



202425
SCHEDULE B

2425 BUDGET ADJUSTMENTS

Budget & Reporting
Budget & Treasury Office
202425 SCHEDULE B

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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 and credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it 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 April 2009

MFMA – The Municipal Finance Management Act – No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government 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, 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. In Harry Gwala District Municipality means a directorate level.

PART 1 – ADJUSTMENTS BUDGET

1. Mayor's Report

INTRODUCTION

The adjustment budget seeks to rectify issues identified in the mid-year assessment of the financial results as well as the inclusion of additional allocations. It is drafted in terms of section 28 of the MFMA and seeks to adhere to the stipulations of specifically section 28(2) of the MFMA.

BACKGROUND

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

- i. 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.
- ii. To authorise the utilisation of projected savings in one vote towards spending under another vote.
- 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 correct any errors in the annual budget.

In line with the MFMA, the 2024/25 approved Budget has now been adjusted. The adjustment has been mainly necessitated as a result of the following:

- To appropriate the reduction of revenues that have been deducted from the annual budget, but only to revise spending programmes already budgeted for
- The need to authorise the spending of unspent funds at the end of the 2024/2025 financial year.
- The Adjustments Budget reaffirms the Municipality's commitment to achieve the service delivery targets and performance indicators as reflected in the approved service delivery and budget implementation plan.

The process of budget adjustment also allows us to assess the state of our finances, reflect on the current challenges and design therapeutic measures that will turn around the finances of Harry Gwala District Municipality.

The attention is given to the department of Water Services operational efficiency with considerable emphasis on operations and maintenance cost control. The Water services budget has seen an increase of R 39, 7million to adjusted budget of R280, 2million due to the nature of the operations and maintenance undertaken under this department, while most departments have seen a decrease in their budgets followed by Corporate Services due to Security, fuel and day to day running costs of the municipality.

In preparing the adjustment budget priority had to be given to Water Services Department by making budget available for the next five months, this is largely due to prioritization of repairs and maintenance of the aging water and sanitation infrastructure that is now degenerating putting more strain on the cash flow of the municipality.

2. Resolutions

It is recommended that the Harry Gwala District Municipal Council;

- 2.1 Approves the adjustments budget and consolidated adjustments budget for the financial year 2024/2025, as set-out in the schedules contained in Section 4, be approved:
- 2.2 Approves any adjustments permitted in terms of Section 28 (2) of the Act,
- 2.3 Approves the revisions to the monthly and quarterly service delivery targets and performance indicators in the service delivery and budget implementation plan, if any, to correspond with the approval of the adjustments budget.
- 2.4 Notes the Provincial Treasury comments and their effect on the Adjustments budget.

3. Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains viable and that the municipality services are provided sustainably, economically and equitably to all communities.

It is critical to note that this report s28 MFMA report has been prepared as informed by the Midyear Performance assessment report presented to Council in January 2025 in terms of s72 of the MFMA a report that was also submitted to the National and Provincial in terms of s72 (1) (b) MFMA.

The Adjusted consolidated revenue has increased by R15, 5m (2%) from R962, 8m to R978, 4m and parent increased from R941, 3 to R956, 8m. This upward adjustment is mainly due to the following major contributing factors;

- Service charges-Water Revenue R9, 2m.
- Interest Earned-External Investments R7, 1m.
- Own Revenue R 345k

The downward adjustment is mainly due to the following contributing factor.

- Service charges - Sanitation Revenue R1, 2m
- Interest Earned- Outstanding Debtors R1, 5m.

The Consolidated Adjusted operations budget is R758, 2m having increased by R42, 2million from the original budget of R715, 9million. The item below expenditure by type had the major movements:

- Employee Related Costs: The municipality is spending according to what was anticipated. The agency has seen an increase of R491k Therefore the new budget R274million from the original budget of R273, 6million.
- Inventory Consumed: A variance of R1, 2million or 3 per cent due to a limited funds therefore inventory consumed which is disaster material relief adjusted downward whereas chemicals adjusted upward due to

demand on the municipal treatment works and additional treatment works that has been commissioned. The bulk water purchases did not have an impact on the adjustment budget therefore inventory consumed increased from the original budget of R 36, 5million to adjusted budget of R 38, 3million for the 2024/25 financial year.

- **Contracted Services:** A variance of R 22, 3million or 15 per cent due to a limited funds therefore the original budget was underestimated. The revised budget includes upward adjustment of repairs and maintenance and security. The repairs and maintenance have seen an increase of R25, 4m due to dilapidated infrastructure within the district and shortage of staff within Water Services Department therefore the work has to be outsourced. Security Services also adjusted upward due to additional schemes or projects that have been completed.
- **Other expenditure or Operating Costs:** A negative variance of R10, 7million or 10 per cent due to a limited funds therefore the original budget was underestimated. The revised operating costs expenditure of R 10, 7million is 10 per cent more than the original budget of R 104, 5million for the current financial year. The increase is mostly caused by fuel and oil and Eskom. Below is the evidence of the line items that has an impact on the adjustments budget.

The following line items had major movements.

Details	Original Budget	Adjustment Budget	Actual
LEGAL COST ADVICE & LITIGATION	R 5 500 000	R 6 755 398	-1 255 398
SECURITY	R 29 548 836	R 34 214 392	-4 665 556
MATERIAL & SUPPLIERS	R 1 413 036	R 816 584	596 452
FUEL & OIL	R 11 995 617	R 12 408 691	-413 074
NETWORK AND SOFTWARE LICENSES	R 5 600 001	R 6 999 800	R -1 399 799
ESKOM	R 23 671 778	R 29 902 705	R -6 230 927
INSURANCE	R 3 000 000	R 4 033 060	R -1 033 060
CHEMICALS	R 8 300 000	R 7 625 855	R 674 145
ADVERT	R 3 086 115	R 1 519 341	R 1 566 774
MAINTANANCE	R 47 796 861	R 69 070 006	R -21 273 145
Sub-Total	R 139 912 244	R 173 345 832	R -33 433 588

To this end much attention is given to the department of Water Services. Water services department also hosts the largest percentage of the municipality's labour force. Water Services department has seen an upward adjustment of R45, 1m to R285, 7million for operations and Maintenance.

The Consolidated capital budget has increased from R342, 7million to R361million. Parent capex budget has increased from R 337, 7million to R359, 5million due to internal new planned projects like Boreholes and spring protections.

Internal Capital Projects			
Details	Original Budget	Adjustment Budget	Actual
Installation of Surveillance Cameras	R -	R 1 500 000	-1 500 000
Municipal Vehicles	R 3 000 000	R 4 855 722	-1 855 722
Computers	R 1 500 000	R 2 631 594	-1 131 594
Installation of Smart Meter	R 8 000 000	R 11 711 662	-3 711 662
Borehole Drilling	R -	R 16 483 144	-16 483 144
Springprotection	R -	R 6 682 099	-6 682 099
Total	R 12 500 000	R 43 864 221	R -31 364 221

Budget Summary vs Adjusted Summary

TABLE B 1 CONSOLIDATED ADJUSTMENT BUDGET SUMMARY

Table B1 below provides a summary of the budget adjustment of the municipality and is unpacked in the sections that follow.

DC43 Harry Gwala - Table B1 Consolidated Adjustments Budget Summary - 22/02/2025

Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted 1	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
Financial Performance							
Property rates	-	-	-	-	-	-	-
Service charges	71 195	71 195	8 013	8 013	79 208	80 379	84 317
Investment revenue	17 435	17 435	7 155	7 155	24 590	-	-
Transfers recognised - operational	532 623	532 623	-	-	532 623	571 788	609 441
Other own revenue	17 721	17 721	408	408	18 130	18 767	19 686
Total Revenue (excluding capital transfers and contributions)	638 975	638 975	15 577	15 577	654 552	670 934	713 445
Employee costs	273 607	273 607	491	491	274 098	288 560	305 750
Remuneration of councillors	8 606	8 606	(941)	(941)	7 665	9 122	9 670
Depreciation & asset impairment	101 837	101 837	530	530	102 367	106 824	112 055
Finance charges	115	115	(20)	(20)	95	120	126
Inventory consumed and bulk purchases	36 543	36 543	(1 074)	(1 074)	35 469	38 224	40 097
Transfers and subsidies	6 700	6 700	(400)	(400)	6 300	7 008	7 324
Other expenditure	288 262	288 262	41 118	41 118	329 381	314 901	336 117
Total Expenditure	715 670	715 670	39 705	39 705	755 374	764 760	811 139
Surplus/(Deficit)	(76 695)	(76 695)	(24 128)	(24 128)	(100 823)	(93 827)	(97 695)
Transfers and subsidies - capital (monetary allocations)	318 124	323 856	-	-	323 856	314 221	343 324
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	241 428	247 161	(24 128)	(24 128)	223 033	220 394	245 629
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	241 428	247 161	(24 128)	(24 128)	223 033	220 394	245 629
Capital expenditure & funds sources							
Capital expenditure	322 312	342 797	18 277	18 277	361 074	297 641	324 164
Transfers recognised - capital	276 944	281 929	(65)	(65)	281 864	273 585	298 886
Borrowing	-	-	-	-	-	-	-
Internally generated funds	45 368	60 868	18 342	18 342	79 210	24 076	25 278
Total sources of capital funds	322 312	342 797	18 277	18 277	361 074	297 641	324 164
Financial position							
Total current assets	208 559	193 806	(41 156)	(41 156)	152 651	223 237	247 591
Total non current assets	3 446 319	3 466 804	(207 871)	(207 871)	3 258 932	3 603 031	3 831 215
Total current liabilities	124 097	124 097	(2 823)	(2 823)	121 273	125 211	127 653
Total non current liabilities	29 399	29 399	1 137	1 137	30 536	31 163	33 033
Community wealth/Equity	3 501 649	3 507 381	(244 766)	(244 766)	3 262 615	3 689 371	3 931 988

Table B1 Cont.....

DC43 Harry Gwala - Table B1 Consolidated Adjustments Budget Summary - 22/02/2025

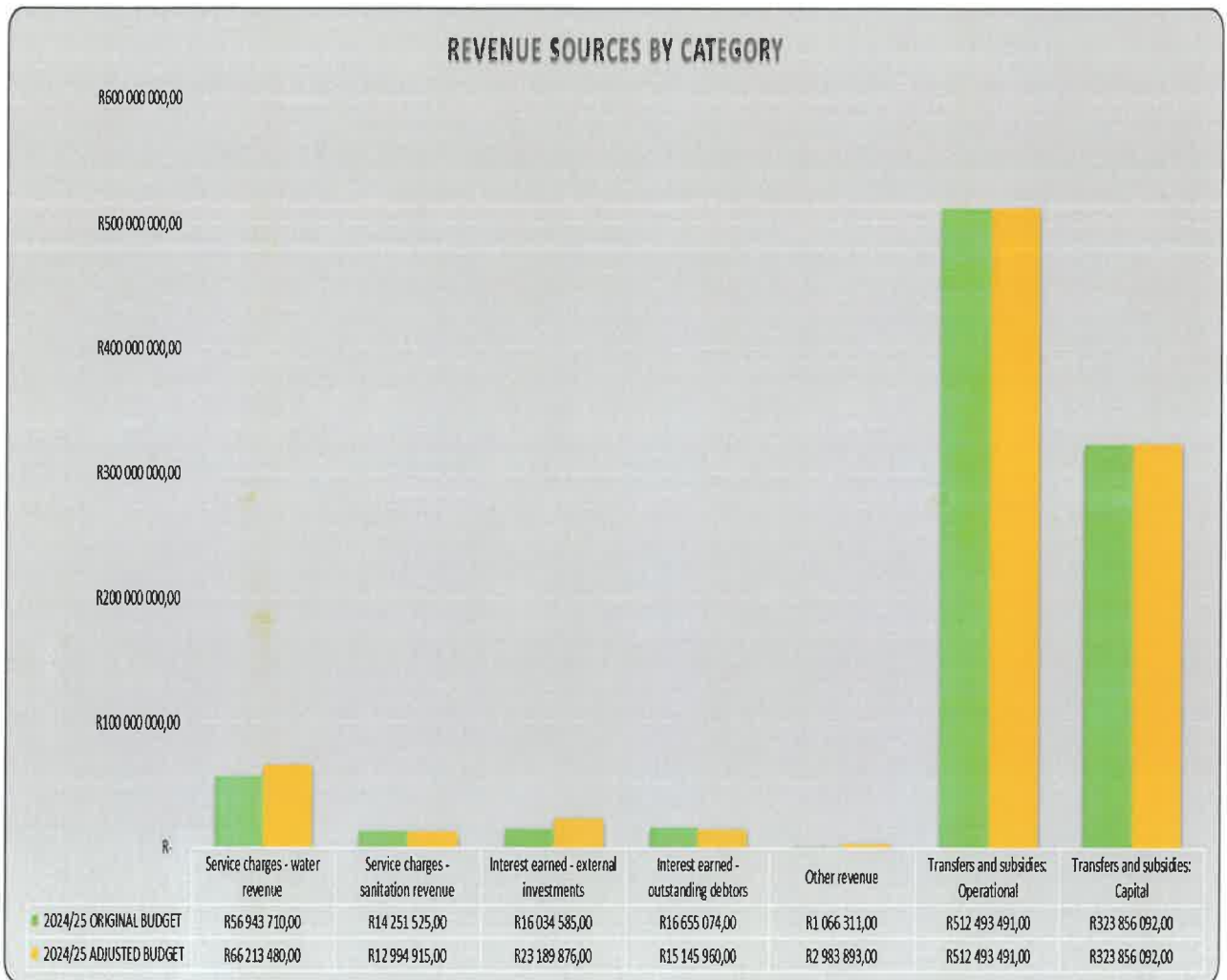
Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	6 F	7 G	8 H		
Cash flows							
Net cash from (used) operating	326 348	326 348	(65 437)	(65 437)	260 912	312 660	344 683
Net cash from (used) investing	(322 312)	(322 312)	(38 762)	(38 762)	(361 074)	(300 903)	(324 437)
Net cash from (used) financing	(2 969)	(2 969)	-	-	(2 969)	(3 004)	(3 040)
Cash/cash equivalents at the year end	152 288	152 288	(42 126)	(42 126)	110 162	186 589	213 022
Cash backing/surplus reconciliation							
Cash and investments available	142 005	142 005	(29 530)	(29 530)	112 475	157 672	182 145
Application of cash and investments	69 862	84 614	(588)	(588)	84 026	73 341	77 150
Balance - surplus (shortfall)	72 143	57 391	(28 942)	(28 942)	28 449	84 331	104 995
Asset Management							
Asset register summary (WDV)	2 728 314	2 748 799	(129 390)	(129 390)	2 619 408	2 885 026	3 113 210
Depreciation	101 837	101 837	530	530	102 367	106 824	112 055
Renewal and Upgrading of Existing Assets	22 875	30 253	6 920	6 920	37 173	17 475	4 067
Repairs and Maintenance	48 009	48 009	23 745	23 745	71 753	51 542	54 067
Free services							
Cost of Free Basic Services provided	(724)	(724)	-	-	(724)	(683)	(717)
Revenue cost of free services provided	-	-	-	-	-	-	-
Households below minimum service level							
Water:	37	-	-	-	37	40	-
Sanitation/sewerage:	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-

TABLE B2 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

Schedule B2 is the Expenditure by standard classification presents the adjustment expenditures by the departments.

DC43 Harry Gwala - Table B2 Consolidated Adjustments Budget Financial Performance (functional classification) - 22/02/2025

Standard Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	5 A1	10 F	11 G	12 H		
R thousands							
Revenue - Functional							
Governance and administration	510 213	510 213	9 073	9 073	519 286	522 030	550 555
Executive and council	-	-	-	-	-	-	-
Finance and administration	510 213	510 213	9 073	9 073	519 286	522 030	550 555
Internal audit	-	-	-	-	-	-	-
Community and public safety	17	17	-	-	17	17	18
Community and social services	17	17	-	-	17	17	18
Sport and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Economic and environmental services	21 530	29 543	-	-	29 543	20 138	21 345
Planning and development	21 530	29 543	-	-	29 543	20 138	21 345
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
Trading services	425 338	423 058	6 504	6 504	429 562	442 969	484 851
Energy sources	-	-	-	-	-	-	-
Water management	409 956	407 676	6 595	6 595	414 271	426 664	467 747
Waste water management	15 382	15 382	(91)	(91)	15 291	16 305	17 104
Waste management	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Revenue - Functional	957 098	962 831	15 577	15 577	978 408	985 154	1 056 768
Expenditure - Functional							
Governance and administration	328 884	327 142	24 939	24 939	352 081	346 079	364 327
Executive and council	45 410	45 410	(1 118)	(1 118)	44 293	46 908	49 378
Finance and administration	271 416	271 116	27 331	27 331	298 447	286 492	301 537
Internal audit	12 058	10 616	(1 274)	(1 274)	9 342	12 679	13 412
Community and public safety	24 662	24 662	(2 384)	(2 384)	22 278	24 199	25 590
Community and social services	24 662	24 662	(2 384)	(2 384)	22 278	24 199	25 590
Sport and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Economic and environmental services	175 539	176 981	(5 275)	(5 275)	171 706	198 507	214 498
Planning and development	175 539	176 981	(5 275)	(5 275)	171 706	198 507	214 498
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
Trading services	186 601	186 901	25 049	25 049	211 951	195 731	206 469
Energy sources	-	-	-	-	-	-	-
Water management	185 665	185 965	25 236	25 236	211 200	194 738	205 416
Waste water management	937	937	(186)	(186)	750	993	1 052
Waste management	-	-	-	-	-	-	-
Other	250	250	(50)	(50)	200	262	273
Total Expenditure - Functional	715 937	715 937	42 279	42 279	758 216	764 777	811 157
Surplus/ (Deficit) for the year	241 161	246 894	(26 702)	(26 702)	220 192	220 377	245 611



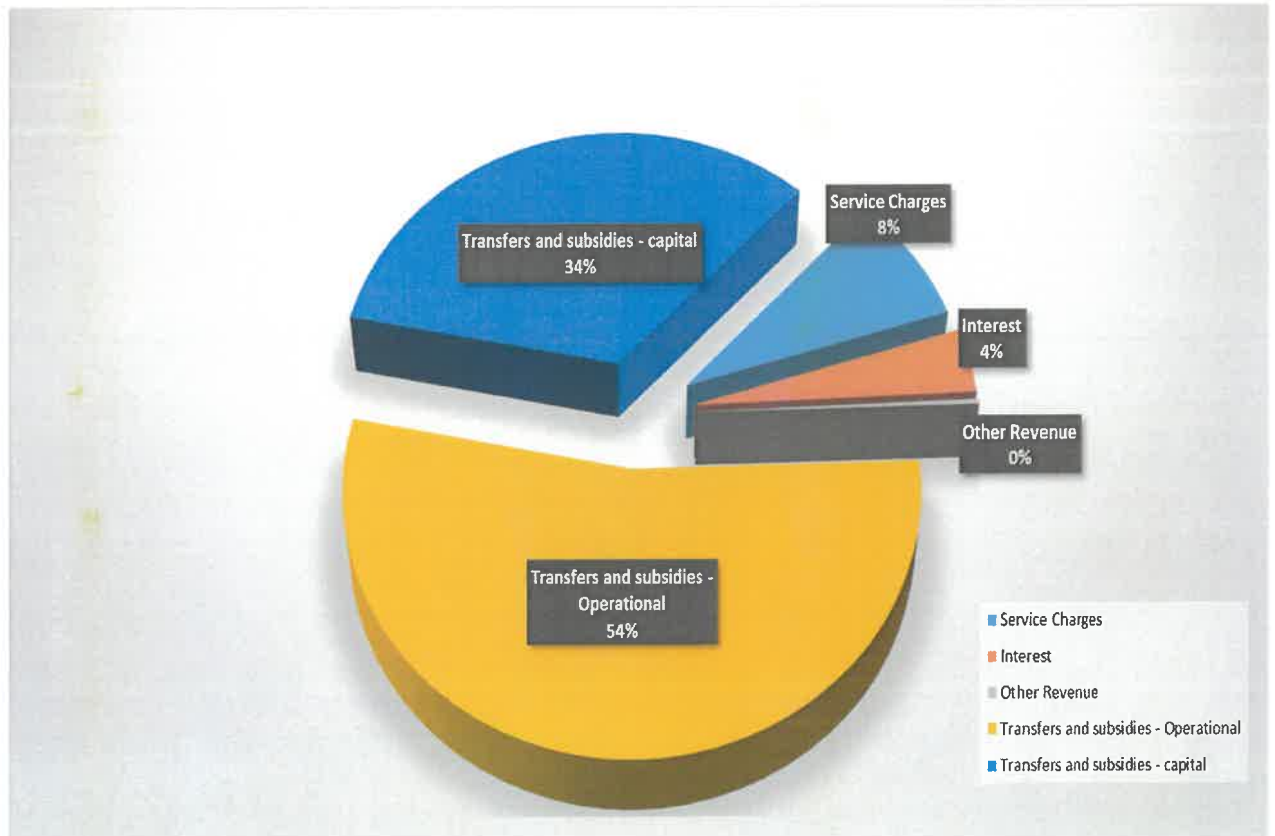
The parent revenue has increased by 1% from R941, 3million originally approved budget to R956, 8million. This upward adjustment is mainly due to following major contributing factors;

Service charges-water revenue: An increase of R9. 2million or 16% due to unattended water leaks by consumers, Delays in fixing of faulty meters. Prepaid consumption is increasing due to billing that has been extended to other areas within Umzimkhulu. increased due to the municipality engaging in the process of fixing faulty meter around the district and consumers were billed

on the actual consumption. The revised revenue of R66, 2million is 16% more than the original budget of R 56, 9million for the 2024/2025 financial year.

- Service charges - sanitation revenue: An increased of R 9, 2million or 9% due to an over-estimation of budgeted operating revenue. An analysis needs to be performed to determine the correct allocation of prepaid tokens between water and sanitation charges. The revised revenue of R 12, 9million is 9% less than the original budget of R 14, 2million for the current financial year.
- Interest earned - external investments: A positive variance of R23, 1million or 45% due to slow expenditure on capital expenditure on capital projects resulting from several changes in project consultants that had a ripple effect on the appointment of contractors.
- Interest earned - outstanding debtors: A decrease or negative variance of R1, 5million or 9% The variance resulted from the nonpayment for services by the consumers resulting in a higher than anticipated consumer debtors' balance.
- Own revenue- A positive variance of R1, 4million or 32% due to higher projected debtors' book.

Chart 1: Adjusted Revenue Budget by Standard Classification



The parent operational expenditure has increased by 5% to R736, 7million. This increase is largely attributed to the water services department which is responsible for repairs and maintenance.

- Inventory Consumed: A variance of R1million or 3 per cent due to a limited funds therefore material consumed adjusted downward. The revised bulk water purchases and inventory water decreased from the original budget of R 36, 5million to adjusted budget of R 35, 4million for the 2024/25 financial year.

- **Contracted Services:** A variance of R 22, 4million or 15 per cent due to a limited funds therefore the original budget was underestimated. The revised budget includes upward adjustment of repairs and maintenance and security.
- **Other expenditure or Operating Costs:** A negative variance of R10, 1million or 10 per cent due to a limited funds therefore the original budget was underestimated. The revised operating costs expenditure of R 10, 1million is 10 per cent more than the original budget of R 102, 5million for the current financial year.

Chart 2: Adjusted Operation Budget by Standard Classification

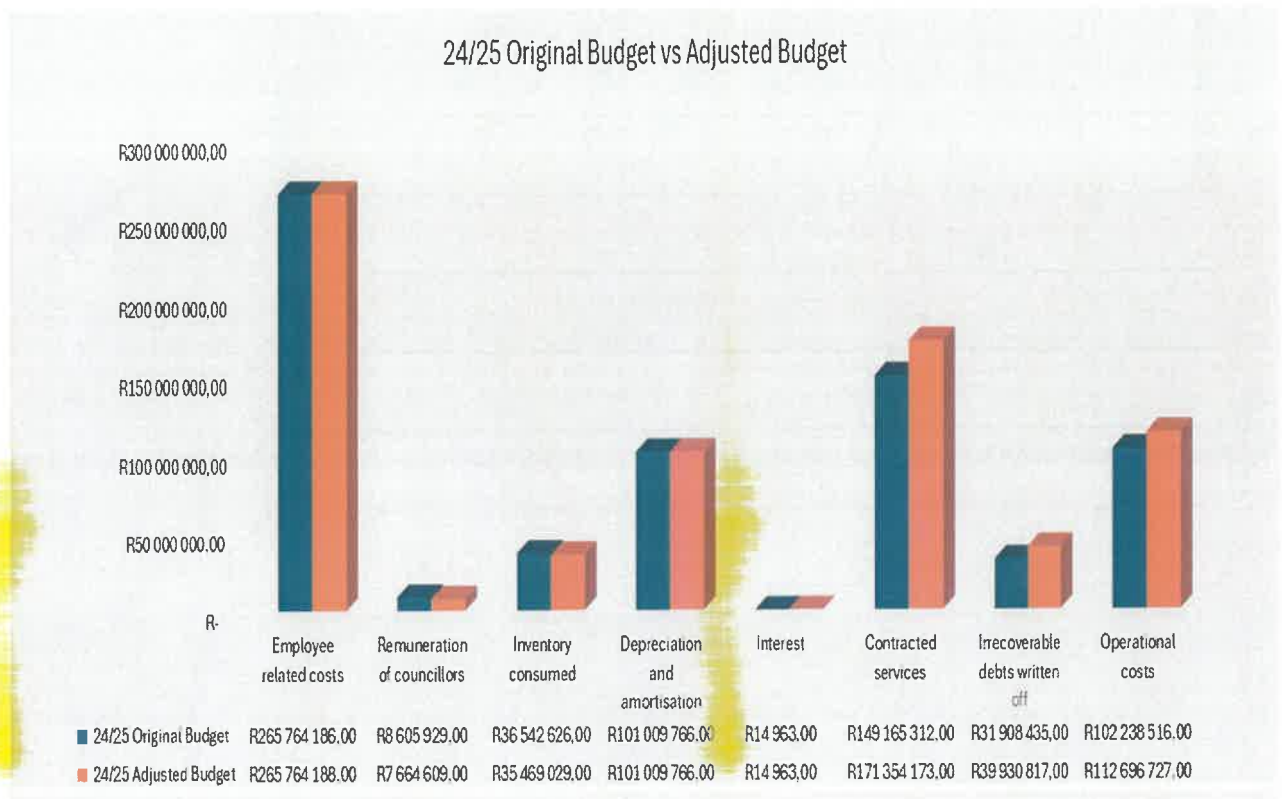


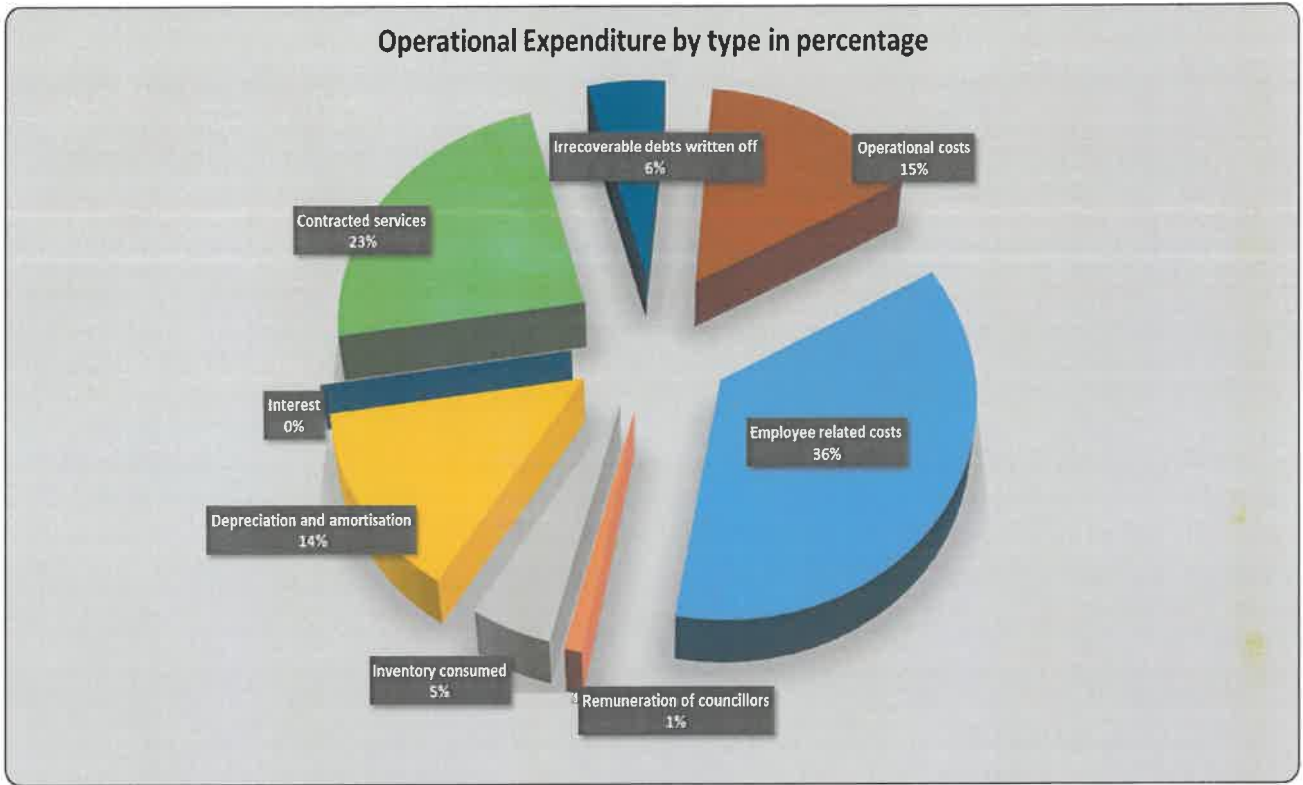
TABLE B3 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

Table B3 presents the same information as the table above, the difference being that it's by Municipal vote.

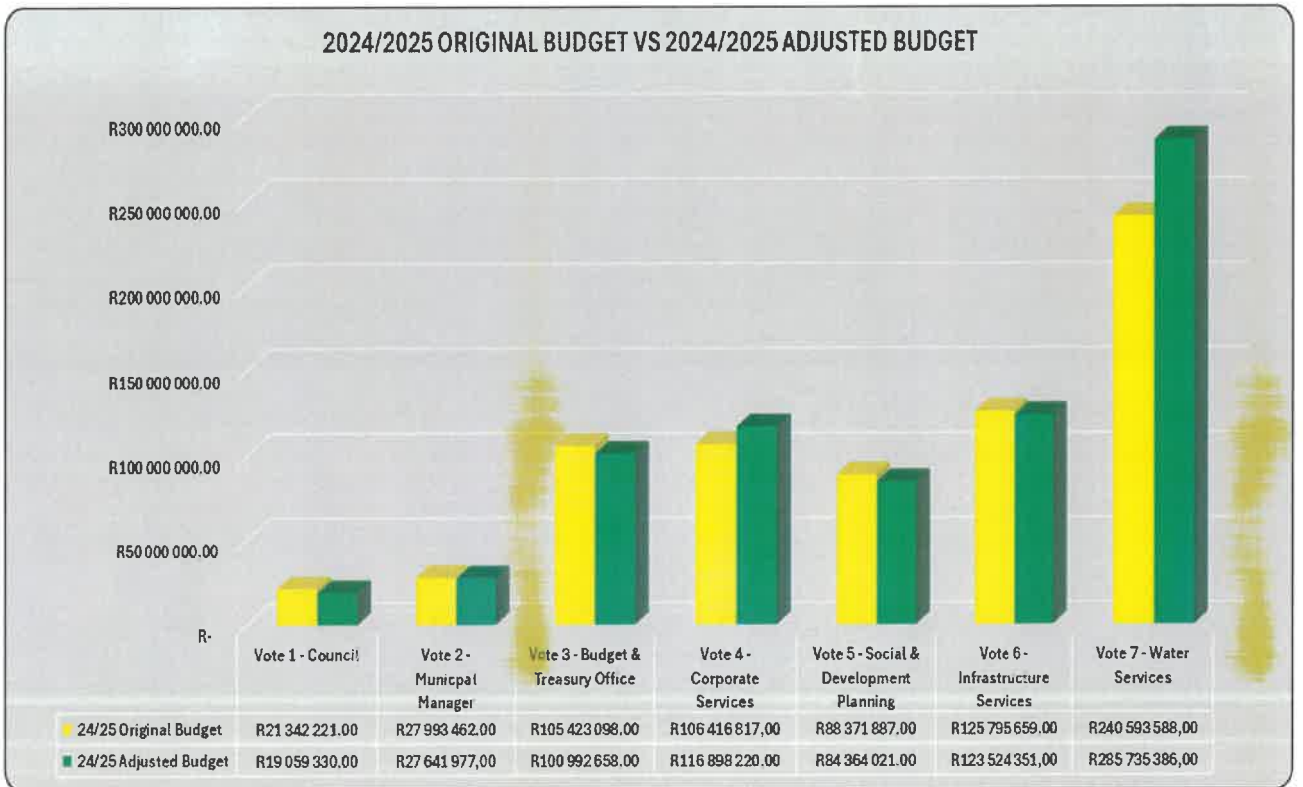
DC43 Harry Gwala - Table B3 Consolidated Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 22/02/2025

Vote Description <i>[Insert departmental structure etc]</i>	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	3	8	9	10		
		A1	F	G	H		
Revenue by Vote							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	509 775	509 775	9 073	9 073	518 848	521 574	550 076
Vote 04 - Summary Corporate Services	387	387	-	-	387	403	422
Vote 05 - Summary Social Services & Development Planing	21 547	21 547	-	-	21 547	20 155	21 363
Vote 06 - Summary Infrastructure Services	343 279	349 012	(1 166)	(1 166)	347 846	349 729	387 042
Vote 07 - Summary Water Services	82 110	82 110	7 670	7 670	89 780	93 294	97 865
Vote 15 - Other	-	-	-	-	-	-	-
Total Revenue by Vote	957 098	962 831	15 577	15 577	978 408	985 154	1 056 768
Expenditure by Vote							
Vote 01 - Summary Council	21 342	21 342	(2 283)	(2 283)	19 059	22 154	23 359
Vote 02 - Summary Municipal Manager	27 993	27 993	(351)	(351)	27 642	28 926	30 541
Vote 03 - Summary Budget And Treasury Office	105 423	105 423	(4 430)	(4 430)	100 993	110 705	116 595
Vote 04 - Summary Corporate Services	106 417	106 417	10 481	10 481	116 898	110 956	116 707
Vote 05 - Summary Social Services & Development Planing	88 372	88 372	(4 008)	(4 008)	84 364	90 124	94 252
Vote 06 - Summary Infrastructure Services	125 796	125 796	(2 271)	(2 271)	123 524	147 196	161 114
Vote 07 - Summary Water Services	240 594	240 594	45 142	45 142	285 735	254 715	268 589
Vote 15 - Other	-	-	-	-	-	-	-
Total Expenditure by Vote	715 937	715 937	42 279	42 279	758 216	764 777	811 157
Surplus/ (Deficit) for the year	241 161	246 894	(26 702)	(26 702)	220 192	220 377	245 611

Chart 3: Adjustment budget financial performance



The graph above presents the adjustment budget expenditure by type.



Some major differences above are caused by the cash flow constraint facing the municipality as a result of the limited revenue, while most departments have not adjusted their budgets, Water Services has seen an increase due to the nature of the operations and repairs and maintenance undertaken under water services department followed by Corporate Services due to day to day operations of the municipality. Water Services Department also hosts the largest percentage of the municipality's labour force.

The graph above presents the adjustment budget expenditure by vote.

TABLE B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

This schedule provides information on the adjustment revenue by source and adjustment operational expenditures by type.

DC43 Harry Gwala - Table B4 Consolidated Adjustments Budget Financial Performance (revenue and expenditure) - 24/02/2025

Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	3	8	9	10		
R thousands		A1	F	G	H		
Revenue By Source							
Exchange Revenue							
Service charges - Electricity	-	-	-	-	-	-	-
Service charges - Water	56 944	56 944	9 270	9 270	66 213	65 272	68 471
Service charges - Waste Water Management	14 252	14 252	(1 257)	(1 257)	12 995	15 107	15 847
Service charges - Waste Management	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	663	663	84	84	746	693	727
Interest earned from Receivables	16 655	16 655	(1 509)	(1 509)	15 146	17 654	18 519
Interest earned from Current and Non Current Assets	17 435	17 435	7 155	7 155	24 590	-	-
Dividends	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-
Rental from Fixed Assets	-	-	-	-	-	-	-
Licence and permits	-	-	-	-	-	-	-
Operational Revenue	404	404	262	262	666	420	441
Non-Exchange Revenue							
Property rates	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	1 572	1 572	1 572	-	-
Licences or permits	-	-	-	-	-	-	-
Transfer and subsidies - Operational	532 623	532 623	-	-	532 623	571 788	609 441
Interest	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	638 975	638 975	15 577	15 577	654 552	670 934	713 445
Expenditure By Type							
Employee related costs	273 607	273 607	491	491	274 098	288 560	305 750
Remuneration of councillors	8 606	8 606	(941)	(941)	7 665	9 122	9 670
Inventory consumed	36 543	36 543	1 768	1 768	38 311	38 224	40 097
Debt impairment	-	-	-	-	-	-	-
Depreciation and amortisation	101 837	101 837	530	530	102 367	106 824	112 055
Interest	115	115	(20)	(20)	95	120	126
Contracted services	152 097	151 807	22 365	22 365	174 172	174 297	189 261
Transfers and subsidies	6 700	6 700	(400)	(400)	6 300	7 008	7 324
Irrecoverable debts written off	31 908	31 908	8 022	8 022	39 931	33 472	35 112
Operational costs	104 257	104 547	10 731	10 731	115 278	107 132	111 745
Losses on disposal of Assets	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-
Total Expenditure	715 670	715 670	42 546	42 546	758 216	764 760	811 139
Surplus/(Deficit)	(76 695)	(76 695)	(26 969)	(26 969)	(103 664)	(93 827)	(97 695)
Transfers and subsidies - capital (monetary allocations)	318 124	323 856	-	-	323 856	314 221	343 324
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	241 428	247 161	(26 969)	(26 969)	220 192	220 394	245 629
Income Tax	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	241 428	247 161	(26 969)	(26 969)	220 192	220 394	245 629
Surplus/(Deficit) attributable to municipality	241 428	247 161	(26 969)	(26 969)	220 192	220 394	245 629
Surplus/ (Deficit) for the year	241 428	247 161	(26 969)	(26 969)	220 192	220 394	245 629

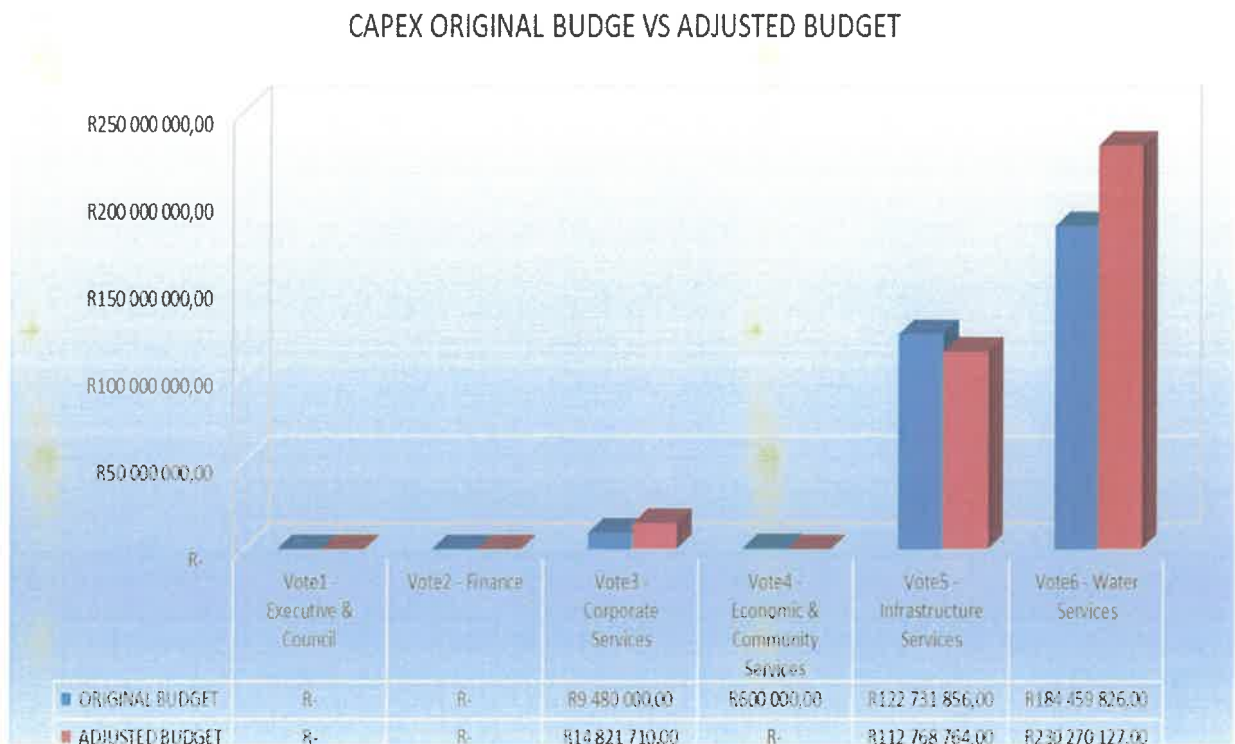
TABLE B5 ADJUSTMENT CAPITAL EXPENDITURE BUDGET BY VOTE AND FUNDING

Schedule B5 below reports on the adjusted capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

DC43 Harry Gwala - Table B5 Consolidated Adjustments Capital Expenditure Budget by vote and funding - 24/02/2025

Description	Budget Year 2024/25					Budget Year	Budget Year
	Original	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted	Adjusted	Adjusted
	Budget	5	10	11	Budget	Budget	Budget
	A	A1	F	G	H		
R thousands							
Capital expenditure - Vote							
Multi-year expenditure to be adjusted							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	9 480	12 480	2 342	2 342	14 822	6 255	6 568
Vote 05 - Summary Social Services & Development Planning	5 640	5 640	(4 127)	(4 127)	1 513	826	864
Vote 06 - Summary Infrastructure Services	122 732	118 076	(5 308)	(5 308)	112 769	112 635	100 000
Vote 07 - Summary Water Services	184 460	206 600	23 670	23 670	230 270	177 925	216 733
Capital multi-year expenditure sub-total	322 312	342 797	16 577	16 577	359 374	297 641	324 164
Single-year expenditure to be adjusted							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	-	-	1 700	1 700	1 700	-	-
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	-	-	-	-	-	-	-
Vote 07 - Summary Water Services	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	1 700	1 700	1 700	-	-
Total Capital Expenditure - Vote	322 312	342 797	18 277	18 277	361 074	297 641	324 164
Capital Expenditure - Functional							
Governance and administration	14 205	17 205	580	580	17 785	6 752	7 087
Executive and council	-	-	-	-	-	-	-
Finance and administration	14 205	17 205	580	580	17 785	6 752	7 087
Internal audit	-	-	-	-	-	-	-
Community and public safety	600	600	(600)	(600)	-	-	-
Community and social services	600	600	(600)	(600)	-	-	-
Sport and recreation	-	-	-	-	-	-	-
Economic and environmental services	121 210	115 421	(9 603)	(9 603)	105 819	111 142	98 433
Planning and development	121 210	115 421	(9 603)	(9 603)	105 819	111 142	98 433
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
Trading services	186 297	209 570	27 900	27 900	237 470	179 747	218 644
Energy sources	-	-	-	-	-	-	-
Water management	176 093	185 775	26 065	26 065	211 840	156 067	161 531
Waste water management	10 204	23 796	1 835	1 835	25 631	23 680	57 113
Waste management	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	322 312	342 797	18 277	18 277	361 074	297 641	324 164
Funded by:							
National Government	276 629	274 647	-	-	274 647	273 235	298 542
Provincial Government	-	6 967	-	-	6 967	-	-
District Municipality	315	315	(65)	(65)	250	329	344
Transfers recognised - capital	276 944	281 929	(65)	(65)	281 864	273 565	298 886
Borrowing	-	-	-	-	-	-	-
Internally generated funds	45 368	60 868	18 342	18 342	79 210	24 076	25 278
Total Capital Funding	322 312	342 797	18 277	18 277	361 074	297 641	324 164

Chart 6: Capital Expenditure by Vote



The capital budget has increased from R317, 2million to R359, 5million and the consolidated from 7342, 7m to R361m. The municipality adjusted the budget upwards due to municipal vehicles, Boreholes, Spring protection and installation of bulk water meters. An upward adjustment amounting to R21, 8million and for consolidated is adjusted by R18, 2m.

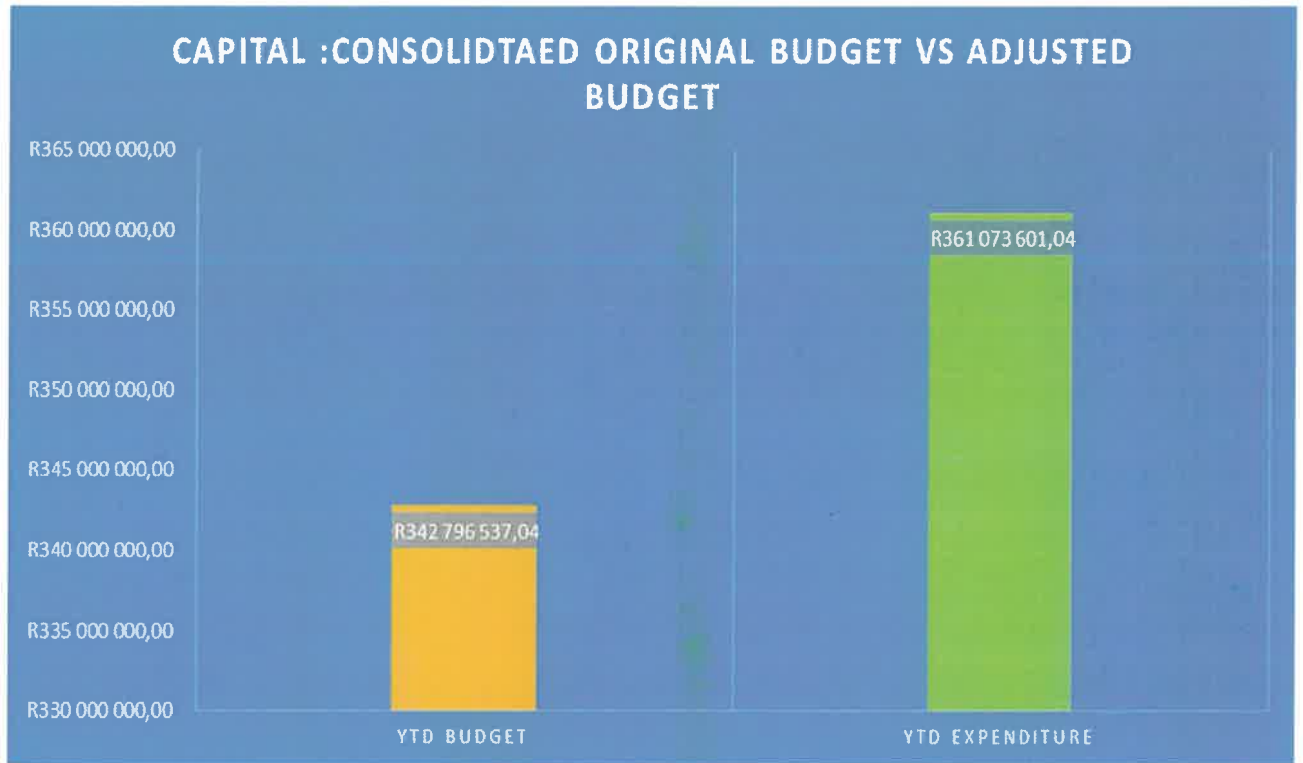


TABLE B6 ADJUSTMENTS BUDGET FINANCIAL POSITION

Table C6 displays the adjustment budget financial position of the municipality.

DC43 Harry Gwala - Table B6 Consolidated Adjustments Budget Financial Position - 24/02/2025

Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	3 A1	8 F	9 G	10 H		
ASSETS							
Current assets							
Cash and cash equivalents	139 694	139 694	3 867	3 867	143 561	155 369	179 848
Trade and other receivables from exchange transactions	29 605	29 605	(8 925)	(8 925)	20 680	28 970	28 303
Receivables from non-exchange transactions	2 311	2 311	1	1	2 312	2 304	2 297
Current portion of non-current receivables	-	-	-	-	-	-	-
Inventory	759	759	100	100	858	804	853
VAT	36 188	21 436	(2 569)	(2 569)	18 867	35 788	36 288
Other current assets	2	2	(231)	(231)	(229)	2	2
Total current assets	208 559	193 806	(7 757)	(7 757)	186 049	223 237	247 591
Non current assets							
Investments	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-
Property, plant and equipment	3 444 846	3 465 330	(208 837)	(208 837)	3 256 494	3 601 125	3 828 852
Biological assets	-	-	-	-	-	-	-
Living and non-living resources	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-
Intangible assets	1 473	1 473	965	965	2 438	1 906	2 363
Trade and other receivables from exchange transactions	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	-	-	-	-	-	-	-
Other non-current assets	0	0	-	-	0	0	0
Total non current assets	3 446 319	3 466 804	(207 871)	(207 871)	3 258 932	3 603 031	3 831 215
TOTAL ASSETS	3 654 878	3 660 610	(215 628)	(215 628)	3 444 982	3 826 268	4 078 806
LIABILITIES							
Current liabilities							
Bank overdraft	-	-	-	-	-	-	-
Financial liabilities	8 006	8 006	2 400	2 400	10 406	5 606	3 206
Consumer deposits	3 522	3 522	227	227	3 748	4 126	4 765
Trade and other payables from exchange transactions	86 542	86 542	(2 574)	(2 574)	83 968	88 424	91 536
Trade and other payables from non-exchange transactions	1 483	1 483	-	-	1 483	1 483	1 483
Provisions	17 142	17 142	(756)	(756)	16 385	18 170	19 260
VAT	7 402	7 402	(2 120)	(2 120)	5 282	7 402	7 402
Other current liabilities	-	-	-	-	-	-	-
Total current liabilities	124 097	124 097	(2 823)	(2 823)	121 273	125 211	127 653
Non current liabilities							
Borrowing	-	-	-	-	-	-	-
Provisions	29 399	29 399	1 137	1 137	30 536	31 163	33 033
Long term portion of trade payables	-	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-
Total non current liabilities	29 399	29 399	1 137	1 137	30 536	31 163	33 033
TOTAL LIABILITIES	153 496	153 496	(1 686)	(1 686)	151 809	156 374	160 686
NET ASSETS	3 501 382	3 507 114	(213 942)	(213 942)	3 293 172	3 669 894	3 918 120
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)	3 501 382	3 507 114	(213 942)	(213 942)	3 293 172	3 669 894	3 918 120
Funds and Reserves	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	3 501 382	3 507 114	(213 942)	(213 942)	3 293 172	3 669 894	3 918 120

TABLE B7 ADJUSTMENTS BUDGET CASH FLOWS

DC43 Harry Gwala - Table B7 Consolidated Adjustments Budget Cash Flows - 24/02/2025

Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	3 A1	8 F	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates	-	-	-	-	-	-	-
Service charges	62 194	62 194	7 556	7 556	69 750	70 708	74 173
Other revenue	68 324	68 324	(1 054)	(1 054)	67 270	65 516	71 406
Transfers and Subsidies - Operational	512 493	512 493	-	-	512 493	551 650	588 096
Transfers and Subsidies - Capital	318 124	318 124	5 733	5 733	323 856	314 221	343 324
Interest	18 053	18 053	6 537	6 537	24 590	17 170	17 986
Dividends	-	-	-	-	-	-	-
Payments							
Suppliers and employees	(652 698)	(652 698)	(67 637)	(67 637)	(720 334)	(706 454)	(750 153)
Finance charges	(142)	(142)	127	127	(15)	(150)	(158)
Transfers and Subsidies	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	326 348	326 348	(48 737)	(48 737)	277 611	312 660	344 683
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-
Payments							
Capital assets	(322 312)	(322 312)	(38 762)	(38 762)	(361 074)	(300 903)	(324 437)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(322 312)	(322 312)	(38 762)	(38 762)	(361 074)	(300 903)	(324 437)
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	(569)	(569)	-	-	(569)	(604)	(640)
Payments							
Repayment of borrowing	(2 400)	(2 400)	-	-	(2 400)	(2 400)	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(2 969)	(2 969)	-	-	(2 969)	(3 004)	(3 040)
NET INCREASE/ (DECREASE) IN CASH HELD	1 067	1 067	(87 499)	(87 499)	(86 432)	8 753	17 206
Cash/cash equivalents at the year begin:	151 221	151 221	78 772	78 772	229 993	177 836	195 816
Cash/cash equivalents at the year end:	152 288	152 288	(8 727)	(8 727)	143 561	186 589	213 022

TABLE B8 CASH-BACKED RESERVES / ACCUMULATED SURPLUS RECONCILIATION

DC43 Harry Gwala - Table B8 Consolidated Cash backed reserves/accumulated surplus reconciliation - 24/02/2025

Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	3 A1	8 F	9 G	10 H		
R thousands							
Cash and investments available							
Cash/cash equivalents at the year end	152 288	152 288	(8 727)	(8 727)	143 561	186 589	213 022
Other current investments > 90 days	(10 284)	(10 284)	12 596	12 596	2 312	(28 917)	(30 877)
Non current assets - Investments	-	-	-	-	-	-	-
Cash and investments available:	142 005	142 005	3 868	3 868	145 873	157 672	182 145
Applications of cash and investments							
Unspent conditional transfers	1 483	1 483	-	-	1 483	1 483	1 483
Unspent borrowing	-	-	-	-	-	-	-
Statutory requirements	(28 787)	(14 034)	449	449	(13 585)	(28 387)	(28 887)
Other working capital requirements	80 023	80 023	(868)	(868)	79 155	82 074	85 292
Other provisions	17 142	17 142	(756)	(756)	16 385	18 170	19 260
Long term investments committed	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-
Total Application of cash and investments:	69 862	84 614	(1 175)	(1 175)	83 439	73 341	77 150
Surplus(shortfall)	72 143	57 391	5 043	5 043	62 434	84 331	104 995

TABLE B9 ASSET MANAGEMENT

DC43 Harry Gwala - Table B9 Consolidated Asset Management - 24/02/2025

Description	Budget Year 2024/25					Budget Year	Budget Year
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2025/26	+2 2026/27
	A	7	12	13	14	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
CAPITAL EXPENDITURE							
Total New Assets to be adjusted	299 437	312 544	11 357	11 357	323 900	280 166	320 097
<i>Water Supply Infrastructure</i>	270 019	265 834	10 002	10 002	275 836	246 169	252 155
<i>Sanitation Infrastructure</i>	12 204	26 496	1 412	1 412	27 908	25 772	59 310
Infrastructure	282 223	292 330	11 414	11 414	303 744	271 941	311 464
Community Facilities	–	–	–	–	–	–	–
Operational Buildings	4 250	4 250	(1 170)	(1 170)	3 080	–	–
Housing	2 000	2 000	(800)	(800)	1 200	–	–
Other Assets	6 250	6 250	(1 970)	(1 970)	4 280	–	–
Licences and Rights	796	796	679	679	1 475	833	873
Intangible Assets	796	796	679	679	1 475	833	873
Computer Equipment	2 000	2 000	(600)	(600)	1 400	1 569	1 647
Furniture and Office Equipment	4 980	4 980	2 922	2 922	7 901	5 209	5 467
Machinery and Equipment	2 588	5 588	(488)	(488)	5 100	615	645
Transport Assets	600	600	(600)	(600)	–	–	–
Land	–	–	–	–	–	–	–
Total Renewal of Existing Assets to be adjusted	22 007	28 252	(962)	(962)	27 290	16 565	3 113
<i>Water Supply Infrastructure</i>	970	7 937	4 230	4 230	12 167	912	957
<i>Sanitation Infrastructure</i>	16 075	16 052	(6 967)	(6 967)	9 085	13 599	–
<i>Solid Waste Infrastructure</i>	–	–	–	–	–	–	–
Infrastructure	17 045	23 989	(2 737)	(2 737)	21 252	14 512	957
Community Facilities	–	–	–	–	–	–	–
Machinery and Equipment	80	80	(80)	(80)	–	84	88
Transport Assets	4 883	4 183	1 856	1 856	6 039	1 969	2 068
Land	–	–	–	–	–	–	–
Total Upgrading of Existing Assets to be adjusted	868	2 001	7 882	7 882	9 883	910	955
<i>Roads Infrastructure</i>	–	–	–	–	–	–	–
<i>Water Supply Infrastructure</i>	868	2 001	7 882	7 882	9 883	910	955
<i>Information and Communication Infrastructure</i>	–	–	–	–	–	–	–
Infrastructure	868	2 001	7 882	7 882	9 883	910	955
Community Facilities	–	–	–	–	–	–	–
Total Capital Expenditure to be adjusted	322 312	342 797	18 277	18 277	361 074	297 641	324 164
<i>Roads Infrastructure</i>	–	–	–	–	–	–	–
<i>Storm water Infrastructure</i>	–	–	–	–	–	–	–
<i>Electrical Infrastructure</i>	–	–	–	–	–	–	–
<i>Water Supply Infrastructure</i>	271 856	275 772	22 114	22 114	297 886	247 991	254 066
<i>Sanitation Infrastructure</i>	28 279	42 548	(5 555)	(5 555)	36 993	39 372	59 310
<i>Solid Waste Infrastructure</i>	–	–	–	–	–	–	–
Infrastructure	300 135	318 320	16 559	16 559	334 879	287 363	313 376
Community Facilities	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–
Operational Buildings	4 250	4 250	(1 170)	(1 170)	3 080	–	–
Housing	2 000	2 000	(800)	(800)	1 200	–	–
Other Assets	6 250	6 250	(1 970)	(1 970)	4 280	–	–
Licences and Rights	796	796	679	679	1 475	833	873
Intangible Assets	796	796	679	679	1 475	833	873
Computer Equipment	2 000	2 000	(600)	(600)	1 400	1 569	1 647
Furniture and Office Equipment	4 980	4 980	2 922	2 922	7 901	5 209	5 467
Machinery and Equipment	2 668	5 668	(568)	(568)	5 100	699	733
Transport Assets	5 483	4 783	1 256	1 256	6 039	1 969	2 068
Land	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE to be adjusted	322 312	342 797	18 277	18 277	361 074	297 641	324 164

DC43 Harry Gwala - Table B9 Consolidated Asset Management - 24/02/2025

Description	Budget Year 2024/25					Budget Year	Budget Year
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2025/26	+2 2026/27
	A	7 A1	12 F	13 G	14 H	Adjusted Budget	Adjusted Budget
R thousands							
ASSET REGISTER SUMMARY - PPE (WDV)	2 728 314	2 748 799	(129 390)	(129 390)	2 619 408	2 885 026	3 113 210
<i>Roads Infrastructure</i>	184	184	0	0	184	179	174
<i>Storm water Infrastructure</i>							
<i>Electrical Infrastructure</i>	4 213	4 213	(130)	(130)	4 083	2 406	1 976
<i>Water Supply Infrastructure</i>	2 387 255	2 407 223	(61 239)	(61 239)	2 325 984	2 534 552	2 690 320
<i>Sanitation Infrastructure</i>	260 508	258 725	(43 214)	(43 214)	215 511	304 219	371 239
<i>Coastal Infrastructure</i>							
<i>Information and Communication Infrastructure</i>	222	222	(37)	(37)	185	182	141
Infrastructure	2 652 382	2 670 567	(124 620)	(124 620)	2 545 947	2 841 539	3 063 852
Community Assets	1 428	1 428	(45)	(45)	1 383	1 253	1 163
Heritage Assets	1 473	1 473	965	965	2 438	1 906	2 363
Other Assets	39 434	39 434	(1 252)	(1 252)	38 182	-	-
Biological or Cultivated Assets							
Intangible Assets							
Computer Equipment	1 985	1 985	335	335	2 321	247	(1 048)
Furniture and Office Equipment	10 004	10 004	1 446	1 446	11 450	14 427	19 075
Machinery and Equipment	11 876	14 876	(7 923)	(7 923)	6 953	13 955	14 038
Transport Assets	9 730	9 030	1 704	1 704	10 734	11 700	13 767
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	2 728 314	2 748 799	(129 390)	(129 390)	2 619 408	2 885 026	3 113 210
EXPENDITURE OTHER ITEMS							
<u>Depreciation & asset impairment</u>	101 837	101 837	530	530	102 367	106 824	112 055
<u>Repairs and Maintenance by asset class</u>	48 009	48 009	23 745	23 745	71 753	51 542	54 067
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	41 300	41 300	25 441	25 441	66 741	44 525	46 707
<i>Sanitation Infrastructure</i>	-	-	-	-	-	-	-
Infrastructure	41 300	41 300	25 441	25 441	66 741	44 525	46 707
Community Facilities	-	-	-	-	-	-	-
Sport and Recreation Facilities	77	77	40	40	117	80	84
Community Assets	77	77	40	40	117	80	84
Investment properties	-	-	-	-	-	-	-
Operational Buildings	6 212	6 212	(2 151)	(2 151)	4 061	6 498	6 815
Housing	-	-	-	-	-	-	-
Other Assets	6 212	6 212	(2 151)	(2 151)	4 061	6 498	6 815
Intangible Assets	-	-	-	-	-	-	-
Computer Equipment	70	70	12	12	82	73	77
Furniture and Office Equipment	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-
Transport Assets	350	350	403	403	753	366	384
Land	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	149 845	149 845	24 275	24 275	174 121	158 367	166 122
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	7,1%	8,8%			10,3%	5,9%	1,3%
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>	22,5%	29,7%			36,3%	16,4%	3,6%
<i>R&M as a % of PPE</i>	1,8%	1,7%			2,7%	1,8%	1,7%
<i>Renewal and upgrading and R&M as a % of PPE</i>	2,6%	2,8%			4,2%	2,4%	1,9%

TABLE B10 BASIC SERVICE DELIVERY MEASUREMENT

DC43 Harry Gwala - Table B10 Consolidated Basic service delivery measurement - 19/02/2025

Description	Budget Year 2024/25					Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	7 A1	12 F	13 G	14 H		
Household service targets							
Water:							
Piped water inside dwelling	63166	0	0	-	63166	67272	70366,512
Piped water inside yard (but not in dwelling)	25682	0	0	-	25682	27352	28610,192
Using public tap (at least min.service level)	45047	0	0	-	45047	47975	50181,85
Other water supply (at least min.service level)	37369	0	0	-	37	40	42
<i>Minimum Service Level and Above sub-total</i>	171	-	-	-	171264	182	191
Using public tap (< min.service level)				-	0		
Other water supply (< min.service level)	37369	0	0	-	37369	39798	0
No water supply				-	-		
<i>Below Minimum Service Level sub-total</i>	37	-	-	-	37	40	-
Total number of households	209	-	-	-	209	222	191
Sanitation/sewerage:							
Flush toilet (connected to sewerage)	98628	0	0	-	98 628	105039	109870,794
Flush toilet (with septic tank)	15901	0	0	-	15 901	16935	17714,01
Chemical toilet				-	-		0
Pit toilet (ventilated)	56736	0	0	-	56 736	60424	63203,504
Other toilet provisions (> min.service level)				-	-		
<i>Minimum Service Level and Above sub-total</i>	171 265	-	-	-	171 265	182 398	190 788
Bucket toilet				-	-		
Other toilet provisions (< min.service level)				-	-		
No toilet provisions				-	-		
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-
Total number of households	171 265	-	-	-	171 265	182 398	190 788
Energy:							
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	-	-	-	-	-	-	-
Households receiving Free Basic Service							
Water (6 kilolitres per household per month)	-	-	-	-	-	-	-
Sanitation (free minimum level service)	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	-	-	-	-	-	-	-
Refuse (removed at least once a week)	-	-	-	-	-	-	-
<i>Informal Settlements</i>	-	-	-	-	-	-	-
Cost of Free Basic Services provided (R'000)							
Water (6 kilolitres per indigent household per month)	(724)	(724)	-	-	(724)	(683)	(717)
Sanitation (free sanitation service to indigent households)	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	-	-	-	-	-	-	-
Total cost of FBS provided	(724)	(724)	-	-	(724)	(683)	(717)

PARENT TABLES

TABLE B 1 PARENT ADJUSTMENT BUDGET SUMMARY

Table B1 below provides a summary of the budget adjustment of the municipality and is unpacked in the sections that follow.

DC43 Harry Gwala - Table B1 Adjustments Budget Summary - 24/02/2025

Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1	6	7	8		
	A	A1	F	G	H		
Financial Performance							
Property rates	-	-	-	-	-	-	-
Service charges	71 195	71 195	8 013	8 013	79 208	80 379	84 317
Investment revenue	16 035	16 035	7 155	7 155	23 190	-	-
Transfers recognised - operational	512 493	512 493	-	-	512 493	551 650	588 096
Other own revenue	17 721	17 721	408	408	18 130	18 767	19 686
Total Revenue (excluding capital transfers and contributions)	617 445	617 445	15 577	15 577	633 022	650 796	692 100
Employee costs	265 764	265 764	0	0	265 764	280 356	297 178
Remuneration of councillors	8 606	8 606	(941)	(941)	7 665	9 122	9 670
Depreciation & asset impairment	101 010	101 010	-	-	101 010	105 959	111 151
Finance charges	15	15	-	-	15	16	16
Inventory consumed and bulk purchases	36 543	36 543	1 768	1 768	38 311	38 224	40 097
Transfers and subsidies	-	-	-	-	-	-	-
Other expenditure	283 312	283 312	40 669	40 669	323 982	309 723	330 707
Total Expenditure	695 250	695 250	41 496	41 496	736 746	743 401	788 819
Surplus/(Deficit)	(77 805)	(77 805)	(25 919)	(25 919)	(103 724)	(92 605)	(96 719)
Transfers and subsidies - capital (monetary allocations)	318 124	323 856	-	-	323 856	314 221	343 324
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	240 318	246 051	(25 919)	(25 919)	220 132	221 616	246 605
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	240 318	246 051	(25 919)	(25 919)	220 132	221 616	246 605
Capital expenditure & funds sources							
Capital expenditure	317 272	337 757	21 804	21 804	359 561	296 815	323 301
Transfers recognised - capital	276 629	281 614	-	-	281 614	273 235	298 542
Borrowing	-	-	-	-	-	-	-
Internally generated funds	40 643	56 143	21 804	21 804	77 947	23 580	24 758
Total sources of capital funds	317 272	337 757	21 804	21 804	359 561	296 815	323 301
Financial position							
Total current assets	193 575	178 823	(26 769)	(26 769)	152 054	208 253	232 608
Total non current assets	3 440 486	3 460 971	(204 344)	(204 344)	3 256 627	3 601 412	3 829 559
Total current liabilities	120 580	120 580	(3 314)	(3 314)	117 266	121 694	124 137
Total non current liabilities	29 399	29 399	1 137	1 137	30 536	31 163	33 033
Community wealth/Equity	3 487 234	3 492 966	(233 420)	(233 420)	3 259 546	3 677 288	3 919 659

Table1 cont...

DC43 Harry Gwala - Table B1 Adjustments Budget Summary - 24/02/2025

Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	6 F	7 G	8 H		
Cash flows							
Net cash from (used) operating	344 742	344 742	(48 737)	(48 737)	296 005	331 820	364 780
Net cash from (used) investing	(322 312)	(322 312)	(38 762)	(38 762)	(361 074)	(300 903)	(324 437)
Net cash from (used) financing	(2 969)	(2 969)	–	–	(2 969)	(3 004)	(3 040)
Cash/cash equivalents at the year end	156 316	156 316	(27 739)	(27 739)	128 578	191 384	218 753
Cash backing/surplus reconciliation							
Cash and investments available	127 021	127 021	(15 143)	(15 143)	111 878	142 689	167 162
Application of cash and investments	66 118	80 870	(1 602)	(1 602)	79 268	69 628	73 441
Balance - surplus (shortfall)	60 904	46 151	(13 541)	(13 541)	32 610	73 061	93 721
Asset Management							
Asset register summary (WDV)	2 722 481	2 742 966	(125 863)	(125 863)	2 617 103	2 883 407	3 111 554
Depreciation	101 010	101 010	–	–	101 010	105 959	111 151
Renewal and Upgrading of Existing Assets	22 875	30 253	6 920	6 920	37 173	17 475	4 067
Repairs and Maintenance	47 797	47 797	23 838	23 838	71 635	51 321	53 835
Free services							
Cost of Free Basic Services provided	(724)	(724)	–	–	(724)	(683)	(717)
Revenue cost of free services provided	–	–	–	–	–	–	–
Households below minimum service level							
Water:	37	–	–	–	37	40	–
Sanitation/sewerage:	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–

TABLE B2 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

Schedule B2 is the Expenditure by standard classification presents the adjustment expenditures by the departments.

DC43 Harry Gwala - Table B2 Adjustments Budget Financial Performance (functional classification) - 24/02/2025

Standard Description	Budget Year 2024/25					Budget Year	Budget Year
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2025/26	+2 2026/27
	A	5 A1	10 F	11 G	12 H	Adjusted Budget	Adjusted Budget
R thousands							
Revenue - Functional							
Governance and administration	510 213	510 213	9 073	9 073	519 286	522 030	550 555
Executive and council	-	-	-	-	-	-	-
Finance and administration	510 213	510 213	9 073	9 073	519 286	522 030	550 555
Internal audit	-	-	-	-	-	-	-
Community and public safety	17	17	-	-	17	17	18
Community and social services	17	17	-	-	17	17	18
Sport and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Economic and environmental services	-	8 013	-	-	8 013	-	-
Planning and development	-	8 013	-	-	8 013	-	-
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
Trading services	425 338	423 058	6 504	6 504	429 562	442 969	484 851
Energy sources	-	-	-	-	-	-	-
Water management	409 956	407 676	6 595	6 595	414 271	426 664	467 747
Waste water management	15 382	15 382	(91)	(91)	15 291	16 305	17 104
Waste management	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Revenue - Functional	935 568	941 301	15 577	15 577	956 878	965 017	1 035 424
Expenditure - Functional							
Governance and administration	315 547	313 804	23 439	23 439	337 243	332 128	349 748
Executive and council	37 277	37 277	(1 640)	(1 640)	35 638	38 401	40 488
Finance and administration	266 211	265 911	26 352	26 352	292 263	281 048	295 848
Internal audit	12 058	10 616	(1 274)	(1 274)	9 342	12 679	13 412
Community and public safety	24 662	24 662	(2 384)	(2 384)	22 278	24 199	25 590
Community and social services	24 662	24 662	(2 384)	(2 384)	22 278	24 199	25 590
Sport and recreation	-	-	-	-	-	-	-
Economic and environmental services	168 636	170 079	(4 865)	(4 865)	165 214	191 287	206 954
Planning and development	168 636	170 079	(4 865)	(4 865)	165 214	191 287	206 954
Road transport	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-
Trading services	186 601	186 901	25 049	25 049	211 951	195 731	206 469
Energy sources	-	-	-	-	-	-	-
Water management	185 665	185 965	25 236	25 236	211 200	194 738	205 416
Waste water management	937	937	(186)	(186)	750	993	1 052
Total Expenditure - Functional	695 447	695 447	41 239	41 239	736 686	743 345	788 760
Surplus/ (Deficit) for the year	240 121	245 854	(25 662)	(25 662)	220 192	221 672	246 664

TABLE B3 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

Table B3 presents the same information as the table above, the difference being that it's by Municipal vote.

DC43 Harry Gwala - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 24/02/2025

Vote Description <i>[Insert departmental structure etc]</i>	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	3 A1	8 F	9 G	10 H		
Revenue by Vote							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	509 775	509 775	9 073	9 073	518 848	521 574	550 076
Vote 04 - Summary Corporate Services	387	387	-	-	387	403	422
Vote 05 - Summary Social Services & Development Planning	17	17	-	-	17	17	18
Vote 06 - Summary Infrastructure Services	343 279	349 012	(1 166)	(1 166)	347 846	349 729	387 042
Vote 07 - Summary Water Services	82 110	82 110	7 670	7 670	89 780	93 294	97 865
Vote 15 - Other	-	-	-	-	-	-	-
Total Revenue by Vote	935 568	941 301	15 577	15 577	956 878	965 017	1 035 424
Expenditure by Vote							
Vote 01 - Summary Council	21 342	21 342	(2 283)	(2 283)	19 059	22 154	23 359
Vote 02 - Summary Municipal Manager	27 993	27 993	(351)	(351)	27 642	28 926	30 541
Vote 03 - Summary Budget And Treasury Office	105 423	105 423	(4 430)	(4 430)	100 993	110 705	116 595
Vote 04 - Summary Corporate Services	106 417	106 417	10 481	10 481	116 898	110 956	116 707
Vote 05 - Summary Social Services & Development Planning	67 882	67 882	(5 048)	(5 048)	62 834	68 691	71 855
Vote 06 - Summary Infrastructure Services	125 796	125 796	(2 271)	(2 271)	123 524	147 196	161 114
Vote 07 - Summary Water Services	240 594	240 594	45 142	45 142	285 735	254 715	268 589
Vote 15 - Other	-	-	-	-	-	-	-
Total Expenditure by Vote	695 447	695 447	41 239	41 239	736 686	743 345	788 760
Surplus/ (Deficit) for the year	240 121	245 854	(25 662)	(25 662)	220 192	221 672	246 664

TABLE B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

This schedule provides information on the adjustment revenue by source and adjustment operational expenditures by type.

DC43 Harry Gwala - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 24/02/2025

Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	3 A1	8 F	9 G	10 H		
Revenue By Source							
Exchange Revenue							
Service charges - Electricity	-	-	-	-	-	-	-
Service charges - Water	56 944	56 944	9 270	9 270	66 213	65 272	68 471
Service charges - Waste Water Management	14 252	14 252	(1 257)	(1 257)	12 995	15 107	15 847
Service charges - Waste Management	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	663	663	84	84	746	693	727
Interest earned from Receivables	16 655	16 655	(1 509)	(1 509)	15 146	17 654	18 519
Interest earned from Current and Non Current Assets	16 035	16 035	7 155	7 155	23 190	-	-
Licence and permits	-	-	-	-	-	-	-
Operational Revenue	404	404	262	262	666	420	441
Non-Exchange Revenue							
Property rates	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	1 572	1 572	1 572	-	-
Licences or permits	-	-	-	-	-	-	-
Transfer and subsidies - Operational	512 493	512 493	-	-	512 493	551 650	588 096
Interest	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	617 445	617 445	15 577	15 577	633 022	650 796	692 100
Expenditure By Type							
Employee related costs	265 764	265 764	0	0	265 764	280 356	297 178
Remuneration of councillors	8 606	8 606	(941)	(941)	7 665	9 122	9 670
Bulk purchases - electricity	-	-	-	-	-	-	-
Inventory consumed	36 543	36 543	1 768	1 768	38 311	38 224	40 097
Debt impairment	-	-	-	-	-	-	-
Depreciation and amortisation	101 010	101 010	-	-	101 010	105 959	111 151
Interest	15	15	-	-	15	16	16
Contracted services	149 165	148 875	22 479	22 479	171 354	171 230	186 056
Transfers and subsidies	-	-	-	-	-	-	-
Irrecoverable debts written off	31 908	31 908	8 022	8 022	39 931	33 472	35 112
Operational costs	102 239	102 529	10 168	10 168	112 697	105 021	109 538
Losses on disposal of Assets	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-
Total Expenditure	695 250	695 250	41 496	41 496	736 746	743 401	788 819
Surplus/(Deficit)	(77 805)	(77 805)	(25 919)	(25 919)	(103 724)	(92 605)	(96 719)
Transfers and subsidies - capital (monetary allocations)	318 124	323 856	-	-	323 856	314 221	343 324
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	240 318	246 051	(25 919)	(25 919)	220 132	221 616	246 605
Income Tax	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	240 318	246 051	(25 919)	(25 919)	220 132	221 616	246 605
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	240 318	246 051	(25 919)	(25 919)	220 132	221 616	246 605
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	240 318	246 051	(25 919)	(25 919)	220 132	221 616	246 605

TABLE B5 ADJUSTMENT CAPITAL EXPENDITURE BUDGET BY VOTE AND FUNDING

Schedule B5 below reports on the adjusted capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

DC43 Harry Gwala - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 24/02/2025

Description	Budget Year 2024/25					Budget Year	Budget Year
	Original	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted	+1 2025/26	+2 2026/27
	Budget	5	10	11	Budget	Adjusted	Adjusted
R thousands	A	A1	F	G	H	Budget	Budget
Capital expenditure - Vote							
Multi-year expenditure to be adjusted							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	9 480	12 480	2 342	2 342	14 822	6 255	6 568
Vote 05 - Summary Social Services & Development Planning	600	600	(600)	(600)	-	-	-
Vote 06 - Summary Infrastructure Services	122 732	118 076	(5 308)	(5 308)	112 769	112 635	100 000
Vote 07 - Summary Water Services	184 460	206 600	23 670	23 670	230 270	177 925	216 733
Vote 15 - Other	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	317 272	337 757	20 104	20 104	357 861	296 815	323 301
Single-year expenditure to be adjusted							
Vote 01 - Summary Council	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	-	-	1 700	1 700	1 700	-	-
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	-	-	-	-	-	-	-
Vote 07 - Summary Water Services	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	1 700	1 700	1 700	-	-
Total Capital Expenditure - Vote	317 272	337 757	21 804	21 804	359 561	296 815	323 301
Capital Expenditure - Functional							
Governance and administration	9 480	12 480	4 042	4 042	16 522	6 255	6 568
Executive and council	-	-	-	-	-	-	-
Finance and administration	9 480	12 480	4 042	4 042	16 522	6 255	6 568
Internal audit	-	-	-	-	-	-	-
Community and public safety	600	600	(600)	(600)	-	-	-
Community and social services	600	600	(600)	(600)	-	-	-
Sport and recreation	-	-	-	-	-	-	-
Economic and environmental services	120 895	115 106	(9 538)	(9 538)	105 569	110 813	98 088
Planning and development	120 895	115 106	(9 538)	(9 538)	105 569	110 813	98 088
Trading services	186 297	209 570	27 900	27 900	237 470	179 747	218 644
Energy sources	-	-	-	-	-	-	-
Water management	176 093	185 775	26 065	26 065	211 840	156 067	161 531
Waste water management	10 204	23 796	1 835	1 835	25 631	23 680	57 113
Waste management	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	317 272	337 757	21 804	21 804	359 561	296 815	323 301
Funded by:							
National Government	276 629	274 647	-	-	274 647	273 235	298 542
Provincial Government	-	6 967	-	-	6 967	-	-
District Municipality	-	-	-	-	-	-	-
Transfers recognised - capital	276 629	281 614	-	-	281 614	273 235	298 542
Borrowing	-	-	-	-	-	-	-
Internally generated funds	40 643	56 143	21 804	21 804	77 947	23 580	24 758
Total Capital Funding	317 272	337 757	21 804	21 804	359 561	296 815	323 301

TABLE B6 ADJUSTMENTS BUDGET FINANCIAL POSITION

Table C6 displays the adjustment budget financial position of the municipality.

DC43 Harry Gwala - Table B6 Adjustments Budget Financial Position - 24/02/2025

Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	3 A1	8 F	9 G	10 H		
ASSETS							
Current assets							
Cash and cash equivalents	124 710	124 710	(15 144)	(15 144)	109 566	140 385	164 865
Trade and other receivables from exchange transactions	29 605	29 605	(8 925)	(8 925)	20 680	28 970	28 303
Receivables from non-exchange transactions	2 311	2 311	1	1	2 312	2 304	2 297
Current portion of non-current receivables	-	-	-	-	-	-	-
Inventory	759	759	100	100	858	804	853
VAT	36 188	21 436	(2 569)	(2 569)	18 867	35 788	36 288
Other current assets	2	2	(231)	(231)	(229)	2	2
Total current assets	193 575	178 823	(26 769)	(26 769)	152 054	208 253	232 608
Non current assets							
Investments	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-
Property, plant and equipment	3 439 263	3 459 748	(205 235)	(205 235)	3 254 513	3 599 768	3 827 469
Biological assets	-	-	-	-	-	-	-
Living and non-living resources	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-
Intangible assets	1 223	1 223	890	890	2 113	1 644	2 090
Trade and other receivables from exchange transactions	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	-	-	-	-	-	-	-
Other non-current assets	0	0	-	-	0	0	0
Total non current assets	3 440 486	3 460 971	(204 344)	(204 344)	3 256 627	3 601 412	3 829 559
TOTAL ASSETS	3 634 061	3 639 794	(231 113)	(231 113)	3 408 681	3 809 665	4 062 167
LIABILITIES							
Current liabilities							
Bank overdraft	-	-	-	-	-	-	-
Financial liabilities	8 006	8 006	2 400	2 400	10 406	5 606	3 206
Consumer deposits	3 522	3 522	227	227	3 748	4 126	4 765
Trade and other payables from exchange transactions	84 509	84 509	(3 065)	(3 065)	81 444	86 391	89 503
Trade and other payables from non-exchange transactions	-	-	-	-	-	-	-
Provisions	17 142	17 142	(756)	(756)	16 385	18 170	19 260
VAT	7 402	7 402	(2 120)	(2 120)	5 282	7 402	7 402
Other current liabilities	-	-	-	-	-	-	-
Total current liabilities	120 580	120 580	(3 314)	(3 314)	117 266	121 694	124 137
Non current liabilities							
Borrowing	-	-	-	-	-	-	-
Provisions	29 399	29 399	1 137	1 137	30 536	31 163	33 033
Long term portion of trade payables	-	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-
Total non current liabilities	29 399	29 399	1 137	1 137	30 536	31 163	33 033
TOTAL LIABILITIES	149 979	149 979	(2 177)	(2 177)	147 802	152 857	157 169
NET ASSETS	3 484 082	3 489 815	(228 936)	(228 936)	3 260 879	3 656 808	3 904 997
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)	3 487 234	3 492 966	(233 420)	(233 420)	3 259 546	3 677 288	3 919 659
Funds and Reserves	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	3 487 234	3 492 966	(233 420)	(233 420)	3 259 546	3 677 288	3 919 659

TABLE B7 ADJUSTMENTS BUDGET CASH FLOWS

DC43 Harry Gwala - Table B7 Adjustments Budget Cash Flows - 24/02/2025

Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	3 A1	8 F	9 G	10 H		
R thousands							
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates	-	-	-	-	-	-	-
Service charges	62 194	62 194	7 556	7 556	69 750	70 708	74 173
Other revenue	68 324	68 324	(1 054)	(1 054)	67 270	65 516	71 406
Transfers and Subsidies - Operational	512 493	512 493	-	-	512 493	551 650	588 096
Transfers and Subsidies - Capital	318 124	318 124	5 733	5 733	323 856	314 221	343 324
Interest	17 435	17 435	6 537	6 537	23 972	16 552	17 378
Dividends	-	-	-	-	-	-	-
Payments							
Suppliers and employees	(633 686)	(633 686)	(67 637)	(67 637)	(701 323)	(686 676)	(729 439)
Finance charges	(142)	(142)	127	127	(15)	(150)	(158)
Transfers and Subsidies	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	344 742	344 742	(48 737)	(48 737)	296 005	331 820	364 780
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-
Payments							
Capital assets	(322 312)	(322 312)	(38 762)	(38 762)	(361 074)	(300 903)	(324 437)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(322 312)	(322 312)	(38 762)	(38 762)	(361 074)	(300 903)	(324 437)
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	(569)	(569)	-	-	(569)	(604)	(640)
Payments							
Repayment of borrowing	(2 400)	(2 400)	-	-	(2 400)	(2 400)	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(2 969)	(2 969)	-	-	(2 969)	(3 004)	(3 040)
NET INCREASE/ (DECREASE) IN CASH HELD	19 461	19 461	(87 499)	(87 499)	(68 038)	27 914	37 303
Cash/cash equivalents at the year begin:	136 856	136 856	59 761	59 761	196 616	163 470	181 451
Cash/cash equivalents at the year end:	156 316	156 316	(27 739)	(27 739)	128 578	191 384	218 753

TABLE B8 CASH-BACKED RESERVES / ACCUMULATED SURPLUS RECONCILIATION

DC43 Harry Gwala - Table B8 Cash backed reserves/accumulated surplus reconciliation - 24/02/2025

Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	3 A1	8 F	9 G	10 H		
Cash and investments available							
Cash/cash equivalents at the year end	156 316	156 316	(27 739)	(27 739)	128 578	191 384	218 753
Other current investments > 90 days	(29 295)	(29 295)	12 596	12 596	(16 699)	(48 695)	(51 592)
Non current assets - Investments	-	-	-	-	-	-	-
Cash and investments available:	127 021	127 021	(15 143)	(15 143)	111 878	142 689	167 162
Applications of cash and investments							
Unspent conditional transfers	-	-	-	-	-	-	-
Unspent borrowing	-	-	-	-	-	-	-
Statutory requirements	(26 787)	(14 034)	449	449	(13 585)	(28 387)	(28 887)
Other working capital requirements	77 763	77 763	(1 295)	(1 295)	76 468	79 845	83 067
Other provisions	17 142	17 142	(756)	(756)	16 385	18 170	19 260
Long term investments committed	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-
Total Application of cash and Investments:	66 118	80 870	(1 602)	(1 602)	79 268	69 628	73 441
Surplus(shortfall)	60 904	46 151	(13 541)	(13 541)	32 610	73 061	93 721

TABLE B9 ASSET MANAGEMENT

DC43 Harry Gwala - Table B9 Asset Management - 19/02/2025

Description	Budget Year 2024/25					Budget Year	Budget Year
	Original	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted	+1 2025/26	+2 2026/27
	Budget	7	12	13	Budget	Adjusted	Adjusted
R thousands	A	A1	F	G	H	Budget	Budget
CAPITAL EXPENDITURE							
Total New Assets to be adjusted	294 397	294 397	27 991	27 991	322 387	279 340	319 233
Roads Infrastructure	-	-	-	-	-	-	-
Water Supply Infrastructure	266 019	266 019	9 817	9 817	275 836	246 169	252 155
Sanitation Infrastructure	12 204	12 204	15 704	15 704	27 908	25 772	59 310
Information and Communication Infrastructure	-	-	-	-	-	-	-
Infrastructure	278 223	278 223	25 521	25 521	303 744	271 941	311 464
Community Facilities	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-
Operational Buildings	4 000	4 000	(1 570)	(1 570)	2 430	-	-
Housing	2 000	2 000	(800)	(800)	1 200	-	-
Other Assets	6 000	6 000	(2 370)	(2 370)	3 630	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-
Licences and Rights	546	546	604	604	1 150	571	600
Intangible Assets	546	546	604	604	1 150	571	600
Computer Equipment	2 000	2 000	(600)	(600)	1 400	1 569	1 647
Furniture and Office Equipment	4 505	4 505	2 859	2 859	7 363	4 712	4 947
Machinery and Equipment	2 523	2 523	2 577	2 577	5 100	547	574
Transport Assets	600	600	(600)	(600)	-	-	-
Land	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	22 007	22 007	5 283	5 283	27 290	16 565	3 113
Roads Infrastructure	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-
Water Supply Infrastructure	970	970	11 197	11 197	12 167	912	957
Sanitation Infrastructure	16 075	16 075	(6 990)	(6 990)	9 085	13 599	-
Information and Communication Infrastructure	-	-	-	-	-	-	-
Infrastructure	17 045	17 045	4 207	4 207	21 252	14 512	957
Machinery and Equipment	80	80	(80)	(80)	-	84	88
Transport Assets	4 883	4 883	1 156	1 156	6 039	1 969	2 068
Land	-	-	-	-	-	-	-
Total Upgrading of Existing Assets to be adjusted	868	868	9 015	9 015	9 883	910	955
Roads Infrastructure	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-
Water Supply Infrastructure	868	868	9 015	9 015	9 883	910	955
Coastal Infrastructure	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-
Infrastructure	868	868	9 015	9 015	9 883	910	955
Machinery and Equipment	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	317 272	317 272	42 289	42 289	359 561	296 815	323 301
Roads Infrastructure	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-
Water Supply Infrastructure	267 856	267 856	30 029	30 029	297 886	247 991	254 066
Sanitation Infrastructure	28 279	28 279	8 714	8 714	36 993	39 372	59 310
Solid Waste Infrastructure	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-
Infrastructure	296 135	296 135	38 744	38 744	334 879	287 363	313 376
Investment properties	-	-	-	-	-	-	-
Operational Buildings	4 000	4 000	(1 570)	(1 570)	2 430	-	-
Housing	2 000	2 000	(800)	(800)	1 200	-	-
Other Assets	6 000	6 000	(2 370)	(2 370)	3 630	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-
Licences and Rights	546	546	604	604	1 150	571	600
Intangible Assets	546	546	604	604	1 150	571	600
Computer Equipment	2 000	2 000	(600)	(600)	1 400	1 569	1 647
Furniture and Office Equipment	4 505	4 505	2 859	2 859	7 363	4 712	4 947
Machinery and Equipment	2 603	2 603	2 497	2 497	5 100	631	662
Transport Assets	5 483	5 483	556	556	6 039	1 969	2 068
Land	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	317 272	317 272	42 289	42 289	359 561	296 815	323 301

DC43 Harry Gwala - Table B9 Asset Management - 19/02/2025

Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	7	12	13	14		
R thousands							
ASSET REGISTER SUMMARY - PPE (WDV)	2 722 481	2 722 481	(105 378)	(105 378)	2 617 103	2 883 407	3 111 554
<i>Roads Infrastructure</i>	184	184	0	0	184	179	174
<i>Storm water Infrastructure</i>							
<i>Electrical Infrastructure</i>	4 213	4 213	(130)	(130)	4 083	2 406	1 976
<i>Water Supply Infrastructure</i>	2 383 255	2 383 255	(57 272)	(57 272)	2 325 984	2 534 552	2 690 320
<i>Sanitation Infrastructure</i>	260 508	260 508	(44 997)	(44 997)	215 511	304 219	371 239
<i>Solid Waste Infrastructure</i>							
<i>Rail Infrastructure</i>							
<i>Coastal Infrastructure</i>							
<i>Information and Communication Infrastructure</i>	222	222	(37)	(37)	185	182	141
Infrastructure	2 648 382	2 648 382	(102 435)	(102 435)	2 545 947	2 841 539	3 063 852
Community Assets	1 428	1 428	(45)	(45)	1 383	1 253	1 163
Heritage Assets	1 223	1 223	890	890	2 113	1 644	2 090
Other Assets	39 184	39 184	(1 652)	(1 652)	37 532		
Biological or Cultivated Assets							
Intangible Assets							
Computer Equipment	1 985	1 985	335	335	2 321	247	(1 048)
Furniture and Office Equipment	8 737	8 737	1 383	1 383	10 120	13 137	17 763
Machinery and Equipment	11 811	11 811	(4 858)	(4 858)	6 953	13 887	13 967
Transport Assets	9 730	9 730	1 004	1 004	10 734	11 700	13 767
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	2 722 481	2 722 481	(105 378)	(105 378)	2 617 103	2 883 407	3 111 554
EXPENDITURE OTHER ITEMS							
<u>Depreciation & asset impairment</u>	101 010	101 010			101 010	105 959	111 151
<u>Repairs and Maintenance by asset class</u>	47 797	47 797	21 273	21 273	69 070	51 321	53 835
<i>Water Supply Infrastructure</i>	41 300	41 300	22 938	22 938	64 238	44 525	46 707
<i>Sanitation Infrastructure</i>							
<i>Information and Communication Infrastructure</i>							
Infrastructure	41 300	41 300	22 938	22 938	64 238	44 525	46 707
Community Facilities							
Sport and Recreation Facilities	77	77	(2)	(2)	75	80	84
Community Assets	77	77	(2)	(2)	75	80	84
Heritage Assets							
Investment properties							
Operational Buildings	6 000	6 000	(2 057)	(2 057)	3 943	6 276	6 584
Housing							
Other Assets	6 000	6 000	(2 057)	(2 057)	3 943	6 276	6 584
Biological or Cultivated Assets							
Intangible Assets							
Computer Equipment	70	70	(8)	(8)	62	73	77
Machinery and Equipment							
Transport Assets	350	350	403	403	753	366	384
Land							
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	148 806	148 806	21 273	21 273	170 080	157 280	164 987
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	7,2%	7,2%			10,3%	5,9%	1,3%
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>	22,6%	22,6%			36,8%	16,5%	3,7%
<i>R&M as a % of PPE</i>	1,8%	1,8%			2,6%	1,8%	1,7%
<i>Renewal and upgrading and R&M as a % of PPE</i>	2,6%	2,6%			4,1%	2,4%	1,9%

PART 2 – SUPPORTING DOCUMENTATION

2.1 Adjustments to Budget Assumptions

There have not been major shifts in the budget assumptions. However, the few points noted below are work noting.

External factors: The economic slowdown as shown by the further declines in economic growth figures, the rising cost of living due to increases in the cost of borrowing and the high unemployment levels, financial resources are limited due to reduced payment levels by consumers. The latest figures released by the Census also show a decline in district population due to migration. This has resulted in declining cash inflows, which has necessitated major budgeted expenditure cuts to ensure that cash outflows remain within the affordability parameters of the district's finances.

2.2 Adjustments to Budget funding

Cash flow constraints still continue to affect the financial sustainability of the municipality as the municipality is largely grant dependent. This high grant dependency ratio (of over 93%) means that the municipality's operations are highly sensitive to non-payment by consumers. The increasing water & sanitation infrastructural assets also tend to burden the operations budget in the form of high operations and maintenance costs.

Table SB 7 below provides details of the Government Grants and Subsidies differentiated between National & Provincial Governments.

DC43 Harry Gwala - Supporting Table SB7 Consolidated Adjustments Budget - transfers and grant receipts - 19/02/2025

Description	Budget Year 2024/25					Budget Year	Budget Year
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2025/26	+2 2026/27
	A	7	10	11	12	Adjusted Budget	Adjusted Budget
R thousands	A	A1	D	E	F		
RECEIPTS:							
Operating Transfers and Grants							
National Government:	512 493	512 493	-	-	512 493	551 650	588 096
Local Government Equitable Share	491 837	491 837	-	-	491 837	519 538	547 904
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant	4 460	4 460	-	-	4 460	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 200	1 200	-	-	1 200	1 300	1 400
Municipal Disaster Relief Grant	-	-	-	-	-	-	-
Municipal Infrastructure Grant	12 498	12 498	-	-	12 498	28 202	36 062
Rural Road Asset Management Systems Grant	2 498	2 498	-	-	2 498	2 610	2 730
Water Services Infrastructure Grant	-	-	-	-	-	-	-
Provincial Government:	130	130	-	-	130	138	145
Capacity Building and Other Grants	130	130	-	-	130	138	145
District Municipality:	20 000	20 000	-	-	20 000	20 000	21 200
<i>Specify (Add grant description)</i>	20 000	20 000	-	-	20 000	20 000	21 200
Other grant providers:	-	-	-	-	-	-	-
<i>Chemical Industry Seta</i>	-	-	-	-	-	-	-
<i>Parent Municipality</i>	-	-	-	-	-	-	-
<i>Unspecified</i>	-	-	-	-	-	-	-
Total Operating Transfers and Grants	532 623	532 623	-	-	532 623	571 788	609 441
Capital Transfers and Grants							
National Government:	318 124	318 124	(2 280)	(2 280)	315 844	314 221	343 324
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-
Municipal Infrastructure Grant	218 124	218 124	(2 280)	(2 280)	215 844	214 221	228 324
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-
Water Services Infrastructure Grant	100 000	100 000	-	-	100 000	100 000	115 000
Provincial Government:	-	-	8 013	8 013	8 013	-	-
Infrastructure Grant	-	-	8 013	8 013	8 013	-	-
District Municipality:	-	-	-	-	-	-	-
<i>Specify (Add grant description)</i>	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-
<i>[insert description]</i>	-	-	-	-	-	-	-
<i>Human Settlement Re-development Programme</i>	-	-	-	-	-	-	-
Total Capital Transfers and Grants	318 124	318 124	5 733	5 733	323 856	314 221	343 324
TOTAL RECEIPTS OF TRANSFERS & GRANTS	850 747	850 747	5 733	5 733	856 480	886 009	952 765

The total adjusted **Operational Government** grant allocations are as follows;

- National Government R 512, 4million

The **Operational Transfer to Development Agency** grant allocations are as follows;

- Transfer to Agency R 20million

The total consolidated adjusted **Operational Government** grant allocations are as follows;

- National Government R 532, 6million

While the adjusted **Capital Funding** are as follows;

- National Government R 315, 8million
- Provincial Government R 8million

The DWS funding of R8million as per the confirmation letter dated 02 September 2024 Ref PL/KZN/GB/10 from Department of Water and Sanitation was the confirmation that the funding was from Provincial Department therefore we do not agree with Provincial Treasury comment on mid-year budget and performance assessment that the funding was supposed to be under National Government.

Municipal Manager's Quality Certificates

I, **Gamakulu Ma'art Sineke**, Municipal Manager of **Harry Gwala District 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 that Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print name: Gamakulu Ma'art Sineke

Municipal Manager of Harry Gwala District Municipality (DC43)

Signature: 

Date 25 February 2025