



MEDIUM TERM REVENUE AND **EXPENDITURE FRAMEWORK**

Adjustment Budget 2018/2019 – 2019/2021

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PART 1 – ADJUSTMENT BUDGET

SECTION 1 - MAYOR'S REPORT

The Municipality may revise its approved annual budget through an adjustment budget. Great Kei Municipality has assessed its implementation of budget for the first six months of the financial period. It is therefore the results of the aforementioned assessment that informs adjustment budget for 2018/19.

Reasons for the adjustment budget

- ***Allocation and grant adjustments***

There is a slight adjustment on government grant allocations and subsidies.

- ***Adjustment of revenue and expenditure***

The budget on assessment rates and refuse services billing has remain unchanged. The budget on electricity services billing has been adjusted downwards by R4, 2M due to a decrease in the actual amount billed for the past six months. The budget for sale of residential properties amounting to R9M has been reduced because there is no progress to date on this item. Additional revenue of R8,9M for insurance refund on burnt municipal buildings.

The Municipality has required services of an external service provider to assist in debt collection which will ultimately reduce the municipality's debt book. The total debtors book including interest amount to R100m as at 31 December 2018.

There has been a decrease on the budget for operating expenditure by R637 000. Major additions were made to Bulk Electricity by R2M, AG fees by R900 000 Insurance Premium by R300 000, revenue forgone by R500 000 and salaries by R1M, these were under-budgeted in the original budget. There vacant funded positions are still not filled in 2018/19. Depreciation has been adjusted downwards by R7M and this is based on previous years adjusted Annual Financial Statements. The gazette on implementation of upper limits for 2018/19 has not been implemented due cash flow constraints.

Budget movements within current allocation

The Municipality has identified savings from different votes and these were utilized to fund votes that had almost exhausted funds. Savings were identified within votes to finance other votes, like:

- Discount allowed
- Salaries
- Bulk Electricity
- Audit Fees
- Insurance Premiums

1. Any other information considered relevant

The capital expenditure has increase because the municipality has received a funding from DEDEAT and the projects were re-prioritized to procure the compactor truck for improvement of refuse services. The Municipality has also acquired an overdraft facility of R8M which is payable in two monthly instalments of R4m in December and March.

2. Recommendation to council regarding MTREF – Adjustment Budget 2018/19

Given the information and reasons on adjustment budget detailed above, it is recommended that the Council approves the adjustment budget.

PART 2 - RESOLUTIONS

Adjustment MTREF 2018/19

Recommendations:

1. That in terms of section 28(2) of the Municipal Finance Management Act 56 of 2003, the adjustment budget of the Great Kei Municipality for the financial year 2018/19, set out in the following tables be approved:
 - Adjustment Budget Financial Performance (revenue and expenditure by Standard Classification), **Table B2**
 - Adjustment Budget Financial Performance (revenue and expenditure by municipal vote), **Table B3**
 - Adjustment Budget Financial Performance (revenue by source and expenditure by type including capital transfers and contributions), **Table B4** and
 - Adjustment Budget Capital Expenditure for both multi-year and single-year, standard classification and funding, **Table B5**
2. The adjustment budget was permitted in terms of S28(2) and the following were taken into consideration:
 - The utilization of projected saving in one vote towards spending under another vote be authorized; and
 - Any errors in the annual budget be corrected
 - Any under estimated line items in the original budget be corrected
 - Budget for any unauthorized movements be provided

PART 3: EXECUTIVE SUMMARY

Introduction

The Municipality appointed of a debt collector as a strategy to improve revenue collection. The municipality has also improved relationship with ratepayers associations, through implementation of a discount scheme to overdue accounts and implementation of rebates to rates paid by senior citizens. A Valuer has been appointed to deal with major disputes on customer's accounts and ensure debtor's data is credible

Municipality has also applied cost cutting measures even before the adjustment budget, after it has assessed through monitoring cash flow projections and implementation of National Treasury Circular 82.

The expenditure aligned to Equitable Share of R10M for 2018/19 budget has been reduced because it was spent at the beginning of the financial year to fund previous year's salaries for May and June 2018.

The budget of the municipality remains unfunded and to bridge a budget deficit gap a plan to turnaround the financial situation will accompany the adjustment budget document,

Provisions on service delivery projects

The municipality is mainly depended on grant funding for capital projects, the Municipal Infrastructure Grant allocation for the current year is at R11M.

The Municipality's DME funding is at R6M bulk electricity upgrade in the Great Kei area.

The funding for compactor truck from DEDEAT of R1, 7M is also provided.

The Insurance refund of R8,9M for the Revamp of GKM offices,

There is minimal internal funding for internal capital projects

Conclusion

The Operating expenditure budget will decrease slightly, movement from capital expenditure to operating expenditure and vice versa, unauthorised expenditure that is critical to operations and additional requests. To date budget of R30.6M remains

unfunded and this is due to non-cash items like depreciation and provision for bad debts and items that cannot be reduced due to their nature. A financial turnaround plan has been developed and will be approved with this adjustment budget.

Adjustment Budget Tables

- B1 Adjustment budget summary
- B2 Adjustment budget financial performance (functional classification)
- B3 Adjustment budget financial performance (revenue and expenditure by municipal vote)
- B4 Adjustment budget financial performance (revenue and expenditure)
- B5 Adjustment budget capital expenditure by vote and funding
- B6 Adjustment budget financial position
- B7 Adjustment budget cash flows

Table B1 Adjustment Budget Summary

EC123 Great Kei - Table B1 Adjustments Budget Summary - 28/02/2019

Description	Budget Year 2018/19									Budget Year +1	Budget Year +2	
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H	2019/20	2020/21	
R thousands												
Financial Performance												
Property rates	25 791	-	-	-	-	-	-	-	25 791	27 184	28 651	
Service charges	13 870	-	-	-	-	-	-	-	13 870	14 619	15 408	
Investment revenue	225	-	-	-	-	-	275	275	500	527	555	
Transfers recognised - operational	45 547	-	-	-	-	-	-	-	45 547	48 007	50 599	
Other own revenue	24 616	-	-	-	-	-	(8 907)	(8 907)	15 709	16 558	17 452	
Total Revenue (excluding capital transfers and contributions)	110 049	-	-	-	-	-	(8 632)	(8 632)	101 417	106 894	112 666	
Employee costs	50 444	-	-	-	-	-	1 151	1 151	51 596	54 382	57 318	
Remuneration of councillors	4 600	-	-	-	-	-	-	-	4 600	4 848	5 110	
Depreciation & asset impairment	25 000	-	-	-	-	-	(7 000)	(7 000)	18 000	18 972	19 996	
Finance charges	665	-	-	-	-	-	35	35	700	738	778	
Materials and bulk purchases	8 700	-	-	-	-	-	2 236	2 236	10 936	11 527	12 149	
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure	45 178	-	-	-	-	-	(9 801)	(9 801)	35 377	37 287	39 301	
Total Expenditure	134 587	-	-	-	-	-	(13 379)	(13 379)	121 209	127 754	134 653	
Surplus/(Deficit)	(24 538)	-	-	-	-	-	4 746	4 746	(19 791)	(20 860)	(21 987)	
Transfers recognised - capital	17 116	-	-	-	-	-	238	238	17 354	18 291	19 279	
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	(7 422)	-	-	-	-	-	4 984	4 984	(2 438)	(2 569)	(2 708)	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	(7 422)	-	-	-	-	-	4 984	4 984	(2 438)	(2 569)	(2 708)	
Capital expenditure & funds sources												
Capital expenditure	17 627	-	-	-	-	-	10 618	10 618	28 245	20 870	21 997	
Transfers recognised - capital	17 207	-	-	-	-	-	1 351	1 351	18 558	19 560	20 616	
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	
Borrowing	-	-	-	-	-	-	-	-	-	-	-	
Internally generated funds	420	-	-	-	-	-	9 267	9 267	9 687	1 310	1 380	
Total sources of capital funds	17 627	-	-	-	-	-	10 618	10 618	28 245	20 870	21 997	
Financial position												
Total current assets	14 803	-	-	-	-	-	3 512	3 512	18 315	6 740	(1 826)	
Total non current assets	341 552	-	-	-	-	-	(6 172)	(6 172)	335 380	278 215	293 238	
Total current liabilities	33 050	-	-	-	-	-	386	386	33 437	34 203	36 049	
Total non current liabilities	11 021	-	-	-	-	-	12 957	12 957	23 977	25 284	26 649	
Community wealth/Equity	312 284	-	-	-	-	-	(41 814)	(41 814)	270 470	307 612	324 223	
Cash flows												
Net cash from (used) operating	18 426	-	-	-	-	-	-	-	18 426	19 421	20 470	
Net cash from (used) investing	(17 627)	-	-	-	-	-	(10 618)	(10 618)	(28 245)	(20 870)	(21 997)	
Net cash from (used) financing	(418)	-	-	-	-	-	-	-	(418)	(441)	(464)	
Cash/cash equivalents at the year end	3 876	-	-	-	-	-	(10 618)	(10 618)	(6 742)	(639)	(491)	
Cash backing/surplus reconciliation												
Cash and investments available	75 094	-	-	-	-	-	651	651	75 746	745	786	
Application of cash and investments	22 786	-	-	-	-	-	(4 033)	(4 033)	18 753	27 885	37 538	
Balance - surplus (shortfall)	52 308	-	-	-	-	-	4 684	4 684	56 992	(27 139)	(36 753)	

Table B2 Adjustment Budget Financial Performance (Functional classification)

EC123 Great Kei - Table B2 Adjustments Budget Financial Performance (functional classification) - 28/02/2019

Standard Description	Ref	Budget Year 2018/19									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	2019/20	2020/21
R thousands	1.4											
Revenue - Functional												
<i>Governance and administration</i>		83 482	-	-	-	-	-	(7 139)	(7 139)	76 343	80 465	84 810
Executive and council		221	-	-	-	-	-	100	100	321	339	357
Finance and administration		83 260	-	-	-	-	-	(7 239)	(7 239)	76 021	80 126	84 453
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		629	-	-	-	-	-	500	500	1 129	1 190	1 254
Community and social services		629	-	-	-	-	-	500	500	1 129	1 190	1 254
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		14 987	-	-	-	-	-	(306)	(306)	14 681	15 473	16 309
Planning and development		500	-	-	-	-	-	(46)	(46)	454	478	504
Road transport		14 487	-	-	-	-	-	(260)	(260)	14 227	14 995	15 805
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		28 068	-	-	-	-	-	(1 449)	(1 449)	26 619	28 056	29 571
Energy sources		14 199	-	-	-	-	-	(2 025)	(2 025)	12 174	12 831	13 524
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		13 869	-	-	-	-	-	576	576	14 445	15 225	16 047
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	127 165	-	-	-	-	-	(8 394)	(8 394)	118 771	125 185	131 945
Expenditure - Functional												
<i>Governance and administration</i>		81 909	-	-	-	-	-	(10 210)	(10 210)	71 699	75 571	79 652
Executive and council		13 446	-	-	-	-	-	(1 549)	(1 549)	11 897	12 539	13 216
Finance and administration		68 463	-	-	-	-	-	(8 661)	(8 661)	59 802	63 031	66 435
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 521	-	-	-	-	-	(462)	(462)	2 059	2 170	2 287
Community and social services		2 521	-	-	-	-	-	(462)	(462)	2 059	2 170	2 287
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		20 877	-	-	-	-	-	129	129	21 006	22 140	23 336
Planning and development		7 023	-	-	-	-	-	(52)	(52)	6 971	7 348	7 745
Road transport		13 854	-	-	-	-	-	180	180	14 034	14 792	15 591
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		29 380	-	-	-	-	-	(2 935)	(2 935)	26 445	27 873	29 378
Energy sources		13 406	-	-	-	-	-	1 847	1 847	15 253	16 077	16 945
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		15 974	-	-	-	-	-	(4 782)	(4 782)	11 192	11 796	12 433
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	134 687	-	-	-	-	-	(13 479)	(13 479)	121 209	127 754	134 653
Surplus/ (Deficit) for the year		(7 522)	-	-	-	-	-	5 084	5 084	(2 438)	(2 569)	(2 708)

Table B3 Adjustment Budget Financial Performance (revenue and expenditure by municipal vote)

EC123 Great Kei - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28/02/2019

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2018/19									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue by Vote	1											
Vote 1 - COUNCIL AND ADMINISTRATION		221	-	-	-	-	-	100	100	321	339	357
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL MANAGEMENT & INFORMATION TECHNOLOGY		83 150	-	-	-	-	-	(7 328)	(7 328)	75 821	79 916	84 231
Vote 4 - HUMAN RESOURCES & ADMINISTRATION		111	-	-	-	-	-	89	89	200	211	222
Vote 5 - COMMUNITY SERVICES		16 701	-	-	-	-	-	578	578	17 279	18 212	19 196
Vote 6 - INFRASTRUCTURE SERVICES		26 983	-	-	-	-	-	(1 834)	(1 834)	25 149	26 507	27 939
Vote 7 - STRATEGIC SERVICES & LED		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	127 165	-	-	-	-	-	(8 394)	(8 394)	118 771	125 185	131 945
Expenditure by Vote	1											
Vote 1 - COUNCIL AND ADMINISTRATION		6 570	-	-	-	-	-	(596)	(596)	5 974	6 297	6 637
Vote 2 - MUNICIPAL MANAGER		6 876	-	-	-	-	-	(953)	(953)	5 923	6 242	6 580
Vote 3 - FINANCIAL MANAGEMENT & INFORMATION TECHNOLOGY		55 024	-	-	-	-	-	(6 541)	(6 541)	48 482	51 101	53 860
Vote 4 - HUMAN RESOURCES & ADMINISTRATION		13 440	-	-	-	-	-	(2 120)	(2 120)	11 320	11 931	12 575
Vote 5 - COMMUNITY SERVICES		23 404	-	-	-	-	-	(6 094)	(6 094)	17 310	18 244	19 230
Vote 6 - INFRASTRUCTURE SERVICES		23 844	-	-	-	-	-	2 994	2 994	26 838	28 288	29 815
Vote 7 - STRATEGIC SERVICES & LED		5 530	-	-	-	-	-	(169)	(169)	5 361	5 651	5 956
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	134 687	-	-	-	-	-	(13 479)	(13 479)	121 209	127 754	134 653
Surplus/ (Deficit) for the year	2	(7 522)	-	-	-	-	-	5 084	5 084	(2 438)	(2 569)	(2 708)

Table B4 Adjustment Budget Financial Performance (revenue and expenditure)

EC123 Great Kei - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	17 703	17 000	22 787	17 000	24 516	24 516	24 516	25 791	27 184	28 679
Service charges - electricity revenue	2	5 743	4 174	6 381	7 575	7 501	7 501	7 501	3 401	3 585	3 782
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1 660	1 311	9 258	5 656	9 952	9 952	9 952	10 469	11 035	11 641
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		233	317	287	250	315	315	315	277	292	308
Interest earned - external investments		271	896	319	518	214	214	214	225	237	251
Interest earned - outstanding debtors		6 187	4 670	6 304	5 814	6 917	6 917	6 917	2 104	2 218	2 340
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		29	33	105	3	3	3	3	3	3	3
Licences and permits		2 240	1 186	1 412	1 488	1 488	1 488	1 488	2 200	2 319	2 446
Agency services		-	-	-	200	100	100	100	-	-	-
Transfers and subsidies		42 637	48 787	44 804	39 036	38 966	38 966	38 966	45 547	44 600	47 280
Other revenue	2	2 696	2 333	808	31 635	14 122	14 122	14 122	20 033	11 651	12 314
Gains on disposal of PPE		-	-	-	212	212	212	212	-	-	-
Total Revenue (excluding capital transfers and contributions)		79 399	80 708	92 465	109 387	104 306	104 306	104 306	110 049	103 122	109 043
Expenditure By Type											
Employee related costs	2	31 762	42 570	48 740	59 948	55 355	55 355	55 355	50 444	53 168	56 093
Remuneration of councillors		3 714	3 993	4 157	4 395	4 659	4 659	4 659	4 600	4 848	5 115
Debt impairment	3	17 442	3 973	10 237	12 000	10 200	10 200	10 200	12 500	13 175	13 900
Depreciation & asset impairment	2	37 967	25 267	21 542	15 000	15 000	15 000	15 000	25 000	26 350	27 799
Finance charges		1 367	1 238	2 256	664	664	664	664	665	701	739
Bulk purchases	2	7 262	7 954	8 497	8 764	8 764	8 764	8 764	8 700	9 170	9 674
Other materials	8	-	-	16	50	50	50	50	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	21 097	24 456	39 731	26 222	31 953	31 953	31 953	32 678	34 442	36 337
Loss on disposal of PPE		1 908	85	24 459	-	-	-	-	-	-	-
Total Expenditure		122 519	109 537	159 635	127 043	126 644	126 644	126 644	134 587	141 855	149 657
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(43 121)	(28 829)	(67 170)	(17 657)	(22 339)	(22 339)	(22 339)	(24 538)	(38 733)	(40 614)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(30 306)	4 236	(51 142)	(2 286)	(6 968)	(6 968)	(6 968)	(7 422)	(21 080)	(22 584)
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(30 306)	4 236	(51 142)	(2 286)	(6 968)	(6 968)	(6 968)	(7 422)	(21 080)	(22 584)
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(30 306)	4 236	(51 142)	(2 286)	(6 968)	(6 968)	(6 968)	(7 422)	(21 080)	(22 584)
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(30 306)	4 236	(51 142)	(2 286)	(6 968)	(6 968)	(6 968)	(7 422)	(21 080)	(22 584)

Table B5 Adjustment Budget Capital expenditure by vote and funding

Table B6 Adjustment Budget Financial Position

EC123 Great Kei - Table B6 Adjustments Budget Financial Position - 28/02/2019

Description	Ref	Budget Year 2018/19									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
ASSETS												
Current assets												
Cash		3 495							-	3 495		
Call investment deposits	1	56	-	-	-	-	-	651	651	707	745	786
Consumer debtors	1	11 252	-	-	-	-	-	2 861	2 861	14 113	5 995	(2 612)
Other debtors									-	-		
Current portion of long-term receivables									-	-		
Inventory									-	-		
Total current assets		14 803	-	-	-	-	-	3 512	3 512	18 315	6 740	(1 826)
Non current assets												
Long-term receivables									-	-		
Investments		71 544							-	71 544		
Investment property									-	-		
Investment in Associate									-	-		
Property, plant and equipment	1	269 895	-	-	-	-	-	(6 059)	(6 059)	263 836	278 215	293 238
Agricultural									-	-		
Biological									-	-		
Intangible		114						(113)	(113)	1		
Other non-current assets									-	-		
Total non current assets		341 552	-	-	-	-	-	(6 172)	(6 172)	335 380	278 215	293 238
TOTAL ASSETS		356 355	-	-	-	-	-	(2 660)	(2 660)	353 695	284 955	291 412
LIABILITIES												
Current liabilities												
Bank overdraft									-	-		
Borrowing		418	-	-	-	-	-	386	386	804	848	894
Consumer deposits									-	-		
Trade and other payables		31 630	-	-	-	-	-	-	-	31 630	33 354	35 155
Provisions		1 002							-	1 002		
Total current liabilities		33 050	-	-	-	-	-	386	386	33 437	34 203	36 049
Non current liabilities												
Borrowing	1	265	-	-	-	-	-	(265)	(265)	-	-	-
Provisions	1	10 756	-	-	-	-	-	13 222	13 222	23 977	25 284	26 649
Total non current liabilities		11 021	-	-	-	-	-	12 957	12 957	23 977	25 284	26 649
TOTAL LIABILITIES		44 071	-	-	-	-	-	13 343	13 343	57 414	59 486	62 699
NET ASSETS	2	312 284	-	-	-	-	-	(16 003)	(16 003)	296 281	225 468	228 714
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		312 284	-	-	-	-	-	(41 814)	(41 814)	270 470	307 612	324 223
Reserves		-	-	-	-	-	-	-	-	-	-	-
Minorities' interests									-	-		
TOTAL COMMUNITY WEALTH/EQUITY		312 284	-	-	-	-	-	(41 814)	(41 814)	270 470	307 612	324 223

Table B7 Adjustment Budget Cash Flows

EC123 Great Kei - Table B7 Adjustments Budget Cash Flows - 28/02/2019

Description	Ref	Budget Year 2018/19									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		18 936								18 936	19 959	21 036
Service charges		9 073								9 073	9 563	10 079
Other revenue		22 512								22 512	23 728	25 009
Government - operating	1	45 547								45 547	48 007	50 599
Government - capital	1	17 116								17 116	18 040	19 014
Interest		2 329								2 329	2 455	2 588
Dividends										-		
Payments												
Suppliers and employees		(96 840)								(96 840)	(102 070)	(107 581)
Finance charges		(247)								(247)	(260)	(274)
Transfers and Grants	1											
NET CASH FROM/(USED) OPERATING ACTIVITIES		18 426	-	-	-	-	-	-	-	18 426	19 421	20 470
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE										-		
Decrease (increase) in non-current debtors										-		
Decrease (increase) other non-current receivables										-		
Decrease (increase) in non-current investments										-		
Payments												
Capital assets		(17 627)								(10 618)	(28 245)	(21 997)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(17 627)	-	-	-	-	-	-	(10 618)	(10 618)	(28 245)	(21 997)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans										-		
Borrowing long term/refinancing										-		
Increase (decrease) in consumer deposits										-		
Payments												
Repayment of borrowing		(418)								(418)	(441)	(464)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(418)	-	-	-	-	-	-	-	(418)	(441)	(464)
NET INCREASE/ (DECREASE) IN CASH HELD		381	-	-	-	-	-	(10 618)	(10 618)	(10 236)	(1 889)	(1 991)
Cash/cash equivalents at the year begin:	2	3 495								3 495	1 250	1 500
Cash/cash equivalents at the year end:	2	3 876								(6 742)	(639)	(491)

QUALITY CERTIFICATE

I, O Kwababana Acting Municipal Manager of Great Kei Municipality, hereby certify that the adjustment budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the Regulations made under the Act,

and the adjustment budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

O Kwababana

MUNICIPAL MANAGER OF GREAT KEI MUNICIPALITY EC 123

28 February 2019