

## **PART 1 - ADJUSTMENT BUDGET**

### **3. EXECUTIVE SUMMARY**

#### **Operating Revenue**

The Operating Revenue Budget of Council will increase compared to the original budget at R 3.6 billion.

The main adjustments to revenue are as follows:

- Rentals of Facilities & Equipment will increase with R 2M
- Transfers and Subsidies will increase with R 71.37 million
- Other Revenue will increase with R2.2 million

#### **Operating Expenditure**

The operating expenditure budget is also recommended for adjustment. This will increase with R 67.5 million

The main adjustments to expenditure from the original budget are as follows:

- Contracted Services R93.3million
- Debt Impairment will decrease with R 72.64 million
- Other materials will increase R46.7 million
- Other Expenditure will increase with R 14.4million

#### **Capital Expenditure**

The MIG capital budget will be reduced with R11.06 million

#### **Financial position**

The municipality is anticipating to pay outstanding creditors in line with creditors payment plan approved and to comply with section 65 of MFMA.

Accumulated depreciation was done based on the life span of the assets and the depreciation is budgeted for.

#### **Cash Flow**

The receipts for cash flow operating activities was based on the collection rate of 60% for property rates and user charges. The municipality is anticipating to increasing collection rate in the coming months.

#### **Measureable Performance Objectives**

Due to the impact of the adjustments to the budget, the measurable performance objectives will be amended.

## **Adjustments Budget Tables**

The Official National Budget Schedules are reflected as annexure to this report. These tables form the basis of the Council resolutions with regards the approval of the adjustments budget.

The following tables are provided:

Table B1 – Adjustments Budget Summary

Table B2 – Adjustments Budget Financial Performance Standard Classification

Table B3 - Adjustments Budget Financial Performance Revenue and Expenditure by Municipal Vote

Table B4 - Adjustments Budget Financial Performance Revenue and Expenditure

Table B5 – Adjustments Capital Budget by Vote And Funding

Table B6 – Adjustments Budget Financial Position

Table B7 – Adjustments Budget Cash Flow

Table B8 – Cash Backed Reserves and Accumulated Surplus Reconciliation

Table B9 – Asset Management

Table B10 – Basic Service Delivery Measurement