



**RATLOU LOCAL  
MUNICIPALITY  
SCHECULE B**

**2021/2022 ADJUSTMENT BUDGET  
& SUPPORTING DOCUMENTATION**

**FEBRUARY 2022**

**ADJUSTMENT BUDGET**

**Abbreviations and Acronyms**

BPC	Budget Planning Committee
CFO	Chief Financial Officer
MM	Municipal Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DoRA	Division of Revenue Act
EE	Employment Equity
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Strategy
IT	Information Technology
km	kilometre
m	million
GFS	Government Financial Statistics
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MOU	Memorandum of Understanding
FMG	Finance Management Grant
MSIG	Municipal Systems Improvement Grant
MIG	Municipal Infrastructure Grant
RHIG	Rural Household Infrastructure Grant
MBRR	Municipal Budget and Reporting Regulations
NMMDM	Ngaka Modiri Molema District Municipality

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## **PART 1 – ADJUSTMENT BUDGET**

### **1.1 Mayor’s Report**

Mayors report is a separate document

### **1.2 Resolution**

Council resolution is a separate document

### **1.3 Executive Summary**

#### **Legislative requirements**

Section 28(2) of the MFMA states that an adjustment budgets

(a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;

(b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

(c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;

(d) may authorise the utilisation of projected savings in one vote towards spending under another vote;

(e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;

(f) may correct any errors in the annual budget;

and (g) may provide for any other expenditure within a prescribed framework.

The budget principles that informed the compilation of the 2020/2021 Adjustment Budget are in line with Section 28 (2) (b) of the MFMA read together with Regulation 23(3) of the Municipal Budget Reporting Regulation (MBRR).

**Overview of 2021/22 Budget Adjustment:**

Description			
	Original budget	Total Adjusts	Adjustment budget
<b>Total Operating Revenue</b>	<b>176 598</b>	<b>8 676</b>	<b>185 273</b>
<b>Total Operating Expenditure</b>	<b>195 668</b>	<b>22 523</b>	<b>218 191</b>
<b>Surplus /Deficit</b>	<b>(19 070)</b>	<b>(13 848)</b>	<b>(32 918)</b>
<b>Capital Budget</b>	<b>34 342</b>	<b>17 227</b>	<b>51 569</b>

The total Operating revenue has increased with an amount of R 8,6 million due to grant received from NMMDM and other revenue which was understated during budget projections. The main contributing factors towards the increase in expenditure are on the following expenditure items : Telephone & Internet usage, mSCOA Support-Financial System, IT Systems upgrade, Depreciation, Rollovers, Accuals etc

	Original Budget	Total Adjusts.	Total Adjusted Budget
<b>2021-2022 Revised Revenue</b>			
R thousands			
Property rates	26 773	(1 855)	24 918
Service charges - electricity revenue	172	228	400
Rental of facilities and equipment	1 400	–	1 400
Interest earned - external investments	1 985	300	2 285
Fines, penalties and forfeits	52	53	105
Licences and permits	–	–	–
Agency services	1 031	–	1 031
Transfers and subsidies	145 085	10 000	155 085
Other revenue	100	(50)	50
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>176 598</b>	<b>8 676</b>	<b>185 273</b>

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- Service charges - electricity revenue – the municipality have underbudgeted for billing on electricity and it is increased through adjustment as it has overperformed.
- Interest earned - external investments – The municipality increase this revenue items due to over performance of the municipal investment account.
- Fines and Agency services – The budget was understated hence increased through budget adjustment.
- Transfers and subsidies had to be increased due to the R 10 million support grant received from the district municipality.
- Other Revenue – had to be adjusted downwards due to non-performance in tenders and telecentre income emanating from delayed registration of students.

<b>2021-2022 Revised Expenditure</b>	<b>Original Budget</b>	<b>Total Adjusts.</b>	<b>Total Adjusted Budget</b>
<b>R thousands</b>			
Employee related costs	98 487	757	99 244
Remuneration of councillors	12 962	600	13 562
Debt impairment	4 200	–	4 200
Depreciation & asset impairment	31 500	(3 500)	28 000
Finance charges	140	45	185
Other materials	505	120	625
Contracted services	15 483	13 916	29 399
Other expenditure	32 390	10 585	42 975
<b>Total Expenditure</b>	<b>195 668</b>	<b>22 523</b>	<b>218 191</b>

- The employee related costs - this line item is increased through the budget adjustment to provide for the expenditure items that were not accommodated in the annual budget.
- Remuneration of councillors – increased due to backpay on some councillors that were owed.
- Depreciation – baseline on AFS 2020 is sitting at around R 24 million which indicates this expenditure item must be revised downwards as the budget projection was high.
- Other materials – increased due the to items that were under budgeted for.
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## ADJUSTMENT BUDGET 2021/22

- Contracted services – is adjusted upwards due to new contracts that are appointed.
- Other expenditure is also revised upwards to ensure that all items are sufficiently budgeted for.

### **CAPITAL BUDGET ADJUSTMENTS**

	<b>Original Budget</b>	<b>Total Adjusts.</b>	<b>Total Adjusted Budget</b>
<b>2021-2022 Revised Capital Budget</b>			
R thousands			
Capital Budget	34 342	17 227	51 569
<b>Total Expenditure</b>	<b>34 342</b>	<b>17 227</b>	<b>51 569</b>

Total proposed capital budget is adjusted upwards with R 17,2 million to be funded from the internal funding realised on saving from previous budgets and to provide for roll overs on funds that have already been received by the municipality as the roll over is approved by treasury .

### **Adjustment Budget Table**

#### **TABLE 01: Budget Summary of Revenue and Expenditure**

ADJUSTMENT BUDGET 2021/22

NW381 Ratlou - Table B1 Adjustments Budget Summary -											
Description	Budget Year 2020/21									Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	1	2	3	4	5	6	7	8		
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Financial Performance</b>											
Property rates	26 773	-	-	-	-	-	(1 855)	(1 855)	24 918	27 897	29 125
Service charges	172	-	-	-	-	-	228	225	225	179	186
Investment revenue	1 985	-	-	-	-	-	300	300	2 285	2 045	2 106
Transfers recognised - operational	145 085	-	-	-	-	-	10 000	10 000	155 085	150 342	146 843
Other own revenue	2 583	-	-	-	-	-	(3)	(3)	2 580	2 662	2 863
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>176 598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 670</b>	<b>8 670</b>	<b>185 268</b>	<b>183 125</b>	<b>181 123</b>
Employee costs	98 487	-	-	-	-	-	757	757	99 244	103 412	108 582
Remuneration of councillors	12 962	-	-	-	-	-	600	600	13 562	13 740	14 564
Depreciation & asset impairment	31 500	-	-	-	-	-	(3 500)	(3 500)	28 000	33 075	33 737
Finance charges	140	-	-	-	-	-	45	45	185	147	154
Materials and bulk purchases	505	-	-	-	-	-	120	120	625	6 375	6 706
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	52 073	-	-	-	-	-	24 501	24 501	76 575	48 390	48 906
<b>Total Expenditure</b>	<b>195 668</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22 523</b>	<b>22 523</b>	<b>218 191</b>	<b>205 139</b>	<b>212 650</b>
<b>Surplus/(Deficit)</b>	<b>(19 070)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13 853)</b>	<b>(13 853)</b>	<b>(32 923)</b>	<b>(22 013)</b>	<b>(31 527)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	29 352	-	-	-	-	-	-	-	29 352	31 497	32 779
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>10 282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13 853)</b>	<b>(13 853)</b>	<b>(3 571)</b>	<b>9 484</b>	<b>1 252</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>10 282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13 853)</b>	<b>(13 853)</b>	<b>(3 571)</b>	<b>9 484</b>	<b>1 252</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>33 291</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 227</b>	<b>17 227</b>	<b>51 569</b>	<b>37 901</b>	<b>35 250</b>
Transfers recognised - capital	29 352	-	-	-	-	-	-	-	29 352	31 497	32 779
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	4 990	-	-	-	-	-	17 227	17 227	22 217	6 403	2 471
<b>Total sources of capital funds</b>	<b>34 342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 227</b>	<b>17 227</b>	<b>51 569</b>	<b>37 901</b>	<b>35 250</b>
<b>Cash flows</b>											
Net cash from (used) operating	37 279	-	-	-	-	-	(12 306)	(12 306)	24 973	37 901	35 250
Net cash from (used) investing	(29 352)	-	-	-	-	-	(17 227)	(17 227)	(46 579)	(31 497)	(32 779)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year</b>	<b>56 490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20 943)</b>	<b>(20 943)</b>	<b>35 547</b>	<b>67 883</b>	<b>70 355</b>

Summary of Operating Revenue and Expenditure, and Capital Transfers

**TABLE 02: FINANCIAL PERFORMANCE BY FUNCTIONAL CLASSIFICATION**



ADJUSTMENT BUDGET 2021/22

NW381 Ratlou - Table B2 Adjustments Budget Financial Performance (functional classification) -											
Standard Description	2021/2022									Budget year 2022/2023	Budget year 2023/2024
	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
<b>R thousands</b>											
<b>Revenue - Functional</b>											
<b>Governance and administration</b>	114 411	-	-	-	-	-	3 095	3 095	117 506	119 946	119 226
Executive and council	53 932	-	-	-	-	-	(50)	(50)	53 882	56 135	56 135
Finance and administration	60 479	-	-	-	-	-	3 145	3 145	63 624	63 811	63 091
<b>Community and public safety</b>	29 290	-	-	-	-	-	53	53	29 343	31 020	31 020
Community and social services	11 402	-	-	-	-	-	-	-	11 402	12 074	12 074
Public safety	17 888	-	-	-	-	-	53	53	17 941	18 947	18 947
<b>Economic and environmental services</b>	62 249	-	-	-	-	-	5 528	5 528	67 777	63 656	63 656
Planning and development	62 249	-	-	-	-	-	5 528	5 528	67 777	63 656	63 656
<b>Total Revenue - Functional</b>	<b>205 950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 676</b>	<b>8 676</b>	<b>214 626</b>	<b>214 623</b>	<b>213 902</b>
<b>Expenditure - Functional</b>											
<b>Governance and administration</b>	139 221	-	-	-	-	-	14 257	14 257	153 478	142 965	152 473
Executive and council	52 655	-	-	-	-	-	1 918	1 918	54 573	55 353	58 590
Finance and administration	86 566	-	-	-	-	-	12 339	12 339	98 905	87 612	93 884
<b>Community and public safety</b>	29 057	-	-	-	-	-	1 919	1 919	30 976	34 706	32 753
Community and social services	11 339	-	-	-	-	-	(120)	(120)	11 219	15 812	12 741
Public safety	17 718	-	-	-	-	-	2 039	2 039	19 757	18 894	20 013
<b>Economic and environmental services</b>	27 390	-	-	-	-	-	6 347	6 347	33 737	27 468	27 424
Planning and development	27 390	-	-	-	-	-	6 347	6 347	33 737	27 468	27 424
<b>Total Expenditure - Functional</b>	<b>195 668</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22 523</b>	<b>22 523</b>	<b>218 191</b>	<b>205 139</b>	<b>212 650</b>
<b>Surplus/ (Deficit) for the year</b>	<b>10 282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13 848)</b>	<b>(13 848)</b>	<b>(3 566)</b>	<b>9 484</b>	<b>1 252</b>

The table above illustrates the financial performance classified per function which indicates how different departmental budget have been revised through adjustment budget.

**TABLE 03: FINANCIAL PERFORMANCE BY VOTE**

NW381 Ratlou - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -												
Vote Description	2021/2022									Budget year 2022/2023	Budget year 2023/2024	
	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	
<i>[Insert departmental structure etc]</i>		3	4	5	6	7	8	9	10			
<b>R thousands</b>	A	A1	B	C	D	E	F	G	H			
<b>Revenue by Vote</b>												
Vote 1 - Executive and Council	53 932	-	-	-	-	-	(50)	(50)	53 882	56 135	56 135	
Vote 2 - Finance and Administration	60 479	-	-	-	-	-	3 145	3 145	63 624	63 811	63 091	
Vote 3 - Community and Social Services	11 402	-	-	-	-	-	-	-	11 402	12 074	12 074	
Vote 4 - Public Safety	17 888	-	-	-	-	-	53	53	17 941	18 947	18 947	
Vote 5 - Planning and Development	62 249	-	-	-	-	-	5 528	5 528	67 777	63 656	63 656	
<b>Total Revenue by Vote</b>	<b>205 950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 676</b>	<b>8 676</b>	<b>214 626</b>	<b>214 623</b>	<b>213 902</b>	
<b>Expenditure by Vote</b>												
Vote 1 - Executive and Council	52 655	-	-	-	-	-	1 918	1 918	54 573	55 353	58 590	
Vote 2 - Finance and Administration	86 566	-	-	-	-	-	12 339	12 339	98 905	87 612	93 884	
Vote 3 - Community and Social Services	11 339	-	-	-	-	-	(120)	(120)	11 219	15 812	12 741	
Vote 4 - Public Safety	17 718	-	-	-	-	-	2 039	2 039	19 757	18 894	20 013	
Vote 5 - Planning and Development	27 390	-	-	-	-	-	6 347	6 347	33 737	27 468	27 424	
<b>Total Expenditure by Vote</b>	<b>195 668</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22 523</b>	<b>22 523</b>	<b>218 191</b>	<b>205 139</b>	<b>212 650</b>	
<b>Surplus/ (Deficit) for the year</b>	<b>10 282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13 848)</b>	<b>(13 848)</b>	<b>(3 566)</b>	<b>9 484</b>	<b>1 252</b>	

The above table illustrates the revenue and expenditure by municipal vote.

**TABLE 04: Revenue: Financial Performance**

NW381 Ratlou - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -											
Description	2021/2022									Budget year 2022/2023	Budget year 2023/2024
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid .	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	3	4	5	6	7	8	9	10		
<b>R thousands</b>	A	A1	B	C	D	E	F	G	H		
<b>Revenue By Source</b>											
Property rates	26 773	-	-	-	-	-	(1 855)	(1 855)	24 918	27 897	29 125
Service charges - electricity revenue	172	-	-	-	-	-	228	228	400	179	186
Rental of facilities and equipment	1 400						-	-	1 400	1 442	1 543
Interest earned - external investments	1 985						300	300	2 285	2 045	2 106
Fines, penalties and forfeits	52						53	53	105	54	63
Agency services	1 031						-	-	1 031	1 062	1 147
Transfers and subsidies	145 085						10 000	10 000	155 085	150 342	146 843
Other revenue	100	-	-	-	-	-	(50)	(50)	50	105	110
Gains	-						-	-	-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>176 598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 676</b>	<b>8 676</b>	<b>185 273</b>	<b>183 125</b>	<b>181 123</b>
<b>Expenditure By Type</b>											
Employee related costs	98 487	-	-	-	-	-	757	757	99 244	103 412	108 582
Remuneration of councillors	12 962						600	600	13 562	13 740	14 564
Debt impairment	4 200						-	-	4 200	4 410	4 631
Depreciation & asset impairment	31 500	-	-	-	-	-	(3 500)	(3 500)	28 000	33 075	33 737
Finance charges	140						45	45	185	147	154
Other materials	505						120	120	625	6 375	6 706
Contracted services	15 483	-	-	-	-	-	13 916	13 916	29 399	16 412	17 397
Other expenditure	32 390	-	-	-	-	-	10 585	10 585	42 975	27 568	26 878
<b>Total Expenditure</b>	<b>195 668</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22 523</b>	<b>22 523</b>	<b>218 191</b>	<b>205 139</b>	<b>212 650</b>
<b>Surplus/(Deficit)</b>	<b>(19 070)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13 848)</b>	<b>(13 848)</b>	<b>(32 918)</b>	<b>(22 013)</b>	<b>(31 527)</b>
Transfers and subsidies - capital (monetary allocations) (National /	29 352						-	-	29 352	31 497	32 779

Table A4 above illustrate the revenue and the expenditure of the municipality per type.

**Operating Revenue:**

**Listed below are the only revenue items which are affected by the adjustment with reason why they had to be revised**

- Service charges - electricity revenue – the municipality have underbudgeted for billing on electricity and it is increased through adjustment as it has overperformed.
- Interest earned - external investments – The municipality increase this revenue items due to over performance of the municipal investment account.
- Fines and Agency services – The budget was understated hence increased through budget adjustment.
- Transfers and subsidies had to be increased due to the R 10 million support grant received from the district municipality.
- Other Revenue – had to be adjusted downwards due to non-performance in tenders and telecentre income emanating from delayed registration of students

**Operating Expenditure:**

- The employee related costs - this line item is increased through the budget adjustment to provide for the expenditure items that were not accommodated in the annual budget.
- Remuneration of councillors – increased due to backpay on some councillors that were owed.
- Depreciation – baseline on AFS 2020 is sitting at around R 24 million which indicates that this expenditure item must be revised downwards as the budget projection was high.
- Other materials – increased due to the items that were under budgeted for.
- Contracted services – is adjusted upwards due to new contracts that are appointed.
- Other expenditure is also revised upwards to ensure that all items are sufficiently budgeted for.

**TABLE 05: CAPITAL EXPENDITURE AND FUNDING**

NW381 Ratlou - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	2021/2022									Budget year 2022/2023	Budget year 2023/2024
	Original Budget	Prior Adjusted	Accum Funds	Multi-year capital	Unfore . Unavo id.	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		
<b>R thousands</b>	A	5 A1	B	C	D	E	F	G	H		
<b>Single-year expenditure to be adjusted</b>											
Vote 1 - Executive and Council	1 300	-	-	-	-	-	1 895	1 895	3 195	444	418
Vote 2 - Finance and Administration	1 970	-	-	-	-	-	1 160	1 160	3 130	2 249	187
Vote 3 - Community and Social Services	40	-	-	-	-	-	(30)	(30)	10	42	44
Vote 4 - Public Safety	170	-	-	-	-	-	40	40	210	179	187
Vote 5 - Planning and Development	13 112	-	-	-	-	-	14 162	14 162	27 274	34 988	34 414
Vote 6 - Energy Sources	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	17 750	-	-	-	-	-	-	-	17 750	-	-
<b>Capital single-year expenditure sub-total</b>	<b>34 342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 227</b>	<b>17 227</b>	<b>51 569</b>	<b>37 901</b>	<b>35 250</b>
<b>Total Capital Expenditure - Vote</b>	<b>34 342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 227</b>	<b>17 227</b>	<b>51 569</b>	<b>37 901</b>	<b>35 250</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>	<b>3 270</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 055</b>	<b>3 055</b>	<b>6 325</b>	<b>2 692</b>	<b>605</b>
Executive and council	1 300						1 895	1 895	3 195	444	418
Finance and administration	1 970						1 160	1 160	3 130	2 249	187
<b>Community and public safety</b>	<b>210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>220</b>	<b>221</b>	<b>232</b>
Community and social services	40						(30)	(30)	10	42	44
Public safety	170						40	40	210	179	187
<b>Economic and environmental services</b>	<b>30 862</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14 162</b>	<b>14 162</b>	<b>45 024</b>	<b>34 988</b>	<b>34 414</b>
Planning and development	13 112						14 162	14 162	27 274	34 988	34 414
Road transport	17 750						-	-	17 750	-	-
<b>Total Capital Expenditure - Functional</b>	<b>34 342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 227</b>	<b>17 227</b>	<b>51 569</b>	<b>37 901</b>	<b>35 250</b>
<b>Funded by:</b>											
National Government	29 352						-	-	29 352	29 919	31 498
<b>Transfers recognised - capital</b>	<b>29 352</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29 352</b>	<b>29 919</b>	<b>31 498</b>
<b>Internally generated funds</b>	<b>4 990</b>						<b>17 227</b>	<b>17 227</b>	<b>22 217</b>	<b>7 812</b>	<b>9 198</b>
<b>Total Capital Funding</b>	<b>34 342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 227</b>	<b>17 227</b>	<b>51 569</b>	<b>37 731</b>	<b>40 696</b>

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**TABLE 06: FINANCIAL POSITION**

NW381 Ratlou - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2020/21									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjsts.	Adjsts.	Budget	Budget	Budget
R thousands												
		A	A1	B	C	D	E	F	G	H		
<b>ASSETS</b>												
<b>Current assets</b>												
Cash		96 479						-	-	96 479	95 173	91 754
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	0	-	-	-	-	-	(0)	(0)	-	29 104	35 455
Other debtors		5 768						-	-	5 768	6 056	6 359
Current portion of long-term receivables								-	-	-		
Inventory		651						-	-	651	684	718
<b>Total current assets</b>		<b>102 898</b>	-	-	-	-	-	(0)	(0)	<b>102 898</b>	<b>131 017</b>	<b>134 286</b>
<b>Non current assets</b>												
Long-term receivables		-						-	-	-		
Investments		-						-	-	-		
Investment property		23 310						-	-	23 310	24 476	25 699
Investment in Associate								-	-	-		
Property, plant and equipment	1	361 697	-	-	-	-	21 800	10 559	32 359	394 056	366 849	370 902
Biological		-						-	-	-		
Intangible		231						-	-	231	243	255
Other non-current assets		-						-	-	-		
<b>Total non current assets</b>		<b>385 238</b>	-	-	-	-	<b>21 800</b>	<b>10 559</b>	<b>32 359</b>	<b>417 597</b>	<b>391 567</b>	<b>396 856</b>
<b>TOTAL ASSETS</b>		<b>488 136</b>	-	-	-	-	<b>21 800</b>	<b>10 559</b>	<b>32 359</b>	<b>520 495</b>	<b>522 584</b>	<b>531 142</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft		-						-	-	-		
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Consumer deposits		17						-	-	17	18	19
Trade and other payables		45 529	-	-	-	-	(6 377)	-	(6 377)	39 153	20 000	17 000
Provisions		-						-	-	-		
<b>Total current liabilities</b>		<b>45 546</b>	-	-	-	-	<b>(6 377)</b>	-	<b>(6 377)</b>	<b>39 169</b>	<b>20 018</b>	<b>17 019</b>
<b>Non current liabilities</b>												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	2 192	-	-	-	-	-	-	-	2 192	2 302	2 417
<b>Total non current liabilities</b>		<b>2 192</b>	-	-	-	-	-	-	-	<b>2 192</b>	<b>2 302</b>	<b>2 417</b>
<b>TOTAL LIABILITIES</b>		<b>47 739</b>	-	-	-	-	<b>(6 377)</b>	-	<b>(6 377)</b>	<b>41 362</b>	<b>22 320</b>	<b>19 436</b>
<b>NET ASSETS</b>	2	<b>440 398</b>	-	-	-	-	<b>28 177</b>	<b>10 559</b>	<b>38 736</b>	<b>479 133</b>	<b>500 264</b>	<b>511 707</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		-	-	-	-	-	21 800	-	21 800	21 800	15 495	12 772
Reserves		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21 800</b>	<b>-</b>	<b>21 800</b>	<b>21 800</b>	<b>15 495</b>	<b>12 772</b>

The municipality's projections on the financial position are illustrated in the table above. However it must be noted that the system is still not able to generate the credible and complete information for all the tables.

**TABLE 07 :CASH FLOW STATEMENT**

NW381 Ratlou - Table B7 Adjustments Budget Cash Flows -											
Description	2021/2022									Budget year 2022/2023	Budget year 2023/2024
	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
<b>R thousands</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates	18 070							-	18 070	21 432	22 504
Service charges	172							-	172		
Other revenue	2 583						3 417	3 417	6 000	2 728	2 846
Transfers and Subsidies - Operational	145 085						10 000	10 000	155 085	145 689	153 206
Transfers and Subsidies - Capital	29 352						-	-	29 352	31 494	33 156
Interest	1 985						300	300	2 285	1 700	1 768
Dividends								-	-		
<b>Payments</b>											
Suppliers and employees	(159 828)						(25 978)	(25 978)	(185 806)	(158 871)	(168 159)
Finance charges	(140)						(45)	(45)	(185)	(63)	(66)
Transfers and Grants	-							-	-	(7 685)	(7 978)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>37 279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12 306)</b>	<b>(12 306)</b>	<b>24 973</b>	<b>36 425</b>	<b>37 278</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE								-	-		
Decrease (increase) in non-current receivables	-							-	-		
Decrease (increase) in non-current investments	-							-	-		
<b>Payments</b>											
Capital assets	(34 342)						(17 227)	(17 227)	(51 569)	37 901	35 250
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(34 342)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17 227)</b>	<b>(17 227)</b>	<b>(51 569)</b>	<b>37 901</b>	<b>35 250</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans								-	-		
Borrowing long term/refinancing								-	-		
Increase (decrease) in consumer deposits								-	-		
<b>Payments</b>											
Repayment of borrowing								-	-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>2 937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29 533)</b>	<b>(29 533)</b>	<b>(26 596)</b>	<b>74 325</b>	<b>72 528</b>
Cash/cash equivalents at the year begin:	53 553						8 590	8 590	62 143	96 479	95 173
Cash/cash equivalents at the year end:	56 490						(20 943)	(20 943)	35 547	170 805	167 701

The adjustments made on these projections of cash flow is to disclose the increase in operating revenue budget due to VAT Returns and the NMMDM grant received. The interest on investment have also overperformed hence an increase. The cash flow statements has a positive cash flow balance which will fund the expenditure items as increased. The system generated cash flow is not reliable due to the credibility and the completeness of information contained.

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All other sheets cannot be populated as generated from the system for the reason that the system vendor is still not done on the process of ensuring a credible, reliable and complete set of budget schedules .