (46) | (46) | 35 970 |
| Road transport | | 118 681 | 254 903 | (137) | (137) | 254 766 |
| Environmental protection | | 8 556 | 12 444 | 358 | 358 | 12 802 |
| <i>Trading services</i> | | 674 375 | 679 301 | 3 110 | 3 110 | 682 411 |
| Energy sources | | 424 020 | 423 974 | 3 483 | 3 483 | 427 457 |
| Water management | | 103 892 | 107 011 | - | - | 107 011 |
| Waste water management | | 85 015 | 84 300 | - | - | 84 300 |
| Waste management | | 61 449 | 64 016 | (373) | (373) | 63 643 |
| <i>Other</i> | | 7 227 | 8 003 | 7 | 7 | 8 010 |
| Total Expenditure - Functional | | 1 268 316 | 1 432 393 | 4 398 | 4 398 | 1 436 791 |
| Surplus/(Deficit) | | (33 798) | (37 885) | (7 034) | (7 034) | (44 919) |

Explanatory notes to Table 8 B2 – Adjustments Budget Financial Performance (revenue and expenditure by standard classification)

1. The "standard classification" refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities.

Table 9 (B3 - Adjustments Budget Financial Performance (revenue and expenditure by municipal vote))

| Vote Description | Budget Year 2023/24 | | | | |
|---|---------------------|------------------|----------------|----------------|------------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| R thousands | | | | | |
| Revenue by Vote | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | - | - | - | - | - |
| Vote 2 - FINANCIAL SERVICES | 410 736 | 422 753 | - | - | 422 753 |
| Vote 3 - CORPORATE SERVICES | 1 194 | 789 | - | - | 789 |
| Vote 4 - COMMUNITY SERVICES | 127 808 | 263 317 | - | - | 263 317 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | 688 565 | 679 862 | (2 636) | (2 636) | 677 226 |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | 6 215 | 27 788 | - | - | 27 788 |
| Total Revenue by Vote | 1 234 518 | 1 394 508 | (2 636) | (2 636) | 1 391 872 |
| | | | | | |
| Expenditure by Vote | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | 70 802 | 68 421 | - | - | 68 421 |
| Vote 2 - FINANCIAL SERVICES | 115 941 | 132 685 | 335 | 335 | 133 019 |
| Vote 3 - CORPORATE SERVICES | 62 930 | 62 232 | - | - | 62 232 |
| Vote 4 - COMMUNITY SERVICES | 240 505 | 369 494 | 63 | 63 | 369 557 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | 739 091 | 758 248 | 3 346 | 3 346 | 761 594 |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | 38 427 | 41 967 | - | - | 41 967 |
| Total Expenditure by Vote | 1 267 696 | 1 433 047 | 3 744 | 3 744 | 1 436 791 |
| Surplus/ (Deficit) for the year | (33 178) | (38 539) | (6 380) | (6 380) | (44 919) |

Explanatory notes to Table 9 B3 – Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

1. The purpose of the format in which the Adjustments Budget is presented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned. Operating revenue and expenditure is thus presented by "vote". A "vote" is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table 10 (B4 - Adjustments Budget Financial Performance (revenue and expenditure))

| Description | Current year 2023/24 | | | | |
|--|----------------------|------------------|----------------|----------------|------------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| R thousands | | | | | |
| Revenue | | | | | |
| Exchange Revenue | | | | | |
| Service charges - Electricity | 390 731 | 352 780 | - | - | 352 780 |
| Service charges - Water | 101 425 | 118 603 | - | - | 118 603 |
| Service charges - Waste Water Management | 63 314 | 64 268 | - | - | 64 268 |
| Service charges - Waste Management | 66 396 | 66 782 | - | - | 66 782 |
| Sale of Goods and Rendering of Services | 7 790 | 9 000 | - | - | 9 000 |
| Agency services | 1 000 | 4 276 | - | - | 4 276 |
| Interest earned from Receivables | 18 595 | 30 145 | - | - | 30 145 |
| Interest earned from Current and Non-Current Assets | 4 598 | 11 674 | - | - | 11 674 |
| Rental from Fixed Assets | 3 295 | 2 999 | - | - | 2 999 |
| Licence and permits | 3 021 | 2 677 | - | - | 2 677 |
| Operational Revenue | 2 174 | 4 116 | - | - | 4 116 |
| Non-Exchange Revenue | | | - | - | |
| Property rates | 281 488 | 281 488 | - | - | 281 488 |
| Fines, penalties and forfeits | 10 334 | 134 597 | 0 | 0 | 134 597 |
| Licences or permits | 10 668 | 11 053 | - | - | 11 053 |
| Transfer and subsidies - Operational | 190 883 | 194 142 | 3 588 | 3 588 | 197 730 |
| Interest | 3 244 | 5 223 | - | - | 5 223 |
| Total Revenue (excluding capital transfers and contributions) | 1 158 957 | 1 293 823 | 3 588 | 3 588 | 1 297 411 |
| Expenditure | | | | | |
| Employee related costs | 447 813 | 441 415 | (159) | (159) | 441 256 |
| Remuneration of councillors | 15 140 | 15 140 | - | - | 15 140 |
| Bulk purchases - electricity | 364 280 | 354 710 | - | - | 354 710 |
| Inventory consumed | 94 345 | 101 395 | 1 761 | 1 761 | 103 156 |
| Debt impairment | 28 314 | 173 540 | - | - | 173 540 |
| Depreciation and amortisation | 109 663 | 109 663 | - | - | 109 663 |
| Interest | 2 090 | 5 750 | - | - | 5 750 |
| Contracted services | 104 476 | 125 781 | 2 366 | 2 366 | 128 147 |
| Transfers and subsidies | 924 | 1 124 | - | - | 1 124 |
| Irrecoverable debts written off | 7 305 | 13 835 | - | - | 13 835 |
| Operational costs | 93 964 | 90 041 | 429 | 429 | 90 470 |
| Total Expenditure | 1 268 316 | 1 432 393 | 4 398 | 4 398 | 1 436 791 |
| Surplus/(Deficit) | (109 359) | (138 571) | (810) | (810) | (139 380) |

| Description | Current year 2023/24 | | | | | |
|--|----------------------|-----------------|-----------------|----------------|----------------|-----------------|
| | R thousands | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| Transfers and subsidies - capital (monetary allocations) | | 75 561 | 100 686 | (6 224) | (6 224) | 94 462 |
| Transfers and subsidies - capital (in-kind) | | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers and contributions | | (33 798) | (37 885) | (7 034) | (7 034) | (44 919) |
| Income Tax | | - | - | - | - | - |
| Surplus/(Deficit) after income tax | | (33 798) | (37 885) | (7 034) | (7 034) | (44 919) |
| Share of Surplus/Deficit attributable to Joint Venture | | - | - | - | - | - |
| Share of Surplus/Deficit attributable to Minorities | | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | (33 798) | (37 885) | (7 034) | (7 034) | (44 919) |
| Share of Surplus/Deficit attributable to Associate | | - | - | - | - | - |
| Intercompany/Parent subsidiary transactions | | - | - | - | - | - |
| Surplus/(Deficit) for the year | | (33 798) | (37 885) | (7 034) | (7 034) | (44 919) |

Explanatory notes to Table 10 B4 – Adjustments Budget Financial Performance (revenue and expenditure)

1. The Financial Performance Adjustments Budget is required to be approved concurrently by revenue source and expenditure type, to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the annual results and the Adjustments Budget, to assess performance.

Table 11 (B5 - Adjustments Capital Expenditure Budget by vote, standard classification, and funding source)

| Description | Budget Year 2023/24 | | | | |
|--|---------------------|----------------|----------------|----------------|-----------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| R thousands | | | | | |
| Capital expenditure - Vote | | | | | |
| Multi-year expenditure to be adjusted | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | 760 | 1 077 | - | - | 1 077 |
| Vote 2 - FINANCIAL SERVICES | - | 2 827 | 130 | 130 | 2 957 |
| Vote 3 - CORPORATE SERVICES | - | - | - | - | - |
| Vote 4 - COMMUNITY SERVICES | 1 362 | 4 199 | - | - | 4 199 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | 76 521 | 95 776 | (5 543) | (5 543) | 90 233 |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | 700 | 19 941 | - | - | 19 941 |
| Capital multi-year expenditure sub-total | 79 343 | 123 819 | (5 412) | (5 412) | 118 407 |
| Single-year expenditure to be adjusted | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | - | 55 | - | - | 55 |
| Vote 2 - FINANCIAL SERVICES | - | 15 | - | - | 15 |
| Vote 3 - CORPORATE SERVICES | - | - | - | - | - |
| Vote 4 - COMMUNITY SERVICES | - | 1 800 | - | - | 1 800 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | - | 1 413 | - | - | 1 413 |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | - | - | - | - | - |
| Capital single-year expenditure sub-total | - | 3 283 | - | - | 3 283 |
| Total Capital Expenditure - Vote | 79 343 | 127 102 | (5 412) | (5 412) | 121 690 |
| Capital Expenditure - Functional | | | | | |
| Governance and administration | 760 | 4 829 | 130 | 130 | 4 960 |
| Executive and council | 760 | 1 096 | - | - | 1 096 |
| Finance and administration | - | 3 678 | 130 | 130 | 3 808 |
| Internal audit | - | 55 | - | - | 55 |
| Community and public safety | 1 362 | 23 041 | - | - | 23 041 |

| Description | Budget Year 2023/24 | | | | |
|---|---------------------|----------------|----------------|----------------|-----------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| R thousands | | | | | |
| Community and social services | - | - | - | - | - |
| Sport and recreation | - | 200 | - | - | 200 |
| Public safety | 1 362 | 3 000 | - | - | 3 000 |
| Housing | - | 19 841 | - | - | 19 841 |
| Health | - | - | - | - | - |
| Economic and environmental services | 6 497 | 16 297 | - | - | 16 297 |
| Planning and development | 3 157 | 9 127 | - | - | 9 127 |
| Road transport | 3 339 | 6 771 | - | - | 6 771 |
| Environmental protection | - | 400 | - | - | 400 |
| Trading services | 70 124 | 82 934 | (5 543) | (5 543) | 77 392 |
| Energy sources | 19 652 | 9 682 | (3 565) | (3 565) | 6 117 |
| Water management | 26 087 | 32 608 | - | - | 32 608 |
| Waste water management | 24 385 | 38 844 | (1 977) | (1 977) | 36 867 |
| Waste management | - | 1 800 | - | - | 1 800 |
| Other | 600 | - | - | - | - |
| Total Capital Expenditure - Functional | 79 343 | 127 102 | (5 412) | (5 412) | 121 690 |
| Funded by: | | | | | |
| National Government | 64 521 | 69 115 | (5 412) | (5 412) | 63 703 |
| Provincial Government | - | 19 841 | - | - | 19 841 |
| District Municipality | 1 362 | 3 000 | - | - | 3 000 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | - | - | - | - | - |
| Transfers recognised - capital | 65 883 | 91 956 | (5 412) | (5 412) | 86 544 |
| Borrowing | - | - | - | - | - |
| Internally generated funds | 13 460 | 35 146 | - | - | 35 146 |
| Total Capital Funding | 79 343 | 127 102 | (5 412) | (5 412) | 121 690 |

Explanatory notes to Table 11 B5 – Adjustments Capital Expenditure Budget by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table 12 (B6 - Adjustments Budget Financial Position)

| Description | Current year 2023/24 | | | | |
|---|----------------------|------------------|----------------|----------------|------------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| R thousands | | | | | |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 596 | 27 903 | (1 622) | (1 622) | 26 282 |
| Trade and other receivables from exchange transactions | 55 239 | 77 030 | - | - | 77 030 |
| Receivables from non-exchange transactions | 24 619 | 29 014 | - | - | 29 014 |
| Inventory | 17 110 | 18 598 | - | - | 18 598 |
| VAT | 50 443 | 45 422 | (0) | (0) | 45 422 |
| Other current assets | 1 616 | 109 | - | - | 109 |
| Total current assets | 154 622 | 198 077 | (1 622) | (1 622) | 196 456 |
| Non-current assets | | | - | - | |
| Investment property | 262 608 | 262 608 | - | - | 262 608 |
| Property, plant and equipment | 2 039 424 | 2 071 115 | (5 412) | (5 412) | 2 065 702 |
| Intangible assets | 410 | 603 | - | - | 603 |
| Total non-current assets | 2 302 442 | 2 334 326 | (5 412) | (5 412) | 2 328 913 |
| TOTAL ASSETS | 2 457 064 | 2 532 403 | (7 034) | (7 034) | 2 525 369 |
| LIABILITIES | | | - | - | |
| Current liabilities | | | - | - | |
| Bank overdraft | - | - | - | - | - |
| Financial liabilities | 9 484 | 12 169 | - | - | 12 169 |
| Consumer deposits | 23 673 | 29 060 | - | - | 29 060 |
| Trade and other payables from exchange transactions | 77 412 | 124 413 | 0 | 0 | 124 413 |
| Trade and other payables from non-exchange transactions | - | (0) | - | - | (0) |
| Provision | 43 689 | 47 914 | - | - | 47 914 |
| VAT | - | (0) | - | - | (0) |
| Other current liabilities | - | - | - | - | - |
| Total current liabilities | 154 259 | 213 556 | 0 | 0 | 213 556 |
| Non current liabilities | | | - | - | |
| Financial liabilities | 8 637 | 11 207 | - | - | 11 207 |
| Provision | 126 686 | 137 116 | - | - | 137 116 |
| Long term portion of trade payables | - | - | - | - | - |
| Other non-current liabilities | 119 711 | 107 431 | - | - | 107 431 |
| Total non current liabilities | 255 035 | 255 754 | - | - | 255 754 |
| TOTAL LIABILITIES | 409 293 | 469 310 | 0 | 0 | 469 310 |
| NET ASSETS | 2 047 771 | 2 063 093 | (7 034) | (7 034) | 2 056 059 |
| COMMUNITY WEALTH/EQUITY | | | - | - | |
| Accumulated surplus/(deficit) | 2 047 771 | 2 063 093 | (7 034) | (7 034) | 2 056 059 |
| Reserves and funds | - | - | - | - | - |
| Other | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 047 771 | 2 063 093 | (7 034) | (7 034) | 2 056 059 |

Explanatory notes to Table 12 B6 – Adjustments Budget Financial Position

- 1 The table represents Assets Less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity, e.g., assets readily converted to cash or liabilities immediately required to be met from cash appear first.
- 2 Any movement on the Adjustments Budgeted Financial Performance or the Capital Adjustments Budget will invariably impact on the Adjustments Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. These budgets and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is directly informed by forecasting the statement of financial position.
- 3 The cash flow position requires close and ongoing monitoring.

Table 13 (B7 - Adjustments Budgeted Cash Flow Statement)

| Description | Current year 2023/24 | | | | | |
|---|----------------------|------------------|----------------|----------------|------------------|-----------------|
| | R thousands | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Receipts | | | | | | |
| Property rates | 270 495 | 263 776 | (1) | (1) | 263 774 | |
| Service charges | 697 055 | 672 771 | - | - | 672 771 | |
| Other revenue | 67 422 | 70 420 | 18 721 | 18 721 | 89 140 | |
| Transfers and Subsidies - Operational | 190 883 | 190 883 | 3 588 | 3 588 | 194 472 | |
| Transfers and Subsidies - Capital | 75 561 | 74 950 | (6 224) | (6 224) | 68 726 | |
| Interest | 4 598 | 11 674 | - | - | 11 674 | |
| Dividends | - | - | - | - | - | |
| Payments | | | | | | |
| Suppliers and employees | (1 219 527) | (1 214 498) | (23 117) | (23 117) | (1 237 615) | |
| Finance charges | - | (6 612) | - | - | (6 612) | |
| Transfers and Subsidies | - | (1 124) | - | - | (1 124) | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 86 487 | 62 239 | (7 034) | (7 034) | 55 205 | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Receipts | | | | | | |
| Proceeds on disposal of PPE | - | - | - | - | - | |
| Decrease (Increase) in non-current debtors (not used) | - | - | - | - | - | |
| Decrease (increase) in non-current receivables | - | - | - | - | - | |
| Decrease (increase) in non-current investments | - | - | - | - | - | |
| Payments | | | | | | |
| Capital assets | (79 343) | (127 102) | 5 412 | 5 412 | (121 690) | |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (79 343) | (127 102) | 5 412 | 5 412 | (121 690) | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| Receipts | | | | | | |
| Short term loans | - | - | - | - | - | |
| Borrowing long term/refinancing | - | - | - | - | - | |
| Increase (decrease) in consumer deposits | - | - | - | - | - | |
| Payments | | | | | | |
| Repayment of borrowing | (10 091) | (12 169) | - | - | (12 169) | |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | (10 091) | (12 169) | - | - | (12 169) | |
| NET INCREASE/ (DECREASE) IN CASH HELD | (2 947) | (77 032) | (1 622) | (1 622) | (78 653) | |
| Cash/cash equivalents at the year begin: | 8 542 | 104 935 | - | - | 104 935 | |
| Cash/cash equivalents at the year-end: | 5 596 | 27 903 | (1 622) | (1 622) | 26 282 | |

Explanatory notes to Table 13 B7 – Adjustments Budgeted Cash Flow Statement

1. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
2. It reflects the expected cash in-flows versus the cash out-flows that is likely to result from the implementation of the Budget.
3. The municipality will have to maintain its efforts of enforcing strict cash flow management and monitoring on an ongoing basis.

Table 14 (B8 - Cash backed reserves/accumulated surplus reconciliation)

| Description | Current year 2023/24 | | | | |
|---|----------------------|----------------|----------------|----------------|-----------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| R thousands | | | | | |
| Cash and investments available | | | | | |
| Cash/cash equivalents at the year end | 5 596 | 27 903 | (1 622) | (1 622) | 26 282 |
| Other current investments > 90 days | - | - | | | - |
| Non-current assets - Investments | - | - | | | - |
| Cash and investments available: | 5 596 | 27 903 | (1 622) | (1 622) | 26 282 |
| Application of cash and investments | | | | | |
| Unspent conditional transfers | - | (0) | | | (0) |
| Unspent borrowing | - | - | | | - |
| Statutory requirements | (50 443) | (45 422) | - | - | (45 422) |
| Other working capital requirements | (10 670) | 18 369 | - | - | 18 369 |
| Other provisions | 43 689 | 47 914 | - | - | 47 914 |
| Long term investments committed | - | - | | | - |
| Reserves to be backed by cash/investments | - | - | | | - |
| Total Application of cash and investments: | (17 423) | 20 861 | - | - | 20 861 |
| Surplus(shortfall) | 23 019 | 7 042 | (1 622) | (1 622) | 5 420 |

Explanatory notes to Table 14 B8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. The table assesses the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 Budget, the end objective was to ensure that the budget is funded as required in accordance with section 18 of the MFMA.

Table 15 (B9 - Asset Management)

| Description | Current year 2023/24 | | | | | |
|---|----------------------|-----------------|----------------|----------------|----------------|-----------------|
| | R thousands | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| CAPITAL EXPENDITURE | | | | | | |
| Total New Assets | 26 118 | 35 217 | (3 523) | (3 523) | 31 694 | |
| <i>Roads Infrastructure</i> | 3 339 | 5 939 | - | - | 5 939 | |
| <i>Electrical Infrastructure</i> | 19 652 | 8 267 | (3 565) | (3 565) | 4 702 | |
| <i>Water Supply Infrastructure</i> | | 9 778 | - | - | 9 778 | |
| <i>Sanitation Infrastructure</i> | 304 | 654 | (88) | (88) | 566 | |
| <i>Solid Waste Infrastructure</i> | | 172 | - | - | 172 | |
| Infrastructure | 23 296 | 24 811 | (3 653) | (3 653) | 21 158 | |
| Community Facilities | 750 | 750 | - | - | 750 | |
| Community Assets | 750 | 750 | - | - | 750 | |
| Computer Equipment | | 2 494 | 130 | 130 | 2 625 | |
| Furniture and Office Equipment | 610 | 1 372 | - | - | 1 372 | |
| Machinery and Equipment | 100 | 989 | - | - | 989 | |
| Transport Assets | 1 362 | 4 800 | - | - | 4 800 | |
| | | | - | - | | |
| Total Renewal of Existing Assets | - | 221 | - | - | 221 | |
| <i>Water Supply Infrastructure</i> | | 221 | - | - | 221 | |
| Infrastructure | - | 221 | - | - | 221 | |
| | | | - | - | | |
| Total Upgrading of Existing Assets | 53 225 | 91 664 | (1 890) | (1 890) | 89 774 | |
| <i>Roads Infrastructure</i> | | 2 609 | - | - | 2 609 | |
| <i>Electrical Infrastructure</i> | | 1 371 | - | - | 1 371 | |
| <i>Water Supply Infrastructure</i> | 26 087 | 42 449 | - | - | 42 449 | |
| <i>Sanitation Infrastructure</i> | 24 080 | 38 018 | (1 890) | (1 890) | 36 128 | |
| Infrastructure | 50 167 | 84 447 | (1 890) | (1 890) | 82 558 | |
| Sport and Recreation Facilities | 3 057 | 7 217 | - | - | 7 217 | |
| Community Assets | 3 057 | 7 217 | - | - | 7 217 | |
| | | | - | - | | |
| Total Capital Expenditure | 79 343 | 127 102 | (5 412) | (5 412) | 121 690 | |
| <i>Roads Infrastructure</i> | 3 339 | 8 548 | - | - | 8 548 | |
| <i>Electrical Infrastructure</i> | 19 652 | 9 638 | (3 565) | (3 565) | 6 073 | |
| <i>Water Supply Infrastructure</i> | 26 087 | 52 449 | - | - | 52 449 | |
| <i>Sanitation Infrastructure</i> | 24 385 | 38 672 | (1 977) | (1 977) | 36 695 | |
| <i>Solid Waste Infrastructure</i> | | 172 | - | - | 172 | |
| Infrastructure | 73 463 | 109 479 | (5 543) | (5 543) | 103 937 | |
| Community Facilities | 750 | 750 | - | - | 750 | |
| Sport and Recreation Facilities | 3 057 | 7 217 | - | - | 7 217 | |

| Description | Current year 2023/24 | | | | |
|---|----------------------|------------------|----------------|----------------|------------------|
| | R thousands | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. |
| Community Assets | 3 807 | 7 967 | - | - | 7 967 |
| Computer Equipment | | 2 494 | 130 | 130 | 2 625 |
| Furniture and Office Equipment | 610 | 1 372 | - | - | 1 372 |
| Machinery and Equipment | 100 | 989 | - | - | 989 |
| Transport Assets | 1 362 | 4 800 | - | - | 4 800 |
| TOTAL CAPITAL EXPENDITURE - Asset Class | 79 343 | 127 102 | (5 412) | (5 412) | 121 690 |
| | | | - | - | |
| ASSET REGISTER SUMMARY - PPE (WDV) | 2 179 768 | 2 252 287 | (5 412) | (5 412) | 2 246 875 |
| <i>Roads Infrastructure</i> | 556 676 | 551 217 | - | - | 551 217 |
| <i>Storm water Infrastructure</i> | 8 914 | 29 724 | - | - | 29 724 |
| <i>Electrical Infrastructure</i> | 204 212 | 173 863 | (3 565) | (3 565) | 170 298 |
| <i>Water Supply Infrastructure</i> | 359 616 | 407 098 | - | - | 407 098 |
| <i>Sanitation Infrastructure</i> | 517 807 | 487 524 | (1 977) | (1 977) | 485 547 |
| <i>Solid Waste Infrastructure</i> | (51 865) | (15 087) | - | - | (15 087) |
| <i>Information and Communication Infrastructure</i> | 72 | 72 | - | - | 72 |
| Infrastructure | 1 595 431 | 1 634 412 | (5 543) | (5 543) | 1 628 869 |
| | 52 093 | 56 844 | - | - | 56 844 |
| | | | - | - | |
| Community Assets | 52 093 | 56 844 | - | - | 56 844 |
| | 262 608 | 262 608 | - | - | 262 608 |
| | | | - | - | |
| Investment properties | 262 608 | 262 608 | - | - | 262 608 |
| | 20 444 | 32 094 | - | - | 32 094 |
| | | | - | - | |
| Other Assets | 20 444 | 32 094 | - | - | 32 094 |
| | 410 | 603 | - | - | 603 |
| | | | - | - | |
| Intangible Assets | 410 | 603 | - | - | 603 |
| Computer Equipment | 2 941 | 5 566 | 130 | 130 | 5 696 |
| Furniture and Office Equipment | 6 594 | 2 139 | 17 | 17 | 2 156 |
| Machinery and Equipment | 3 058 | 7 798 | - | - | 7 798 |
| Transport Assets | 8 584 | 38 886 | (17) | (17) | 38 870 |
| Land | 227 605 | 211 337 | - | - | 211 337 |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 2 179 768 | 2 252 287 | (5 412) | (5 412) | 2 246 875 |

| Description | Current year 2023/24 | | | | |
|--|----------------------|-----------------|----------------|----------------|----------------|
| | R thousands | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. |
| EXPENDITURE OTHER ITEMS | | | - | - | |
| Depreciation | 109 663 | 109 663 | - | - | 109 663 |
| Repairs and Maintenance by Asset Class | 60 689 | 60 250 | (645) | (645) | 59 605 |
| <i>Roads Infrastructure</i> | 14 206 | 10 487 | (743) | (743) | 9 744 |
| <i>Storm water Infrastructure</i> | 1 075 | 989 | - | - | 989 |
| <i>Electrical Infrastructure</i> | 10 827 | 10 827 | - | - | 10 827 |
| <i>Water Supply Infrastructure</i> | 7 442 | 6 055 | - | - | 6 055 |
| <i>Sanitation Infrastructure</i> | 8 969 | 11 990 | - | - | 11 990 |
| Infrastructure | 42 518 | 40 348 | (743) | (743) | 39 605 |
| Community Facilities | 1 696 | 2 911 | - | - | 2 911 |
| Sport and Recreation Facilities | 1 347 | 1 347 | 98 | 98 | 1 445 |
| Community Assets | 3 043 | 4 258 | 98 | 98 | 4 356 |
| Operational Buildings | 3 545 | 4 061 | - | - | 4 061 |
| Other Assets | 3 545 | 4 061 | - | - | 4 061 |
| Machinery and Equipment | 727 | 727 | - | - | 727 |
| Transport Assets | 10 856 | 10 856 | - | - | 10 856 |
| | | | - | - | |
| TOTAL EXPENDITURE OTHER ITEMS | 170 352 | 169 913 | (645) | (645) | 169 268 |
| <i>Renewal and upgrading of Existing Assets as % of total capex</i> | 67,1% | | | | 74,0% |
| <i>Renewal and upgrading of Existing Assets as % of deprecn</i> | 48,5% | | | | 82,1% |
| <i>R&M as a % of PPE & Investment Property</i> | 2,8% | | | | 2,7% |
| <i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i> | 5,2% | | | | 6,7% |

Explanatory notes to Table 15 B9 – Asset Management

1. The table provides a summarised version of the capital programme divided into new assets and renewal of existing assets; and reflects the relevant asset categories. The associated repairs and maintenance and depreciation are also reflected. It also provides an indication of the resources deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.

Table 16 (B10 - Basic service delivery measurement)

| Description | Budget Year 2023/24 | | | | |
|--|---------------------|----------------|----------------|----------------|-----------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| Household service targets | | | | | |
| <u>Water:</u> | | | | | |
| Piped water inside dwelling | - | - | - | - | - |
| Piped water inside yard (but not in dwelling) | - | - | - | - | - |
| Using public tap (at least min.service level) | - | - | - | - | - |
| Other water supply (at least min.service level) | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | - | - | - | - | - |
| Using public tap (< min.service level) | - | - | - | - | - |
| Other water supply (< min.service level) | - | - | - | - | - |
| No water supply | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | - | - | - | - | - |
| Total number of households | - | - | - | - | - |
| <u>Sanitation/sewerage:</u> | | | | | |
| Flush toilet (connected to sewerage) | - | - | - | - | - |
| Flush toilet (with septic tank) | - | - | - | - | - |
| Chemical toilet | - | - | - | - | - |
| Pit toilet (ventilated) | - | - | - | - | - |
| Other toilet provisions (> min.service level) | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | - | - | - | - | - |
| Bucket toilet | - | - | - | - | - |
| Other toilet provisions (< min.service level) | - | - | - | - | - |
| No toilet provisions | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | - | - | - | - | - |
| Total number of households | - | - | - | - | - |
| <u>Energy:</u> | | | | | |
| Electricity (at least min. service level) | - | - | - | - | - |
| Electricity - prepaid (> min.service level) | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | - | - | - | - | - |
| Electricity (< min.service level) | - | - | - | - | - |
| Electricity - prepaid (< min. service level) | - | - | - | - | - |
| Other energy sources | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | - | - | - | - | - |
| Total number of households | - | - | - | - | - |

| Description | Budget Year 2023/24 | | | | |
|--|---------------------|----------------|----------------|----------------|-----------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| <u>Refuse:</u> | | | | | |
| Removed at least once a week (min.service) | - | - | - | - | - |
| Minimum Service Level and Above sub-total | - | - | - | - | - |
| Removed less frequently than once a week | - | - | - | - | - |
| Using communal refuse dump | - | - | - | - | - |
| Using own refuse dump | - | - | - | - | - |
| Other rubbish disposal | - | - | - | - | - |
| No rubbish disposal | - | - | - | - | - |
| <i>Below Minimum Servic Level sub-total</i> | - | - | - | - | - |
| Total number of households | - | - | - | - | - |
| | | | | | |
| <u>Households receiving Free Basic Service</u> | | | | | |
| Water (6 kilolitres per household per month) | 19 498 541 | 19 498 541 | 298 649 | 298 649 | 19 797 190 |
| Sanitation (free minimum level service) | 12 635 128 | 12 635 128 | 710 155 | 710 155 | 13 345 283 |
| Electricity/other energy (50kwh per household per month) | 4 955 229 | 4 955 229 | - | - | 4 955 229 |
| Refuse (removed at least once a week) | - | - | - | - | - |
| Informal Settlements | - | - | - | - | - |
| <u>Cost of Free Basic Services provided (R'000)</u> | | | | | |
| Water (6 kilolitres per indigent household per month) | 19 499 | 19 499 | 299 | 299 | 19 797 |
| Sanitation (free sanitation service to indigent households) | 12 635 | 12 635 | 710 | 710 | 13 345 |
| Electricity/other energy (50kwh per indigent household per month) | 4 955 | 4 955 | - | - | 4 955 |
| Refuse (removed once a week for indigent households) | - | - | - | - | - |
| <u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u> | - | - | - | - | - |
| Total cost of FBS provided | 37 089 | 37 089 | 1 009 | 1 009 | 38 098 |
| | | | | | |
| <u>Highest level of free service provided</u> | | | | | |
| Property rates (R'000 value threshold) | - | - | - | - | - |
| Water (kilolitres per household per month) | - | - | - | - | - |
| Sanitation (kilolitres per household per month) | - | - | - | - | - |
| Sanitation (Rand per household per month) | - | - | - | - | - |
| Electricity (kw per household per month) | - | - | - | - | - |
| Refuse (average litres per week) | - | - | - | - | - |

| Description | Budget Year 2023/24 | | | | |
|---|---------------------|----------------|-----------------|-----------------|-----------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| Revenue cost of free services provided (R'000) | | | | | |
| Property rates (tariff adjustment) (impermissable values per section 17 of MPRA) | - | - | - | - | - |
| Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA) | 29 261 | 29 261 | (11 468) | (11 468) | 17 793 |
| Water (in excess of 6 kilolitres per indigent household per month) | - | - | - | - | - |
| Sanitation (in excess of free sanitation service to indigent households) | - | - | - | - | - |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | - | - | - | - | - |
| Refuse (in excess of one removal a week for indigent households) | - | - | - | - | - |
| Municipal Housing - rental rebates | - | - | - | - | - |
| Housing - top structure subsidies | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total revenue cost of subsidised services provided | 29 261 | 29 261 | (11 468) | (11 468) | 17 793 |

Explanatory notes to Table 16 B10 – Basic Service Delivery Measurement

1. Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

PART 2 – SUPPORTING DOCUMENTATION

2.1 Adjustments to expenditure on allocations and grant programmes

2.3.1 The adjustments made to planned capital expenditure of allocations and grants received.

The adjustments made to planned capital expenditure, including the capital projects in question, are reflected in Annexure “B”.

2.2 Adjustments to Service Delivery and Budget Implementation Plan (SDBIP)

In accordance with the MFMA, it should be noted that adjustments to the service delivery targets and performance indicators in the 2023/24 SDBIP will be considered, following the approval by Council of the 2023/24 Special Adjustments Budget.

2.3 Municipal Manager’s Quality Certification

I, Charl Du Plessis, Municipal Manager of the Kouga Local Municipality, hereby certify that the Adjustments budget and supporting documentation 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 __Charl Du Plessis_____

Municipal Manager of Kouga Local Municipality EC108



Signature:.....

Date:.....29 February 2024.....

ANNEXURE "B"

| PROJECT DESCRIPTION | Budget Year 2023/24 | | | | |
|--|---------------------|-------------------|--------------------|--------------------|-------------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget |
| DISTRICT SUBSIDY | | | | | |
| Fire vehicles | 1 362 277 | 3 000 277 | - | - | 3 000 277 |
| | 1 362 277 | 3 000 277 | - | - | 3 000 277 |
| ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT | | | | | |
| ENERGY EFFICIENCY PROJECTS | 3 478 260 | 3 478 260 | (3 478 260) | (3 478 260) | - |
| | 3 478 260 | 3 478 260 | (3 478 260) | (3 478 260) | - |
| FINANCIAL MANAGEMENT GRANT | | | | | |
| INTERNS' LAPTOPS | - | - | 130 435 | 130 435 | 130 435 |
| | 3 478 260 | 3 478 260 | 130 435 | 130 435 | 130 435 |
| HUMAN SETTLEMENT GRANT | | | | | |
| WATER INFRASTRUCTURE SUPPLY | - | 15 330 180 | - | - | 15 330 180 |
| WATER INFRASTRUCTURE SUPPLY - CONSULTANT FEES | - | 4 510 553 | - | - | 4 510 553 |
| | - | 19 840 733 | - | - | 19 840 733 |
| INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT | | | | | |
| OCEAN VIEW 1250 ELECTRIFICATION | 4 086 956 | 3 555 651 | - | - | 3 555 651 |
| Bulk 66kv Overhead lines | - | 1 371 165 | - | - | 1 371 165 |
| Electrification of Oceanview | - | 1 146 184 | - | - | 1 146 184 |
| | 4 086 956 | 6 073 000 | - | - | 6 073 000 |
| MUNICIPAL DISASTER RESPONSE GRANT | | | | | |
| ST FRANCIS CANAL BRIDGE | - | 2 608 696 | - | - | 2 608 696 |
| | - | 2 608 696 | - | - | 2 608 696 |
| MUNICIPAL INFRASTRUCTURE GRANT | | | | | |
| DESIGN: UPGRADING WESTON WWTW OUTFALL AND RETICULA | 430 645 | 430 645 | - | - | 430 645 |
| DESIGN: UGRADING JEFFREYS BAY SEWER PIPE IN OCEANV | 304 347 | 207 805 | (87 805) | (87 805) | 120 000 |
| UPGRADING KWANOMZAMO WWTW | 10 632 672 | 8 403 632 | (1 745 931) | (1 745 931) | 6 657 701 |
| DESIGN: LA MER NEW SEWER RISING MAIN | 208 695 | 208 695 | (143 695) | (143 695) | 65 000 |
| UPGRADING HANKEY SEWERAGE INFRASTRUCTURE | 12 808 470 | 12 894 619 | - | - | 12 894 619 |
| UPGRADING KOUGA GRAVEL ROADS | 3 339 130 | 3 339 130 | - | - | 3 339 130 |
| UPGRADING LOERIE SPORTS FACILITIES | 3 057 474 | 5 296 905 | - | - | 5 296 905 |
| DESIGN: HIGH MAST LIGHTS | 86 957 | 86 957 | (86 957) | (86 957) | - |
| | 30 868 390 | 30 868 388 | (2 064 388) | (2 064 388) | 28 804 000 |
| WATER SERVICES INFRASTRUCTURE GRANT | | | | | |
| PARADISE BEACH WATER TOWER | 9 772 639 | 9 772 639 | - | - | 9 772 639 |
| MIMOSA STREET PIPELINE REPLACEMENT | 16 314 317 | 12 836 056 | - | - | 12 836 056 |
| Consultants Services Groundwater Development (WSIG) | - | 869 565 | - | - | 869 565 |
| New Boreholes St Francis (WSIG) | - | 2 608 695 | - | - | 2 608 695 |
| | 26 086 956 | 26 086 955 | - | - | 26 086 955 |
| TOTAL | 65 882 839 | 91 956 309 | (5 412 213) | (5 412 213) | 86 544 096 |